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Wearable Technology: Protecting IP Rights and Minimizing Infringement Risks

Leveraging Utility Patents, Design Patents, Trademarks and Trade Dress to Safeguard IP

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Today's faculty features:

John M. Augustyn, Shareholder, **Leydig Voit & Mayer**, Chicago

Rod S. Berman, Partner, **Jeffer Mangels Butler & Mitchell**, Los Angeles

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Protecting Wearable Technology As Intellectual Property - JMBM IP Lawyers Rod Berman & Brennan Swain

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Jeffer Mangels Butler & Mitchell LLP intellectual property attorneys, Rod Berman and Brennan Swain, discuss the emerging market for wearable technology, the likelihood of growth in the market, and the issues companies face while protecting this new intellectual property.

Full Transcript:

Brennan Swain: My name is Brennan Swain. I'm here with Rod Berman–we're both attorneys at JMBM. We're going to be speaking today about wearable technology. Rod, we've all heard about wearables–but what is it?

Rod Berman: Wearable technology normally would be considered to be anything that's wearable, that has technology.

Years, and years, and years ago that would simply be a watch. Today, it's iWatches, Samsung watches, monitors for baby breathing, sports devices–any type of device that is wearable which typically involves some aspect of fashion and technology.

Brennan Swain: So we've heard a lot about it in the press recently–why is that?

Rod Berman: I think it's just gotten very, very popular. Apple had developed a technology which allows the incorporation of lots of functionality on chips. They were able to make very, very small chips which allowed the making of the iWatch; the iWatch, together with a Google Lens and Fitbit, have just caught on to athletes in the public, and even in medical device manufactures, police–lots of people.

Brennan Swain: What type of lawyer is needed to protect wearable technology?

Rod Berman: I think a very seasoned intellectual property lawyer. Today, there are lawyers who specialize in patents, some lawyers specialize in copyright, and some in trademarks. I think that the best lawyer to have is somebody who appreciates patents, trademarks, copyrights, trade dress, packaging–maybe even knows a little bit about privacy laws–because a wearable embodies all of those areas in intellectual property.

Brennan Swain: What in particular gives you qualifications in this area?

Rod Berman: Well, I've been a patent lawyer for 30 some-odd years. I work with you–a mechanical engineer. I work with others and other technology including software, I spent years dealing with trademarks and trade dress, represent lots of clients in a variety of industries throughout the world, and I think it's that, overall. Not just on my part, but on the part of those in our department, and the lawyers in our firm that help make the wearable technology practice at the very high end of first-rate.

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Brennan Swain: What does a company have to do to protect its investment and wearable technology?

Rod Berman: I think the first thing that company has to do is recognize that the only practical way of protecting that technology is through intellectual property. And at the conceptual stage they should either deal internally within in-house counsel or contact lawyers, such as us, to evaluate the possibilities of intellectual property protection. It could involve patenting the technology; it could involve branding the name; it could involve the packaging and how the packaging looks; it could involve copyrighting the instructions–there might be aspects of it that are best protected by contract. If you take a look at Fitbit, for example, you can see that the packaging has language that's copyright. Obviously, Fitbit is a trademark, it's a name. The Fitbit device itself is covered by patents, whether it's on the band or the actual computer software inside the device.

So, it involves all those aspects of intellectual property, and because there are certain time frames in which to protect that intellectual property, it's important that a company recognizes it and contacts someone who is knowledgeable the area.

Brennan Swain: Speaking of time frames, what are some of the things that someone would know about how quickly they need to seek protection?

Rod Berman: Well, probably the most important time frame is patent time frame. In most foreign countries, and we assume that the wearable technology will be sold outside of the United States, patent applications have to be filed before there is any public disclosure or commercialization. In the United States, under certain circumstances you have a 1-year grace period. But, in general, you have to promptly file patent applications.

Trademark applications are similar in some extent. You can file a trademark application any time, but the date of filing of a trademark application gives you potentially worldwide priority, so it's important to file trademark application quickly–and if you're going to file applications outside the United States, to file within 6 months of your U.S. filing.

Copyright applications are also important to file right away because once a copyright is registered, the copyright owner gets additional rights that don't accrue if the copyright is not registered.

Brennan Swain: All right, so for a filing patents and trademarks, those are offensive filings. What can a company do to protect themselves from being sued if they start selling wearable technology?

Rod Berman: There's a variety of things they can do. For the most part the focus is on trademarks and patents. So, they should conduct a trademark search through lawyers such as us to make sure that the mark is available, at least in the United States, and potentially conduct searches in foreign countries as well. Fitbit is a perfect example of a company that launched its product, and shortly after was sued by another company who had a similar name and connection with a similar product. The case got resolved, but searching wasn't undertaken as thoroughly as it could have been.

Patent searches are important from two ends. One end, to make sure that you have the freedom to operate so that you're

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not infringing anybody else's technology. And, also to determine whether or not your technology might be patentable. You can be certain that companies like Apple and Samsung are incredibly active in filing patent applications. In wearable technology it's not simply the electronic components of the device itself; it might be the material used for the band or the particular shape of the device. It could be the appearance because patents, as you know, cover both utility and features of devices, as well as their design features: what they look like. If you conduct a search of the U.S. Patent office and what Apple has filed for, for the iGlass you'll see a plethora of patent applications. Every single aspect of the device is sought to be protected.

