

Sixth Edition

Your Guide to Patents, Trademarks, Copyrights and Trade Secrets



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Holland & Bonzagni

INTELLECTUAL PROPERTY ATTORNEYS

PATENTS/TRADEMARKS/COPYRIGHTS/COMPUTER LAW/CYBER LAW

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Foreword

This is the sixth edition of Holland & Bonzagni's booklet, first published in 1986. It is a primer to make general attorneys and corporate personnel streetwise about current Intellectual Property ("IP") laws involving patents, trademarks, copyrights and trade secrets.

There have been major changes to IP, since our fifth edition. For example, the America Invents Act ("AIA") has revamped U.S. patent laws to become consistent with other countries. Highlights include:

- On March 16, 2013, the U.S. switched from a first-to-invent to a first-to-file patent system. Only the first person to file a patent application on an invention can receive a patent, with few exceptions.
- A "junior" inventor can race to the U.S. Patent and Trademark Office (the "Patent Office") and beat out a prior inventor, who waits to file.
- If an inventor (or company) publicly uses an invention, or offers it for sale, or discloses it in a printed application, before filing a patent application, any patent rights are lost. There used to be a one-year grace period to file an application after such an activity.

There are cost-saving systems for filing foreign patent and trademark applications. A single international trademark application (e-filed in English) can now cover over 75 foreign countries. By 2015, a single European patent will cover over 25 European Union member countries.

Holland & Bonzagni, P.C. (founded in 1981) has protected its clients' products and services in over 75 countries. Those products have ranged from the food you eat overseas to the money used to pay for it.

The firm utilizes teams of experienced IP attorneys and paralegals to handle clients' international accounts in a cost-efficient manner. You can "Meet the Firm" at our website: www.hblaw.org.

Over the years, we have constantly received compliments about the earlier editions of this booklet. I hope you find this revised version just as useful.

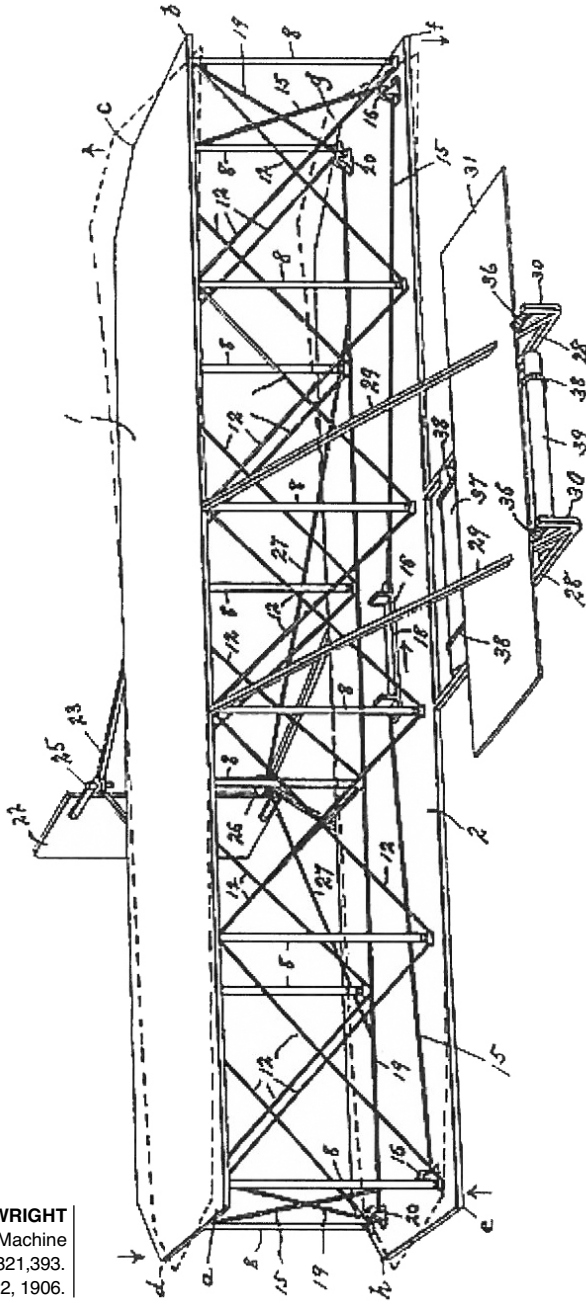
Sincerely,

A handwritten signature in black ink that reads "Donald S. Holland". The signature is written in a cursive, flowing style.

Donald S. Holland, Esq.

Patents

O. & W. WRIGHT
Flying Machine
No. 821,393.
Patented May 22, 1906.



Ten Frequently Asked Questions

Q1. What is a U.S. patent?

