

Common Patent Mistakes That Waste Inventors' Time And Money

Inventors Alliance

(InventorsAlliance.org)

Bay Area Chapter

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P.E.A. presenta un film di

SERGIO LEONE
con
CLINT EASTWOOD

**LE BON
LA BRUTE
LE TRUAND**

con
LEE VAN CLEEF
ALDO GIUFFRÈ

GIULIO PISTELLI
ENZO PETITO
JOHN BARTRA
ANTONIO CASALE
RENATO SPATANELLI

BADA BASSIMOV
CLAUDIO SCARCHILLI
SILVIO LORENZON
ANDRÒ SCARCHILLI
ANGELO ROVI

di **MARIO BREGA**

con
ELI WALLACH

con la aid di TOTO

Scenario di Giuseppe

ACE SCARPELLI, LUCIANO VINCENZONI e SERGIO LEONE

Regia di

SERGIO LEONE

Musica di

ENRICO MORRICONE

Edizione italiana L'ESPRESSO

TECNOLOGIA TECNOLOGIA

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Let's Talk About Geckos

- Beware of money sucking services
- Talk with the principals
- Check references
- Google, LinkedIn them
- If it sounds too good to be true, it probably is



“15 minutes with me can make you 15 million dollars richer”




Quick Review:

What *is* a patent?

- **A property right guaranteed by Article I, Section 8, Clause 8 of the US constitution**
 - To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.
- **New, novel, and non-obvious**
 - Can't patent laws of nature, mental acts
 - Non-obvious in light of the prior art
- **Confers the right to exclude others from making, using, selling, or distributing the patented invention without permission**
- **Does not grant to the owner a right to practice the invention**
- **Patents are territorial: country specific**

Surprise!



**MOST PATENTS ARE
WORTHLESS!**

Only 5% - 10% Of Patents Ever Generate Any Income For Their Owners

- **Half (54%) of patents expire early through failure to pay maintenance fees to the USPTO**
- **Early expiration: patent owner determined the patent has little or no value**

Per Cent of Patents Expiring By Class of Patentee / Assignee (Moore, 2005)

	Unexpired Patents	Expired in 12 Years	Expired in 8 Years	Expired in 4 years	Expired Patents
US Corporation	51.5%	16.2%	19.7%	12.7%	48.5%
Foreign Corporation	48.7%	18.3%	19.7%	13.3%	51.3%
Foreign Government	37.7%	15.9%	29.0%	17.4%	62.3%
US Individual	34.2%	13.8%	26.9%	25.1%	65.8%
Un-Assigned	31.9%	14.5%	24.8%	28.8%	68.1%
Foreign Individual	29.8%	17.2%	26.2%	26.9%	70.2%
US Government	25.4%	13.6%	43.0%	18.1%	74.6%

Fewer Expired
 ↓
 More Expired

Conclusion: Individuals Less Likely To Maintain Their Patents

Only 5% - 10% Of Patents Ever Generate Any Income For Their Owners

- Half (54%) of patents expire early through failure to pay maintenance fees to the USPTO
- Early expiration: patent owner determined the patent has little or no value
- The Patent Paradox: Why do inventors and companies continue to invest scarce resources in patent-related activities if so few patents have any real value?

The Patent Paradox Explained

(my speculations) :

- Many inventors do not follow through with commercialization, licensing, etc.
- Motivation was more ego and pride rather than doing practical business
- Markets evolved in unexpected ways
- Changing the behavior of customers proved difficult
- Intended customers didn't perceive value

How To Create and Build Value



Creating Valuable IP Requires

- **Discipline**
 - Not taking the easy way
 - Not doing the expedient
- **Persistence**
 - There are no overnight successes
- **Diligent or constant effort**
 - Don't abandon the inventive effort for weeks, months, years

Got A Brilliant Idea? Now What?



Ask Business Questions Such As:

- **What is the key advantage of my invention?**
 - Cheaper, faster, smaller?
 - Saves time? More efficient?
 - Reduces manufacturing costs?
- **What is the target market?**
 - Who is the ultimate consumer?
 - If component technology, who has to incorporate it into their products for you to succeed?
- **How large and where is the target market?**
 - US Market? Europe? AsiaPac?
- **What are potential substitutes for my invention?**
- **Who are the current competitors? Future competitors?**

Document The Inventive Process

- Presently we are in a “first to invent” system
 - This may change to a “first to file” system
- Important to keep records documenting what you knew and when you knew it
 - When was the invention first conceived?
 - What was the invention first reduced to practice?
 - Who contributed to the invention?
- Keep an Inventor’s Notebook.
 - Date each page
 - Have someone (under non-disclosure) who is not an inventor and who is willing to possibly be a witness:
 - Read the page and write, “I have read and understood this page” along with a date and initials.