Brennan Swain: Lastly, what do you think the future holds for wearables?

Rod Berman: Well, it's kind of iffy right now. We're at the beginning part of the growth of wearables. From a technical standpoint, I think wearables will be more lightweight, more functional, more user-friendly. The issues that are going to arise are whether there's a real market for wearables. Apple had once predicted selling two million dollars' worth of Apple phones a month, and I'm not too sure whether they've met their predictions. Although most pundits believe that it's ultimately a 30 or 40 billion dollar industry.

The other issue that we have to look for to the future is privacy, because the concept of wearables is not just the functionality, but interactivity with other devices. That brings to mind the privacy issues in collecting personal data. Which goes back to one of your first questions: why is our practice particularly focused on wearable? We have the intellectual property aspect of it and we have attorneys who handle the privacy aspects of it too, when packaged.

Brennan Swain: Well, thanks for that great information. Anybody watching–this if you're interested in learning more about wearable technology, you can contact either Rod or me through our information that's right on the screen. Thank you.

Rod Berman: Thank you very much.

WEARABLE TECHNOLOGY: BRAND IMPLICATIONS AND STRATEGIES

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An expert in intellectual property law and technology explores the challenges facing brand owners when developing, launching and protecting the new generation of wearable technology products.

Wristbands that record and analyze your physical activity. Gloves that help manufacturing workers work smarter. Glasses that put a world of information and communication in your line of sight. These are just a few examples of the "wearable technology" products redefining the role of technology in our everyday lives. It is also creating tremendous commercial opportunities; by one estimate, the global market for wearable technology products will grow to more than $30 billion by 2018.[1]

The rapid growth of wearable technologies creates tremendous opportunities for companies. But it also presents some potential implications for their brand assets, according to Rod S. Berman, a Los Angeles-based intellectual property attorney specializing in patent, trademark, trade dress, copyright, and unfair competition matters.

Berman says because these products integrate technology and fashion, they pose some interesting challenges for securing and protecting intellectual property assets. This paper explores the potential implications of wearable technology on trademarks, trade dress, copyright, and design patents.

Which IP Rights Apply?

Berman notes that the combination of technology and fashion elements makes wearable tech products a unique IP challenge. "As IP lawyers, we're tasked with protecting the product and advising clients how to avoid infringement. That means looking at every aspect of the product to assess what is appropriate for protection and what may be covered by third-party rights."

While functional elements may permit patent protection, there is a range of options for brand protection. Determining which rights apply to wearable tech products can be complex.

Trademarks—In the U.S. and some other jurisdictions, trademarks offer protection for a variety of product attributes—from color, shape and scent to touch, sound and motion. Any or all of these trademark attributes may be involved with wearable technology products.

In addition, Berman says wearable technology products are usually marketed internationally, in order to recoup the significant investments required to bring them to market. "You can't just think about the United States or China. You need to think much broader than that," he says, adding that the portable nature of wearable technology products magnifies this issue. "If you have a smart watch or a heart monitor and someone wears it to another country, could you potentially create an infringement issue?"

Accordingly, companies should assess the availability of trademarks for wearable technology brands in all jurisdictions where they foresee marketing or distributing their products.

Trade Dress—The unique nature of wearable technology really plays out in the area of trade dress, Berman says. "When developing wearable technology, it almost by definition has some functionality so you could be designing yourself away from any trade dress protection. If you plan to seek trade dress protection, you need to design a product that will not be subject to a claim of functionality."

He notes that trade dress protection is more difficult to obtain than trademark protection. "It takes longer and typically you have to show secondary meaning and distinctiveness. That can be a battle," Berman explains. "So trade dress protection can work, but it depends to a great extent upon the particular country. Some countries don't protect 3D marks. Even in the best cases, it's difficult."

Moreover, while design and appearance are key elements of a wearable product's appeal and distinctiveness, Berman points out that these designs are anything but permanent. "Fashions change and you need to update constantly. That's the problem with trade dress," he explains. "It takes time to establish secondary meaning and by the time you get a registration or rights to trade dress, it's changed. It just moves on to something else."

Design Patents—Berman says this IP protection may be particularly helpful for wearable technology products, covering specific design features in ways that trademarks and trade dress cannot. Unlike trade dress, there is no requirement to prove distinctiveness, so obtaining a design patent is usually far easier but may be more expensive.

[1] Wearable Computing: Global Market Set to Grow to $30.2 billion in 2018, PRNewswire, Oct. 15, 2014 [http://www.prnewswire.com/news-releases/wearable-computing-global-market-set-to-grow-to-302-billion-in-2018-279321092.html]

"Design patents cover ornamental looks, which is the heart of wearable technology," he explains. "If the product includes ornamental features, particularly those that are three-dimensional, you may be better off with seeking a design patent as opposed to trade dress protection, although they are not mutually exclusive." He notes, however, that a trademark or trade dress registration offers lifetime protection, while a design patent has a limited lifespan; 15 years in the U.S.

