

**WE
CAPTURE
WHAT
MOVES**



ENFORCEABILITY OF PATENTS AND PATENT APPLICATIONS

2020 JUN 16th – James Carey

CONFIDENTIAL

June 2020

OPENING QUESTIONS

1. May patent rights of a **granted patent** be asserted against an alleged infringer?

YES, unless invalidated or expired!

2. May patent rights of a **published patent application** be asserted against an alleged infringer?

Maybe, it depends ...

All patent rights derive themselves from the national laws where the application for patent was filed.

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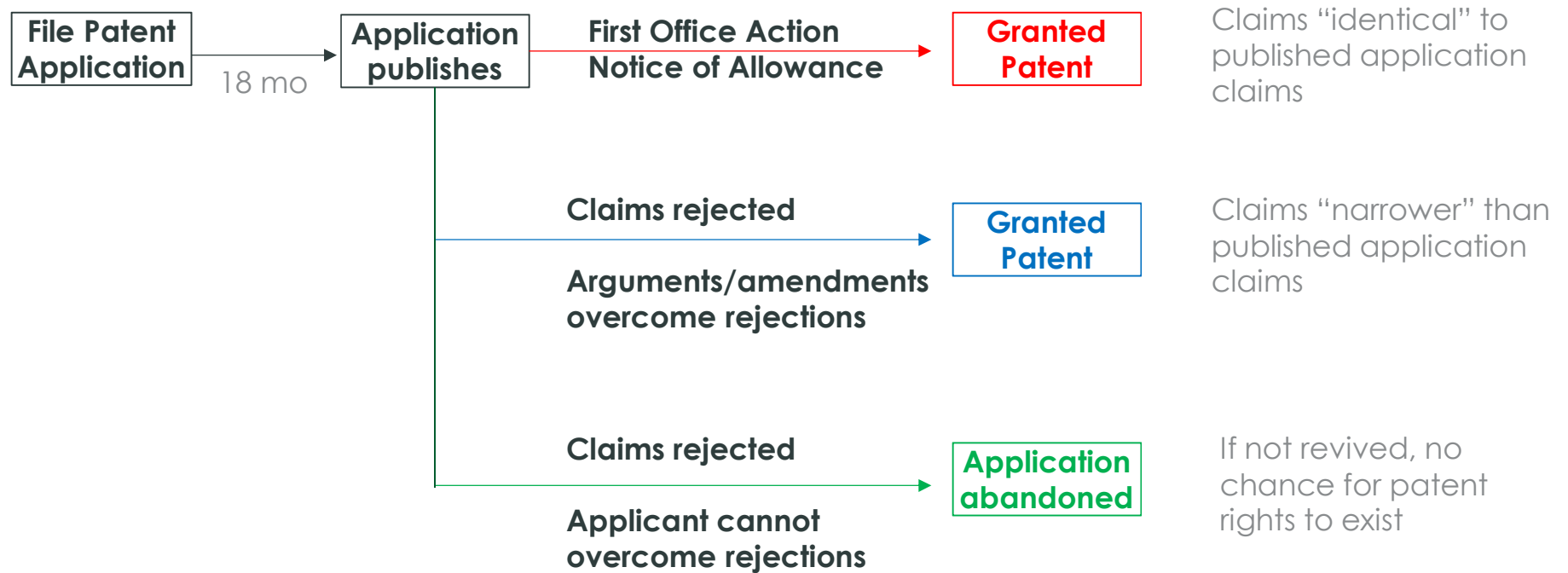
01

GRANTED PATENT RIGHTS



GRANTED PATENT RIGHTS

Simplified Patenting Process



Claims for granted patents are "set", whereas claims in published applications maybe amended.

GRANTED PATENT RIGHTS

Important facts relating to “**patent rights**”:

- 1) Scope of patent right is defined by the claims.
- 2) Patent rights are Territorial/Geographical.
- 3) Patent rights protect against direct and indirect infringement.
- 4) Granted Patents are *presumed* valid (rebuttable).
- 5) Granted patent \neq right to practice.
- 6) Granted patents typically last only 20 years from the earliest filing date, a few countries provide patent term extension for governmental delays.

