

# 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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