

# Protection Through Publication

*Such a program can result in substantial savings for patent applicants with limited budget*

BY LAWRENCE GILBERT\*

## A. PATENT SYSTEM

A patent is a grant by the U.S. Government giving the patentee the right to the exclusive use of his invention in return for the patentee's disclosure to the public of his new discovery. Hence the so-called patent monopoly is only for what is new in contradistinction to the monopoly grants in which the king gave to the favored few exclusive rights to what formerly had been in the public domain. The patentee by virtue of his grant is encouraged to disclose to the public something new, the fruits of his invention.

A patent is both an intangible property right and also a written description which serves as a publication. The description concludes with claims which define the metes and bounds of the rights granted. For example, a patentee can claim a compound that has utility as an antibiotic for human based on data obtained from animal tests. The Patent Office takes the view that utility has been demonstrated. It is the FDA's province to pass on the efficacy for human treatment.

## B. PATENT STRATEGY

When an invention is brought to the attention of management, be it the university or industry, it has the option of pursuing:

- a. Statutory patent protection
- b. Common law protection in the form of a trade secret
- c. Protection in the form of a defensive publication, public use, or sale
- d. Protection in the form of a U.S. Patent Office defensive publication.

We are here concerned only with describing the protection in the form of a U.S. Patent Office defensive publication. This form of protection may be obtained either for defensive or offensive purposes. Defensive protection is sought in the situation where the assignee (typically the patentee is required to assign the rights of his invention to his employer under the terms of his employment agreement) seeks to prevent another from obtaining a patent on the invention thereby assuring the assignee freedom to practice its own invention. Offensive protection, in the case where strong patent protection can be obtained, enables the assignee to license the invention to others thereby earning royalty income.

ables the assignee to license the invention to others thereby earning royalty income.

## C. WHAT IS THE UNITED STATES PATENT OFFICE DEFENSIVE PUBLICATION PROGRAM

The program can be exercised by filing a patent application with a request to publish it pursuant to Rule 139\* of the U.S. Patent Office Rules. The request to publish an abstract of the disclosure (application) must be filed within eight months of the date the application is filed. The application is laid open for public inspection and the applicant provisionally abandons the application. To retain the benefit of the filing date and prevent abandonment, the applicant must file a continuing application within 30 months after the date the application is filed.

## D. WHY ELECT TO PUBLISH AN ABSTRACT PURSUANT TO RULE 139

In the case of a company that has received an invention that can provide strong protection but has limited commercial value or where the budget may suggest protection by other means, the program should be carefully considered. In the case of the university or independent inventor it probably should be considered in most cases to reduce costs.

This is so because by electing to publish within the first eight months after filing an application, nothing further need be done by the applicant at a cost savings of up to 50%, or approximately \$1,500 per average application. Another significant factor in reducing the cost of filing is the need to append but a single narrow claim to complete the specification.

Normally, there are two office actions, so called, in which the patent attorney for the inventor and the U.S. patent examiner argue the merits of the novelty of the invention to agree on what claims the inventor is entitled to with respect to his invention. If the examiner allows the case, a patent will issue upon payment of a fee. Hence, the minimum cost reduction is the sum of the time saved by the attorney in not having to draft a full range of claims, the cost of the two office actions, and the patent issue fee.

## E. FILING THE CONTINUING APPLICATION — RISK OF DECLARATION OF INTERFERENCE

Since the university and independent-inventor invention is typically embryonic in nature, the Rule 139 election is ideal. The applicant (company, university, or independent inventor) will have 30 months from the published application in which to determine the commercial feasibility or interest in the invention — as opposed to the

\*Director of Patent Administration, Massachusetts Institute of Technology.

12 months provided by the normal publication after which the applicant would be precluded from filing a patent. However, once the program is elected it cannot be retracted. In the event that the invention is developed and filed by another within a six-month period of the defensive publication application, an interference will be declared by the Patent Office examiner. An interference is a complex procedure within the U.S. Patent Office (except in the case where two patents are involved) whereby a determination is made as to whom is the first inventor in the situation where two or more independent inventors claim substantially the same invention. It is Patent Office policy not to declare an interference between applicants if there is a difference of more than three months in the effective filing dates of the oldest and next oldest applications, in the case of inventions of a simple character, or a difference of more than six months in the effective filing dates of the applications in other cases. The examiner does not make an interference search until an application is allowable, i.e., in condition for issuance. Accordingly, by filing the defensive publication application just prior to the end of the eight-month period, applications filed by another triggered by the publication abstract will not result in an interference declared by the Patent Office examiner. However, if an interference is declared by the examiner within five years of the defensive publication application date, based on an application of another filed within six months of the application, the defensive publication applicant, if it wins, can use its patent for defensive purposes only. This possible risk of loss of enforceable rights is limited to applications filed by another within six months of the defensive publication application. Therefore, by filing the continuing application just prior to the end of the 30-month period, no interference having been declared, the likelihood of a declaration is extremely low since the Patent Examiner will have conducted by this time an interference search on the large majority of applications filed by others.