Patent rights depend on the national laws, where the application for patent was filed.

GRANTED PATENT RIGHTS

Exclusive Rights of the Intellectual Property Holder

IP rights are infringed when a work protected by IP laws is used, copied, or otherwise exploited without having the proper permission from the owner of those rights.

In the context of patent rights, the patent owner or licensee has the exclusive right for:

- making or using
 - selling
 - offering for sale
 - importing
- ... the claimed invention.

Infringement is an unauthorized activity of someone else's exclusive right.

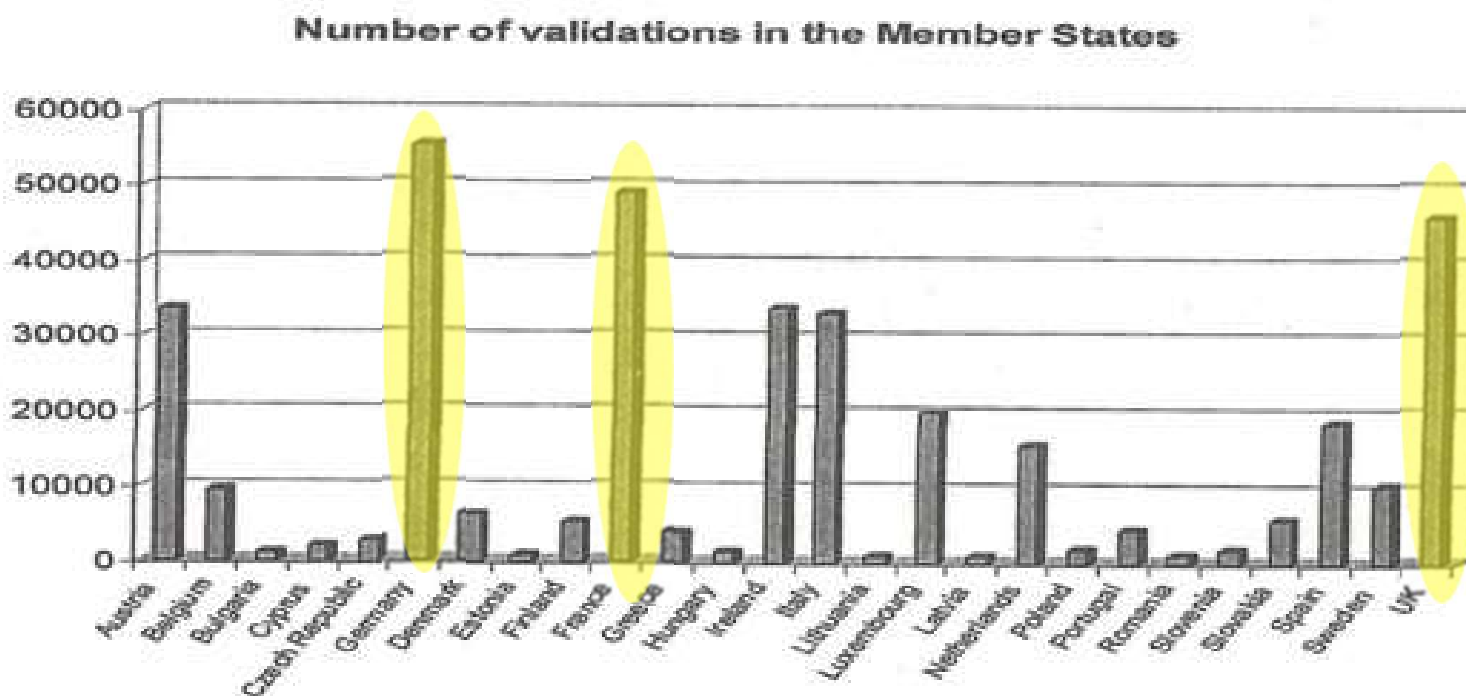
GRANTED PATENT RIGHTS

EPC Article 64 - Rights Conferred by a European **Patent**

- (1) A European patent shall confer on its proprietor from the date on which the mention of its grant is published in the European Patent Bulletin, in each Contracting State in respect of which it is granted, **the same rights as would be conferred by a national patent granted in that State.**
- (2) If the subject-matter of the European patent is a process, the protection conferred by the **patent shall extend to the products directly obtained by such process.**
- (3) Any infringement of a European patent shall be dealt with by **national law.**

Infringement of a patent rights is governed by national laws.

GRANTED PATENT RIGHTS



<https://www.reddie.co.uk/2014/01/13/an-overview-of-ep-validation-by-country-and-technological-sector/>

Germany, France, and UK are the leaders for where EP patents are typically validated.

GRANTED PATENT RIGHTS

FRANCE



Exclusive rights to making, using, selling, importing the claimed invention; also protects against importing products made abroad by patented methods

