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Patent Pending?

So you got there second. You may still have a chance to obtain the patent or trademark for your idea.

UNLIKE LIGHTNING, good ideas strike more than once. This is why many entrepreneurs find themselves entangled in battles over patent and trademark infringements. If your brilliant new product or business name has a past (or current) life with another firm, all is not necessarily lost. According to Howard L. Hoffenberg, a litigator with Pasadena, California-based law firm Sheldon & Mak, trademark and patent disputes are sometimes settled without even going to court.

Your chances of prevailing are far from bleak. "There are a lot of invalid patents and trademarks," Hoffenberg says. The Patent and Trademark Office (PTO) has limited resources to investigate applications, so it frequently relies on whatever information the applicant discloses. Needless to say, this method isn't foolproof. "Grounds for a challenge may well exist," says Hoffenberg.

Rather than filing suit, you can take your case directly to the PTO by formally petitioning to change a trademark or requesting re-examination of a patent. Going these routes is generally cheaper than filing suit, but applications are limited and they are not cure-alls. You need valid grounds to challenge a competitor's intellectual property rights successfully. And you'll still need an attorney's help.

That said, here's Hoffenberg's rundown on two processes that could keep you out of hot water—and out of court:

Has a business accused you of taking its mark? You can file a *Petition to Cancel* another company's trademark with the PTO. To do so, you fill out a short form, pay a \$200 filing fee, and spend one year to 18 months exchanging evidence, taking depositions, submitting briefs, and awaiting the PTO's ruling.

The success of your case will de-

pend on the strength of your argument. For trademarks registered within the last five years, cancellation may be granted if the mark is merely descriptive, generic, confusingly similar to another mark, scandalous or fraudulent, or comprises a government insignia. If the trademark registration is more than five years old, however, grounds for cancellation are limited to abandonment, genericness and fraud.

Dealing with a patent dispute? Consider filing a *Request for Reexamination* of the patent in question. Again, this entails submitting a request and a \$2,250 filing fee with the PTO. However, in this procedure, your only role is to file the request; if the PTO decides to pursue your query, the issue will be settled between the PTO and the patent holder.

Of course, neither of these processes may provide the results you need. Hoffenberg points out that petitioning to cancel a competitor's trademark on the grounds that it's confusingly similar to yours may inspire a counterclaim against your own mark. And challenging a patent by re-examination is limited to claims that the patent is not "new and unobvious."

All told, the simplest defense may be to avoid conflict altogether. "In an ideal world, a company would submit its products to competent counsel before putting them on the market," says Hoffenberg. "That way, it would know whether its product [or other intellectual property] is infringing on someone else's patent, trademark or copyright, and it could deal with these issues before a dispute arises."

Assuming you haven't already started production or rolled out initial ad campaigns, you can design around potential infringements. But designing around a patent (as opposed to making cute little changes that don't count) may be a ticklish proposition; consult an attorney to be sure of your rights. The same goes for tinkering with trademarks. "In many cases, you're better off with a totally different mark," says Hoffenberg. "Very few trademarks, no matter how clever, are responsible for bringing in business."

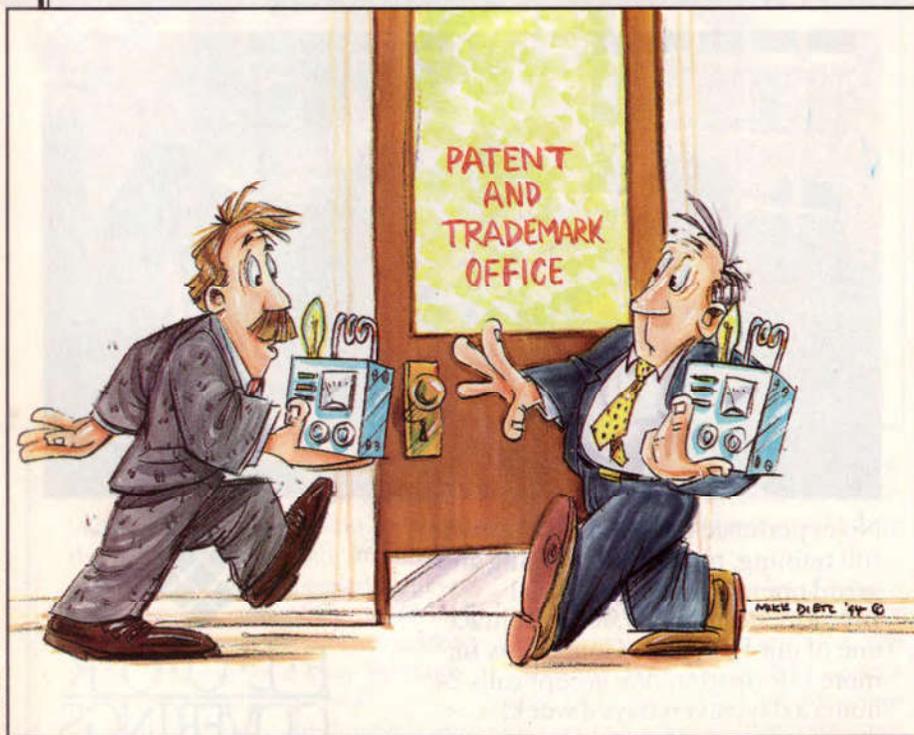


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