



INTELLECTUAL PROPERTY & FRANCHISING

Our Intellectual Property & Franchising Group is dedicated to helping secure your original ideas, products and creations, especially those businesses specializing in creative property and to serving the needs of franchisors and franchisees. Businesses seeking our counsel include software, computer and other technology developers, franchisors and franchisees, scientists, engineers, R&D firms, advertising agencies, writers, athletes, entertainers and inventors.

who we are

The Intellectual Property & Franchising Group of Kaufman & Canoles specializes in representing international, national, regional and local companies, individuals whose products and ideas are the result of creative efforts, and franchisors and franchisees.

Due to its impressive depth, Kaufman & Canoles' Intellectual Property & Franchising Group is one of the most well recognized and strongest practices in the state. The Group has made a strong commitment to talent, boasting three former Presidents of the Intellectual Property Law Section of the Virginia State Bar, three members listed in Best Lawyers in America for Intellectual Property, four members listed in Virginia Business' Legal Elite in the practice area (one named the leading lawyer in the area in 2004), several listed in the Virginia's Super Lawyers (one listed in the top 10 and top 50 lawyers in the State several years in a row for IP Litigation) and one listed in Chambers USA: America's Leading Business Lawyers for IP Litigation. The Group also has the only two lawyers regularly practicing franchise law in the area, including the only Hampton Roads' member of Best Lawyers in America (Franchise Law), Richmond Magazine's Virginia Super Lawyers (Franchising & Distribution), and the International Franchise Association's Legal/Legislative Committee, as well as the only lawyer in Hampton Roads with the prestigious Certified Franchise Executive designation from the International Franchise Association.

This wealth of experience sets Kaufman & Canoles' Intellectual Property & Franchising Group apart and will provide you with the experience to confidently handle the most complex of transactions and disputes relating to patents, trademarks, copyrights, trade secrets, franchising, the Internet, technology licensing and transfer, advertising, or any other matter involving protection of your rights in intellectual property and franchising.

what we do

The foundation of any business requires planning for the present, preparing for future growth and protecting vital IP assets. Our expertise spans intellectual property law as set out below. We represent plaintiffs and defendants; licensors and licensees; innovative businesses and their customers; parties to joint development agreements and strategic alliances; and business ventures ranging from leading-edge technology companies, to consumer products companies, manufacturers, distributors and retailers.

what we do (cont.)

Whether you're new to franchising or in an established franchise relationship, our attorneys can provide you with the sound advice you need – from getting your new business on its feet to dispute resolution and litigation. You face many challenges in establishing your franchised business and keeping your franchise running smoothly. Drawing upon the depth of our firm's other areas of specialization, we can provide you with legal counsel regarding any aspect of your franchise operation. Come to us for legal advice including becoming a franchisor, evaluating a franchise, setting up a legal entity for your franchise, negotiating a fair lease, or franchise disputes.

Copyrights

Copyright law protects an author's creative expression in works of authorship, which may include text, art work, audiovisual works, sculptural works including artistic designs of products, computer code, compilations of data, and even architectural designs. Copyright law does not protect ideas or methods, but it gives authors broad exclusive rights in their creative expression.

It is relatively easy to establish and register copyright interests. We register copyrights for clients, and often help them do so on their own. It is also easy to effectively lose copyright protection through inadvertence or inattention. We routinely work with clients to make sure they have the agreements in place to secure needed copyright interests from independent contractors and even employees. We similarly counsel clients to obtain copyright registration of their important works. While registration is optional, authors who fail to register their copyrights early can lose valuable legal remedies, a loss that usually makes it uneconomical to enforce rights against even a deliberate infringer. Our lawyers also help clients develop procedures to ensure that their creative efforts do not inadvertently infringe the rights of others.

The heart of our copyright practice is in licensing, enforcing and defending a client's copyright interests. The range of subject matter with which we have worked is remarkable: from a newly-discovered, unpublished manuscript of Huckleberry Finn, to software and Internet web site content, to the design of houses, to massive compilations of data, to the content of television programs, to the appearance and positioning of museum specimens of human bodies.

Trademarks

Trademarks and service marks are brands of products and services. Marks may be words, logos, colors or combinations of colors, sounds, distinctive packaging and product designs, and even the "look and feel" of a building or web page – almost anything that is used to identify the source of a product or service or distinguish it from other goods or services of the same type. Almost every company has at least one mark; many have extensive portfolios that, together, comprise most of the value of their business. We help to build and protect the value of those marks.

