

THE BASICS OF INTELLECTUAL PROPERTY



Covering your assets and enhancing their marketability.

By **Ralph G. Fischer, Esq.** and **Jason P. Wrona, Esq.**

Technological innovation is driving the evolution of the parking industry. The demand for enhanced revenues, sustainable technology, real-time statistics, and smart products pressure manufacturers and developers to continually innovate or be left behind. Examples of these innovations abound: manual meter reading and single-space mechanical parking meters are being replaced by license plate readers (LPR) and pay-by-plate multi-space meters and parking apps eliminate aimless driving in search of a parking space.

This poses a challenge to parking professionals. It is sometimes difficult to distinguish similar technologies, which can result in purchasing the cheapest, but not the best-suited, product to fulfill an organization's needs.

The unique features of a parking product or service may be the factor that tips the scales in your favor when pitching to customers or responding to a request for proposals. Accordingly, manufacturers and developers of parking products and services should consider legally protecting their parking innovation, or intellectual property (IP), so it does not end up in their competitor's stable of products.

Protecting Your Intellectual Property

We are often approached by potential clients who want to patent an idea. While there are different ways to protect your innovation, a patent may not be the best fit for a particular product or service.

There are, however, different ways to think about how to better protect your parking product or service:

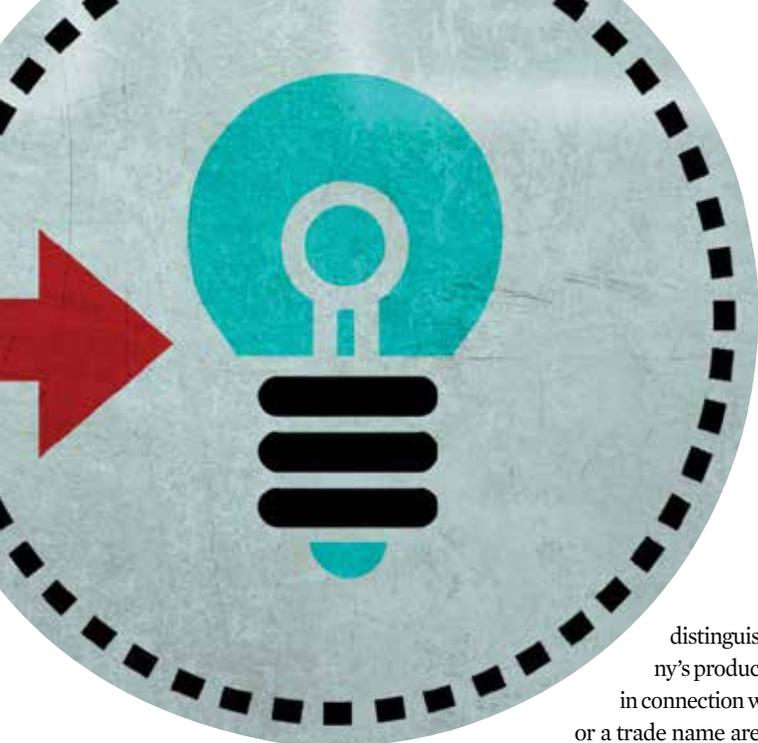
● **Utility patents:** Utility patents protect new processes

or machines, or improvements to existing processes or machines. Utility patents are often what people think of when they say they have an invention to patent. A manufacturer should apply for a utility patent for a brand-new type of parking meter, an improvement that increases the reliability or efficiency of an existing parking meter, or a method for improving the user-friendliness of an existing parking meter.

● **Design patents:** Design patents are intended to protect the ornamental aspects of a design. These patents protect the look or aesthetic effect of a product. A company that sells a product that has a unique aesthetic quality should consider applying for a design patent that protects the signature look of its product. For example, a distinctive parking meter housing that improves the marketability of the meter may be the subject of a design patent. A design patent could then be used as a basis for excluding other competitors from copying the design.

● **Copyright:** Copyright law protects creative expressions that are in a tangible medium. Examples of works that may be copyrighted include source code for parking apps or parking software, instruction manuals (for instance, a how-to booklet for deploying LPR), pictures of a product, or drawings illustrating the design of a product. A lawsuit against a competitor for improper use of your copyrighted material (called an infringement) cannot be filed without a copyright registration being issued for a particular work. Further, copyright registration provides a floor for damages in the event of an infringement and the basis to collect attorneys' fees from an infringer.

