

PATENTQUARTERS™

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Welcome to another newsletter by O'Connor & Company. In this issue, we tackle some common myths associated with provisional patent applications (below). On page 2, the complex topic of *inventorship* is discussed—including business, legal, and personal aspects. Page 3 summarizes a recent court case involving patentable subject matter for a disease treatment. Finally, read about the game "Anti-Monopoly" on page 4. Thanks for reading! **PQ**

Provisional Patent Applications: Myths and Realities

A U.S. provisional patent application is an effective way to establish a priority date for an invention. Advantages of first filing a provisional application include lower Patent Office fees and an extra year to assess the economic potential of the invention. There are, however, many myths associated with provisional patents, and here we shall attempt to debunk some of them.

Myth: A provisional patent application is not a "real" patent application.

Reality: While a provisional application will not be formally examined by the USPTO in the year that it is pending, a provisional application is still a true application for patent. At or before the one-year due date, a provisional can be converted into a non-provisional application, or (more commonly) a full patent application can claim priority to the provisional filing.

Myth: A provisional patent application is cheap.

Reality: Yes, the fees charged by the Patent Office are less for a provisional (just \$110 for small entities) versus a non-provisional application (usually about \$1,000). The time to prepare a provisional will, of course, depend on the desired quality. It is usually recommended that provisional applications be drafted in a similar fashion as full patent applications so that legal priority is effectively established for later claims. A provisional does not inherently give rise to a priority date for all claims in later applications; the later claims must be enabled and clearly described by the provisional application.

Myth: A provisional patent application never becomes public.

Reality: This myth is common and perhaps surprising. It is true that the Patent Office will never publish a provisional patent application. A non-provisional application will officially publish at 18 months from the priority date. Nevertheless, when an application is published, the entire case is opened to the public (e.g., Public PAIR at www.uspto.gov). This includes priority documents, such as provisional applications. A provisional is not "forever secret" unless it is simply allowed to expire with no follow-on filings. Don't embarrass yourself with quick provisionals thinking that nobody will ever see them!

Myth: A provisional patent application causes a loss of one year of patent term.

Reality: One argument against using provisionals is that because patents are in-force for 20 years from the application date, an owner will lose a year of patent term to enforce the patent. This is not true, because the 20-year patent term is measured from the filing date of the non-provisional patent application, even when earlier priority is claimed. On the other hand, patent examination might start sooner by skipping the provisional phase. **PQ**

Inventorship: Why It Is Such a Thorny Issue

On the topic of inventorship, there are several concerns that need to be parsed. These issues include business value, legal/technical issues, and personal credit.



(i) Business Value

There should be an intentional decision to bring more people into innovation to develop inventions. This will help you collaborate and improve concepts, test theories, challenge assumptions, etc. Enterprise value should improve, if you are working on (inventing) the right things.

Organizations should encourage the submission of invention disclosures. If something is not written down, it does not exist! Feedback given to inventors should keep this in mind. Additionally, invention disclosures are useful even when the concept is not patentable. Documentation of trade secrets and know-how is good practice.

While business value ultimately should drive everything, value can be destroyed if you don't get the legal issues right, or if you don't properly recognize (and guide) individual and team contributions. This leads to the next two aspects.

(ii) Legal/Technical Issues

Legally, the determination of inventorship is complex and actually is a function of the specific intellectual-property right that is sought. Consider three of the primary strategies to leverage a piece of innovation: Patent, Trade Secret, or Publish. The authors of a paper to be published might include not only the inventors but others who helped write the paper and perhaps a unit manager. The inventors of a trade secret would generally include all those who contributed in some fashion to the creation of the know-how.

On the other hand, the inventors to be named in a patent can be a much smaller set of people. Why? Under U.S. patent law, an inventor for a patent is a person who has contributed to the conception of the invention, but not necessarily to the reduction to practice of the invention. A person who solely helps reduce to practice, regardless of the extent of the work (e.g., experiments or analysis), is not an inventor.

Don't expect your technical folks to try to make these determinations, which is why an invention disclosure should tend to include rather than exclude.

(iii) Personal Credit

It has been observed that some inventors omit the contributions of others in an attempt to claim full credit for the innovation. In other cases, the authors of disclosures seem to sincerely believe they are the sole inventors but do not understand the law.

