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Patent Bar Review

The Power of Policing Trademarks and Design Patents



Written by **Mark Nowotarski**
Markets, Patents & Alliances,
LLLC

On Twitter: [patentbuzz](#)

Posted: September 25, 2013 @
8:00 am

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*Editor's note: This is the fourth in a four part series on **Strong Design Patents**. The article also touches on problems of counterfeits. For more please see our [articles on counterfeiting](#).*

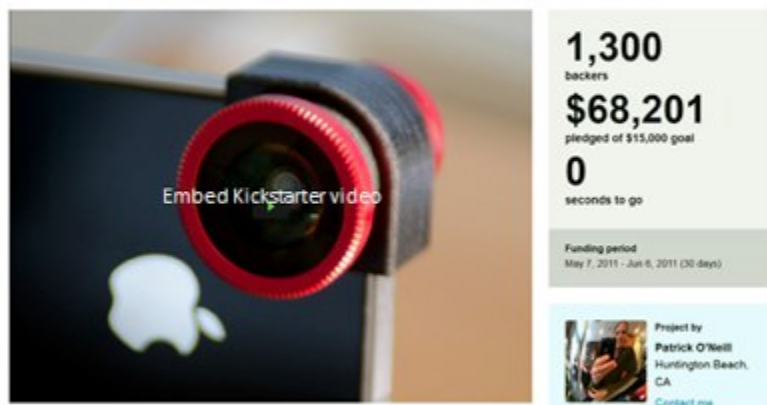
In this series, we are looking at how to create strong design patents and to use them to protect your business. In the first three articles, we looked at **The Power of the Broken Line** to protect the shape of your product, **The Power of Color** to protect your graphical images, and **The Power of Portfolio** to build a wall of protection around your product. In this article we are looking at the “**The Power of Policing Trademarks and Design Patents**”.

“Policing” means actively searching for people copying your product and enforcing both your trademarks and design patents against them. Patents and trademarks don't stop copying. If you are successful, you will be copied. They do allow you, however, to shut down counterfeiters fast. We've expanded the scope

of our discussion to include trademarks since trademarks are your first line of defense to stop “on-line” counterfeiting. The on-line shopping sites like Amazon, eBay and Aliexpress respect them and will remove knock off listings. Design patents come into play when the counterfeiting gets serious and you need to stop bulk importers of knockoffs.

Our case study of how a small growing company can use trademarks in combination with design patents to effectively stop knockoffs will be **Oloclip®**, a very popular 3-in-1 iPhone camera lens attachment.

Oloclip® Raised \$68,000 in June 2011 on Kickstarter

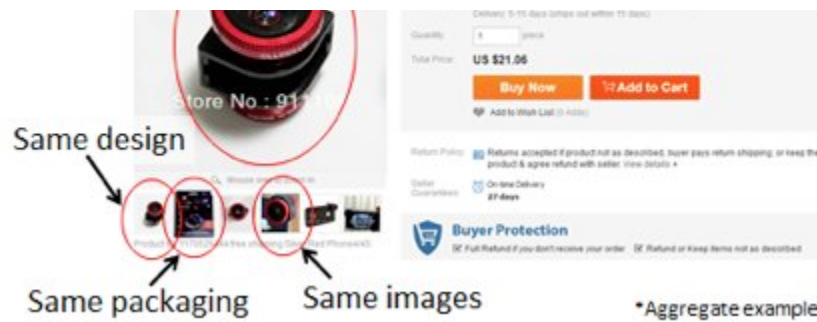


Apple Stores picked up Oloclip® in December 2011.
Total sales are \$10 million and growing.

In 2011, inventor Patrick O’Neill and a designer Chong Pak developed the Oloclip® 3-in-1 iPhone camera lens. It is a stylishly clever device for adding a macro, fish eye and wide angle lens to an iPhone. They launched their product on the crowdfunding site, Kickstarter, in May of 2011, and within 30 days, they raised \$68,201 to fund their initial production run. It was an outstanding success. By December 2011, buoyed by their success and glowing industry reviews, Apple stores began to carry them. The counterfeits showed up shortly after that.

Oloclip was quickly counterfeited*





It's amazing how fast a successful product is counterfeited and how brazen the copying is. The figure above illustrates what counterfeiting looks like. This is a composite example based on several listings that have appeared briefly on the internet shopping site Aliexpress.com. As we will discuss below, Olloclip's diligent policing of internet shopping sites has kept these appearances to a minimum. As soon as a counterfeit competitor shows up, Olloclip[i] sends a "takedown notice" to the shopping site and the counterfeit is usually taken down within a few days. A takedown notice is a notice to an internet shopping site that one of their listings is violating your intellectual property. These sites generally respond quickly to a notice of trademark infringement. If you don't police internet shopping sites, however, the counterfeits will multiply rapidly. We've seen other products with very successful Kickstarter campaigns wind up with over a thousand sellers offering counterfeits on-line[ii].

