

WIPO Asian Regional Symposium on the Importance of the Intellectual Property System for High -Tech Industries

**Guangzhou, China
July 10 to 12, 2002**

**Main Elements of the Intellectual Property (IP) System;
Recent Developments and Emerging Policy Issues;
Practical IP Issues in Developing a Business Plan for a
High-Tech Enterprise**

**Karl Rackette
Freiburg, Germany
info@rackette.de**

What Are Intellectual Property Rights?

- Rights given to persons
 - natural
 - legal
 - concerning the creations of their minds
- Exclusive right over the use of his/her creation
 - for a certain period of time

What Are Intellectual Property Rights?(2)

- two main areas
 - copyright and rights related to copyright
 - protection extends to expression and not to ideas as such
 - industrial property

Copyright and Rights Related to Copyright

- rights of authors of literary and artistic works
 - books, other writings
 - musical compositions
 - paintings, sculpture
 - computer programs
 - films
- rights of performers
 - actors, singers, musicians
 - producers of sound recordings
 - broadcasting organizations

Industrial Property

can be divided into two main areas

- protection of distinctive signs
- other types of industrial property

Protection of Distinctive Signs

- trademarks
 - distinguish the goods or services of a company from those of other companies
 - distinctiveness
- geographical indications
 - identify a good as originating in a place where a given characteristic of the good is essentially attributable to its geographical origin
 - the protection may last indefinitely!

Other Types of Industrial Property

- patents
 - inventions
- utility models
 - inventions
- plant varieties protection

- layout-designs of integrated circuits
- industrial designs

- undisclosed information e.g. trade secrets

Agreement on Trade -Related Aspects of Intellectual Property Rights (TRIPS)

Headings of Part II, Sections 1 to 8

- Copyright and Related Rights
- Trademarks
- Geographical Indications
- Industrial Designs
- Patents
- Layout-Designs (Topographies) of Integrated Circuits
- Protection of Undisclosed Information
- Control of Anti -Competitive Practices in Contractual Licenses

Why Intellectual Property Rights are Protected?

- to encourage and reward creative work
- to stimulate innovation, design and the creation of new technology
- to facilitate the transfer/dissemination of technology
 - (direct investment, joint venture, licensing)
- to provide protection for the results of investment in the development of new technology
- to give an incentive and means to finance research and development activities
- to stimulate and ensure fair competition
- to protect consumers (trademarks)

ScienceBasedInnovation

- Sciencebasedinnovationsare mostimportantformoderneconomicgrowth
- Forsciencebasedinnovationspatentsarethemost importantformofintellectualpropertyrightand protection
 - reasonforlookingmorecloselyatpatents

What Can Be Patented?

Patents shall be available for any inventions,

- whether products or processes,
- in all fields of technology

provided that they are

– **new**

– involve an **inventive step**

– and are capable of industrial application.

Novelty

New means

notpubliclydisclosed
inanyform,
anywhereintheworld.

Inventive Step

Inventive step means that
the invention is

not obvious

to someone with knowledge and experience
in the technological field of the invention.

What Can NOT Be Protected in the European Patent Office?

- discoveries
- scientific theories
- mathematical methods
- aesthetic creations
- methods for performing mental acts
- methods for treatment of the human body by surgery or therapy and diagnostic methods
- programs for computer **assuch**
- methods for doing business methods **assuch**

Some Exclusions from Patentability

- inventions against ordre public or morality
- diagnostic, therapeutic and surgical methods for the treatment of humans or animals
- plants and animals other than micro-organisms

Basic Idea underlying the Patent System

- In exchange for
- a **right limited in time** to exclude others from making, using or selling the patented invention **in the territory** of the patent,
- the inventor - in addition to making the invention - must provide a complete and **accurate description** of his invention in order to **enrich forever the total body of technical knowledge** in the world.
- This provides others with the ability to use that knowledge to invent further, **thus pushing technology forward** for the benefit of society.

Disclosure of the Invention

Article 83 European Patent Convention

The European patent application must

disclose the invention in a manner

sufficiently clear and complete

for it to be carried out by a person skilled in the art.

What Kind of Protection Does a Patent Offer?

Patent protection means that the invention **cannot be** commercially

- **made**
- **distributed**
- **sold or**
- **used**

without the patent owner's **consent.**

Patent Rights

The patent rights are usually

enforced in a **court**,

which, in most systems, holds the authority

to stop **patent infringement** .

Licensing/Assigning

- The patent owner **may give permission** to, or license other parties **to use** the invention on mutually agreed terms.
- The owner may also **sell** the right to the invention to someone else, who will then become the new owner of the patent.

Who Grants Patents?

