IP CONSIDERATIONS: A PERSPECTIVE ON U.S. PATENT LAW, TRENDS, AND STRATEGIES

Presentation for Ultrasonic Industry Association
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Types of Intellectual Property

- Trade Secrets
- Copyrights
- Trademarks
- Patents
Trade Secrets

• Secrets that provide competitive advantage
• For so long as it is *kept a secret*.
  – Can last longer than a patent as long as it is a secret.
  – Once the secret is out, anyone can use it.
    • People can reverse engineer your product!
• Examples:
  – Coca-Cola secret formula;
  – Includes: sales methods, distribution methods, consumer profiles, advertising strategies, lists of suppliers and clients, and manufacturing processes
• **Original** works of authorship **fixed** in any tangible medium

• Term examples:
  – Author’s Life + 70 years
  – 120 years from date of creation (work for hire)
Trademarks

• **Source Identifiers:**
  – Word, name, symbol, device, sound...to identify the source of the goods and distinguish products

• Branding! Stuff for sale!

• Can last forever with continued use
Patents

• Inventions

• Right to **EXCLUDE!**
  – Exclude others from making, using, selling, offering for sale, importing….
  – **NOT** a right to make, use or sell yourself.
  – Jurisdictional - U.S. patents are only enforceable in the U.S.

• In exchange for:
  – Disclosing your invention (and not keeping it a secret all for yourself)
  – Releasing your invention to the public AFTER the patent expires
How Do You Get a Patent?

- Invent, file an application, and convince gov’t to grant
- Assignment
- License
Common Application Types for U.S.

- **Provisional Utility Application**
  - Establishes a filing date for the subject matter included in the application.
  - Allows “Patent Pending” to be placed on product.
  - Expires after 1 year
    - Either convert to utility application within 12 months or file utility application claiming priority to the provisional.

- **Non-provisional Utility Application**
  - Term = 20 years from filing date
  - Includes Divisional Applications, Continuation Applications, and Continuation-In-Part Applications.

- **Patent Cooperation Treaty Application**
  - International application designating the U.S.
  - Must nationalize

- **Design Application**
  - Term = 14 years from issue date
  - The visual ornamental characteristics embodied in, or applied to, an article of manufacture
Utility** Hurdles to Convince U.S. Gov’t

1. Patentable Subject Matter
   - Process, machine, manufacture, composition of matter…

2. Utility
   - Invention must be useful for some purpose

3. Enablement
   - The application must include a clear and concise description of the invention to enable others to make and use the same.

4. Novelty
   - Invention must be NEW

5. Non-Obvious
   - Invention can NOT be obvious in light of the prior art.

** Comprise 90% of USPTO Filings
• Drawings
• Description
• **CLAIMS!**
  – The description and drawings are provided to support the claims.
  – **The elements of the claims define what is protected.**
Claims and Infringement

• To see if something is infringing a patent you compare the **device** (used by company A) to the patent **claims** (owned by company B).

  – Do **NOT** compare the **product** to the **product**.
  – The device must include **ALL** of the **elements** of the claim!
Strategies for Avoiding Infringement

Company desires to make, use, sell...

- **Conduct Search**
  - issued patents/publications
  - Shelves of Walmart?
    - Majority of inventions that are patented never even come to market.

- **Analyze claims** for possible infringement
  - Does the product include each and every element of the claim?
  - Review prosecution history.

- Get **opinions of** non-infringement/invalidity by patent counsel.

- **Benefits:**
  - Minimize risks for costly patent infringement defense.
  - Shield against a finding of willful infringement (avoiding higher damages in infringement case).
  - Helps Company decide whether they should move forward with development or market of a product (or design around).
Trending Now: Patent Reform

Leahy-Smith America Invents Act ("AIA")
Sept. 16, 2011
What changed?
Effective March 16, 2013
• 12-month grace period for public disclosures by inventor
  – Caveat: may jeopardize foreign rights
Assignee Applicants

• Employers may file applications w/out inventor signatures so long as:
  – Inventor assigned to employer
  – Inventor under obligation to assign to employer

• Minimizes paperwork

• Allows employers to file applications after employee leaves
Prioritized Examination (Track One)

• $4,000 fee ($2,000 for small entity)
• Limited to 3 independent claims
• No Extensions of Time
• Final disposition within 12 months
  – Attractive for venture capitalist funding
  – Attractive for small business and individual inventors
Pre-issuance Submissions of Prior Art

• Any 3rd party may submit written prior art in a pending application of another (e.g., a competitor)
  – Need to include concise description of the asserted relevance of each prior art document submitted
  – before (1) the later of (i) 6 months after the date of publication or (ii) the date of a first Office action on
    the merits rejecting any claims, or (2) before the date of a notice of allowance, if earlier
  – first 3 prior art references are free
  – up to 10 prior art references for $180
Post-AIA Filing Strategies

- Consult patent attorney early on
  - “File early and often”
    - Ideally before prototype built
    - Can’t rely on notebooks anymore (first-to-file patent system)
- Patentability studies still useful
  - Consider conducting after filing provisional
- File serial provisionals as invention is tweaked/improved/developed
- Non-publication request in view of trade secrets for US only
- Look to claim pre-AIA priority to limit prior art that can be cited against you
- PCT applications to buy time for foreign but still get application on file in U.S.
Corporate Considerations

• Streamline invention disclosure process
  – educate inventors
  – establish IP committee
  – consider using reward programs to generate quality v. quantity
• Docket publications
• Vigorous exit interviews
Other Strategies to Save Time & $$$

- Patent Prosecution Highway (PPH) speeds up the examination process for corresponding applications filed in participating intellectual property offices.

- Petition to make special
  - The applicant’s age or health (no fee);
  - Enhance quality of the environment;
  - Contribute to the development or conservation of energy resources; or
  - Contribute to countering terrorism.

PPH Partners
The USPTO has PPH arrangements with the following intellectual property offices:

- Australia (IPAU)
- Austrian Patent Office (APO)
- Canada (CIPO)
- Denmark (DKPTO)
- European Patent Office (EPO)
- Finland (NBPR)
- Germany (DPMA)
- Hungary (HPO)
- Japan (JPO)
- Korea (KIPR)
- Russia (ROSPATENT)
- Singapore (IPOS)
- Spanish Patent and Trademark Office (SPTO)
- United Kingdom (UKIPO)
Thank You

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