

THE PATENT PROCESS

USING THE PATENT LAW TO YOUR ADVANTAGE

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We Live In An IP World

- Manufacturing is easier than before
- The mechanics of design are easier
- Making a record of a design is easier
- Information is more easily stored and transmitted
- Physical assets quickly become obsolete
- Intellectual property has become more important

Small Business Has An Advantage

- There are extreme diseconomies of scale in the patent world
- “Patent Mining” is an admission of failure
 - Imagine an inventory of manufacturing facilities: “We’ve discovered that we have an unused factory in Ohio.”
- Small entity fees
- But small businesses frequently miss patenting opportunities

What Is Patentable

- “[A]ny new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof” 35 USC 101
- This includes
 - Methods of Use
 - Methods of Doing Business
- Only the inventor(s) may apply for a patent

Patent Rights

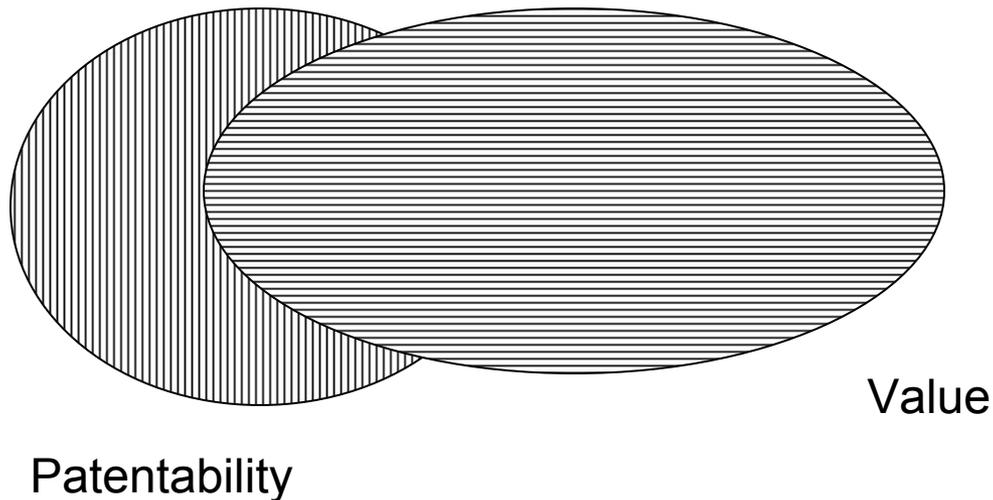
- A U.S. Patent gives to the patent owner the exclusive right to make, use and sell the invention in the United States, to import the invention into the United States and to import the end product of a process patent into the United States

Can't They Change One Small Detail?

- Not if the patent is broadly drafted
- The patent applicant initially defines the invention in the claims
- The patent office determines if the initial claims are too broad
- Final claim scope is usually determined in a process of argument and negotiation between applicant and patent office

Should We Try?

- Will competitors be placed at a disadvantage by being unable to practice the invention as claimed?



Factors in Determining

- Patentability Search
- Industry Knowledge
- Try to “design around” your own invention definitions
- Market evaluation
 - Size of market
 - Are there other markets that would be opened
- Can invention be kept as a trade secret?

AT WHAT STAGE IN DEVELOPMENT PROCESS CAN A PATENT APPLICATION BE FILED

- A properly prepared patent application is considered to be a constructive (has the legal effect of, even though it is not) reduction to practice (building of prototype)
- To be properly prepared a patent application must enable one of ordinary skill in the art to practice the invention (as claimed) without undue experimentation; but
- The patent application must disclose the best mode of practicing the invention as of the time of filing

WHO WINS A PATENT RACE

- In the US, the person who invents first has the right to a patent, as opposed to the rest of the world, where the person who files first has the patent rights
- Date of invention is the date of conception if conception can be linked to reduction to practice by due diligence
- There is a presumption of due diligence if there is no gap longer than two years

Strategy wrt Previous Slide

- If you file too early, it may turn out that you have not filed an enabling disclosure, but you don't have to enable high performance if you don't claim high performance
- If you patented a television, but your disclosure would only enable the construction of a set with a very, very grainy image, it would still be enabling, unless you had language dictating a smooth image in your patent claim
- If you file comparatively late, you may be compelled to disclose a better best mode than if you filed earlier

What to Expect After You Have Filed

- Within two weeks you should have a serial no. and a filing date
- The Semiconductors and Electrical Circuitry portion of the patent office is taking slightly more than a year to respond substantively to patent applications
- It is very likely that most or all of the claims will be rejected when a first Office Action is received

What to Expect After the First Office Action

- It will cost between \$600 and \$1,500 to respond to the first Office Action
- Probability of receiving a Notice of Allowance Rises dramatically after first response
- Second Office Action may include a “final rejection”

Final is not Final

- In response to a final rejection, applicant may:
- Telephone the patent examiner and negotiate
- Appeal the case to the Board of Patent Appeals and Interferences
- File an amendment (need not be entered)
- File a Request for Continuing Examination, together with a filing fee (currently \$385 for a small entity) and an amendment, and keep trying to gain allowance

