Corporate Goals in the Patent Landscape: 5 Ways to Perfect Your Product Launch

The last thing your company wants after making a considerable investment in bringing a new product to the market is being slapped with a lawsuit alleging patent infringement, stopped from selling your product or seeing your competitors quickly skirt your product because you did not obtain patent protection.

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Many companies use checklists to ensure they follow certain protocols. Handling patent rights in a consumer product launch is no different. The last thing your company wants after making a considerable investment in bringing a new product to the market is being slapped with a lawsuit alleging

patent infringement, stopped from selling your product or seeing your competitors quickly skirt your product because you did not obtain patent protection.

This article addresses five things you should consider adding to your patent checklist in a consumer product launch to best protect your company against allegations of patent infringement and to prevent your competitors and knock-off artists from replicating your ideas and undercutting your profit margins.

File Before Any Outside Disclosures

Many companies work with outside consultants and manufacturers during the development of a product. This becomes problematic because you are divulging the invention to a third party outside of the company. Although nondisclosure agreements can help, they do not always protect a company from outside disclosure. For instance, a lot of manufacturing happens in China. A particular manufacturer will develop a certain capability or know-how in a given area, causing multiple companies to use the same manufacturer. So, your manufacturer may also be working with your competitors. Picture this, your competitor, while visiting the manufacturer, happens to see a product sample that you are perfecting prior to launch. And, then, your competitor happens to launch a product very similar to yours before you get a chance to publicize and launch your product, or file for patent protection. Without filing your application before discussing your product with the vendor, you have little recourse or a messy derivation proceeding against the competitor at best.

You may also be working with a manufacturer or consultant on perfecting the design. If you haven't filed for patent protection, whether you are the true inventor becomes unclear, since it may not be apparent if the ideas came from your team or the manufacturer. But, if you already filed for patent protection, your application clearly establishes your company's contributions, and removes the possibility of a dispute with the third party over ownership of the

rights. Additionally, what if the third party filed its own patent application after learning about your concept? Your company could pursue a derivation action against the third party at the U.S. Patent and Trademark Office, but this will likely be difficult and very expensive to prove. So, file before talking to the third party.

Addressing Publication Concerns

The downside to filing earlier is that the design of your product could change during its development. Yet, these earlier filings can still be helpful in protecting key aspects of the product. And, you are permitted to chain applications together by filing multiple provisionals or by filing continuation-in-part applications to build up the initial disclosure, creating a more robust application with many examples of the inventive concept. This may be useful for protecting a broad array of different products and for drafting different claims to target competitors as similar designs come into the marketplace. Additional consideration might be necessary when deciding whether to continue to pursue a new design patent on a product that has changed. For instance, if the old design is prior art to the new design, not only should you consider whether the old design would invalidate the new one, you should carefully consider how the patent scopes of the design rights are impacted. Under the ordinary observer test, the ordinary observer is presumed to understand the scope of the prior art and considers the differences between the patented design and the accused product in the context of the prior art. This means that the old patent may narrow the scope of the new one. Yet, typically, at least within the United States, applicants may be able to control the timing of the grant. This gives your company time to finalize the product and avoid the issue of your own design affecting the scope of the rights for a given product. On the other hand, when filing internationally, many jurisdictions operate under a registration system, meaning that design rights

publish very quickly, such as in Australia. Companies should carefully consider publication timing to understand how design filings both in the United States and abroad may affect their ultimate rights in a design.

Also, you may not want to tip your hand and show your competitors what you're up to by publishing your latest design. Companies like Apple are very secretive about product launches and avoid showing the public new designs before major product releases. You can file for a petition for nonpublication at the U.S. Patent and Trademark Office and generally control how fast applications issue. However, you have to agree to have the application publish in 18 months if you want to file outside of the United States. Although design applications do not publish and you have some control over the pace of examination, you only have six months to file applications outside of the United States. And, again, international design applications publish very quickly.