A1. A patent is a grant issued by the federal government giving an inventor (or his Assignee) the right to exclude all others from conducting any of the following activities within the United States: making, using, or selling the invention. For example, if a knock-off is made in another country but sold in the U.S., the U.S. patent can be used to stop those sales. The U.S. government grants this limited monopoly in return for a full disclosure of the invention in the patent application.

Q2. What subject matter can be patented?

A2. A U.S. patent may be granted to an inventor of any new, useful, and unobvious process, machine, manufacture, or composition of matter, or any new and useful improvement thereof; or for any distinct and new variety of asexually reproduced plants; or for any new, original and ornamental design of a manufactured article.

Q3. How long do U.S. patents last?

A3. Since June 8, 1995, the term of any U.S. Utility patent has been basically 20 years. The 20 years is measured from the date the application for patent was filed, not the issue date of the patent. After the patent expires, it cannot be renewed and anyone is free to copy the invention described in it.

Q4. Can we sell our new product awhile before deciding whether to file a patent application?

A4. Most countries, including the U.S., would bar any patent application.

Q5. What is a provisional patent application?

A5. A provisional application is an informal, yet complete, disclosure of an invention filed at the U.S. Patent and Trademark Office. It is not examined by the Patent Office and does not, by itself, result in a patent. It buys the inventor (or his assignee) one year to decide whether or not to file a "regular" (a.k.a. "Utility") patent application. If the regular application is filed within that year, the regular application is accorded the same date as the provisional application.

Q6. What does "patent pending" mean?

A6. It is a great deterrent, used by a manufacturer or seller, to inform competitors that a patent application is on file at the U.S. Patent Office. Rather than run the risk of "buying a lawsuit" when your patent issues, a would-be copier may steal someone else's product - one that does not have a "patent pending" designation on it.

Q7. Can we get a worldwide patent?

A7. There is no such thing. There are some foreign conventions, however, that group multiple countries for patent protection at a reduced price. Starting in 2014 or 2015, a single European patent will cover over 25 countries

belonging to the European Patent Organization.

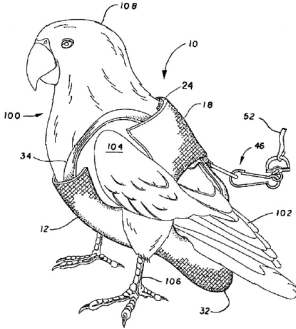
There no longer will be separate filing fees or paperwork for each country. That can represent a cost savings of over 75%.

LORRAINE & MARK MOORE

Bird Diaper

No. 5,934,226.

Patented August 10, 1999.



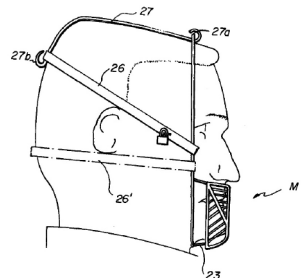
Q8. What is a PCT search?

A8. It is an International Search process under the Patent Cooperation Treaty. By it, a company can seek a second opinion from a foreign Patent Office as to the patentability of its invention. The PCT process takes 18-30 months. At the tail end, a company can decide whether its invention is profitable enough to warrant filing foreign patent applications, off the PCT.

Q9. If one of our employees invents something, who owns it?

A9. Generally, in the absence of an express agreement, the only instances where your company may have a right to or an interest in the invention and any patent acquired for it are:

1. Where the employee has been specifically designated or employed to invent a specific thing and does so at your company's expense, title to the invention and to the patent becomes the property of your company;
2. Where the employee has not been specifically designated or employed to invent a specific thing, but the invention is made on company time and with the company's tools and materials, your company acquires what is known as "shop rights." Those shop rights entitle the company to make, use and sell the invention in the conduct of its business, though it cannot prevent the employee from securing a valid patent and even peddling the invention to a competitor; and
3. Where the employee permits your company to use the invention without any reservation as to the employee's rights, this may constitute a constructive



LUCY L. BARMBY

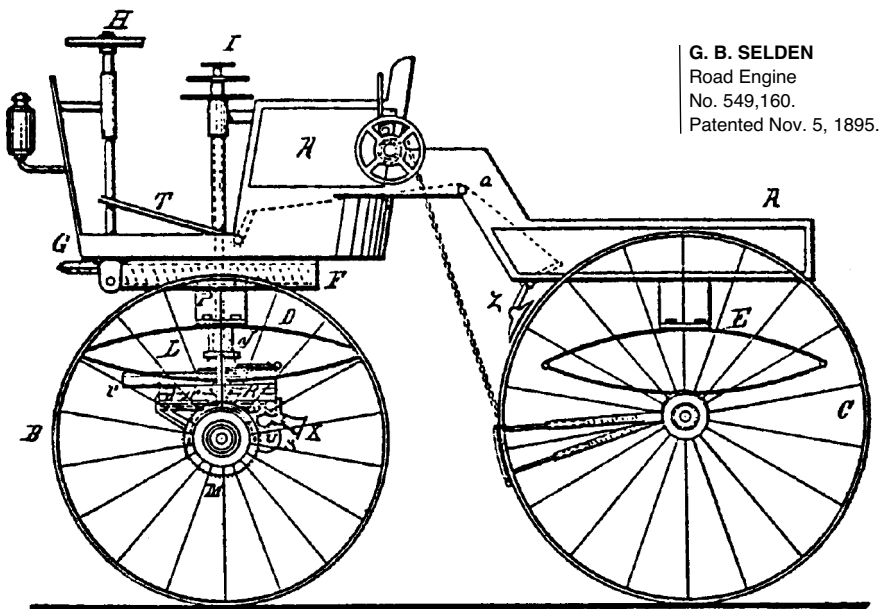
Anti-Eating Face Mask
No. 4,344,424.

