

ISSUES IN U.S. PATENT LAW that can change patent value

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Turning patents
into dollars

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Vision for *Company's* Patenting Program

- *Company* as a recognized leader in securing strong and valuable patents

Goal of *Company's* Patenting Program

- Continue to create strong patent assets
- Use patent strength to:
 - Protect products and competitive position
 - Monetize inventions

Issue: U.S. Patent Law Is Different

- U.S. is an important market
- Companies like to get U.S. patents
- U.S. patent laws differ from rest of world

Why worry about U.S. differences?

- Might it be important to have strong patent protection for the U.S. market?

Discussion today

- Eight ways in which U.S. law
 - Is somewhat different from the rest of the world ...
 - ... and that make a big difference in patent value
 - (Won't be discussing all differences that exist)
- Not expert in laws of Japan or other countries
 - Apologies if U.S. is really not so different after all
 - Doesn't matter to the point

Can understanding U.S. patent laws really change the value of *Company* patents?

- We see good inventions become less valuable, or even worthless, because of mistakes in each of the 8 issues
 - Many, many times
 - Especially U.S. patents from non-U.S. sources
 - But also, even when done by many (most?) U.S. practitioners
- Sometimes U.S. law is stronger, allowing more value
 - We see many patents that didn't use such opportunities
 - Especially U.S. patents from non-U.S. sources
 - But also, even when done by many (most?) U.S. practitioners

“Leave it to the U.S. practitioner”???

- Why not just let the U.S. attorney or agent worry about special U.S. rules?
- Usual lowest-cost solution:
 - File same specification in all countries
 - File first in home country (Japan)
- Difficult to cure problems after U.S. filing:
 - Possible loss of priority date
 - Possible “new matter” objections

#1 – “Peripheral claiming”

- U.S. patent claims define limits of invention
 - Not a “central claiming” system
- Enforcement against literal infringements
- Low protection against equivalent solutions
 - Courts are becoming even more strict
 - Judges think drafters should have better foresight
 - Courts worry about public notice

Recommendations: “peripheral claiming”

- Claim an improvement
 - Focus the claims on a general concept
 - Don't focus the claims only on a specific design or product
- Pay close attention to the patent's claims
 - Include some broad claims
 - Check each limitation (indeed, each word): Is it necessary?
- Know the prior art well
 - Even one prior art item in a “corner” of a claim will invalidate the whole claim
 - Include some narrower, dependent claims

#2 – “Means plus function”

- Common way to claim features of an invention
 - Define element by its function
 - Often easier to write
 - Acceptable under U.S. law, too
- But, U.S. law treats such elements narrowly:
 - Does NOT mean “any means” for doing the function
 - Only those “means” stated in specification
 - Plus “equivalents,” but, again, difficult to show

Example: “means plus function”

- Example:
 - Specification: “A chair with four legs is used.”
 - Claim: “... means for supporting a sitting person ...”
- U.S. meaning: Only a chair and “equivalents”
 - Is a couch an equivalent? A stool? A bench?
 - Even for a chair, must it have legs? Four legs?
 - Can’t be sure of answers without a lawsuit
 - Lawsuits are nasty, brutish, and long

Recommendations: “means plus function”

1) Apparatus claims:

- Never use M+F format!
 - Don't use the keyword “means”
 - Don't define by function, even without the keyword
- Instead, use generic words (words that define a class)
 - Example: “... a seat ...”
 - The word “seat” has a known meaning
- Or, include specific structural features
 - Example: “... a four-legged support for a person ...”
 - Even if “support” is not very clear, and may be a functional word, at least arguably, “four legs” is structure
 - Be careful: use only structure needed for the concept

Recommendations: “means plus function”

2) Method claims:

- Use them!
- Still don't use the keyword “means” - example:
 - BETTER: “... supporting a worker ...”
 - WORSE: “... supporting a worker with support means ...”
- Try to use as little apparatus as possible - example:
 - BEST: “... supporting a worker ...”
 - BETTER: “... supporting a worker at a station ...”
 - WORSE: “... supporting a worker with a chair ...”
 - (Some apparatus may be needed for clarity, though)
- Don't use “steps for” wording (unusual)

#3 – “Continuations”

- U.S. law: OK to have more than one application from one root application
- Don't need file all at once
- As many as you wish
- As long as you wish
- Provided that:
 - Inventor is same (or some overlap, for inventor groups)
 - Priority claim is made
 - No “gaps”: at least one application pending each day
 - No “game playing” or excessive delays (vague standard)

Recommendations: “Continuations”

- This right is valuable!
- Why?
 - Claims are difficult to write right
 - Continuations allow adding or changing claims later
 - Broader, if a competitor tries to sell a product using the concept but with a different design that you didn't foresee
 - Or narrower, if new prior art is found
- Non-U.S. applicants often overlook this right

Recommendations: “Continuations”

- Keep a “chain” of applications intact
 - Consider re-filing each time a U.S. patent is allowed
 - Think whether broader/narrower/different claims might be useful or valuable
- Don’t use “continuations-in-part”
 - Include any improvements in a separate patent
 - CIPs have problems in showing priority
 - Plus, using CIPs shortens patent term

#4 – “Best Mode”

- U.S. law: Just disclosing invention is not enough.
- The specification also must explain “the best mode of practicing the invention”
 - Only modes thought best by the inventors
 - Only modes known by the first file date
 - Can’t keep the best techniques secret
- Patent can be invalidated for this reason

Recommendations: “Best Mode”

- Ask the inventors!
- Look at the product plans!
- Disclose best mode in the *Japanese* priority application
 - You want priority, right?