Direct Infringement

- Literal and
- Doctrine of Equivalents

Indirect Infringement

- Contributory
 - Essential part or knowledge

GERMANY



Exclusive rights to making, using, selling, importing the claimed invention; also protects against importing products made abroad by patented methods

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- Inducing or assisting

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JAPAN



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02

INFRINGEMENT AND REMEDIES



INFRINGEMENT AND REMEDIES

FRANCE



- Preliminary Injunction
 - *ex parte* - very rare
 - *inter partes*
- Permanent Injunction
- Seizure/destruction of goods
- Grant of financial damages
- No punitive damages
- Possible criminal sanctions
 - Person 3 yrs and 300k Euro
 - Company 1.5M Euro, and dissolution of the company

GERMANY



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 - *For exceptional cases*
 - *ex parte* – very rare
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- No punitive damages
- No criminal action

UK



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- Only criminal action is for contempt of court

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USA



- Preliminary Injunction
 - *ex parte* - very rare
 - *inter partes*
- Permanent Injunction
- Seizure/destruction of goods
- Grant of financial damages
- Enhanced damages (3X) for willful infringement
- No criminal action

JAPAN



- Preliminary Injunction
 - *inter partes* basis only
- Permanent Injunction
- Seizure/destruction of goods
- Grant of financial damages
- No punitive damages
- Possible criminal sanctions
 - Person 10 yrs and/or 10M Yen
 - Company 300M Yen

