



801 Patents 101

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Faculty Biographies

John W. Hogan, Jr.

John W. Hogan, Jr. is patent counsel for Wyeth (formerly American Home Products Corporation) in Madison, NJ. His responsibilities include varied aspects of patent practice concentrating on prosecution, opinion, licensing, and counseling in the pharmaceutical area.

He was senior patent attorney for American Cyanamid Company prior to its merger with American Home Products Corporation working with the agricultural group.

He currently serves on ACCA's Intellectual Property Executive Committee and is a member of the AIPLA and NJIPLA.

Mr. Hogan received his BS from the Pennsylvania State University and JD from Franklin Pierce Law Center.

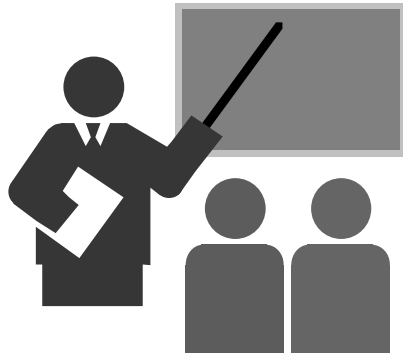
Joseph D. Yao

Joseph D. Yao is associate general counsel of Occidental Chemical Corporation in Houston. Mr. Yao handles intellectual property matters for all of Occidental Petroleum Corporation, including the chemical division, the oil and gas division, and a joint venture limited partnership. The intellectual property matters include patent portfolio development, trademark issues, patent issues, due diligence review, and international licensing issues. Mr. Yao assists a worldwide licensing group through the drafting and negotiations of transactional agreements for the licensing of chemical processes and technologies to international companies for plant facilities in Europe, the Middle East, and Asia.

Prior to Occidental, Mr. Yao was counsel in the intellectual property law department of Exxon Chemical Company and a director of international negotiations for ARCO International Oil and Gas Company.

Mr. Yao holds a bachelors degree from the General Motors Institute and a JD from the Detroit College of Law.

PATENT LAW PRIMER AND DUE DILIGENCE ISSUES



WHAT IS A PATENT?

BASED IN THE UNITED STATES
CONSTITUTION-CONTRACT WITH THE
GOVERNMENT

- To promote the progress of science
- To protect the “Fruits and Labors” of inventors
 - Prospective patentees must make a full and complete disclosure of the invention
 - In return for which they receive the exclusive right to their discovery

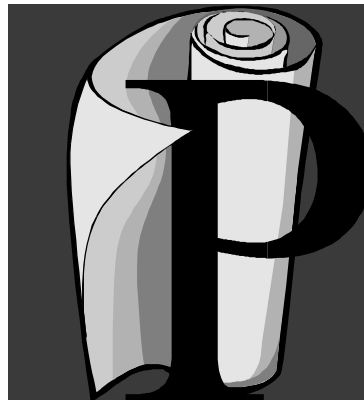
WHAT IS A PATENT?

- A grant from the U.S. Federal Government
- The patent owner has an exclusive right to prevent others from:
 - making
 - using
 - offering for sale
 - selling
 - importingthe patented invention in the U.S.
- Limited period of grant in return for disclosure of invention

WHAT IS A PATENT?

