

Business Better (Season 2, Episode 17): Protecting the PB&J – Preserving IP Rights from Concept to Market

Speakers: Carly Gubernick, Lara Ruggerio, and Sommer Zimmerman

Steve Burkhart:

Welcome to Business Better, a podcast designed to help businesses navigate the new normal. I'm your host, Steve Burkhart. After a long career at global consumer products company, BIC, where I served as vice president of administration, general counsel and secretary, I'm now Of Counsel in the Litigation Department of Ballard Spahr; a law firm with clients across industries and throughout the country.

Steve Burkhart:

In today's episode, our experts discuss intellectual property considerations for products before and after entering the market. Understanding the patent and trademark landscape before fully developing and launching a new product is critical to avoiding infringement of another's IP and capitalizing on the protections available for your business. Insights for enforcement and potential remedies for infringement are also shared. Participating in this discussion are Carly Gubernick and Lara Ruggerio, both of whom Associates in Ballard's Philadelphia office, and Sommer Zimmerman, an Associate in Ballard's Atlanta office. So now let's turn the episode over to Carly Gubernick.

Carly Gubernick:

Hi, I'm Carly Gubernick. I'm an associate in the intellectual property litigation department in the Philadelphia Office, and I'm here today with Lara and Sommer, who I'll let introduce themselves.

Lara Ruggerio:

Hi, my name is Lara Ruggerio. I'm also an associate in the Philadelphia Office and my primary practice is in the trademark and copyright group. I'll kick it to Sommer.

Sommer Zimmerman:

Hello, I'm Sommer Zimmerman. I am in the Atlanta Office, and I am in the patent prosecution group and primarily in the life science practice group.

Carly Gubernick:

All right. Today, we're going to be talking about intellectual property throughout the life of a new product. Say you have a new idea and you want to bring that to market. Where should you be thinking about different types of intellectual property and how you can get that production throughout the life cycle of that product? I am going to kick it off to Sommer first, who's going to start with you have a concept, you have an idea, what should you be thinking about first?

Sommer Zimmerman:

We thought a great way to kind of talk through the various stages of product development would be to give an exemplary product. I think a classic one that comes to mind is the wonderful peanut butter and jelly sandwich. This is something that I think is used as an example even way back in elementary school when you're doing instructional writing, and then all the way through to law school.

Sommer Zimmerman:

It often comes up again in your introduction to patent law class, so when you're talking about claim drafting, for example, or instructional writing, things like that. Strange as it may seem, even though peanut butter and jelly sandwiches have been around a very long time, you can still get a patent sometime on features related to peanut butter and jelly sandwiches. In fact, Smucker's actually got one just in, I think, 1999 for their Uncrustables Sandwich. It's never too late to revamp something old.

Sommer Zimmerman:

In this case, we're going to be talking about the peanut butter and jelly sandwich on a donut. You have this wonderful idea. Let's revamp the sandwich. So often on the patent side of things, we don't speak with someone until they've already put a lot of time and money into developing their product and trying to figure out where they're going to take it. Unfortunately, sometimes it can be too late to go back at that time if you find you need to change things.

Sommer Zimmerman:

I think that's why we really wanted to start with talking about conception. When you have this idea, it's really important to do your research early and to analyze the results of that. One way that we like to help out with that is by doing what's called a landscape search. You have your idea, for example, the peanut butter and jelly sandwich on a donut. Let's do a search here to kind of get an idea of the lay of the land. What does the field look like in this area? Is there patentable space around this?

Sommer Zimmerman:

Has it been done before? With the example we're talking about here, if you did a search, believe it or not, this has actually been done before a lot. In this case, doing the landscape search early can give you some ideas about changes you might want to consider making to your product before you've put all the time and money into developing it. For example, maybe you're going to change to a different combination of ingredients on your donut.

Sommer Zimmerman:

You're going to formulate it different. You're going to use something different in the process of how you're making it. It gives you an opportunity to change something early on, which can be very important.

