Intellectual Property – Patents

Prof. Steven S. Saliterman
Department of Biomedical Engineering, University of Minnesota
http://saliterman.umn.edu/
Why IP Protection?

- Protect technology/brand/investment.
- Obtain financing.
- Provide an asset to increase the value of a company.
- Establish barriers to entry.
- Leverage against lawsuits.
- Establish licensing revenue.

Methods...

- **Patents**
  - Strongest protection.
  - Most expensive and difficult to obtain.

- **Copyrights**
  - Easiest and least expensive to obtain.

- **Trade Secrets**
  - Must be kept secret.
  - No protection against independent development.

- **Trademarks/Domain Names**
  - Protection grows based on fame.

## IP Comparison Chart

<table>
<thead>
<tr>
<th></th>
<th>PATENT</th>
<th>TRADE SECRET</th>
<th>TRADEMARK</th>
<th>COPYRIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subject Matter</strong></td>
<td>Devices, apparatus, machines, systems, kits</td>
<td>All things listed under PATENTS, but kept secret instead of patenting</td>
<td>Company names and logos, product names</td>
<td>Books, articles, brochures, photos, architectural and artistic designs, software code</td>
</tr>
<tr>
<td><strong>Right to Exclude</strong></td>
<td>Making, using, selling, importing</td>
<td>Unfairly acquiring</td>
<td>Using similar mark on similar product</td>
<td>Copying (all or part)</td>
</tr>
<tr>
<td><strong>Scope of Protection</strong></td>
<td>Potentially broad, defined by the claims</td>
<td>Typically narrow, limited to the secret</td>
<td>Proportional to the commercial strength of the mark</td>
<td>Typically narrow, limited to the work, fair use exceptions</td>
</tr>
<tr>
<td><strong>Duration of Protection</strong></td>
<td>20 years from the application</td>
<td>Perpetual (until not secret)</td>
<td>Perpetual (until not used or abandoned)</td>
<td>Varies (usually 50+ years)</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>Expensive</td>
<td>Inexpensive</td>
<td>Moderately expensive</td>
<td>Inexpensive</td>
</tr>
<tr>
<td><strong>Legal Requirements</strong></td>
<td>New, useful &amp; non-obvious</td>
<td>Commercial value &amp; secret</td>
<td>Source indicating &amp; creative</td>
<td>Original work &amp; fixation (on tangible medium)</td>
</tr>
</tbody>
</table>

What Does a Patent Do?

- A patent gives you the right to exclude others from making, using, selling, importing or patenting your invention (as defined by claims) for 20 years from the filing date.
  - You can sue a competitor for infringement.
  - You can assign or license in exchange for payment.
- Just about anything made by a person is patentable.
  - *Abstract ideas* and *laws of nature*, not made by someone, are *not patentable*.

What Can be Patented?

- Any “new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof”.

- The patent applicant need not have actually built or produced a marketable product, however.

Usefulness...

- Must *perform as stated with intended purpose*.
- Cannot be issued for an *idea, suggestion, law of nature, or physical phenomena*.
- The patent is a full description and instruction to the public regarding the purpose of the technology and how to build it.

Novelty...

- Cannot have been previously invented, have a patent application already filed, or be known to others or otherwise available to the public anywhere in the world.
- Includes types of disclosures such as “an oral presentation at a scientific meeting, a demonstration at a trade show, a lecture or speech, a statement made on a radio talk show, YouTube™ video, or a website or other online material.”

If a grant application is disclosable (Freedom of Information Act), there may be sufficient information to violate the novelty.

There is a 12 month grace period in the United States (disclosure to patent).

May not be patentable if not sufficiently different from existing methods or materials to make it nonobvious to someone skilled in the area and viewing the available literature.

What a Patent Does Not Do?

- Provide a government–enforced monopoly on the invention.
  - Claims must be self–enforced.
- Protect you from being sued for infringement.
  - May still infringe other’s patent.
- Guarantee
  - May be found invalid or not infringed. Courts interpret what a patent means and juries determine whether there is infringement.

Types of Patent Applications...

- **Non–Provisional**
  - 20 year term
  - Published 18 mos. from earliest priority date.
  - Legally enforceable rights defined by the claims.

- **Provisional**
  - 1 year from date of filing.
  - Not examined or published.
  - “patent pending” status.
  - Can set priority date for non–provisional application filed within one year.

Leahy–Smith America Invents Act (AIA)

- First major legislative overhaul of the U.S. patent system in 60 years.
- Switching from a “first-to-invent” system to a “first-inventor-to-file” (harmonizing with the rest of the world).
- Grants patents to inventors who first file their applications with the U.S. Patent and Trademark Office, rather than who actually conceived of the invention first.
- Encourages inventors to file their patent applications quickly – almost at the proof-of-concept or invention-formation stage.
- Inventors can no longer base their patent rights on proof of originality of an invention.

Consequences...

- Companies should make sure their patent applications are on file *before* they talk to any third parties or potential investors.
- Rush to file may lead to weaker patents.
- May need to file additional *provisional applications* to ensure all aspects of the technology are covered.
- *Harmonization* simplifies the patent process in other countries.

File several *provisional patent applications* to secure priority claims while buying time to more fully develop their technology and applications.

Cover the *current technology* as well as *future technology innovations* and *alternative embodiments* to prevent opportunities for competitors to design around their patents.

Design vs Utility Patents

- **Design patents** exclude competitors from infringing on “ornamental” designs.
  - Aesthetic features – “wow” factor.
  - Single claim referring to a set of drawings.
  - Its “look” should not be dictated by its function.