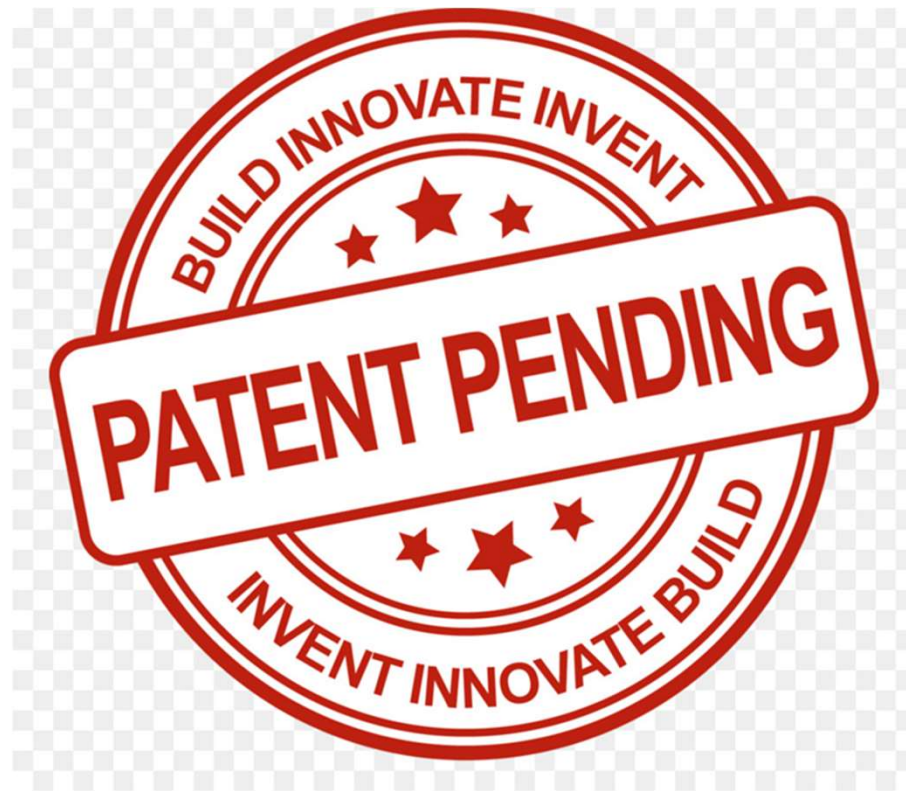
CHINA



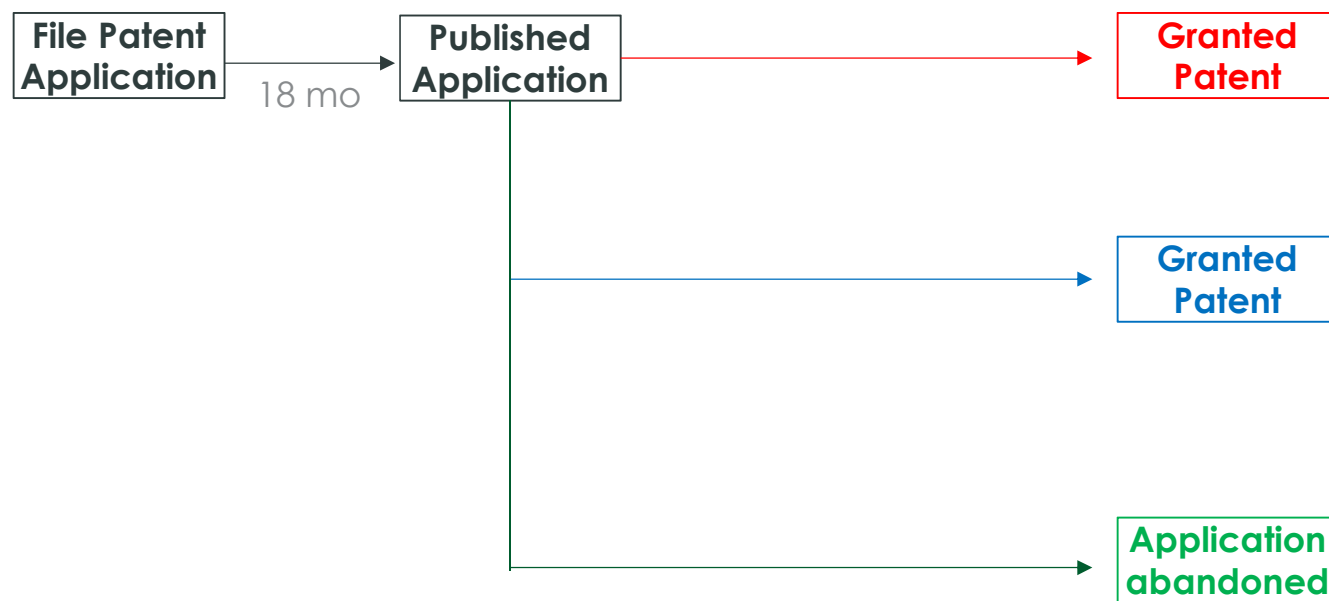
- Preliminary Injunction
 - *inter partes* basis only
- Permanent Injunction
- Seizure/destruction of goods
- Grant of financial damages
- No punitive damages
- Possible criminal sanctions
 - Only in very serious circumstances

03

“PROVISIONAL” PATENT RIGHTS



“PROVISIONAL” PATENT RIGHTS



Why does it matter if we can predict the outcome for a pending published patent application?