Patented August 17, 1982.

or implied license to the company to make and use the invention even outside the scope of its business

Q10. Should we conduct a search of patents and other records before finalizing a product?

A10. Yes, if the patent search shows that the product is old, then exclusive rights to it cannot be obtained by a patent. It may not make sense to invest any further money in developing or promoting that product.



Practical Advice About Patents

Congress recently overhauled U.S. patent laws by passing the America Invents Act ("AIA"). On March 16, 2013, the U.S. changed from a first-to-invent to a first-to-file patent system.

Under the new system, only the first person to file a patent application for an invention can receive a patent, with few exceptions.

A "junior" inventor can race to the U.S. Patent and Trademark Office (the "Patent Office") and beat out a prior inventor, who waits to file.

If an inventor (or company) publicly uses an invention, or offers it for sale, or discloses it in a printed application, before filing a patent application, any patent rights are lost. There used to be a one-year grace period to file an application after such an activity.



Other changes include procedures for challenging patent applications and issued patents at the Patent Office. These procedures are approximately 12 to 18 months long. They potentially preempt litigation on patents which never should have been granted.

AIA TIPS: Most companies should file provisional patent applications rather than nonprovisional patent applications (a.k.a. "regular" or "Utility" applications) before initially disclosing their inventions or offering them for sale (e.g., at trade shows). A provisional application is an informal, yet complete, disclosure of an invention filed at the Patent Office. It buys the inventor (or his assignee) one year to decide whether or not to file a regular patent application.

Provisional patent applications are relatively inexpensive. Therefore, most companies should file their provisional applications shortly after creating inventions. Update your provisional applications upon creating major changes (e.g., for a production model). This approach may avoid having someone beat you to the Patent Office.

Before you file, conduct a preliminary patent search using Google® Patents. Also try to buy your product online. If you do not find it, contact a patent attorney to conduct a more detailed search or to file a provisional patent application. Which comes first depends upon the timing of your company's first marketing efforts or public disclosure.

Trademarks

MOSSBERG®

COUNTRIES PROTECTED
UNITED STATES
EUROPEAN COMMUNITY (Single Registration)
AUSTRALIA
CHILE
CHINA
JAPAN
NEW ZEALAND
PARAGUAY
PERU
PHILIPPINES
RUSSIA
TURKEY
URUGUAY

“Trademarks now can be protected economically all over the world.”

~ Holland & Bonzagni, P.C.

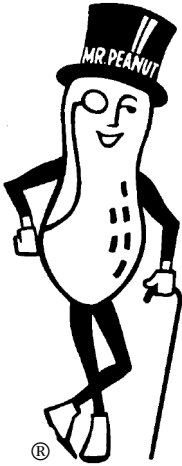
Ten Frequently Asked Questions

Q1. What is a trademark?

A1. Trademarks, often known and used as brand names, are a part of everyday life. They can be a word (e.g., CRANE®), logo ("MOSSBERG" logo), slogan (e.g., "JUST DO IT"), package design (e.g., old-fashioned COKE® bottle) or other source indicator (e.g., color "Tan" for heavy-duty tool storage chests), or combination of them (e.g., THE GOLDEN ARCHES® with MCDONALD'S® brand).

Q2. What are the main purposes of a trademark?

A2. The main purpose of a trademark is to prevent the public from being confused about the true source of goods or services. By doing this, a trademark also helps to assure that the trademark owner, and not an imitative competitor, will reap the many rewards associated with a desirable product. Trademarks also let the public know that the quality of the goods (e.g., a DELL® laptop) is the same no matter where you buy it.



Q3. How are U.S. trademark rights established?

A3. Rights in a trademark are established by usage in the United States. Such usage can occur either before or after an application for trademark registration is applied for at the U.S. Patent and Trademark Office. Such applications can be filed based upon actual usage of the mark or just a bona fide intent to use it.

Q4. What other types of marks can be federally registered?