#### F. EXAMPLES ILLUSTRATING USE OF THE PATENT OFFICE DEFENSIVE PUBLICATION

A few examples will illustrate appropriate circumstances in which the independent inventor, university, or company may elect the program.

##### *Example I*

Smith, an independent inventor, discloses to his patent attorney a new means for studding both interior and exterior walls. The invention appears to have commercial promise in the pre-cut home market.

First, his patent attorney should make a preliminary search (\$100) to determine whether or not the disclosure is novel or new. However, a search will reveal nothing of any prior art represented by patent applications filed but not as yet issued. All applications are held in confidence by the Patent Office.

Next, the patent attorney must ascertain how the inventor intends to exploit his invention. The independent inventor rarely seeks to exploit his own invention which typically is in the form of a crude working prototype. The problem the independent inventor invariably faces is the issue of confidentiality. Since he has limited financial resources, the inventor wants to disclose his invention to a

company prior to a filing. Under these circumstances most companies as a matter of policy will require the inventor to sign a nonconfidentiality agreement which in essence enables the inventor to rely only on any patent rights he might obtain in the future. Although most companies are only interested in obviating frivolous law suits by the inventor, there is sufficient risk of loss of all or some of the inventor's rights to make most inventors extremely wary. Hence, a filing is probably necessary to enable the inventor to attempt to seek out possible assignees or licensees.

A suitable effective compromise is the program which minimizes the initial cost while affording the inventor ample time, up to 30 months, in which to find an interested party and/or further develop the invention.

##### *Example II*

Professor Smith has developed under a government grant a new interior wall partition having superior acoustical properties. The invention has application primarily in office buildings and other multistoried structures, such as schools, hospitals and hotels. Under terms of the grant, the university takes title, granting to the government a royalty-free, nonexclusive license.

Professor Smith has demonstrated feasibility and has some test data but much work remains to be done to develop various working prototypes. A post-doctoral student whose thesis describes the invention is available to assist in further development if industrial support can quickly be obtained. The university has received a disclosure of the invention from the inventor in accordance with the terms of his employment agreement, but has not as yet filed an application. Accordingly, Professor Smith directly contacts various companies that make and sell wall partition to present to them a proposal for a joint-development program, disclosing his invention on a confidential basis. Although this is not normal procedure for the university, companies are far more willing to visit a university for the purpose of receiving information about a new development of potential interest to them than would be the case of an unsolicited disclosure from an unknown independent inventor. In this case, confidentiality is a prerequisite to disclosing to industry because the concept is (while novel) simple and would enable anyone skilled in the art to readily conceive of other patentable embodiments not yet developed by Smith. Although, the university does not have the credibility problem of the typical independent inventor, it cannot hope to defer the bulk of the cost of filing applications to prospective licensees. In our example, if a joint developer is found, the application can be subsidized by way of an option payment. However, where initial efforts to find a partner fail, the invention can be kept alive by filing with the intent to make an election under the program. A filing must be made within one year of the publication date of the thesis. During the eight months immediately following the filing of the application, the university can seek out licensees on a nonconfidential basis relying on whatever patent rights it may subsequently obtain. If a licensee is found during this period, the filing costs can be passed on thereby obviating the need to elect the program.

Prior to the time (about two months) that an election pursuant to Rule 139 must be made, the university if it has found no takers, can contact one of the reputable organizations that provide technology evaluation, filing, and

licensing services to universities. The university offers to assign its foreign rights to the service organization if it agrees to pick up the cost of the U.S. prosecution. In our hypothetical case only limited foreign rights may be available in view of the thesis; hence, other arrangements could be negotiated. Should the service organization accept the offer, again there would be no need to elect the program.

