



ACTIVELY MANAGING THE PATENT PROCESS

A GUIDE FOR EARLY-STAGE TECHNOLOGY COMPANIES

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About us

- Offices in Cardiff and Cheltenham
- Expertise in all technical fields
- Many Welsh clients in life science sector

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Scope and Purpose of this Presentation

- PRACTICAL ASPECTS OF INTELLECTUAL PROPERTY (IP)
- HOW IP CAN BE USED TO HELP EARLY-STAGE COMPANIES
- HOW TO MAXIMISE BENEFITS FROM IP WHILST MANAGING COSTS

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Intellectual Property

- NON-EXCLUSIVE LIST:
 - PATENTS
 - TRADE MARKS
 - DESIGNS
(REGISTERED/UNREGISTERED)
 - COPYRIGHT
 - KNOW-HOW

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What is a patent?

- A state-granted exclusive right to an invention
- Gives the proprietor the right to stop others from exploiting the invention
- Lasts for 20 years from date of filing in the UK (and most countries)

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What can you do with a patent?

- A patent is an asset (personal property)
- Licence it in whole/part for a royalty rate
- Sell it for a lump sum
- Use it to attract investment
- Prevent competitors using the technology
 - Making, using, selling, importing
- Possibly obtain R & D tax credits/'Patent Box'
Government Relief

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What can be patented?

LOTS OF STUFF!!

A patent can be obtained for e.g:

- A new product
- A new process or method
- The new use of a known product (for example a pharmaceutical compound)

Practical Tip –Talk to your patent attorney. Do not make prior assumptions about patentability.

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Requirements for patentability

For an invention to be granted a patent, the invention must be:

- Novel, i.e. new
- Inventive, i.e. not an obvious modification or development of something already known

(Practical Tip - let your patent attorney take a view)

- Capable of industrial application
- Sufficient disclosure (for the invention to be performed by a person skilled in the art)

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Novelty

Novelty is absolute, meaning that the invention must not have been disclosed by any means, anywhere in the world, before the date of the patent application

Any disclosure of the invention, **including by the inventor**, can destroy the chances of obtaining a patent.

Confidential disclosures are excluded

Disclosure can be in any form: in writing, orally, or by showing a specimen or sample of the invention to someone.

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Disclosure

A patent application must therefore be filed before the invention is e.g. **presented at an exhibition, i.e. as a poster, published in a journal (as an abstract or paper), published on internet or discussed non-confidentially with a third party.**

To ensure the invention is kept confidential:

