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The First-To-File Toolbox: Intake, Checklists, Templates

Law360, New York (May 20, 2014, 12:41 PM ET) -- Under the Leahy-Smith America Invents Act, the United States has moved from a first-to-invent regime to a first-inventor-to-file (FITF) regime. The prevalent advice has been to file quickly because time is of the essence. What can we, as patent practitioners, do to ensure that the patent applications we're trying to get on file as quickly as possible are also high-quality patent applications?

First, we must adapt to inventors and tailor the invention submission process to them. Second, we can use an AIA-compliant checklist for invention disclosure meetings to ensure that all questions for inventors are expeditiously addressed. And third, we can gain efficiencies by having ready-to-use, custom patent application templates.

Tailor Invention Intake for Inventors

A key to reducing the time from invention conception to patent application filing is to make the invention submission process convenient and more painless for everyone involved, particularly the inventors. Many companies continue to use the traditional, pre-AIA invention disclosure forms that caused inventors much angst. Inventors complained about the length of the forms, and the number and type of questions in these one-size-fits-all forms. Since these forms were painful and time-consuming, inventors postponed completing them. Invention submissions sat on inventors' desks and were delayed in getting to in-house counsel. Under the AIA's FITF regime, it's more important than ever to address this bottleneck.

The pre-AIA one-size-fits-all approach is no longer efficient. While the old disclosure forms will still work in some cases, they do not encourage inventors to submit inventive concepts as quickly as needed under the AIA. Rather, the invention submission process must be tailored to the specific type of inventor/inventive teams. Some factors to consider when determining the best approach for obtaining disclosures include: (1) inventors' time constraints and availability; (2) inventor incentive programs; (3) inventors' patent experience and training; and (4) size and location of the inventive team.

For example, if meeting requests to inventors are being ignored, taking another approach is prudent. For nonresponsive inventors, one effective strategy is for patent counsel to call the inventor instead of sending an email. Some busy inventors receive hundreds of emails each day and a request for an invention disclosure meeting could get buried in their inbox. Efficient handling of a nonresponsive inventor is especially critical under a FITF regime.

As such, an even more effective strategy is to intertwine innovation with the company's compensation structure and annual employee review. Many companies already have programs in place to monetarily reward employees for submitting an invention disclosure, assisting patent counsel in filing a patent application, being listed as an inventor on a granted patent, or being listed on a patent licensed[1] to a third party.

At exactly what stage in the process the inventors are compensated can also affect the effectiveness of a company's inventor incentive program. Only compensating inventors at patent grant or upon licensing, which might not occur until many years after the invention conception, might leave the incentive too far into the future to be effective. Meanwhile, paying inventors for every invention submission, whether or not it is pursued in a patent application, might open the floodgates to low-quality invention submissions.[2] Striking a balance is important. Empirically, more companies pay inventors at patent application filing than at any other time.[3]

Sometimes even more effective than monetary rewards are accolades and "bragging rights." Some companies reward their most proactive inventors with a private, annual dinner with the CEO. Trophies or plaques have also proven effective for some companies. The end goal is to eliminate nonresponsiveness from inventors.

The bedrock of an innovation culture is proper intellectual property training. Employees trained to flag IP issues are in a better position to bring them to the patent counsel's attention in a timely and efficient manner. The training they receive must be tailored to the company's industry. For example, with consumer goods companies, capturing and patenting the user experience aspects of a paper towel roll or resealable plastic bags can be very valuable.[4] These potential inventors should be trained to spot these types of features when they arise and elevate the issue to patent counsel. More importantly, a well-trained inventor will provide quality, concise invention submissions[5] that will translate into faster, high-quality patent application filings.

Providing IP training to employees has, in economic terms, spillover benefits that far outweigh the cost and effort of providing the training. The training can be as basic as helping scientists, programmers, and marketers better appreciate the amount of detail that needs to go into a patent application by way of a high-level discussion about the written description and enablement requirements of patent law. The company's invention disclosure submissions should see a noticeable improvement.