Our lawyers are highly experienced in working with clients to select, clear, register, license, protect and defend their marks. Several of our attorneys have considerable experience registering trademarks with the USPTO and in other jurisdictions, including international registrations under the Madrid Protocol. We represent clients of all types: from individual businesses trying to protect their core names, to franchisors developing a network around a branded business model, to consumer products and entertainment companies for whom brand awareness is the life blood of their business. We also represent advertising agencies that help businesses select and develop brands, as well as distributors, Internet sites and others who need licenses to sell others' products and services.

We have substantial experience in trademark litigation both in federal court and before the Trademark Trial and Appeal Board of the United States Department of Commerce. We have been active in domain name and key word disputes, including cybersquatting litigation in federal court and under the ICANN Uniform Domain Name Dispute Policy.

Kaufman & Canoles' IP attorneys are among the most experienced and knowledgeable in the trademark field. Our attorneys have spoken frequently on trademark issues before bar and industry groups, and one has served on the editorial board of The Trademark Reporter, the leading publication in the field.

what we do (cont.)

Intellectual Property Litigation

We can help you protect your ideas from others or represent you in trial when you are accused of infringing on the IP rights of others. Kaufman & Canoles' IP Litigation lawyers have earned reputations as some of the finest trial lawyers (who actually try IP cases to judges and juries). The group's trial lawyers routinely represent clients in Virginia and throughout the nation on IP matters and are particularly adept at navigating the intricacies of, and trying, IP cases within the "rocket docket" of the United States District Court for the Eastern District of Virginia. The group's IP lawyers have successfully tried many major patent, trademark and copyright trials to juries for international, national and regional businesses and have been involved in hundreds of such cases, establishing a record of trial success in these complex areas, as well as statewide reputations for their qualifications and capabilities. We can efficiently handle preliminary injunctions and temporary restraining orders when infringement issues arise. We also have successfully represented clients in disputes before the Trademark Trial and Appeal Board of the United States Patent and Trademark Office, WIPO and other tribunals under the Uniform Domain Name Dispute Resolution Policy, and in other alternate dispute resolution proceedings.

Patents

Patents allow inventors to obtain exclusive rights to their discoveries for limited periods of time; but the pathway to obtaining those rights is tortuous and can be difficult to navigate. We can help you from start to finish on the patenting journey -- from identifying what may or may not be patentable in your discoveries, to advising you on how to maintain and preserve appropriate evidence of your inventions, to helping you avoid losing or limiting those rights through public disclosure or other inadvertent missteps, to preparing and filing United States and international patent applications and prosecuting them to completion.

The Kaufman & Canoles IP attorneys who work with you on patent protection and obtainment are also the ones who will work with you to help obtain commercial advantage from your inventions through licensing, strategic alliances and other means. Those lawyers have substantial background and experience not only in patent law but also in a wide range of business arrangements. They are uniquely suited to help you see and maximize the commercial potential of your patent portfolio. Our IP Group lawyers also have a wealth of experience and success in patent litigation so that, if necessary, we will also be your ally for legal protection and enforcement of your patent rights. We maintain standing relationships with a select group of licensed patent attorneys with deep expertise in all technology areas so that preparation, filing and prosecution of patents requiring special scientific knowledge can be matched to the most suitable patent attorney for the job. This approach allows us to leverage our in-house capabilities and bring maximum efficiency and the right technical expertise to all of our clients' patent needs.

Should you need to defend a patent once obtained or defend a claim against someone else's patent, Kaufman & Canoles' IP Trial Attorneys offer a wealth of experience. They are intimately familiar with the local patent practices in all the District's Divisions. The group's IP lawyers have successfully tried many major patent trials to juries for international, national and regional businesses. They have established a record of trial success in these complex areas and statewide reputations for their qualifications and capabilities.

Trade Secrets

Most businesses have some information and know-how that may not be a patentable invention, but that give them a competitive advantage because competitors do know about it. This information – whether a manufacturing process, knowledge about a vendor or a customer, a survey of market demand, or results of product testing – can be protected as a trade secret, but only if the company takes reasonable precautions to make sure the information remains secret.

Protecting a trade secret starts with identifying what know-how is really valuable and can be kept secret, then determining whether that information is better protected as a trade secret or through a patent. We help clients make these calls through our IP asset management efforts and determining whether something can reasonably be protected as a trade secret, and how.