TYPES OF PATENTS

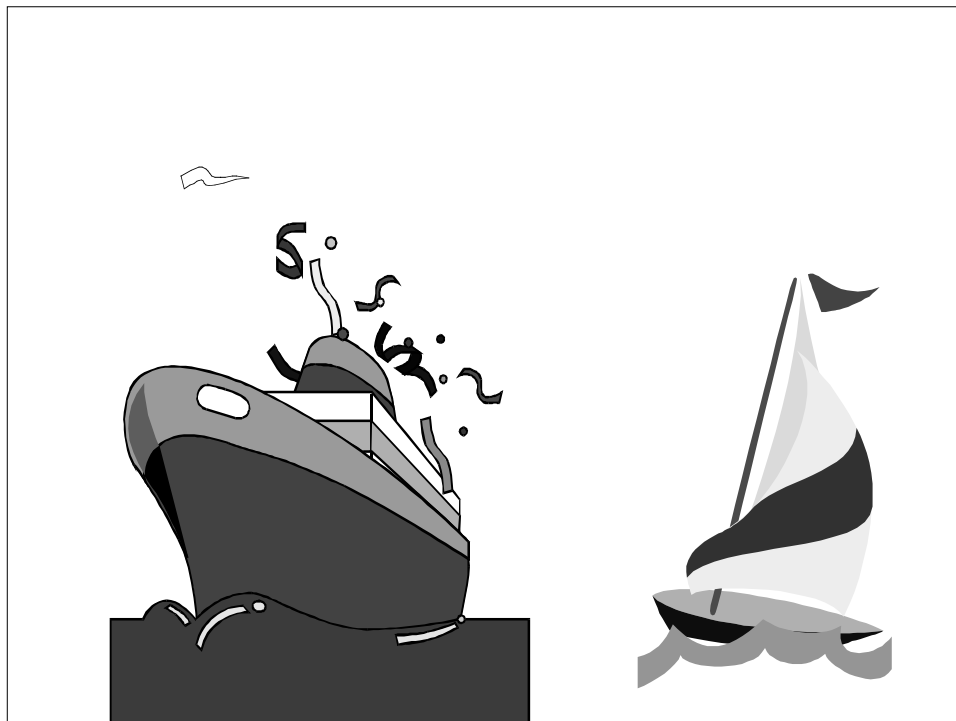
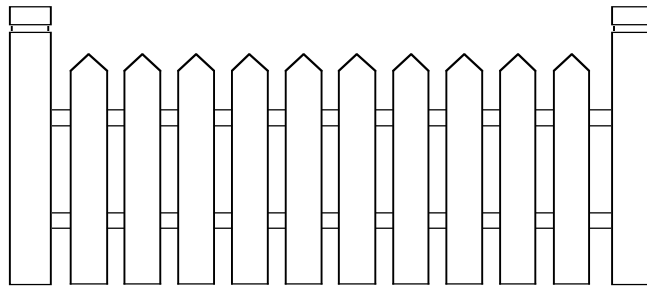
- UTILITY
- DESIGN
- PLANT





WHAT IS A PATENT not?

NOT AN ABSOLUTE RIGHT TO PRACTICE THE INVENTION



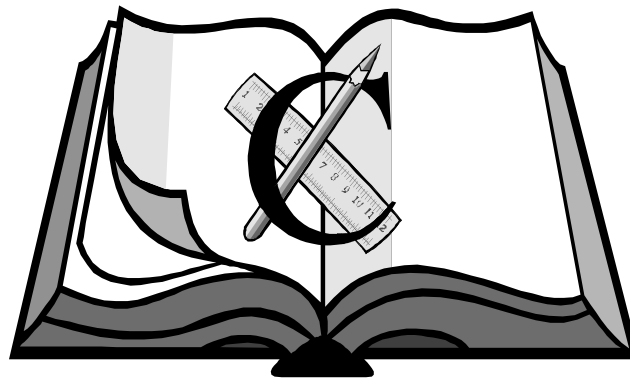
WHAT IS A PATENT not?

NOT A TRADEMARK



WHAT IS A PATENT not?

NOT A COPYRIGHT



"All rights reserved"

WHAT IS A PATENT not? NOT A TRADE SECRET



Confidential Communications



WHAT CAN WE PATENT?

- 35 USC §101 (United States Statute)

Defines what general subject matter is patentable.
“Whoever invents or discovers any new and useful
process, machine, manufacture, or composition of
matter, or any new and useful improvement
thereof, may obtain a patent therefor, subject to
the conditions and requirements of this title.”

