

Intellectual Property for Managers and Investors, A Guide to Evaluating, Protecting, and Exploiting IP

By Steven J. Frank, Esq.

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Managers and investors know the importance of intellectual property protection. They understand that intellectual property (IP) is often the most critical aspect of a company's success, that advancements without IP protection can be unprofitable, and that mismanagement of IP can cause companies to fail. Yet, many managers and investors do not know IP law. It is easy to see why: IP law is difficult. In a book less than a half-inch thick, Steven Frank offers managers and investors a guide to the theories, strategies, and law of intellectual property. He successfully conveys the material using familiar language and hypothetical situations that coincide with the experience of businesspeople.

The main areas of IP law are trademark, copyright, trade secret, and patent law. Patent law is considered the most difficult to comprehend. Congress wrote the U.S. Patent Act in a complex fashion, and courts have interpreted the Act in unexpected ways. In response, authors have tried to make information on IP law understandable to non-lawyers. Some simplify the language of IP law. Others focus on business strategies. The most helpful books to managers and investors offer both sufficient understanding of IP law so that strategies can be learned and describe the strategies in a business context. Such books are effective because they conveniently allow readers to learn strategies and

understand the legal bases of the strategies from one source. INTELLECTUAL PROPERTY FOR MANAGERS AND INVESTORS offers this convenience.

In INTELLECTUAL PROPERTY FOR MANAGERS AND INVESTORS, Frank describes IP law in a comprehensible way using familiar language, a consistent and logical framework, and relevant examples. In chapter 1, Frank quickly and adequately describes the main areas of IP law in twenty-four pages (patent law in thirteen pages). Concepts are easy to follow because Frank uses language that is easily understood. For example, when Frank defines a patent, he does not use legalese and instead writes, “A patent is a government-granted right to stop others from doing certain things specified in the patent document . . . it confers no right to actually do anything – just to stop others.”¹ Frank successfully connects with readers by framing concepts in this manner.

Frank also organizes the material in a consistent and logical framework. In chapter 1, for each subject area of IP law, Frank addresses, 1) eligibility, 2) rights protected, 3) international rights (where applicable), and 4) mechanics. Readers can anticipate topics and more quickly grasp concepts. Furthermore, the book as a whole has a logical format. After making pertinent points on IP law in chapter 1, Frank presents strategies to apply in light of the potential for IP disputes in chapters 2-4. In chapter 5, he considers strategies available during IP disputes. Frank ends the book with chapters on IP due diligence and licensing. These last two chapters could have been placed before the chapter on IP disputes because issues in due diligence and licensing can give rise to

¹ Steven J. Frank, INTELLECTUAL PROPERTY FOR MANAGERS AND INVESTORS 2 (Cambridge Univ. Press 2006). Compare United States Patent and Trademark Office, Glossary, <http://www.uspto.gov/main/glossary/> (defining “patent” as “a property right granted by the Government of the United States of America to an inventor ‘to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States’ for a limited time in exchange for public disclosure of the invention when the patent is granted”).

disagreements and litigation. The current placement nevertheless does not significantly hinder the flow of the book.

The examples Frank uses effectively illustrate his points. For instance, Frank explains blocking patents with a hypothetical situation where a father invents and patents the first automobile transmission. The father's son subsequently invents and patents the automatic transmission. Frank then writes

Yes, you can stop the old man from making automatic transmissions, you disloyal rascal. But your patent does not give you the right to make them either: if your father's basic transmission patent is broad enough to cover automatic transmissions – that's right, a patent can cover later-developed technology unknown at the time it's filed – his patent dominates yours. Neither of you can make automatic transmissions without the other's permission.²

This example allows readers to cover substantial ground on the topic of blocking patents in just a few sentences.

Strategies in IP law comprise most of Frank's book. Frank relates IP law to the business community using case studies. The case studies first place inventions in a business context. They then raise business issues in IP law and apply strategies to resolve the issues. In one instance, Frank describes a company's dental imaging system that allows dentists to perform all procedures of a root canal in one visit.³ He then raises issues about competitors using the company's inventions and difficulties in attaining intellectual property protection. Frank addresses the issues raised by the dental imaging system case study using strategies in implementation: developing and maintaining an IP inventory, establishing realistic procedures and responsibilities, and managing

² *Id.* at 2.

³ *See id.* at 70-71.

participation in industry standard-setting.⁴ He consistently refers to the dental imaging system situation when discussing the strategies. This approach maintains relevance and meaning.

INTELLECTUAL PROPERTY FOR MANAGERS AND INVESTORS is recommended for businesspeople, corporate attorneys, and generally anyone interested in the management of IP. Even those with formal training in IP law could benefit from reading Frank's book because many of the business issues presented are not covered in law classes and the book provides insight into the practical application of IP law.

⁴ *See id.* at 71-98.