

Patent Reform for Start-ups & Entrepreneurs

Presented By

DEAN E. WOLF

Attorney at Law

Patents, Trademarks, Intellectual Property
Business Consulting

Email: law@jpmis.com

Tel: 510.655.9111

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LAW OFFICE OF DEAN E. WOLF
Intellectual Property Law
Business Consulting

Quick Law Group PC
(720) 259-3393 (office)
(303) 845-7315 (fax)
iquick@quicklawgroup.com
WWW.QUICKLAWGROUP.COM



1



Meeting Agenda

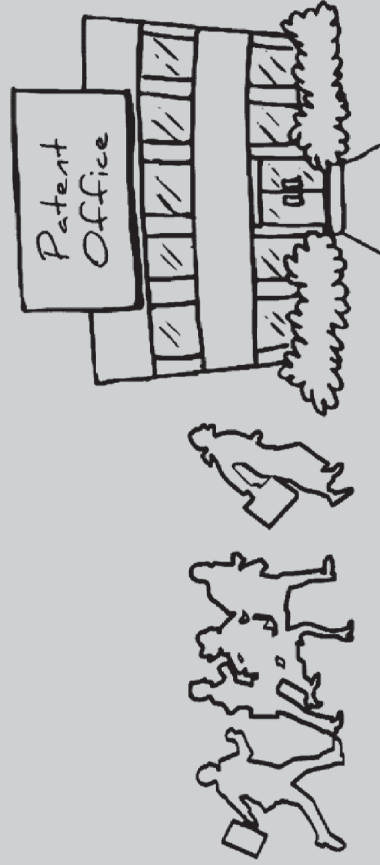
- Informal Introductions (~10 min)
- Patent Reform Presentation (~40 min)
- Q&A (~10-15 min)

2



First-to-File (effective March 16, 2013)

The "America Invents Act": A Race to the USPTO!



3



Cutting to the chase...

Recommended IP Filing Strategy:

- Periodically file new US Provisional Patent Application(s) capturing technological innovation and improvements
 - File EARLY
 - File OFTEN
- Establish internal Company procedures and incentives for frequently and continuously capturing and documenting novel ideas and inventive concepts

4

Introduction to Patents

- Why file for patents?
- What are the basic requirements for obtaining a patent for an idea/invention?
- What types of things can be patented?

5

Introduction to Patents

A **Patent** gives one the right to exclude others from practicing (i.e., making, using, selling) your invention for a limited period of time (20 years from filing).

- Uses/Benefits of Patents
 - **Block competitors** from using your ideas
 - Provide assets for generating **licensing revenue**
 - Provide assets for exchange when others ask that you license their patents (e.g., **cross licensing**; defense to infringement)
 - **Strengthen Company valuation** and **Investor confidence**
 - Marketing benefits

6

Introduction to Patents

Requirements for Obtaining a Patent:

- **New/Novel**
 - The combination of features/elements of the invention must be novel
- **Non-Obvious** (in view of prior art)
 - The invention can not merely be an obvious combination of prior existing technology
- **Not disclosed**, published, offered for sale or commercialized
 - Not even casual disclosure to colleagues outside the Company
 - NDAs provide some protection

7

Introduction to Patents

Patentable Technologies

- **Hardware/Systems/Networks**
- **Software** (in combination with computer hardware)
 - novel algorithms or functions applied in real world contexts
 - GUIs/user interfaces
 - mobile apps (e.g., iPhone/Android)
- **Methods**
 - data aggregation/analysis/response
 - novel social networking activities/features
 - methods of doing business (e.g., novel methods of billing customers for receiving content)

8

America Invents Act

Overview of Changes Brought by Patent Reform

Enacted: September 16, 2011

- Moving from **First-to-Invent** system to a **First-to-File** system (effective March 16, 2013)
- How do the new Patent Reform laws affect startups and entrepreneurs?
- Recommended filing strategies?

9

America Invents Act

Patent Reform Major Changes

- First Inventor to File (FITF) – replaces “First To Invent” (FTI)
 - Effective Date – 18 Months – March 16, 2013
- Redefines “Prior Art” in Several Significant Ways
- New Procedure for “Supplemental Examination” by Patent Owner
- Expands Defense to Infringement Based on Prior Commercial Use
- Establishes new Post-Grant Review Proceedings
- New Procedure for “Preissuance Submissions” by Third Parties
- Bans Patents on “Tax Strategies” and Human Organs

10

America Invents Act

First Inventor to File (FITF)

- Replaces “First To Invent” (FTI)
- **Effective Date** – 18 Months – March 16, 2013



C=Conception, RTP=Reduction to practice, File=Filed at USPTO

- Under current first-to-invent system: Inventor B wins
- Under new first-to-file system: Inventor A wins

11

America Invents Act

New Definition of “Prior Art”

- Under new law, all public disclosures (public use, printed publications, offer for sale or commercialization of invention, etc.) which occur anywhere in the world will become absolute bars to obtaining a patent...
-EXCEPT those disclosures that can be proven to have originated “directly or indirectly” from the inventor
- Note: Any public “disclosure” of the invention prior to filing for a patent application may jeopardize foreign patent rights
- **Recommendation: File first, then disclose/commercialize**

12

America Invents Act

New Definition of “Prior Art” (cont’d)

An inventor’s own disclosures within one (1) year are not prior art, under certain circumstances if:

- (A) the disclosure was made by a “disclosing entity”, **OR**
- (B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the “disclosing entity”

Note: the “disclosing entity” may be: the inventor; a joint inventor; or another who obtained the subject matter disclosed directly or indirectly from the inventor or joint inventor

13

America Invents Act

Prior Commercial Use Defense

- Now available for any process-oriented technology, not just business methods
- Relates to a process, or machine or manufacture or composition of matter used in a process
- Has to be prior “commercial” use – internal, arm’s length sale, commercial transfer
- Use has to be more than one (1) year before effective filing date or “disclosure” exception.