Lara Ruggerio:

Great. From a trademark perspective, this is really early for a trademark attorney to get involved. But of course, we work with plenty of clients or very, very excited entrepreneurs who are excited to dive into their product and they have an idea of what they want to call it. Thinking about IP earlier in the process can save a lot of heartache in the future for those who are committed to an idea and they love it with all of their heart.

Lara Ruggerio:

And then similar to as Sommer was discussing, in the patent world how they'll do a landscape search, we call it a preliminary search, a knockout search is someone using this exact mark? Are they using something really similar? Should we look at one of your major competitors who is using these marks? But just let's back up a minute to the more fundamental basis of what is a trademark. A trademark identifies the source of goods or services of a company.

Lara Ruggerio:

As you're talking about you have this idea, when you think about trademark law, is it what you're going to call the product? Is it what you're going to call the company? We'll get further into how we're going to use those marks. But just in general, at the idea stage, if you have a mark you love, that's great. Earlier is always better than later. But at the same time, if you're not there yet and you're working through a patent landscape search, that's a great place to start as well.

Carly Gubernick:

All right. I think that wraps us up in terms of concept and what we're thinking about when you just have the idea. Now let's transition a little bit. Now you're in product development. You have this idea. You've done your patent search. You've done your trademark search. You've kind of started to really develop your idea and have more of a tangible idea of how you're going to move forward. What does that development stage look like? You're in production. What should we be thinking about then?

Sommer Zimmerman:

From the patent side, I think one of the initial questions that comes up is, do you actually want to patent this, or do you want to keep it as a trade secret? Because in some cases, what's in the best interest of the client might be actually keeping something confidential to the extent that's possible, as opposed to filing a patent in which you're going to have to fully disclose how to make and use your invention. And of course, you don't actually need the patent in order to practice your invention.

Sommer Zimmerman:

Getting the patent is important for protecting yourself from others copying you, right? You get the patent so that you can prevent other people from practicing your invention. But in fact, you don't need it to actually move forward with your product. In some cases, just because you have a patent on your product doesn't mean that you're going to be able to actually practice your invention anyway. It doesn't mean that you're not infringing someone else's patent at the same time.

Sommer Zimmerman:

I think initial question there is, do you want to get that patent at all? Or do you want to keep your discovery a trade secret to the extent that's an option? If you want to move forward with a patent, this is a great time to do a patentability search. So often people will come to us with a product, with an idea, and they don't want to do the search initially because they don't want to put the money in upfront. It can be so worth it in the long run.

Sommer Zimmerman:

Doing that patentability search in the beginning can, for one, depending on the information you get, you might decide that you don't want to move forward with it at all anymore. And for two, to the extent you do want to keep going with filing that patent, it can give you a lot of information in terms of your claim strategy, your patent filing strategy, how can you avoid the close prior art, if you will, that's out there. It helps you to draft your application proactively so that you can already avoid those things.

Sommer Zimmerman:

Sometimes what we find is if there's some really close prior art, you might need some additional data, some comparative data against your product and this other known product. This can be a great chance for you to continue doing some testing with your product and generate some data before you get later on down the road to say the PCT stage or when you're going into various national jurisdictions, that can get very expensive.

Sommer Zimmerman:

If you've already done the testing, you can conclude early on whether or not that's going to be worth the additional expense. Moreover, doing that patentability search in addition to the landscape search I mentioned earlier can also give you a lot of information about who else is out there, who your competitors might be and what are they doing. Something else I think is important to consider at the development stage is what aspects of the product you want to protect.

Sommer Zimmerman:

For example, most of what I do is focusing on utility patents on the product itself. Here on our donut, on our formulation for the jelly that's going into the donut or the peanut butter that you're preparing as a glaze or whatever you might be doing here,

a method of making it, et cetera. However, there might also be an opportunity for what's called a design patent where you're looking at an ornamental feature that does not have a utility underneath it.

