

# The Legal Intelligencer

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## Navigating Today's Ever-Changing Patent Landscape

*How New Inventors Can Select Counsel and Maximize Resources*

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*Special to the Legal*

As a good number of articles in *The Legal Intelligencer* intellectual property column have pointed out in the past few years, the patent landscape is not what it used to be. The U.S. Supreme Court, and now to some extent the Federal Circuit Court of Appeals following the Supreme Court's lead, have issued decisions that can be interpreted to narrow the scope of issued patents and make it harder to obtain patents. This makes entering the patent process more daunting for new inventors. Thus, it is important to give new inventors resources to make smart decisions and select good patent counsel.

In past years, the U.S. Patent and Trademark Office (PTO) hired a relatively constant number of examiners annually because of governmental PTO fee diversion, even when facing ever-increasing numbers of patent filings. While that dynamic has changed, and the PTO has ramped up hiring efforts, it is somewhat limited by the number of examiners it is able to realistically train each year and is still not meeting the increasing filing rate. The PTO is still in a deficit in terms of the desired number of examiners. This contributes significantly to the backlog of work for examiners at the PTO. There is turnover in examiner positions at the PTO also, and like any hiring pool, when people leave, they need to be replaced and retrained, further cutting into the supply of new examiners. This impacts new inventors by introducing uncertainty and unpredictability in

examination reliability and creates more delay in getting through the process.

Other difficulties facing new inventors are increasing legal and government fees. PTO fees continue to rise annually. Law firm salaries have also risen significantly. Higher salaries contribute to higher billing rates and a concomitant push upward in the overall cost of application preparation and prosecution, not to mention costs associated with infringement clearance, counseling and agreement work.

Although the PTO initially has been enjoined from implementing some of its proposed rules packages in court, various facets of the rules packages (allegedly designed to improve efficiency at the PTO and reduce backlog), if ultimately implemented, will contribute to the overall increased legal cost of patenting. For example, if the proposed IDS changes are implemented, technologies having larger numbers of material and prior art references to cite will typically trigger the need for more involved disclosure statements taking more attorney time, thereby generating higher legal fees.

In such a landscape, it is important that inventors do what they can to become educated and maximize the value of resources. It is also important for general counsel of inventor-clients to help steer inventors in the right direction and assist them in selecting appropriate patent counsel. Equally important is to be sufficiently knowledgeable to manage IP counsel. For new inventors, and non-IP attorneys representing inventor-clients, a little education and resource management can go a long way.



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### RESOURCES AND EDUCATION

New inventor-clients have become increasingly savvy at searching the Internet for information on potential products to see if their invention is unique. However, it has been my experience that it is still a minority of new inventors who take advantage of the free patent resources available online for patent searching before seeking counsel.

The PTO's Web site ([www.uspto.gov](http://www.uspto.gov)) provides unlimited free searching with varying levels of difficulty from easy searching to more complex field searching. Inventors can also contact PTO examiners for advice on particular U.S. patent classification groupings and free searching advice.

Other useful Web sites for new-inventor searching are the European Patent Office's searching Web site, which allows for more worldwide searching of various patenting information (including U.S. patents) and allows for single document PDF downloads of U.S. patents

(<http://ep.espacenet.com/advanced-search/>). There also are various free patent search resources such as Freshpatents.com ([www.freshpatents.com/search/searchform.php](http://www.freshpatents.com/search/searchform.php)), Google patents ([www.google.com/patents/](http://www.google.com/patents/)) and PatentStorm ([www.patentstorm.us](http://www.patentstorm.us)).

Most foreign countries also have their own patent office search sites. Knowing the prior art reasonably well before going to a patent attorney can assist a new inventor when interfacing with the patent attorney and promote efficiency, leading to cost savings.

Patent attorneys generally handle patentability searches and analyses in two primary ways:

- Conduct a search request to an outside professional searcher (vendor) to review available patents and report back to the attorney, who then analyzes the prior art and possibly sends an evaluation of patentability to the inventor; or
- The attorney searches on her own and evaluates patentability based on that search.

