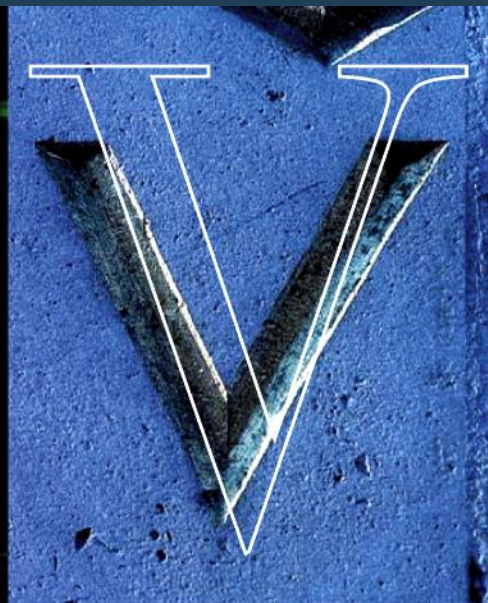
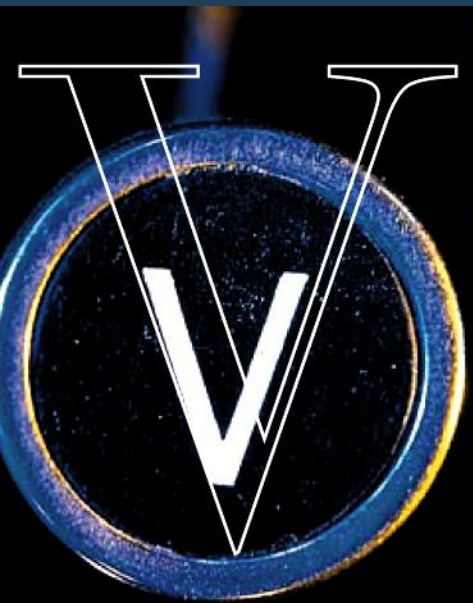


VENABLE[®]_{LLP}

Maximize Your Business Performance – Intellectual Property Strategies for Online Lead Generators and Marketing Services

DECEMBER 17, 2014

Justin Pierce, Kristina Schrader, and Jonathan Pompan (Moderator)



Overview

Strategic management of IP enhances business performance and provides businesses with distinct competitive advantages in the marketplace. Many online lead generators, however, fail to effectively manage or even use their IP rights to achieve and support their business objectives.

This webinar will cover the basics of how IP rights such as patents, trademarks, copyrights, and trade secrets apply to the business of online lead generation, and how online lead generators can better use intellectual property to maximize their business performance.



Agenda

- Intellectual Property Basics
- Application of IP to Online Lead Generation
- Recommendations for Online Lead Generators
- Question & Answer
- Closing
- Presenters' names:
 - Moderator: Jonathan Pompan
 - Panelists: Justin Pierce and Kristina Schrader



Intellectual Property Basics

Patents

- **Basis:** U.S. Constitution, Article I, § 8, cl. 8 – “to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”
- **Term:** 20 years (for utility patents).
- **Protects:** **Inventions.**



Intellectual Property Basics

Patents

■ Threshold: Patent Eligibility

- Process (includes software and business methods), machine, manufacture, composition of matter, or improvement thereof (35 U.S.C. § 101).

■ Requirements for Patentability:

- Utility;
- Novelty (not anticipated by prior art; not barred by pre-filing events);
- Nonobviousness (sufficient advance beyond the collective knowledge in the art to warrant an exclusive right);
- Adequate Disclosure; and
- Definiteness.