Example Inventor's Notebook



Don't Be Your Own Patent Attorney



Being One's Own Patent Attorney

- **An inventor can acquire sufficient knowledge to get a patent issued all by themselves.**
 - However, I've seen very very few that were done well
 - I would always work with a registered patent attorney

- **Typical *Pro Se* Inventor Errors**
 - Not fully describing the invention
 - Not describing the context in which it's used
 - Not claiming as broadly as possible given the disclosure and prior art
 - Agreeing to overly restrictive amendments and examiner statements
 - Not keeping the file open with a continuation application
 - Not searching the prior art

Work With A Patent Attorney



How To Work With A Patent Attorney

- Find a registered patent attorney who is knowledgeable about your area of invention.
- Have the attorney provide comments on your “final” draft
- Have the attorney fix the most important problems, e.g.,
 - Claim language
 - Written description, enablement
 - Abstract, title, useful drawings
- If you draft a response to the PTO, review your draft with the attorney **BEFORE** filing
- If a phone call with the PTO might be helpful, have your attorney make the call

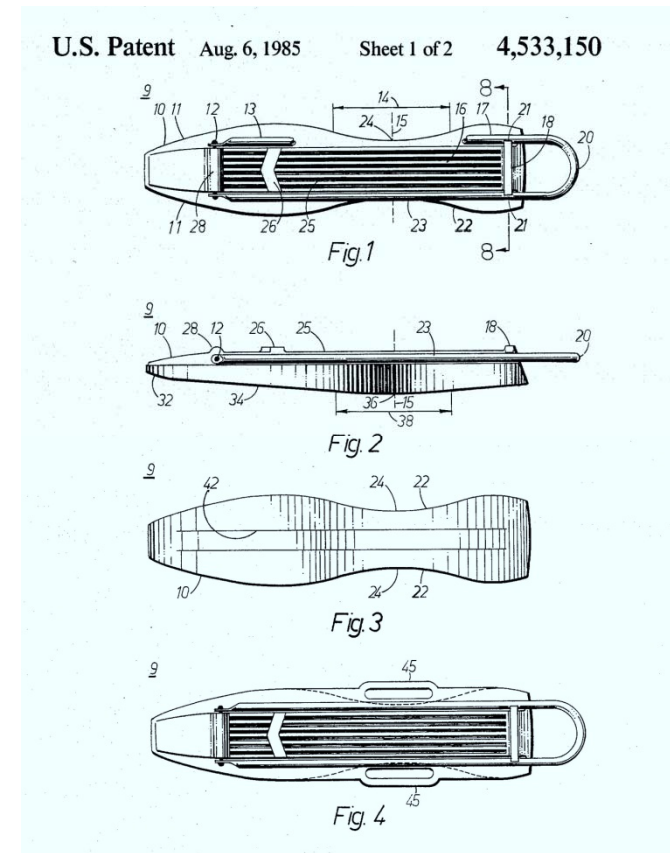
Patent Claims

- **Patent claims define, in technical terms, the extent of the protection conferred by a patent, or the protection sought in a patent application**
- **The claims are of the utmost importance:**
 - During patent prosecution and
 - when trying to sell, license, and/or enforce an issued patent

