PATENTQUARTERS™

The Newsletter of O'CONNOR & COMPANY • First Quarter, 2008

Make It Happen This Year!

As O'Connor & Company enters its third year of operation as a professional practice, we look forward to interesting times ahead—in the businesses of our clients, in the Patent Office, and in our own offices!

In this issue, we discuss some of our thoughts on federalizing trade-secret law (page 2); unlike patent law which is a federal law, trade secrets are currently enforced through state laws only.

The Internet poses several challenges regarding what constitutes prior art that can be used to defeat patentability of your invention—or prior art that could be used *by you* to argue for invalidity of a competitor's patent. The Patent Office's current position on this is summarized on page 3.

Many technical organizations rely on federally funded R&D to help generate IP. Page 4 presents a quick checklist for complying with certain patent guidelines for federally sponsored research.

Contact us if we can help you fulfill your intellectual-property goals, or even if you just have a question. Also please continue to visit our web site at www.OConnorCompanyPLLC.com. ***PQ***

IP Resolutions *Reprise*

Make 2008 the year that you aggressively pursue your big IP goals! *PQ*

1. **Make IP management a top priority.**
2. **Facilitate communication between all relevant parties.**
3. **Review your portfolio on a regular basis.**
4. **Pursue licensing opportunities that advance your business.**
5. **Review your competitors' patents on a regular basis.**
6. **Be engaged in the patent-prosecution process.**
7. **Educate your inventors.**
8. **Remain objective.**
9. **Be proactive, not reactive.**
10. **Stop procrastinating!**

Source: Q1-2007 *PatentQuarters* (the original article includes tips for each point).

Should We Federalize Trade-Secret Law?

A trade secret "is one of the most elusive and difficult concepts in the law to define," as aptly observed in *Lear Siegler, Inc. v. Ark-Ell Springs, Inc*., 569 F.2d 286, 288 (5th Cir. 1978). In many cases, the very existence of a trade secret is not obvious; it requires an *ad hoc* evaluation of all the surrounding circumstances.

Whereas a patent is a federal legal instrument that is enforced in all states, a trade secret is currently defined at the state level. A "trade secret" is information, including a formula, pattern, compilation, program device, method, technique, or process, that: (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (Uniform Trade Secrets Act).

The American Intellectual Property Law Association and other organizations have been recently considering this issue and compiling pros and cons to a federal (United States) trade-secret law, which does not currently exist. We at O'Connor & Company see several possible advantages.

One possibility is the registration of trade secrets within the USPTO, similar to registration of other forms of IP. If a trade secret could be registered and assigned a discrete filing number—e.g. U.S. Trade Secret No. abc,xyz—it could allow for some conveniences in commerce:

- When there is a desire to exchange confidential information relating to a trade secret with a third party, legal agreements (such as an NDA) can recite the actual registration number as part of the confidential information about to be transferred.
- Registration could also help track corporate trade secrets, which is a widespread problem (many businesses never explicitly define their trade secrets).
- Registration allows for less-ambiguous selling of trade secrets. "I hereby assign U.S. Trade Secret No. abc,xyz to Company X" would be preferable to vague references to IP sold.

We suspect some readers are saying to themselves that they would not trust the USPTO with their trade secrets. Yet, *this is essentially standard practice today* when a patent application is filed: it is a trade secret until the patent application publishes at 18 months from the filing date. Prior to publishing, patent cases can always be abandoned and instead retained as trade secrets. This is especially true with the filing of provisional patents, as is common practice today. Provisionals are *never* published and really are just filed trade secrets unless one decides to file a utility patent before the one-year bar date.

In our view, a filed (registered) trade secret establishing a date of invention should be capable of later conversion into a *bona fide* patent application, whose effective filing date is the trade-secret registration date. Upon conversion, an examiner would review the initial registration disclosure.

Another possible advantage to a federal trade-secret law is that a practitioner could become licensed to practice trade secrets and would be able to conduct that practice in all states, just as the federal Patent Bar allows. Patent agents need to be able to advise on trade secrets as a key alternate form of IP protection; the USPTO demands this and the Supreme Court allows it within the limited license to practice law granted to patent agents. Yet, current state laws do not recognize this function of patent agents. A federal statute, especially if connected with the patent laws/rules within the USPTO as proposed above, could establish the ability of technically trained agents to practice before the USPTO.

We believe it is indeed time to federalize trade-secret protection. We are currently studying this issue and plan to develop a multi-client white paper that will be available at our web site. ***PQ***

When are Internet Postings Valid Prior Art?

Everyone knows that the Internet can be a great source of information, but unlike traditionally published documents, the Internet poses challenges for patent rules relating to "prior art." Information can rapidly evolve; files are erroneously posted and then taken down; and so on. Wynn W. Coggins, Chief Examiner of eCommerce patent applications at the USPTO, recently (December 2007) published a useful article about dealing with electronic prior art. The following are some highlights.