● **Trademarks:** A trademark is a word, phrase, or symbol that



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distinguishes a company's product. A logo used in connection with a product or a trade name are examples of trademarks. A company may pursue

federal trademark registration to help prevent others from using its trademark in a misleading way.

- **Trade secrets:** Trade secret protection applies to commercially important information that is secret. For a trade secret to be protected, it must be maintained as secret and reasonable precautions must be taken to ensure it remains secret. Examples of trade secrets include proprietary algorithms used in parking demand models, customer lists, or detailed parking meter schematic design drawings.



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Securing IP Protection

The process for securing protection for your product or service depends on whether your product should be protected by a patent, copyright, or trademark, or qualifies as a trade secret. It is a fact-intensive inquiry, as a particular product could qualify for different protections with different remedies if someone tries to steal your IP. Accordingly, it is important to involve an attorney during the creative process to understand how to best protect your IP.

Patent applications, which are filed with the United States Patent and Trademark Office (USPTO), can take well more than three years before being approved, although design patents can take as little as one year to process. Filing a patent application entitles the applicant to mark their product as patent pending, which may dissuade competitors from copying it. A patent typically lasts 20 years from the date the application was filed.

Copyright applications are filed with the United States Copyright Office (USCO). The length of the application process varies with the complexity of the application, but average wait periods are three to six months. Generally, copyright protection lasts for at least 70 years.

Trademark applications are also filed at the USPTO. The timeliness of approval depends on the type of mark that is being protected and whether there are third-party

objections registered during the application process. As such, these applications may take several years to process. Generally, trademark protections are effective as long as registration maintenance documents are filed with the USPTO in a timely fashion.

Trade secrets are protected by law without registration with a government agency. Trade secret protection is enforceable so long as the information remains secret. Once a trade secret is voluntarily disclosed to a third party, it could lose its legal protection.

Enhancing the Marketability of Your Parking Product

Once you have ensured that your parking innovation is properly protected, it is important to market these protections.

Parking providers continually try to improve their bottom lines without affecting customer service. Some providers solicit help from vendors to accomplish this goal by issuing a request for proposals (RFP). The goal of the RFP process is to select a vendor that offers a product or service that is best-suited to address a particular concern, after considering the cost of the proposed product or service.

The parking product and service marketplace is rife with competition. Your RFP response offers a one-shot opportunity to distinguish your product from those of your competitors. The fact that your product is legally protected through patents, copyrights, or the like should be made clear in your response. This will help potential customers understand that they will not be able to find a product with the same benefits anywhere else. This approach also helps reduce sticker shock; savvy customers realize that exclusivity justifies paying higher prices.

During the RFP interview, you should take the time to highlight your intellectual property to show customers, in person, the unique features associated with your product. Be prepared to address questions during the interview regarding whether you are willing to integrate your IP into the customer's parking ecosystem. For example, parking meters that contain exclusive source code may not be readily integrated with handheld



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enforcement devices for purposes of tracking parking violations. This may require the sharing of IP between companies to satisfy a customer's demands. In this instance, a confidentiality agreement between all parties should be considered.

In short, IP ensures exclusivity and can ultimately enhance the marketability of your product.

A Cautionary Note on Marketing Your IP

Vendors that do business with governmental entities should be aware that their RFP response may be subject to public disclosure upon request pursuant to the federal Freedom of Information Act or its state-level equivalent. Accordingly, any information in your RFP response that pertains to your IP could be disclosed by the governmental entity upon request by one of your competitors. Thought should be given to how to best showcase your IP without jeopardizing its security.

Finally, vendors should anticipate that sophisticated customers will want a vendor's IP, particularly software

source code, to be made available should the vendor go out of business. A technologically advanced parking meter without the vendor's software is of little use to a customer. This concern is often addressed through use of an escrow account or a legal mechanism called a source code lock box, which is detailed in the contract between the parties. An attorney well-versed in IP law can assist with negotiating these terms.

Conclusion

As technology in the parking industry evolves at an accelerated pace, manufacturers and product developers should prioritize the protection of their intellectual property. This will enable you to cover your assets and, at the same time, better distinguish your product in a fiercely competitive market.

Given the complexities associated with securing protection for IP, it is recommended that you discuss your concerns with an attorney who specializes in IP law, specifically an attorney who understands the intersection of IP law and the parking industry. 

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