

The Limited Monopoly[®]

Eye in the Sky – The Advantages of Using a Patent Alert Service

by John Hammond, PE and Robert Gunderman, PE

The Patent Landscape – Always Changing

The term “patent landscape” is widely used to denote the state of patent activities in a given field of technology, or with regard to a more narrow class of inventions. An Internet search of the term will produce pages of hits, many of which link to the websites of companies that are in the business of compiling and distributing patent data from various patent offices throughout the world. And yes, the patent landscape is always changing, as the USPTO, WIPO^{1,2}, and the patent offices of foreign countries publish new patent applications and issue new patents every week.

Keeping a close watch on the patent landscape can be an essential business task in any number of situations, including developing new technology, manufacturing and selling a product line, considering entry into a new market, or performing due diligence in a business startup or acquisition opportunity. In any of these situations where patents play an important role in protecting products that are out in the marketplace, or are soon to be introduced, it is important to know the landscape, and where your company or investment opportunity fits in it.

News You Can Use

Because patents by definition are complete disclosures of inventions made available to the public (in exchange for that “limited monopoly” – the right to exclude others from making, using or selling the invention during the term of a patent), there is a wide range of patent information that is readily discoverable with online searching. There is also a wide range of business uses for the information. A few specific ones are as follows:

- Knowing your competitors – who they are, and where they stand in patenting products in your market. Could they block you from operating strongly in a key market? Could you block them? Where do they stand in developing new technology? What direction are they headed? How strong is their portfolio? Where are they patenting – in the U.S. only, or in foreign countries as well?
- Determining “freedom to operate,” and infringement risks.

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Are there any patents out there, or published applications that may issue, which would limit your ability to enter or remain in a market?

- Determining potential licensees or buyers of your patents. Who is playing in that space? Perhaps they are interested in making a deal, especially if you hold patents that they need to license to gain freedom to operate.
- Doing due diligence. Suppose you have an opportunity to invest in a startup company or make an acquisition. The company presents its patent position and that of the competition as part of the business case. You will want to do

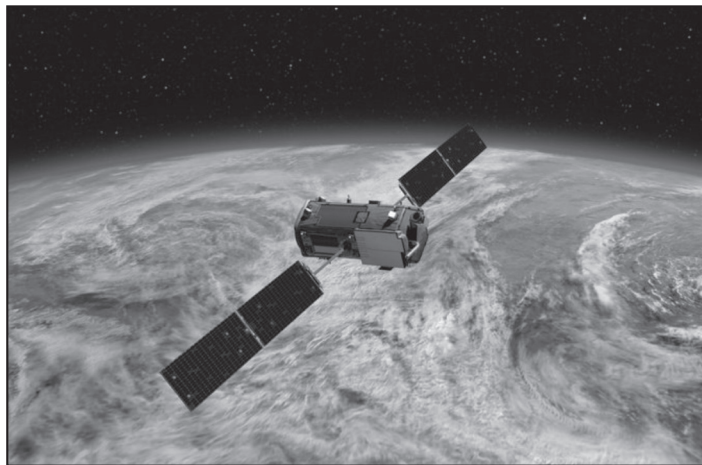
your own research – “Trust, but verify.”³ In evaluating a deal, the assertions a company makes on its patent position are probably one of the few things that can be tightly fact-checked. (In stark contrast to those typical hockey stick growth projections in their investment pitch).

- Monitoring patent litigation and post-grant opposition. What’s happening in patents that cover your marketplace –

who is suing whom for patent infringement? What patents are under post grant or *inter partes* review? How are these cases proceeding? How might the possible outcomes affect your business?

And On a Weekly Basis

At some point, any one of these challenges or opportunities may knock, and you will need to conduct your own survey of this patent landscape, starting from ground zero. There are numerous companies that provide this service, and plenty of online articles on how to do your own patent searching and related analysis. As we note above, however, the landscape is changing every week, and to varying degrees. Some weeks



will be uneventful, but one week in particular could produce a patent application on a disruptive technology that could impact your business. If you are not continuously monitoring the landscape, that comprehensive search and analysis that was just completed could be obsolete in a few months.

The good news is that many of the companies that are in the patent information business also provide “patent alert” services, informing subscribers of newly issued patents and published patent applications every week. Having a “weekly feed” of new information on patent activities can provide a number of advantages and options over a “one and done” or yearly patent search.

One key advantage to such an alert service is that you can spot threats and opportunities quickly, and react to them. When a competitor’s patent issues, you can obtain a prompt opinion as to whether you might have an infringement problem. Knowing about it early also presents the opportunity to submit a post-grant opposition⁴ to the patent, which must be filed in the USPTO within nine months of its issue date.

Early knowledge of a published patent application also presents opportunities. Once an application is published, you can watch its prosecution⁵ progress in Public PAIR⁶ to monitor the likelihood that it will issue as a patent, how soon, and what the possible claims may be. Additionally, if you know of possible prior art that might be a bar to its issuance as a patent, you can check to see if that prior art has been considered in prosecution. If not, you may have the opportunity to submit the prior art via a Third Party Submission⁷ to the USPTO. Knowing the existence of the pending application as early as possible is important, because the submission must be made before the earlier of either the date a notice of allowance is given or mailed in the application, or the later of either six months after the date on which the application is first published or the date of the first rejection of any claim by the examiner during examination of the application.

Another advantage of weekly alerts is that you can strengthen your own patent application – or abandon it if the news is really bad. Suppose you have a pending application, and your weekly feed contains a newly published application that is “close” to yours, i.e., it might be material to the patentability of your claims, and it was filed before the filing date of your application. It’s never a good feeling to get that news, and moreover, now that you know of it, you have the “duty to disclose”⁸ it to the Patent Office. However, it is much better to submit it now, have the Examiner consider it, and let the chips fall where they may. If you emerge with a patent, it will be that much stronger. And in a worst case scenario, where it’s a “knock out” reference that totally eliminates the possibility of obtaining a patent with any value, you can choose to abandon your application. That choice is far better than continuing to invest any further money in prosecution absent the knowledge of the competitor’s application.

Some “Budget” Choices

Several of the private sector patent information companies that offer weekly patent alerts operate under a typical Internet business model: provide an entry level of service free (or at a low cost), and also provide a “premium” fee-based subscription with a higher level of service. A Google search will quickly identify a number of options. (In fact, Google itself has an alert service via Google Patents.) In May 2015, the USPTO also began offering a free alert service⁹, albeit limited solely to U.S. published patent applications.

If you think that a patent alert service may be useful, starting with a free one is a low risk option. See how it works, and what it delivers versus what you need. If it falls short, you can always move up to the fee-based option or move on to another provider.

We have some needs and opportunities for using an alert service ourselves. We’ve identified a particular DNA-related technology of interest, and our plan is to choose several of the free services, “road test” them, and compare results. We’ll report back in early 2016 with an update on how they performed.

1. WIPO – the World Intellectual Property Organization, administrator of the Patent Cooperation Treaty.
2. [The Limited Monopoly](#)[®], November 2007.
3. See https://en.wikipedia.org/wiki/Trust,_but_verify for the origin of this maxim.
4. [The Limited Monopoly](#)[®], March 2009.
6. [The Limited Monopoly](#)[®], May 2006.
7. [The Limited Monopoly](#)[®], October 2012.
8. [The Limited Monopoly](#)[®], December 2006.
9. <https://www.uspatentalerts.com/>

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PHOTO CREDIT: NASA Jet Propulsion Laboratory illustration of the Orbiting Carbon Observatory-2, launched June 30, 2015 to measure atmospheric carbon dioxide.

