

# Freedom to Operate

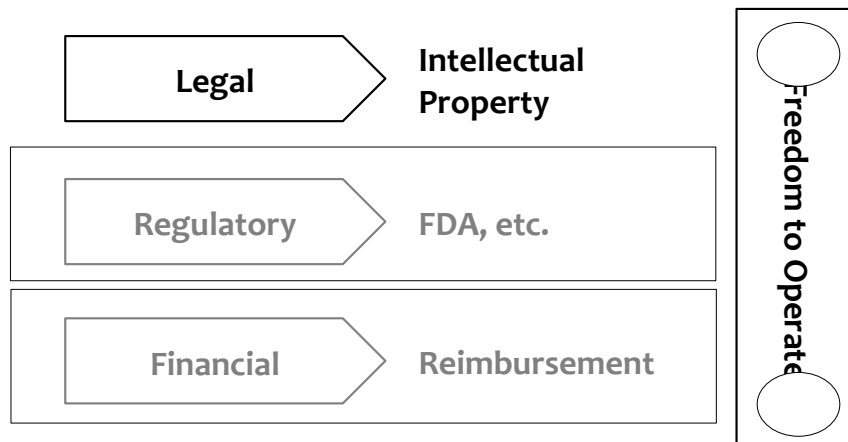
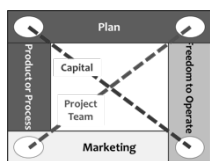


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## FTO – Legal, Regulatory, & Financial



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## Types of Intellectual Property

- \* **Patents**
- \* **Trade secrets**
- \* Trademarks
- \* Copyright

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## Trade Secret

- \* A trade secret is essentially any type of information as long as it:
  - \* has commercial value from not being known or readily ascertainable (e.g., formulas, processes, customer lists, etc.); and
  - \* is the subject of reasonable efforts to keep the information secret
- \* Trade secret vs. patent considerations
  - \* Is it even patentable subject matter
  - \* Can it be reverse engineered easily or independently invented
  - \* Enforceability : TS enforceable only if misappropriated by improper means
  - \* Duration or term of protection: TS unlimited; patent is 20 years from filing

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## Why Patent?

- \* A patent owner has the right to exclude others from making, using, selling, offering for sale, or importing the patented invention into the United States for the term of the patent
- \* A patent does not give the owner an affirmative right to practice their invention.

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## Types of Patents

- \* **UTILITY PATENTS**
  - Directed to structure and functionality of invention
  - Only granted to inventions that are novel, non-obvious and useful
  - Term of protection – 20 years from filing
- \* **DESIGN PATENTS**
  - Directed to ornamental appearance of an item
  - Only granted to designs that are novel, non-obvious and ornamental
  - Term of protection – 14 years from date of issue

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## What Does it Cost - US

- Obtaining a U.S. Patent
  - Drawings – \$300-\$1,000+
  - Government filing fees – \$1,125 (\$655 small entity) without excess claim fees
  - Application preparation fees \$6-\$10k
  - Prosecution fees – \$3k-\$6k+ (highly variable)
  - Government issue and publication fees – \$2k (\$1,170)
  - **Total – \$10,000-\$20,000+**
- Maintaining a U.S. Patent
  - 3.5 year maintenance fee – \$1,130 (\$565)
  - 7.5 year maintenance fee – \$2,850 (\$1,425)
  - 11.5 year maintenance fee – \$4,730 (\$2,365)
  - **Total – \$8,710 (\$4,355)**

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## Patentability Requirements

- \* Inventors - Ownership
- \* Statutory subject matter
- \* **Novelty**
- \* Non-obviousness (inventiveness)
- \* Disclosure requirements

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## Novelty - New

- \* Loss of novelty occurs when each and every element of the claimed invention is disclosed in a single piece of “prior art” before the effective filing date of the application
- \* In the United States, there is currently a one year grace period
- \* In many other jurisdictions, there is an “absolute novelty” requirement – no grace period
- \* Pursuant to the America Invents Act, on March 16, 2013, the United States will adopt a “modified” absolute novelty requirement
  - \* One year grace period will only apply to disclosures made by (i) an inventor; (ii) someone who obtained the disclosed subject matter from an inventor; or (iii) someone associated with an inventor via a joint research agreement

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## Novelty - continued

- \* Prior art is any publicly known information that has a date earlier than the effective filing date of the invention under consideration
  - \* Prior art can be other patents or patent applications, abstracts from conferences, products, advertisements, etc.
  - \* Other disclosures that qualify as prior art include public use of the invention, sale or offer for sale of the invention, displaying or promoting the invention

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# Disclosure Requirements

- \* Written description
  - \* Adequately describe what is claimed
- \* Enablement
  - \* Describe the invention so another can carry it out as claimed without undue experimentation
- \* Best mode
- \* Clear claims