WHAT BUSINESSES AND INDIVIDUALS MUST CONSIDER ABOUT PATENTS

A patent can make or break a business. If you meet the qualifications for patentability, you can remove some competition right from the start. If you are entertaining thoughts of making, using, selling or importing technology which a third party has patented, patent infringement should be a concern. Thus, when advising business oriented clients on their future actions, a basic understanding of patent law is helpful.

SO YOUR CLIENT HAS A NEW INNOVATION. WHAT YOU NEED TO KNOW?

A patent for an invention is the grant of a property right to the inventor providing "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States or "importing" the invention into the United States. If an inventor desires protection outside of the United States, the inventor must file similar patent applications with a desired country's patent office.

The most common type of patent is a utility patent, however, design and plant patents are available. Utility patents protect the "function" of an invention or basically, how it works. Design patents protect the "ornamental" nature of an invention, or basically how it looks. Whether utility, design or plant, here is an initial analysis to evaluate whether an innovation is patentable.

According to the Supreme Court in Diamond v. Chakrabarty, 447 U.S. 303, 309 (1980), "[a]nything under the sun that is made by the hand of man [is patentable]." Patentable subject matter may include machines, manufactures, or compositions of matter as well as the process for making and using tem. Further, a new and popular type of patent is a business method patent. However, this principle does not apply to mere laws of nature, abstract ideas, and scientific principles. For example, Einstein's theory of relativity or Newton's laws of motion, or a mathematical algorithm alone are not patentable because a lack of utility.

Under the patent statutes, a patentable invention must provide at least one specific, substantial, and credible utility. This requirement rarely poses a problem except with chemical inventions and biotechnology. Current law interprets substantial utility as

a minimal showing that an invention will achieve a practical result. For example, a method of treating cancer, a process of making polymers, or a composition comprising an optical lens each have a specific, substantial utility, and credible utility.

A further requirement is novelty. In the United States, one must assess the state of the art via printed publications, public knowledge, and whether the invention was on-sale for a specific period of time (1 year) prior to filing a patent application. If the technology is determined to not be novel, the innovation is not patentable.

Encourage your clients to conduct an initial search of any roadblocks to proving the novelty, also known as "prior art". A prior art search entails searching published patents, patent applications, peer-reviewed journal articles, magazine articles, and a variety of other sources and comparing your client's potentially patentable innovation to the current art. Such a search may be conducted through simple search engines like Google, or through a more precise tool found on the United States Patent Office's website.

Such a search is recommended for at least three reasons. First, you want to determine the most relevant art and whether the inventor's technology is novel. Second, this step may save your client much time and money involved in the patenting process if their technology is not novel. Third, if aspects of the invention are found to be novel, the patent application may be prepared so as to best avoid unnecessary novelty rejections by the United States Patent Office.

If the innovation is determined to be novel, the next step is to make sure the innovation is not obvious. This determination arguably imposes the most cumbersome obstacle when patenting a technology. Obviousness asks whether the innovation would be obvious at the time the innovation was made in light of the prior art. Stated differently, even if the subject matter sought to be patented is not exactly shown by the prior art, and involves one or more differences over the most similar thing already known, a patent may still be refused if the differences would be obvious. This determination is made from the perspective of a person having ordinary skill in the area of technology related to the invention. Obviousness is often the subjective determination of a US Patent Examiner.

If an inventor determines that he/she is able to meet the above requirements, then he/she may consider preparing a patent application to file with the United States Patent Office. There are many restrictions to sufficiently preparing a patent application and the current rate of initial rejection by the Patent Office is around 85%. For further information about patent application requirements please visit www.USPTO.gov.

YOUR CLIENT IS STARTING A NEW VENTURE. ARE THERE CONCERNS?

If your client is entertaining thoughts of entering the market through manufacturing, selling, or importing something, it is vital that the company investigate the patent landscape. Such an activity is called a patent clearance. A patent clearance

involves a similar search to patentability, but with the aim of avoiding infringement of other patents. Such a clearance requires analysis of patents in relation to the desired business. Such an analysis typically requires a non-infringement opinion from a registered patent attorney. Obtaining such an opinion may aid in the reduction of potential for lawsuits and/or amounts of damages from infringement. Keep in mind that patent infringement lawsuits are very expensive to defend, may last years before a trial, and often provide large judgments against infringers. A determination of willful infringement may triple any awarded damages. It is always better to make a small investment to avoid later larger troubles.

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