



## Investigations Council

October 2011

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### Chairman's Comments

For the Investigations Council, the recent Annual Seminar in Orlando proved to be a great success. First and foremost, 17 members of the Council attended the Seminar, and three members gave presentations. The Council meeting prior to the Seminar gave some Council members the opportunity to meet their fellow Council members for the first time, and the meeting led to a healthy exchange of ideas on what projects the Council should focus on in 2012.

In that regard, I am pleased to announce that Peter Psarouthakis, our Vice Chair will be succeeding me as Council Chairman in 2012. Peter has contributed to the Council's progress over the past few years, and he has the experience to be an excellent Chairman. I am grateful for his support as Vice Chairman and hope to continue to work with him on the Council in 2012.

I would like to take the opportunity to thank all the Council members who have supported me and the Council during the past two years. We have seen the Council almost double its membership as well as adopt a more professional standard. I encourage all members to continue to support Peter and help improve the Council not only in 2012 but in the succeeding years.

### THE USE OF INVESTIGATIONS TO SUPPORT PATENT INFRINGEMENT CLAIMS

The World Intellectual Property Association divides intellectual property into two classes. The one of interest for this article is Industrial Property, which includes inventions (patents), trademarks and industrial designs. This article will primarily address the issue of supporting patent infringement claims with investigative fact-finding.

The preface of *Securing Intellectual Property: Protecting Trade Secrets and Other Information Assets*, published in 2009 by Elsevier, Inc., observes that "security has always been a major concern to businesses that have proprietary information, but as the instances of intellectual property theft rise from year to year, it is becoming more and more essential for businesses to stay

abreast of the latest trends and technologies in the field." Security managers, computer security professionals, corporate legal counsel, human resource managers and corporate investigators must all work together to deter the theft of intellectual property, which is often

the most valuable asset of a company, especially in the high-tech sector. Unfortunately, even the best security efforts can be subverted, leading to the theft, piracy, counterfeiting and infringement of intellectual property rights.

In addition, as noted in a July 9, 2011 article in *The Washington Post*, the battle between Google and the owners of three Smartphone platforms over the acquisition of the 6,000-patent portfolio of bankrupt Nortel Networks “demonstrates the growing dysfunction of the country’s patent system, where even the most amorphous ideas can be rubber-stamped by the government and protected for years. Companies are increasingly arming themselves with ever-growing patent portfolios to initiate or shield themselves from costly lawsuits...Companies with formidable patent portfolios can use them as cudgels against rivals, while those with fewer patents risk being eaten alive in court.”

This environment has led to high-stakes litigation that is directed by in-house counsel and private-sector intellectual property attorneys hired by companies. In the United States, claims of patent infringement are asserted in federal courts and before the U.S. International Trade Commission (“ITC”) under Section 337 of the Tariff Act of 1930.

Investigators working with security professionals often assist in building cases for or against infringement but are more commonly used to help support infringement claims. The tasks of investigators include:

- Purchasing products to establish jurisdiction in U.S. District Courts and for the purpose of legal reverse engineering
- Identifying downstream consumer and industrial products that use infringing components
- Obtaining biographical information about the principals of infringing companies, determining the size and location of their operations, and tracking infringing products from development and design to manufacture, assembly, testing, warehousing, marketing and distribution
- Conducting research regarding prior art, which is defined as information that has been disclosed to the public in any form about an invention before a given date
- Testifying at hearings
- Assisting in the enforcement of judicial and ITC orders

Providing support for patent infringement claims is one of the more demanding and exciting fields for today’s corporate investigators. Individuals must be knowledgeable about intellectual property law and technology and have extensive experience in complex investigative techniques. Their efforts can have a direct bearing on a company’s bottom line.

Barry K. Horvick  
Member of ASIS Investigations Council

### **Strengthen Your Business, Develop Your Investigative Niche**

The investigation industry offers a wide range of opportunity for work. The case options as a licensed investigator vary from surveillance, interviews, accident reconstruction to due diligence, backgrounds, asset investigations to intellectual property, counterintelligence, or corporate espionage investigations. These are just a few fields to consider. But, as a licensed investigator, you can’t do it all on your own.

Advertising and marketing your investigation agency is an important step to expand your business. A powerful way to market yourself is to specialize in an investigative field that makes you stand out and be remembered by your clients. Attorneys and corporations will hire an investigator to handle a specific case situation. They will continue to hire the agency that is capable of taking care of their needs and getting the investigation done correctly. Determine your strengths and build on them. Specializing in a few aspects of investigation will make you lead the way in your field and provide the client insight that your agency is the one to hire when in need for that specialty.

Although other investigative agencies may be considered competitors, keep in mind they may also be colleagues who specialize in other fields of investigation. Utilize those colleagues and develop a trusted network. This will provide your agency the option to take on all types of investigations. Determine which agencies specialize best in each type of investigation. Develop a solid business relationship with those that you work with well. These various contacts within your network provide you the ability to offer a wide range of investigative services to your clients.