At least some patent rights provisionally attach to published patent applications.

“PROVISIONAL” PATENT RIGHTS

EPC Article 67 - Rights conferred by a European patent application after publication

A European patent application shall, from the date of its publication, **provisionally** confer upon the applicant the protection provided for [granted patents], in the Contracting States designated in the application.

.... each State shall ensure at least that, from the date of publication of a European patent application, **the applicant can claim compensation reasonable** in the circumstances from any person who has used the invention in that State in circumstances **where that person would be liable under national law for infringement of a national patent**.

The European patent application shall be deemed **never** to have had the effects set out in **paragraphs 1 and 2** when it has been withdrawn, deemed to be withdrawn or finally refused.

“Provisional” rights in patent applications attach as early as when it is published.

“PROVISIONAL” PATENT RIGHTS

FRANCE

Article L613-1

The exclusive right of exploitation for a patent **shall take effect as of the filing of the application.**

L615-4

Acts committed after a patent application publishes or after notification to any third party of a true copy of such application until notification of grant may incur patent infringement liability if the claims have not been broadened after the first of those dates.

The Court hearing infringement proceedings based on **a patent application shall reserve judgment until the patent has been granted.**

Article L615-6

In the case of infringement on the basis of utility patent application, **the plaintiff shall be required to produce a search report (Article L612-14).**

GERMANY

Patent Act, §33

Use of the patented invention in Germany **before the grant of the patent does not constitute infringement.**

However, the patentee can claim adequate compensation for the use between the publication of the application and the grant if

- such use falls within the scope of the application,
- the defendant was at fault and
- For European Patent Applications - if the application was made in German or a **German translation of the claims** was published by the GPTO or **sent to the defendant.**

Compensation usually corresponds to the amount of a hypothetical license fee.

UK

Patent Act, §69

An action for infringement can only be brought **after grant of the patent**, but **damages can be recovered under Section 69 for infringing acts conducted after publication of the application, but before grant, provided:**

- those acts infringe the claims both as published and as granted, and
- the defendant can be shown to have been aware of the existence of the patent (or patent application).

Publication of European applications and Patent Cooperation Treaty (PCT) applications confers provisional protection in the same manner, provided the application is published in **English.**

“PROVISIONAL” PATENT RIGHTS

USA



35 USC §154

A **patent** shall include the right to obtain a reasonable royalty from any person who, during the period beginning on the date of publication of the and ending on the date the patent is issued—

* makes, uses, offers for sale, or sells in the United States the invention as claimed in the published patent application or imports such an invention into the United States; or

* uses, offers for sale, or sells in the United States or imports into the United States products made by the process as claimed in the published patent application; and

* has actual notice of the published patent application.

The invention as claimed in the patent is **substantially identical** to the invention as claimed in the published patent application.

JAPAN



Patent Act, Article 65

Provisional patent protection is available based on a published application.

A notice letter may be sent to potential infringers demanding compensation for the **unauthorized exploitation of a claimed invention, as published, which is enforceable after issuance of a patent.**

In certain situations, an expedited publication procedure should be used as a means for an early notice letter to potential infringers. Such an approach can serve to enhance damage awards and/or bring potential infringers to the negotiating table.

CHINA



Patent Act, Article 13, 39

After the application for an invention patent is published, the applicant may require the unit or individual that exploits the said patent to pay an appropriate amount of royalties.

The invention patent right shall become effective as of the date of the granting announcement.

If an appropriate royalty is not paid for using an invention during the period from the publication of the invention patent application to the grant of the patent right, the period of limitation for taking legal action by the patentee for requesting payment of royalties shall be two years, commencing from the date when the patentee knows or should have known of the use of that patent by another person.

04

FTO STUDIES – DEFINING RISKS



FTO STUDIES – DEFINING RISKS

MANE policy is to respect *valid*, third party patents and patent applications.