A4. Besides trademarks (which identify products), there are other marks that can be registered - service marks, certification marks, and collective marks. Service marks are used in the sale or advertising of services (e.g., FRIENDLY'S® for restaurants); certification marks are used to certify regional origin, mode of manufacture, accuracy, quality or other characteristics of the goods or services of someone other than the certifier (e.g., UL® certifies quality of goods); and collective marks are used by cooperatives or other collective groups or organizations (e.g., NHL® hockey league) to signify membership in the association or to identify goods or services sold by members of the association.

Q5. Our company has a proposed trademark that we intend to use. Should we have a search performed to see if it is available?

A5. Yes, before you invest any money in advertising the mark. That way, if it turns out that your proposed mark would conflict with an existing mark, you can change your mark now before you have invested a great deal of money in it. This search should be done by a trademark specialist.

Q6. Do we have to register our mark to protect it in the U.S.?

A6. Theoretically no. Trademark rights in the U.S. can be protected under common law without a registration. However, to enforce these common-law rights, it usually requires a large expenditure of money to prove and establish common-law ownership. In dollars and cents, it is more practical to obtain a federal registration for your mark. Should you have to protect your mark, this registration is proof that the U.S. Trademark Office has determined that you own the mark.



Q7. Do we have to register our mark to protect it in foreign countries?

A7. Yes, as foreign trademark rights are generally established by registration not use.

Q8. Is it costly to file for foreign trademark registrations?

A8. The answer was yes, until about 2003. Separate trademark applications had to be filed in each foreign country in which a manufacturer or retailer wanted to prevent someone from using its brand. Now a single, relatively inexpensive, International Application can be filed under the "Madrid Protocol" to cover over 75 foreign countries.

Q9. Someone recently started using our company's main brand as a "domain name." They're diverting business to a competitor. Can we stop them?

A9. You should be able to stop that company fairly easily. The Internet Corporation for Assigned Names and Numbers ("ICANN") coordinates the domain name system. Owners of domain name registrations must follow ICANN's Uniform Domain Name Resolution Dispute Policy ("UDRP"). Disputes from allegations of abuse usually can be resolved through an inexpensive administrative procedure using an approved UDRP forum. The procedure normally lasts 3-5 months. Success rate is extremely high.

Q10. Does licensing our brand make sense?

A10. Licensing trademarks can be extremely lucrative, but it is not for everyone. Licensing can bring in revenues from new products or "new" countries. Such licensing can also extend the scope of your brand's protection to encompass the new products. There is a catch however: your company must be willing to monitor the quality of any licensed product, and the licensed usages of your trademark, to ensure that your main brand is not diluted or lost.



Practical Advice About Trademarks

Three concerns for clients in connection with trademarks are:

1. whether a proposed mark is available;
2. whether that mark can be federally registered; and
3. whether an existing mark infringes someone else's.

There is a simple question that you can ask yourself when any one of these three concerns arises: Would the use of your client's mark create a likelihood of customer confusion with any existing mark that predates your client's and belongs to another? For instance, if customers probably would be confused that your client's mark is somehow connected to, or authorized by, the owner of a prior mark, then you cannot federally register the mark (in the United States) and may be liable for trademark infringement.

If you are unsure of the answer to this question, consult a trademark specialist.

"Trademark" Searches and Applications

With regard to trademark availability searches, companies often contact trademark specialists (normally patent attorneys) and ask them to perform such work. For these types of searches, it is best to provide a copy, sketch, or description of the proposed mark and information as to the nature of the merchandise or the type of service in connection with which the mark will be used.

With regard to applications for federal trademark registration, a checklist has been provided within this section. Your client can utilize it to gather information after (or before) meeting with a trademark specialist.



***Checklist For U.S. Trademark Applications
Based On Actual Usage***



1. The name of the applicant corporation:

2. Is applicant the original owner of the mark or was there a prior owner?

3. Applicant is incorporated in:

4. Name and corporate title of the person who will be signing the application:

5. Business address and post office address of the applicant:

6. Mark sought to be registered:

7. If the mark is a word or phrase, is it used with a design?

Yes _____ No _____

7A. If yes, how often?

Sometimes _____ Always _____

8. The particular goods on which the mark is used:

9. How is the mark used (e.g., on labels or packaging)?

10. The date of applicant's first sale anywhere of the specified goods bearing the mark:

10A. Evidence of this use:

is attached _____;

is unavailable because _____

11. The date of applicant's first sale (i.e., shipment) across state lines of the specified goods bearing the mark:

11A. Evidence of this use:

is attached _____;

is unavailable because _____

12. Sample specimens of the mark as actually used (e.g., labels) that bear the trademark and which are normally affixed to the goods themselves or to packages containing the goods:

are enclosed _____;

are not enclosed because _____

13. Does applicant own any other registrations for the same mark or for a similar mark not obtained by this firm?

Yes _____ No _____

13A. If yes, what registrations were not obtained by this firm?