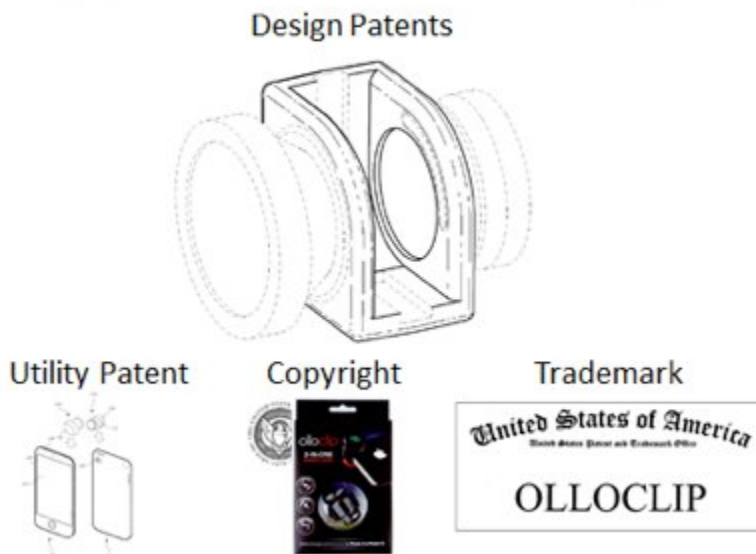
Counterfeiters copy everything....except price and quality. They copy the shape, the color, and the style of the product. They copy the images straight from your Kickstarter campaign. They copy the packaging you designed and the name you developed. They cut your price anywhere from 10% to 1,000%. Their quality is at best sub-standard and at worst dangerously defective. I've personally purchased counterfeits that have broken on first use and I've read reports of counterfeits catching on fire when plugged in.

Finding counterfeiters ranges from easy to tough. On some sites like Aliexpress, it's relatively easy as each seller is listed separately. You do a word search on your trademarked name, find the counterfeiters, and send takedown notices to the shopping site demonstrating your ownership of the name they are using. Design patents aren't much help at this stage of policing. The shopping sites aren't able to judge design patent infringement. As we will discuss below, however, design patents show their strength when the counterfeiters start importing bulk quantities of knockoffs and you need to bring a lawsuit. Then they are unmatched.

On sites like Amazon, tracking down counterfeiters can be tough since they can piggy back off of your

listing. They simply say “I have one for sale too”. Here you need to do a purchase, show that it’s a counterfeit and send Amazon a takedown notice. It’s not enough to accuse someone of counterfeiting, you have to send evidence. If you do nothing, then when consumers purchase a shoddy counterfeit and think it’s yours, they will rate it poorly and your reputation will suffer. It’s not something you can ignore.

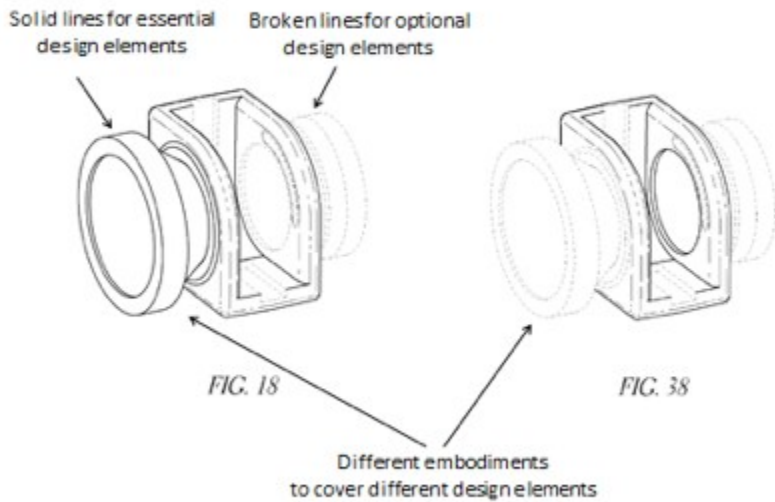
Olloclip Built an Arsenal of Global IP Protection



Olloclip reacted quickly and forcefully when they were copied. They filed a comprehensive design patent in addition to the utility patent they already had on file. They registered the copyright for their packaging. They registered a trademark on their name. They registered their IP protection internationally in their key markets, such as Europe and China. They also retained the services of a brand policing firm, MarkMonitor. MarkMonitor has automated systems to scour the web and send takedown notices to the various internet shopping sites that have unauthorized listings of branded products for sale. They are not cheap[iii], but they are effective.

