JULY 2025

BRIEFS

Beyond Borders: Why A Global Trademark Protection Plan Still Matters in a Tight Economy

CHRISTING LEBRÓN-DYKEMAN
Trademark Attorney

In today's challenging economic climate, it can be tempting to scale back on international trademark protection. Businesses/Individuals may consider deferring or foregoing international trademark registration or maintenance in jurisdictions where they are not yet selling or only have modest ongoing sales. However, that strategy could prove to be a classic case of being "penny wise, pound foolish," as the saying goes.

Today's businesses operate in a globalized marketplace—where there is real risk of infringement and so-called "trademark squatting." These risks make international trademark protection more critical than ever, particularly in what are known as "first-to-file" jurisdictions.

Unlike the United States which is a "first-to-use" jurisdiction where trademark rights are established by being the first to actually use a mark in commerce, in many areas of the world, including China, Japan, South Korea, Mexico and the European Union, trademark ownership rights are granted to the first party to file a trademark application, regardless of prior use.

Failing to proactively seek protection in these jurisdictions exposes businesses to several significant risks:

- If you do eventually decide to register your brand in one of these countries, and someone has already obtained registration of your brand, your application will likely be refused by the local trademark office;
- The illegitimate registrant may use their registration to sue you for infringement and prevent you from selling in that country;
- The illegitimate registrant may decide to launch an inferior product/service under your brand, thereby damaging your reputation and goodwill; and/or
- The illegitimate registrant may try to "sell" your brand back to you at an exorbitant price.

While there are various legal avenues to challenge these illegitimate registrations—such as proving your mark is well-known in that country based on prior use, demonstrating bad faith of the registrant, or invoking a non-use provision after the registration has existed for three or more years without actual use by the registrant—these proceedings can be time-consuming, uncertain, and far more costly than securing protection proactively.

Consequently, even when economic conditions suggest holding back, we would offer the following best practices regarding foreign trademark protection:

- Educate yourself on which countries/regions are first to file jurisdictions: Ascertain which countries/regions are first-to-file and prioritize filing there.
- Leverage international treaties. Use systems like the Madrid Protocol (as available) to streamline and reduce the costs of securing and maintaining international trademark registrations.
- File early. At a minimum, as soon as you are considering international expansion, begin the registration process in your target countries.
- Choose distinctive marks. Select inherently distinctive (i.e., non-descriptive) trademarks to increase the likelihood of successful registration in the U.S. and abroad and minimize the costs of responding to office actions or provisional refusals. Choosing a distinctive mark also strengthens your ability to prove bad faith in any future dispute.
- Strongly consider filing within six months after United States filing. Filing within six-months of your United States filing will give you the added advantage of priority back to the United States filing date in most countries.

In conclusion, even in periods of economic uncertainty, it remains important to safeguard your brand at home and abroad. The long-term benefits, including risk mitigation, market access, and brand/reputation protection, far outweigh the short-term savings of postponing or skipping foreign trademark filings. In other words, in the world of trademark protection, as with many things in life, offense is often the best defense.

Patent Lapse Due to Nonpayment of a Maintenance Fee—Now What?

CONNOR WILLIAMS
Patent Attorney

Every so often a patent owner will wake up to the alarming discovery that their U.S. patent has lapsed due to nonpayment of a required maintenance fee. Fortunately, the USPTO has procedures that can be followed to reinstate the abandoned patent. This article explains, based on how much time has passed since the deadline for payment, what needs to be done to revive the U.S. patent.

The legal basis for maintenance fees comes from 35 U.S.C. § 41(b)(2) which states: "[u]nless payment of the applicable maintenance fee . . . is received in the Office on or before the date the fee is due or within a grace period of 6 months thereafter, the patent shall expire as of the end of such grace period." Once the six-month grace period has passed without payment of the maintenance fee, the patent will be considered abandoned.

Regulations that implement this statute are found in 37 C.F.R. § 1.20(e)-(g), § 1.362.
These sections explain that fees are due to keep the patent in force beyond the fourth, eighth, and twelfth anniversaries of the date of grant of the patent. Further guidance can be found in MPEP Chapter 2500.