14. Is applicant using or considering use of the mark in a foreign country?

Yes _____ No _____

14A. If yes, list any foreign countries you may want to file in. We will provide a quote.

Copyrights

Ten Frequently Asked Questions

Q1. What is a copyright and what type of work can be protected by it?

A1. A copyright is a form of federal protection that exists for published and unpublished "original works of authorship" when they become fixed in a tangible form of expression. Copyrightable works include the following categories:

1. literary works;
2. musical works, including any accompanying words;
3. dramatic works, including any accompanying music;
4. pantomimes and choreographic works;
5. pictorial, graphic, and sculptural works;
6. motion pictures and other audiovisual works;
7. sound recordings; and
8. architectural works.



These categories should be viewed quite broadly. For example, computer programs (which may also be patented) and their accompanying manuals are registrable as "literary works;" advertising brochures, catalogs and maps are registrable as "pictorial, graphic, and sculptural works."

Q2. What are our company's rights as the owner of both published and unpublished works?

A2. Under the federal Copyright Act of 1976, which took effect on January 1, 1978, the owner of a copyright (which may not be the author) has the following exclusive rights: the right to reproduce the "copyrighted" work; to produce derivative works; to distribute copies; to perform the work publicly; and to display the work publicly.

Q3. Can a copyright protect an idea?

A3. No, a copyright protects the expression of an idea and not the idea itself. Consequently, if you would like to copy the theme of another company's marketing campaign, you are generally free to do so as long as you do not copy or paraphrase passages from their advertisements.

Q4. What steps do we need to take to protect our works as copyrights?

A4. Under the 1976 Act, two steps were required to protect a work created on or after January 1, 1978:

1. a registration had to be obtained from the U.S. Copyright Office for the work; and
2. a proper statutory copyright notice had to be placed on all copies of the work that were publicly distributed.



Under more recent changes in the law – specifically, the Berne Convention – a copyright notice is no longer required for works created after March 1, 1989.

Q5. Should copyright notices still be used?

A5. By all means! Otherwise, how would someone looking at your work know that it is "copyrighted."

Q6. What is a proper copyright notice?

A6. There are several forms of proper copyright notices for works. The most often used form is:

THE SYMBOL "©," YEAR OF THE FIRST PUBLICATION
OF THE WORK, NAME OF COPYRIGHT OWNER

Example: © 2013 HOLLAND & BONZAGNI, P.C.

Q7. If we hire someone to produce a work, who owns the copyright?

A7. If that person is an in-house employee and creates the work within the scope of his employment, this type of work is known as a "work for hire," and your company is considered the author and owner of the copyright. However, if the person is an outside consultant, such as a computer programmer, that consultant may own the work unless there is an agreement to the contrary.

Q8. How long does copyright protection last?

A8. For works created after January 1, 1978, the duration of copyright is the life of the author plus an additional 70 years. If the work was commissioned or otherwise "made for hire," the duration of copyright is 95 years from publication or 120 years from creation, whichever is shorter.

Q9. We previously registered our product's artistic design at the U.S. Copyright Office. A competitor has just started to undersell us by using our design. Can we stop them? Can we get our attorneys' fees back?

A9. Thanks for registering your copyright. That enables you not only to stop the competitor in court but also to possibly recover your attorney's fees. Under the U.S. Copyright Act, you are entitled to recover your reasonable attorneys' fees if you have to litigate... because you applied to register your work before the copying occurred. If you had not applied before the copying occurred, you would have been barred from recovering any attorneys' fees.

Q10. Do we have to litigate to stop the copyright infringer?

A10. Your company should be able to stop the copyright infringer without going to court, if you have a prior copyright registration. A cease-and-desist letter from your copyright attorney typically convinces the infringer to stop.

Practical Advice About Copyrights

Making The Law Work To Your Advantage

Businesses often try to "copyright" their product designs after an item is created, only to find that the design is too functional to be protected under copyright law. "Functional" designs refer to those designs that are so general that they are considered ideas under the law: one cannot copyright an idea, one can only copyright the expression of that idea.

Such an interpretation of the law would seem to greatly limit the copyright protection that a company designing a new product might seek. Yet, with proper guidance, a firm may "tweak" a design — that is imbue it with certain specific, useful, and easily identifiable attributes ("arbitrary" features) that are chosen from a slew of possibilities so it may be "copyrighted." Such arbitrary features on a new product design might include decorative patterns, decorative representations of animals or objects, graphics that augment a text and unique formats of written text (as arranged on a page or computer screen).

Once the public accepts a product with such arbitrary features (through the manufacturer's marketing and advertising programs), a competitor would be "hard pressed" to duplicate the product's success without copying its protectable features. If such features are copied, legal rights quickly can be established in court.