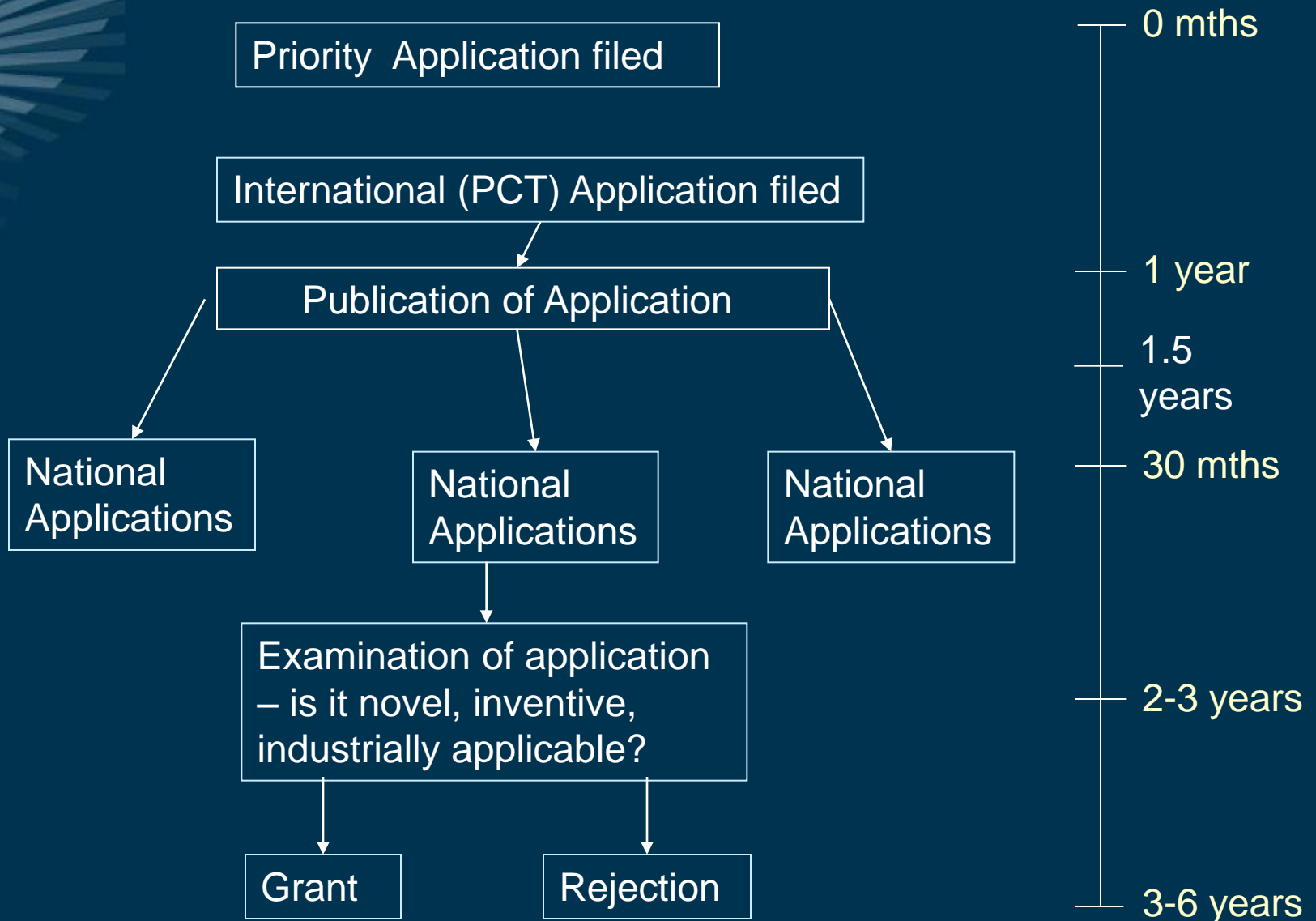
- Mark all emails/letters/papers to another party **‘in confidence’**
- Arrange for a non-disclosure agreement (NDA) to be signed **before** meeting with a third party to discuss the idea

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How do you obtain a patent?

PCT ROUTE IS USED OFTEN





Requirements and Costs

PRIORITY APPLICATION-

- Drafting of legally and technically watertight patent specification
- Novelty, inventive step, sufficiency etc should be considered

HOW TO REDUCE DRAFTING COSTS

- Discuss fully with your patent attorney
- Provide full disclosure before drafting commences
- Patent attorney requires information from you as to how the invention works, how you make it, why it is useful, and possibly evidence that it does what you claim it does
- Do not change the story/add new information after drafting commences

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Costs

- If full disclosure is provided then costs should be quantifiable up to national application stage
- If desired territories are known, then national application filing costs should be quantifiable
- Subsequent prosecution costs are genuinely difficult to predict, but it is legitimate to expect budgeting forecasts

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Patents vs Publication

- Timing

- Publication will be prior art with respect to novelty and inventive step of future patent applications
- If publication discloses an invention, a patent application for the invention has to be filed first
- If publication is made in the 12m period after a priority filing then it may be difficult to cover new variants on the priority disclosure

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Patents vs Publication

- Content; does it unnecessarily disclose info
 - That could be used to allege obviousness
 - Likely to render patents on future work obvious
 - That could be patentable but not yet patented

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Filing Strategies – the Dilemma

- early
 - try to beat competitor filings on dates
 - prevent journal publication becoming prior art
 - greater security/ credibility in initial commercial negotiations
 - can “top-up” with subsequent filings (but later date applies to added matter)
- later
 - provide better sufficiency - validity
 - more accurate scope/ awareness of prior art
 - better directed at commercial end-point
 - avoids danger of “false sense of security” from early filing, which could result in ungrantable/invalid claims
- **Practical Tip**
 - Talk to your patent attorney - there is not a ‘one size fits all’ answer

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Patent Portfolios

- Ring-fence technology – bigger barrier to competitors
- Can be attractive to investors/licensees
- Cover generic idea and actual commercial end-point
- Costs need to be considered carefully
- Needs to be actively managed
- May need to be ruthless with ‘pruning’ the portfolio
- Legitimate to expect budgeting forecasts

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Who is named on a Patent/Patent Application?

