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Patents: Beyond the Basics

Answering Your Top 12 Questions on Strategy

Part 4

In this four-part Q&A series, six patent attorneys from Dilworth IP answer 12 patent strategy questions posed by Connecticut Innovations portfolio companies. [Please note that this patent Q&A series is for general informational purposes only and does not represent legal advice by the authors or Dilworth IP, LLC.]

Q: How should I protect my software?

A: This is a very broad question. Briefly, patents are the best way to protect your software so that others cannot copy the features and functions of your software. While there has been much press on whether software should be patentable, we still recommend seeking patent protection for software innovations. We also recommend registering the copyrights in your software with the U.S. Copyright Office so that you are in a position to quickly seek federal court consideration of infringements.

In Alice Corp. v. CLS Bank, the U.S. Supreme Court recently left unanswered the question of whether computer-implemented inventions – i.e., software – are not abstract ideas and thus patent eligible. So for now, software is still patent eligible, and companies should seek to protect their software innovations with patents. What changed from Alice is that the focus of patent eligibility shifted to a preemption analysis, and in our view what should be a balanced preemption analysis.

With the Alice decision, the Supreme Court brought a slightly sharper focus to the definition of an "abstract idea." The court found that software patents do not have a special test. That is, the same test used for all other types of patents also applies to software and business

method patents. The Supreme Court gave us a framework in the form of two questions to determine claimed inventions that are to be excluded from patentability and those that may pass to the next stage toward patentability:

Step 1. Are the claims at issue directed to "abstract ideas," "laws of nature" or "natural phenomena"?

Step 2. Do the claims contain an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than a patent on the ineligible concept itself?

Step 1 does not help in the analysis from a practical point of view. Step 2 comes down to a balanced preemption analysis, where the claims are to be analyzed to determine whether an entire field in the natural, social or business world is preempted. This analysis has to be balanced by a caution against swallowing the whole of patent law. With this balanced view in mind, we would rephrase the question in Step 2 as follows:

Do the claims contain an element or combination of elements that is sufficient to ensure that the patent in practice amounts to significantly more than using a broad guiding principle that determines, explains or describes a person's, culture's or society's behavior or activity, or that determines, explains or controls natural behavior or relationships?

When drafting software patent claims, which define the exclusionary rights, inventors and patent practitioners should consider their claim sets through such a lens, make an honest assessment as to the scope of the claims, and draw a conclusion through the balanced preemption analysis whether the claims as drafted result in an abstract idea, a law of nature, or a natural phenomenon.

Also, a word of caution on software strategy: beware open source code. While open source code can be useful in reducing the software development cycle, lower development costs and decrease go-to-market time, you have to understand the licenses under which you are obtaining the open source code and the impact, if any, on any proprietary software.

Q: How does one go about selecting the right patent attorney for one's business?

A: Many law firms have patent attorneys on staff. Some law firms are general practice firms, while others are "boutique" firms that mainly specialize in patent law. Others have solo practitioners. Depending on the circumstances, any of these options may be desirable.

First, make sure the patent attorney you hire has the right technical training in the science or engineering discipline to which your invention relates. You wouldn't hire a podiatrist to perform heart surgery. The

same is true of patent lawyers. You normally wouldn't hire a patent attorney with an electrical engineering degree to draft a patent application if your invention is in the field of molecular genetics. Make sure the attorney has the technical competency necessary to draft a sound patent application with claims that will withstand the examination process and later when the granted patent is subjected to scrutiny by a potential licensee or an accused infringer.

Second, confirm that the attorney is admitted to practice before the U.S. Patent and Trademark Office (USPTO). This is a separate requirement from being admitted to practice before the courts of any particular state. A special exam that is administered by the USPTO must be taken and passed before an attorney can file patent applications in the USPTO on a client's behalf.

Read the attorney's biography, ask for prior examples of his or her work, and find out what clients he or she has represented in the past.

Many inventors are experts in their chosen field. A patent attorney need not share your level of expertise as the inventor. However, a good patent attorney should be able to comprehend the "vocabulary" of the invention and come to a robust understanding of the invention after spending a reasonable amount of time learning about it with help from the inventor.

A tried-and-true method of selecting the right patent attorney is networking. Ask people you know and trust to recommend a patent attorney with whom they have worked successfully.

Cost is another factor. Find out what the patent attorney's fees and billing practices are before hiring. Ask for cost estimates up front to reduce the chances of nasty surprises. Because attorney fees can vary widely, shop around before settling on a particular attorney or firm. Patent law is exclusively a matter of federal jurisdiction, so you need not limit your search to patent attorneys that reside in your state.

The firm you hire is important, too. Make sure the firm has appropriate docketing and file management systems in place to properly track your patent estate during its entire life cycle. For example, even after a patent is granted, maintenance fees must be paid on a set time schedule in order to maintain the patent in force. Confirm that the firm has a solid track record of managing patents. Find out how long the firm has been in business, and ask about what software systems it uses to keep track of its clients' patent assets.

