



Intellectual Property Overview For Agribusiness

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A company's greatest assets may be its intellectual property. Properly protecting such assets then may be the key to continued success. Below are some questions to consider as a health check for your IP assets.

1. TRADEMARKS

In the agriculture industry, a company's brand is probably its most valuable asset. A company builds a reputation that purchaser's recognize and trust. From the company name to its produce or other products, if a business does not want a competitor to use a specific name or mark then it should consider a trademark portfolio to protect the customer recognition it has created.

- *Has a search been conducted on any names and logos?
Is a registration filed on any key names and logos?*

It is best to perform a trademark review before any product launch. The review should determine whether there are any trade names, trademarks, Internet domain names and social media names that incorporate any of the words proposed for a company's product or whether similar names, words, logos, or characters are used for competitor products. In the agriculture industry, many products are represented by stylized logos (including caricatures) of the corresponding product. Therefore, you should determine if your logo is sufficiently distinctive from another's so that it is protectable and non-infringing. If anything is found, then an assessment can be made whether to proceed with the name/logo or whether to rebrand. Once a mark has been selected, the company should decide whether to register it as a trademark. A registration should be considered for the company name, and any product names or logos that the company does not want its competitors to use.

- *Is the company the owner of all of its marks?*

A company can claim ownership of a trademark and logo once use on a product has commenced. If the logo was designed by in-house employees, the company owns the design. If the logo was created by an outside independent designer, then it will be necessary to first have the designer sign an agreement assigning all rights to the design to the company. A portfolio review should also be conducted to ensure that the ownership is proper for any filed marks. This is particularly true after an acquisition to ensure proper transfer of all intellectual property (including trademarks, trade names, Internet domain names and social media user names), or after growth of a company, in which marks may have originally been filed in the name of the founder.

- *Is a trademark in use at least every three years?*

If a registration is acquired, a trademark may be subject to cancellation if it is not in continuous use. Therefore, a strategic assessment should be made periodically to ensure trademarks of importance to the company are continually in use. Periodic use based on growing seasons is sufficient. If a registration is obtained, the marks must be renewed periodically at the U.S. Patent and Trademark Office. Someone should be in charge of monitoring these dates to ensure proper filings occur.

- *Are competitors monitored for infringement?*

A company should have a plan or monitoring service in place, such that competitor activities are periodically reviewed. If a trademark is important to a

company, it should be defended. Knowledge of competitor activity is the first step to defending a brand.

- *Do company licenses include a quality assurance requirement?
Are competitors monitored for infringement?*

If a trademark is licensed out of the company, any license agreement must have a provision that the company maintains a sufficient quality associated with the mark. Therefore, every license must include a provision that permits the company to inspect the goods or services associated with the licensed trademark, and permit the company to terminate or otherwise participate in a correction plan to ensure proper quality.

- *Are unregistered trademarks identified with TM?
Are registered trademarks identified with ®?*

Any unregistered trademark used by a company should be designated with "TM." Once a mark has been registered with the U.S. Patent and Trademark Office, it should be identified with ®.

2. TRADE SECRET

The next best protection is likely found in trade secrets. The various methods of harvesting, packaging, freezing, shipping, or other preferred business method may include secrets that provide an advantage in better quality products. If the procedure can be kept a secret, then it can be maintained indefinitely as a very valuable asset, if not, and it is a new process, then consider patent protection.

- *Are employees, consultants and vendors required by written agreement to maintain confidences?
Do agreements include a notice required by the Defend Trade Secrets Act for permitted disclosure by whistleblowers?*

Any employee, consultant, or vendor encountering company confidential information should be required to acknowledge its obligations to maintain confidences with respect to that information. The federal Defend Trade Secrets Act requires any agreement to provide notice of exceptions for whistleblowers in order to obtain special damages provided under the act.

- *Are proper policies written regarding maintaining confidences? Are proper policies followed, enforced, and periodically reviewed for compliance and efficiency?*

All company secrets should be treated as such. Therefore, proper policies should be set up, written, maintained, and followed to ensure significant information is treated with the importance and sensitivity required. Policies, agreements, and actions should be routinely reviewed to determine their applicability and effectiveness to the secrets important to the company.

- *Is confidential information marked with a proper "confidential" or other identifier indicating its proprietary nature?*

Anyone working with confidential information should be on notice regarding its nature. Therefore, all correspondence, documents, presentations, etc. should include a confidential legend indicating its level of security.



