

## AN OVERVIEW OF UNITED STATES PATENT LAW

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#### WHAT IS A PATENT?

Patents protect inventions. There are two common types of patents. The type of patent that most people think of is a “utility patent,” which protects the way the invention is made or used or works. Manufacturing processes, mechanical devices, and pharmaceutical compositions are examples of areas of technology that are frequently the subject of utility patents.

Another type of patent is a “design patent,” which protects the way a device looks rather than the way it works. A new ornamental design for a cellular phone and a new automobile shape are examples of products that could be protected by a design patent.

Most of the discussion in this paper will be directed primarily to utility patents, although many of the concepts also apply to design patents.

**Enforceable Term of a Patent.** A patent grants the patent owner *the right to preclude others* from making, using and selling the invention as defined in the claims (the “claimed invention”) for a limited period of time. For presently filed utility patents, the enforceable time period lasts for 20 years from the filing date of the earliest patent application in the chain leading to the patent (subject to payment of fees to keep the patent in force). The term of a design patent is 14 years from the date the patent is granted.

**Claimed Invention.** Utility patents generally contain multiple “claims” that define the protectible scope of the patent, while design patents rely on their drawing to establish the scope of protection.

#### WHY SHOULD I OBTAIN A PATENT?

In a business context, it is often valuable to think of a patent as a tool for furthering the objectives of the business. Patents add value to a business portfolio and protect investment resources spent in developing the technology. If a patent is the right tool to use to further a particular objective, then it should be pursued. Sometimes, however, other forms of intellectual property protection may better serve the business objectives.

Patents can be used to further business objectives in many ways. When used as an offensive tool, patents can gain advantages over competitors by

excluding them from using your patented inventions. Patents can also be used in license agreements. Licenses selectively permit other companies to use your patented technology for discrete purposes in exchange for a fee or other consideration. When used defensively, patents can be valuable tools to dissuade patent infringement suits from competitors who might themselves be infringing your patents. In still other situations, patents can be used as tools to negotiate cross-licenses with others who have technology that can aid your objectives.

A patent can be of huge value to your business. It is important to take great care to insure your patent has been given adequate thought and attention to increase its value and ability to keep others away from the core of your invention. All too many patents are obtained with insufficient care and become easy for your competition to design around.

An understanding of the protection that patents can offer will help you in assessing whether patents are the right tool to help you achieve your particular business objectives. This paper provides only an overview of U.S. patent law, and it is important that you consult with a patent attorney to discuss your specific situation.

#### HOW DO I OBTAIN A PATENT?

**Filing an Application.** A patent is obtained by preparing a patent application and placing it on file with the U.S. Patent and Trademark Office (the “USPTO”). A utility patent application contains a detailed written description and figures to describe the invention. A patent application also includes “claims,” which are a definition of what you want to exclude others from being able to do. A lot of skill and thought should go into the development of your claims. Claims that are too narrow may allow competitors to design around your patent. Claims that are too broad may be invalid.

**Enablement and Best Mode.** Regardless of the complexity or sophistication of the invention, U.S. patent law requires that a patent application fully describe the invention. In order to fully describe an invention, the application must contain information sufficient to enable one of ordinary skill in the art to which the invention pertains to practice (make

and use) the invention (this is the so-called “enablement” requirement). In addition to meeting the enablement requirement, an application must also disclose the best way (or mode) of practicing the invention known to the inventor at the time at which the application is filed (this is the so-called “best mode” requirement). The degree of detail and explanation that must be included in the patent application to meet the enablement and best mode requirements will vary depending upon the complication and sophistication of the invention.

**Novelty and Non-obviousness.** When a patent application is filed with the USPTO, it will be assigned to a patent examiner working at the USPTO. The patent examiner will review the application and determine if the claimed invention is entitled to patent protection. In order to be entitled to patent protection, the claimed invention must be novel, useful, and not of an obvious nature. Novelty refers to the extent to which the claimed invention is new when compared to prior technology and inventions in the area of the invention (or “prior art”). For an invention to be novel, there must be no single prior art reference that fully describes each and every element of your patent claims. Non-obviousness refers to the claims being sufficiently innovative so that they are not “obvious” in view of the teachings of one or more prior art references. Dealing with patentability issues can be quite complex.

**Prosecuting the Application.** After review of the application, the examiner may determine that the application is in proper form and that the claimed invention is entitled to patent protection. However, it is more likely that the examiner will determine that one or more claims are not entitled to patent protection (e.g., non-novel or obvious in light of the prior art). Sometimes the examiner makes a valid rejection based on prior art of which you were unaware, or by bringing a different perspective to reviewing the prior art. Sometimes the examiner simply does not understand the invention. In either event, you are allowed to respond to the action with arguments in support of the application and even make amendments to the claims. The process of responding to the examiner in an attempt to reach an agreement over the patentability of the invention is commonly referred to as “prosecuting” a patent application. Prosecuting a patent application is a complicated process.

**Allowance and Issuance.** Not all patent claims are found to meet the standards for patentability. Once the USPTO finds that the claims are patentable, you can pay a fee to cause your patent

application to issue. Once issued, you may enforce your patent, although you may license your patent application even before it issues.

