



EDISON INVENTORS Association

Volume 17, Number 12

December 2009

December 2009 No Regular Membership Meeting

(Normally Wednesday, December 23, 2009 at 7 PM) Edison-Ford Estates
Instead we will have a dinner social at
The Edison Restaurant, located
At 3583 McGregor Blvd (239-936-9348).
This is the same address as the Ft Myers
Country Club Golf Course.

DECEMBER 9th DINNER SOCIAL
6 ~ 9 PM
Dinner served around 6:30, \$25
per person

**Check out the new, Edison
Inventors, How To: section!**

Edison Inventors Association PO Box 07398, Ft. Myers, FL 33919

www.edisoninventors.org

Mission Statement

A non profit, educational organization with goals to promote creativity and entrepreneurial success in our schools and community.
We are a diversified group of people sharing time, information, experiences and resources to this effect.

Attending a Meeting?

The doors open by 6:15 p.m. The meeting will begin promptly at 7p.m. In respect to our speakers please arrive on time and give them your full attention. There is time before the meeting and at the end of the meeting to network.

The Edison-Ford Winter Estates parking area will only be accessible from the East entrance. The McGregor Blvd gates will be closed for security purposes.

Directions off Hwy 41: At the Edison Ave traffic light, go west onto Cortes Blvd. Go past Euclid Ave. and veer right onto Monte Vista Street. Take Monte Vista to the very end crossing over Harvard Road. You have arrived!

Directions off McGregor Blvd: Proceed to Larchmont Ave. on the north border of the Edison-Ford Estates property. Turn right on to Larchmont and the next right turn on Harvard Rd. Watch closely for the Estate signs on the right side of this road. Private homes border this drive.

Or, go to www.googlemaps.com and type in, Monte Vista Street, Fort Myers, FL

THE LIVINGSTON FIRM

Patents ♦ Trademarks ♦ Copyrights
Franchise and Related Business Law

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TREASURER'S REPORT

As 9/30/09

General Account \$3,754.34 +\$4,580.74 in CD's
Bernard A. Cousino
Memorial Fund \$ 4,595.77

DISCLAIMER

Information is offered in an open forum for discussion. Opinions expressed may not represent the views of the Edison Inventors Association, Inc. The Association does not claim to endorse any advertisement or product unless specifically stated.

Publishing Information

All articles and paid ads must be submitted by the third Wednesday of the month to be included in the following month's e-letter. All information will be reviewed prior to publication and may appear as time and space permit. Reprints must be accompanied by proper credits to be considered for this e-letter.

Submit articles/ads to:

Edison Inventors Association
C/O Mike Kirby

P.O. Box 07398, Fort Myers, FL 33919

or e-mail mikekirby07@comcast.net

Do you provide a service to inventors? Advertise in the EIA E-Newsletter and help the association provide more opportunities to inventors.

2009 Advertising Rates

Business one month 6 mo 1 yr

Card \$15 \$60 \$90

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Message from the President

Greetings fellow inventors, I first off want to wish all of you a Merry Christmas and Happy New year!

The New Year brings a feeling of a fresh start for most of us, and also a time to make that list of New Year's resolutions, and goals for the coming year. Why not take this time of year, to challenge yourself, and get that idea you have been kicking around in your head into reality?

Do you already have a patent? And possibly not found the right way to market your product? Or, have you already applied for a patent, and are waiting for it to arrive? Maybe you just started your inventing journey by doing a basic patent search? What ever the case may be, Edison Inventors Association can help you along the way. We are working hard, to try to make the new product development process, as simple and straightforward as possible. In the coming months, we will be releasing a series of inventor's materials, guides and workbooks, available only to members that will help you on your quest to become a successful inventor. We are also going to be releasing products to promote the EIA, and generate funds for our inventor education programs. The products will include items such as Hats, T-shirts, Pens, Pencils, Coffee mugs etc...

All the items are stylish, and are adorned with the EIA logo. Remember: Young Inventors Fair next month. We need Judges! Keep on Inventing!!! I don't think your idea is crazy... Joe Gross



STARTING A NEW BUSINESS? CHOOSE YOUR NAME WITH CARE.

Welcome to the first edition of Protecting Your Creativity by The Livingston Firm. Each edition of Protecting Your Creativity will discuss various aspects of intellectual property law and related business matters. This edition discusses what to consider when choosing a name for a new business.

A business' name is its calling card and one of its most valuable assets. A "good name" is one that is distinct enough for a consumer to take notice of and memorable enough for the consumer to recall at a later date. A "good name" is also one that is available for use nationally and will not be restricted to use only in limited geographic areas. For this reason, it is imperative to perform the appropriate due diligence when choosing a name for a new business.

