

When Should a Company Seek Patent Protection?

Obtaining and maintaining patents can represent a substantial portion of a company's intellectual property budget. As such, many companies form an invention review committee that is charged with determining when expenses associated with patent protection are justified. The following factors are helpful in making an informed decision when reviewing advances in technology that may be patentable:

Business goals - Ask, "How would the company be hurt if another company patented similar technology?" Be sure to consider all aspects and features of the invention. Any possible harm to business interests tends to favor filing a patent application.

Commercial Value - Ask, "How valuable is the invention to competitors and possible infringers?" Would another party pay licensing royalties to use the invention, or simply stop using the invention to avoid paying royalties? Perceived value or potential royalty generation tend to favor filing a patent application, while lack of same tends to favor not filing.

Infringement Detectability - Ask, "If the company receives a patent on the invention, how difficult would it be to detect infringement of that patent?" Example categories include: infringement is not detectable; detecting infringement requires reverse engineering; infringement is easy to detect. Ease of infringement detectability favors filing a patent application, while low detectability tends to favor not filing.

Product Embodiment - Ask, "Is or will the invention be used in the company's current products? Will it be used in future products?" Intended or existing products that embody the invention tend to favor filing a patent application.

Scope of Protection - Ask, "If patented how easy could someone design around the patent to avoid infringement? Are there other viable non-infringing alternatives?" Example categories include: invention is easy to design around; invention can be designed around, but only with some loss in value; invention is difficult to design around; no known way to design around the invention. The fact that an invention cannot be easily replaced with competing technology or designed around tends to favor filing, while an "easy design around" or prevalent competing technology tends to favor not filing.

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Longevity - Ask, "Will the invention provide a competitive advantage 3 to 7 years from now?" Most patents will not issue until 3 or more years from filing. Thus, a short product/service life cycle tends to favor not filing.

Guarding the Option – Ask, "Is there a perceived benefit in having "Patent Pending" status and preserving for a time the patent option until you have more information about commercial viability?" File now, and reconsider annually. Abandon if appropriate.

Portfolio building patents - Generally, the more patents in the company's portfolio, the greater the chances that one may be relevant in future business dealings, such as encouraging settlement or cross-licensing negotiations.

No one factor is conclusive. Rather, each factor must be considered to inform the overall decision process.