



Lindsay Silber

Partner  
303.295.8047  
Denver  
linsilber@hollandhart.com

# Intellectual Property Protection Post-Pandemic: 'The Readiness Is All'

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One thing has become clear as we emerge from the shutdown: companies, especially technology companies and startups, must be nimble and ready to adapt to rapidly changing conditions, regulations, customer expectations and economic realities. In order to be ready for whatever comes next, companies should consider taking the following seven actions to protect their key intellectual property assets.

**Trade Secret Best Practices.** Most of us know from recent press coverage that using certain video conferencing platforms, such as Zoom, may present data security risks, in part due to their terms of use that permit the recording of any meeting. At the same time, remote working in some form is here to stay, and that means video conferencing will continue to be an important tool. In order to continue to best protect your trade secrets and other proprietary information in this new reality, make sure your policies and procedures regarding the protection of trade secrets are up to date and address working from home and the use of such platforms, and, more importantly, are actively enforced by the company. Update your employment manual as necessary for these changes as well. As you audit your policies and procedures, please ask yourself the following questions:

- Has the company sufficiently educated its employees regarding what constitutes a trade secret (for example, the source code to any proprietary software) and how trade secrets must be maintained?
- Is employees' electronic and physical access to proprietary information appropriately limited?
- Do employees know to limit disclosure of sensitive information on video conferencing platforms that require users to agree that the provider may record meetings?

**Privacy Policy.** Is your online privacy policy still up to date and compliant with the ever-changing landscape of privacy laws? In particular, determine whether your company is required to comply with the California Consumer Privacy Act or the EU General Data Protection Regulation, and, if so, work with your privacy counsel to ensure your privacy policy and practices are compliant with the new laws.

**Employee/Founder IP Assignment Agreements.** If a sale of your company is on the horizon, anticipate what the acquiror will focus on in due

diligence and preempt any issues. A sophisticated acquiror will want to confirm the company owns clear title to all of its IP. Reduce potential issues by confirming now that all current and former employees, contractors and founders that developed IP for the company have signed an agreement confirming the company's ownership of all IP that the individual developed.

- If any current employees or contractors have not signed, arrange for those individuals to execute the applicable agreement. Note that some states require additional consideration, such as stock options or a bonus, in order for an agreement entered midway through employment to be enforceable.
- Identify any employees, contractors or founders who are no longer involved with the company and determine whether those individuals created any IP for the company that is still in use. If so, reach out to those individuals and ask them to execute the agreement. Make sure the agreement covers services performed in the past, as well as, in the case of founders, all times when the founder was working in a capacity other than an employee (for example, before receiving at least minimum wage for hours worked).

**Professional Services Contracts.** Careful consideration of IP provisions in contractual arrangements is critical to protecting a company's IP, regardless of whether you are the service provider or the client.

- If you engage contractors for professional services (whether technical, creative or otherwise), make sure all of your agreements with them assign to your company all rights to newly-developed IP.
- If you provide professional services, confirm that all of your services agreements make clear that your company retains title to any IP or technology it “brought to the table,” e., that it owned prior to the engagement or developed outside of it.

**Brand Clearance.** Regardless of industry, a company's brand is one of its most valuable IP assets.

- Avoid costly branding disputes by clearing trademarks for names and logos of all new products or services. A small upfront investment in robust searches can give you the peace of mind that the company will be able to use its brand or logo without infringing third-party rights.
- If you hire a branding agency to develop your brand, make clear in the applicable agreement which party is responsible for “clearing” the new branding assets from a trademark perspective.
- Consider registering at least your primary brand or logo with the U.S. Patent and Trademark Office (the process for which can start prior to public-facing use of the brand or logo). Although registration is not required in the U.S., it does grant some additional protections.

**Confirm All Brands and Content Are Owned by the Company.** Did you hire someone to design the company's logo, website or other content? Does the accompanying agreement clearly state that all content and other

IP is assigned by the contractor to the company? If not, now is a good time to get those written arrangements in place. The more time that passes the harder it is to clean up these issues.

**Open Source Code.** If you are a technology company, now is a good time to audit your use of open source software and put in place, at a minimum:

- A formal process for developers to request approval of open source components they wish to deploy in applications (learn about the various OSS licenses and the effects their use can have on later commercialization of your proprietary applications before approving use of any OSS), and
- A central place to record the name of the OSS component, the version and date downloaded, the license terms applicable to that version and details regarding the company's use of such OSS (including whether it was modified and whether that code is distributed or hosted as part of business operations).

Don't be caught flat-footed when another rapid pivot becomes necessary. Take these affirmative steps now to protect your company's valuable assets, and avoid issues in the future. Organization, nimbleness and preparation will support viability in our new normal.

*Lindsay Silber is a partner at Holland & Hart in Denver. She focuses her practice on IP in corporate transactions, technology transactions and commercial agreements.*

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