Under the AIA, it's more important than ever to create a robust IP training program that will create cheerleaders for IP amongst the employee ranks. These innovation enthusiasts will help drive invention submissions, and can also serve as gatekeepers when patent counsel comes across nonresponsive inventors in their teams.

Having a gatekeeper is particularly helpful when faced with large inventive teams. Gatekeepers can help facilitate an efficient, coordinated review of the draft patent application, as well as follow up with nonresponsive co-inventors. Moreover, when dealing with a large inventive team, it's even more important to obtain early on the country of residence of each inventor. If inventors reside in a country with foreign filing license requirements (e.g., India), counsel must build in time to obtain a foreign filing license before filing in the U.S. It's best to start the licensing process concurrent with other tasks in the pre-filing timeline to avoid filing delays.

Develop an Invention Disclosure Meeting Checklist

With so many moving parts while also racing against the clock, it's critical for attorneys to use a robust invention disclosure meeting checklist to ensure efficient use of inventor time and to avoid delays. To be effective, the checklist should be manageable and easy to reference. A sample one-page checklist can be downloaded here.

It's important to customize the checklist to each specific company, as well as periodically revisiting it to keep it fresh. For example, a consumer goods company might include strategic questions directed at capturing the user experience. Meanwhile, every company should confirm their checklist is up-to-date with the requirements of the AIA. For example,

under the AIA, attorneys must educate inventors about the expanded universe of prior art, which now includes worldwide public uses. Furthermore, while the AIA provides for a public disclosure “grace period” of sorts, if any such public disclosure has occurred, attorneys should capture and preserve the pertinent facts surrounding the disclosure. These facts and documents will form the basis of any future invocation of a 35 USC 102(b)(1) exception, or affidavits under 37 CFR 1.130(a) or 1.130(b) for attribution or prior public disclosure, respectively.

Having a checklist ensures that each topic is sufficiently covered during what may be the attorney’s first, and possibly only meeting, with all of the inventors. With the checklist in hand, the attorney can ask all the questions he or she needs, and then return to the office to efficiently draft a quality patent application.

Customize Patent Application Templates

Even with responsive inventors who are sufficiently incentivized, what can patent attorneys do to ensure that the patent applications they are drafting on a shortened timeline are also of high quality? Patent application templates can be helpful by jump-starting the drafting process.

However, as with the invention disclosure meeting checklist, the patent application template must be tailored to the company’s industry and product offerings. For example, the template for a banking institution might include stock figures showing a systems level diagram of interactions between ATM machines, tellers, vaults, bar code scanners, and the MICR strip on a check. Meanwhile, the stock figures for a consumer goods company would be very different.

Companies typically have numerous product lines and multiple divisions. Consequently, most companies will need more than one patent application template. Specifically, a versatile template will include numerous figures with corresponding descriptions. It’s up to the attorney to select which figures are appropriate to include in the patent application for the particular invention. Moreover, the custom template should take into account the company’s foreign filing predilections and the idiosyncrasies of those jurisdictions — e.g., avoiding foreign language translation costs by excluding unnecessary text in the figures.

When preparing a starter template for a company, in addition to conferring with in-house counsel and business clients, consider the following information:

- Organizational charts of the divisions and departments of the company;
- Company’s product offerings and groupings;
- 10K filing, if a publicly traded company;
- Recent patents and published patent applications;
- Closest competitors’ recent patents and published patent applications; and
- three to five “blue sky” prophetic features of the industry.

Of course, a discussion about patent application templates would be incomplete without a word of caution. Attorneys should remain vigilant of how the stock material is prepared and where that stock material is used/reused.[6] The Cold Spring Harbor Laboratories case [7] and the Tethys Biosciences case[8] provide us with some insight.

The Cold Spring Harbor Laboratories case is a lawsuit brought by Cold Spring Harbor Laboratories (CSHL) against its attorney. CSHL developed a method to regulate gene expressions by using synthetic RNA molecules called “short hairpin RNAs.” CSHL alleged that when its attorney drafted its patent application, he bulk copied portions from another of his client’s applications into the detailed description section of CSHL’s new application.

