

IP Protection for a Unicorn: Procore's Perspective

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Speaker



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Paul is the Associate General Counsel, Product & IP at Procore, where he oversees legal and corporate compliance for the Company's product and engineering groups, including all IP matters for the Company.

Prior to joining Procore, he led IP litigation for Sonos, and also was part of the team responsible for licensing, protecting and developing Sonos's patent portfolio, which is ranked #2 in the IEEE patent power scorecard, behind only Apple.

Paul was formerly a partner at McDonnell Boehnen Hulbert & Berghoff, where he litigated complex software patent cases, prosecuted numerous patents, and assisted clients in developing their IP strategy.

Paul has a B.S. in Computer Engineering from Northwestern University and a J.D. from Northwestern University School of Law.

Speaker



Thomas J. Speiss, III
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Tom Speiss, a shareholder with Stradling, is a Global IP Portfolio manager.

- Obtained his B.S. from James Madison University, his J.D. from Villanova University, and his M.B.A. from the University of Southern California;
- Co-taught an intellectual property-based class in the J.D./M.B.A. program at UCLA Law School entitled “Counseling Emerging Technology and Start Up Companies,” as well as a class within the UCLA economics department concerning sports economics;
- Was a Contributing Editor and Author of the legal treatise *Trade Secret Litigation and Protection in California*, published by the State Bar of California;
- Is lead IP Due Diligence counsel for the government of New Zealand for its clean technology and green technology investments in the United States;
- Manages several Global IP Portfolios, including for Axonics Modulation Technologies, L-Nutra (through the USC Stevens Center for Innovation), Procore Technologies and Country Archer; and,
- Prior to becoming an attorney, was a news reporter for the *Los Angeles Times*.

Brand Value

- Intellectual Property (IP) is a Commodity.
 - It creates value for the company and its business partners; and
 - The more IP a company has protected, the more able it is to carve out its competitive space, like MONOPOLY®.



Global Intellectual Property

- Each country or jurisdiction has its own protection schemes for IP, which are:
 - Patents: There is no such thing as an international patent, and *issued* patents are country-specific;
 - Trademarks: There is no such thing as an international trademark, and one *registered* trademark in one jurisdiction might not be available in another jurisdiction;
 - Copyrights: Copyrights *registered* in the United States can be protected in about 187 jurisdictions throughout the world; and,
 - Trade Secrets: Trade secrets are a company's confidential and proprietary information, and are not publically registered or issued.

Patent

▪ Patent Portfolio

- Google buys Motorola Mobility for \$12.5 billion; industry consensus is that the deal will provide patents they need in upcoming patent duels.
- In 2009, an initial jury award of \$1.848 billion was given to Centocor Ortho Biotech Inc. from Abbott Labs for infringing Centocor's arthritis drug patents.

▪ Patent Basics:

- Limited Monopoly: The right to exclude others from making, using, marketing, selling, offering for sale, or importing an invention for a specified period.
 - Utility: 20 years. Novel, non-obvious and *useful*.
 - Design: 15 years. Novel, non-obvious and *ornamental*.
- Is granted by the federal government to the inventor if the device or process is novel, useful, and nonobvious.
- Effect: Not international. Only jurisdictional.

Patent

■ Patent Basics

- A patent is a limited monopoly over an invention.
- The invention must be adequately disclosed in the patent application.

■ Protection

- What is protected?
 - Processes
 - Machines
 - Articles of manufacture (products)
 - Compositions of matter
 - Methods of doing business
- Not protected:
 - Concepts or Abstract Ideas

Patent

- Types of Patents

- Utility Patent: Novel, non-obvious and *useful*. It is issued for the invention of a new and useful process, machine, manufacture, or composition of matter, or a new and useful improvement thereof.
- Design Patent: Novel, non-obvious and *ornamental*. A design patent is a form of legal protection granted to the ornamental design of a functional item.

