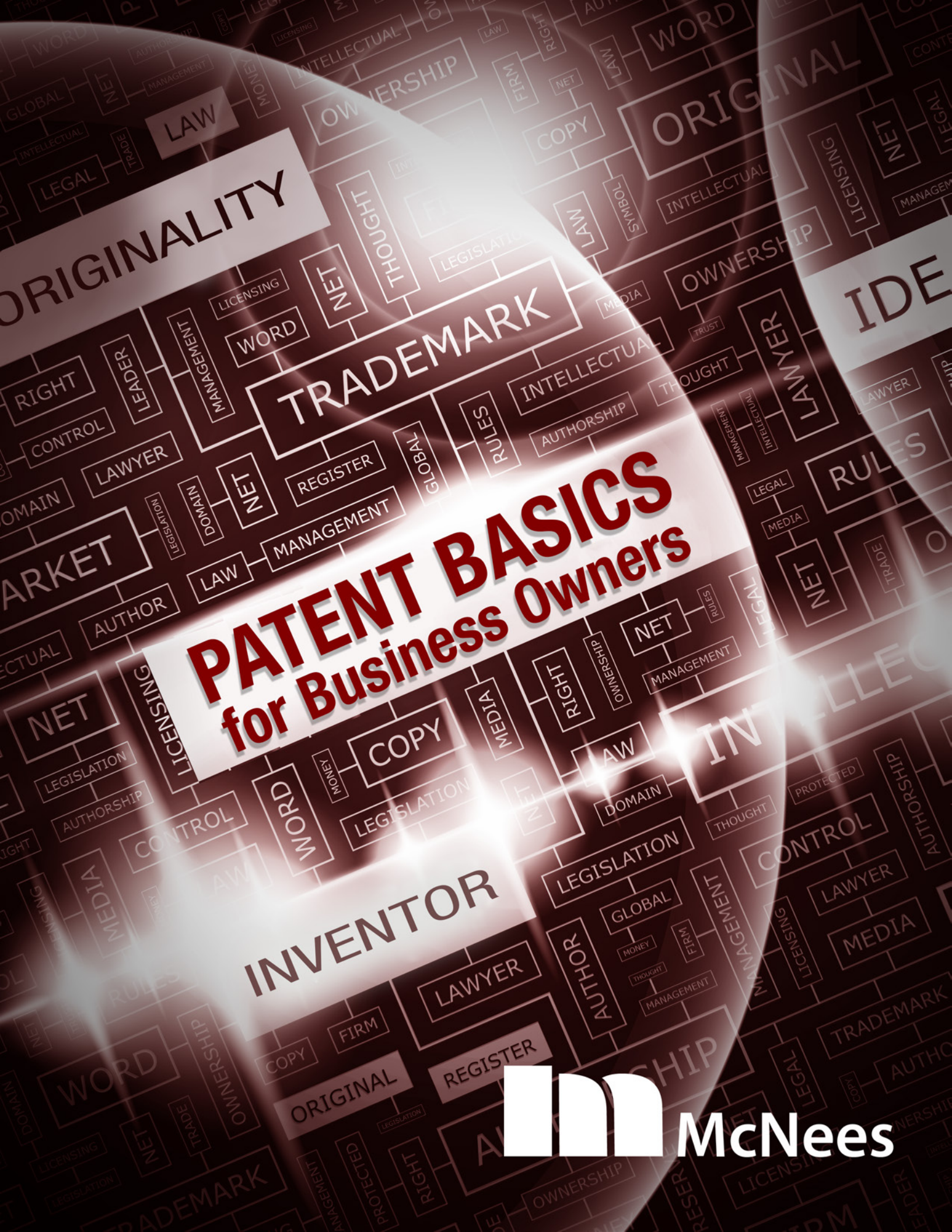
PATENT BASICS
for Business Owners
McNees

Patent Basics for Business Owners

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What is a patent?

