


# The defensive publication program

## Rule 139. Waiver of patent rights

An applicant may waive his rights to an enforceable patent based on a pending patent application by filing in the Patent Office a written waiver of patent rights, a consent to the publication of an abstract, an authoriza-

tion to open the complete application to inspection by the general public, and a declaration of abandonment signed by the applicant and the assignee of record or by the attorney or agent of record.




A patent is a grant by the government that gives the patentee the right to exclude others from using his invention. In return, the patentee discloses his new discovery to the public. Thus a patent is both an intangible property right and also a written description which serves as a publication. The description concludes with claims which define the "metes and bounds" of the rights granted.

Now when an invention is brought to the attention of "management," be it industry, the university, or the inventor—*qua* entrepreneur—the following options in addition to the possibility of patenting, present themselves as means for protecting that invention:

- common law protection in the form of a trade secret
- publication, public use, or sale which prevents *others* from getting a patent monopoly
- protection in the form of a U.S. Patent Office defensive publication

We are here concerned with the protection offered in the form of a U.S. Patent Office defensive publication



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program (hereafter THE PROGRAM). This form of protection may be obtained either for defensive or offensive purposes. Defensive protection under THE PROGRAM is sought when the assignee (typically, the patentee is required to assign the rights to his invention to his employer under the terms of his employment agreement) seeks to prevent another from obtaining a patent on the invention thereby assuring the assignee freedom to practice its own invention. It is similar in this respect to publication in the conventional literature.

Offensive protection under THE PROGRAM is also possible, however. It arises in the case where patent protection can ultimately be obtained and enables the assignee to license the invention to others thereby earning royalty income.

## How THE PROGRAM works

THE PROGRAM can be exercised by filing a patent application with a request to publish it pursuant to rule 139 of the U.S. Patent Office Rules. This request to publish must be filed within 8 months of the date the application is filed. The application is then laid open for public inspection and the applicant *provisionally* abandons the application. *Applicant can, however, also retain the benefit of the filing date and prevent abandonment, by filing a continuing application within 30 months after the date the application is filed.*

## Why elect to publish under Rule 139

The major advantage of THE PROGRAM is that it reduces costs. In the case of a company that has received an invention that can provide strong patent protection but that has limited commercial value or where the budget

# of the U.S. Patent Office

may suggest protection by other means, THE PROGRAM should be carefully considered. In the case of the university or independent inventor it probably should be considered in most cases.

The cost reduction arises because once applicant elects to publish within first eight months of filing an application, he need do nothing further. The cost savings can thus be up to 50% or approximately \$1500 saved per average application. Another significant factor in reducing the cost of filing is the need to append but a single claim to complete the specification.

Normally, in the prosecution of a patent application, there are two office actions, so called, in which the attorney for the inventor and the U.S. patent examiner argue the merits of the novelty of the invention in order to agree on claims to which the inventor is entitled. If the examiner allows claims, a patent will then issue upon payment of a fee. Hence, the minimum cost reduction offered by THE PROGRAM is the sum of the time saved by the attorney in not having to draft a full range of claims, the cost of the two office actions, and the patent issue fee.

## Filing the continuing application

Since inventions of the university and the independent inventor are typically embryonic in nature, the Rule 139 election is ideal. The applicant will have 30 months from the published application in which to determine the commercial feasibility or interest in the invention. Were he to elect instead to publish conventionally in a journal, then he would have only 12 months to decide to patent. After that period, journal applicant would be precluded from filing a patent.

## Interference

An interference between patent applications or a patent and an application is a complex procedure within the Patent Office whereby a determination is made as to who is the first inventor when two or more independent inventors claim substantially the same invention. It is conventional Patent Office policy in simple inventions *not* to declare an interference between applicants if their filing dates are more than 3 months apart (6 months in the case of complex applications). There is the risk, albeit small, that in the event of a declaration of interference by a Patent Office Examiner, the applicant, even if he wins the interference, will not obtain an enforceable patent. In other words, the interference procedure is available to the applicant for defensive purposes only, i.e., to prevent others from denying him access to the art he has disclosed.

## Uses of THE PROGRAM

A few examples will illustrate circumstances in which the independent inventor, university, or company may elect THE PROGRAM.

## EXAMPLE I

An independent inventor discloses to his attorney a new means for desalinating water which appears to have economic promise.

First, the attorney will make a preliminary search (~\$100) to determine whether the disclosure is new. This search cannot reveal any art represented by patent applications filed but not yet issued because all applications are held in confidence by the Patent Office.

Next, the attorney should ascertain how the inventor intends to exploit his invention. The independent inventor rarely has means to exploit his invention; typically it is in the form of a crude prototype, or experiment. The problem the independent inventor invariably faces in trying to market his invention is confidentiality. Since he has limited financial resources, he may want to disclose his invention to a company prior to incurring the expense of prosecuting a patent. On the other hand, most companies require the inventor to sign a nonconfidentiality agreement which in essence enables the inventor to rely only on patent rights he might obtain in the future. Although most companies are only interested in obviating frivolous law suits by the inventor, there is sufficient risk of loss of all or some of the inventor's rights to make most inventors wary of such agreements. Hence, a filing is probably necessary to enable the inventor to attempt to seek out possible assignees or licensees. Using THE PROGRAM minimizes the cost of fully prosecuting a patent while affording the inventor ample time, up to 30 months, in which to find an interested party and/or further develop the invention while still maintaining his ability to patent.