CSHL argued that because of this, the USPTO rejected CSHL's patent application in view of the publication from which the text was copied. The CSHL case was dismissed for improper venue and transferred to Massachusetts state court where, as of the writing of this article, it is currently pending.[9]

Meanwhile, the Tethys Biosciences case involves Tethys Bioscience alleging that its attorney took portions from Tethys Bioscience's provisional patent application and later re-used it in another client's patent application. In response to a motion to dismiss, the court held that Tethys Bioscience had sufficiently stated its claim. The court reasoned that even if the copied portions were high-level background information that a person with ordinary skill in the art would have known, the manner in which that information was presented in the provisional patent application was not publicly known. The attorney had a duty of confidentiality to his client, and sometimes this can mean that otherwise public information is barred as confidential based on the specific facts of the case. The Tethys Bioscience case settled and was dismissed without a final verdict from the court.

Key points to remember when creating a company's patent application template include setting expectations and providing full disclosure. Taking a page from the U.S. Patent and Trademark Office's rule book,[10] provide full disclosure to clients as to the source of stock language in the template. As explained earlier, since templates need to be customized to the particulars of the company, it's best to create fresh content. However, if any of the content will be recycled, regardless of whether or not the source is public, make this clear to all parties involved. The situations in CSHL and Tethys Bioscience might have been avoided altogether had full disclosure occurred upfront between all the parties involved.

Conclusion

With these additions to our patent practitioner's toolbox, we are closer to successfully filing quality patent applications for clients in record time under the AIA. Moving forward, the impetus is on us, as in-house counsel and outside counsel, to keep our tools sharp. It's important to revisit the patent application template periodically (perhaps even quarterly) to keep it from getting stale. As your company's industry, product offerings and competitors change, so should your template, checklist and inventor intake process.

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[1] See Kassab, Chris, "Ford Offers Employees Added Incentives to Become Inventors," available at ford.com, Sept. 12, 2011 ("The second new award, the Technology License Income Award, will recognize Ford inventors named in an original patent issued to Ford if the patented invention is licensed to a third party by Ford for royalty income. The award is 30 percent of the royalty income received up to a maximum award of \$50,000 to be divided between inventors.")

[2] A word of caution here: If you are putting a new incentive structure in place and find that the size of your inventor teams has changed drastically, take a minute to scrutinize the inventor team. The requirements for being a co-inventor remain the same pre-AIA and under the AIA. Although the desired timeline for filing has been shortened, we must still stand guard of application formalities, such as identifying correct inventorship.

[3] See IPO – Employee Inventor Compensation Practices Survey, Report of the IPO Asian

Practices Committee, Feb. 2004.

[4] See Bloomberg BNA, "The Total User Experience: Improving the Content and Quality of Your Company's Patent Application Process Post-AIA," December 2013, available at <http://www.bna.com/total-user-experience-w17179879898>.

[5] The Hayes Court explained that it's about quality, not quantity: "While some inventions require more disclosure, the adequacy of the description of an invention depends on its content in relation to the particular invention, not its length." See *In re Hayes Microcomputer Prods.* (Fed. Cir. 1992).

[6] See Hricik, David, "Copying Text from One Client's Patent into Another's Application," 5 No. 5 *Landslide* 22, May/June 2013.

[7] *Cold Spring Harbor Laboratory v. Ropes & Gray LLP et al.*, 840 F. Supp. 2d 473 (D. Mass. 2012).

[8] *Tethys Bioscience, Inc. v. Mintz et al.*, 98 U.S.P.Q.2d 1585 (N. D. Cal. 2010).

[9] Although now in Massachusetts state court, federal court Judge Richard G. Stearns has been quoted on several occasions for his statement regarding copying: "This citation to a popular how-to reference book, which states that copying is an accepted practice in patent drafting, is dubious at best and, at worst, an insult to the professional standards of the patent bar."

[10] The USPTO's rules contemplate some amount of "recycling." Under the Office's incorporation by reference practice, prior publications can be incorporated by reference into a patent application as if they were copied directly into the application. Likewise, the Office recognizes continuation-in-part applications that allow patent applications to claim the benefit of a previous application filing. However, in both instances, the Office requires that the source of the copying be expressly identified in the patent application.

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