- **Utility patents** exclude competitors from infringing subject matter that is *claimed* in numbered sentences at the end of the patent.
  - Innovative physical devices and their mechanical and electrical components make for strong patent claims.

Patent protection is difficult to obtain for software.

- Consider trade secret or copyright (especially of code, GUI other functional icons).
- Copyright will protect source code.
- The Supreme Court held in Alice Corp. Pty v. CLS Bank Int’l that *abstract ideas are not patentable*.
- Does the software improve upon *conventional computing methods* in the medical device industry, enhance the functioning of a computer itself, improve upon its associated medical device hardware, or serve as an element in a larger patent-eligible process?
Software is patent-eligible if any one of the steps in the process was not well-known, routine, or conventional.

Thus, medical device and diagnostics innovators should achieve patent eligibility by developing new and previously unknown ways of completing steps.

Use a **Design Patent** for Graphical User Interface (GUI) and icons.
Patent Prosecution

Obtaining a Patent...

- Expect about 2–3 years from filing to issuance by the USPTO.
- Average Technology Transfer Office (TTO or OTC at the Univ. of Minnesota) cost $10,000.
- Three kinds issued:
  - Utility
  - Design
  - Plant (invents or discovers and asexually reproduces any new or distinct variety of plant.)

Check for “prior art.”

Patents are published **18 months** following filing.

Provisional patent application:
- Submit a fee (~$65) and manuscript upon which the invention is based. Not examined. No claims.
- **Must be converted into a full patent within a year** (else it is abandoned).
- Priority given for any discoveries or claims.

Full Patent Application

- A *written document with a description and claims* regarding the invention (the “specification”).
- A *drawing* of the invention (when necessary);
- An *oath or declaration* that the applicant believes him or herself to be the original and first inventor.
- *Payment of application fees* for filing, search, and examination of the patent.

Summary

- Why IP Protection?
- Types of IP:
  - Copyrights
  - Trademarks/Domain Names
  - Trade Secrets
  - Patents
- What does a patent do and not do?
- What can be patented?
Types of patent applications.
Leahy–Smith America Invents Act (AIA).
Patent Protection of Software as a Medical Device.
Patent prosecution – obtaining a patent.
Addendum
  ◦ Elements of the Specification
  ◦ Examples of Common Fees
# Table 6: Elements of the "Specification"

<table>
<thead>
<tr>
<th>Title of the invention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-reference to related applications (e.g., provisional applications, applications of continuation)</td>
</tr>
<tr>
<td>Statement regarding federally sponsored research or development</td>
</tr>
<tr>
<td>Background of the invention—including reference to “similar art” and explaining/emphasizing differences of the new invention, and pointing out improvements</td>
</tr>
<tr>
<td>Brief summary of the invention discussing the claims, advantages, and how the new inventions solves previous problems if it is an improvement on existing technology or art</td>
</tr>
<tr>
<td>Brief description of the several drawings of the invention if drawings are included in the application</td>
</tr>
<tr>
<td>Detailed description of the invention: the most substantial section, consisting of 2 parts:</td>
</tr>
<tr>
<td>- A general explanation of the invention and how to practice it, and definition of key terms</td>
</tr>
<tr>
<td>- Specific examples of how to practice the invention. “Prophetic” examples demonstrate how the invention would be practiced, if a working model has not been built. “Working” examples present complete undertakings of the invention.</td>
</tr>
<tr>
<td>Sequence listing if the invention includes nucleic acid or amino acid sequences</td>
</tr>
<tr>
<td>Abstract: a brief summary of the entire specification</td>
</tr>
</tbody>
</table>

### TABLE 5 Examples of Common Fees Incurred in the Basic Application and Issuance of a Utility Patent

<table>
<thead>
<tr>
<th>Description of Fee</th>
<th>Basic Fee</th>
<th>Small Entity Fee</th>
<th>Micro Entity Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisional application filing fee</td>
<td>$260.00</td>
<td>$130.00</td>
<td>$65.00</td>
</tr>
<tr>
<td>Filing fee</td>
<td>$280.00</td>
<td>$140.00</td>
<td>$70.00</td>
</tr>
<tr>
<td>Patent search fee</td>
<td>$600.00</td>
<td>$300.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Patent examination fee</td>
<td>$720.00</td>
<td>$360.00</td>
<td>$180.00</td>
</tr>
<tr>
<td>Patent maintenance fee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due at 3.5 yrs</td>
<td>$1,600.00</td>
<td>$800.00</td>
<td>$400.00</td>
</tr>
<tr>
<td>Due at 7.5 yrs</td>
<td>$3,600.00</td>
<td>$1,800.00</td>
<td>$900.00</td>
</tr>
<tr>
<td>Due at 11.5 yrs</td>
<td>$7,400.00</td>
<td>$3,700.00</td>
<td>$1,850.00</td>
</tr>
</tbody>
</table>

Small entity — independent inventor, a small business, or a nonprofit organization; micro entity qualifies as a small entity AND has not been named as an inventor on > 4 previously filed patent applications, did not in the calendar year preceding the calendar year in which the application fee is paid have a gross income exceeding 3 times the median household income, and has not assigned, granted, or conveyed (and is not under obligation to do so) a license or other ownership interest in the application concerned, to an entity that in the calendar year preceding the calendar year in which the application fee is paid, had a gross income exceeding 3 times the median household income. *For a comprehensive list of fees, including international patent issuance, see United States Patent and Trademark Office website: [https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule](https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule). Accessed November 29, 2016.* §There are 3 types of patents: utility, design, and plant patents. See section on “The Patent Application.”