## EXAMPLE II

A professor has developed under a government grant, a new process to make a useful monomer. Under terms of the grant, the university takes title, granting to the Government a royalty-fee, nonexclusive license.

Our professor has demonstrated feasibility and has some test data but much pilot work remains to be done. A postdoctoral student whose thesis describes the invention is available to assist in further development if industrial support can quickly be obtained. The university has received a disclosure of the invention from the inventor in accordance with the terms of his employment agreement, but has not as yet filed an application. Accordingly, our professor directly contacts various companies that make and/or use this monomer to propose a joint-development

program, disclosing his invention on a confidential basis. Although this is not normal procedure for the university, companies are more willing to consider university information about a new development than they would be to examine an unsolicited disclosure from an unknown independent inventor. In this case, confidentiality is a prerequisite to outside disclosure because the concept, while novel, is so simple that it would enable others skilled in the art to conceive readily of other patentable embodiments not yet developed by the professor. Furthermore time is of the essence since a patent must be filed within a year of publication of the thesis that discloses the invention.

Now if a joint developer is found, option monies can be used to pay for patent prosecution. However, where efforts to find a partner fail, the patent can be kept alive cheaply by filing with the intent to make an election under THE PROGRAM. During the 8 months following filing, the university can seek out licensees on a nonconfidential basis relying on whatever patent rights it may subsequently obtain. Finding a licensee during this period would obviate the need to elect THE PROGRAM.

If no licensee has been found within about 6 months of filing, the university can contact an organization that provides technology evaluation, filing, and licensing services to universities, and can offer to assign its foreign rights to service organization if it agrees to pick up the cost of the U.S. prosecution. (In this case, only limited foreign rights may be available in view of the thesis; hence, other arrangements could be negotiated.) Should the service organization accept the offer, again there would be no need to elect THE PROGRAM. If the service organization turns down this offer, the university can still elect THE PROGRAM. The university will then have 30 months from the date of the application to locate a licensee or attract significant interest before a decision to file a continuing application must be made.

Failure to file the continuing application within the 30-month period will result in waiver of all rights to an enforceable patent, but will prevent others from obtaining this presumably basic patent. Our professor can then never be excluded from practicing improvements that fall within the purview of this now unenforceable case. The application will be expressly abandoned 5 years from the date of the original application. Six months prior to the end of the 5-year period, the university should notify the Government of its intent to abandon.

Suppose a company had expressed strong interest in taking a license. In that event, a continuing application should be filed, preferably just prior to the end of the 30-month period. The continuing application could include whatever new information the inventor may have generated since the application was initially filed—in which case, normal continuation rules will apply.

There is a risk, albeit small as previously described, that no enforceable patent will result if an interference is subsequently declared by the Patent Examiner. Obviously, this possibility poses a risk to the licensee but not a substantially different risk than any licensee undertakes that the application when issued may subsequently be declared invalid.

By using THE PROGRAM, an organization with 6-10 filings per year can save up to \$15,000 per year.

### EXAMPLE III

An employee has developed an improvement to instrumentation owned by the company. Although a minor innovation, it appears that strong patent protection can be obtained. However, the firm's patent department is already committed to filing several disclosures and has a severely strained budget. In this situation, THE PROGRAM presents a viable alternative.

It is possible again that election of THE PROGRAM could provoke an interference in which the firm might wish to participate in order to keep its channels to the marketplace open. Since interference procedure, even before the Patent Office, can be quite expensive, the firm should consider this step (or such a procedure) only in a clear case warranted by all attendant circumstances.

### General use of THE PROGRAM

Since everyone supports reduction in cost, one might expect that THE PROGRAM would be a great success and well used. Well, it's not. The fact is that it is seldom used. The reasons are less than clear but let me offer a few:

- THE PROGRAM is not well understood.
- Patent attorneys prefer to carry to a conclusion the adversary proceeding with a U.S. Patent Examiner.
- Patent Attorneys tend to view the patent process primarily from a patentability and not a commercial standpoint.
- Corporate patent counsel(s) want to maintain or increase their budgets.
- There is fear of loss of enforceable patent rights in the unlikely event an interference is declared.
- There is fear of loss of foreign rights by virtue of the publication.

As in any cost/benefit analysis these disadvantages must be balanced against cost saving advantages. Moreover, these disadvantages, while possible, can be avoided or minimized. In the case of the independent inventor and the university, cost is usually an overriding consideration and often leads to no filing at all. Traditional defensive publication in a journal may be appropriate in many cases, but it is difficult if not impossible to know which invention may reach the marketplace.

An example of the loss that patent inaction may engender is the case of a midwestern university that developed a new antibiotic compound and published the results. There have been no takers because the publication resulted in a bar to any patent filing, and therefore is a disincentive for any firm to undertake the costs of a new drug introduction.

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