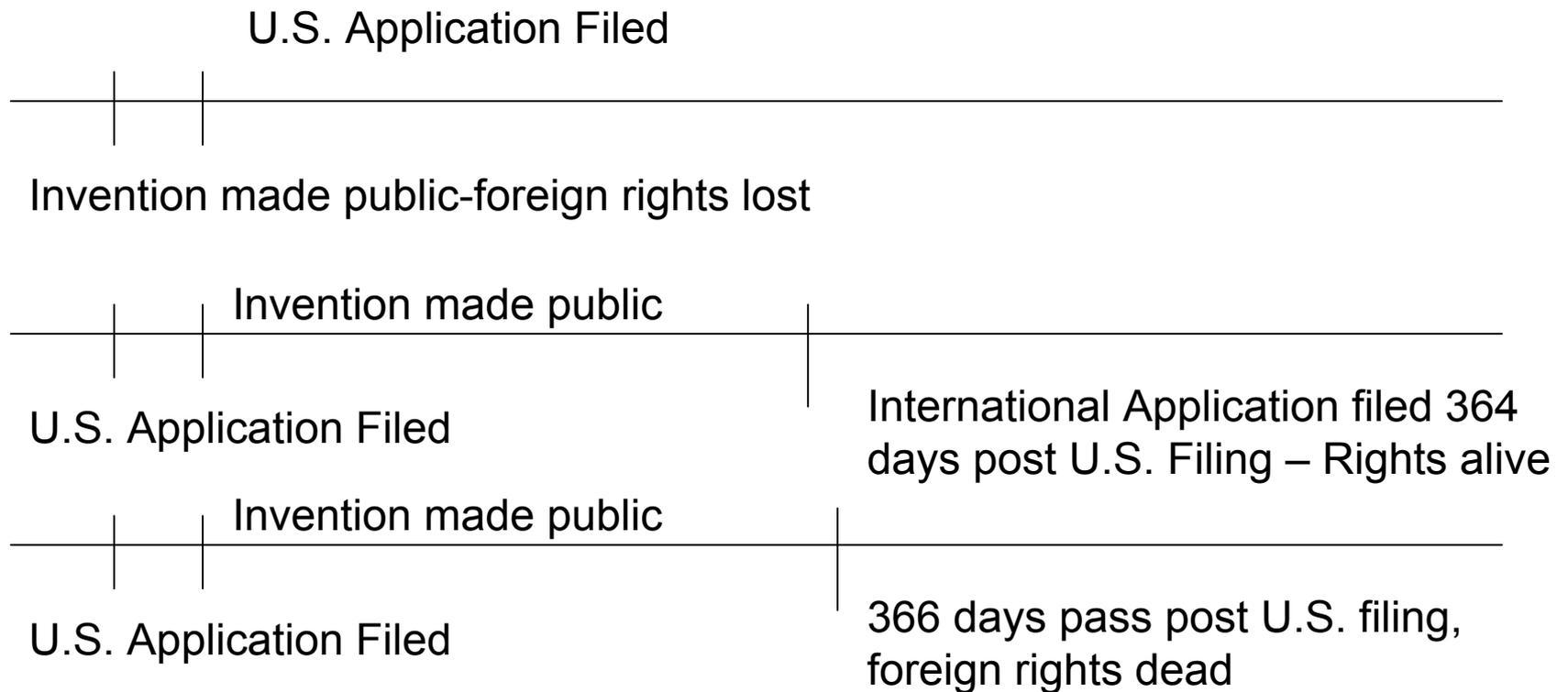
After Allowance

- After a Notice of Allowance is received:
- An Issue Fee is due (\$665) within three months
- It is time to consider filing a continuation application
- After issuance, competitors will study the patent claims and try to find a way around them
- Keeping an application pending gives you the right to address “design-arounds” with a new set of claims
- Right limited by the Gentry Gallery case, but not entirely dead

Preserving Foreign Rights

- Most Foreign Countries Have An Absolute Novelty Provision: If the invention is made known to the public before a first patent application is filed, it can never be patented
- If a U.S. patent application is filed before the invention is made known to the public, the foreign filing date(s) may claim priority from the U.S. filing date, if the foreign application(s) or an international application is filed within a year of the U.S. filing

Three Cases



Preserving U.S. Rights

- Rights Lost One Year Post:
- Invention described in a printed publication, here or abroad
- Invention placed in public use in the U.S.
 - Experimental use exception
- Invention placed on sale in the U.S.
- Invention placed into secret commercial operation in the U.S.

Patentability and Infringement

- For any device there are four possibilities:
- It infringes a patent and is not patentable itself
 - Don't make it
- It is patentable itself and does not infringe any patent
 - Patent it
- It infringes a patent and is itself patentable
 - Chair patentable over a stool patent
- It does not infringe a patent and is not patentable
 - Subject of an expired patent or described in a printed publication more than one year old

Infringement Analysis

- If even one claim is infringed, the patent is infringed
- Every element of the claim must be met, in order for the claim to be infringed
- Doctrine of Equivalents states that even when a claim is not literally infringed, it may still be infringed if there are mere “insubstantial differences” between claim language and accused device
- Prosecution History (aka file wrapper, file history) is the record of communication between applicant and patent office during patent prosecution (process of obtaining a patent). These records can be very valuable in construing words used in patent claims and limiting doctrine of equivalents claim scope

Opinion Letters

- Willful patent infringement may result in an award of treble damages, but
- Reasonable reliance on the opinion of counsel is a good defense against a finding of willfulness
- So, have a noninfringement opinion or invalidity opinion on file if there is a reasonable chance (>5%) of being found liable for patent infringement

Strategy

- IP success lies in being aware and engaged at the highest corporate level
- Schedule regular patent meetings
 - Quarterly meetings may be adequate
 - Enough to keep the issue alive
- Keep laboratory notebooks, sign and date pages
- Check the patent claims yourself, question every word
- Keep an application pending
- Don't spend too much money on foreign applications