Sommer Zimmerman:

For example, if you have the donut shaped a certain way, it's shaped that way just because that's how you want to make your donut as opposed to it has some type of underlying function. Lara, what about from the trademark side? Is there anything that you should be thinking about at this stage on your end?

Lara Ruggerio:

So much of trademark, and I'm going to say so much of intellectual property in general, is this concept, if you can get ahead of it, that's better. But from the trademark perspective, in a little bit of a different way. It's important to remember that in the United States, we are a happy capitalist nation. The United States in terms of trademark law is a first to use jurisdiction, as opposed to somewhere like China where it's first to file and you don't have to prove use as early.

Lara Ruggerio:

But there is an option in the United States to file what we call an intent-to-use application. If you're in production, but your product isn't made or being distributed yet, you're not eligible to get a trademark. Because unless your product is the services, for example, the manufacturing of the donut, if the donut isn't being sold yet in commerce, you're not eligible for a trademark.

Lara Ruggerio:

But you know you're going to call this the Maverick Peanut Butter and Jelly, then you might consider filing what we call an intent-to-use application for that mark. Right now, the Trademark Office, like so many other governmental organizations, is extraordinarily backlogged. An examining attorney, as we call, someone on the Trademark Office that will review the application, won't even look at it for about seven to eight months after filing.

Lara Ruggerio:

Say they were to accept it off the bat, congratulations, you have a notice of acceptance. Then you have I think it's a period of three years that you would be able to submit proof of use of that mark. Say you are the person. When you have the idea, you're like, "I'm going to make this peanut butter and jelly donut sandwich, and I'm going to call it the Maverick Peanut Butter and Jelly Donut Sandwich," you might consider filing a trademark at that stage.

Lara Ruggerio:

The other thing, when you're in production, you want to think about branding and marketing materials and if and how you're going to incorporate your trademark or trademarks into what you're creating. If, for example, we already own a peanut butter and jelly production company, but we don't make them on donuts. We make them on pretzels. We are the Peanut Butter and Jelly Masters.

Lara Ruggerio:

We want to include company name and then whatever, the Maverick Peanut Butter and Jelly On A Donut as well. In production, it's a great time to think about with the marketing team or with whoever you're consulting for your marketing to say, what are we going to call this? How are we going to use that? Where are we going to use it? Should we file for a trademark? I think all of those things can happen simultaneously, which is exciting. Branding is fun.

Lara Ruggerio:

Oftentimes, once you get to the production stage, you're excited to give your product a name and start to brand it. This is a great time for trademark.

Carly Gubernick:

And just kind of piggybacking off of what Lara is saying is now that you're excited about this product, you want to get your branding materials out there. You have your marketing team on board. You're coming up with these new catchy ways to market it. As soon as you have those marketing materials, that's a good time to start thinking about where copyright comes into play also.

Carly Gubernick:

Anytime that you have an original expression that you're going to put into a tangible form, so on a brochure or on flyers or on a website, anything that you're putting out there for other people to distribute and that's original to you, you're going to want to think about getting copyright protection for that. Now, anything that's copyrightable is technically protected as soon as it's put into that tangible form.

Carly Gubernick:

But what you should also think about is in the United States, in order to enforce your copyright, so in order to stop other people from using your copyright and doing things like that later down the line, you have to register it. There's a registration process through the Copyright Office, which is a pretty easy process actually.

Carly Gubernick:

But you're just going to want to think, anytime you have new marketing materials, you're making a new website, if you're creating an app, the source code for your app, those are things that can all be copyrighted. You want to make sure that you have as much protection as you possibly can for your product and for your business. But I think that just about wraps us up for the production stage. And then we're going to move into the next phase, which is launching and post launch of your product.

Carly Gubernick:

Now we have the donut. It's ready to go. We've taste tested it. The peanut butter and jelly glaze is as good as it could possibly be. We want to get it into the market. It's out there. What do we do now? What should we be considering? What next steps do we need to take to make sure that we have the correct protection that we need as soon as we're entering the marketplace?