In the event that the service organization turns down the offer from the university, it then can elect the program pursuant to Rule 139. The university will have 30 months from the date of the application to locate a licensee or attract significant interest before a decision to file a continuing application must be made. Failure to file the continuing application within the 30-month period will result in a waiver of all rights to an enforceable patent. In most cases, if no sincere interest has been shown in the invention by the end of the 30-month period, express abandonment of the invention would appear warranted. If no continuing application is filed, the application will be expressly abandoned five years from the date of the original application. Six months prior to the end of the five-year period, the university should promptly notify the government of its intent to abandon (if the invention had been sponsored by the government).

An invention that appeared promising but failed to attract interest is quite common. If a continuing application is not filed, no further costs would be incurred due to any office actions and/or a patent issue fee.

Suppose a company had expressed sincere interest by sending a team to visit the inventor at the university and indicated strong interest in taking a license. In that event, a continuing application should be filed, preferably just prior to the end of the 30-month period. The continuing application would, of course, include whatever new information the inventor may have generated since the application was initially filed.

There is a risk, albeit small as previously described, that no enforceable patent will result if an interference is subsequently declared by the Patent Examiner. Obviously, this possibility poses a risk to the licensee but not a substantially different risk than any licensee undertakes that the application when issued may subsequently be declared invalid as a result of a court proceeding.

It should be kept in mind that a university with six to 10 disclosures per year suitable for filing can save up to 15K/yr by adopting the program.

#### *Example III*

Inventor Smith, employee of the SpaceAge Corporation, has developed an improvement to instrumentation owned by the company. Although a minor innovation, it appears that strong patent protection can be obtained. However, the patent department is already committed to filing several disclosures and has a severely-strained budget. In this situation, the program presents a viable alternative. In the event an interference is subsequently declared by the Patent Office, SpaceAge Corporation might wish to participate in the proceeding in order to keep its channels to the marketplace open.

Interference procedure, even when a proceeding before the United States Patent Office, can be quite expensive. Accordingly, SpaceAge Corporation should consider this step only in a clear case warranted by all the attendant circumstances.

## G. GENERAL UTILIZATION OF THE PROGRAM

Since everyone would or should support a reduction in costs, you might expect that the program would be a great success and well used. Well, you're wrong. The fact is that it is seldom used. The reasons are less than clear but let me offer a few:

1. The program is not well understood.
2. Patent attorneys have not accepted the program as a viable alternative to patent procurement.
3. Patent attorneys prefer to carry to a conclusion the adversary proceeding with a U.S. Patent Examiner.
4. Patent attorneys tend to view the patent process primarily from a patentability and not a commercial standpoint.
5. Corporate patent counsel(s) tend to maintain or increase their budgets.
6. Loss of enforceable patent rights in the unlikely event an interference is declared by the United States Patent Examiner.
7. Possible loss of foreign rights by virtue of a publication.

Reasons 2, 6, and 7 point out potential disadvantages to the program but those disadvantages must be balanced against the cost-saving advantages. Moreover, these disadvantages, while possible, can be avoided or minimized. It should be kept in mind that in the case of the independent inventor and university, the cost factor is usually the overriding consideration and often results in no filing at all. A traditional defensive publication may be appropriate in many cases but it is difficult if not impossible to know what invention may reach the marketplace. An example of the loss that such inaction may engender may be seen from the case of a midwestern university that developed a new antibiotic compound, published the results, but had no takers because the publication resulted in a bar to any patent filing.

## H. SUMMARY

In summary, significant savings of the cost to file U.S. patent applications can be achieved by universities, independent inventors, or corporations whose budgets are quite limited by utilizing the program. In those cases where the cost may prohibit the normal patent procurement procedure, the applicant may be well advised to carefully consider making an election under the program.

The possible risk of loss of enforceable rights in the event the invention is independently developed and filed by another within six months of the defensive publication application is not a substantially different risk than the possible loss of enforceable rights due to a subsequent court determination of patent invalidity.

The program offsets any disadvantages that it might have by affording the applicant the opportunity to seek out prospective licensees so as to deliver a new product(s) to the marketplace.

#### \*RULE 139. WAIVER OF PATENT RIGHTS

An applicant may waive his rights to an enforceable patent based on a pending patent application by filing in the Patent Office a written waiver of patent rights, a consent to the publication of an abstract, an authorization to open the complete application to inspection by the general public, and a declaration of abandonment signed by the applicant and the assignee of record or by the attorney or agent of record.