Individuals desire to be recognized for their contributions. Reward systems can be considered and are utilized at some companies. Inventors can be recognized in ways beyond a formal system. Many companies simply expect that as part of the salaries paid to employees, they will write up their inventions and help legally protect the IP.

By giving appropriate credit to inventors, there may be less incentive for intentional exclusions, plus enhanced teamwork—leading to improved technology and business value. Try to encourage a collaborative attitude for R&D and IP! **PQ**

Method Claim for Treating Crohn's Disease Is Patentable Subject Matter

Prometheus Laboratories, Inc. v. Mayo Collaborative Services,
Fed. Cir., No. 2008-1403, 9/16/09

A patent on a method for treating Crohn's disease, claiming the administering of a drug and determining the level of its metabolites, qualifies as patent-eligible subject matter under 35 U.S.C. 101, the Federal Circuit held September 16, 2009. The court's ruling reflects the position advocated by the American Intellectual Property Law Association.

The patent claims a method of optimizing the therapeutic efficacy of treating an immune-mediated gastrointestinal disorder by administering a particular drug, determining the resulting level of the drug's metabolite in the patient, and then increasing or decreasing the amount of the drug based on that level.

The Federal Circuit rejected the argument that the patent claims nothing more than a naturally occurring correlation and extra-solution data gathering steps. Judge Alan Lourie pointed out that the method claim falls squarely within the test recited by the Federal Circuit in *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008, en banc; cert. granted) 129 S. Ct. 2735 (June 1, 2009). He explained that the claim in this case is a method of treatment that transforms the human body, and that transformation is central to the purpose of the claimed process.

A method of treatment is always transformative when a defined group of drugs is administered to the body to relieve an undesired condition, according to the court. "The fact that the change of the administered drug into its metabolite relies on a natural process does not disqualify the administering step from the realm of patentability," Judge Lourie wrote. He dismissed the argument that a natural process and natural law are involved here, noting that all transformations operate by natural principles.

The court also held that the "determining" step was both transformative and central to the method of treatment. It is transformative because it cannot be done "by mere inspection," Judge Lourie noted, explaining that some manipulation of the blood sample is required. It is not a mere insignificant, extra-solution data gathering step because it is a significant part of the claimed method of treatment, he added. Administering and determining are part of a transformative treatment protocol, according to the court.

The appellate court acknowledged that the district court relied on Justice Breyer's dissenting opinion in *Laboratory Corporation of America Holdings v. Metabolite Laboratories Inc.*, 548 U.S. 124 (2006). However, Judge Lourie pointed out that the opinion was not controlling and that the claims here are different from the claims at issue in that case.

Nor does the presence of a mental step in the claim detract from patentability, the court continued, noting that there is more to the claims than mental steps. While correlations are involved, the claims are directed to a method of treatment, not to a correlation. While natural processes are involved, the claims cover a particular application of natural processes used to treat diseases.

The question of what can be patented is not going away. We expect the U.S. Supreme Court to consider this fundamental issue this quarter. The outcome could change our patent laws and alter strategies for drafting and prosecuting patent applications for inventions across many technological arts. **PQ**



Monopoly and "Anti-Monopoly"

A patent is a type of limited, government-granted **monopoly** over a particular product or process, allowing the owner to determine the terms on which other individuals can access the invention.

As many know, the board game Monopoly is the most commercially successful board game in United States history. According to Hasbro, since Charles Darrow patented the game in 1935, approximately 750 million people have played the game.

There is also a board game called "Anti-Monopoly" having an interesting history of IP battles with the traditional game of Monopoly. Anti-Monopoly is a reverse-direction monopoly game, where the board is monopolized in the beginning and players compete with each other to return a virtual economy back to a competitive, free-enterprise system.

IP litigation concerned the word "Monopoly" and whether it was entitled to trademark protection, including *within* the phrase "Anti-Monopoly." A federal district judge ruled for Monopoly twice and banned Anti-Monopoly from the market for six years. The judge even authorized the burial of 40,000 Anti-Monopoly games in a Minnesota garbage dump! Anti-Monopoly won two appeals, and ultimately had a favorable ruling in the U.S. Supreme Court, allowing the game to be sold again.

You can buy the Anti-Monopoly board game for about \$25 at www.antimonopoly.com. **PQ**

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