## WHAT IS A PROVISIONAL PATENT APPLICATION?

The U.S. Patent laws allow you to file a “provisional patent application.” Provisional applications must satisfy the requirements of utility patent applications as to enablement and best mode, but they are not examined like utility applications and can never mature into patents. Instead, a provisional application is used to create a document from which a utility application, U.S. or foreign, may claim priority. In doing so, a provisional application stops the time bar from running on an invention and allows an applicant time in which to assess the commercial value of an invention and to continue research before filing a utility application. Bear in mind, however, that this priority only applies to the disclosure contained in your provisional application. If you add new information and associated claims when you convert the provisional application to a utility application, you may not get the benefit of your provisional filing date, so it is important to take care with the use of provisional applications. You should discuss this very carefully with your patent attorney if you elect to file a provisional application.

A provisional application provides a basis for priority for a maximum of 12 months after filing. A utility patent application claiming priority to the provisional application must be filed within this period to obtain any benefit from the provisional application.

## HOW MUCH TIME DO I HAVE BEFORE I LOSE THE ABILITY TO FILE A PATENT?

**The “On-Sale Bar.”** No U.S. patent is permitted for any invention which has been disclosed in a printed publication or has been put on sale, in public non-experimental use, or in commercial use for more than one year prior to the filing of the application for that invention. This bar on patentability is referred to as the “time bar” or the “on-sale bar” to patentability. For product-based inventions, the invention is considered to have been on sale or in public use whenever the product has been placed on sale or in public use. In the case of process-based inventions, the invention is considered to have been on sale or in public use whenever the product of the process has been placed on sale or in public use, as well as when the process itself has been publicly or commercially used.

**Implications on Foreign Patents.** Most foreign countries have what is often called an “absolute novelty” requirement. In these countries, any sale or public disclosure prior to filing the patent application will act as a bar to obtaining patent protection. Many of these countries have signed a treaty allowing you to file your foreign applications up to one year after filing your U.S. patent application (six months for design patents) – as long as that application was filed in the U.S. while the invention was still completely secret. If foreign filing is desired in these countries, the U.S. application should be filed before the first publication, public sale, or commercial use, and so on. For foreign countries not party to the treaty, you must file there before you undertake any of these types of acts.

#### **HOW LONG WILL IT TAKE TO OBTAIN A PATENT?**

The preparation and filing of a patent application typically requires about two to three months, although this time requirement may be reduced when circumstances demand.

After filing, the time required to prosecute a patent application to the point where it is allowed, or it is finally rejected and no patent is issued, will vary depending on the nature of the invention and the amount of prior art found by the examiner, but can generally take between three to four years, and sometimes even longer.

#### **WHAT PROTECTION DO I RECEIVE FROM A PENDING PATENT?**

**No Protection.** U.S. patent law affords no protection during the period in which an application is pending. However, many U.S. applications are published 18 months after they are filed. Under certain circumstances, the publication of your application can allow you to seek damages from the date of publication, although you still cannot assert your rights until the patent actually issues.

**Marking and Notice.** Once your application has been filed, you may mark your products with the notice “patent pending.” Once a patent has been issued, it is very important to mark your products with the patent number.

#### **WHAT IS THE VALUE OF A PATENTABILITY SEARCH?**

**Patentability Searches.** A patentability search is generally performed prior to preparing and filing a patent application. The search is used to help determine what other prior art exists that may limit the scope of any patent relating to the invention, or

call into question the patentability of the invention entirely. The patentability search can help an inventor by providing this information before time and resources are spent to prepare, file and prosecute a patent application. If an application is then prepared, knowledge of the prior art will assist the patent attorney to develop a strategy to take that prior art into account.

**Infringement-Related Searches.** A patent gives you the right to stop others from practicing your invention, but it does not give you the right to practice your invention. Contrary to popular belief, it is possible to obtain a patent on an invention and, at the same time, infringe someone else’s patent if you practice your invention. The patentability search discussed above is used to find prior art relevant to patentability of your invention. It does not address patents that you might infringe. A separate “infringement” search, or “freedom to operate” search looks for patents that your contemplated device might infringe. It is prudent to perform an infringement search early enough in your product design and development phase so that you can identify areas that need to be designed around or licensed. Also, in some cases it will be important for you to obtain a written opinion from your patent attorney that you do not infringe before you proceed.

#### **WHAT DO I NEED TO DO ABOUT PATENTS?**

First, not all important intellectual property rights are best protected or even susceptible to protection by a patent. It is important that you develop a basic understanding of what patents can do for you, and where other types of intellectual property protections, such as trade secrets or copyrights, might be more suitable.

If you are pushing a new product to market, don’t forget to consult your patent attorney early, and from time to time during the process, to assist you to identify and consider obtaining patent protection on a timely basis. Don’t forget that your competitors may have patents too, and keep on top of their patents so that you can work around their patents, or seek licenses when necessary.

Patents provide a powerful tool that can add significant value to a business and prevent competitors from taking your ideas.

**The Intellectual Property Practice Group of the law firm of Holme Roberts & Owen LLP has published this overview as a brief introduction. This overview is intended only as a generalized introduction to a very complex and rapidly evolving area of the law. A qualified attorney**

**should always be consulted for advice in specific factual situations.**

**For more information about intellectual property, including trade secrets, trademarks, copyrights and patents, contact any attorney in the HRO Intellectual Property Practice Group.**

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