

TechRoadmap *Directions*

Intellectual Property Issues of Interest to High Tech Companies

Vol 5 Issue 4

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- [US Patent Office](#) A host of useful, official information.
- [EKMS, Inc.](#) A strategic IP management partner of TechRoadmap.
- [The Patent Cafe](#) An on-line portal for IP matters.
- [AlvaMed, LLC](#) A medical device consulting company we work with.
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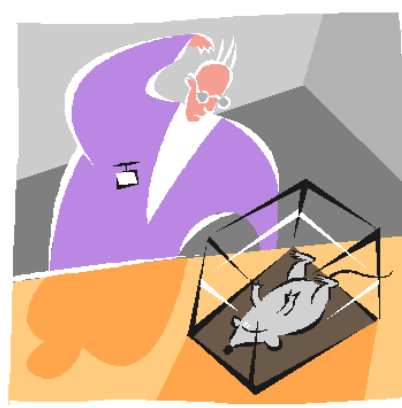
Welcome

Tactical IP management is easy when you're a five-person company. But as you grow **your informal control of information can stop working**. Engineers working with outside vendors can inadvertently release information or, worse, casually ask someone to try using your new product.

Unfortunately, that user feedback can come at a high cost. **Informal alpha and beta testing might be considered public use** of your invention and lead to the immediate loss of your right to a patent in most countries; in the US you have a one year grace period. One exception to this bar to patenting is "experimental use". Read "Don't experiment with your patent rights" to learn about the risks involved.

• Avoiding "Experimental Use" pitfalls

Even patent-aware companies sometimes run afoul of the various bars to patenting. It's easy for someone in engineering, sales, or marketing to loan out a prototype to get feedback. Without the proper safeguards, that loan may cost you your patent.



Acting as your Director of Intellectual Property TechRoadmap helps you train your employees and maintain a system for managing the release of information about potential inventions. Additionally, Invention Mining(sm) activities identify potentially patentable ideas earlier in the development process so you can get an application on file before those releases happen.

• Don't experiment with your patent rights.

Developing a new product that meets the needs of the public and keeping your unpatented ideas out of the public eye are inherently contradictory activities. Yet every savvy company knows successful products come from "Market Pull" not "Technology Push". Fortunately, we have the concept of **experimental use**. But as the Lisle Corporation recently discovered, **experimental use should be carefully documented**.

Lisle was developing an improve tool for auto mechanics. Near the end of 1989 **Lisle delivered (at no charge) prototypes of the tool** to four automobile repair shops near their factory. Some 30 months later Lisle filed a patent application of the tool. Ten years later Lisle sued A.J. Manufacturing for infringing its patent.

One of A.J.'s defenses was to ask that Lisle's patent be declared invalid for prior public use - that is, the two and a half years that the mechanics were using the prototypes. As was evident in court, **Lisle had not required the mechanics to sign non-disclosure agreements, had not placed restrictions on the use of the prototypes, and had no documentary evidence regarding the actual testing of the prototype**.

Lisle dodged the bullet. The jury at the district court and the Court of Appeals found in its favor. The appeals Court noted the testimony of one of the inventors who said: he "needed to know how well the wrench" would fit different automobile models; that under "company protocol" the mechanics would have been contacted every two to four weeks to give feedback; that he had modified the tool based on the feedback; and that Lisle had previous working relationships with the mechanics and they would have known they were given the prototype for experimental purposes.

The jury at the district court trial was also presented with Lisle's president's "General Meeting Reports" in which updates on suggestions from outside mechanics were included.

So, while the jury was convinced the prototypes were distributed for experimental use, **Lisle could have finessed the issues in the first place by proactively documenting and controlling the "experiments"**. Next time you sign up alpha or beta testers, think about Lisle's experience in court 13 years after the fact! Follow the rules and don't experiment with experimental use.

• Tip of the Month

If you feel the need to get user feedback before filing your patent application:

- **Make if official** - Have your patent attorney draft a experimental use agreement that spells out your expectations and the tester's responsibilities
- **Monitor your "experiment"** - Collect feedback on a regular basis (and record the feedback dutifully) and suggest things your testers can do to give you more information.
- **End the experiment** - Real experiments have goals and are terminated when those goals are met. Don't just leave your "experiment" hanging. Close it down when its usefulness is done.

• Disclaimer

Nothing in this newsletter should be construed as legal advice. TechRoadmap serves as an interface between companies and their legal counsel.