37 C.F.R. § 1.378 addresses what patent owners can do to reinstate their expired patent due to a delayed payment. As outlined in § 1.378, if nonpayment was unintentional, the patent owner can petition the Director of the USPTO with a statement that delay of the payment was unintentional. The petition must include the required maintenance fee that was missed in addition to a petition fee. Further, upon submission of the relevant fees and signed statement, "[t]he Director may require additional information where there is a question whether the delay was unintentional". 37 C.F.R. § 1.378(b)(3).

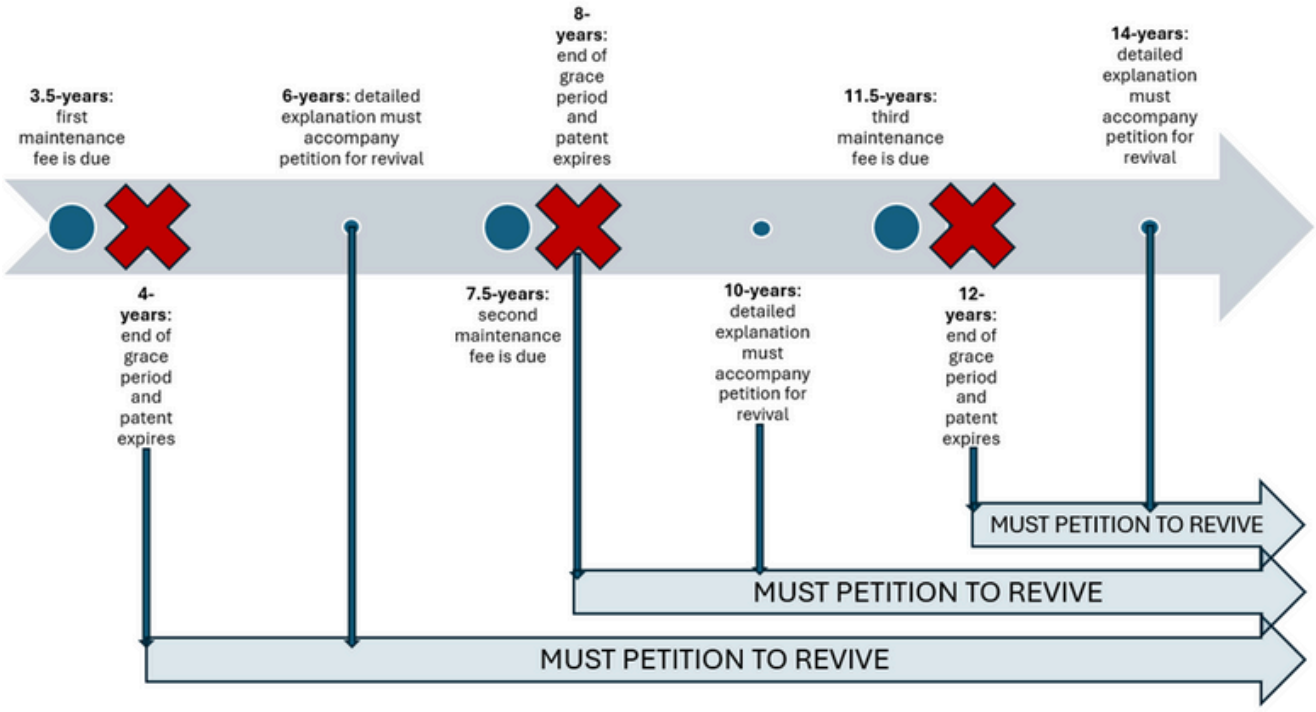
While on its face § 1.378 does not expressly require any detailed breakdown explaining the accidental nature of delaying payment of the maintenance fee, MPEP § 2590 further clarifies that any delays longer than two years after the deadline for payment additionally require "information of the facts and circumstances surrounding the entire delay to support a conclusion that the entire delay was indeed 'unintentional.'" Such information of the facts and circumstances includes a detailed explanation justifying the delay of payment for the entire timeframe since expiration of the patent. This detailed explanation will likely include explaining why the fee was not paid on time, why there was a delay in discovering the patent's expiration, and why there was a delay in filing a petition after discovery of nonpayment.

As such and as shown in the timeline graphic below, the maintenance fees are due at the 3.5-year, the 7.5-year, and the 11.5-year anniversaries of each U.S. utility patent, each with six-month grace periods for payment (4-year, 8-year, and 12-year anniversaries respectively in which a surcharge is also due along with the maintenance fee if the maintenance fee was paid during a grace period). If no payment was made, the patent will expire after the grace period. The graphic below further shows the requirements for revival as provided in 37 C.F.R. § 1.378 and MPEP § 2590 and as outlined above.