Q: What resources and references would you recommend if I wanted to learn more?

A: The United States Patent and Trademark Office (USPTO) maintains a website (www.uspto.gov) that brims with valuable information about the patent system, patent laws (35 U.S.C.) and implementing regulations (37 C.F.R.), databases of patents and published patent applications, and resources for individual inventors or small businesses. Other resources here include the Manual of Patent Examining Procedure (MPEP) and the Manual of Classification.

In addition to granted patents and published patent applications, the USPTO site allows users to access the prosecution file for any patent application that has already published but may not yet have been granted. This system, known as "Public PAIR" (for "patent application information retrieval" system), gives the public "real-time" information about the status of patent applications, including the arguments and amendments advanced by the patent applicant and the rejections and rationales provided by the patent examiner. Because patent examination often does not commence until after the application has already published, details obtained from PAIR are usually timely. Intelligence gleaned from PAIR can help interested parties decide, among other things, how likely a patent is to be granted based on published claims and whether a post-grant challenge is likely to succeed.

For patent applications filed and published worldwide, Espacenet (www.espacenet.com) and the World Intellectual Property Organization (WIPO) website (www.wipo.int) are valuable resources. WIPO allows users

to search for international applications filed under the Patent Cooperation Treaty (PCT). In addition to searching for U.S. or foreign patent applications and granted patents, Espacenet provides access to the European Patent Office (EPO) register, where all documents exchanged in the EPO prosecution prior to grant (search/examination history) and in any opposition proceedings can be downloaded for study.

After perusing these websites, you may enjoy visiting some of the more popular patent law blogs, such as Patently-O (www.patentlyo.com), IP Watchdog (www.ipwatchdog.com) or Patentdocs (www.patentdocs.org), where current issues related to intellectual property law are described, analyzed and discussed.

Need a quick, free PDF copy of a U.S. patent or published U.S. application? Punch the patent or publication number in under Google Patents or www.pat2pdf.org, and you'll have it in a jiffy.

Law firm websites (e.g., www.dilworthip.com) are another good source of current information, particularly firms that specialize primarily in IP law.

Personal contacts are another resource. For example, do you know someone who may have had firsthand experience working with a patent attorney?

Within the past 15 years, there has been considerable emphasis on locating the Rembrandts, Monets or Renoirs we somehow forgot in our IP attics, and this has led to the rise of many intellectual asset management firms, which can also be useful resources. Such firms can help companies monetize "dormant" patents and get the most from their investment in IP. Among other things, these firms conduct a systematic review and analysis of the strengths and weaknesses of a company's IP portfolio, sizing up the competition, considering freedom-to-practice issues and identifying opportunities to license, sell, donate (for tax purposes) or prune portions of a patent estate. The main idea: patents are intangible assets often with considerable bottom-line value, although the true value may be hidden or untapped. What's been underappreciated in the monetization frenzy is that patents often provide substantial value as a deterrent to competition even if they are not licensed or generating income.

However, one note of caution: be wary if you're approached by a law firm or an asset management company that wants to pigeonhole your business's facts into that firm's "proprietary" model. Every business is different, and every business deserves an individually crafted IP strategy, whether it is homegrown or created with the help of a third party.

Finally, the best way to avoid being overwhelmed with all of this is to get in touch with your friendly neighborhood patent attorney. Usually, he or she will be delighted to answer any general questions you might

have about developing a patent strategy or other intellectual property topics.

Special thanks to our Q&A Part 4 contributors from Dilworth IP:

Gerard M. Wissing, Esq.

Gerard M. Wissing, Esq., is a registered patent attorney and partner at Dilworth IP. Prior to joining Dilworth, Gerard was general counsel at Beacon Equity Partners LLC and each of its holding companies (Anaqua Inc., Anaqua Services Inc. SGA2 SAS and Exari Systems Inc.). Previously, Gerard held chief IP counsel and IP group COO positions at both Computer Associates and SAP. You can contact Gerard at gwissing@dilworthip.com.

Michael P. Dilworth, Esq.

Michael P. Dilworth, Esq., is the founder and managing partner of Dilworth IP and is a registered patent attorney. Mike's practice concentrates on patent and trademark prosecution; IP transactions and due diligence; litigation; post grant proceedings; licensing of intellectual property; portfolio management and counseling; and opinions including freedom to operate, infringement and validity opinions. He can be reached at mdilworth@dilworthip.com.

Jonathan L. Schuchardt, Ph.D.

Jonathan L. Schuchardt, Ph.D., is a registered patent attorney and partner at Dilworth IP. Prior to joining the firm in 2011, Jon was a senior patent counsel with LyondellBasell Industries and its predecessor companies. Jon began his career as a research chemist and transitioned to roles as a patent agent and patent attorney. Since 1990, he has drafted and prosecuted hundreds of patent applications and counseled clients on a variety of IP matters. Contact Jon at jschuchardt@dilworthip.com.