This policing strategy has worked well for Olloclip, but when they discovered someone importing bulk shipments of knockoffs into the US, it was time for more serious action, action requiring retaining a private detective to track the seller of the counterfeit products, including the location of their warehouse, and make anonymous purchases. When the evidence had been assembled, they sued the alleged counterfeiter. This is where their design patents came into play.

Olloclip Filed Comprehensive Design Patent



The design patent Olloclip brought to bear against their alleged counterfeiter was strong. Similar to the Apple strategy we discussed in [The Power of the Broken Line](#), Olloclip^[iv] filed a comprehensive design patent with different embodiments shown by different combinations of solid lines and broken lines indicating different required and optional features. See the above figure for examples. If someone copied just the lens shape, it was covered. If someone copied just the body, it was covered. If someone copied the entire product, it was covered.

Olloclip filed their suit on April 15, 2013. According to court documents^[v], the alleged infringer, Ollo Electronics, was a one-person Delaware corporation that imported Olloclip knockoffs from a Chinese manufacturer. The infringer fought back briefly, but on August 5, 2013, a “notice of intent to settle” was filed with the court which included a statement by the alleged infringer that they had stopped selling the knockoff products. The final settlement has yet to be registered with the Court.

This is what winning a lawsuit looks like. It was a fast victory with minimal legal expense which effectively shut down a significant threat. It’s a clear signal to other would-be counterfeiters that copying this product is not going to be productive.

There are several key lessons to be learned by the typical start-up company from this case study.

1. Filing design patents and registering trademarks right way from the beginning gives you a baseline to defend against counterfeiters.
2. If you are successful, you will be copied.
3. Policing your intellectual property is essential, but it’s not cheap.

4. Trademarks are effective in policing internet shopping sites. Design patents are effective at shutting down importers.

As Olloclip inventor Patrick O'Neal told me in a recent interview, "I don't know how the average Kickstarter project can afford to do what we have done". The average crowdfunding project may not be able to afford the full court press Olloclip brought to bear, but there is a lot they can do to defend themselves at low cost. Anyone can do word searches on the major shopping portals to find knockoffs. Sending a takedown notice and gathering evidence isn't all that hard. This will deter the casual counterfeiters. When your sales grow, however, and the serious counterfeiting starts, then it will be time to bring in the professionals and enforce your entire intellectual property portfolio. Without it, the counterfeiters will eat your lunch. With it, you will defend your turf, discourage future infringement and, if all goes well, continue on your road to success.

[i] **MarkMonitor** is the service Olloclip uses for policing.

[ii] I don't want to embarrass anyone here, but if you would like to see our examples of massive counterfeiting just send me a note at mark.nowotarski@gmail.com and we can discuss off line.

[iii] I will let the good people at MarkMonitor discuss their pricing with you. If anyone knows of a low cost monitoring service, however, please let me know.

[iv] Olloclip is represented by **Knobbe, Martens, Olson & Bear**

[v] If anyone would like copies of the court documents I've downloaded, feel free to send me a note at mark.nowotarski@gmail.com



About the Author

Mark Nowotarski is the President of Markets, Patents & Alliances L.L.C. and is a registered U.S. patent agent. He currently serves clients in the consumer products, medical devices, financial services and manufacturing industries. Mark also consults in the field of crowdfunding of inventions on Kickstarter, Indiegogo and other sites.

Mark is a former Associate Director of R&D for Praxair. There he was responsible for the development and successful worldwide introduction of new products into the health care, electronics, and manufacturing industries. He was also responsible for technology planning for their home health care division.

Mark is an inventor on 17 US patents. He was appointed Corporate Research Fellow for the commercial impact of his inventions (+\$300 million in sales).

Mark has a Master's degree in Mechanical Engineering from Stanford and a Bachelor's degree with honors in Aerospace, Mechanical Sciences and Engineering Physics from Princeton. His academic awards include the Sigma Xi award for most outstanding Mechanical Engineering research at Princeton and the Union Carbide Award for Academic Excellence and Leadership in Mechanical Engineering, also at Princeton.

4 comments

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1. **Mark Nowotarski September 25th, 2013 10:49 am**

Here is a link to Alibaba's anti-counterfeiting page **http://www.alibaba.com/help/safety_security/policies_rules/ipr/002.html**

Alibaba owns Aliexpress.

2. **Mark Nowotarski October 5th, 2013 12:25 pm**

Update:

I've been corresponding with Alibaba's anti-counterfeiting group and they indicated that they will take down a competitive listing if there is a clear indication that it is infringing a design patent. We'd love to run a test case of this. If anyone has a good example, let me know. **mark.nowotarski@gmail.com**

3. **Hans Meijaard October 12th, 2013 5:50 am**

Thank you very much for this great series, it really helped me to protect my designs better.

Regards,
Hans Meijaard
Amsterdam

4. **Mark Nowotarski October 13th, 2013 8:36 pm**

Hans,

You are very welcome. Thank you.

Mark

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