The USPTO does not look kindly on maintenance fees not being paid for 2+ years after the deadline. As such, the grant-rate for petitions seeking revival after two years of delay is incredibly low.

One example of a successful petition that occurred more than two years after the due date for the maintenance fee can be found in the file wrapper of U.S. Patent Application No. 13/425,390. This patent owner missed a required maintenance fee due to confusion as to who was paying the bill and then proceeded to explain why this was overlooked for more than two years. Upon discovery of the patent being abandoned, the patent owner immediately took steps to revive the patent and diligently complied with all requirements to rectify the situation which eventually led to the petition being successful.

In sum, if you are a patent owner, it is important to remember to pay the maintenance fees by each of the 3.5-year, the 7.5-year, and the 11.5-year anniversaries of your patent. If you discover that you have missed any of the deadlines and need to file a petition to revive your patent, act immediately. After two years have passed since a maintenance fee's due date, it quickly becomes more and more difficult to prove that the delay in payment was unintentional, and everyday matters.



AI Under Scrutiny: State Laws, Transparency Mandates, and What Comes Next

SARAH M. LUTH
Patent Attorney

State-level Artificial Intelligence (AI) legislation grew exponentially in 2024 and throughout 2025, with U.S. state lawmakers introducing over 450 bills touching on over 23 AI-related categories. The sheer number of bills and scope of legal domains impacted illustrate both the multifaceted challenges posed by AI and also the wide variation in how states have handled those challenges. However, out of 450 bills and 23 categories, three areas of AI-related legislation emerged as a growing area of interest in state legislation: consumer protection, deepfakes, and government use of AI.[1] In particular, the most recent and prominent trend in AI legislation has focused on centering AI transparency within the realm of consumer protection.

Colorado enacted one of the first comprehensive state AI laws, SB 205,[2] targeting high-risk systems used in a variety of industries, such as education, employment, healthcare, finance, housing, and government services. SB 205 requires developers and deployers of high-risk AI to use reasonable care to protect consumers from risks of algorithmic discrimination arising from the intended and contracted uses of high-risk AI systems, conduct risk assessments, and maintain transparency, including making available certain documentation on the system, types of training data used, limitations of the system, the purpose of the system, etc.

Utah's SB 149[3] creates specific requirements and consumer protections for those in "regulated occupations" i.e., occupations regulated by the Department of Commerce and requiring a person to obtain a license or state certification to practice the occupation, such as health care. SB 149 requires entities to disclose whenever generative AI is used in any commercial communications. The law defines generative AI broadly, as any "artificial system that: (i) is trained on data; (ii) interacts with a person using text, audio, or visual communication; and (iii) generates non-scripted outputs similar to outputs created by a human, with limited or no human oversight."

Finally, California has two bills scheduled to be enacted at the beginning of 2026: AB 2013[4] and SB 942.[5] AB 2013 requires developers of generative AI systems to publicly disclose information about their systems, such as detailed information about training datasets. The law defines generative AI broadly,

encompassing any systems that generate artificial content, such as text, images, or audio, modeled after training data. SB 942 also centers on transparency regarding the use of generative AI, requiring providers of generative AI systems that have over 1 million monthly users and are publicly accessible in California to disclose when content is created or altered by their AI system. Importantly, this disclosure includes providing an AI detection tool that is publicly accessible at no cost. The legislative trends observed in Colorado, Utah, and California are expected to continue in all 50 states.

Much like privacy laws, the evolving patchwork of AI legislation requires companies to actively track state-level AI statutes, alongside sector-specific laws for those in highly regulated industries, such as finance and healthcare. Thus, from a risk management perspective, companies should be closely consulting with their legal counsel and IT departments to identify any new AI-related compliance obligations.

From a business development perspective, the last few years have seen an explosion in industry-specific AI tools, yet most of these tools are still in their infancy. Over time these tools will become more sophisticated and more cost-effective to implement on an enterprise level. Once mature, these tools might be leveraged for business development, increased efficiency, and competitive advantage. Companies should continue working with their IT and legal stakeholders to watch and gain basic proficiency in emerging AI-drive solutions, so that when a given tool is sufficiently mature or appropriately tailored, the company is poised to integrate that tool into its daily operations.