Protecting a trade secret also necessarily involves establishing procedures and practices to maintain secrecy. These procedures range from employee confidentiality and assignment agreements, nondisclosure agreements, independent

what we do (cont.)

contractor and vendor confidentiality agreements, company-wide confidentiality policies, internal procedures for handling and tracking confidential information, and restrictions on access to a company's facilities. The steps to be taken depend on circumstances and the value of the trade secret, but without adequate precautions a trade secret is easily lost. In some cases, we develop a set of protection procedures for clients as part of overall IP protection plans, designed to provide maximum protection for, and development of, all types of intellectual property.

We also have represented both plaintiffs and defendants in trade secret litigation. In our experience, it is very easy to allege trade secret misappropriation, but not so easy to prove. The line between a protectable trade secret and general knowledge in the public domain often is not clear, and there usually is dispute over whether precautions were adequate and/or whether a defendant developed its know-how independently. A business is unwise if it rushes into such litigation without sufficient planning and a clear understanding of how it developed and handled the know-how it is using. Our litigators have the experience to guide clients through this process.

Internet and Computer Law

The rapid evolution of the information technology industry and the Internet create enormous opportunity for business, and substantial challenge for the law, and lawyers, to keep pace. Our lawyers have been particularly active in this field, having been fortunate to work with clients on the leading edge of many IT and Internet business ventures. Our lawyers worked with some of the country's first e-commerce retailers, have assisted numerous emerging software and Internet companies, and have been active in emerging business models such as ASP arrangements, outsourcing, data mining, and open source licensing.

Our software/IT experience ranges from routine shrink-wrap and other software license agreements, to software development and beta test site agreements, to mission-critical, customized enterprise licenses and systems integration agreements.

Our Internet law expertise ranges from online user agreements, e-commerce and private arrangements, protection under the Digital Millennium Copyright Act, and domain name and cybersquatting disputes.

Our lawyers have litigated IT and Internet disputes ranging from computer crimes, to software copyright and trade secret infringement litigation actions, to domain name disputes under the cybersquatting provisions of the Lanham and ICANN's Uniform Dispute Resolution Policy. We have developed considerable familiarity with UCITA, the legal code governing computer information transactions that has been enacted into law by the Virginia legislature.

IP Asset Management

Most businesses have some intellectual property assets. Not many fully recognize what they have, or how to develop it to maximum advantage. We help clients identify and harness their IP to recoup the most value added.

Many companies lose intellectual property rights by not taking precautions to ensure that they own, or have the full right to use, the inventions and creations of their employees and independent contractors. They find they do not own and cannot use what they think they own. Our IP asset management efforts begin by ensuring that employee, contractor and vendor agreements secure the rights needed for the company to succeed. We also help clients implement policies and procedures to safeguard confidential information and document creative effort, making sure that inventive activity does not violate others' rights and that it can be protected when developed.

Businesses sometimes lose opportunities because they don't recognize what IP assets they have, or have trouble deciding what IP has the most potential. We help many clients inventory and prioritize their IP portfolio by conducting intellectual property audits and helping to develop strategies for prioritizing development, protection and commercialization of IP assets. These audits are especially important for companies seeking financing or contemplating a public offering, as well as parties to mergers and acquisitions.

Inventions, software and other creations can be developed and commercialized in any number of ways. Increasingly, most IP is developed and then marketed through a variety of types of collaborations with public and/or private entities.

what we do (cont.)

These collaborations can involve complex cross-licensing arrangements; the allocation of rights between parties, across fields and jurisdictions; pooled technology and standards; and any number of financial arrangements. The choice of strategies is critical, as pursuing one avenue may foreclose another or otherwise affect the potential for future growth. We work with clients to evaluate development and commercialization strategies from the both legal and practical business perspectives.

Franchising

The Franchise Team has a history of success in representing both franchisors and franchisees. Our attorneys have served as counsel for major franchisors as well as local franchise clients.