In today's marketplace, it is often virtually impossible to stop "knock-off" artists from copying a product's look unless steps are taken to build arbitrary features into the design!



Comparison of Architectural Designs (Mall Stores)
The Yankee Candle v. New England Candle Co.,
1997 U.S. Dist. LEXIS 23099 (D. Mass. 1997).

Trade Secrets

Ten Frequently Asked Questions



Q1. What is a trade secret?

A1. "A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business and which gives him an opportunity to obtain an advantage over competitors who do not know or use it."

RESTATEMENT OF TORTS § 757 comment b (1939).

Q2. When is a person liable for disclosure or use of another's trade secret?

A2. "One who discloses or uses another's trade secret, without a privilege to do so, is liable to the other if:

- a) he discovered the secret by improper means, or
- b) his disclosure or use constitutes a breach of confidence reposed in him by the other in disclosing the secret to him, or
- c) he learned the secret from a third person with notice of the facts that it was a secret and that the third person discovered it by improper means or that the third person's disclosure of it was otherwise a breach of his duty to the other, or
- d) he learned the secret with notice of the facts that it was a secret and that its disclosure was made to him by mistake."

RESTATEMENT OF TORTS § 757 (1939).

Q3. How does a court determine that something is actually a trade secret?

A3. Just because a competitor says that its information is a trade secret doesn't necessarily make it so. In determining whether a trade secret exists, courts generally weigh the following factors:

- 1. the extent to which the information is known outside the claimant's business;
- 2. the extent to which it is known by employees and others involved in the claimant's business;
- 3. the extent of measures taken by the claimant to guard the secrecy of the information;

4. the value of the information;
5. the amount of effort or money expended by the claimant in developing the information; and
6. the ease or difficulty with which the information could be properly acquired or duplicated by others.

Q4. What types of physical security steps can we take within our plant to protect our trade secrets?

A4. Here are some guidelines:

1. Identify potential trade-secret "leak points." Minimize exposure of trade secrets to them.
2. Password-protect confidential computer files and establish secure storage files for "hard copies" of confidential documents.
3. Establish general and restricted zones within the plant. Confine all trade-secrecy development and utilization, where possible, to the restricted zones.
4. Utilize warning signs on all entrances to the physical plant to advise non-employees to utilize only a secure, monitored "main entrance."
5. Utilize color-coded identification badges for external use by all employees during work hours. Have specific colors of the badges correlate with permission to be within restricted and general zones of the plant.
6. Post "Authorized Employees Only" signs at the entry to all restricted zones.
7. Use locked doors for all restricted zones. Make them openable only by scanning correctly colored ID badges or ID cards. Some companies scan fingerprints.
8. Utilize painted, directional floor lines for visitors and tours to ensure they do not stray into restricted zones.
9. Screen all visitors by having them sign in a log book on the right hand side. That book should include a simple Secrecy Agreement on the left-hand side. For example, that Agreement could say: "I agree to keep confidential and neither use nor disclose to others what I see and learn during my visit today to XYZ, Inc. ("XYZ"). I will not use or disclose that information without the prior written consent of XYZ."
10. Prohibit any photograph taking, videotaping or tape recording by visitors.



*Authorized
Personnel
Only*

Q5. Do we have to use all those steps to protect our trade secrets?

A5. No, just enough to convince a court that you are reasonable in your efforts, given the value of the secret. It's better to err on the side of caution, in terms of the number of steps you take, but they have to be within your comfort zone.

Q6. What advantages are there to our keeping a trade secret?

A6. A trade secret can give a company an edge over a competitor in making a device. Further, it can be used by a seller to bind a prospective purchaser or jobber to secrecy for a product made with the trade secret.

Q7. What disadvantages are there in relying on trade secrecy for protecting an invention?

A7. One who has lawfully acquired a trade secret may use it without liability unless he acquired it subject to a contractual limitation or restriction as to its use. For many products, trade secrecy is therefore not feasible because the nature of the product can be readily determined by any purchaser, either directly by inspection or by reverse engineering.

Q8. When should we rely on trade secrecy alone rather than the patent system for protecting an invention?

A8. Trade secrecy should be relied on if the invention is not patentable. Further, trade secrecy might be relied on when the process or product is one which can be readily kept and defies reverse engineering, such as the COCA COLA® recipes, so that the period for which its exclusivity may be preserved is potentially longer than the term of a patent.

Q9. What are some of the disadvantages with the trade secrecy route compared to the patent route?

A9. While a patentee has a monopoly by which he can stop people from making, using or selling his invention, the owner of a trade secret has no rights, except against those who have contracted, expressly or by implication, not to disclose the secret, or who have obtained it by unfair means. Further, if a trade secret is disclosed to the public by a breach of confidence, the trade secret dissolves and the former trade secret holder generally has no recourse against new people who use it.