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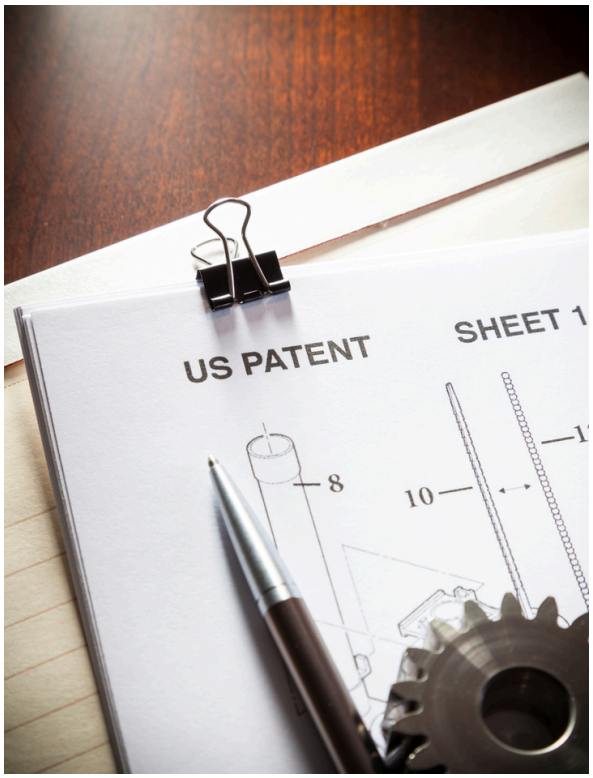
[1] 3 Trends Emerge as AI Legislation Gains Momentum, Chelsea Canada, NCSL (January 23, 2025), https://www.ncsl.org/state-legislatures-news/details/3-trends-emerge-as-ai-legislation-gains-momentum
[2] SB 24-205, The Colorado General Assembly, https://leg.colorado.gov/sites/default/files/2024a_205_signed.pdf
[3] SB 149, Utah State Legislature, https://le.utah.gov/~2024/bills/static/SB0149.html
[4] AB-2013, California Legislative Information, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB2013
[5] SB-942, California Legislative Information, https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB942

Prioritizing Patent Portfolios and R&D During Uncertain Economic Time

JILL N. LINK
Patent Attorney

Patent portfolios are an investment, albeit long-term investments, that can create valuable assets. However, during uncertain economic times you may question whether you (or your company) should maintain a patent portfolio or whether these assets should be 'culled' to trim excess spending. Not to mention, you may be grappling with how to protect ongoing research and development (R&D) to ensure economic uncertainty or downturns do not dry out your pipeline for future patent portfolios. These are no doubt challenging and important assessments for any patentee (or company) to address.



The start of 2025 has kicked off with a bang – in terms of economic uncertainty within US and international markets, grants and other funding sources, as well as speculated or actual supply chain disruptions – and this all feels fresh off the uncertainty and disruption of the COVID-19 pandemic! Amidst this start to 2025 patent owners may be assessing whether cost-cutting measures or decreasing budgets will impact their status quo handling of patent portfolios. However, lean times or budgets do not need to sacrifice your strategic priorities and patent portfolio management. If you are facing these concerns, consider the following:

