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 diversions, 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.

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) 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.
interfacing with the patent attorney and pro-attorney can assist a new inventor when
art reasonably well before going to a patent
patent office search sites. Knowing the prior
search resources such as Freshpatents.com (www.freshpatents.com/search/searchform.php), Google

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:

• Sending 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 pos-
sibly 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
invention (other than listing the invention in
publications or other disclosure of the inven-
tor; or
constitute a prior use, sale, offer for sale,
request for very high percentages of poten-
tial profits from the invention. All inventors
are generally not law firms and can be very cost-
ly, 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 con-
fidentiality of the invention will be safe-
guarded so as to avoid loss of potentially
valuable rights;
• Lack of specificity regarding what will
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 poten-
tial profits from the invention. All inventors
should work with their counsel when consid-
ering 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 find-
ing 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 informa-
tion 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
tory bars, PatentStorm, 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, tech-
nological 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. •