How Non-Patent Lawyers Can Help Protect Their Clients' Rights (Part 1 of Two Parts)

By Casey Fitzpatrick and Michael P. Girard

Patents are an increasingly important feature of the legal landscape, especially for companies whose profitability depends on technological innovation. Patents are useful for preventing competitors from copying your clients' work or for collecting damages if they persist in doing so, for counterattacks in litigation, and for increasing revenue through licensing. However, there are many ways to lose patent rights, not all of which are immediately obvious to those who do not practice patent law. Even if you are not licensed to practice patent law, you can advise your client about several pitfalls that may otherwise trap the unwary.

PRE-PATENT PITFALLS: SAVING YOUR CLIENTS FROM THEMSELVES

In general, patents are granted on inventions that are novel (i.e., new) and not obvious in view of "prior art" that is relevant to the invention in question. Prior art can include the work of others or, in some cases, the inventor's own work. The line between what is and is not prior art for a particular invention can depend on many things, such as the effective date of the potential prior art (e.g., a publication date of a technical reference, an application date of a prior patent), the date the invention was first conceived, or the date a patent application on the invention was filed.

Although you can't protect your clients from all prior art problems, you may be able to keep them from unnecessarily hurting themselves. Here are a few examples of problematic situations and some suggested solutions.

Publicizing the Invention. When a research-oriented company has made a new discovery, its first instinct is often to publicize it to generate interest in the work. With an eye toward future exploitation in the marketplace, your client or your client's employees may be planning to demonstrate a new discovery at an industry conference, describe it in a press release or an academic paper, or announce it on the company's Web site. However, jumping the gun on publication may jeopardize your client's patent rights.

Whether your client is seeking patent protection in the United States or overseas, it is critical to keep track of any past or future public disclosures of the invention. In the United States, a patent applicant typically is allowed to file a patent application within one year after a public disclosure of the invention. However, foreign countries apply an "absolute novelty" standard, and any public disclosure before the date the application is filed (even if it is less than a year) will be considered prior art.

To help prevent loss of patent rights, discourage your client from publishing any work for which it may be seeking patent protection until after a patent application has been filed. If your client must disclose an invention to other parties, such as for the purpose of developing a product with a strategic partner, a confidentiality and nondisclosure agreement can provide some protection. Keep in mind, however, that such an agreement is not an absolute safeguard; the more people who know about your client's invention, the greater the risk for an unplanned and troublesome disclosure.

Larger enterprises may find it difficult to monitor the publication activities of every employee. Even if your client's engineers know the risks, your client's marketing department may not, so educating them is critical to preserving patent rights.

Commercial Activity. Another temptation for companies with a new invention is to quickly seek customers eager to buy it. However, once an invention is "ready for patenting," commercial activity relating to the invention can trigger what is known as the "on-sale bar" to obtaining a patent on the invention.

In the United States, a patent applicant typically can file a patent application within one year after the date of the first commercial activity. The level of activity sufficient to trigger the bar is quite low. A sale of a product containing an invention can trigger the bar, but so, too, can an offer to sell, even if the offer is not made to the public.

The on-sale bar may also apply in cases in which no finished product is actually "on hand" to be delivered. For example, the on-sale bar may be triggered if your client develops a prototype that contains an invention and the client offers to sell a new product based on the prototype, even if the new product is not yet available.

Moreover, commercial activity between two entities working together on an invention can be problematic. For example, if ABC Corp. designs a product and contracts with XYZ Corp. to manufacture it, a subsequent sale by manufacturer XYZ to designer ABC may trigger the one-year time limit in the United States.

Most other countries apply a stricter standard. For example, an advertisement on the Internet disclosing an invention before a patent application filing would probably make it impossible to obtain patent protection in most foreign countries. The key to avoiding on-sale bar problems is to be aware of any past, present, or future commercial activity. Encourage your client to work with patent counsel to file a patent application for an invention before beginning any sales or marketing efforts.

Public Use. Even in the absence of commercial activity, an invention or product containing an invention that is on public display or is publicly available may trigger a "public-use bar." In the United States, a patent applicant typically will be allowed to file a patent application on the invention within one year after the first public use (although many foreign countries are more restrictive).

The public-use bar may also apply in cases in which the invention contained in a product is not apparent to a user of the product. For example, if a software company releases a free "public beta" or trial version of a new program over the Internet, an invention contained within the free software probably would be considered to be in public use, even if the invention cannot be "seen" by a user of the software.

Although confidentiality and nondisclosure agreements may keep use by parties to those agreements from being deemed "public," such agreements will not completely protect your client. For example, in the software scenario, if someone who is not a party to the agreement obtains a copy of the software, any use by that party may be considered a public use.

The safest approach (especially if your client plans to pursue foreign patent protection) is to have your client work with patent counsel to file a patent application before any event that might be considered a public use.

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Our thanks to Peter Heuser, Kolisch Hartwell PC, for his assistance with this article.

This article originally appeared in:

IN BRIEF
March 2005

Issue No. 94
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