(Emphasis added)

RULES: Criteria for Patentability

- Patentable subject matter if
 - New
 - Useful
 - Unobvious
 - patent application has written description support and is an enabling disclosure

Exemplary Patentable Subject Matter

1. Compounds
2. Intermediates
3. Compositions
4. Diagnostic kits
5. Methods of making compounds
6. Methods of making intermediates
7. Methods of making compositions
8. Methods for isolation/purification compounds
9. Methods for analysis
10. Methods of treatment/use, including new uses
11. Screening methods
12. Improvements to known compositions
13. Improvements to known methods
14. Combination of active ingredients

Composition of Matter

- Compounds
- Compositions (formulations)
- Combinations must be new and unobvious
 - ingredients may be old, as long as combination is new and unobvious
 - if ingredient is novel and unobvious, composition is *per se* novel

Process (Method)

- **Method of manufacture**
 - **value versus ability to police**
- Method of use

These types of claims are generally considered less valuable due to difficulty of pursuing infringer(s) and/or difficulty of determination of infringement

PARTS OF THE PATENT

- SPECIFICATION
 - Title of the Invention
 - Background of the invention
 - Summary of the Invention
 - Brief Description of the Drawings (where necessary)
 - Detailed Description of the Invention
 - Examples (not required but definitely preferred)
- CLAIMS
- ABSTRACT
- DRAWINGS (where necessary)

U.S. Patent Life

- Rule of Thumb--20 years from earliest filing date
 - confirm with patent attorney
- Can be shortened by terminal disclaimer
- Can be lengthened by patent term extension

Foreign Patent Life

- Generally 20 years from filing
- Some countries give patent term extension or SPCs for regulatory approval delay

Traditional Patent Filing Strategies:

- 1) REVENUE GENERATION
- 2) PROTECTION FROM COMPETITION



DEFENSIVE

OFFENSIVE

Patent Filing Decisions Based on:

- Commercial benefits
 - Market protection
 - Scope of invention
 - Licensing vehicle
 - generation of royalty income
- Cost

GOAL: Pro-Active Patent Strategy

- Protect your own research to secure competitive position
- Competitors, start-ups and potential partners are pro-active

FREEDOM TO OPERATE

- IN THE CONTEXT OF LAUNCHING A PRODUCT
- IN THE CONTEXT OF ACQUIRING A PRODUCT

FREEDOM TO OPERATE

WHY IS IT IMPORTANT????

- RECALL: PATENT ONLY GIVES YOU THE RIGHT TO EXCLUDE
- ERGO: THIRD PARTY PATENT COULD COVER (COULD BE THE BOAT OR THE SAILBOAT)
- PATENT INFRINGEMENT COULD SUBJECT INFRINGER TO
 - INJUNCTION
 - MONETARY DAMAGES
 - TREBLE DAMAGES

FREEDOM TO OPERATE

INFRINGEMENT ANALYSIS

- ONLY ISSUED PATENTS CAN BE INFRINGED!!!!
 - *NOT* PUBLISHED PATENT APPLICATIONS
- INFRINGEMENT IS A LEGAL ANALYSIS!
- TIMING OF THE ANALYSIS
 - AS EARLY AS POSSIBLE BUT NOT BEFORE THERE IS A DISCRETE PRODUCT, METHOD, OR USE IN MIND FOR WHICH THE ANALYSIS MAY BE PERFORMED

**FREEDOM TO OPERATE
INFRINGEMENT ANALYSIS**

UTILITY PATENT

We claim:

1. A widget comprising.....

**FREEDOM TO OPERATE
INFRINGEMENT ANALYSIS**

DESIGN PATENT

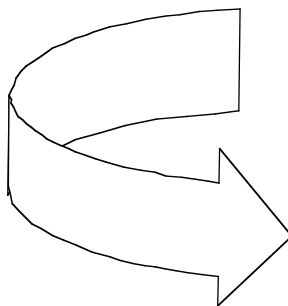
CLAIM

The ornamental design for a ..., as shown and described.