So, how do we as a company evaluate or define our risk for patent infringement liability?

By becoming intimately familiar with the relevant patent landscape.

Types of patent searches:

- **Patent Landscape**
 - A state-of-the-art search for the relevant technology.
 - Typically performed at the genesis of an innovation project.
 - Advantageous to spot problem patent documents early on.
- **Freedom to Operate**
 - Targeted/focused search of pending patent documents relating to the intended commercial embodiment(s).
 - Typically performed near the end of project before commercialization.

In order to minimize unknown risks, we need to search and find the problem patent documents.

FTO STUDIES – DEFINING RISKS

Freedom to Operate Study Request form

INTERNAL ONLY

CONFIDENTIAL

FREEDOM TO OPERATE STUDY REQUEST

FROM (name, Mane entity & department)	ISSUANCE DATE	DEADLINE REQUIRED (if urgent please indicate why)

Please attach the documents relating to the innovation decision making process by the ComInnov or the Scientific Committee on the project:

- ✓ Innovation project opening
- ✓ Project presentation to the Committee
- ✓ Extract from the minutes of the Committee

BRIEF DESCRIPTION OF THE PROJECT: The purpose of a FTO study is to ensure that the commercial production, marketing and use of a new product or process does not infringe third parties' intellectual property rights.

Please describe the project, the applications, its benefits compared to prior art if any, etc...

DETAILED DESCRIPTION OF THE PROJECT: A good patent search may indicate that a new product and/or process is/are unlikely to infringe third party patents, but no patent search is perfect or full proof. There is a practical limit to the time and money that can be spent on a search.

For example, for a formulation, please detail all the main components, their percentage of use... Please specify the planned use of the composition, device etc. Do not hesitate to provide more explicit documents

GEOGRAPHICAL SCOPE: Patent protection is territorial. In many cases, protection is sought in a company's main markets and left in the public domain in other countries where commercialization is less likely. In the latter countries, no permission (or license) will be needed from the patent owner to commercialize the product.

By default, the FTO will be conducted for the territories of Europe and USA. If the project concerns specific countries, or there is a need to cover any other countries, in addition to or instead of Europe & USA, please specify.

KNOWN PRIOR ART: Patents have limits of scope and limited duration. The most important part of a patent document is probably the claims. The claims determine the scope of the patent, and all aspects of an invention that are not covered by the claims are not considered to be patented. It is important to bear in mind that it is not always easy to determine the scope of a patent. Patent protection lasts for a maximum period of 20 years, provided the patent is "maintained" for the entire period by timely payment of maintenance fees to the patent offices. After the expiry of the term of protection, a patent is considered to be in the public domain and may be freely used by anyone.

Please indicate a list of the relevant prior art patent documents.

<http://mosscorp.emea.sesam.mane.com/LegalIP/IP/Patents%20study%20forms/Forms/AllItems.aspx>

We need detailed and complete information to do a freedom to operate search and analysis.

FTO STUDIES – DEFINING RISKS

MANE policy is to respect *valid*, third party patents and patent applications.

1. Patent counsel develops search strategy and runs the search to identify patent documents relevant to MANE's propose activity.
2. The claims of the patent documents are analyzed vis-à-vis MANE's proposed activity.
3. Status of any relevant patent documents are assessed (abandoned, fees paid, etc.).
4. A written opinion providing FTO guidance is rendered:
 - ❖ **Best Case** - Said proposed activity is free to exploit (with/out restrictions).
 - ❖ If enforceable patents or pending patent applications block MANE's proposed activity:
 - ❖ Option 1 - Work with R&D to develop design around strategies, if possible.
 - ❖ Option 2 - Commercialize in alternative countries; and monitor problematic patent documents for abandonment, invalidation, expiration, etc.
 - ❖ *Option 3 – Assess validity*

FTO search results allows us to understand our risk for commercialization of a project.

