

We will start momentarily at 2pm ET



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Harold L. Durkin, PhD
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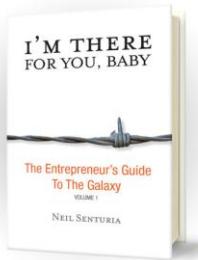
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www.imtheresforyoubaby.com

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Intellectual Property Today and the America Invents Act



Dr. Stephen Flaim
Past Chairman of the Board
Tech Coast Angels



Marc Morley
Patent Attorney
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Intellectual Property Today and the America Invents Act

2013 Chemical Entrepreneurship Series
ACS Webinars
August 15, 2013

Marc T. Morley
Partner



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Marc T. Morley



- Partner, Foley & Lardner LLP
- Chem/Bio/Pharma intellectual property practice
- 15+ years industry and legal experience in chemical, pharmaceuticals, biotechnology, industrial microbiology and food and veterinary technology, plants, and medical devices
- Adjunct Professor of Patent Law at the University of San Diego School of Law
- Instructor of Biotechnology Patent Law at UCSD
- President of the San Diego Intellectual Property Law Association

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Intellectual Property Today and the America Invents Act

- What we plan to cover:
 - First, some Basics ...
 - Filing patents early and getting them fast
 - Don't pay more than you have to – new fees for micro-entities
 - Owning your intellectual property
 - Avoiding self-inflicted harm to your IP

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Some Basics ...



- Requirements for a Patent:
 - 35 U.S.C. §§:
 - 101: Eligibility and Utility
 - 102: Novelty
 - 103: Obviousness
 - 112: Enablement, Written Description and Best Mode

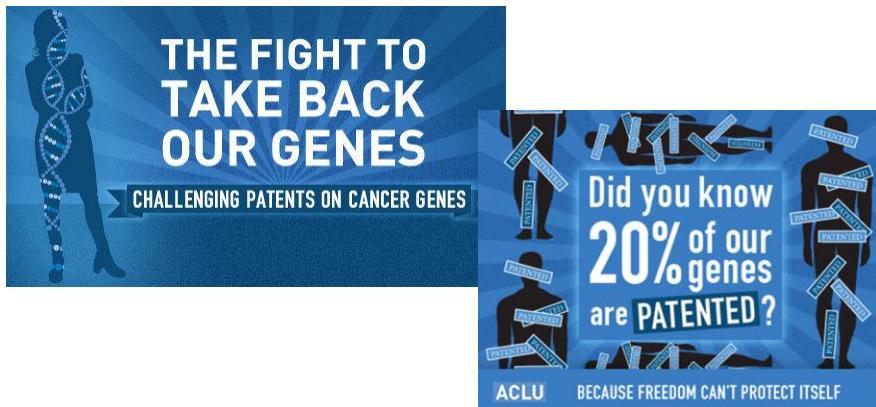
Some More Basics ...



- What kinds of things can I patent or are potentially eligible for patenting?

AMP v. Myriad Genetics

- Are genes patentable?



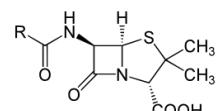
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Quiz: Question #1

- The U.S. Supreme Court recently invalidated patent claims owned by Myriad Genetics that were directed to isolated gene sequences that other than being isolated from a genome, were not otherwise altered, arguing that such sequences were products of nature that are not eligible for patent protection. Should other chemical compounds be ineligible for patent protection based upon the Supreme Court's reasoning?
 - No, they should be eligible; we should stay with status quo, which is working well and providing incentives for innovation.
 - Yes, if they are nothing more than chemical substances isolated from nature, they should not be eligible for protection; everyone should have the right to such substances.

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Some More Basics ...



- What kinds of things can I patent or are potentially eligible for patenting?
 - Processes/Methods
 - Machines
 - Manufacture
 - Compositions of matter (small molecules, nucleic acids, polypeptides, cells, antibodies ...)
 - Improvements

Eligible Subject Matter - Exceptions



Three Exceptions

- Laws of nature (*Prometheus*)
- Abstract ideas (*Bilski*)
- Products of nature (*Myriad*)

America Invents Act

- Signed into law by President Obama on Sept. 16, 2011
- “First inventor to file”
- “Harmonization” with rest of world



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Summary of Changes

9/16/2011

9/16/2012

3/16/2013

-Virtual marking
-Prioritized examination
-Micro Entity
-15% surcharge
-Electronic filing incentive
-No “Best Mode” defense
-Inter partes reexam threshold
-Prior user rights expansion
-No tax strategies
-No human organisms
-False marking*

-Substitute for declarations
- 3rd party submissions*
- Supplemental examinations*
- Citation of written statements*
- Priority exam for important technologies
- Inter partes review*
- Post-grant review*
- Transitional business method post-grant review*
- Small business patent ombudsman

- First to file/publish
- Derivation proceedings
- No Statutory Invention Registrations

*applies retroactively

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Filing Patents Early



- Old U.S. Law: First inventor entitled to patent (generally, even if did not file the patent application first)
- New U.S. Law: First inventor to file the patent application is entitled to a patent – AKA:

“First-to-File”

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First-to-File, but Not Invent Scenario



- Old Law (First-to-Invent): 1st Inventor entitled to patent rights, if he/she “invented” first (conception) and was “diligent” in filing the application.
- New Law: 2nd Inventor entitled to patent rights (unless he/she derived the invention from 1st inventor)

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Filing Patents Early ...



