Patent Portfolio
Development Strategies
For Attracting Investors

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Overview

- Safeguarding Technology From the Outset
- Portfolio Development Strategies
- Technology Risk
Safeguarding Technology From the Outset

- Whoever invents or discovers any new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title. (35 U.S.C. §101)
What is required for a claimed invention to be patentable?

- Novel
- Useful
- Non-Obvious
- Subject Matter
  - Machines, Processes/Methods, Compositions of Matter
Basic Strategies:

- Be Aware of Statutory Bars
  - Publishing, Offering To Sell

- Keep Records of Inventions/Ideas
  - “First to Invent” vs. “First to File”

- Timing Considerations for Filing
  - Provisional vs. Non-Provisional Patent Applications
Safeguarding Technology From the Outset

Loss of Patent Rights

- Public Disclosure

- Use, sale or offer for sale of invention before filing patent application terminates patent rights in most countries

- File patent application before disclosure, use, sale or offer for sale of invention to avoid loss of patent rights
Safeguarding Technology From the Outset

Preventing Competitors From Patenting Your Ideas:

- Publishing Unpatentable Ideas
  - Defensive Patents
- SIRS – “Statutory Invention Registration”
  - Prior art but not a patent
- Guarding Trade Secrets
  - Non-Publication of Pending Patent Applications
  - Non-Disclosure Agreements
Portfolio Development Strategies

Overview

- The Value of a Well-Developed Patent Strategy
- Know Your Competitors
- Protecting Core Technologies
- Global Strategy
- Layers of Protection
- Ownership of Rights
- Licenses and Agreements
- Third-Party Rights
Portfolio Development Strategies

The Value of a Well-Developed Patent Strategy

- Protecting the company’s products
- Providing a basis to negotiate with competitors
- Giving confidence to investors
- Protecting market share
Know Your Competitors

- Count on having to deal with the IP assets of your competitors
- How does your portfolio further your investments?
Portfolio Development Strategies

Protecting Core Technologies

- Patentability Searching
- Breadth of Protection
  - Scope of Claims
Portfolio Development Strategies

Patent Mining

- Identify Problems
  - Your Products
  - Competitor’s Products

- Solutions to Problems
  - Your technology solves competitor’s product’s problems
  - Competitor’s technology solves your product’s problems
Portfolio Development Strategies

Scope of Claims

- Independent Claims Define Patent Scope
- Dependent Claims Are Fallbacks
Portfolio Development Strategies

Global Strategy

- International Patent Protection is Very Expensive
- Cost/Benefit Analysis
- Strategically Select Countries and Patents to Maximize Value
Portfolio Development Strategies

Layers of Protection

- Copyrights
- Trademarks/Service Marks
Ownership of Rights

- Assigning IP Rights
  - Employee Agreements
  - Outside Party Agreements (independent contractors, advisors, consultants, etc.)

- Recording Ownership Rights
  - Unbroken Written Chain of Title
  - Title and Interest
Portfolio Development Strategies

Licenses and Agreements

- One-Way Agreements
  - Exclusive / Non-Exclusive Agreements

- Joint-Development Agreements
  - Collaborative Research and Development Efforts

- Independent Verification of Ownership Rights

- Transferability of a License Agreement
Portfolio Development Strategies

Third-Party Rights

- Dominating Patents
  - Early Knowledge of Landscape is Key

- Freedom-To-Operate (or Clearance) Study
  - Identifying Potentially Infringed Patents

- Avoiding Infringement
  - “Designing Around”
  - Obtaining a License
Portfolio Development Strategies

Evaluating Strength of an Innovation

- **Market Risk**
  - Does Technology Address Significant Problem in Market?

- **Financial Risk**
  - How Much Capital Needed? Beyond Initial Investment?

- **Management Risk**
  - Is Additional Management Needed?
  - Are the Commercial Objectives Agreed Upon?

- **Technology Risk**
  - Dominant Analysis Used by Investors
The Technology Risk

Criterion Enables Investors to Assess:

- the proprietary aspects of the technology
  - including patent position and ownership
- what further development is needed to get to the first product
- manufacturability
- the potential breadth of the technology’s application
The Technology Risk

Patent Position and Ownership

- Who Owns the Idea?
- Establishing a Proprietary Position Early is a Critical First Step
- Technology Determines Value of the Business
The Technology Risk

Further Development

- How much will all this cost?
  - Expensive
  - Develop a plan
  - Prioritize
The Technology Risk

Worth the Risk?

- Consider this case:
  - *Autonomous Technologies Corp.* - Randy Frey
    - Developed LadarVision System – used to perform Lasik eye surgery
    - Acquired by Summit Technology, Inc. for 11 millions shares of Summit common stock and $46.8 million in cash
Questions?

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