Q10. Are there any steps we can take to discourage a prospective jobber from peddling our own inventions to another company?

A10. In addition to using a simple trade secrecy agreement between you and any outsider that does work on an invention, your company should stamp a notice, such as the following, on each blueprint sent to them:

CONFIDENTIALITY NOTICE

This is confidential information of ABC, Inc. No portion may be used or disclosed without our prior written consent.

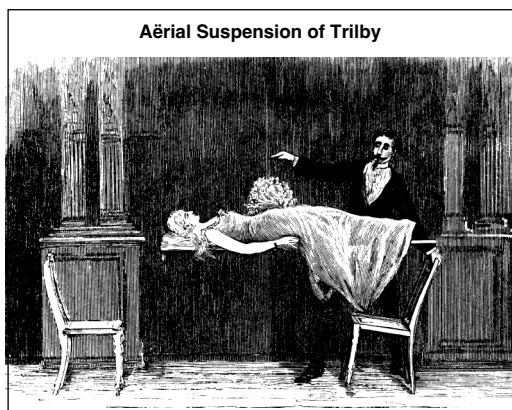
Practical Advice About Trade Secrets

Corporate clients often want to explore joint ventures with another company to market a new company, for example, in Europe. Or, they may want to use a consulting company to help create a new product, associated equipment, or software.

All too often, the deal sours and the other company tries to use the client's confidential information, without permission, to "re-sell" the same equipment to a competitor or to open shop themselves. To prevent this scenario, patent attorneys usually recommend that a Non-Disclosure Agreement be used from the onset.

One of Holland & Bonzagni's standard Non-Disclosure Agreements is reproduced on the following two pages. It is a "two-way" agreement under which both parties agree to maintain the confidentiality of the other's trade secrets. Feel free to use it.

NOTE: Non-Disclosure Agreements (sometimes spelled Nondisclosure Agreements) are also called Secrecy Agreements or Confidentiality Agreements.





Non-Disclosure Agreement

THIS NON-DISCLOSURE AGREEMENT ("Agreement") is entered into this day of _____ 2013 ("Effective Date"), by and between: ABC, INC., a Massachusetts corporation, having a principal place of business at 171 Dwight Road, Longmeadow, MA 01106 ("ABC"); and XYZ, INC., a _____, having a principal place of business at _____ ("XYZ"). ABC and XYZ are sometimes referred to hereinafter collectively as the "Parties" or individually as a "Party."

WHEREAS, ABC owns or possesses certain proprietary business, financial and technical information relating to _____ ("ABC Confidential Information");

WHEREAS, XYZ desires to receive, review and evaluate such information for the purpose of _____ ("the Business Purpose").

NOW, THEREFORE, the Parties hereby agree as follows:

1. XYZ hereby acknowledges the existence of a confidential relationship between ABC and XYZ.
2. XYZ hereby agrees to retain the ABC Confidential Information in confidence and to use the ABC Confidential Information solely for the Business Purpose.
3. XYZ further agrees to make no other use of the ABC Confidential Information and to refrain from disclosing or revealing the ABC Confidential Information to third parties unless expressly authorized (in advance of any disclosures) by ABC.
4. XYZ shall not have any obligations under this Agreement with respect to information:
 - a. that is generally known, or subsequently becomes known to the trade or the public without fault of XYZ; or
 - b. that is in the possession of XYZ prior to its association with ABC and such prior possession can be shown by the written records of XYZ; or
 - c. that was independently developed by XYZ and such independent development can be shown by the written records of XYZ; or
 - d. that is received by XYZ from third parties, provided such ABC Confidential Information was not obtained by those third parties, directly or indirectly, from ABC on a confidential basis; or
 - e. that XYZ is ordered to disclose by law, as confirmed by a written legal opinion.

5. The confidentiality obligation, with respect to all ABC Confidential Information that XYZ will have access to, extends beyond the duration of this Agreement as long as the respective ABC Confidential Information has not become publicly known.

6. XYZ acknowledges that no right or license, express or implied, has or will be granted hereunder with respect to any ABC Confidential Information or with respect to any issued patents or patents that may issue or other interests of ABC which are owned by it.

7. Upon written notice from ABC, XYZ shall:

- a. return all documentary materials, software, specimens and other ABC Confidential Information received under this Agreement and shall retain no copies or duplicates thereof;
- b. destroy all notes and memoranda made by XYZ that contain ABC Confidential Information; and
- c. certify to ABC in writing that it has fully complied with the obligations contained in 7.a and 7.b.

8. This Agreement shall constitute the entire understanding of ABC and XYZ with respect to the ABC Confidential Information. No modification, limitation, waiver or discharge of this Agreement or any of its terms shall bind the Parties unless it is in writing and signed by XYZ and an authorized representative of ABC.