- Pressure to file quickly must be balanced with:
 - Sufficient development to satisfy disclosure requirements
 - Coordinating downstream R&D so as to not create challenges against yourself.
- Advantage for larger organization with greater resources?

Getting Patents Fast



- Prioritized Examination (“Track 1”):
 - Requires (at time of filing):
 - Petition (simple)
 - Fee \$4800 (\$2400 for small entities)
 - Inventor Declaration
 - Application Filing Fees
 - What you get:
 - First action w/in 4 months
 - Final disposition w/in about 12 months

Getting Patents Fast



Prioritized Examination (“Track 1”):

(http://www.uspto.gov/patents/init_events/Track_One.jsp)

	First Action on the Merits mailed	Final Dispositions mailed	Number Allowances of total Final Dispositions
Number of Track One applications	7692	4729	2516
Pendency to FAOM from Grant of Request (mos.)			Pendency to Final Disposition from Grant of Request (mos.)
2.0			5.93

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Getting Patents Fast



- Is it more expensive?
 - May be less expensive, but costs are incurred earlier.
- Interesting Article comparing accelerated options:
 - <http://www.patentlyo.com/patent/2012/12/expediting-prosecution-.html>

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Don't Pay More than you Have To



- Micro Entity Status – 75% Fee Reduction:
 - To Qualify, must meet all of the following:
 - Qualify as a USPTO-defined small entity.
 - Not be named on more than four previously filed applications.*
 - Not have a gross income more than three times the median household income in the previous year from when the fee(s) is paid. For 2011, the most recent year that data is available, the median income was \$50,054 (3x = \$150,162).
 - Not be under an obligation to assign, grant, or convey a license or other ownership to another entity that does not meet the same income requirements as the inventor.

(<http://www.uspto.gov/inventors/independent/eye/201302/Advice.jsp>)

Don't Pay More than you Have To

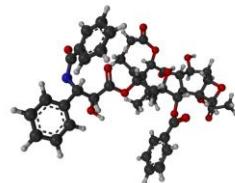
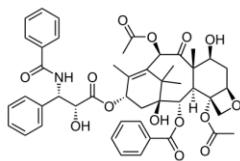


- Micro Entity Status – 75% Fee Reduction:
 - Qualify based on “Institutions of Higher Education”
 - Employee of Institution of Higher Education: the applicant’s employer, from which the applicant obtains the majority of the applicant’s income, is an institution of higher education as defined in section 101(a) of the Higher Education Act of 1965 ([20 U.S.C. 1001\(a\)](#)); or
 - Rights owned by Institution of Higher Education: the applicant has assigned, granted, conveyed, or is under an obligation by contract or law, to assign, grant, or convey, a license or other ownership interest in the particular applications to such an institution of higher education.

(<http://www.bpmlegal.com/howsmall.html>)

Quiz: Question #2

- Chemist discovers a new chemical compound that kills leukemia cells. Chemist approaches Professor at University to test the compound on Professor's lymphoma cell line suspecting it likely is effective against it. Professor confirms that the compound works very well against the cell line and shares the optimal lethal dose with Chemist. Professor tells Chemist "I did not discover anything here, you own it." Who owns the invention of treating lymphoma with the compound?
 - Chemist
 - Professor
 - University
 - All of the above
 - Chemist and University



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Owning Your Intellectual Property

- Inventors own their invention
- Inventors can give up or assign their rights to third parties
 - Employee and Contractor Agreements
- Beware of unintended co-inventors
 - Jt. researchers, collaborators, contractors, etc.
- Co-inventors own equally & can dispose unilaterally
- Leaving off inventor can render patent unenforceable

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Avoiding Self-Inflicted Harm



- What we hope to cover:
 - Do Not Disclose Invention Outside of Confidentiality
 - Use Confidential Disclosure Agreements (CDAs) for discussions with potential collaborators, licensees, investors (when possible), etc.
 - Protect confidential information (e.g., mark it as “confidential” or don’t disseminate it)
 - File patent applications before presentations, talks, publishing in journals, publishing a dissertation, meeting with collaborators, licensees, investors, etc.
 - Maintain records of research and development (e.g., lab notebooks)
 - Use caution with content of submissions and reports (assume they will be publicly available immediately)

Thank you!



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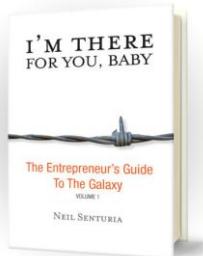
“Patent”

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