Protect Your Ideas from Patent Infringement

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Small and midsize companies often neglect their most valuable assets — their intellectual property. When I meet with new clients I often hear that they have not pursued patent protection because they were too busy, too intimidated by the patent process, or thought only large companies needed patents. This view of intellectual property may be detrimental. Failing to properly protect your ideas can have negative long-term effects on a company, especially small and midsize companies. Many times the benefits outweigh the cost and effort involved in obtaining a patent. While the process may seem daunting, it is not, and a company should not be dissuaded from protecting the ideas that it has spent precious time and resources developing. The purpose of this article is to sift through the legalese and technical jargon and provide a simple overview of the process of obtaining U.S. patent protection for your idea.

What is a patent?
A patent is a form of intellectual property that provides the owner with a limited monopoly. There are three types of patents: utility, plant, and design. The most common is the utility patent, which covers new and useful processes, machines, articles of manufacture, compositions of matter, and new and useful improvements thereof. Basically, a utility patent protects a company’s products or the way a company produces its products. The patent lasts for 20 years from the date of filing,

although that term may be extended in certain situations. The owner of a patent obtains the right to control who may make, use, sell, or offer to sell the invention covered by the patent in the United States until the patent expires.

When to obtain a patent?
The time to obtain a patent is not limitless. In order to fully preserve U.S. and foreign rights, an applicant should ideally file a patent application prior to any non-confidential disclosure of an invention. If an applicant waits too long, the applicant can be barred from seeking a patent for the invention. A patent attorney dreads having to tell a client that the client waited too long to apply for a patent, and is now barred from seeking patent protection for the invention. There are situations where a company must move quickly when applying for a patent. One example is where a company competes in a highly competitive and innovative industry. When there are multiple applicants seeking a patent for a particular subject matter; only the applicant who files first may seek the patent. Thus, filing sooner rather than later may be desirable, and in some cases necessary, to obtain protection for your idea.

How is a patent obtained?
The Application
The process of obtaining a patent starts with the application. There are two types of applications: provisional and non-provisional. The provisional application is not examined by the United States Patent and Trademark Office (“USPTO”) and will expire after one year from filing. The provisional application has one main purpose—to serve as a placeholder and lock in the filing date for the invention described in the provisional application. This is important where multiple parties are seeking patents that cover the same subject matter. A provisional application also provides the company with a year to test market its new product or raise funds without jeopardizing the company’s ability to later obtain a patent. Filing a provisional application is optional. The process of obtaining a patent does not begin in earnest until a non-provisional application is filed.

The non-provisional application is examined by the USPTO to determine if a patent will be allowed for the invention. The non-provisional application includes a detailed description, drawings, and claims. The detailed description and the drawings must explain how the invention is made and functions, and must contain sufficient detail to allow a person of ordinary skill in the art to be able to build and use the invention. The claims are the metes and bounds of the invention and lay out the scope of what the patent covers.

The Examination Process
The examination process can take 2-3 years with the majority of that time spent waiting for the USPTO to examine the application. During the examination process the USPTO determines whether the claimed invention is truly new. To do this the USPTO reviews the non-provisional application and compares the claimed invention with the known prior art. Prior art refers to the current state of the art publically known or described in a publication anywhere in the world existing prior to the patent application’s filing date.

The USPTO sends a rejection notice to the applicant if the USPTO determines that the claimed invention is disclosed by the prior art. At this point the applicant may respond to the USPTO rejection or abandon the application. The application has up to six months to respond to the USPTO's rejection. Responding to the USPTO's rejection may take the form of rebutting the USPTO's arguments, modifying the scope of the claimed invention by amending the claims, or a combination of both. The USPTO reviews the response and determines whether to allow or reject the patent application. If the USPTO rejects the application a second time, it may issue a "Final Office Action." At this point, the applicant has the following options: abandon the application, appeal the USPTO's decision, or continue the examination process. Continuing the examination process involves paying another filing fee and responding to the USPTO's rejection. This starts the cycle again, and this cycle may continue until the patent is allowed or the application is abandoned. If the application is abandoned, the applicant will lose the ability to seek a patent on the claimed invention.

The Allowed Patent
If the USPTO determines that the claimed invention is not disclosed by the prior art, the USPTO sends a notice of allowance. The applicant must pay an issue fee within three months of the date of allowance. Once the issue fee is paid the patent is granted. In order to keep the patent active throughout its entire term, maintenance fees must be paid 3.5, 7.5, and 11.5 years after it's granted.

Why obtain a patent?
Patents can be valuable assets in a company's portfolio, and provide protection for your company's products that may not otherwise be available. Patents may also provide your company with the ability to reduce competition, generate new revenue streams through licensing activities, and/or attract additional funds from investors.

Next steps
The process described above is meant to be a high-level overview. The actual process is more involved, and it is recommended that applicants obtain the assistance of a patent attorney to guide them through the process of obtaining a patent. Patent attorneys are nationally registered with the USPTO and may assist clients anywhere. When considering obtaining patent protection, interview multiple patent attorneys and choose one that you trust. It is beneficial to involve a patent attorney sooner rather than later so that you may develop a plan to protect your ideas that best fits your company's goals.

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