Patent Claims

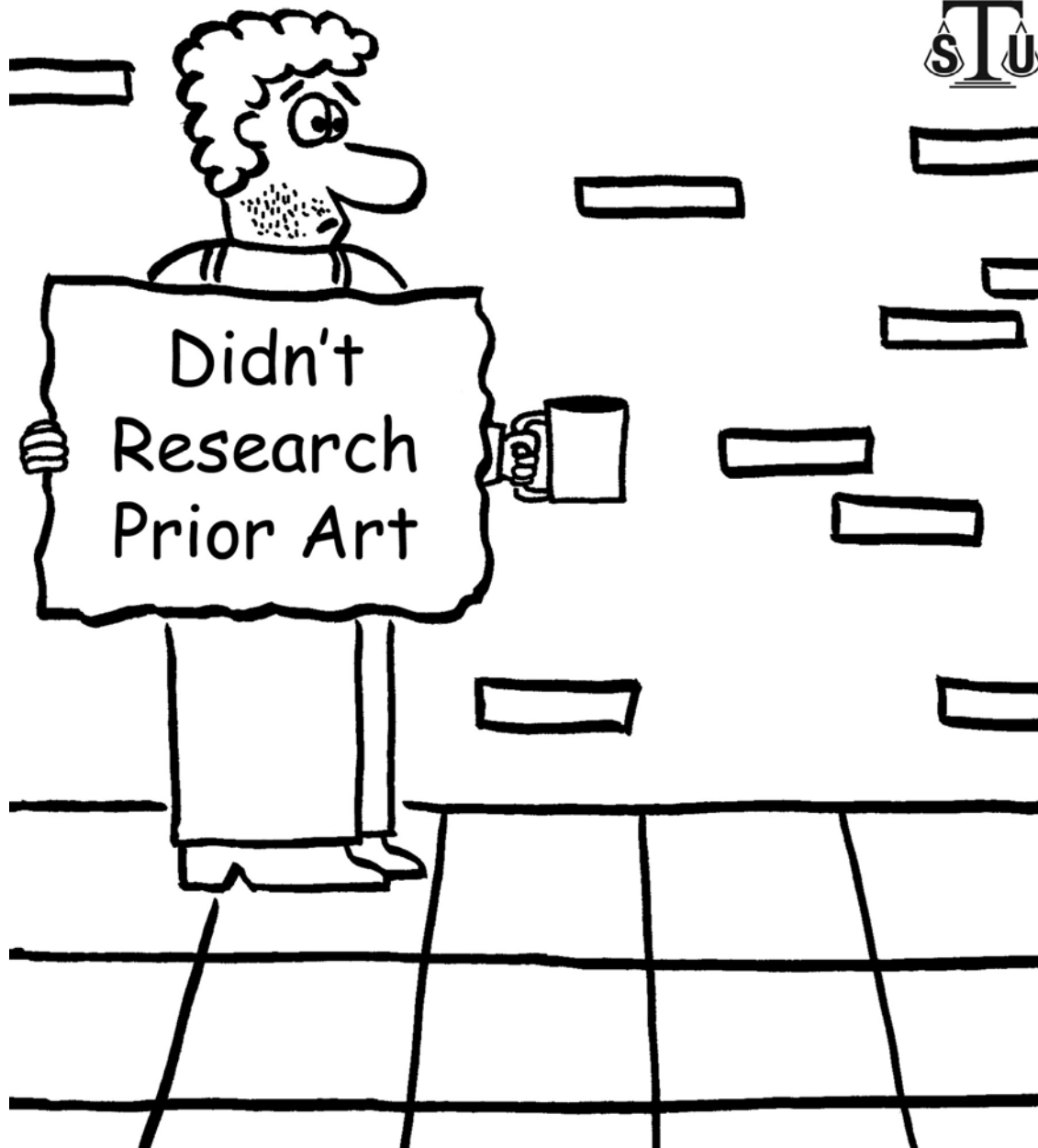
Example: 4,533,150, "Curved-body maneuverable snow board"

1. A highly maneuverable rigid snow board comprising an elongated body, of substantially greater depth in midsection that at each end and substantially flat on the top surface, substantially vertical longitudinal side surfaces provided with equal opposing inwardly concave curves in the side surfaces forming a "waistlike" narrowed portion between wider front and rear sections in plan view, and a substantially arched bottom comprising a longitudinal downwardly convex curve forming a fulcrum point separating a substantially flat bottom sliding contact area from a smaller upturned rear backshift area, and further comprising, at a front end a small upturned tip portion, wherein the centerlines of both side concave curves and the centerline of the bottom fulcrum with each side curve forms a long continuous curved bottom turning edge, the major central portion of which curved bottom turning edge rests flush with a flat snow surface to steer the snow board approximately in the direction of edge curvature when the snow board is pivoted onto the fulcrum and tilted to either side onto the curved



Claim Drafting

- **Much much more difficult than it looks**
- **Weber's Dictum: Never, ever, file patent claims or claim amendments that have not been reviewed by a registered patent attorney. Period. No exceptions.**
- **Otherwise, just throwing away potentially great ideas, time, money, and perhaps future economic success**