FTO STUDIES – MITIGATING RISKS

MANE policy is to respect *valid*, third party patents and patent applications.

Option 3 - Assess validity of problematic patent documents.

- Goal – Establish or discover clear lack of novelty for ***each*** claim of concern.
- Often requires collaboration between R&D, Didier Geraud, and Patent Counsel to find novelty-destroying prior art.
- Careful analysis of novelty-destroying reference(s) and said patent document must be performed to foresee probable/likely amendments that applicant *could* make to reestablish claim novelty.
- Present facts and analysis to Senior VMF Management with potential options for “invalidation.”
 - Patent application
 - ✓ **Where possible, seek permission to submit Third Party Observations (good global citizen).**
 - ✓ **Propose options for commercializing without disclosing to Patent Application Owner (good business).**
 - Granted Patent
 - **Where possible, anonymously initiate validity challenge (e.g., Substantial New Question of Patentability – US).**
 - **Oppositions?**

Invalidity actions require a team to find, analyse, and present the prior art in a convincing manner.

05

FTO CASE STUDY



FTO CASE STUDY

Strat Dev proposed a cooling flavor composition:

Ingredient Name	CAS No.	GRAS No.	Wt%
L-Isopulegol	89-79-2	2962	20
L-Monomenthyl glutarate	220621-22-7	4006	28
L-Monomenthyl lactate	61597-98-6	3748	40
L-Monomenthyl succinate	77341-67-4	3810	12
Optional Maltodextrin	9050-36-6	21 CFR 184.1444	

FTO search found 1 relevant published patent application of concern:

WO2017079506A1 - NATURAL COOLING FORMULATIONS

Published Claim 1.

A cooling composition comprising **one or more** natural compounds selected from the group consisting of natural **isopulegol**, natural **menthyl lactate**, natural **menthyl succinate**, natural menthol, and combinations thereof.

??? If we cannot design around ... do we “respect” an unexamined published claim?

FTO search discovered a problematic published PCT application ... design around not reasonable.

FTO CASE STUDY

US20070148283 – abandoned patent application, discloses Composition A

TABLE 1A

Cooling Composition A

Component	% by weight
menthone	12.0
iosmenthone	12.0
isopulegol	4.0
monomenthyl succinate	22.0
Menthyl lactate	27.0
WS-14	20.0
viridiflorol crystals	3.0
Total	100

- **Cooling Composition A anticipates broad independent claim of WO2017079506A1**
- **WO2017079506A1 only discloses an isopulegol content of 25 wt% to 75 wt%.**
- **MANE's proposed cooling composition only has 20 wt% (MAX) isopulegol.**
- **Permission granted from MANE management to submit Third Party Observations in EP and US files**
- **Rejection over Comp A induced adding an amendment reciting isopulegol at 25 wt% to 75 wt%.**
- **Thus MANE's composition is outside scope of these amended.**
- **Additional applications are pending in Australia, Canada, China, and Russia ... so we will continue to monitor.**
- **Sales team notified to not provide MANE's Cooling Composition to owner of WO2017079506A1.**

Novelty destroying reference forced applicant to amend claims toward excluding our proposed formulation.

06

CLOSING REMARKS - QUESTIONS



CLOSING REMARKS - QUESTIONS

Key Take-A-Ways

1. MANE respects *valid*, third party patents and patent applications.
2. Best option for problematic patents and/or patent applications is to avoid infringement.
 - a. Design around?
 - b. Commercialize where patent protection is not?
 - c. Wait ... wait ... wait ...?
3. If options in point 2 are not possible/reasonable/practical ...
 - a. Invalidity (novely-destroying) Investigation ... but this requires extra effort from TEAMS to collaborate, find the “right” prior art, and propose low risk solutions to MANE Senior Management.
 - b. If you can’t beat them, buy/license them????

Best option (from risk perspective) is to avoid infringement (literally or Doctrine of Equivalent).

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**FOR MORE
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James.CAREY@mane.com
+1 513 239 2254

www.mane.com