#5 – “Specification Alternatives”

- U.S. law: Claim scope depends on the specification
 - Recent court decisions raise the importance of the specification in claim interpretation
- Worse, you might lose the priority date
 - Priority depends on disclosing invention in original
 - Same rules apply to the original, Japanese application in judging whether the U.S. application has priority to it
- Recommendation: Follow U.S. practice from the start
- Best to have the exact same specification, unchanged
 - Except for translation
 - Except claims may change

Recommendations: “Alternatives”

- 1) Drafting specification structure
 - Include different “embodiments” (feature combinations)
 - Explain the general concept thought patentable
 - Explain more than one concept
 - Explain scientific principles, if known
 - Include narrower features, for a “fallback” position
 - Explain advantages or purposes

Recommendations: “Alternatives”

2) Drafting specification description of features:

- Give alternatives
- Include many alternatives
- Do not use limiting words (“required”, “necessary”, “must”) unless you really mean it
- Use non-limiting words often (“in one embodiment”, “such as”, “for example”)
- If “any means” is OK for a feature, say so

Recommendations: “Alternatives”

3) Techniques that might be useful:

- “Think ahead” – list predicted technology
- Ask inventors about alternatives
- Consider alternatives mentioned in prior art
- Imagine you were advising a competitor: How could it copy/compete without infringing?

Relationship of “Alternatives” to “Best Mode”

- Adding alternatives does not cause a “best mode” problem
- As long as the best mode is disclosed:
 - May disclose as many “worse modes” as you wish
 - Not even necessary to state which is the best

#6 – “Naming Inventors”

- U.S. law: Must name inventors (persons)
- Naming the company is not enough
- Patent can be invalidated if one wrong person is named – either:
 - Inventor not listed
 - Non-inventor is listed
- Curable (most of the time), but better avoided

Recommendations: “Naming Inventors”

- Figure out who invented what from the start
 - Often difficult to figure out later
 - People leave or forget
- List those who “conceived” (thought of) the concepts
 - Don’t name workers who only implemented
 - Don’t name managers/supervisors
 - Never list someone just to give “credit”
 - Don’t allow managers to decide who should be listed!

Recommendations: “Naming Inventors”

- Who is an inventor depends on the claims
 - Don’t include someone who conceived a concept that is in the specification but not in the claims
 - But include everyone whose concept is included in any claim, even if it is only one dependent claim
- Reconsider who is an inventor whenever the claims change
 - Amendments during the application process
 - Continuations or divisions (different claims)

#7 – “Information Disclosure”

- U.S. law: Duty to disclose “material” information
- Patent can be unenforceable if you don’t
 - Plus can hurt *Company’s* reputation
 - Violations are called “inequitable conduct”
- Very easy to fall into this trap
- Very difficult and expensive to litigate

Some Rules: “Information Disclosure”

- 1) Prior art that must be disclosed can include:
 - Earlier-filed patents (U.S. or foreign)
 - Earlier-filed published patent applications
 - Earlier-published or -disclosed articles, papers, public speeches
 - Pre-filing sales (or offers) of products that use the invention, by *Company* or by others

Some Rules: “Information Disclosure”

- 2) Other items that must be disclosed can include:
- Existence of related U.S. applications
 - Rejections in non-U.S. or PCT applications
 - Existence of litigation and information from it
 - References cited in other *Company* applications
 - Translations to English!

Recommendations: “Information Disclosure”

- Ask questions! *For example:*
 - What are the closest known patents? Printed materials?
 - Have there been any prior sales? Disclosures?
 - What inspired the inventor?
- Ask everyone! *For example:*
 - Inventors
 - Patent attorneys or agents (U.S., outside counsel, correspondents in other countries)
 - Product managers
- Ask again! *For example:*
 - When the claims change (including continuations)
 - When you expect or get allowance (“late” citing not a problem)

Recommendations: “Information Disclosure”

- For any close question, disclose. Why?
 - In litigation, it is easier and cheaper to disclose than to explain why you didn't
 - Whatever you don't disclose will be the most important thing, at least the infringer's lawyer will say so
 - Whatever reason you give for not disclosing will not be enough, at least to the infringer's lawyer
 - Litigation is nasty, brutish, and long
- Don't worry about disclosing too much
 - But use common sense: completely unrelated materials should not be cited

#8 – “First to Invent”

- U.S. law: Priority goes to the first person to invent
 - NOT the first person to file an application
 - Limited to inventions made in a Paris Convention country (includes Japan)
- Disputes are rare but tend to occur in big inventions
- May impact a *Company* patent or a competitor’s patent
- To win a priority fight, you must document:
 - Pre-filing invention, and
 - “Diligence” towards filing (unless an actual model or system is built, not just described on paper)

Recommendations: “First to Invent”

- Develop and enforce record-keeping policies
 - For inventors to record their inventions (notebooks, dated, signed, witnessed)
 - For patent department to show diligence

Final recommendations

- Follow U.S. patent law changes:
 - One good way is mail list of National Association of Patent Practitioners (NAPP), see www.napp.org
 - (I am on board of directors of NAPP)
- Guide U.S. practitioners, and ask questions
- Support harmonization without weakening patent protection (certain aspects of U.S. law give stronger protection and might be kept)
- Don't let valuable patents sit idle – they are assets!

Thanks for the opportunity!

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