Internal Documents
Internal documents intended to be confidential are not "printed publications" and are unavailable for use as prior art. This is regardless of how many copies are distributed. Additionally, note that "[w]hile distribution to government agencies and personnel alone may not constitute publication... distribution to commercial companies without restriction on use clearly does." Garrett v. US., 422 F.2d 874 (Ct. Cl. 1970).

Electronic Publications
An electronic publication, including an on-line database or Internet publication, is considered to be a "printed publication" within the meaning of 35 U.S.C. §102(a) and (b) provided the publication was accessible to persons concerned with the art to which the document relates. Thus, "whether information is printed, handwritten, or on microfilm or magnetic disk or tape, etc., the individual who wishes to characterize the information as a printed publication...should produce sufficient evidence of its dissemination or that it has been otherwise available and accessible to persons concerned with the art to which the document relates...." Wyer, 655 F.2d 227, Amazon.com v. Barnesandnoble.com, 73 F. Supp. 2d 1228 (W.D. Wash. 1999).

Web Pages
Prior art disclosures on the Internet or in an on-line database are considered to be publicly available as of the date the item was publicly posted. This is provided that the item is dated and not temporal, and can be indexed for subsequent retrieval. An example of a temporal item is a web broadcast that cannot be saved, retrieved or printed, e.g., a live simulcast feed that is not archived, and a "streaming" audio or video that flashes across the screen. ***PQ***

New Office Location

Starting in January 2008, O'Connor & Company's primary office is now located in Broomfield, Colorado, situated near the cities of Denver and Boulder. Our new mailing address is shown on page 4. Our street address for overnight deliveries is available by giving us a call.

Our clients will see no difference in quality or timeliness of service with the new office location. The Patent Bar is unique in that it confers a *federal* law license that allows us to practice before the U.S. Patent and Trademark Office in patent cases anywhere within the United States! ***PQ***

O'Connor & Company

Checklist for Federally Sponsored Research Compliance

☐ When invention disclosures are received, make sure the researcher has responded to the sponsorship question. Clarify if needed.

☐ Report the invention to the sponsoring federal agency within 60 days of receiving the disclosure.

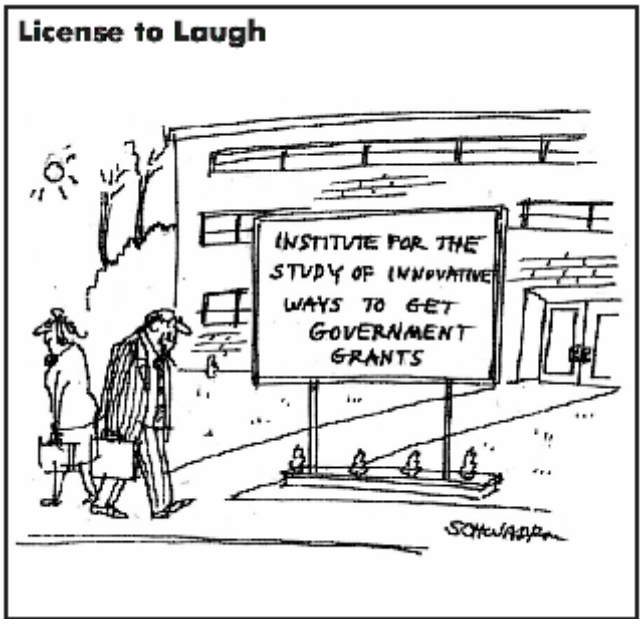
☐ If the invention is publicly disclosed, notify the agency at least 60 days prior to the statutory bar date (typically one year after the date of publication, sale, or public use).

☐ If you elect title to the invention, that fact must typically be reported to the agency within two years of the original disclosure to the agency.

☐ If you do not elect title, the agency must be notified that you are releasing your rights at least 60 days prior to the end of the two-year period after initial disclosure.

☐ When patents issue, provide the federal agency with the patent number and issue date.

☐ Prior to close out of the federal grant or contract, provide the awarding agency with a final invention statement using the appropriate agency form. ***PQ***



Source: *TECHNOLOGY TRANSFER TACTICS,* December 2007; Susan E.Webster.

Contact Us!

O'Connor & Company
P.O. Box 7389
Broomfield, CO 80021-0024
Phone: 1-612-708-5086
Fax: 1-866-586-5349
E-mail: info@oconnorcompanypllc.com
Internet: www.oconnorcompanypllc.com

O'Connor & Company

"Intellectual-property strategy consulting and patent prosecution for the chemicals, materials, energy, and biotechnology industries"

U.S. Patent Bar Licenses 56692, 56693

Legal Notices