

Patents 3.0

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What is a Patent?

Must Distinguish

- **Patents** – Weapon to Exclude Others
- **Trade Secrets** – Require Preventative Measures
- **TMs** – Identifies Source of Goods
- **CRs** – Rights to Copy

Claims

- Define the Scope of Coverage
- Recipe List of Elements of Invention
- Must Infringe **Every Element** of **ONE Claim**.
 - Apparatus Claims
 - Method Claims
 - Hybrid

Why File Patents?

Cost/Benefit Analysis

- **Purchased, Sold, Leveraged**
- Can be **Licensed, Cross-Licensed**
- Can be **Asserted Defensively**
- Can be **Asserted Offensively**, to shut down competitors or extract royalties, lost profits, etc.

Patents Need Nurturing

Must Capture Innovations Early

- **Time can be Unkind**
 - Must Synchronize IP Protection Strategy with Business
 - Sales or Disclosures can cause Loss of Rights
 - **Disclosure or Sale before Filing will IMMEDIATELY Extinguish Foreign Rights**
 - 12 Month Grace Period in US

Patents Need Nurturing (cont.)

- Build Internal IP Expertise
 - Trust, dedication and diligence-managed internally
- **Record Inventions Timely**
 - **Rewards**
 - **Notebooks**
 - **Other Recordation Methods**
- Monitor Technology Progress
- Watch Competitors
 - Public Disclosures
 - Publications

Patents are Geographic

Must File in individual countries

- Can only enforce/defend where you file
- Do not file = Abandoning your Rights!
- PCT = most all countries [Less: Taiwan]

Patents are Geographic

Software Example:

- U.S.
- European Union (EU)
 - UK
 - Germany
- Korea
- Japan
- China
- PCT

Patents are Geographic

Hardware Example:

- China
- Korea
- Japan
- European Union (EU)
 - UK
 - Germany
- Taiwan
- PCT

Patents are Geographic

Medical Device Example:

- Australia
- Japan
- European Union (EU)
 - UK
 - Germany
- Taiwan
- PCT

Accelerating Issuance

- **Petition in EU**
 - Request Acceleration – That's it!
 - Get Search Report 3-5 months,
 - Issuance within 18 months
- **Petition in Korea or Japan**
- **U.S. Petition to Accelerate - Circuits**
 - Fee
 - Submit Prior Art from Search

Monetizing

- **Must Assess Business Factors**
 - Does this make Business Sense?
- **Must Assemble Team**
 - Legal Expertise
 - Business Expertise
 - Technical Expertise

Legal Expertise

- Patent Procurement and Maintenance
- Enforcement Analysis (Technical/Legal)
- Licensing Terms and Strategies
- **Litigation**
 - Want to appear dedicated and able to enforce
 - Does not always pay to be aggressive
 - Licensing fee will initially determine the tone
 - Always be ready for ugly fight

Business Expertise

- Conformance of IP Strategy with Business Objectives
 - **Management**
 - **Marketing**
 - **Legal**
 - **Engineering**
- Revenue and Economic Projections
- Managing Business Dealings
- How do Targets Affect Business?
 - **Customers (current and future)**
 - **Competitors**
 - **Suppliers**
 - **Pure Revenue Targets**

Technical Expertise

- Defining the Technology that will Drive the Program
- Working with Legal to Protect the Company Jewels
- Working with Legal to Analyze Licensing Targets

Monetizing (cont.)

- **Strategy Going In**
 - Assess IP Assets
 - Define IP Business Strategy
 - Assess Appetite for Risk
 - Market Analysis

Be Ready for Litigation!

Buying/Selling Patents

Evaluating Patents for sale

- Look at the claims
 - Define Scope and Term Meanings
 - Match terms with specification and other sources
- Investigate ownership, any encumbrances, other issues
- Analyze Market
 - Where are Targets?
 - What is the size of the Revenue of Products Targeted? Impacted Revenue.

Buying/Selling Patents (cont.)

Identifying Potential Buyers:

Who Needs IP?

- Who may infringe?
- Who may want to Monetize these patents?
- Who has a competitor problem?

Buying/Selling Patents (cont.)

Auction or Direct Sale, Factors to Consider

- Timing
- Appetite for Maximizing Value
- Focused Buyers who Need your IP

Buying/Selling Patents (cont.)

Auction or Direct Sale, Factors to Consider

- **Use a Neutral Agent to Sell**
 - Stick to the facts – avoid questions surrounding sale
 - Prevent seller from being bullied by low-ballers
 - Prevent buyer from jacked up prices based on position

Buying/Selling Patents (cont.)

Auction or Direct Sale, Factors to Consider

- Must be sensitive to Conflicts of Interest
 - Buyers must beware of trolls fishing around
 - Unsuccessful buyers don't want exposure to buyer
- Best to package patents to define value
 - Provide write-up explaining market and potential
 - Claim charts

In Closing

- Be aware of IP assets
- Be aware of methods to utilize and monetize them
- Maintain IP Portfolio
- Hire Experts in your Field of Technology
- Revisit plan often with
 - Management
 - Marketing
 - Engineering
 - Legal

THANK YOU!

Further Questions contact:

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