Fraud investigations, being one niche, can span into several fields of investigative needs. For example, a multi-million dollar embezzlement case will most likely require more than a specialist in financial fraud. Once the target has been identified, located, and the embezzled funds found, additional work is required. Quite often this type of case becomes international. The financial fraud investigator would need assistance with seizing funds in the international location and surveillance may also be required. The trusted network the fraud investigator has developed in these fields of investigation will be able to assist. The client will know the agency is capable of handling all areas of these investigations as well as realize the international capabilities.

Options to learn and develop a specialized field of investigation are available. Searching the internet for free webinars and paid webinars can make it simple and affordable. Quite often, the free webinars provide general information which ignites other ideas for developing your niche. Seminars and conferences occur throughout the year at different times and locations that focus on all fields of investigation. The option of seminars and conferences can be helpful on another level. It provides the opportunity to network and meet others face to face in your field. It is an excellent way to develop your network, learn your specialty and create new clients. Most states within the US have state associations for licensed investigators. This is another option to connect with and create an extended network / clientele.

It is best to work from your strengths when developing your niche. Determine those strengths and develop through training, networking and experience. The specialty you develop will help to create a stronger and more powerful business.

Sandra Stibbards  
Member of ASIS Investigations Council

## **Legislative Update**

According to a Stanford University study by the Law School's Center for Internet and Society, as reported by the Washington Post, most "anonymous" third-party Web tracking is not anonymous.

There apparently are a number of ways in which a user's identity "can be associated with data that are supposed to be collected without linking to personally identifiable information." Privacy advocates are pointing to this study, led by graduate student and computer scientist Jonathan Mayer, as evidence that the industry needs Do Not Track legislation. The American Civil Liberties Union legislative counsel Chris Calabrese, in a

statement, is quoted: "The sharing of detailed Internet records with the government is certain to have a chilling effect on Americans' First Amendment rights to speak and pursue unpopular subjects online. These practices must be brought in line with the Constitution." A Federal Trade Commission report contends that self-regulatory efforts "have been too slow, and up to now have failed to provide adequate and meaningful protection."

Senior Analyst Daniel Castro of the Information Technology and Innovation Foundation called Mayer's study as alarmist. "Internet users have more tools to protect their online privacy today than they had a decade ago, and the private sector is working diligently to strengthen and improve online advertising self-regulation."

The ACLU has an ongoing congressional lobbying effort underway stating "In the same way that other industries are bound by basic privacy principles to protect consumer information, it is time for Congress to require that similar principles be followed with regard to Internet privacy." They want Internet users to be able to have clear notice about the data collection practices involving their information, and data collectors explaining why particular information is needed and be held accountable for how the information will be used. Users should be able to control what is shared and what is kept private. Their solution is a "Do Not Track" option, which would give consumers a universal way to opt-out of tracking, much like the popular "Do Not Call" registry that allows consumers to opt out of receiving telemarketing calls.

Websites are widely sharing one's log in name and personal information (i.e., first and last name and birthday). The ACLU cited for example, when one views a local advertisement on the Home Depot website, the users "first name and email address is sent to 13 additional companies. The site okcupid.com packages gender, zip code and date of birth especially for advertisers." Advertisers then combine such information into profiles on individual consumers.

Personally identifiable information is almost completely unregulated on the Internet which raises some fundamental privacy questions. Advertisers sell this information to third parties, called data aggregators, who in turn sell it to other marketers, employers and, the government. Since 2001 data aggregation companies have had contracts with the federal government and states to collect and share personal information about millions of Americans, including unlisted cell phone numbers, insurance claims, driver's license photographs, and credit reports.

As reported earlier this year, Senate Commerce Committee Chairman Jay Rockefeller, D-W.Va., has introduced legislation that would require websites to respect consumer choices about online tracking, although the committee's senior counsel, Christian Fjeld, said it was doubtful that the measure would pass.

"I wouldn't be counting on us passing privacy legislation in this difficult political environment," Fjeld said. "Having said that, my boss, Senator Rockefeller, is still committed to working in a bipartisan manner to see how far we can move forward. And if it's not actually passing legislation, than it certainly [will] still entail conducting oversight and having public hearings on this subject."

Peter Psarouthakis  
Investigation Council-Legislative Committee

## Investigations Council Mission

Promotes ethical and thorough investigations by private, corporate, and government investigators by providing analyses of emerging investigative technology, techniques and trends in the global investigative arena.

### Interested In Joining the Investigations Council?

The Investigations Council seeks qualified ASIS members with a professional investigative background to expand its membership to a full complement of twenty-five professional investigators. If you would like information about the Investigations Council or if you would like to be considered for membership on the Investigations Council as vacancies occur, please contact Membership Committee Co-Chairmen Harm Oosten, CPP at [harm.oosten@contego.nl](mailto:harm.oosten@contego.nl) or Vincent Sheridan, CPP, CFE at [vince@adventinvest.com](mailto:vince@adventinvest.com). We are a working Council and all members are expected to remain actively engaged to maintain membership.



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