**Product Responsibility Best Practices**

**SUBJECT**

Patents and Licensing

**LAST UPDATE**

July 2018

**APPLIES TO**

- Suppliers
- Distributors

**FOCUS ON**

Understanding the Importance of Adherence to Patent and Trademark Protections

**QUICK LINKS**


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**Patents**

Patents indicate an exclusive right to a product, process, or improvement of a product or process that is new, inventive and useful. Patent owners may grant permission to, or license, other parties to use the product or process under a set of mutually agreed-upon terms.

Patent owners may also sell the rights to someone else, who will then become the new owner of the patent. Patents come with expiration dates; protection ends with expiration, and products or processes can then enter the public domain.

According to the U.S. Patent and Trademark Office, inventions may not be patented if they have been patented, described in a printed publication, or in public use, on sale or otherwise available to the public prior to the effective filing date of the claim; or, if they have been described in a patent previously issued or deemed published under the name of another inventor prior to the effective filing date of the claim.

If a client requests reproduction of a desired product, or if you spot a product you want to manufacture/import/sell, follow these guidelines to determine whether an item is protected by a patent.

**What To Do When …**

**You see a product at a trade show**

- Look for markings such as patent numbers or service marks
- Ask the supplier if the item is protected by service marks or a patent
- Ask peers if they know about the product

**You see a product being sold by another distributor/supplier**

- Look for patent information or service marks (If there are none, and the product has been widely adopted, intellectual property rights may not belong to anyone)

**Someone asks you to make a similar version of a product they’ve provided an example of**

- Engage legal counsel to perform a patent search and provide an opinion

**Someone asks you to manufacture a product they’ve provided an example of, or add it to your line and pay them a royalty**

- Look for service marks
- Request indemnity from the individual or company; they take over the defense in the case of an infringement suit
- Consult with legal counsel to conduct due diligence

**Someone asks you to make a similar version of a product they believe may be patented**

- Engage legal counsel to perform a patent search and provide an opinion

**Applications that are filed with the U.S. Patent Office and published may not be fixed, and may only cover utility or design, but not both.**

**A Quick Guide For Patent Searches**

1. Look for patent markings on every surface of the item
2. Conduct a patent search using the company name as a starting point
3. Look for marketing/advertising signal words: ‘exclusive product line’; ‘featuring a unique …’; ‘features a patented …’; ‘innovative solution’
4. Review a company’s website. The ‘About Us’ page often shows indicators, such as mentions of patents, product development and designers
Know The Difference Between Trademark And Service Mark
A trademark is a phrase, symbol or logo used to brand, identify and distinguish a product. Registered trademarks are identified with the ® symbol. Unregistered trademarks are identified with the ™ symbol. Examples: Nike, Tiffany & Co.

A service mark is a word, phrase, symbol or logo used to brand, identify or distinguish a service. Registered service marks are identified with the ® symbol. Unregistered service marks are identified with the SM symbol. Examples: Walmart, McDonald’s

Branding And Licensing
Branded and licensed merchandise is a high-demand item, but licensing agreements are tough to obtain. Obtaining a licensing agreement can take time—negotiations can take a few years. The process for applying for and securing a licensing agreement is a multi-step one. And, once licensing is granted, the rights are not necessarily expansive. Licensees may only be able to sell certain items with a logo or name.

The Collegiate Licensing Company is the official trademark licensing affiliate company representing 200 U.S. colleges, universities, bowl games and athletic conferences, as well as the Heisman Trophy and NCAA. After completing an application with the CLC and paying the accompanying fee, the following steps must be taken:

Phase One
- Submit a generic quality sample of each product for which licensure is desired.
- Submit a completed corporate responsibility and supply chain compliance questionnaire
- Submit a factory/supplier information form if required by the institution

Phase Two
- Obtain insurance
- Submit authorized manufacturers agreements
- Provide finished product samples to institutions as required
- Register with the Fair Labor Association

Phase Three
- Sign a Labor Codes of Conduct agreement
- Pay royalty advances to institutions as required
- Sign a standard retail product licensing agreement

Patent and trademark protections are an important consideration when engaging in risk mitigation. When presented with a product concept, measures must be taken to avoid committing patent or trademark infringement. There are typically patent markings or signal words in the advertising to indicate that a product is covered by patent protection, but there are also several other ways to determine with certainty. It is also critical to consult with your company’s legal counsel when attempting to determine whether a product has any patent or trademark protections. The value in ensuring that a product is free from patent or trademark protections is derived from avoiding liability that stems from having committed patent infringement, and avoiding wasted resources developing a product whose rights have already been secured.

Online Resources
United States Department of Commerce: www.commerce.gov
United States Copyright Office: https://www.copyright.gov/