The Intellectual Property Legwork Leading Up to the Deal

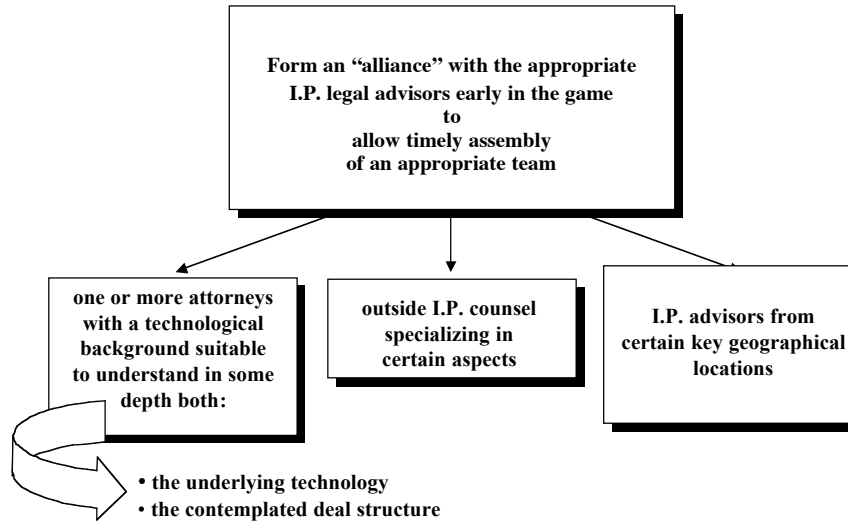


Transactions Could Involve Detailed Intellectual Property Considerations

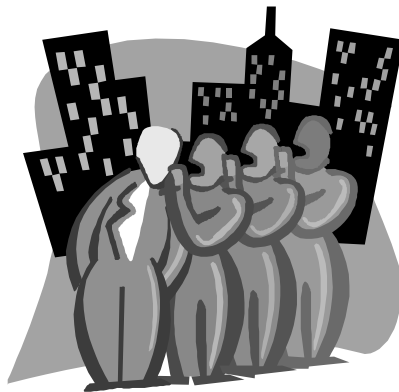


- Intellectual property held by the potential partner may be integral to the valuation of the deal and may drive the deal structure
- Certain considerations and protections should be built into the agreement language
- Third party competitor patents can be show-stoppers
- A global patent strategy appropriate for the alliance must be designed and implemented early

I.P. Due Diligence is in Order



Once the Team is Assembled, What Next?



- Set objectives with a timetable
- Marshal any additional forces necessary to complete the I.P. analysis and agreement drafting in a timely manner

Once the Team is Assembled (cont'd)

- Regular interface between business managers and lead I.P. analyst and lead transactional lawyer
- Meet with potential partner on a team basis to work through tough issues uncovered in the diligence



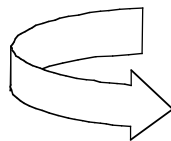
What Specific Analyses Will the I.P. Legal Advisors Undertake?



Potential Partner's Intellectual Property:

- Identify and analyze all intellectual property owned or otherwise controlled by potential partner or under which potential partner has freedom to operate *on a worldwide basis*

Patents
Trademarks
Copyrights
~~Patents~~
~~Trademarks~~
Trade Secrets



Patents

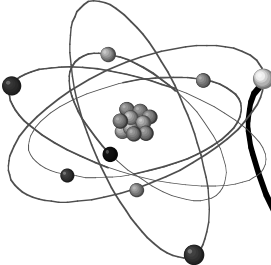
Identify and analyze all patents, pending patent applications, records of invention and current R & D that may result in protectable intellectual property - *on a worldwide basis* -

Assess

Subject Matter Claimed





Scope



Analysis

From a Patent perspective

- Is a license needed in the first place?
Consider:
 - **Has patent protection been sought?**
 - If so, is the process early on or has a patent issued?
 - What do the claims look like?



Analysis

From a Patent perspective

Consider further:

- If patent protection has been sought,
 - Is there novelty?
 - What kind of support is in the specification?
 - Written description
 - Enablement
 - Filewrapper estoppel issues?

Subject Matter Claimed

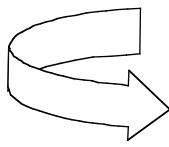
- Research use or enabling technology?
 - *Screening system*
- Manufacturing technology?
- Product itself or components of the product itself?
- Method of treatment?
- Formulation or drug delivery?
- Patent protection for software?
- Patent protection for business methods?

*The value of the intellectual property
as a sword to wield against competition
is heavily dependent on the class of property protected*

Are there any Legal Challenges?

- **Litigation**
- **Opposition**
- **Interferences**
- **Re-examination**
- **Protests**
- **Withdrawal from issuance**
- **Nullity and revocation**

A patent your partner has today may be gone tomorrow!



Third Party Patents

- Assess Third Party Patents in Same Manner