Patent

- Application Types (utility)

- Provisional Patent Application: a provisional application
 - establishes an early filing date, but does not mature into an issued patent unless the applicant files a regular non-provisional patent application within one year;
 - is automatically abandoned 12 months after its filing date and is *not* examined; and,
 - –Enabling disclosure: a provisional patent application must disclose a claimed invention in sufficient detail for the notional person skilled in the art to carry out that claimed invention.
- Non-provisional patent application: A non-provisional application is examined by a patent examiner and may be issued as a patent if all the requirements for patentability are met. Each year the USPTO receives more than 500,000 patent applications. Most of the applications filed with the USPTO are non-provisional applications for utility patents.

Patent

- Subject areas for Procore to consider in filing for patent protection
 - Software / Products
 - Hardware
 - Improvements
 - New ways to perform existing tasks
 - Computer systems / apps
 - New and useful techniques for computer functionality
 - Transformative inventive concept

Patent

■ Ownership

- Individual Inventors: Application filed in name of inventor(s)
- Assignment: A patent application can be assigned. The assignment
 - Written: Must be in writing.
 - Assignment Formats:
 - Proprietary Invention Assignment Agreements: An invention assignment agreement is a contract that gives the employer certain rights to inventions created or conceptualized by the employee during the employment relationship. Typically, this type of agreement: (1) requires the employee to disclose any such inventions to the employer; (2) to “assign” (legally transfer) ownership rights in such inventions to the employer; and, (3) to assist the employer in getting a patent on any such inventions;
- Employment Agreements;
- Consulting Agreements; and,
- Other: Other written instruments.

Patent

- Length: The length of a U.S.-issued patent is as follows,
 - Provisional: Provisional patent application: 1 year
 - Non-Provisional:
 - Utility patent: 20 years from application's effective filing date.
 - Design patent: 15 years from patent issue date.
- Time to File: When to File Patent Applications
 - United States:
 - Before enabling public disclosure.
 - Preserve foreign patent rights.
 - One (1) Year: Within 1 year from public disclosure, sale, offer for sale, description in printed publication; *and/or*, within 1 year from provisional patent application.
 - Foreign: International patents do not exist.
 - As part of the decision tree analysis, it is important, at the time of the filing of the U.S. application, to discuss international rights.

Patent

▪ Patent Application Process:

- Step 1: Invention Disclosure Form: Complete the Invention Disclosure Form and provide to initial gatekeeper.
 - Inventor information;
 - Prior or anticipated public disclosure or sale;
 - Invention Description: Summary; Problem solved; Technical description: Drawings, flow charts, sketches, storyboards
- Step 2: Patent Search:
 - Conduct search of prior issued and prior filed patent applications (e.g., “Prior Art”) and identify any relevant Prior Art;
- Step 3: Provide Clearance Opinion:
 - Provide analysis and opinion. The opinion can be “non-infringement” or “invalidity.”
- Step 4: Prepare and file application.

Trade Secret

- Trade Secret

- Information, including a formula, pattern, compilation, program, device, method, technique or process that:
- derives independent economic value, whether actual or potential, from not being generally known;
- is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (locking doors, using passwords, employment agreements, NDAs).

- Trade Secret Basics:

- Protection Scheme: Federal scheme, but state-based.
- Duration: As long as the secrets are protected.
- Cost: There is no registration system and no related government costs or fees.

Trade Secret

- Trade Secret Defined:

- Perpetual: A trade secret is perpetual in nature, if properly identified and protected.
- Sensitive Business Data and Technology: Under the Uniform Trade Secret Act, a “Trade Secret” means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:
 - Economic Value: derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and,
 - Secrecy: is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Trade Secret

- Trade Secret Identified:

- Identify and Protect: Under trade secret law, a party must identify and protect its trade secrets, as follows,
 - Types of Trade Secrets: Courts in California have found many types of information that can constitute legally protectable trade secrets, subject to the trade secret holder satisfying all of the statutory requirements, including, *inter alia*:
 - software design platforms;
 - construction project information;
 - engineering drawings and blueprints;
 - job costing and estimating information;
 - technical know-how and specifications;
 - data and databases;
 - product plans and designs;
 - business strategies and methods;
 - customer lists and customer information;
 - employee lists;
 - information in one's head or memory; and, but not limited to,
 - information regarding prototypes.

