



Topic 5

Importance of Due Diligence before Filing a Patent Application

National Patent Drafting Course

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Outline for Discussion

What We Will Cover:

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

Necessary Information from Inventor

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

Audience Affects Preparation

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

Relevant Questions

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

Relevant Questions (cont'd)

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

INVENTION DISCLOSURE FORM

1. Title Of Invention

2. Inventors

	Inventor 1	Inventor 2	Inventor 3
Full Name			
Phone			
E-Mail			
Affiliation with the company			

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?

Typical Questions – Public Disclosure

- 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

Identifying Valuable Inventions

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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Developing a Patent Strategy

- 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



Understanding the Invention

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

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

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

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Prior Art Searches

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

Characteristic of Prior Art Information

- 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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Determine Ownership and Inventorship

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.

Determine Ownership and Inventorship

- 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

Determine Ownership and Inventorship

- 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

Joint Inventorship and Ownership

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

Q&A?

Thank You for your attention!

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