A patent is granted **for a limited territory** by a

- **national patent office**

or by a

- **regional office** that does the work for a number of countries, such as the
 - European Patent Office,
 - Eurasian Patent Organization
 - African Regional Industrial Property Organization
 - Organisation Africaine de la Propriété Industrielle

Patents From Filing to Grant

- filing of an application
- examination as to formalities
- prior art search
- examination as to substance
- grant and publication

(enforcement of patent protection)

Patents Can be Revoked or Invalidated

- by the Patent Office that granted the patent
 - opposition proceedings
 - reexamination proceedings
- by a Court during legal proceedings
 - invalidation proceedings
 - infringement proceedings

Expiration of Patent Rights

Once a patent expires, the protection ends, and the invention enters the **public domain**.

The owners no longer hold exclusive rights to the invention.

The invention becomes **available to** commercial exploitation by **others**.

IndustrialPropertyAgents

- patentagent/patentattorney
 - technicalbackground
 - andtrainedinlegalmatters
- trademarkagent/trademarkattorney
 - legalbackground

Industrial Property Agents

- deal generally with all matters in the field of industrial property to the extent permitted by their national law
 - filing, processing and maintenance of applications for patents, utility models, industrial designs and trademarks
 - advising in matters relating to industrial property rights, including unfair competition, licensing, know-how and transfer of technology
 - litigation in all fields of industrial property

Filing a Patent Application

- drafting the specification
 - description
 - claims
 - drawings
- first filing at Patent Office in home country
- later filing abroad (claiming priority)
 - for an national patent
 - for a regional patent
 - for an international patent application

Example of Elements of a Business Plan

- Executives summary
- Market analysis
- Company description
- Organization and management
- Marketing and sales strategies
- Service or product line
 - Description of intellectual property policy
 - Research and development activities
- Funding Request
- Financials

Intellectual Property and the Business Plans

- planning the patent process in order to minimize the risks involved
- financial investments for
 - making and identifying inventions
 - searching prior art
 - filing of patent applications
 - prosecuting patent applications
 - maintaining patents
 - defending own patents
 - watching patent activity of competitors

Strategy for the Patent Process

- recording the invention
- submitting a disclosure
- prior art search (novelty, inventive step?)
- market evaluation
- patentability and marketability determination
- patent application
- patent prosecution
- patent allowance
- patent issuance and maintenance

Identifying an Invention

- What is the new invention?
- What is the desired scope of protection?
- Where is the protection needed?

Questions to the Inventor for Identifying the Invention

- How is the invention constructed?
- How does it work?
- Is there any critical feature for an effective solution to the problem underlying the invention?

Questions to the Inventor for Identifying the Invention(2)

- What are the effects of the features of the invention?
- How else may these effects be achieved?
- Why do you think that the invention is new?
- What state of the art or what prior art do you know?
- What is the closest or most pertinent prior art in your opinion?
- What is the most **important difference** between the closest prior art and the new invention?

Questions to the Inventor for Identifying the Invention(3)

- What advantages does the invention have over the the closest prior art due to that **most important difference**?
- What is the problem that is solved by the invention due to that difference?
- How and why does the invention solve this problem?
- Which of the new features of the invention make the solution possible?
- How is the problem solved in the prior art?

Questions to the Inventor for Identifying the Invention(4)

