

PROTECTING INVENTIONS
The First Steps After Eureka



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Patent • Trademark • Copyright Law

Eureka! An invention. Now what?

“Eureka” is an Ancient Greek term purportedly used by the famous Greek scholar and inventor Archimedes meaning: “I have found it.” This term is now synonymous with discoveries and inventions and those who make them.

After having your own “Eureka!” moment, you realize you have an invention to protect. Now, what do you do? This memorandum will give you a running start. Below, we will tell you a little bit about the patent system, about what you should do, and what you shouldn’t do to protect the invention. This information will prepare you to discuss with your attorney the details of the invention and your particular situation.

Understand the first-to-file system.

The United States Patent and Trademark Office (USPTO) awards patents to the first inventor who files a patent application for their invention. You should consider filing a patent application as soon as you have a complete conception of your invention. You may also consider filing one or more provisional patent applications before filing a regular patent application. As discussed below, filing a provisional patent application gets you an early filing date and a later-filed regular application can claim the benefit of that earlier filing date.

Document everything thoroughly.

We recommend that you thoroughly document your invention. This information may be necessary in proving that the first person to file a patent application is actually an inventor. All inventors should sign and date the documentation materials. We recommend saving the following:

- Information regarding the conception of the invention
- Information regarding efforts to reduce the invention to practice (e.g., a working prototype)
- Dated photographs
- All receipts related to the invention
- Dated drawings, design notes and software

Provide your attorney with all pertinent information.

The law requires all persons involved in obtaining a patent to abide by a duty of disclosure in dealing with the USPTO. Failure to adhere to this duty of disclosure could affect the validity of any patent that may issue.

To comply with this duty, you should provide your attorney all information of which you are aware that is related to your invention so that your attorney can disclose that material information to the USPTO. Material information includes previously issued patents, magazine articles, product literature, uses of the invention, if any, and other such relevant information. The duty to disclose this information continues up until the date that the patent issues.

Maintain your invention in absolute confidence.

You should maintain your invention in absolute confidence until you have filed your patent application. In many other countries, maintaining inventions in absolute confidence is mandatory. Failure to do so could prevent you from obtaining patent protection in those countries.

In the United States, inventors have a one-year grace period to file a patent application. During this one-year grace period, inventors may publish, offer to sell and publicly use their invention without forfeiting their patent rights in the U.S. Still, making a public disclosure during this grace period is not without risk. For example, the grace period in the U.S. will not preserve foreign patent rights. Most foreign countries require that an invention be absolutely novel. You should discuss this and other risks with your attorney prior to any public disclosure of your idea.

Read and understand employment agreements.

Employment agreements often include a provision concerning the ownership of patent rights. Even without an employment agreement, an employer may have "shop rights" in an invention. If an employee is hired to invent, then the employment agreement is often interpreted to assign the invention to the employer. Consider carefully the contents of employment agreements and, if you employ anyone, have them execute an employment agreement governing the ownership of inventions.

Nondisclosure Agreements

When you disclose your invention to someone (*i.e.*, a third party), have a written agreement that specifies what the third party can and cannot do with your invention and related material. For example, before you disclose your invention to any third party for any reason, have them first sign an agreement obligating them to maintain as confidential everything that you disclose to them, and to use the information only for the purpose for which you are making the disclosure.

Understand patent protection.

A common misconception is that a patent protects its owner from infringing a patent belonging to someone else. That is not true. A patent gives you the right to prevent others from making, using or selling the invention described in the patent, but it does not give you the right to make or use the invention. You may need to obtain permission from other rights holders before making, using, or selling your invention. A patent attorney can assist you in making this determination by conducting a search for other patents that may cover your invention. This type of search is often referred to as a "clearance" or "infringement" search.

Understand the process of patenting.

Step 1: CONDUCT A PATENTABILITY SEARCH (optional)

A search of the USPTO's records is ordinarily done to discover documents that are relevant to the technical field of the invention. Based on the results of the research, your attorney evaluates the likelihood of obtaining a patent on your invention, and provides a written report of the search and opinion.

Step 2: PREPARE AND FILE A PATENT APPLICATION

Provisional Patent Application

A provisional patent application is a disclosure of your invention that is filed with the USPTO to establish an early filing date. The preparation requirements for a provisional application are less strict than for a regular application, and the filing fee is significantly less. However, a provisional application is not examined by the USPTO, and, therefore, never results in the issuance of a patent.

The provisional application must be followed up by a regular application within one year. That regular application may claim priority to the provisional application and receive the earlier filing date. Provisional applications can be useful where research relating to an invention is ongoing and improvements are expected within one year, or where time is needed to evaluate marketability, obtain financing, or arrange manufacturing or licensing.