The Team can assist you:

With Franchise Documentation

- Preparing and registering Franchise Disclosure Documents (FDDs), franchise and development agreements
- Reviewing and negotiating FDDs, franchise and development agreements
- Reviewing and negotiating personal guarantees

With Business Contracts

- Asset and Equipment Leases
- Service contracts

With Referrals to other Professionals Knowledgeable about Franchising

- CPAs
- Banks, Asset Lenders, Venture Capital Companies
- Real Estate Leasing Agents

With Litigation and Dispute Resolution

- Advice and assistance in termination of franchise relationships
- Litigation over failed franchise relationships
- Disputes over payment of royalties or liquidated damages
- Bankruptcy advice and counseling

With Leasing or Property Acquisition

- Negotiating real estate purchase contracts and leases
- Obtaining land use permits, variances, and conditional use permits

With Formation of a Business Entity and Business Licensure

- Business entity selection, limited liability companies, corporations, partnerships, joint ventures
- Tax planning
- Employee benefits
- Business licenses
- Alcoholic Beverage Control licenses
- Specialized professional licenses

Licensing & Technology Transfer

Much intellectual property is developed and used pursuant to one or more license arrangements. These may be embedded in vendor, customer, distribution or franchise agreements. They may be part of joint development agreements, joint ventures, strategic alliances, outsourcing arrangements, patent pools or complex cross licensing arrangements. These arrangements afford companies enormous flexibility in developing and exploiting intellectual property to meet their particular business objectives.

what we do (cont.)

Our Intellectual Property & Franchising Group attorneys have substantial experience not only in negotiating a wide range of licensing and technology transfer arrangements, but also in helping clients develop strategic licensing programs to maximize the return on investment in research and development. Our experience spans a wide range of technology transfer arrangements, and an equally wide array of business and technological fields. We have helped implement development collaborations involving multiple public and private parties. We have helped clients commercialize technology through multiple distribution channels and in multiple jurisdictions. We have worked with clients in fields ranging from pharmaceuticals to financial instruments, to consumer products, to data compilations, to software and any of a number of other types of content.

Our attorneys pride themselves on being sensitive to the practical business effects of legal arrangements. We work with clients to understand their business objectives, and try to develop licensing arrangements that meet those goals. We strive to develop arrangements that not only maximize the return on IP investments, but also minimize business risk, are practical to administer, tax advantageous, and sensitive to antitrust, franchise and other legal issues.

Marketing & Advertising

Several of our intellectual property and franchising lawyers have developed significant expertise in the related field of advertising law. Advertising and promotional activity is controlled by a variety of federal and state laws and regulations, most prominently rules and guidelines promulgated by the Federal Trade Commission under its authority to prohibit unfair and deceptive acts and practices. Many states have their own counterparts to the FTC Act, as well as consumer protection acts. In addition, there is a panoply of federal and state laws and regulations governing promotional activities such as Spam and other internet activities, telemarketing, packaging and labeling, and promotional activities involving the use of a person's name or likeness in advertising, free offers, sweepstakes and contests, rebates and endorsements. Of course, advertisements also can infringe others' copyrights and trademarks, so we often review client packaging and advertising content to help them guard against infringement, while still engaging in comparative advertising and permissible parodies.

We work with businesses and advertising agencies to ensure that the promotions they develop comply with these laws and regulations. Most often we are able to provide guidance based on our own understanding of the law, and a thorough briefing on the nature and reach of the promotional activity. Sometimes the effort involves obtaining advice from regulators and/or registering promotions such as sweepstakes. We have represented clients providing input to FTC investigations, and negotiated with the FTC on behalf of clients who have found themselves the subjects of FTC investigations.

Experience and specialization are a powerful and effective combination. Every question brought to Kaufman & Canoles' Intellectual Property & Franchising attorneys will be carefully analyzed to determine not only the very best legal solution, but also the most effective business solution. Our clients can be confident that attorneys with the right knowledge and experience for the matter will handle their concerns professionally, confidentially and efficiently.

representative matters for the Franchise Team

- Represent franchisors as general counsel in drafting franchise disclosure documents, franchise and related agreements, franchise registration issues, and on trademark matters
- Obtained a \$75,000 refund of all initial franchise fees for franchisee based upon franchisor's breach of the franchise agreement by failing to locate a suitable site
- Regularly represent hotel franchisees in negotiations and litigation with franchisors over liquidated damages provisions; recently negotiated substantial discounts on liquidated damages provision for three local hotel licensees
- Regularly represent franchisees in purchasing and selling single unit and multiple unit franchises
- Regularly represent franchisees (area developers and single unit) in evaluating franchise offerings and related work setting up a legal entity, negotiation of leases) for start-up franchisees