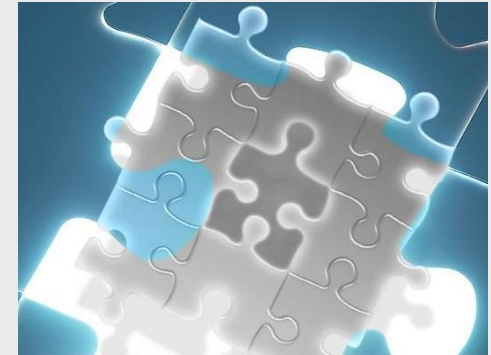


# Deriving Value from Intellectual Property:

## AN OVERVIEW OF PATENTS



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## According to WIPO (World Intellectual Property Organization):

- **Patents:** A patent is an exclusive right granted for an invention, which is a product or a process that provides a new way of doing something, or offers a new technical solution to a problem. A patent provides protection for the invention to the owner of the patent for a limited period, generally 20 years.
- **Trademarks:** A trademark or brand-name is a distinctive sign which identifies certain goods or services as those produced or provided by a specific person or enterprise. The period of protection for a trademark varies, but can generally be renewed indefinitely.
- **Copyrights and Related Rights:** Copyright is a legal term describing rights given to creators for their literary and artistic works (including computer software). Related rights are granted to performing artists, producers of sound recordings and broadcasting organizations in their radio and television programs.
- **Trade Secrets/Undisclosed Information:** Protected information which is not generally known among, or readily accessible to, persons that normally deal with the kind of information in question, has commercial value because it is secret, and has been subject to reasonable steps to keep it secret by the person lawfully in control of the information.

## The U.S. Patent System

- **Patentable Subject Matter**
  - Anything under the sun made by man
  - Any new and useful process, machine, manufacture or composition of matter or any new and useful improvement thereof.
- **Unpatentable Subject Matter**
  - Laws of nature, products of nature and mathematical algorithms

## The U.S. Patent System

- **New** - When viewed as a whole, the invention must be different from the prior art. New and novel are generally assumed to mean the same thing.
- **Useful** - The invention must also be useful (i.e., meet requirement of “utility”). To be useful, the invention must perform the purpose of the invention.
- **Non-obvious** - The invention must not, at the time the invention is made, be obvious to one of ordinary skill in the art to which the invention relates.

## The U.S. Patent System

- **First-to-File vs. First-to-Invent**
  - The U.S. follows a first-to-invent patent system where the first inventor has superior rights to the invention.
  - The rest of the world follows a first-to-file system; a race to the patent office.
- **Exclusion of Others**
  - A patent in the U.S. grants the patentee the right to exclude others from making and using the invention.

## The U.S. Patent System

- **Novelty**

- The U.S. (and a handful of other countries) allow a one-year grace period after disclosure of the invention.
- Worldwide, the standard is “absolute novelty”, where any disclosure of the invention will bar an application for patent.

- **Provisional Rights**

- The U.S. allows a one-year provisional “place holder” period, where a filing date may be secured, but no enforcement rights created.
- Limited use of provisional applications: preserving a priority date, delay prosecution during further R&D, trade show or other disclosure

# Why is IP important?

## Focus on Intellectual Property

- **Valuation of Intellectual Property in the Organization**
  - Does the IP add any significant value to the company?
  - Are there ways to increase the value of the current IP?
- **Coverage of Intellectual Property Protection**
  - Is the IP protected: patents, trademarks and copyrights?
  - Are there business processes and technologies which are not protected?
- **Ownership of Intellectual Property**
  - Does the company own its IP?
  - Have there been any licensing or other agreements compromising ownership?
- **Licensing Pricing and Collection**
  - Is the pricing commensurate with the IP?
  - Are all fees being collected?

# Why is IP important?

## The Value of Protecting Intellectual Property

- **Valuation Measurement**
  - Estimate of market size for the IP
  - Impact of IP on a market
  - Excess operating costs
  - Cost savings
- **Audit of a Company's IP Assets**
  - Inventory of all IP assets
  - Asset status
  - Maintenance requirements



## Identifying, Capturing, and Protecting Competitive Advantages

- **Report of Invention**

- Inventor(s) prepare Invention Disclosure form for in-house IP review.
- Invention Disclosure is forwarded to patent counsel.
- Patent counsel and inventor(s) prepare application.
- Application filed with U.S. Patent and Trademark Office (USPTO) or other filing body. (begin *prosecution phase*)

## Identifying, Capturing, and Protecting Competitive Advantages

- Effective preparation frequently involves multiple disclosures, discussions and conversations with patent counsel.
- Disclose to patent counsel early and start planning your strategy (don't wait for all the data).
- Effective prosecution takes time—it is an ongoing relation.

## Identifying, Capturing, and Protecting Competitive Advantages

- Progress marches on, and there is usually a next invention—disclose them, too.
- Watch for improvements within a year after filing.
- Identify countries of interest early.

# Conclusion

## Protecting Intellectual Property Assets

- QUESTIONS?