14

America Invents Act

“Supplemental Examination” by Patent Owner

- Patent owners can request supplemental examination of their own patents
- Can make pre-litigation submissions to “clean things up” / correct mistakes

15

Patent Application Types

- What are the different types of utility patent applications which can be filed?
- How do the different patent application types differ from each other, and what are the associated costs/fees?

16

Patent Application Types

Types of Utility Patent Applications:

- U.S. Provisional Patent Application
 - May be used to establish an “official” filing date
 - Automatically expires in 12 months
 - Can not issue as a patent; Needs to be “converted” into a non-provisional patent application
- U.S. Non-Provisional Patent Application
 - May mature into an issued U.S. Patent (e.g., typically in 3-5 years)
 - May claim priority to one or more prior filed patent applications (including provisionals)
- PCT (International) Patent Application
 - Used to preserve world-wide patent rights (in most foreign countries and US) for up to 30 months.

17

Securing Your Intellectual Property

- What can Startups and Entrepreneurs do to best secure their Intellectual Property rights?
- What types of information about ideas/inventions should be documented?
- What types of internal documents/materials should be considered for support of Intellectual Property disclosures?

18

Securing Your Intellectual Property

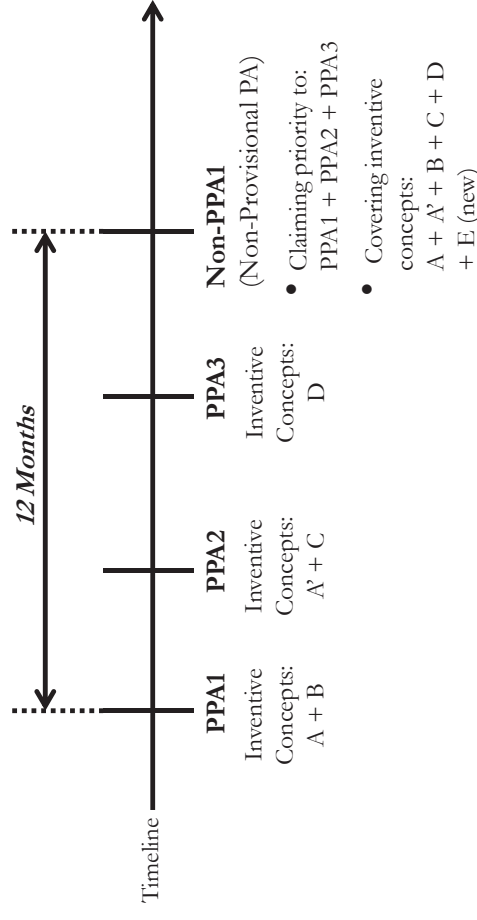
Recommended Strategy

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19

Securing Your Intellectual Property

Recommended Filing Strategy



20

Securing Your Intellectual Property

Internal Invention Documentation Procedures

- Establish Internal IP Repository/Database
 - for saving copies of any documents/materials which may relate to potentially inventive concepts/features
- Establish Internal “Invention Disclosure” Email Address
 - (e.g, patent@company.com) to be used by all employees for forwarding any documents/materials which may relate to potentially inventive concepts/features
- Educate Engineers & Staff about Intellectual Property
 - What types of ideas/features/concepts are patentable?
 - Document ideas/concepts which may be outside primary scope of business and/or may be used by competitors to circumvent patented technology.
 - Establish procedures and incentives for encouraging all personnel to utilize internal invention disclosure forms

21

Securing Your Intellectual Property

Potentially Relevant IP-Related Documents

- Invention disclosure form(s)
- Business Plan(s)
- Marketing materials
- Inventor lab notes
- Flow charts/diagrams (e.g, Visio type diagrams)
- Screenshots/GUIs (e.g, for display on a user’s terminal)
- Technical papers
- Annotated computer code (or pseudo code)
- Functional specifications
- Documents/materials relating to alternative designs/embodiments
- PowerPoint presentations (and/or other types of presentation materials)
- Relevant prior art references/articles
- Email threads/discussions
- Any other types of documents and/or materials which may be useful in disclosing or explaining some aspect of the invention

22

Securing Your Intellectual Property

Invention Disclosure Forms

- **Problem Description** - Describe context and the problem the idea is directed at solving
- **Background/Related Art** - Describe what has been done before.
- **Summary of the Idea(s)/Concept(s)**
 - Purpose of Invention
 - Description of Problem(s) Solved by Invention
 - Description of how Invention is an Improvement Over Existing Technology
 - Description of Invention’s Components, Systems, Sub-systems
 - Description of How the Invention Operates/Functions
 - Description of Invention’s important Features, Benefits, and Advantages
- Groups of People and/or Businesses That Would Use the Invention
- Description of **Alternative Embodiments** of the Invention (e.g, alternative features, functions, components, etc.)

23

Thank You

DEAN E. WOLF

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Email: law@ipmls.com

Tel: 510.655.9111

<http://www.linkedin.com/in/deanwolf>



LAW OFFICE OF DEAN E. WOLF
Intellectual Property Law
Business Consulting

LAW OFFICE OF DEAN E. WOLF
1776 I Street NW, 9th Floor
Washington, DC 20006

24