3. COPYRIGHT

- Does the company own the works from its employees?
Is the work "made for hire"?

In general, authors are presumed to own their artistic works. If a work is created by a company employee during the course of his or her employment, the company owns the work. Therefore, if an employer does not otherwise have an agreement with an independent contractor, or outside vendor, the company does not necessarily own the creative work. As a result, the company should ensure that it has a written and signed agreement with any independent contractor or vendor memorializing the present assignment of any creative works from the contractor to the company before any work is created. In addition, particular attention should be made to the entities named in the agreements. There should be a chain of control from any possible author to the company. Therefore, if a consulting company is an intermediary between a designer and the company, the company should require a present assignment from the designer to the company or ensure that designers have an agreement from them to the consulting company, and the company has a proper agreement between it and the consulting company. General agreements acknowledge that a design is a "work for hire." This is a legal standard that has its own implications. In some cases, a "work for hire" may transform a consultant into an employee. Therefore, use of this language should be scrutinized for its legal impact on the resulting creative work and on the relationship between the company and the creator.

- Are important works marked with proper copyright designations?

The proper copyright designation for published work is: © followed by the year of publication, then company name (e.g. © 2016 XYZ Corp.) OR Copyright followed by the year of publication, then company name (e.g. Copyright 2016 XYZ Corp.). Important works including logos, artwork, websites, brochures, forms, videos, and presentations should all include the copyright designation.

4. PATENTS

Although typically less prevalent than other forms of IP for agricultural businesses, inventions may be protected with a patent portfolio. Inventions may include both objects, such as an advanced harvester, as well as processes, such as novel freezing processes for storing food longer.

- Does the company own the inventions, know how, concepts, and innovation from its employees?
Is there a written agreement memorializing ownership?
Is there a chain/link from any possible inventor to the company?

The presumption is that inventors generally own their inventions. If an employer does not otherwise have an agreement with an employee or contractor, the company does not necessarily own the inventions, even if they pay for the resulting product. Therefore, the company should ensure that it has a written and signed agreement with any employee and contractor memorializing the present assignment of any inventive works from the employee or contractor to the company. The wording of these agreements is important, and therefore should still be reviewed by an attorney. In addition, particular attention should be made to the entities named in the agreements. There should be a chain of control from any possible inventor to the company. Therefore, if a consulting company is an intermediary between an inventor and the company, the company should require a present assignment from the inventor to the company or ensure that inventors have an agreement from them to the consulting company, and the company has a proper agreement between it and the consulting company.

- Are the proper notices/timing provided in any agreements? Are the agreements executed at the time of employment or with consideration?

Because of employee protection laws, especially in California, certain notices are required to inform employees of their rights before future assignments of inventions can be made. Generally, reference to CA Labor Code § 2872 is required because any assignment of invention in an employment agreement is enforceable. The timing of an agreement is also important. An agreement for the future assignment of inventions must occur at the time of a hire or must be separately accompanied by consideration. Therefore, it should be standard practice that a new employee sign an acknowledgement of assignment (and confidentiality and other important provisions) when the hire is consummated. If an assignment is made after employment, it must be separately compensated. And continued employment is insufficient compensation for such an assignment occurring after the initial hire.

- Is a procedure in place for employees/contractors to disclose inventions to the company?
Is the recurrent procedure in place to assess disclosures for determining a strategy to implement and/or protect the subject matter of the disclosure?

Along with the requirement to assign inventions, the inventor's agreement should also require the employee/contractor to disclose inventions to the company. In order to facilitate disclosure, the company should have a procedure in place to receive such disclosures from the employee/contractor. The disclosure procedure can be as simple as a questionnaire obtaining the general information of the invention and identifying a recipient within the company to receive these disclosure statements. To complete the assessment, the company should have a procedure that routinely and timely analyzes disclosures to determine strategies with respect to the invention. Such strategies include whether and how to commercialize and protect the invention.

- Is there a website indicating the relevant patents for products?
Are company products properly marked?

Once a patent application is filed, the product may be designated with the notice of "patent pending." After a patent has issued, the product should be labeled with "patent" and the associated number. This provides the statutory notice required to obtain certain measures of damages if a dispute is ever brought to court. The notice requirement can also be satisfied with "patent" and a corresponding website that identifies products and associated patents. The product markings and any website should be routinely updated.



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