Sommer Zimmerman:

Certainly from a patent standpoint, before you officially launch your product, that's a great time to do what's called a freedom to operate search. Too often people intertwine that type of searching with a patentability search and they'll come to us wanting to do that search much earlier on. But the patentability search is taking a very generic subject matter and searching that against specific products that are out there.

Sommer Zimmerman:

Whereas from a freedom to operate standpoint, you're taking the specific product and searching that against a genus that's out there in the patent realm, so to speak. Moreover, in your patentability search, you're looking at any type of prior art, any journal articles, websites, anything that's out there, whereas in your freedom to operate search, you're just focusing on patent literature.

Sommer Zimmerman:

Once you have your product, you can search that specific product just in the patent literature and you're going to do it jurisdiction specific. For example, if you're only coming to market in the US and Europe, well then maybe you only need to do your freedom to operate searching in those two jurisdictions as opposed to worldwide. But in this way, you're going to make sure that you're not infringing somebody else's patent.

Sommer Zimmerman:

And if you are, do you need to make some changes to your product before you officially launch? Or do you need to start negotiating some licenses before you move forward.

Lara Ruggerio:

Sommer, I'm happy to hear you talk about a freedom to operate search, because oftentimes, you're in the market, you're so excited, you decided you weren't going to proceed with an intent-to-use application earlier in the game. You have branding on your product, but you really want to know, can I use this? Am I going to get sued? For a lot of different entities, they're not as interested in registering a trademark.

Lara Ruggerio:

They really just want to know, is someone going to send me a letter and ask me for \$10 million? And that's really not where you want to be. Much like you'll search the patent literature, we'll search registered trademarks. We'll search registered trademarks that sound like your mark or could be questionably confusing for consumers in the marketplace. I think understanding that intellectual property doesn't always need to be, you're getting a patent.

Lara Ruggerio:

You're getting a trademark. You're filing for a copyright. It can also just be what is my risk, what is my exposure here, and understanding especially once you're in the market that that can change too is really important. Another thing to think about from the trademark perspective, once you're in the market, congratulations! This is so exciting. You might consider marking your trademark. Just because you put TM after a common word or phrase does not mean that it's used in a trademark way.

Lara Ruggerio:

Again, a trademark distinguishes a source of goods or services. If you put TM after it, it's not necessarily a trademark. You do not need to register to use TM, but still people often think that is like their catchall. We're just going to put TM after it. And that just is not the golden ticket that everybody thinks that it is.

Lara Ruggerio:

On the other hand, once you do have a registered trademark, or if you filed for the trademark and really you're confident that your trademark lawyer said this is pretty good shot that this is going to register, once the registration does issue from the office, then you can add the little R in the circle that everybody I think thinks of when they think of trademark.

Lara Ruggerio:

But at least from my perspective, you're in the market, you're thinking about how am I going to mark this product, understanding you can't just slap TM on it, but also you cannot use R in a circle if it's not registered. I think you understanding that there's a little bit of nuance there, but you should be thinking through how you're using marks on your products and in your branding and on your website and everything like that and if and how that might change if you choose to register your trademark.

Sommer Zimmerman:

From a patent side, you are not required to mark your product with the patent number, but there can certainly be benefits to doing so. Most notably, if you find a potential or you find an infringer, you are only going to be able to recoup your damages back to the time at which the infringer had notice. A great way of doing that can be by virtue of the mark on your product, either with the patent number itself, or you can use something called virtual marking where you're referencing your website and then your website's going to have the patent information there.

Sommer Zimmerman:

Another important thing to think about is just now that you're on the market, you want to watch out for potential infringer. If you think someone's out there that you're concerned might be problematic, that's a great time to have someone analyze your claims, have a patent attorney look at your claims vis-a-vis this product to see whether in fact it is actually infringing the claims that have issued here, or are there other strategies you can use moving forward to address your concerns with respect to this potential infringer.