9. Company XYZ hereby acknowledges that use or disclosure by it of ABC Confidential Information except as permitted by this Agreement may cause immediate and irreparable harm to ABC for which money damages would be inadequate. Therefore, ABC may be entitled to obtain injunctive relief for XYZ's breach of any of its obligations hereunder. Such remedy shall not be deemed to be the exclusive remedy for such breach but shall be in addition to all other remedies available at law or in equity.

10. XYZ's obligations under this Agreement may not be assigned or transferred.

11. This Agreement shall be governed by and construed in all respects in accordance with the laws of the Commonwealth of Massachusetts.

IN WITNESS WHEREOF, the Parties thereto have executed this Agreement in duplicate through their duly appointed representatives indicated below. The last Party signing this Agreement shall fill in the date of its signature both below and as the Effective Date in the initial paragraph of this Agreement. That date shall act as the starting date of this Agreement.

ABC, INC.

XYZ, INC.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Personal Liability For Corporate IP Infringement

As you ardently prepare for your quarterly Board meeting, a member of senior management hands you a notice letter alerting your company to the existence of a U.S. patent and suggesting that one of your new products may fall within the scope of one or more claims in this patent. You hand the letter off to a member of your in-house legal department and proceed to the Board room.

This matter does not come up again until you are served with a complaint alleging patent infringement that names your company and you personally as defendants.

As you come to appreciate, corporate officers and directors oftentimes fail to appreciate the concomitant risk to their personal assets resulting from corporate intellectual property (IP) infringement. To assuage these ongoing risks requires steadfast adherence to certain simple guidelines.

Let's start by reciting the basic tenet:

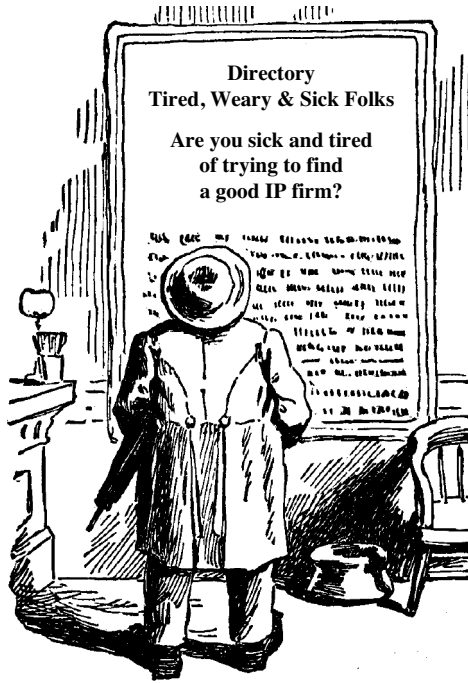
Officers and directors of a corporation may infringe intellectual property rights and thus may be held personally liable for corporate infringement.

Conditions leading to findings of personal liability in patent and trademark infringement cases can be broken down into two main categories:

- Those cases where a plaintiff successfully pierces "the corporate veil"; and
- Those cases where a plaintiff successfully establishes that the corporate officer/director actively and knowingly participated in the furtherance of the infringement.



How To Choose Qualified Counsel To Handle Patent And Trademark Matters



Patents

Usually, clients will seek their general counsel's advice in selecting a new patent lawyer. Here are several questions you should ask when evaluating a firm specializing in patent law:

1. Do all your lawyers have technical backgrounds? In what fields?
2. Has your firm worked with companies like ours?
3. Have any of your patent lawyers ever worked in the U.S. Patent and Trademark Office as Patent Examiners?
4. How many patents does your firm write annually, on average?
5. What is your approximate success rate?
6. Typically, what is the total price for a patent application... from beginning to end?

7. How many foreign patents does your firm handle annually, on average? Have you ever worked in the following countries: _____?
8. Are there any economic systems for foreign patent filings? Which do you recommend?
9. Have any of your patent lawyers taught patent courses? Have any written journal or magazine articles on patent law?
10. What experience does your firm have in domestic patent litigation? What about foreign patent litigation?

Trademarks

To determine a firm's level of expertise, one could ask:

1. How many trademark specialists do you have? Where and how did they get their expertise?
2. Have any of your trademark lawyers ever published articles or taught classes about trademarks? How many years did they teach?
3. On average, how many trademark availability searches does your firm conduct each year? Which databases do you use for searching? What are your charges?
4. On average, how many U.S. "trademark" applications does your firm file each year?
5. What is your approximate success rate?
6. Typically, what is the total price to register a trademark?
7. On average, how many foreign "trademark" applications does your firm file each year?
8. Does your firm use supervised paralegals to help keep costs down? How many years "trademark" experience do the paralegals have? Are they supervised by partners who are for trademark specialists?
9. How many companies does your firm do the trademark work for?
10. What experience does your firm have in trademark litigation?

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