Not Searching The Prior Art

Perhaps *The* Most Important Common Mistake

- Inventors are not required by law to search
- Inventors **MUST** disclose to the PTO any prior art they are aware of that is material to the claims
 - Failure to disclose may be grounds for arguing that the patent is invalid and hence unenforceable because of inequitable conduct.
- **Inventors should search (in my view)**
 - Consult a registered patent attorney for guidance before you begin
 - See if anyone has disclosed the same or similar invention
 - See if you have “freedom to operate”
 - Sometimes your product will infringe patents owned by others
 - You may need a license
 - You may risk being the subject of an infringement lawsuit

Searching Increases The Likelihood The Patent Will be Valuable

- **A great search reduces the likelihood that:**
 - The patent will be held invalid and unenforceable
 - Opponents will be able to get the PTO to re-examine the patent
 - If re-examined, the PTO will toss out or severely narrow the claims

- **However, one never gets all the prior art, for example:**
 - Master's Thesis in Hungarian or Russian that was never translated into English
 - Non-patent prior art that is not accessible from the Internet or your local library
 - **Blood preservation process described on a parchment recently found in a Transylvanian castle formerly owned by Vlad the Impaler**

Many Useful Free Online Tools

Some examples:

- **Google, other search engines**
 - **The Internet Archives**
 - <http://www.archive.org/web/web.php>
 - **Your local library's databases**
 - **The USPTO patent and pending application databases**
 - <http://patft.uspto.gov/>
 - **The European Patent Office database**
 - http://worldwide.espacenet.com/?locale=EN_ep
 - **WIPO Database**
 - <http://www.wipo.int/patentscope/search/en/search.jsf>
 - **Sumo Patents (charges for paper copies)**
 - <http://www.sumobrain.com/login.html>
-

Tell Me Everything



Premature Disclosure Mistakes

- **Public disclosure prior to filing your application immediately kills your foreign rights and starts a 12 month clock in the US**
 - NoNos: public talks, presentations, publications, websites, email, public forums, Facebook, LinkedIn groups, Google+, etc.
- **Potential strategic partners, investors will want the details.**
 - Get a non-disclosure (confidentiality) agreement in place first
 - Work hard to get an agreement that includes non-use provisions
- **No NDA?**
 - Don't disclose key inventive details, the “secret sauce”
 - Find an alternative investor, strategic partner
 - File a provisional application

Provisional Patent Applications

- A provisional application may establish an early filing date
- Does not mature into an issued patent unless the applicant files a utility application within one year
- A provisional is not published as such
 - Becomes publically available if and when a utility patent is issued
- Useful to file provisional before a disclosure without an NDA
 - Preserves rights in the US and Europe