In either case, depending upon the law firm, the costs of such an initial search vary depending upon the attorney time put into the search and the nature of the finished product requested. If a new inventor takes the time to search the art before meeting with an attorney, he may decide not to proceed at all with patenting, or can provide the results of the search to the attorney. The attorney then can use this as a starting point to assist in searching. The inventor can also ask the attorney to send the prior art to the inventor's attention for analysis before doing further legal work.

If the inventor reviews the art and is comfortable with its content, the inventor can choose to go over the art verbally with the attorney, which can be a less expensive alternative to seeking a formal written legal evaluation. Inventors should, of course, seek more immediate legal assistance if there are circumstances that may be considered to constitute a prior use, sale, offer for sale, publication or other disclosure of the invention prior to a first patent filing, as there are legal time limits that apply to patent filing both in the United States and in foreign countries. While there are circumstances in which a written evaluation is helpful or indicated, particularly if there are issues outside of patentability, such tasks should be discussed with counsel before incurring cost.

Other resources for new inventors are edu-

cational materials available in bookstores and through seminars. Various law firms, universities and business incubator groups, and some venture capital organizations, make seminars, courses and other educational resources available to new inventors. Some charge fees for the resources and some do not, but with a little searching for such information, a dedicated inventor can make use of many free educational resources. Understanding some of the basics of patenting can also save time when meeting with an attorney and requesting services.

## CHOOSING COUNSEL

New inventors and their non-IP counsel selecting patent counsel should not confuse a patent attorney with an invention promotion firm. While the latter sometimes attempt to affiliate themselves with attorneys, they are generally not law firms and can be very costly, with little upside to the inventor — some can even be unlawful. Inventors should be highly cautious of such organizations and work with an attorney before signing any contracts with invention promotion firms.

Warning signs that an organization may not be legitimate are the following:

- No specifics regarding how the confidentiality of the invention will be safeguarded so as to avoid loss of potentially valuable rights;
- Lack of specificity regarding what will be done to “promote” or “package” the invention (other than listing the invention in a brief summary on an open Web site); and
- Lack of clarity regarding whether actual patent legal assistance is provided (in many instances it is not).

If a patent attorney is available through such an organization, caution is still required as some organizations improperly offer only design patent applications (when utility applications would be warranted), and others provide only the initial step and not the rest required to seek a final patent. The costs of the next steps could be wholly additional to the base charge. Base charges range and are typically thousands of dollars as well as requests for very high percentages of potential profits from the invention. All inventors should work with their counsel when considering such a contract and/or talk to a patent attorney before going ahead.

If an inventor and/or his or her general counsel go directly to a patent counsel or law

firm, they should ask questions in advance to assist in choosing patent counsel, since finding the right fit for the inventor is important as the inventor will spend a lot of time with the attorney going through the process. Ask questions regarding the attorney's approach to patenting and seek average cost information not just for initial preparation and filing, but on how the process works and how the attorney bills for his time. Ask who will actually work on and/or supervise the project and request specific hourly rates. Inquire as to whether they typically represent individual inventors or small organizations, as some firms do not. It is also a good idea to ask the attorney if he charges for an initial meeting or consultation, and whether and how much is required for an initial retainer.

Finally, if the inventor is still unsure, the inventor can ask for references from client(s), samples of patents or applications drafted by the attorney or seek recommendations from another trusted counsel. Other sources of information on patent attorneys include university incubators, venture capital groups, attorney evaluation sources like Chambers USA or Martindale Hubbel, patent attorney bar organizations such as AIPLA, PIPLA and the ABA, and simply entering the recommended attorney's name in an Internet search engine.

All relevant factors should be weighed in assessing patent counsel: fair cost, efficiency, good client contact, responsiveness, technological and legal knowledge, experience, and good interpersonal skills. Quality is of great importance in the current legal climate, since applications must be drafted focused on patentability, and careful initial drafting is key to having a good chance at success before the PTO. Final patent quality is also important in view of the narrowing of scope U.S. patents; when trying to enforce the patent, pledge it as security for a loan or sell or license patent rights. Errors and mistakes in drafting can result in either a failure to obtain the patent or to a patent with little or no value.

Managing knowledge, efficiency and cost and choosing competent patent counsel will help new inventors to traverse the new patent landscape. Seeking education, working with trusted non-IP counsel first in choosing counsel and working with patent counsel to minimize legal costs benefits the inventor and leads to a better product in the end. •