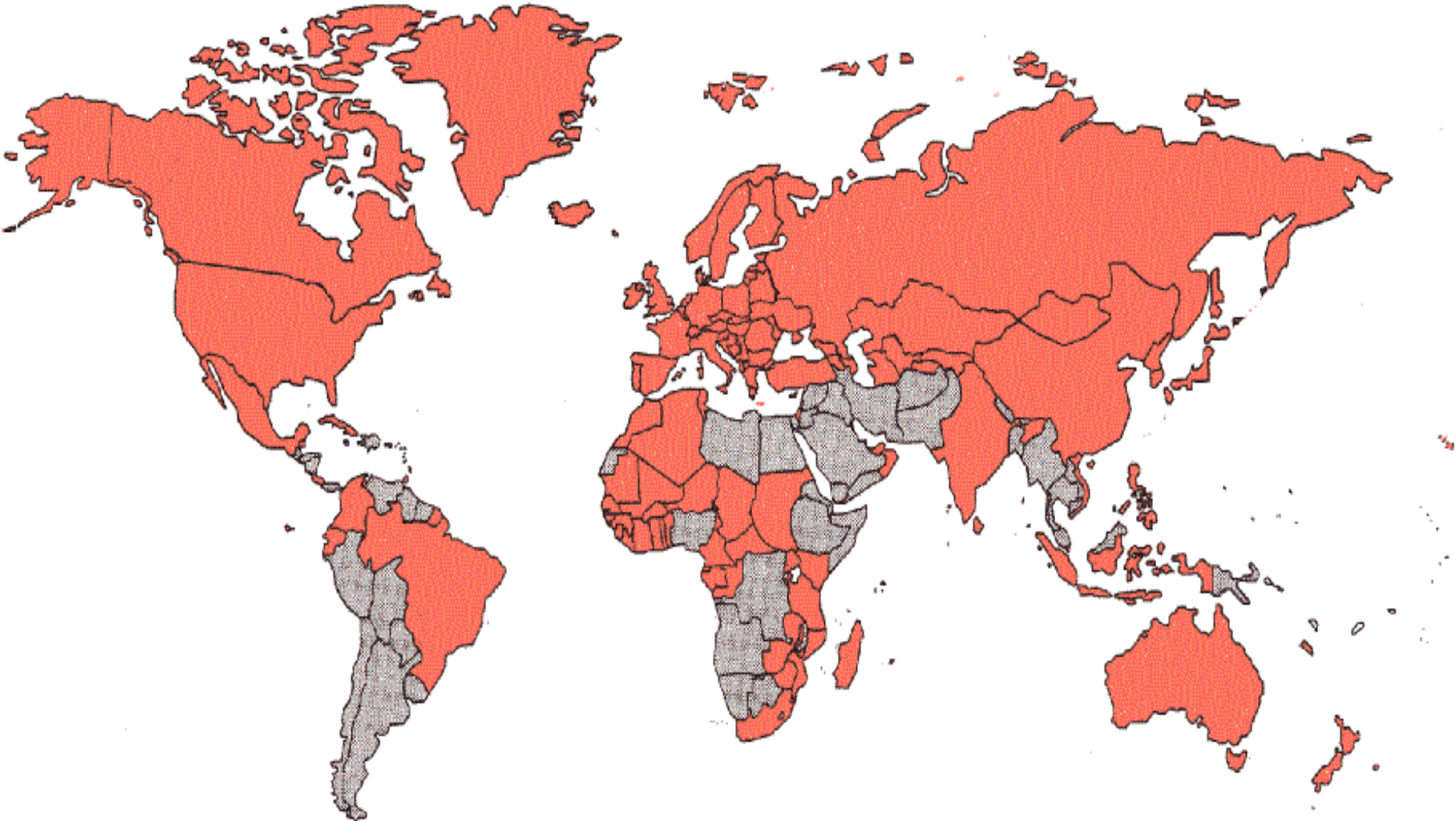
- What arguments could one put forward to a patent examiner in a patent office or a judge in a court to show that the invention is not obvious to other experts?
- What do you want to prevent competitors from doing?
- How could a competitor design around the new invention?

Questions to the Inventor for Identifying the Invention(5)

- Do you intend to use the invention in your own business?
- Are you planning to sell or license your invention?
- Where do you want to get a patent?

PCT Contracting States

(116 on August 6, 2002)



PCT Contracting States

<http://www.wipo.int/pressroom/en/updates/2002/upd163.htm>

- **Saint Vincent and the Grenadines** (country code VC) acceded to WIPO's Patent Cooperation Treaty.
- VC became the 116th Contracting State of the Patent Cooperation Treaty (PCT) when it deposited its instrument of accession at WIPO on May 6, 2002.
- The Treaty will enter into force for VC on August 6, 2002.
- As Saint Vincent and the Grenadines will be bound by Chapter II of the Treaty, it may also be elected for purposes of international preliminary examination.

European Patent Office Online File Inspection

<http://www.epoline.org>

- Public Beta version
- table of contents listing the documents in the file
- each document can be selected for immediate display or for downloading
- around 670.000 files are available for online file inspection
- all files after 1 January 1998 are available in electronic form
- all files with a notice of opposition received after 15 October 2001 are available in electronic form

Patent Enforceability Doctrine of Equivalents

The doctrine of equivalents is

used to expand the coverage of a patent claim
(which defines the scope of protection)

in infringement proceedings

– when the claims do not literally cover the
infringement

Patent Enforceability Doctrine of Equivalents

The doctrine of equivalents provides that the use of a substitute element that

- performs substantially the **same function**
- in substantially the **same way**
- to provide substantially the **same result**

as the elements specified in the patent claim would **constitute patent infringement**

USSupremeCourt 's Festo DecisionofMay28,2002

- vacatedthe,, Festo“decisionof
theCourtofAppealsfortheFederalCircuit(CAFC)
 - heldthatanarrowingamendmentmadetosatisfyany
requirementofthePatentActmaygiverisetoa
completebar,sothatthenarrowedelementmustbe
limitedtoitsstrictliteralterms
- reopenedthedoortopatentequivalents

USSupremeCourt 's Festo DecisionofMay28,2002

- claimsareinterpretedbyreferencetothose that havebeenrejectedorcancelled
- prosecutionhistory estoppel precludesapatentee fromregainingthroughlitigationcoverageofthe subjectmatterrelinquishedduringprosecutionofthe applicationforthepatent
- amendingtheclaimshouldnotnecessarilyactasa completebar
- thepatenteeecanovercomethepresumptionthat prosecutionhistory estoppel barsfindingof equivalence

THE END

Thank you
for your attention!