Culling the Herd of Issued Patents

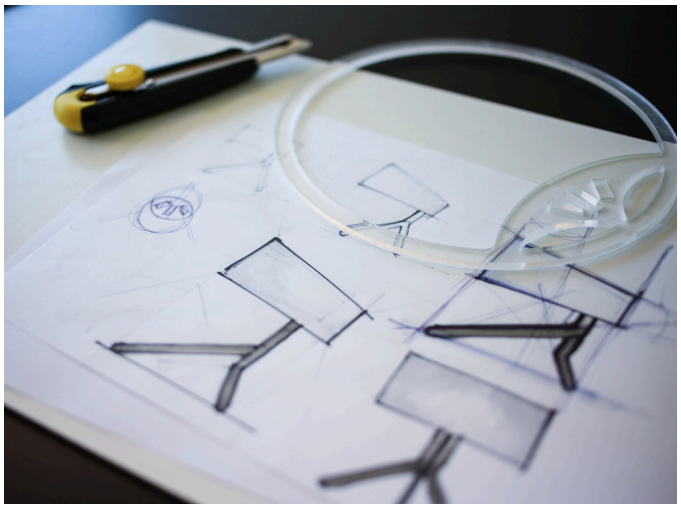
Your existing patent portfolio may provide ample opportunities to cut costs through portfolio 'pruning'. This generally refers to the evaluation of US and foreign issued patents that have ongoing expenses of US maintenance fees (paid 4, 8, and 12 years after issuance) and foreign annuities (generally paid annually). A review of issued patents should look at your products and your competitors' activity and technology portfolio to assess whether any issued patents no longer warrant paying these fees if they cover obsolete technology or extinct products. Similarly, with regard to foreign patents, perhaps once key-markets are no longer important and could be dropped. Alternatively, there may be key markets where your products have significant brand recognition that alone creates a barrier to entry for competitive products, providing you with an opportunity to cull the patent estate.

Avoid De-Prioritizing New Filings

Although decreasing new filings is a clear path to reducing a patent budget, the long-term risk may outweigh that short term budgetary gain. Today's patent filings are the investment in tomorrow's portfolio and IP value. Not only are you risking the inability to later file (as we operate under a first to file patent system) you may also risk losing the engagement of your researchers to provide you with future innovations. I have seen this firsthand where an inventor is hesitant to disclose inventions as their experience has taught them that patent filings are rarely made and they question the benefit of taking the time to write up a patent disclosure. In effect this creates a culture that does not protect innovations and does not incentivize those with innovations to bring them forward.

Take a Focused Approach to Filing Strategies

Instead of shutting down R&D or creating a culture that does not promote invention disclosures, it is best to refocus patent filing strategies. Patents should be connected to a business's current (or future) business objectives. So, a more focused approach could mean prioritizing product-specific innovations over the speculative (or forecasting innovations) that are not tied to products having a planned launch path. This could further include a plan to continue with internal R&D on the more speculative innovations and reevaluating a later filing (presuming no disclosures, use, etc. that would bar patentability) when budgeting permits.



A focused approach can also include reevaluating the type of patent applications you file. For example, in the US a provisional patent application is beneficial in providing a year without examination or publication, and before the re-filing of a non-provisional to give time to make further filing decisions. During budget constrained times, you may also consider deferring US examination through utilization of the Patent Cooperation Treaty (PCT) instead of filing both US nonprovisional applications and PCT applications simultaneously. This is another tool to push patent filing costs a little further down the road for evaluation at a later time.

Monetizing your Portfolio

Although the above-referenced strategies aim to reduce expenses, do not overlook the possibility to generate income and capital through your patent portfolio. Patent assets can be outlicensed to others in your industry (including competitors). Alternatively, patents are often used as collateral to obtain a loan, which is frequently done during restructuring of a company. However, any use of patents as a means to monetize requires first an assessment of that portfolio to understand exactly what you have at hand.

The options discussed are important to keeping patent costs under control, in particular during uncertain economic times. Assessing your portfolio and considering alternative strategies to reduce costs are important and you may benefit from involving your patent attorney or agent to assist with this strategic management of your patent portfolio.

Navigating Patent Hurdles for AI-Generated Inventions

ASHLEY E. HOLLAND
Patent Attorney

AI continues to be in the spotlight. In recent years, the development of artificial intelligence (AI) has increased rapidly and is affecting various industries, including the intellectual property (IP) and legal industries. The law, an industry not known for being fast-moving, has been struggling on how AI plays a role in drafting and creating IP. As AI continues to change the way we create and consume content, it is important to consider the impact it has on IP and how IP law may adapt.

The US court system has discussed AI's role in patents for a few years now. The Thaler v. Vidal (2022) case involved the AI system, DABUS, which was asserted to be the sole inventor for a patent. The US Patent and Trademark Office (USPTO) rejected the patent application, citing the Patent Act's requirement that an "inventor" be a natural person, namely a human being. Ultimately, the Federal Circuit upheld this interpretation, concluding that the Patent Act unambiguously requires inventors to be human beings. Following this decision, the USPTO issued guidance in 2024 on subject matter eligibility under 35 U.S.C. 101 regarding AI inventors and provides examples of how to apply the guidance to AI. More recently, earlier this year, the US Copyright Office has similarly issued AI guidance on authorship of copyright works. The USPTO and the Copyright Office determined that the present IP laws are clear that AI cannot be the sole inventor or author for IP works in the US.

