Topic 5
Importance of Due Diligence before Filing a Patent Application

National Patent Drafting Course

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What We Will Cover:

- Necessary Information from the Inventor
- Identifying Valuable Inventions
- Develop a Patent Strategy
- Prior Art Search
- Ownership and Inventorship
Summary

- A patent memorializes the agreement between the inventor & government
  - Thus, a patent application is analogous to a contract
  - Patent application drafting also has some similarities to writing a technical or scientific paper
Who is the Audience for a patent?

- A patent examiner
- A judge
- An investor
- A competitor
- An infringer
- An infringer’s legal counsel

The patent agent should draft the application with these important audiences in mind.
First question upon receiving a request to prepare a new patent application:

- How soon does this application need to be filed?

Why?

- Different Countries have different filing deadlines.
- There are strict requirements regarding when an application must be filed with respect to various events, such as:
  - Attempted commercial exploitation,
  - Export, and
  - Public disclosure
Next Question:

- Where the client wants to protect his invention?
  - Different countries have different laws and different requirements for patents

- Has something already happened that jeopardizes the client’s ability to protect the invention in the desired countries?

- How soon does the client intend to do something that might jeopardize his ability to protect the invention in the desired countries?
Obtaining Invention Disclosures From Inventors

- Memorialize invention **as soon as possible**.
  - Can assist by providing blank invention disclosures
- **GOAL** – To file Application **as soon as possible**
  - As clients may have no IP sophistication at all, and require considerable assistance, start ASAP!
  - It is often the case that an inventor needs a personal or telephonic meeting in order to provide the patent agent with a “complete” understanding of the invention.
INVENTION DISCLOSURE FORM

1. Title Of Invention

________________________________________________________________________

2. Inventors

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Please use separate sheet for additional inventors.

3. Description of Invention
Typical Questions – Describes Invention

- What was the original problem to be solved by the invention?
- What is the prior art which comes closest to the invention and/or which the invention aims to improve?
- What is the solution to the problem and how was it implemented?
- Attach any drawings, pictures or other material helpful in understanding the solution/invention.
- Describe any variants or different embodiments of the invention.
- Which is the best version of the invention?
Typical Questions – Patentable Distinctions

- What are the key and novel features of the invention? How does it differ from other products or methods currently available?
- What are the advantages of the invention over current technologies?
- What are the immediate and/or future applications of the invention?
- Are you working on any developments / improvements?
Has the invention been publicly disclosed in any publication or been disclosed to any entity outside of your company?

- If yes, provide a list of the type of disclosure, date and to whom the invention was disclosed.
- If yes, was a non-disclosure agreement (NDA) in place with any entity to which you disclosed the invention?

Are there any upcoming plans to publish / disclose?
Typical Questions – Legal Questions

- In most countries, invention owned by employees belong to the employer
- How about inventions coming out of freelance work or work for hire?
- Invention paid for by government entity
- Explore the transfer of rights, if needed
  - Who is your client?
  - Who is the inventor?
  - Who is the applicant?
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Identifying Valuable Inventions

Initially focus on any and all patentable inventions

- Described in reviewing an invention disclosure and/or in
- Raised in discussions with the inventor
- The client should decide which set of inventions become the subject of one or more patent applications
Tip:

Never assume that an inventor actually knows what his/her invention really is.

- Inventors typically think in terms of products or problems - not inventions.
- Inventors rarely consider strategic patent filings, e.g. monetization models, revenue streams, blocking patents etc…
Recipe for Good Patents

Blocking claims
  +
Avoids prior art
  +
Non-restrictive technical description
  +
Non-restrictive patenting process
  +
Compliance with dozens of rules
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There is a difference between having patents and having a patent strategy.

A patent strategy is a plan to use patents to advance a company’s business goals.

Often, companies develop a portfolio of patents, with no clear goal in mind other than to say “we have a patent on that”.
Recipe for Good Patent Strategy

- Marketing driven approach
- Patent technical features you expect that your competitors will need.
- Target claims to your revenue streams.
- Target countries or regions that are most commercially significant.
- Take advantage of international laws and treaties for cost effective prosecution
In order to finish with a strong patent that is consistent with your patent strategy, you must start strong by:

- knowing what elements do not need to be recited in the application’s broadest claims
- understanding the invention well enough to draft claims describing the invention with the fewest possible limitations
- understanding just how broad and abstract he can describe the invention
- striving to obtain a clear grasp of the invention, as if he/she was an inventor
Understanding the invention also means that you understand the invention well enough to prepare a patent specification that:

- Provides enough technical information such that an ordinarily skilled artisan in the relevant technical field can understand & make the invention &

- Discloses all possible independently patent aspects of the invention
Understanding the invention also means that the patent agent can receive a prior art description – such as one used as the basis for a claim rejection by a patent office – and be able to

- Explain the differences between the claimed invention and the prior art and/or
- Amend the pending claims to highlight these differences in a manner that minimizes the reduction in the scope of claim coverage
Outline for Discussion

What We Will Cover:

- Necessary Information from the Inventor
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- Ownership and Inventorship
Outline

- What is Prior Art?
- Characteristics of Prior Art information
- Purposes and Significance of Prior Art Searches
- Searches and Analysis
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What is Prior Art?