Sommer Zimmerman:

It's also important as you're moving forward to think about ways to extend your patent protection on the product. Sometimes you might make modifications to it later on, some improvements or changes either to the product itself or to how it's being produced. Maybe you're no longer selling your product in certain markets and now you're interested in other markets. Any type of changes like that can warrant changes in your patent portfolio, whether they warrant new filings or just changes your existing portfolio.

Sommer Zimmerman:

And of course, you want to make sure that with the patents that you have out there, that you're monitoring those various fees that become due throughout the life of those patents, so that the ones you want are being maintained and the ones that aren't valuable to you anymore can be let go in favor of some that will be worth more to you.

Carly Gubernick:

I think that's a really important point that Sommer brought up. You want to make sure that you're keeping track of what you're changing and what you're coming out with so if you continue to develop your products, if you continue to develop your marketing materials, you're going to want to think about getting additional copyrights too. Anytime you have a new brochure again, if you have a different commercial, if you change the source code in your app, that means that you can get additional protection.

Carly Gubernick:

Like Lara was saying before too, also copyright notices. You can mark your products with copyrights as well. Anything that you're publishing now for the peanut butter and jelly donuts, since it's after 1989, it's going to be optional to market. But again, like Sommer was saying with patents, there are some legal benefits to doing it. If you know that something is properly copyrightable, if you're changing it and you want that protection, it's always a good idea to include proper notice on that.

Carly Gubernick:

That's something that Copyright Council can definitely advise you on. Now the amazing donut is out in the marketplace. People love it so much that there are all of these new competitors popping out that you keep finding. Now, you're being ripped off in the marketplace, right? People are taking your idea. They're making new donuts. They're not as good. Where should we go from here?

Sommer Zimmerman:

From a patent side, as I mentioned earlier, you'll want to actually analyze the claims. Because just because it looks similar to your product or you think it's similar doesn't necessarily mean that their product would actually fall within the scope of the claims that have issued in your patent, or that they're practicing or infringing wherever your patent... You have a live patent. That's I think the first step there.

Sommer Zimmerman:

If you find that they are indeed infringing, then you should start considering things like whether to send a warning letter to them versus immediately rushing to file that infringement suit. There can be pros and cons of pursuing either strategy, depending on the specifics of your situation.

Lara Ruggerio:

From the trademark perspective, if you do not start to enforce your brands, things can get out of hand very, very quickly. It can kind of snowball out of control. For all of the wonderful things that the internet has brought us, it has also brought an extraordinary opportunity for people to take things as their own perhaps without your permission or liberty.

Lara Ruggerio:

Something we do see and that I absolutely would recommend is make it clear with your partners what your trademarks are and if and how they can use them. My peanut butter and jelly donut are Maverick PB and J is like a star product in XYZ Grocery store. Can XYZ put that in their ads? Can they have their headline be, "We're a supplier of this?" What kind of relationship do you have with them and does it include specific provisions?

Lara Ruggerio:

Your relationship with XYZ Grocery Store, does that contract or relationship include specific language about the intellectual property that you own in connection with your donut? Another huge misconception that we hear all the time is, "I have a registered trademark, so I don't really need to be concerned. The Trademark Office is looking out for it." The Trademark Office, with all due respect, has no interest enforcing your mark.

Lara Ruggerio:

The Trademark Office will stop someone else from registering a mark that they believe is confusingly similar, or that a consumer is likely to be confused with your mark because the marks are very similar or the products offered or services are really similar. Once the registration issues, aside from considering it in deciding on other trademark applications, the Trademark Office is not going to police the internet to make sure that no one is using your mark or a confusingly similar mark on similar goods and services.