Trademark

- Trademark:

- A trademark is a word, phrase, logo, or other graphic symbol used by a manufacturer or seller to distinguish its product or products from those of others (e.g., as a source identifier); and,
- The main purpose of a trademark is to designate the source of goods or services.

- Trademark Basics:

- Registration and Length:
- Can be common law or registered.
- Registration is not necessary in the U.S. In other countries, such as Japan and China, it is a necessity.
- Forever: Trademark rights do not expire by operation of law. Could last forever, if used in commerce forever and renewed within statutory periods.
- Effect: Not international, jurisdictional only.
- Cost: Varies based on jurisdiction.

Trademark

- Legal Standard for Determining Trade Secrets:
In order to be classified as a trade secret, information must:
 - Derive Economic Value: The information must derive economic value.
 - Unknown: The information must not be generally known to the public or persons who can obtain economic value from its disclosure.
 - Secrecy: The information must be maintained as confidential (e.g., a company must make all reasonable attempts to safeguard the secrecy of the information).

- Indefinite:
Unlike other forms of intellectual property protection, such as patent and copyright, which lapse, trade secret protection is indefinite — it lasts as long as the protected information remains secret.

Trademark

- “Confidential Information” vs. “Trade Secrets”:
 - Confidential information can be distinguished from trade secrets, as follows,
 - Economic Value:
 - Trade Secret: A trade secret must have economic value.
 - Confidential Information: Confidential Information does not need to necessarily have economic value.
 - Secrecy:
 - Trade secret owners must undertake secrecy.
 - Confidentiality is a lesser standard than secrecy.
 - Claims for Relief:
 - Trade Secret: Improper acquisition, disclosure, or use of trade secrets gives rise to an action for misappropriation of trade secrets, as well as for breach of contract.
 - Confidential Information: Claims for misuse of confidential information include breach of contract and breach of confidence.
 - Attorneys’ Fees:
 - Trade Secret: Yes, per statute/relevant legal authority.
 - Confidential Information: No, absent an agreement by the parties.

Trademark

- Domain Name Availability: Question to ask — is the uniform resource locator (“URL”) available. A search of www.Whois.com will yield the results. For instance:

Domain Name Registration

k-match .com **Search**

Search results

Domain	Status	Whois	Backorder	Acquire
✘ k-match.com	Taken	Whois	Backorder	Acquire
<input type="checkbox"/> k-match.net	Available		SALE!	\$3.88
<input type="checkbox"/> k-match.org	Available		SALE!	\$6.88
<input type="checkbox"/> k-match.biz	Available		SALE!	\$3.88
<input type="checkbox"/> k-match.us	Available			\$9.88
<input type="checkbox"/> k-match.co	Available		SALE!	\$12.88

Register Selected

- Review target results, assess the owner, the expiration date of the URL, as well as look at the URL itself (here, www.k-match.com and www.kmatch.com)

Copyright

■ Copyright:

- A copyright is a property right in an original work of authorship (e.g., something independently created), including,
 - Procore: for Procore, software, a website, any written materials, and its company logo and other logos it uses; and,
 - General Public: for the general public, literary, musical, dramatic, choreographic, pictorial, graphic, sculptural and architectural works, motion pictures and other audiovisual works, and sound recordings);
 - Not Protected: Ideas, telephone numbers (unless part of a business name).
- Provides the copyright holder with the exclusive right to reproduce, adapt, distribute, perform, and display the work.

Copyright Basics:

- Term: 95 years from first publication *or* 120 years from creation, whichever is shorter; *or*, the author's life plus 70 years.
- Effect: Berne Convention – international effect.
- Cost: Government fee is \$55 per application.

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