

# **PATENTQUARTERS™**

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**The Newsletter of O'CONNOR & COMPANY • First Quarter, 2010**

## **Economic Recovery by Innovation**

Economic recovery for the United States, and globally, depends on innovation. Why is this so? Historically speaking, the progress of humans—in terms of quality of life—has been made possible by the intrinsic nature of human beings to learn, adapt, and improve things. Innovation can improve the quality of life for not only oneself, but for everyone. Innovation can give rise to higher system efficiencies and better distribution of resources. Innovation creates new industries and jobs.

But the government cannot technologically innovate for us. Of course, many government initiatives could be construed as “innovative” in their fiscal policy, legal regulations, or even the simple notion of “change.” The federal government has a role in encouraging innovation by providing R&D money and tax incentives, and by granting exclusionary rights (patents) to induce costly investments in the first place. The government will not invent, however; that is your job!

As hard as the past couple years have been economically, we encourage everyone to look forward and make 2010 the year where you get to that next level in your businesses or careers. Remember, all challenges are also opportunities in disguise. It is *not* easy to be an inventor or an entrepreneur. This truth is essentially by definition. Anything that is trivial has probably already been invented; the easy money has been made. And it can be difficult to turn an invention into a viable business. You may need business-system innovations as much as technical inventions.

Our job to represent clients before the Patent Office is not getting easier either, with a lot of actual and potential reform in the Patent Office, in Congress, and in the courts. We shouldn't be surprised. The patent courts have warned: “The life of a patent solicitor has always been a hard one” (379 F.2d 990, CCPA 1967). We're all in this together!

Contact us anytime; we operate a 24/7 patent and intellectual-property practice. **PQ**

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## **Intellectual Property Exchange is Launched**

Chicago-based Intellectual Property Exchange International (IPXI, [www.ipxi.com](http://www.ipxi.com)) is the world's first financial exchange focused on intellectual property. IPXI allows owners of IP to more efficiently monetize their assets while providing investors access to a new trading and investment opportunities. IPXI facilitates investment and risk management in IP-related assets, allows IP owners both large and small to unlock the value of their assets, and creates efficient technology transfer to improve price discovery. By enhancing transparency in the marketplace, IPXI promotes a deeper understanding of the economics of innovation.



In return for a share of the revenues, the exchange will promote a patent and sell license rights in individual units, issued like stocks. The exchange also will enforce its protections with litigation, when necessary, and publish sales and price data online. “It's like an initial public offering for a patent,” explains Jim Malackowski, chief executive of Ocean Tomo, the Chicago merchant bank backing the exchange. The exchange may be useful for independent inventors, small companies, or universities without the financial backing to promote or enforce patents on their own. **PQ**

**“When one door closes, another opens;  
but we often look so long and so regretfully upon the  
closed door that we do not see the one which has opened.”**

— Alexander Graham Bell, American inventor

## **New Option to Accelerate Greentech/Cleantech Patent Examination**

### *Overview*

On December 8, 2009, the U.S. Patent & Trademark Office announced the Green Technology Pilot Program. This new program can accord “special status” to patent applications claiming green technologies relating to environmental quality, energy conservation, development of renewable energy, and greenhouse-gas emission reduction. The special status will accelerate patent examination as well as appeals and interferences before the Board of Appeals and Interferences.

To qualify, a patent application itself must have been filed *before* the date of the notice. Clearly, the Patent Office did not want to give any heads-up, to avoid a rush of greentech/cleantech patent filings. Also, to be eligible a patent application must be still awaiting its first Office Action. An applicant must agree to early application publication, and an application must contain twenty or fewer claims and, at most, three independent claims. Note that a preliminary amendment can be filed along with the petition, if the initial application contained greater than 20 claims.

Petitions for an application to be made special under this program must be filed electronically by **December 8, 2010**. No petition fee is required. The program will be terminated after the first 3,000 petitions are filed with the USPTO, unless it amends/extends the program.

According to the Patent Office press release, the program is said to “... accelerate the development and deployment of green technology, create green jobs, and promote U.S. competitiveness in this vital sector.” The timing for the announcement appears to have been coordinated with the U.N. Climate Change Conference in Copenhagen, Denmark.

### *Eligible Technologies*

A patent application must be classified in one of several technology classifications (see 74 Fed. Reg. 234 pp. 64668-9, Dec. 8, 2009) to qualify for the program. The program classifies inventions into 79 technology descriptors, in four general areas (see Appendix on page 3 for a selected list):

- Alternative energy production
- Energy conservation
- Environmental purification, protection, or remediation
- Environmentally friendly farming

### *Strategy Considerations*

This pilot program is a welcome development for greentech or cleantech companies, which often rely on patents to help protect their developing businesses from copyists or to raise further funds to commercialize the technology. The pilot program does not make it easier to obtain an issued patent. The same standards to assess claim patentability apply to applications undergoing accelerated examination as during regular patent prosecution.

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An advantage of the pilot program is that it dispenses with the requirement to prepare an “examination support document,” as needed under the existing process for accelerating examination of patent applications. The examination support document for normal accelerated examination is a lengthy, detailed set of arguments relating to claim analysis and putative patentability over prior-art references found from a search. It is typically very expensive to draft. Eliminating this document from the Green Technology Pilot Program will certainly help reduce legal expenses for applicants wishing to take this fast-track option.

