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Title: Why Patent Ownership Disputes Can Make or Break Consumer Product Launches

Why Patent Ownership Disputes Can Make or Break Consumer Product Launches

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In the race to produce the latest and greatest consumer products, companies working with outside consultants and manufacturers must establish clear lines indicating who are the actual patent owners and inventors of the products' designs and concepts. If those lines of patent ownership and invention are vague or your ideas get exposed publicly before patent filings, the product launch could become mired in litigation, possibly causing the product to fail completely. Also, as companies move manufacturing out of China due to the tariff situation, they should consider how their IP will be protected as they evaluate other manufacturing sites around the globe.

1) What are the biggest risks for companies working with outside consultants and manufacturers during the development of a consumer product?

When developing or finalizing product design with an outside consultant or manufacturer (vendor) who may help in the development of the commercial product, it may become unclear who invented each aspect of the design. It is very important to file for patent protection before the company developing the product enters into any discussions with vendors.

If an application has not been filed before vendor involvement and if a vendor contributes to the invention, it may partially belong to the vendor unless there is an agreement that requires the vendor to assign the rights back your company. Without such an agreement and/or prior patent protection, the vendor may claim that the product concept is theirs and try to sell it to other customers.

Also, when vendors are helping other competitors solve similar problems or manufacture a similar product, your ideas may leak intentionally or inadvertently into your competitors' products. For example, while visiting the vendor, a competitor may happen to see your product sample that you are developing with the vendor's help. That competitor may then launch a product very similar to yours before you get the chance to publicize, officially launch, or file for patent protection for your product.

2) Why is the timing of patent publication so important?

Timing is everything. And that often applies to publishing patent applications or patents, because there are times when you don't want to show your competitors what you're up to by publishing your latest design. Companies, like Apple for example, are very secretive about product launches and try to avoid showing the public new designs before major product releases. In situations like this, you can file a petition for non-publication at the U.S. Patent and Trademark Office (USPTO) and generally control how fast applications issue by extending deadlines with the USPTO. But this may come at the cost of not being able to protect your invention internationally because you must agree to having your application published in order to be allowed to file internationally.

3) Why does a "patent landscape search" matter so much?

A key component to any successful product launch is clearing the product from third-party patents to help you avoid being sued for patent infringement.

A search of the patent landscape ("patent landscape search") assists in the design process by forcing engineers to creatively design around existing patents, to explore better solutions to problems, and to inform what rights are still available for protection. A search also helps in bolstering a patent's validity in an *inter partes* review at the USPTO (and subsequent litigation in courts), by gaining an understanding of the scope of the current landscape, and then drafting claims to avoid the prior art and ensuring the best prior art is considered by the patent office.

4) How can companies obtain multiple layers of patent protection?

If your company obtains patent rights, you may avoid infringement by looking like an innovator instead of a knock-off artist to the jury. In addition to preventing competitors from copying your design, utility patents also benefit your product launch.

Companies may be able to obtain multiple layers of patent protection by filing multiple applications to cover different aspects of the design. These more robust portfolios may be helpful when targeting your competitor's product launch. Multiple filings and continuations

also assist in providing flexibility when undergoing an *inter partes* review at the USPTO.

Finally, a company can consider applying for multiple layers of design patent protection by pursuing multiple design applications on a single product to create different areas of coverage. It's difficult to know which features of a design competitors will copy, so it is 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 prove to 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.

5) What should companies consider when deciding whether to file for international protection?

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 is just under \$30,000 and about \$7,000 throughout the life of a utility and design patent, respectively. So, filing in multiple jurisdictions can significantly add to any intellectual property budget. But most companies do not have the luxury to protect the invention everywhere in the world. Additionally, rights in certain jurisdictions that do not have strong patent systems are rarely enforced. Also consider filing PCT applications. You typically have 30 months from the original filing to decide where to file your application. And in this time frame, companies often have an understanding of how successful the product will be, and can make more informed foreign filing decisions. Protecting the patent in key jurisdictions, such as the place of manufacture and countries with significant markets for the particular product, might be a beneficial and cost-effective strategy.

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