Regular ("Non-Provisional") Patent Application

The non-provisional patent application thoroughly describes and claims the invention. The description must be sufficient to enable one of ordinary skill in the art to make and use the invention without excessive experimentation.

Claims are provided at the end of the application to define the scope of protection afforded by the patent. Each claim is a single sentence that describes the invention but does not cover or describe the prior art. Typically, the claims describe a combination of elements, and that combination of elements must be novel and non-obvious when compared to the prior art.

Additionally, other formal papers and drawings must be prepared and filed with the application. Once the application is completed, it is filed in the USPTO.

Important Note: Government filing fees can add up quickly. However, certain inventors may qualify for a 50% to 75% reduction in government fees. Be sure to discuss this possibility with your attorney.

Step 3: PROSECUTION OF THE APPLICATION

The regular patent application is submitted to the USPTO for consideration by a patent examiner. The examiner searches issued U.S. and foreign patents, and sometimes searches other literature as

well. These documents are often called "prior art." The examiner studies the application to determine whether, in light of the prior art found in the search, a patentable invention is claimed.

Often, the examiner initially rejects the claims submitted in the patent application, and states their reasons for doing so in a document called an "Office Action." Your attorney sends a copy of the Office Action to you, with the attorney's opinion of the examiner's rejections. It is for you to decide whether to continue the prosecution of the application.

If you decide to continue, your attorney will prepare a written response, which sets forth the reasons why the invention is patentable, and which may also revise the claims. The back-and-forth Office Action and Response procedure is called the "prosecution" of the application. Prosecution continues until the examiner allows the claims or makes the rejection of the claims final.

Step 4: CLOSE OF PROSECUTION

If the examiner makes the rejections final and does not allow any claims, the options for responding become somewhat limited. In that case, either (1) the decision can be appealed, which requires an appeal fee, or (2) a request for continued examination or a continuation application can be filed, both of which require another filing fee.

When an appeal is filed, it is first considered by the Patent Trial and Appeal Board. If the decision of the Board is not favorable, then the Board's decision can be appealed to the Court of Appeals for the Federal Circuit in Washington or a civil action may be filed against the USPTO's Director in the U.S. District Court for the Eastern District of Virginia.

A request for continued examination allows prosecution of the application to be reopened and the applicant is permitted to make additional amendments and written responses.

A continuation application is identical to the original application except that the claims are usually changed. Filing a continuation application may be the appropriate course of action when new and significantly different claims are to be presented.

In general, it takes up to about 3 years from the time a patent application is filed until the time the patent issues. There are, however, circumstances that permit a request for accelerated examination of the patent application, such as inventor age and patent applications related to the environment, energy, or counter-terrorism. Be sure to discuss reasons for accelerated examination with your attorney.

Step 5: ISSUANCE

If the examiner allows the claims, an issue fee is paid to the Government and the patent issues.

Step 6: MAINTAINING THE PATENT

The Government requires that "Maintenance Fees" be paid to keep your patent in force after issuance. A Maintenance Fee is due at 3½ years, 7½ years, and 11½, years after the issue date of the patent. If a Maintenance Fee is not paid, the patent lapses.

Consider patent licensing.

Patent owners may grant licenses to others for their invention. As previously discussed, patentees have the right to exclude others from making, using, offering for sale, selling or importing the invention, and no one else may do any of these things without the patentee's permission.

Under a patent licensing agreement, a patentee agrees not to sue the entity taking the license (known as the "licensee"). This is typically in exchange for an upfront fee, a continuing royalty or both from the licensee.

Litigate when necessary.

A patent is infringed when a third party (other than a licensee) makes, uses, offers for sale, sells or imports the invention without permission/license from the patentee, during the term of the patent and within the country that issued the patent. When such infringement occurs, and an out-of-court resolution is not possible, the patentee may choose to sue the third party for infringement of the patent.

There are several possible outcomes to patent litigation. The most common are injunctive relief and monetary damages. Injunctive relief is when the patentee secures an injunction from a court that requires the third party to stop their infringement. An injunction does not provide any compensation to the patentee. A patentee may also be entitled to recover monetary damages from the infringer. Damages may include the patentee's lost profits or a reasonable royalty.

About Luedeka Neely

Since 1968, Luedeka Neely has provided assistance and counseling in intellectual property law matters to both established companies and emerging enterprises. We strive to help our clients maximize the value of their intellectual property in domestic and international markets.

We are an intellectual property law boutique, which means we specialize in and focus our law practice exclusively on protecting our clients' intellectual property. Our areas of expertise include:

Patents	Trademarks
Copyrights	Trade Secrets
Litigation	Licensing
International IP Protection	

The intent of this article is to briefly cover subjects that companies or individuals typically consider when protecting and commercializing an invention. We hope you find it useful, but it is obviously not comprehensive. With an understanding of these basics, you may be better prepared for a more efficient meeting with your patent attorney