Intellectual Property Basics

Trademarks

- **Basis:** Common Law, State & Federal Statutes (Lanham Act)
- **Term:** Rights terminate when use ceases; “incontestable” 5 years post-registration.
- **Protects:** “(A)ny word, name, symbol, or device, or any combination thereof [ANYTHING]...used by a person...to identify and distinguish his/her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods....”
- **Requirement:** Use in Commerce



Intellectual Property Basics

Copyrights

- **Basis:** U.S. Constitution, Article I, § 8, cl. 8 – “to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”
- **Term:** Life of the Author + 70 years
- **Protects:** Original works of authorship that are fixed in a tangible medium of expression (can include software).
- **Requirements:** Originality + Fixation



Intellectual Property Basics

Trade Secrets

- **Basis:** State law (in most states: Uniform Trade Secrets Act).
- **Term:** Continues as long as it stays secret.
- **Protects:** **Information** (formula, pattern, compilation, program, device, method, technique, or process) that **derives independent economic value** from being a secret, and is **kept secret through reasonable efforts**.
- **Requirements:** Secrecy



Application of IP to Online Lead Generation

Patents

- **Build a competitive advantage around your technology**
 - LendingTree.com fine print:

“LendingTree technology and processes are patented under U.S. Patent Nos. 6,385,594 and 6,611,816 and licensed under U.S. Patent Nos. 5,995,947 and 5,758,328.”
 - Leadperformer.com (see next slide)




Application of IP to Online Lead Generation

Patents

www.leadperformer.com/#prettyPhoto

Home Products How It Works Features Our Office Contact Page




Drive Traffic
↓
Automated Conversion Tools & Dashboard
↓
High Conversion Leads With The Best ROI

Real Estate Buyer & Seller Leads:
You Need It, We Provide It.

Our #1 priority is you. Your SUCCESS is our success. Lead Performer is built around the BEST Organic real estate search engine optimization on the market available anywhere, utilizing our patent pending technology. We drive the traffic and convert them to real estate buyer leads, allowing you to focus on what you do best – working with buyers and closing transactions.

YOU NEED
LEAD PERFORMER




Application of IP to Online Lead Generation

Patents

Case Example: **Dynamic Tabs cases**

- Internet Patents Corp. held '505 patent for technology allowing the **use of Back & Forward navigational functions on a website form without data loss.**
- Filed two suits in N.D. California: *Internet Patents Corp. v. Quinstreet* and *Internet Patents Corp. v. General Automobile Insurance Services*, both against online lead generators who used online forms.
- Patent invalidated in Sept. 2013 for lack of patent-eligible subject matter (“mere abstract idea”; no inventive concept).



Application of IP to Online Lead Generation

Patents

Case Example: *LendingTree v. NexTag* (2014)

- LendingTree patents: System allowing borrowers to submit a single form for multiple lenders.
- LendingTree sued Zillow, NexTag, and Adchemy for operating similar websites.
- LendingTree waited 6+ years to file suit against NexTag; court applied equitable doctrine of “laches”; awarded attorneys’ fees to NexTag.



Application of IP to Online Lead Generation

Trademarks

- **Using trademarks to build competitive advantage around your brand:**
 - Bankrate Insurance Verified. US TM Reg. No. 4212678. “...providing subscribing customers with qualified business leads using a proprietary business lead validation method which blocks suspicious, erroneous and fraudulent leads.”
- **Secure distinctive registered trademark rights within your field, specialty, or market**
 - Why? Competition is fierce.
 - 1360 trademark records in USPTO that expressly cover “lead generation” in some form.
 - Most filed within the past 5 years.



Application of IP to Online Lead Generation

Trademarks

Case Example: *AARP v. American Family Prepaid Legal Corp., et al* (2009)

Defendant's
Mailer

AARP REPORT: FINDINGS ON PROBATE...
REDUCE TAXES ON SOCIAL SECURITY INCOME!

A RECENT **AARP** REPORT FOUND, IN MANY CASES, THE OUTDATED PROBATE PROCESS CREATED UNREASONABLE LEGAL FEES ESTIMATED TO BE \$1.5 BILLION DOLLARS NATIONALLY EACH YEAR!

Depending on the value of your estate, upon your death, probate costs and estate taxes could be a heavy burden for your heirs to pay.

There are now Federal tax laws passed that will legally enable you to reduce paying income taxes on interest income from your CD's, Money Market Funds and Social Security Income.

