21 FACTS ABOUT PATENTS

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1. Patent Rights

Possibly the most **important fact** about a patent is that it does not provide the patentee with an automatic right to practise the invention described and claimed in his patent. A patent merely provides a right to exclude others from making, using, selling, offering for sale, or importing the patented invention for the duration of the patent but does so only within the territorial limitations of the patent. Patentees should, therefore, ensure they conduct an infringement clearance search before practising their invention.

2. Improvement Patents

Whilst the owner of a patent which improves on an already patented invention owned by another may not be able to practise his invention without the permission of the earlier patentee, he can prevent the owner of the earlier patent from practising the improved approach or design.

3. Patent Disclosure

A patent is, not just about protecting inventions. It is about promoting innovation. To be granted a patent you must share you invention with the world. A patent publishes and must have enough information included for a skilled person to carry out the invention without undue experimentation.

In the USA, the best mode for putting the invention into effect at the time of filling must be included or the patent may be found invalid.

In Europe, the breadth of protection from any granted claims can be construed to be limited to the extent of the disclosure of the patent text. Examiners at the European Patent Office often require that any claims be limited before grant so as not to extend beyond the teaching of the application itself.

4. Patents As Property

Both patent applications and granted patents are “Property” and can be sold, licensed, mortgaged, assigned or otherwise transferred for money or money’s worth.

5. National Characteristics

The rights provided by a patent vary country-by-country. For example, in the UK the practising of a patented invention for pure academic research may avoid infringement. But care must be taken if the academic research has a commercial goal or is part of a commercial contract simply being conducted by an academic institute, as this is considered to have a “commercial end” and may well be considered to be an infringement of the patentee’s rights.

Brexit will not change basic patent law in the UK. The UK will continue to be a contracting state to the European Patent Convention, the international agreement that established the

European Patent Office, which oversees the examination and grant of European Patent applications. The EPC is entirely separate from the European Union and has approximately 40 contracting states. These include all the EU countries but also many non-EU ones. The UK Intellectual Property Office will also continue to grant UK national patents just as before.

In the United States, a patent specifically covers research, except for what has been described as a 'purely philosophical' inquiry. A U.S. patent can, therefore, be infringed by any "making" of the invention, even a making that goes towards development of a new invention and which may itself become subject of a patent. However, Australian patent law allows developers to build on top of a patented invention, and provides exceptions from infringement for those who conduct research for both academic and commercial purposes.

6. Patent Costs

Patents are expensive and can cost up to £80,000 or more up to grant in a typical range of 5 countries and as much again to maintain them until they expire. Costs can be higher if prosecution is complicated.

7. Working The Invention

Some countries have "practising provisions" which require the invention to be practised within that territory.

The consequences of not practising an invention locally vary from one country to another. They range from revocation of the patent rights, to the awarding of a compulsory licence (to a party wishing to exploit the patented invention) OR a subsequently patented invention that is being blocked by the earlier unpractised patent.

A patentee may challenge the revocation or grant of a licence, but will need to show the patentee has made efforts to practise the invention and/or has been prevented from doing so due to exceptional circumstances.

8. Worldwide Protection

There is no such thing as a "worldwide patent", although a PCT (International) application is considered to be the equivalent of a regular national or regional application in a large range of countries, including most industrialised nations. Notable exclusions are Taiwan and Argentina, to name but two. But a PCT application will never result in a granted patent.

9. Non-Infringement

A product placed on the market in a territory where there is no patent for the product in question cannot infringe a patent in another territory.

However, importing a patented product into a patented territory from another country in which there is no equivalent patent is an infringing act and is actionable in court. Action may be taken against the importer, the distributor and anyone who subsequently deals in the infringing product. Infringement by importation extends to importation into a European country in which there is a patent from a European country in which the patentee has chosen not to pursue

patent protection. However, if an infringing product is first legitimately placed on the market in a European country in which there is a patent, its importation into another territory within the European Economic Community is not an infringement of a patent in that other country as the principle of “exhaustion of rights” applies.

10. Contributory Infringement

Action for infringement of a patent may be taken against someone who provided the essential ingredients for enabling a patent to be infringed.

However, a defence would exist if the supplier did not know and had no reasonable grounds for supposing a patent existed and that the supply of the materials in question was not for the purposes of infringing said patent. The supply of staple raw materials or commodities is generally not considered to be an actionable act.