Unregistered Design—In some jurisdictions, within the European Union, for example, brand owners may still have rights to non-functional designs even if they have not registered them. However, Berman cautions against relying on this protection. "It's not the most reliable form of protection because you still have to prove distinctiveness and the design doesn't bear any presumptions of validity or enforceability."

Copyright—Because copyright doesn't protect functional items under at least U.S. law, product owners may consider this protection primarily for product instructions and packaging, particularly if there are concerns of counterfeiting. Berman says that although copyright protection subsists once the work is authored and put in a tangible form, "It is better to apply for copyright registration and obtain a registration. Most U.S. courts lately are accepting copyright filings for jurisdictional purposes, and a registration will go a long way to show a foreign infringer that you own copyright rights."

Another dimension of copyright specific to wearables involves data delivered by or created by the device. Protections for streaming information, such as films or other content, vary from one country to another, Berman says, adding that data created by the device poses other questions. "Who owns the copyright to the created data? There are also potential privacy concerns."

The Case for Proactive Planning

What kinds of issues can arise when defending wearable technology brands? Berman pointed to a number of recent cases where wearable technology figured prominently.

In 2013, London-based Fitbug, a maker of wearable "health coaching" devices, filed suit against Fitbit, which makes wearable fitness tracking devices, alleging trademark infringement.

"The case did not get to the merits and Fitbug lost because it waited too long to enforce its rights," Berman notes, adding the court ruled in favor of Fitbit's laches defense arguing that the plaintiff unreasonably delayed in enforcing its rights. Fitbit introduced its products in 2008 and Fitbug did not bring suit until 2013. This underscores the importance of acting in a timely manner in cases of alleged infringement.

Another case still working its way through the courts is Motorola v. UNORTH. According to Berman, Motorola claims trademark rights in a series of marks with the word "moto" and filed suit against UNORTH based on its use of "mota" in a mark for a wearable device. "The case is pending but it includes the traditional plethora of trademark infringement, unfair competition, and dilution counts," he says, noting that the case is set for trial next year.

A well-publicized case involves tech giant Google. In 2013, the company applied to register the trademark "Glass" for its Google Glass product. The registration was opposed by companies with existing brands that also included the word "glass." While these oppositions were resolved with the brand owners, another barrier appeared. U.S. Patent and Trademark Office examiners suggested that the term was merely "descriptive" and not sufficiently distinctive. Google can still use Glass to brand its product, but it may have difficulty enforcing its perceived rights to the word.

Focus on the Fundamentals

Berman says that, while wearable technology is relatively new, companies wanting to protect their products' assets need to focus on the traditional fundamentals.

"Search and apply early. Be thorough in your searching and apply for trademark protection as soon as possible," he advises. "Search both traditional sources of trademarks and social media sites. Apply not just for the trademark, but also for all the different social media handles and domain names," he says, adding that brand owners should extend their search and filing beyond the U.S. market. "These are basic strategies, but they help minimize potential issues."

Ownership of all IP assets is also crucial with wearables. Berman advises that companies make sure they have strong employment and/or assignment agreements that require employees or contractors to transfer intellectual property rights to the company. "I can't count the number of times we have had clients go to an ad agency or branding company to develop a brand and later find out the branding company owns it," he says, noting that agencies also commonly purchase domain names for clients, calling into question who owns them.

Ongoing Vigilance

Once marks are registered, brand owners should be vigilant. "You should have watch services in place so you can catch potential infringements early, before they grow into huge problems," Berman notes. "Once an alleged infringer has invested a lot of money, they are more likely to fight."

Continued awareness is especially important in the wearable technology arena due to the speed at which the market is growing, Berman says. "It (the wearable technology arena) is moving very quickly. So whether you are trying to protect, develop, or enforce IP in wearables, it has to be something that is well thought-out, quickly, and promptly effectuated."

Finally, Berman reminds brand owners not to overlook normal protection steps in the face of a new technology. "There's something very exciting about wearable technology. And when business people get overwhelmed with excitement, things are missed. Slip-ups occur. This happens all the time," he says. "They just say, this is great, we'll worry about legal tomorrow. But you can't."

ABOUT THE EXPERT

Rod S. Berman is a Partner at Jeffer Mangels Butler & Mitchell LLP in Los Angeles, California, and a recognized expert in patent, trademark and copyright law. He has been named one of the top intellectual property attorneys in California by leading legal and business publications. Mr. Berman has been involved in a number of published patent, trademark and copyright cases in a wide variety of industries. More information, including contact information, can be found on www.jmbm.com.

ABOUT THOMSON COMPUMARK

Helping you maximize and protect the value of your brands in today's complex, global trademark landscape is our mission. To fulfill that commitment, we develop and deliver intelligent trademark research and brand protection solutions that expand your capabilities while saving you time and effort. Our Trademark Search and Watch solutions and services help uncover potential conflicts that might otherwise go unnoticed, giving you the ability to act early to protect your brands and reduce the risk of costly legal disputes.

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