FOR FREE HARD FACTS AND STRAIGHT ANSWERS ON HOW THIS CAN AFFECT YOU AND YOUR HEIRS, RETURN THIS POSTAGE-PAID CARD TODAY! THERE IS NO COST OR OBLIGATION.

Signature _____

Age _____ Spouse _____

() _____
Phone (work)

() _____
Phone (home)

(NOTE: Area Code And Phone Number Ensures Proper Routing).

NOT AFFILIATED WITH ANY GOVERNMENT AGENCY OR AARP.

EST16 1001



Application of IP to Online Lead Generation

Trademarks

AARP v. American Family Prepaid Legal Corp., et al (2009)

- Defendants used “AARP” mark (with disclaimer in fine print) on mailers to people matching criteria identified by financial services company; sales reps visited respondents and used high-pressure sales tactics to “browbeat seniors into buying financial services.”
- AARP sued for violations of RICO, Lanham Act, unfair and deceptive trade practices, etc. (case settled).



Application of IP to Online Lead Generation

Trademarks

Case Example: ***Carrier Corp. v. Reply! Inc.*** (2011)

- Reply! operated lead generator site for home improvement contractors.
- Purchased search term “Carrier” (brand of A/C units), so users searching for “Carrier” got sponsored link:

Carrier

Find Best Deals on Carrier Units

carrier.reply.com

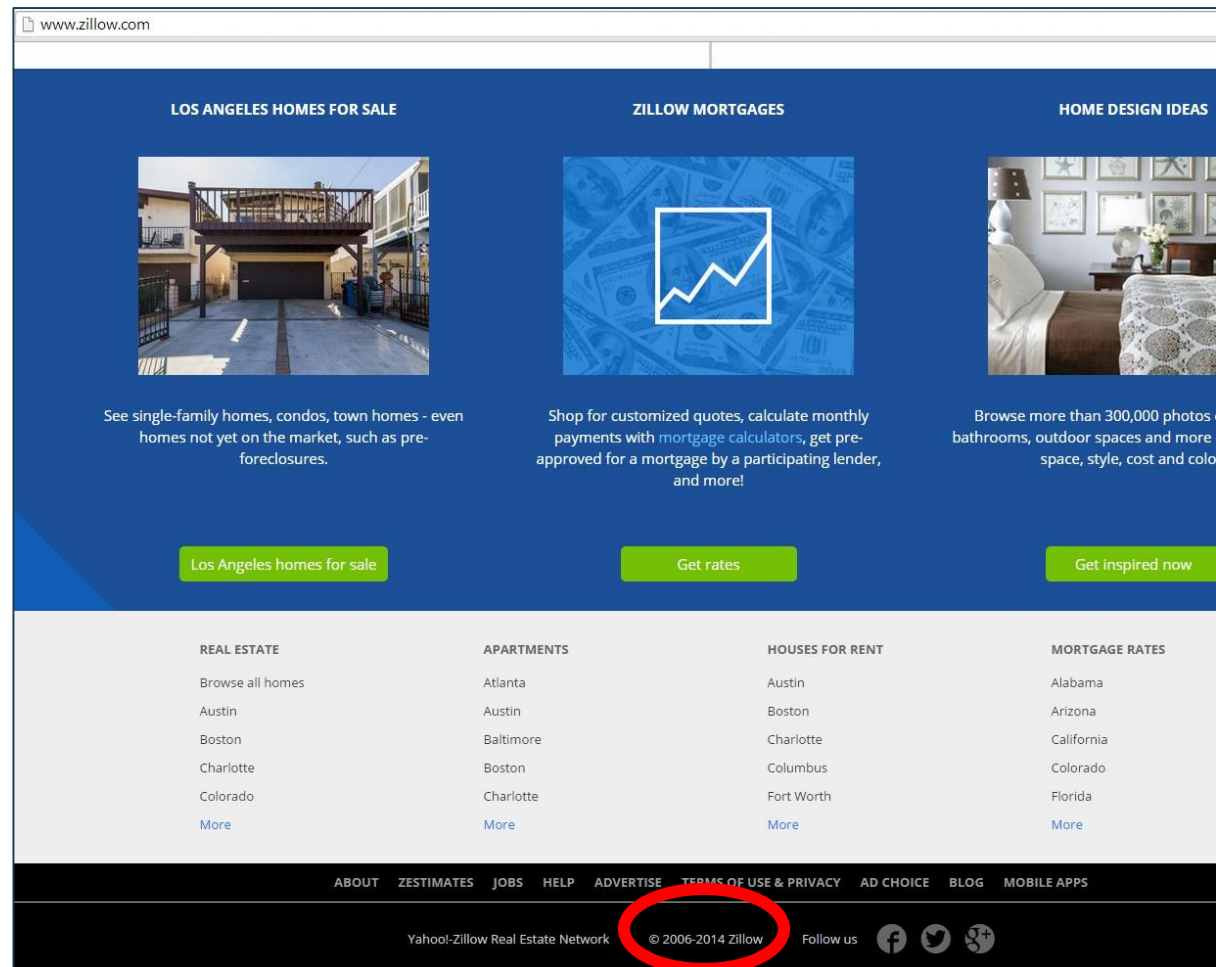
- Carrier sued for trademark infringement, false designation of origin and false representation, dilution, cyberpiracy, etc. (case settled).