11. Damages For Infringement

Damages for infringement of a patent can range from a reasonable royalty through to an amount equivalent to all the profit made by the infringer. In America it is sometimes possible to recover “punitive damages” of up to three times the profit made by the infringer. An opinion of “non- infringement” made by a professional US attorney may avoid such extreme damages but such opinions can be subject to extensive scrutiny.

12. Patent Term

Patents are granted for a limited period of time (generally 20 years from the application date) and are subject to the payment of renewal fees that tend to rise as the patent ages.

13. Patentable Subject Matter

Patents are only granted for inventions that are new, involve an inventive step, are industrially applicable and are not directed to specifically excluded subject matter. Inventions are new if nobody has done or disclosed exactly the same before and inventive if the idea would not be obvious to a person skilled in the same technology. The USA has an exemption that allows a patentee to protect an invention as long as a US application is filed within 12 months of the first disclosure of the idea. Ideas are considered to be industrially applicable if they can be used in industry (including agriculture) but are generally not considered to be industrially applicable if they are used in commerce.

The USA has an exclusion to the last restriction and grants patents for “business methods” which extend from complex methods of trading stocks and shares to the simple process of training a janitor how to clean a window. Examples of excluded subject matter include inventions contrary to morality or public order, schemes, rules or methods of performing a mental act or doing business, the presentation of information and methods of treating the human or animal body by surgery or therapy.

Again, the USA has an exception that allows one to patent medical procedures.

14. Patent Vs Confidential Info

Whilst keeping an idea secret may well protect the concept for a period of time it will only do so as long as a competitor is unable to work out how you achieved the innovative effect. Once it does so, there is nothing to stop your competitor capturing a large portion of the market you created. Whilst a patent will disclose your concept sufficiently well for a competitor to copy, it will also allow you to stop the competitor through employment of suitable court action and may well allow you to collect damages.

15. Patenting Software

Whilst pure software itself is not patentable it is well established that patents can be obtained for the method behind the software process so long as the method itself is not specifically excluded from patentability and has a “technical effect”. A suitable technical effect may include controlling a physical system or process external to the computer running the software, changing the way in which the computer hardware processes information or an AI invention that recognises features in an image.

16. Types of Patent Claims

Patent claims may be directed to a product or a method or process for producing a product. In Europe, a granted patent with claims to a process also provides protection for a product obtained directly by the process.

17. The Importance Of Good Drafting

The strength and value of a patent depends very much on the skills of the patent attorney drafting the application, the strength and breadth of the technical disclosure and supporting data and the extent to which the patent covers the commercial opportunity associated with the invention. Often more money is made through the sale of consumable items associated with the invention than the specific invention itself. A well-researched and drafted patent will protect all the commercial opportunities.

18. When To Disclose

Whilst the contents of a patent application can be safely disclosed after a patent application has been filed, care should be taken not to disclose details or improvements beyond those disclosed in the patent application as filed, as such a disclosure can be prejudicial to securing protection for the improvements in a subsequent application.

19. Prior Art

The term “prior art” refers to any disclosure anywhere in the world whether written, verbal, visual or otherwise prior to the date of a patent application. This is regardless of who made the disclosure and regardless of whether someone actually saw the disclosure.

Academics should be aware that simply placing a thesis on the shelves of a library would make its contents available to the public, even if nobody actually views the thesis itself.

A disclosure of the contents of a patent application on the same day that the patent application is filed is not considered to be before the application was filed and is, therefore, not prejudicial to the safe filing of a patent application and securing a subsequent patent.

20. Using International Time Zones

Sometimes it is possible to forward a patent application to a patent attorney for filing in a country which, due to the international dateline, is actually in a time zone equal to the date before the disclosure, thereby securing protection when, otherwise, all could have been lost.

21. Patent Box

The Patent Box is a government incentive for companies to apply a lower rate of Corporation Tax on profits earned from its patented inventions after 1 April 2013. Companies must elect into the Patent Box to apply the lower rate of Corporation Tax which is 10%. This relief was introduced in phases from 2013 up until 2017 and remains in place today.

Companies who may benefit from the Patent Box must be liable to Corporation Tax, and must make profits from exploiting patented inventions, where the patents have been granted by the UKIPO, the EPO, or some countries in the EEA. In addition, companies must own or be exclusively licensed, as well have undertaken qualifying development on them. Companies may also be eligible if they are a member of a group and qualifying development has been undertaken by another member of that group.

The regulations have been tightened in recent years, however, the headline figures remain the same. That is companies which elect into the Patent Box may apply a lower rate of Corporation Tax which is 10%. This applies to profits obtained directly from an invention covered by a patent.