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PROTECTING YOUR INVENTION

PART V: PROTECTING THE PATENT PORTFOLIO

The intellectual property of a company may be the most important asset and in fact, may be the only asset of a small company. Protecting the inventions and other intellectual property is not just a matter of good business, it may be a matter of survival of the business. In the wake of the highly publicized corporate scandals such as the Enron debacle, Congress passed the Sarbanes-Oxley law which requires, among other things, that the corporate leadership identify tangible assets of the corporation and report events which may affect the value of those assets. In light of Sarbanes-Oxley and the value of intellectual property assets to a company, procedures should be established by the company to monitor the firm's intellectual property portfolio and identify threats to that portfolio. The following discussion is a method for protecting the intellectual property portfolio and is aimed primarily at patents and patentable intellectual property. With some modification, the suggestions described below could be used for protecting other intellectual property such as copyrights and trademarks.

The first step in managing the patent portfolio is to identify all of the inventions and patentable ideas in the company. Once this inventory of intellectual property is completed each of the inventions or ideas needs to be considered separately. Once those assets have been identified the following information, at a minimum, should be obtained:

1. Who are the inventors? Failure to properly identify all of the inventors may result in an issued patent being found to be invalid.
2. Who owns the invention? In many companies the employees are required to assign the ownership of any invention created as part of their job duties to the company. Assignment of the ownership of the invention should be prepared and signed by the inventor and recorded with the US Patent and Trademark Office at the appropriate time.
3. Are there any confidentiality agreements in place? Confidentiality agreements should be studied and followed by

all concerned. Failure to do so may result in litigation or an invention deemed to be unpatentable by a prior disclosure.

4. Are there any publications or offers to sell the invention? A publication or offer to sell an invention more than one year before the filing of a patent application disclosing the invention will result in the patent application being denied. This bar to patentability by prior publication is especially problematic in academia where promotion and tenure of faculty are measured in no small part by the number of publications authored by the faculty member. Occasionally, the "eager beavers" in the marketing department learn of some invention and start promoting the products that might flow from the invention. This also may result in the patent application being denied.
5. Have any provisional patent applications been prepared and filed? If so, the date and file number need to be recorded. In order for a subsequent utility patent application to claim priority to the filing date of the provisional application, the utility patent application must be filed within one year of the filing of the provisional application. Failure to do so results in a loss of priority. The net effect of failing to timely file a utility patent application is that somebody else may file an application on the same invention after your provisional application was filed but before your untimely utility application was filed. In that event, you may lose your rights to the patent.
6. Once the patent issues, have all of the fees been paid? Failure to pay the issue fee and maintenance fees will result in the patent being deemed abandoned. Payment of the maintenance fees is an especially pesky problem because they come due at odd times for several years after the patent has issued. Maintenance fee due dates should be calendared so that they may be timely paid.
7. When does the issued patent term expire? Issued patents expire 20 years after filing of the patent application. In some circumstances, the term of the patent may be lengthened. The date the patent expires should be calendared and any patent term adjustment calculated. Once the patent expires, the owner loses the right to prevent others from making, using or selling the invention in the United States.
8. Are there any licenses regarding the invention? If so, the expiration date of the license should be recorded as well as a notation that the license fees have been paid. When the license expires, the income stream from that license may end as well.
9. Is there any litigation pending or threatened? Litigation by a potential competitor can not only be expensive, but it may result in your patent being found to be invalid. Your adversary may also seek an injunction requiring you to immediately

cease making, using and selling your product Either of these events could be catastrophic to the financial health of the company.

While the aforementioned list is not all-inclusive of the threats to the patent portfolio, it does include many of the most common risks. A spreadsheet can be constructed which includes the aforementioned factors and others if desired. The information regarding many intellectual property assets can be entered on the spreadsheet so that the status of the company's intellectual property can be ascertained at a glance. This eliminates the need to paw through multiple files looking for the information to protect your patent portfolio and comply with the existing law.

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