Application of IP to Online Lead Generation

Copyrights

Build competitive advantage by protecting your content and software.



Application of IP to Online Lead Generation

Copyrights

Case Example: *Marketing Technology Solutions v. MediZine* (2010)

- MTS's "Promotion Serving Platform" (PSP) software served ads to users based on responses to health-related questions; former employee developed iConnect (competing software) for MediZine.
- MTS sued MediZine for copyright infringement, trade secret theft, unauthorized computer access, etc.
- © claims survived defendant's summary judgment arguments that copying a few lines of code was "de minimis" and that Campaign Ranking Code was "merely an algorithm" (case later settled).



Application of IP to Online Lead Generation

Trade Secrets

Case Example: *Vinyl Interactive v. Guarino* (2009)

- Vinyl operated “Free College Scholarships” lead program, allowing users to fill out form and enter in scholarship raffle.
- Former employee became program manager for JumpStart (competing program); gained access to some confidential files and Vinyl’s Google Analytics account.
- Vinyl sued for theft of trade secrets (case later settled).



Application of IP to Online Lead Generation

Trade Secrets

Vinyl Interactive v. Guarino (2009) – IM convo between 2 former colleagues (what not to do):

anthony [defendant]: did anyone connect JumpStart to me yet

SteveVinylInteractive: no i dont think so

anthony: do you think they will be pissed

SteveVinylInteractive: nah

SteveVinylInteractive: i mean everyone knows you left and work for a competitor

Hint: Steve was wrong.



Application of IP to Online Lead Generation

Trade Secrets

Vinyl Interactive v. Guarino (2009) – Court found the following likely protectable trade secrets:

- Identity of Vinyl's publishers
- Rates Vinyl pays to its publishers
- Publishers' lead quality and conversion rates
- Rates advertisers pay Vinyl for leads
- Identity of Vinyl's advertisers for this campaign
- Vinyl's profit margins for advertisers
- Vinyl's methods to identify publishers
- Methods for reporting and tracking publisher leads quality
- Methods for determining volume per publisher
- Vinyl's data on and analysis of competitors' products



Recommendations for Online Lead Generators

Build competitive advantage through the strategic use of intellectual property

■ Patents

- Use to protect the innovative aspects of your core services and technology
- Enforce your rights without delay

■ Trademarks

- Secure registered rights in distinctive marks
- Avoid confusing or improper use of others' trademarks

■ Copyrights

- Register copyrights in your content and software

■ Trade Secrets

- Maintain the right protocols for securing trade secrets
- Ensure employees are not using others' trade secrets



Question & Answer



The road ahead...



Contact Information

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