

LITIGATORS CORNER: New Rules for Inventors



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One of my partners made a comment yesterday that resonated with me. He said that many people miss a subtle distinction about justice: it is a process, not a result. How true. As I see the wreckage of so many decisions being made by persons who are "result-oriented" and therefore believe they are being efficient, I am convinced more than ever that justice is a process. We are tinkering so much with the process in favor of "results," that we are losing sight of what justice is.

One of my friends jokes that the modern definition of a tort has only two elements: an injured plaintiff and a solvent defendant. There is a good deal of truth in what he says. Torts have been redefined, and new ones created, to achieve a result. The process has been lost sight of; fault has been removed, and thus the incentive to behave fairly and sensibly has been destroyed. The only concern we have now in law is not how to behave, but how to dodge liability.

A reasonable process is the best guarantee that a fair result will be achieved. Notice that I did not say a winning result. Many lawyers I have met throughout my career have lost, often in a case where the lawyer passionately believed he was right. I have had such cases. All of those lawyers,

however, have a different taste in their mouths if they felt they were treated fairly, rather than unfairly or ineptly. If they were treated fairly, they felt, despite losing, that our system had not denied them the opportunity their clients deserved. Fairness consisted of a reasonable process with known, predictable rules.

Rules matter. Of course they can be overdone, and frequently are overdone these days. They can be applied blindly, too. When I say "rules," I do not mean to refer exclusively to a code of statutes or regulations of some kind. Those have their place. To me, rules are those principles that guide the outcome of factual situations. Applying them must be done with common sense.

We are in deep trouble today in patent law. We have lost any sense of the regularity and predictability that the law is meant to provide. Means plus function claims used to be understood as a way to make claims broader; now they make claims narrower. The doctrine of equivalents still exists in theory but, as I told a patent owner yesterday, it is all but dead. Not merely cut back, mind you, but dead. There are several ways that a specification does indeed limit the claims. Most of these rules are *ex post facto*: you get no break because you or your prosecuting attorney relied on a well-established principle of law that ten years later is no longer a principle. Bob Harmon is right when he says, "Today's maxim is tomorrow's discarded rule."

We now fight over the meaning of ordinary words. We see litigants arguing that "about" means "up to but not more than." Our firm has a case now where a defendant insists that the word "plurality" needs to be defined. In another lawsuit, a party thinks the phrase "plurality of songs" needs clarification and construction. Any child can understand the meanings of the words "song" and "about." Legions of patent attorneys have known for decades what "plurality" means. Claim construction has run amok. The topic is consuming space in *Chisum* like some malignant tumor. Harmon reports that, in one recent year, the Federal Circuit rejected a lower court's claim construction in 32 out of 55 cases. No one can predict the answer.

Given the fact that the rules in patent law are so changeable, what is an individual inventor, who is just starting out with a new idea, to do? The Secretary of Defense, Donald Rumsfeld, took some flack for a remark he made. He said there are things

you know and things you don't know. But he said what's really dangerous are the things you don't know you don't know. I agree with him. As a pilot, you are trained to know some of the hazards to avoid. Others you are not trained for: What pilots call a "slam-dunk" approach is one example. It involves an instrument approach to an airport using non-standard maneuvers. New instrument pilots are trained using standard maneuvers and tend to obey controllers slavishly. A controller faced with a slower airplane mixed in with faster traffic may ask you to join the approach with a U-turn from 2,000 feet above the approach altitude, as I was asked to do one day. What you should know, but don't, is that these non-standard maneuvers can be hazardous. But, as a new pilot, you don't even know that you don't know this. You tend to want to do what the controller asks: if the controller wants you to do it, you think it must be safe.

The same is true for a new inventor. You don't know things you need to know, and you don't know that you don't know these things. The new inventor often hasn't a clue. He needs to know about the hazards when he doesn't know enough to know that hazards exist.

I would like to share a few rules of thumb that the new inventor should know, given two facts: first, that the intellectual property rules frequently change; and second, that we don't have a crystal ball to tell us how these rules will, or will not, change in the future.

NEW RULES

Never use an invention submission company in the hope that it will guide you. I have yet to hear from a person who used one who was happy with the result. I recently reviewed a case where an inventor had provided her idea to an invention company, which promised to promote her invention, and even to file a patent application on it. She received letters from two patent attorneys (both of whom still have their PTO registration numbers) indicating that they were or would be working on her patent application.

The invention company went under. The two patent attorneys did nothing for the inventor, of course. Their real client wasn't the inventor; it was the invention company. No one was serving the inventor's interests. They failed to file her patent application. There was nothing to be done except for the inventor to seek advice about malpractice. And since we are talking here about an invention which had not yet been produced or made a profit, a malpractice suit would have been a long shot, and a poor substitute for a new business.

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Use multiple forms of protection for your intellectual property. File a patent application. Learn about non-disclosure agreements (NDAs) before you have to use one. Learn the basics of trade secrets. Treat your documents as confidential. Mark them as copyrighted. Religiously adhere to the terms of any NDA you may enter into. Do not allow anyone you are negotiating with to have your confidential information for an unlimited time or for unlimited purposes. (See my September, 2004 column on this topic, *Non-Disclosure Agreements for Trade Secrets: Keep Them Short and Simple.*)

Learn about license agreements before you have to use one. If you are learning about them when you are negotiating with a potential licensee, you are way, way too late. You will have sacrificed your ability to

negotiate wisely on your own behalf. And, if you are dealing with an unscrupulous party, you may be about to get skinned. Know what the royalty base should be: it may include more than your invention. Many inventions are sold with accessories, or encourage the sales of related products. That justifies a bigger royalty base.

You are in a business, not on a crusade. Businesses make profits, not windfalls. But too many of the potential clients I speak to believe that their patents deserve huge recoveries, almost certainly beyond whatever a corporation is willing to pay, or can justify, prior to litigation. They want emotional, as well as financial, reward. That is not going to happen except in the rare case that goes all the way to a verdict in the inventor's favor.

The lawyer you need now may not be the one you need six months, a year or two years from now. At various stages, you will need a patent prosecutor, a corporate lawyer and, later — especially if you've made mistakes early on — a litigator. Nobody takes a license when there is no aura.

Use different kinds of claims in your patent application: method, apparatus, and means. Don't write your claims yourself unless you have no alternative. Have multiple embodiments. Consider different goals

for different embodiments. File a continuation application once you have claims allowed. One benefit of a pending application is that you can write claims describing an infringing product, as long as your specification supports these claims. If you can do this, you've won an infringement battle before it has begun.

Multiple patents are the best. A battery of patents can be expensive, but an infringer will have a much more difficult time dodging machine-gun fire, as opposed to a single shot. Consider doing a search. If you do, give all the results to the PTO. Don't hide stuff from the PTO. Over-disclosure is not a panacea, but it's the better route, or at worst, the less undesirable.

We should have a crystal ball, given the state of patent law, but we don't. Given that we can't predict the future, your safest course as a new inventor is to learn as much as you can as early as possible, and to protect your invention in as many ways as possible. These are just a few of the rules patent prosecution attorneys might want to share with their inventor/clients — just in case one day they end up in litigation. **IPT**