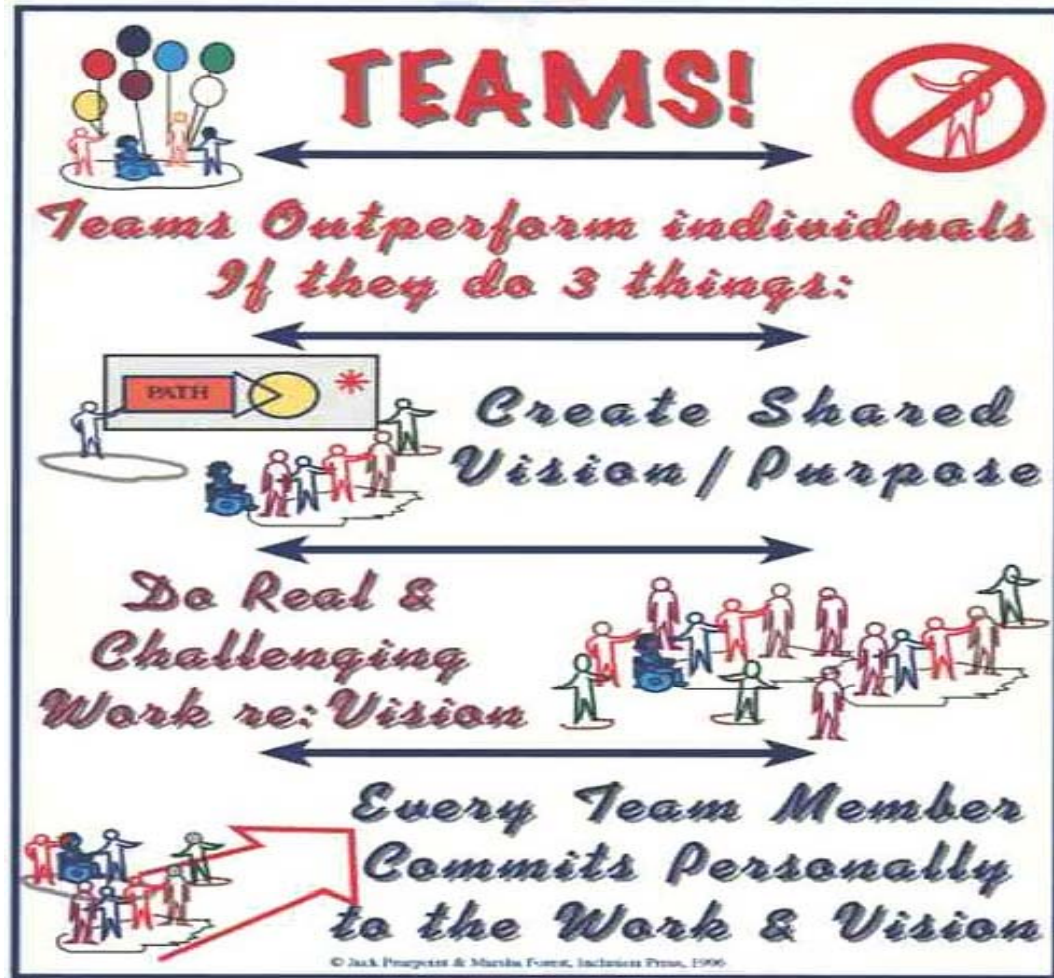
Provisional Application Concerns

- **Partial idea that is not sufficiently developed**
- **Priority dates – provisionals and utility applications:**
 - Priority dates apply to each claim, not to the application as a whole
 - If every claim element is not disclosed in the provisional, the priority date is that of the utility filing.
- **Consult a registered patent attorney on this issue**
 - Before you file

Going Alone Vs. Small Team

- **Academic research shows that patents with several inventors valued higher (on average) than those with a single inventor**
- **Advantages of small teams** (my speculations):
 - Multi-disciplinary teams that combine expertise lead to disclosures that are broader, deeper, and more richly detailed
 - These disclosures typically provide greater opportunities for “claim mining”, that is, more claims, including some that combine disparate elements
 - Arguably makes it more difficult for others to “patent around”, design around, and/or create blocking IP

There Is No “I” In Teams



You Got The Patent Issued



(12) **United States Patent**
Yarnell

(10) Patent No.: **US 6,846,504 B1**
(45) Date of Patent: **Jan. 25, 2005**

(54) **METHOD OF COOKING COMPLETE MEAL IN ONE VESSEL**

(56) **References Cited**
U.S. PATENT DOCUMENTS

(76) Inventor: **Elizabeth Gail Yarnell**, 2511 Marion St., Denver, CO (US) 80205

5,567,488 A * 10/1996 Wu 426/523
* cited by examiner

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 397 days.