A business' name when used as a trademark/service mark is governed by federal law, state law and common law. Therefore, before using or registering a new name, a thorough search should be conducted to determine whether another business is already using a name that is identical or similar to the proposed name to ensure that the use of the proposed name will not violate someone else's trademark/service mark rights.

Although the State of Florida performs a search as to whether the name is available as a business name, the State makes no determination as to whether the business' name is infringing the trademark/service mark rights of another under federal law, state law, and/or common law. The State will only search its records to determine if there is an active business having an identical name already registered in the State. Thus, if there is an active corporation named ABC, Inc., the State will not permit registration of another corporation named ABC, Inc. However, the State will permit registration of a corporate entity named ABC of Florida, Inc. or ABC of Southwest Florida, Inc., and so forth. If ABC, Inc. and ABC of Florida, Inc. are performing similar services, ABC, Inc. could be infringing the trademark/service mark rights of ABC of Florida, Inc., even though the State allowed the registration of the corporate name ABC, Inc.

Furthermore, it is possible that another business may have a trademark/service mark registration in another state and be conducting business in that state. If you or your client is considering expanding or franchising the business later on, you or your client could be precluded from expanding the business in some areas due to the business name infringing on the trademark/service mark rights of a business in another state.

Not only are trademark/service mark rights controlled by federal and state law, these rights are also governed by common law. If another business has acquired common law rights to the use of the proposed business name, the business could be infringing those rights were it to expand into that particular geographic area in which the name is already being used.

Finally, as many businesses today also conduct, solicit and/or advertise their services over the Internet in order to target a larger customer base and some businesses are strictly Internet-based, the availability of the business name as a domain name should be researched as well. In many cases, a name will be available as a business name but

will not be available as a domain name (or at least a domain name having one of the most popular endings such as “.com,” “.net,” “.org” or “.biz”), thereby significantly decreasing the viability of the business expanding into the e-commerce market. Thus, the availability of the name as a domain should also be considered.

There is a common belief that by merely owning a domain name which incorporates the business name therein, trademark/service mark rights are automatically acquired. This is a misconception as one must actually be using a name in conjunction with a particular good and/or service in order to acquire such common law rights to the use of the name for that particular good and/or service. Ownership of the domain name alone does not qualify as such use.

In conclusion, even if there are no other businesses in the State of Florida having an identical or similar name, and the State allows the registration of the business name, the new business could still be infringing the trademark/service mark rights of another entity. The federal law, state law, and common law governing trademarks and service marks create a minefield of potential infringement issues for new businesses. Therefore, it is important to conduct a thorough search of the federal, state, and common law rights of others to determine if the new business name is available for use.

CONCLUSION

Prior to submitting the appropriate paperwork to conduct business in the State of Florida, a full trademark/service mark search, which covers the federal, all states, and common law usage of the name, should be performed on the new name to ensure that: (1) the name is available for use; and (2) the use of the name would not be infringing the rights of another entity. A full trademark/service mark clearance search and written opinion will not only decrease the chances of a business owner being sued, but will also provide a defense to a claim of willful infringement, which could result in treble damages, if he or she is sued for infringement.

Performing trademark/service mark searches and rendering opinions as to whether the name is available and whether there are potential infringement issues is a service that should be performed by attorneys who specialize in intellectual property law.

Livingston Firm specializes in all areas of intellectual property law including patents, trademarks, copyrights, trade secrets, franchising, litigation and business law. As the largest full-service intellectual property law firm in Southwest Florida with over forty years of combined experience, The Livingston Firm can be there to assist you from beginning to end with protecting your ideas and inventions and getting those ideas and inventions to market.

Thank you for taking the time to read this edition of Protecting Your Creativity. If you are in need of our services then please contact us to schedule an appointment.

Edward M. Livingston, Esq., U.S. Registered Patent Attorney, Board Certified in Intellectual Property Law
Erica L. Loeffler, Esq.
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The information contained in this newsletter is intended to convey general information. It should not be construed as legal advice or opinion. It is not an offer to represent you, nor is it intended to create an attorney-client relationship.

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SOMETHING TO CONSIDER WHEN PURCHASING A BUSINESS

Welcome to another edition of *Protecting Your Creativity* by The Livingston Firm. Each edition of *Protecting Your Creativity* will discuss various aspects of intellectual property law and related business matters. This edition discusses the importance of conducting an intellectual property (“IP”) audit as part of the due diligence performed prior to purchasing a business.