- Prior art refers to scientific and technical information that exists prior to the effective date of a patent application.
- The effective date varies from country to country and from first-to-file and first-to-invent systems.
- The effective date is typically the filing date.
- Includes any public documents, such as: patents, technical publications, conference papers, marketing brochures, products, devices, equipment, processes and materials.
What is Prior Art?

- A prior art search refers to an organized review of prior art materials available from public sources.
- Used to assess patentability of invention.
- Searches may also be a part of due diligence for an acquisition or investment.
Characteristic of Prior Art Information

- Information include all published scientific and technical information
- Rich in information of cutting-edge technologies
- Concrete description and specific technological information
- Presentation and data elements based on WIPO standards (uniformed structure)
- Can be freely used to support research
- Problem solving approach
Potential economic value
Renders exclusive rights
Industry oriented information
Identifies competition in early stage
Information on legal status of patent applications
Essential tool for successful IP protection, licensing and commercialization
Over 60 million documents made available on Internet
Main Purposes of Prior Art Search

- To generate ideas for R&D
- To avoid duplicate of research
- To reduce significantly R&D investment
- To develop new technical solutions to problems
- To evaluate specific technology
- To plan new products
- To identify state-of-art of technology
- To find legal status of patent applications
- To assess novelty and patentability
- To market for commercialization
- To update new technological trends
- To monitor competitor’s research activities
- To prevent infringement actions (validity, ownership etc.)
Main Purposes of Prior Art Search

Technological
- Focus of Research area to avoid redundant research
- Novelty
- State-of-the-art searches
- Decision of Patent Application (patentability searches)
- Patent examination searches

Legal
- Validity searches
- Legal status of patent application
- e.g., Detection of possible infringement,

Economic
- R&D investment strategy (e.g., Preventing overlap of investment)
- Freedom to Operate or Clearance (of potential commercial embodiments)
- IP as economic asset
- Marketing
- Commercialization
- Competitors activities
Significance of Prior Art searches in the Process of Patent Prosecution

- May speed patent prosecution by allowing claims to be tailored to avoid the prior art before the examiner’s own search.
- Know early on without investing much time, effort and money if an application is patentable.
- May sometimes assist in determining how to allocate R&D funds if want to investigate a relatively unexplored area.
- May help avoid being patent infringer.
- But a different kind of analysis is required.
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Patent Inventorship vs. Patent Ownership

- Many people get confused between patent inventorship and patent ownership.
- An individual can be an inventor but not an owner of the patent rights.
- In addition, an individual or company may be an owner of the patent rights but not an inventor where they were assigned the patent rights by the inventor.
- It should be noted that a company can never be an inventor.
Ownership of a patent is important because the owner of the patent enjoys all of the rights, title and interest granted by the patent.

It is important to establish ownership of a patent before filing a patent application to avoid future problems.

Normally patent rights are held by the inventors until those rights are assigned in a written Patent Assignment agreement.
The owner of a patent can do the following with their patent rights:

- License the patent rights to one or more third-parties to collect royalties;
- Sell the patent rights;
- Sue a patent infringer; or
- Manufacture, offer for sale, sell or use a product covered by the patent without infringing the patent.

If an inventor is not the owner of the patent, the inventor will have none of these rights.
Joint Inventorship and Ownership

Joint Inventorship Usually Means Joint Ownership

- If two or more inventors are named on a patent application, the patent rights may be *jointly owned by the joint inventors*

- Patent rights will be *jointly owned* unless there is a written agreement indicating otherwise.
Joint Inventorship and Ownership

Problems with Joint Ownership

- Patent ownership by more than one individual or entity is typically not recommended because of the following potential problems:
  - Co-Owner Independently Licenses
  - Co-Owner Starts Competing Company
  - All Co-Owners Must Sue Infringer
Solutions to Joint Inventorship

- To avoid the above indicated problems of co-ownership, you may consider:
  - Assigning rights even after the patent issues
  - Forming a Company
    - The most common solution to resolving the ownership problems with joint
    - You can do this after filing a patent application, but it is recommended to do it before
Thank You for your attention!

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