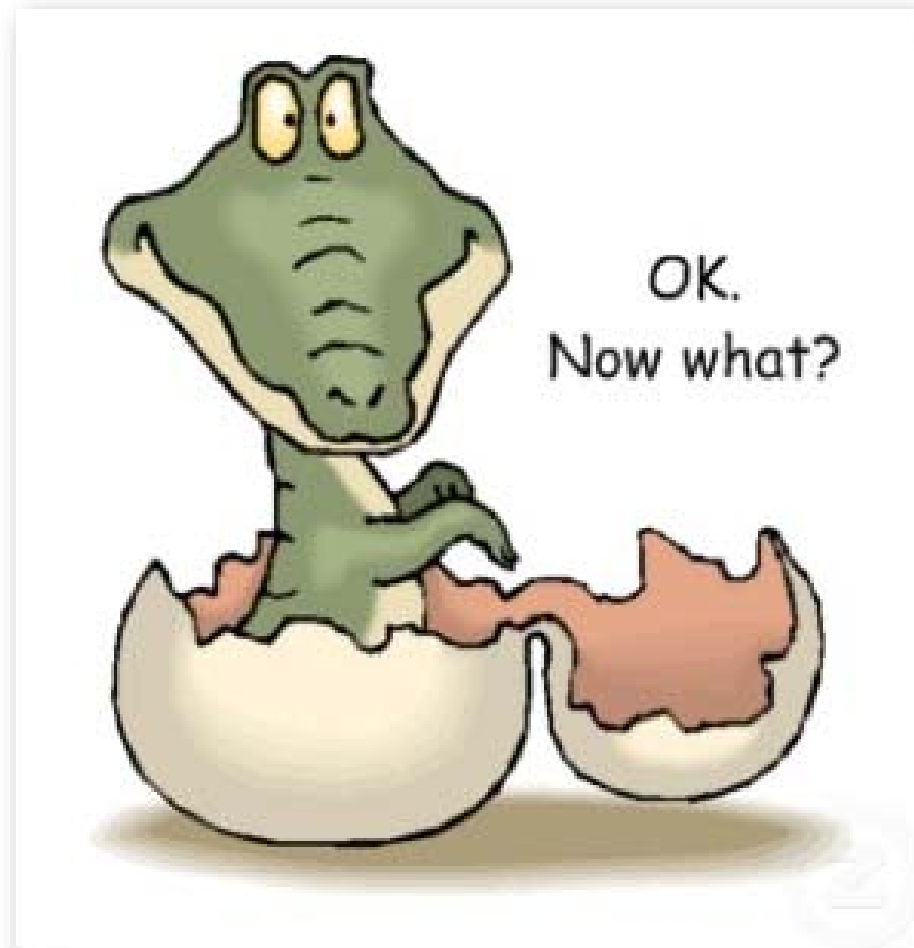
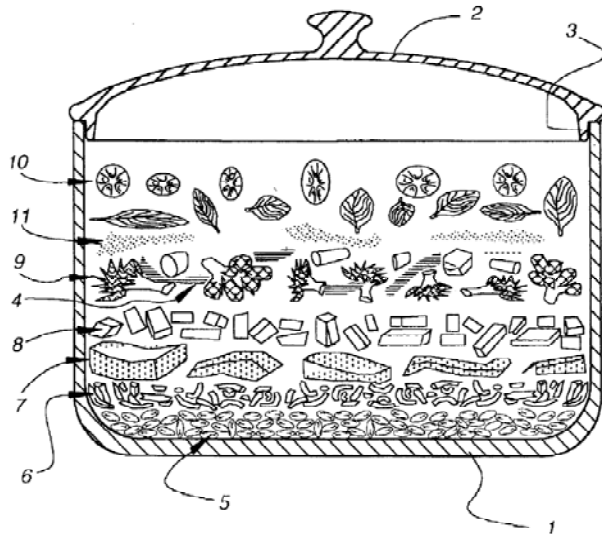
Primary Examiner—George C. Yeung
(74) *Attorney, Agent, or Firm*—Henry L. Smith, Jr.
(57) **ABSTRACT**

(21) Appl. No.: **10/198,812**
(22) Filed: **Jul. 19, 2002**

A method of cooking a complete meal in one vessel involving placing specified types of foods in a specific sequence of layers within the vessel, along with appropriate flavorings, so that the various foods retain their separate flavors and structural integrity and can be served separately after cooking.

(51) **Int. Cl.** **A23L 1/01**
(52) **U.S. Cl.** **426/523, 426/509**
(58) **Field of Search** **426/523, 508, 426/509, 510, 520**

22 Claims, 1 Drawing Sheet



Example Post Issuance Concerns

- **Entering into license agreements that don't prevent the licensee from contesting the validity of the patent(s)**
- **Initial license(s) that have royalty rates that are way too low**
 - May not get higher rates with the next license
 - May reduce the future sale value
- **“Field of use” licenses in which the field is defined too broadly and/or ambiguously**
- **Exclusive license**
 - Without commensurate value in return for the exclusivity

The Other Gekko



“Greed Is Good”



The Two Main Value Killers

- **Excessive greed**

- Markets determine value, not inventors
- “Gotta know when to hold ‘em; gotta know when to fold ‘em,” Kenny Rogers

- **Excessive ego**

- Patents are documents with commercial objectives
- Excessive ego often undermines
 - Strategic business view of the project
 - Useful collaborations with licensees and other potential partners

The Main Points

- **It's possible to keep costs manageable and work with a registered patent attorney**
- **Discipline, patience, and diligence are required**
- **The two most important value killers: (1) not searching the prior art and (2) poor claim language**
- **Ego and greed frequently get in the way**
- **Small teams nearly always improve the outcome**
- **Bring a sense of humor and have fun**

The End

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Muchas gracias

Domo arigato

Dank u

Danke schoen

Thank you

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- **Brian Moriarty, Esq. and other members of several LinkedIn groups offered additional comments and suggestions on the paper.**
- **Weber is solely responsible for any remaining errors.**