Similarly, other IP agencies globally have been encountering difficulties in defining AI's role in IP. Most global IP agencies, such as EPO (Europe), JIPO (Japan), and WIPO (World), have reached the similar consensus that AI cannot be the sole inventor. Yet almost all have acknowledged that AI is an important contributor and tool that can be used to support human inventiveness. As such, agencies like WIPO have emphasized the need for flexibility in AI's use in IP and maintaining efforts to create consistent AI standards globally.

AI is ever-growing and many industries are using AI as a tool in more ways every day. As AI grows in its capabilities and becomes more sophisticated for different fields, the need to solve its role in IP is going to become more pressing. Although the idea of AI as an inventor seems clearly delineated at the moment, the grey areas will become widespread once we must determine how much AI use is too much to be patentable. Will there need to be calculated determinations of how much human interaction was used for an invention? How would these be calculated? In addition, these questions may become more blurred when discussing this question internationally. Will there be some countries that allow more AI-generated IP than others? Will these countries' AI IP become barriers for human generated IP as prior art in other countries? Should AI generated IP be given its own classification or legal framework for IP protection? How would ownership of this IP change?

Many of these questions are not new and have been contemplated, but answers are not clear. Unfortunately, it will take years to determine the best way forward. Thus, although AI is ever-growing (and doing so at an astronomical pace) the IP legal community and IP agencies will slowly determine the best path forward for the use of this powerful tool. For now, AI is just a tool that can be helpful but cannot be thought of as a true inventor. The next few years will be interesting to see how the US and global IP offices handle the intersection of AI and IP.

MVS: *SUPPORTING INNOVATION EVENTS*

Inaugural St. Louis Plant Science Family Reunion
August 21, 2025 - St. Louis, MO

Multiple MVS attorneys will attend.

Greater Des Moines Partnership Regional Summit
September 17, 2025 - Des Moines, IA

Andrew J. Morgan, Trademark & Copyright Attorney in the MVS Trademark Practice Group

Women's Venture Summit
September 23-25, 2025 - San Diego, CA

Sarah M.D. Luth, Patent Attorney in the MVS Biotechnology and Chemical Practice Group and Co-Chair, MVS Data Privacy and Cybersecurity Practice Group

FemCity Beyond Business Conference
September 25, 2025 - Des Moines, IA

Sarah M.D. Luth, Patent Attorney in the MVS Biotechnology and Chemical Practice Group and Co-Chair, MVS Data Privacy and Cybersecurity Practice Group

American Institute of Architects Iowa Convention
September 25-26, 2025 - Des Moines, Iowa

Gregory Lars Gunnerson, Intellectual Property Attorney in the MVS Mechanical Electric Practice Group

UEDA Summit
October 6-8, 2025 - Hunstville, AL

Gregory Lars Gunnerson, Intellectual Property Attorney in the MVS Mechanical Electric Practice Group

ABI Manufacturing Conference
October 14, 2025 - Des Moines, IA

Andrew J. Morgan, Trademark & Copyright Attorney in the MVS Trademark Practice Group

Joseph M. Hallman, Intellectual Property Attorney in the MVS Mechanical Electric, Licensing, Design Patent, and Trademark Practice Groups

LES Annual Meeting
October 19-22, 2025- New Orleans, LA

Gregory Lars Gunnerson, Intellectual Property Attorney in the MVS Mechanical Electric Practice Group

World Food Prize Borlaug Dialogue
October 21-23, 2025 - Des Moines, IA

Multiple MVS attorneys will attend.

MVS will present a "Deep Dive at the Dialogue" session, featuring speakers from the US Department of Agriculture, US Patent and Trademark Office, International Union for the Protection of New Varieties of Plants, and more.

LEGUS Fall Meeting
October 23-25, 2025 - Quebec City, Quebec

Jill N. Link, Pharm.D., JD, Patent Attorney in the Biotechnology/Technology Practice Group and Licensing Practice Group.

Kirk. M. Hartung, Patent Attorney in the MVS Mechanical Electric Practice Group

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515-288-3667
www.ipmvs.com/subscribe
801 Grand Avenue
Suite 3200
Des Moines, IA 50309