Surrounded By Patents

The Visible and Invisible Risks of Doing Business
Overview

Me: European, Belgian, and Dutch patent attorney, technically & legally qualified, >10yrs in intellectual property +researcher at University of Antwerp

My clients: companies ranging from start-ups to multi-nationals, mostly in physics, electronics, ICT

Today’s talk: a patent attorney’s view on how legal status information can help improve FTO results and patent monitoring.
The Patent Attorney’s View of “Freedom to Operate”

• As a patent attorney...
  • ...I am usually the first point of contact for the client’s FTO concerns
  • ...I usually do not carry out the search myself
  • ...but I am the one who needs to “make sense” of the results
The Client’s View of “Freedom to Operate”

• When a client requests an FTO search, they typically want to be certain that they run no risk of being accused of infringing third parties’ intellectual property with their product or service.

• The FTO concern may originate from the client, from their investors, from their customers (composite products / methods), ....
In most technical fields, a single product may include a large number of potentially patented technical solutions.

Straightforward search queries (CPC + keywords + date range) typically return 100s or 1000s of hits; for many small companies it’s economically unfeasible to review all of these at the level of the claims.

And we’re never completely certain that the query catches all relevant patents.
The Trouble With FTOs

So we arrive at the following dilemma:

⇒ We want to cast a **very wide net**, that only catches **relevant patents**...
Can legal status information come to the rescue?

- The most important piece of legal status information in the FTO context is **whether a patent is alive**.
- From the point of view of FTO, **invalid patents can’t hurt us**, so it’s worth filtering out invalid patents. But what is “invalid”?
  - Actually dead
  - Under attack
  - Possible target for attack
Can legal status information come to the rescue?

• This classification is quite subtle — a patent attorney should help the client understand the distinctions:
  • Possibility for client to attack the patent? Which grounds for invalidation present good chances of success?
  • For ongoing procedures: possibility to intervene? Which grounds for invalidation present good chances of success?
  • For administrative decisions or court decisions: is the decision final?
Europe is special (as always)

- Depending on the client’s territorial ambitions, it may be worth considering the above criteria at the level of **individual Contracting States** of the EPC.

- Accordingly, a patent may be “dead” or “alive” in **different countries** on **different grounds**:
  - Void *ab initio* (failure to validate)
  - Lapsed (non-payment of maintenance fees)
  - Invalidated by a court decision
Dead ≠ Dead

• Even when the patent is “dead”, don’t forget to check whether the situation is final:
  • Failure to validate a European patent or to pay maintenance fees may be remedied by re-establishment of rights
  • Court decisions may be reversible on appeal
  • Making these distinctions requires very detailed legal status information and the procedural knowledge to interpret it
A Cautionary Tale

• A client incidentally notices a press release from a competitor, announcing a new product, based on “patented technology”.

• The client investigates the situation, and finds the competitor’s European patent, which presents an obstacle for the client’s plans.

• It turns out that the patent was granted almost 9 months earlier.

• A last-minute effort is launched to oppose the patent, and...

... 4 years later, the patent is completely revoked by the EPO.
Discussion

Did the competitor **act recklessly** by announcing its product before the opposition period was over?

Did the client **get lucky** by discovering the patent just in time to give notice of opposition?
What’s luck got to do with it?

• The patent system is based on **public information**:  
  • The legal monopoly is granted in exchange for disclosure of the invention.  
  • If there are (negative) obligations for third parties, the third parties have to be able to learn the extent of these obligations.  
  • It’s not supposed to be a poker game: luck has nothing to do with it.

• Interested parties can **monitor patent applications and grants** and plan their reactions in a timely manner...
  • ...to invalidate the patent (e.g., third-party observations, opposition);  
  • ...to circumvent the patented invention;  
  • ...to negotiate a license if the patented invention is essential.
Is existing legal status information sufficient?

• For the client in our story, systematically monitoring B1-publications would have proved useful: timely discovery of relevant patents allows for timely and well-prepared action.

• Again, assessing relevance is key.

• Looking at it from the point of view a patent attorney, legal status information can include red flags that signal potential commercial relevance (in addition to traditional selection criteria such as CPC classifications and keywords):
  • patents facing opposition from other competitors
  • patents being validated in specific countries of interest
  • patents being transferred / pledged / licensed (if registered)
Conclusions

• **Freedom to Operate**
  - There are a lot of patents out there, getting to **the relevant ones** is key.
  - Legal status information is an undervalued tool to manage the search results by filtering out patents that are invalid and to identify those that are in the process of being invalidated or prone to attack.

• **Monitoring**
  - Monitoring allows for **timely discovery** of relevant patents
  - Legal status information is the “raw material” of patent monitoring
  - Clever use of legal status information will make certain patent applications and patents **stand out in the stream** of periodically published patent information
Questions?

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