A patent is an intellectual property right granted to an inventor for a limited time in exchange for publicly disclosing the invention. Although often similar, various aspects of patent practice in the United States differ from international patent practice. This article is directed specifically to patent protection in the United States, and as such, should not be relied upon elsewhere. If you are interested in international patent protection, contact a patent attorney for more information regarding the specific country or countries where you would like to file.

In the United States, patent rights provide the inventor or patent holder with protection for a term of 20 years from the filing date of the application. The exclusive rights granted by a patent, as stated in 35 U.S.C. § 154(a)(1), permit the patent holder "to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States".

It is important to note that the right to exclude is a "negative right", and that patents do not grant "positive rights" to the patent holder. That is, while patent owners may exclude others from practicing their invention, they themselves may be prohibited from practicing the invention for a variety of reasons. For example, an inventor who obtains a patent on an improvement to an article is not granted the right to manufacture, use, or sell the improved article if such actions would infringe an existing patent on the original article.

What can be patented?

In order to be eligible for patent protection, an invention must be directed to patentable subject matter. Patentable subject matter, as set forth in the statute, includes any process, machine, article of manufacture, or composition of matter. The law defines the term "process" as a process, an act, or a method; the term "machine" refers to anything which falls under the generally accepted meaning of the word; the term "manufacture", as used in the statute, refers to articles which are produced or made, and covers all manufactured articles; and the term "composition of matter" is directed to chemical compositions such as mixtures of ingredients and new chemical compounds. Together, these four classes of patentable subject matter are intended to cover practically all man-made products, as well as the processes for making those products.

Although patentable subject matter is intended to cover a broad array of inventions, the courts have excluded certain categories from patent protection. Primarily, non-patentable subject matter includes the laws of nature, physical phenomena, and abstract ideas. Certain other inventions that may otherwise have been considered patentable subject matter, such as inventions with use limited solely to utilization of atomic energy or special nuclear material in atomic weapons, have been excluded from patent protection as a result of separate legislation.

What type of invention do I have?

There are three types of patents for patentable subject matter: utility, design and plant. Utility patents cover any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof. That is, to receive a utility patent an invention must not only be directed to patentable subject matter, but must also be new, useful, and non-obvious. The term "useful" refers to an invention that is both operative and includes a useful purpose. For example, a machine that will not operate for an intended purpose is not considered useful, and therefore is not patent eligible.

An invention is considered to be "new" when it is novel in view of the prior art. The statute defines novelty as a claimed invention which has not been:

- patented or described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or
- described in an issued patent, or in an application for patent that has been published or deemed published, in which the patent or application names another inventor and was effectively filed before the effective filing date of the claimed invention.

As for non-obviousness, with regard to patent

applications, although an invention may differ from a similar thing which is already known, an application for patent may be refused when the differences are considered to be obvious.

In other words, to obtain a patent your invention must not have been known, used, patented, or printed by someone else before your conception thereof. Additionally, under United States law, if you disclose, offer for sale, or publicly use your invention, you must file a patent application within one year or you will forfeit your patent rights. In other countries, the one year grace period may not apply. Consequently, in most countries outside of the United States, you must file your patent application before disclosing the invention, offering it for sale, or using it publicly. Furthermore, there must be one or more nonobvious differences between your invention and the prior art as viewed by one of ordinary skill in the relevant art.

As for the other two types of patents, design patents cover any new, original, and ornamental design for an article of manufacture. The subject matter of a design patent must be directed to the design of an article, and not to the article itself. Additionally, to be considered ornamental, the design cannot result from, or be a by-product of, functional or mechanical aspects of the article. Plant patents, which are relatively rare as compared to utility and design patents, cover any new and distinct variety of plant that is not a potato, other tuber propagated plant, or plant found in an uncultivated state. To be eligible for patent protection, the new and distinct plant variety must be invented or discovered and asexually reproduced.

What type of application should I file?

