TechRoadmap Directions

Intellectual Property Issues of Interest to High Tech Companies

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Welcome

Last month I commented on an interesting book, Innovation and its Discontents. The major thesis of the book was that patent examiners were allowing too many weak or questionably valid patents.

What happens to you when one of your competitors seeks to enforce one of these marginal patents against you? You can roll over and take a license or you can counter attack. Read "Let me get a handle on that" to see what one company did.

Who else should read this?

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IP Links of Interest

- **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.
- **Technology Insurance Special Risk** An specialist in insurance for technology companies - for example, patent insurance
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Don't Get Squeezed

Given the work load of patent examiners these days it is generally agreed that an inventor can get just about any patent with persistence. What s/he doesn't necessarily get is a good (i.e., valuable) patent.

Acting as you Director of Intellectual Property, TechRoadmap can work with your attorney to help you evaluate the strength of a competitor's patent - and what the cost of fighting off his attempt to squeeze you for a license might be.

The Iron Grip of an Obvious Patent

What would you do if you were USA Sports (USA)? **You receive a warning that the Iron Grip Barbell Company (IG) wants to put the squeeze on you. They claim you're infringing their patent** for a barbell weight plate with three elongated openings near the periphery that function as handles and, frankly, you agree that your weight plates infringe. **But there's a catch.** You also believe **the patent should never have issued** since the prior art shows barbell weight plates with one, two, and four elongated openings that function as handles. Even to a layman (never mind a patent examiner) making a weight plate with three openings must be obvious.

In spite of IG's success in licensing its weight plate to two other barbell manufacturers **USA decided to fight by asking to court to declare IG's patent invalid for obviousness.** In doing so IG was, in some sense, fighting the Patent Office too – the patent examiner had seen all the pertinent prior art and still allowed the patent and, remember, issued patents have a presumption of validity. In fact IG had overcome multiple rejections for obviousness before apparently convincing (wearing down?) the examiner to allow the claim(s).

The district court found in favor of USA stating that the court is permitted "to look at the overall picture of what's really going on ...The obviousness test ... calls upon the court to just simply exercise common sense..." On appeal by IG, however, the Court of Appeals (CAFC) repeated Supreme Court rulings that **such thinking fell into the "hindsight trap"** , wherein the prior art is interpreted using the inventor's own teaching against him.

The CAFC therefore **examined the question of obviousness anew**. It noted that when a patent claims a narrower (included) range than the prior art there is a presumption of obviousness that must be overcome. This presumption can be rebutted by showing (1) that the prior art **taught away** from the claimed invention, or (2) that there are **new and unexpected results** relative to the prior art.

The CAFC found that IG's broad conclusory statement, "the prior art . . . taught towards fewer grips.", was totally unsupported and that **the examiner's reason for allowing the claim,** (the ability of the user to grasp the handles of the plate with two hands at an appropriate angle) **hardly qualified as a new or unexpected result** as compared to the two or four handled plates.

Finally, the CAFC ruled that IG's previous licensing success did not, by itself, demonstrate acceptance of its claims – as the court said, **"it is often 'cheaper to take licenses than to defend infringement suits.'"** Which is exactly the problem.

So in the end "All's Well That Ends Well" for USA Sports. **It's just unfortunate that they had to go to court to get a result that the PTO should have provided.** Faced with similar circumstances, what would you do – let me know.

Tip of the Month

Don't get caught trying to squeeze a license from a weak patent:

- Keep your goal in view - You want a strong patent. Sometimes you have to know when to let go
- Walk a mile in their shoes - Imagine your patent was being asserted against you.
- Anticipate the obvious - Try to write your specification and claims to distinguish yourself from the prior art BEFORE filing.

Disclaimer

:: bruceahz@techroadmap.com
:: http://www.techroadmap.com
617-243-0007