When purchasing a business the purchaser is not only buying tangible assets, such as buildings and equipment, but also intangible assets such as patents, trademarks, copyrights, trade secrets, brands, ideas, products, customer lists, domain names and so forth. Although the phrase “intellectual property audit” suggests a mere counting up of intangible assets and assessing a value based on the number of patents and/or trademarks owned by the seller, a proper IP audit is actually much more involved.

An IP audit is a systematic review of the IP owned and used by a business. The goal of an IP audit is to identify and determine the status of the IP the business is using and/or claiming ownership of. An IP audit also provides valuable information regarding possible infringement issues and/or breaches on the part of the seller or third parties in relation to the seller’s IP assets. Thus, the performance of an IP audit is invaluable, as it identifies the seller’s core IP assets and the status of those assets, as well as assists the purchaser in negotiating a fair price for those assets.

However, there is a common misconception about IP audits in that they are only necessary if you are purchasing a large business which owns or develops complex patents, or a business that relies heavily on sophisticated trade secrets. The reality is that virtually every business, regardless of its size, utilizes a broad array of IP assets which may include patents, copyrights, trademarks, trade secrets and licenses for same. According to one congressional report, as recently as 1978, intangible assets, such as IP, accounted for twenty percent of corporate assets with eighty percent attributed to tangible assets such as facilities and equipment. Today, that trend has reversed: seventy-three percent of corporate assets are intangible and only twenty-seven percent are tangible. Due to this trend, attorneys and business people need to be more aware that the majority of a company’s value lies in the ownership and management of IP

In addition to identifying IP assets, an IP audit will also disclose the status of the IP and may uncover IP assets that have not been properly protected. For example, patent protection may be limited in terms of the type of patent applied for, the remaining enforceable time left on the patent, the non-payment of maintenance fees and/or what was actually claimed in a patent. Similarly, the IP audit may reveal that the business needs to file copyright and/or trademark registration applications, and/or affidavits of continued use of trademarks. In addition, the IP audit may uncover that the business does not have proper procedures and agreements in place to ensure that trade secrets are kept confidential.

An IP audit will also ensure there are no defects in title to the business’s IP assets. The audit may reveal the existence of third parties who may be able to claim joint ownership of patents or other IP assets and who, by

virtue of such joint ownership, will be free to exploit those IP assets themselves without the permission of the business. These rights will need to be properly secured and any other defects in title will need to be cured prior to the closing date of the purchase. In addition, assignments of ownership from consultants may need to be secured and properly recorded and rights to works or inventions may need to be secured and/or obtained from employees who claim to be authors or inventors. The IP audit may also reveal deficiencies in license agreements with third parties allowing a business to create derivative works that incorporate elements of works owned by such third parties. Without adequate agreements and/or assignments in place, there will be a cloud on the title of the IP assets the business claims to own.

The above examples are only a small portion of what is reviewed and considered during an IP audit. Of course, the size and scope of an IP audit will depend on the size and type of the business being purchased. However, regardless of whether a prospective purchaser is buying a small family owned pizza parlor or a large industrial company, it is in the purchaser's best interest to know exactly what they are buying so they may make an informed business decision prior to closing. Unfortunately, many prospective purchasers fail to conduct IP audits or conduct ineffective or inadequate audits. Prior to acquiring the stock or assets of a business, the prospective purchaser and the attorney representing the purchaser should insist that a thorough IP audit be performed by experienced intellectual property attorneys to determine the scope and level of IP ownership and protection currently in place and what protection is needed in the future to ensure the investment is worthwhile.

An intellectual property audit is an inherently complex undertaking and should only be performed by attorneys with experience in conducting IP audits. The Livingston Firm specializes in all areas of intellectual property law including patents, trademarks, copyrights, trade secrets, franchising, litigation and business law. As the largest full-service intellectual property law firm in Southwest Florida with over forty years of combined experience.

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Edison Inventors “How To:” Section

How To: Check to see if a Patent is current, delinquent or expired due to non-payment of patent Maintenance Fees

There may be more than one way to check for Patent Maintenance Fees, but this method lets you know if the patent is current, delinquent, or expired due to non-payment of the maintenance fees. It also lets you know what date the patent became delinquent or expired.

1. Obtain the patent number of patent you want to check
2. Call the United States Patent Office at 800-786-9199
3. Listen to the prompts and select as below
4. Select option 2, Patent Information
5. Select option 3, Patent Maintenance Fees
6. Select option 1, Information on a specific Maintenance Fee
7. Select option 1, for patents beginning with a number
8. Inter the patent number

The telephone robot will give you the current status or let you know if the patent has expired for non-payment of maintenance fees. And, as stated above, it also lets you know what date the patent became delinquent or expired.

Contributed by Mike Kirby – EIA Board Member