 Europäisches Patentamt European Patent Office Office européen des brevets		
(19)	(11) EP 1 286 284 B1	
(12) EUROPEAN PATENT SPECIFICATION		
(45) Date of publication and mention of the grant of the patent: 14.06.2006 Bulletin 2006/24	(51) Int. Cl.: G06F 17/24 (2006.01)	
(21) Application number: 01306941.4		
(22) Date of filing: 15.08.2001		
(54) Spreadsheet data processing system System zur Analyse von Tabellenkalkulationsdaten Système d'analyse de données de tableau		
(84) Designated Contracting States: AT BE CH CY DE DK ES FI FR GB GR IE IT LI LU MC NL PT SE TR	(56) References cited: US-A- 4 992 939	
(43) Date of publication of application: 26.02.2003 Bulletin 2003/09	• RAY BUTLER: "The Subversive Spreadsheet" EUSPRIG, [Online] XP002181432 Retrieved from the Internet: <URL:http://www.gre.ac.uk/~cd02/eusprig/RayButler1.htm> [retrieved on 2001-10-29]	
(73) Proprietor: SVA Software Ltd. Bath, BA2 5JN (GB)	• N.N.: "Spreadsheet Professional Fact Sheet" GRAY MATTER, [Online] 20 September 1996 (1996-09-20), XP002181435 Retrieved from the Internet: <URL:http://www.graymatter.com/blobs/doc/0000633.doc; http://www.graymatter.com/products/0001045_7.htm; http://www.graymatter.com/prdx/00006869.htm#00006869> [retrieved on 2001-10-29]	
(72) Inventors: • Richter, John Anderson The Park, Nottingham NG7 1AR (GB) • Tregenza, Christopher Roy Nottingham, NG7 1GU (GB) • Siersted, Morten Combe Down, Bath BA2 5JN (GB)	• MELISSA AND ANTHONY BERGLAS: "Spreadsheet Detective" SOUTHERN CROSS SOFTWARE, [Online] 25 July 2001 (2001-07-25), XP002181433 Retrieved from the Internet: <URL:http://www.spreadsheetdetective.com; http://www.uq.net.au/detective/home.html> [retrieved on 2001-10-29]	
(74) Representative: Newell, William Joseph et al Wynne-Jones, Lainé & James 22 Rodney Road Cheltenham GL50 1JJ (GB)		

Note: Within nine months from the publication of the mention of the grant of the European patent, any person may give notice to the European Patent Office of opposition to the European patent granted. Notice of opposition shall be filed in a written reasoned statement. It shall not be deemed to have been filed until the opposition fee has been paid. (Art. 99(1) European Patent Convention).

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EP 1 286 284 B1

- Inventor(s)
- Patent Applicant/Proprietor
 - the owner(s)
 - not necessarily the inventors

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Inventorship

- determined as matter of fact in light of law
- not a matter of reward/ recognition
 - *cf* journal publications
- invention is what is claimed
 - not necessarily everything in patent specification
 - who devised the inventive concept?
- person(s) who made the invention
 - has/ ve the right to be named as inventor(s)
 - must be the applicant for US patents

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Ownership

- if inventor is employee, invention is owned by
 - employer, generally
 - only by employee if
 - not made during employee's normal paid duties
 - unreasonable to expect invention to result
- rewards to employee inventors not mandatory
 - employer's discretion/ incentive schemes
 - except in cases where the PATENT (not the invention!) is of OUTSTANDING benefit

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Inventions Involving Third Parties

- Possible to have joint applicants on patent – generally not desirable
- Ownership can be determined by contract or assigned
- Confidentiality likely to be important

Practical Tip

- Prepare in advance; imagine likely outcomes; get ownership resolved in writing in advance; talk to your patent attorney/solicitor

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R & D Tax Credits

- Retrospective discounts of up to 22.3% of qualifying development costs possible
- Many activities qualify – not just ‘traditional’ R & D
- IP is important, and can form part of a claim
- If a company has granted patents, it is very likely to qualify for R & D tax credits
- Grant funding or other finance does not preclude a claim

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Patent Box

- Preferential tax regime for profits arising from patents
- Corporation tax rate on income derived from patents to be reduced to 10%
- To be introduced in 2013

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Any Questions?

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