Accelerated examination can be helpful if an applicant is aware of a potential infringer, or desires the certainty of having an issued patent for purposes of licensing or seeking funding. Accelerated examination may not necessarily be of benefit for all green-technology applicants or corporations, however. Accelerated examination will expose the technology to competitors earlier (due to the early publication), accelerate the costs for prosecution, and may require strategy decisions when less is known about the commercial landscape for the technology.



Contact us if you have questions or would like to know whether your patent application is eligible. One of our market niches is greentech/cleantech patent drafting and prosecution! **PQ**

#### *Appendix: Selected Classifications Eligible for Green Technology Pilot Program*

- Agricultural waste (USPC 44/589)
- Biofuel (USPC 44/605; 44/589)
- Chemical waste (USPC 110/235–259, 346)
- Fuel cell (USPC 429/12–46)
- Fuel from animal waste and crop residues (USPC 44/605)
- Gasification (USPC 48/197R, 197A)
- Genetically engineered organism (USPC 435/252.3–252.35, 254.11–254.9, 257.2, 325–408, 410)
- Geothermal (USPC 60/641.2– 641.5; 436/25–33)
- Harnessing energy from man-made waste (USPC 75/958; 431/5)
- Hydroelectric (USPC 405/76–78; 60/495–507; 415/25)
- Landfill gas (USPC 431/5)
- Nuclear power—induced nuclear reactions: processes, systems, and elements (USPC 376/all)
- Photovoltaic (USPC 136/243–265)
- Refuse-derived fuel (USPC 44/ 552)
- Solar cells (USPC 438/57, 82, 84, 85, 86, 90, 93, 94, 96, 97)
- Solar energy (USPC 126/561–714; 320/101)
- Water level (e.g., wave or tide) (USPC 405/76–78; 60/495–507)
- Wind (USPC 290/44, 55; 307/64– 66, 82–87; 415/2.1)
- Alternative-power vehicle (e.g., hydrogen) (USPC 180/2.1–2.2, 54.1)
- Commuting, e.g., HOV, teleworking (USPC 705/13)
- Electric lamp and discharge devices (USPC 313/498–512, 567–643)
- Electric vehicle (USPC 180/65.1; 180/65.21; 320/109; 701/22; 310/1–310)
- Emission trading, e.g., pollution credits (USPC 705/35–45)
- Energy storage or distribution (USPC 307/38–41; 700/295–298; 713/ 300–340)
- Fuel cell-powered vehicles (USPC 180/65.21; 180/65.31)
- Hybrid-powered vehicle (USPC 180/65.21–65.29; 73/35.01–35.13, 112–115, 116, 121–132)
- Incoherent light emitter structure (USPC 257/79, 82, 88–90, 93, 99–103)
- Land vehicle (USPC 105/49–61 (electric trains); 180/65.1–65.8 (electric cars))
- Optical systems and elements (USPC 359/591–598)
- Transportation (USPC 361/19, 20, 141, 152, 218)
- Alternative irrigation technique (USPC 405/36–51)
- Animal waste disposal or recycling (USPC 210/610–611; 71/11–30)
- Fertilizer alternative, e.g., composting (USPC 71/8–30)
- Water conservation (USPC 137/ 78.2–78.3; 137/115.01–115.28)
- Biodegradable (USPC 383/1; 523/ 124–128; 525/938; 526/914)
- Carbon capture or sequestration (USPC 95/139–140; 405/129.1–129.95; 423/220–234)
- Environmentally friendly coolants, refrigerants, etc. (USPC 252/71–79)
- Nuclear waste containment or disposal (USPC 588/1–20, 400)
- Plants and plant breeding (USPC 800/260–323.3)
- Post-consumer material (USPC 264/36.1–36.22, 911–921; 521/40–49.8)
- Recovery of excess process materials or regeneration from waste stream (USPC 162/29...)
- Recycling (USPC 29/403.1–403.4; 75/401–403; 156/94; 264/37.1–37.33)
- Using microbes or enzymes (USPC 435/262.5)

## Ford Ordered to Pay Inventor \$55 Million in Patent Infringement Lawsuit

Jacob Krippelz of Illinois invented and patented a sideview mirror light in the early 1990s and attempted to license it to Ford and Mercedes, which both turned him down. In 1997, Krippelz discovered that Ford had used his invention anyway—without paying a dime in royalties. Now, a jury and judge in federal court have ruled in Krippelz’s favor, awarding the inventor \$44 million in initial damages and another \$11 million in interest since Ford’s first act of infringement.

The case is reminiscent of that of Robert Kearns, whose decades-long battle against the major automakers was the subject of the film *Flash of Genius* (and our Q4-2008 newsletter feature article). Kearns and Krippelz both eventually prevailed after struggles of many years, but Krippelz appears to have won his suit without going through the personal tragedy that Kearns endured.

Krippelz, along with his sons Joseph and Jacob Jr., operate Jake’s Inc., a machining and heavy equipment component manufacturing company in Aurora, Illinois that also has a plant in Mexico.

The language in U.S. District Judge James Zagel’s 33-page ruling anticipated criticism of the small inventor as a “patent troll”—an inventor who patents an invention without intending to practice it, but instead licenses it to others. “The sending of the patent made good sense for Krippelz,” wrote Judge Zagel. “He was not in a position to put his invention into commerce; he did not make automobiles or their parts. His market was automakers, and their suppliers. It is quite reasonable that he would [license] his patent, once issued, to an automaker, and that is what he did.” **PQ**

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