The Natural Resource of Innovation

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What is Intellectual Property (IP)?

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Why is IP Important?
What is Intellectual Property (IP)?

• Intangible creations of the mind
  • Industrial Property: patents, trademarks, industrial designs, etc.
  • Copyright: literary works, films, music, artistic works, etc.

• IP is more than just ideas…
Why is Intellectual Property (IP) important?

Because without protection, your idea becomes their idea.
Innovation Alone Is Not Enough…

Innovation + Protection = Value
Market Rewards *Protected* Innovation

**1970**
- IBM
- GM
- Exxon
- GE
- Chevron

**1986**
- Microsoft IPO

**Today**
- Microsoft
- Apple
- Amazon
- Facebook

- 2004 Google IPO
- 2007 1st iPhone
What IP Protections Are Available?

- Trade Secrets
- Copyright
- Trademarks
- Patents

Intellectual Property

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Trademarks

Requirements for Protection:
- Must be a word, slogan, logo, color scheme, sound, packaging design
- Used in commerce in association with sale of goods or services
- Distinctive (either inherently or acquired distinctiveness)
- Must not be same or confusingly similar to another mark used on the same or similar goods or services
- Nonfunctional

Protection afforded: Protects against consumer confusion and/or dilution of the trademark

Term: Perpetual if goods/services are continuously used and the registration is periodically renewed.

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Copyright

Requirements for Protection:

- Tangible form of original expression
  - Independent, original creation
  - Minimal creativity necessary (very low bar)
- Automatic Protection without formalities such as filing
- Use © for notice of claimed rights

Requirements for Protection:

- Registration is not required, but it has benefits, such as ability to sue, statutory damages/costs/fees
- Exclusive rights to: reproduce, prepare derivative works, distribute copies, perform, display, transmit
- Work made for hire (website) → get it in writing, use the right language

Term:

- Work Made for Hire = 95 years from first publication or 120 from creation
- Author = Life + 70
Do you have Trade Secrets?

• Info, formula, pattern, compilation, program, device, method, technique, or process that:
  – Derives independent economic value and
  – Is subject of reasonable efforts to maintain secrecy
    • This may mean security guards and eye scanners…ask an attorney!

• Protection Afforded
  – Protects against theft or “misappropriation” of innovations or ideas,
  – But does not guard against independent discovery, reverse engineering, or otherwise obtaining secret lawfully
  – Also criminal laws prohibiting theft of trade secrets

• Unlimited Duration if kept secret (not likely nowadays)
Utility Patents (protect function)

Requirements for Protection:

- § 101: Must be patentable subject matter
  - Must be a machine, process, composition of matter
  - Cannot be a law of nature, mathematical formula, or abstract idea
- § 102: Must be novel
- § 103: Must be non-obvious to a person of ordinary skill in the art
- § 112: Must be enabled such that a person of ordinary skill in the art could make or use the invention

Protection afforded:

- Right to exclude others from making, using, selling, offering for sale, or importing your invention
- Internationally “absolute novelty” vs. 1-year grace period in US

Term: 20 years from earliest US filing date
Design Patents (protect appearance)

Requirements for Protection:
- Ornamental/Non-Functional
- Novel & non-obvious

Examples:
- Devices/products
- Graphical user interfaces (GUiS)

Protection afforded: Right to exclude others from making, using, selling, offering for sale, or importing infringing goods

Term: 15 years from issuance

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Why is IP important for the oil and gas industry?

• Need for progression:
  • Unconventional reservoirs
  • Innovation drives technology
  • Fluctuating price of oil

• Moving workforce
  • Unless protected, ideas move companies with people
Why is IP important for the oil and gas industry?

- Service companies file some of the highest number of applications.
- IP gives companies the ability to leverage, seek acquisition, license, or partner with other companies.

Revenue (in billion USD) for 2017

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Why is IP important for the oil and gas industry?

- Crossover technology
  - Xerox: Printers and EOR
  - Natural gas: power production, natural gas vehicles, what else?
  - Frac fluid and waste water management
  - Big data, AI, simulation

Photo by Donald Giannatti