Lara Ruggerio:

Understanding that enforcement efforts can be as, I guess, simple as a Google alert search, just making sure that if you see something that looks a little bit too close to your beloved peanut butter and jelly donut, that you at least talk to somebody else about it and say, "Do you think this is confusingly similar? Should we take action against this?"

Lara Ruggerio:

Because while the efforts can be, as Sommer said, as simple as sending a letter, "Hey, what's going on here," in my experience, that letter can be an Instagram direct message, that letter can be a paper letter sent via FedEx overnight, however you're going to communicate with someone. But it also depends who is it, right? Who is the recipient that you think is ripping you off? Whether it's super blatant, they stole your packaging. They slapped it on their product.

Lara Ruggerio:

That's super blatant. That might be a little bit of a stronger letter or communication, or even a lawsuit if it's a competitor, as opposed to someone who has maybe uses Maverick on a peanut butter donut that they sell at a farmer's market, right? Maybe you don't want to come at them with a federal lawsuit. It might be a little dramatic. I think that in considering the trademark implications, once you're being ripped off, it's important to understand the law side of it.

Lara Ruggerio:

Do you have a factual case here? Is there actual confusion? Do you have examples of it? And the other side is the human side. Is this a great idea for the company? Will it look bad to go after a mom and pop store that's selling something that's only a little bit similar, or is this your competitor and you need to assert your dominance in your market?

Lara Ruggerio:

I think all of those things mashed together, the summary is trademark enforcement is incredibly important for the entirety of the time you're using the brand.

Sommer Zimmerman:

And just to the second what Lara said a moment ago, this was just a really broad overview I think of all the various considerations that come into play. And if nothing else, I hope that this gives you a good idea that it's never too early or too late to start thinking about the intellectual property considerations that might factor in with your product. And that certainly integrating it throughout the process can really make for the smoothest overall experience.

Carly Gubernick:

I'm just going to third that even from the copyright side is you want to just make sure that you're keeping up with your brand. You know what copyrights you have. The ones that you think...

Carly Gubernick:

Especially the ones that you think are most likely to be ripped off, like I said before, you really want to make sure that you have a registration on those and that you get a registration pretty quickly after that product is out there or that brochure is out there so that you can make sure when we get to this stage and you're now thinking about enforcement, that you can do that. I guess all of our key takeaway from today is going to be, we want you to think about your IP early and think about it often.

Carly Gubernick:

There's a lot to think about when it comes to a product. We do this all the time. Those are things that we can think about at a much more granular level. I mean, that's what we do, but this is kind of the 10,000 foot overview of how often IP consideration should be thought about while you're creating a product and throughout its life cycle. I think that just about wraps us up for today. If anyone wants to get in touch with us, feel free to reach out to the intellectual property department at Ballard Spahr.

Carly Gubernick:

We can get in touch with you that way. We just wanted to end with something a little bit lighthearted. Since summer is in full swing, I wanted to ask my co-hosts Lara and Sommer are you a beach person or a pool person?

Lara Ruggerio:

I am definitely more of a beach person. I'm a proud New Jersey resident. I use the word shore all the time, and I love to spend my time sitting on the beach.

Sommer Zimmerman:

I'm afraid I have to second that. I grew up in Daytona Beach, Florida, so what can I say? I love the beach. You would not guess it by my tan, but definitely a very relaxing place.

Carly Gubernick:

Well, I'm just going to wrap it up then by saying we are all very similar, because I'm also a beach person. I'm in Philadelphia, so I'm a Jersey Shore person also. I'm looking forward to many weekends ahead down the shore. Thanks so much for listening. We hope you learned something useful and valuable for your newest product that's soon to come to market.

Steve Burkhart:

Thanks again to Carly Gubernick, Lara Ruggerio, and Sommer Zimmerman. Make sure to visit our website, www.ballardspahr.com, where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple podcasts, Google play, Spotify, or your favorite podcast platform. If you have any questions or suggestions for the show, please email podcast@ballardspahr.com. Stay tuned for a new episode coming soon. Thank you for listening.