Utility patents and plant patents are further broken down into provisional and nonprovisional applications. A provisional application is in essence a placeholder, establishing a filing date for your invention. All provisional applications are abandoned one year from the date of filing, and are never examined by the USPTO. As provisional applications are never examined, they cannot by themselves mature into an issued patent. Instead, in order to obtain the exclusive rights granted by a patent, you must file a nonprovisional application. When properly filed, anything in a nonprovisional application which is supported by the description of a previously filed provisional application may claim the benefit of the provisional application's filing date. Alternatively, you may file a nonprovisional application directly with the USPTO to establish a new filing date for your invention.

It should also be noted that while the rights granted by a patent in the United States permit the exclusion of others from importing the invention into the United States, they do not extend to the production, sale, or use of the invention in other countries. In order to protect your invention outside of the United States, one or more international applications must also be filed. International applications may include applications under the Patent Cooperation Treaty (PCT), regional applications such as those filed with the European Patent Office (EPO), or applications filed directly in each individual country. For a more complete explanation of international patent practice it is best to talk to a patent attorney about your specific patent goals.

How do I know if my invention is patentable?

It is a good idea to talk to a patent attorney before disclosing your invention or filing for a patent. The patent attorney can help you search for similar patents or applications which may already exist. As is often the case, although you may be unable to find similar products on the market, there may be one or more patents or patent applications which should be considered before drafting an application for your invention. A proper patentability search can often help you decide whether to file a patent, in addition to saving time and money by helping to focus the application on the novel aspects of your invention. When similar patents or applications are found, the patent attorney should also help you determine whether there appear to be patentable distinctions between your invention and the existing art. Additionally, the patent attorney should help you decide what type of patent application to file, where to file, and whether there are any time constraints which may limit your ability to obtain a patent.

What do I need to file a patent?

An idea or suggestion itself is not patentable. To obtain a patent, the invention must be sufficiently developed and described in the application to enable a person having ordinary skill in the art to practice the invention. For example, the idea of helping someone breathe with a device is not by itself patentable, whereas, a fully developed and described ventricular assist device may be. Each application must include a specification describing the invention and at least one claim that defines the scope of the invention. Many applications also require separate drawings to illustrate the invention.

Although you may file an application on your own, it is usually preferable to have a patent attorney prepare and file a patent application on your behalf. An attorney will be able to properly complete the application, avoid processing delays and help preserve your rights to the fullest extent possible. The cost of filing a patent varies based upon several factors, such as the type of application, the size of the applicant (if it is a business), and the number of drawings and claims.

What is the patent process like?

Depending upon the specific technology, the application, and the state of the existing art, it may take anywhere from one to three or more years before a patent issues. After filing an application and paying the required fees, the USPTO typically reviews the application for completeness, performs a search of the prior art, and issues an Office Action rejecting or allowing the claims. Many applications require multiple Office Actions and responses before any of the claims are allowed, and not all applications are successful.

When an application is allowed, the applicant pays an issue fee and the application issues as a patent. After a patent issues, the patent holder is required to pay maintenance fees at designated intervals to maintain the patent.

Who owns the rights in an issued patent?

Unless they are transferred in writing, the rights granted by a patent reside with the inventors. These rights may be transferred or assigned to one or more other individuals or organizations at any time during or after the application process. For example, employees of a company are often under an obligation to assign the rights arising from an invention conceived or developed while the employee worked for the company. The patent rights may also be sold or licensed to others in a variety of ways based upon the specific goals of the patent holder.

How do I stop someone from infringing my patent?

A third party infringes your patent by practicing or encouraging others to practice each element of a claim in your issued patent. After discovering that someone may be infringing one or more claims in your patent, you may seek a variety of remedies. For example, an infringer may be ordered to stop the infringing action, obtain a license in order to continue practicing the invention, or pay damages based upon the infringing actions. As with the filing of a patent, it is a good idea to speak a patent attorney to determine your options before taking any action with regard to possible patent infringement.

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