Review the Patent Landscape Early

A key component to any successful product launch is clearing the product from a patent standpoint. Imagine the costs associated with pulling a product or being forced to redesign right after a launch. Conducting a patent landscape search that identifies the scope of the existing rights before embarking on a product design is essential. It will identify any potential roadblocks early on in the process. Not only will this help you avoid certain areas, it can really help the design process in forcing engineers to creatively design around patent rights and explore even better solutions to solving problems. It also potentially lessens your exposure to expensive patent litigation and can help avoid larger infringement verdicts against your company in illustrating to the judge or jury that the infringement was not willful.

Understanding the patent landscape can also inform what rights are available and where patent filings make the most sense. And, you may be able to avoid your patent's validity being attacked in an *inter partes* review at the U.S. Patent and Trademark Office by understanding the scope of the patent landscape, drafting your claims, and citing the prior art for consideration.

Create Layers of Patent Protection

Depending on the patent landscape, consider the opportunities for filing for patent protection. Most companies will also attempt to obtain utility patent protection. Generally, companies with strong patent portfolios will be less susceptible to patent suits brought by competitors, since competitors will fear counter suits asserting infringement. Companies may be able to obtain multiple layers of patent protection by filing multiple provisional applications or continuation-in-part applications to cover different aspects of the design. These more robust filings may also be helpful when targeting competitor products when launched, assuming that application pendency is maintained. Multiple filings and continuations also help to provide flexibility when undergoing an *inter partes* review at the U.S. Patent and Trademark Office. The patent holder can adjust the claims in a continuation case in order to withstand these attacks. In addition, your company can use utility patents to protect the aftermarkets and a "razor blades" business model to patent accessories or the way that the accessory interfaces or connects to the product. In a recent case in the U.S. District Court for the Eastern District of Michigan, Ford succeeded in defeating a motion for summary judgement of invalidity for a series of design patents involving Ford F-150 hood and headlamp designs against a replacement part distributor.

In addition to preventing competitors from copying your design, utility patents also benefit your product launch in other ways. If your company obtains patent rights, you may avoid infringement by looking like an innovator instead

of a knock-off artist to the jury. According to the Federal Circuit's decision in *Zygo v. Wyko*, obtaining patent rights helps protect against findings of doctrine of equivalence infringement.

A well-run inventor incentive program may nicely complement innovation by encouraging designers to come up with ways to creatively protect products. It may drive innovation at your company by encouraging inventors to come up with new ideas for patenting. And, simply recognizing your innovators within your company may go a long way to create a culture that values intellectual property.

Finally, consider filing multiple design applications on a single product to create different layers of protection. It's difficult to know which features of a design your competitors will copy. It's also helpful to claim different areas of a design and to keep at least one application pending in order to target certain infringers. Also, it will be very costly for an infringer to file for *inter partes* review to completely invalidate design rights if there are multiple design patents at issue. Design rights grant quickly and examiners seldom reject them, which can make design rights helpful in keeping infringers away.

International Patent Protection

Deciding whether to file internationally is not always an easy decision. It can be difficult to predict where a particular product might be successful and filing for patent protection internationally can be expensive. The average per country cost for a utility patent is just under $30,000 through the life of the patent and about $7,000 for a design through the life of a patent. So, filing in multiple jurisdictions can significantly add to any intellectual property budget. Most companies do not have the luxury to protect the invention everywhere in the world. Additionally, rights in certain jurisdictions are rarely enforced in

countries that do not have strong patent systems. That said, protecting the patent in key jurisdictions, such as the place of manufacture and countries with significant economies, might be a beneficial strategy.

It may be a good idea to diversify your filing strategy and consider where rights are more likely to grant. Oftentimes a U.S. examiner might be stricter on allowing a particular technology whereas the European examiner might be more willing to allow a particular claim, and vice versa. Also, filing for certain types of designs may be difficult in Japan, for example. It is important to protect your design in the location where you are manufacturing the product to prevent it from being sold in China or shipped to other parts of the world.

Considering and completing these checklist items can help you successfully launch your product and minimize potential patent issues. While you will incur some costs upfront in handling these items, you will likely add to your bottom line by increasing your assets with patents. And, in the end, you may end up saving your company from costly patent litigation.

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