

Technology Transfer Tactics™



The monthly advisor on best practices in technology transfer

Quality, efficiency can go hand-in-hand

Keep the lid on patent prosecution costs

Though patent prosecution costs can be frustratingly high and represent a large line item in most TTO budgets, the good news is that means it's also an area rife with opportunities to economize. In an audio conference sponsored by *Technology Transfer Tactics*, patent attorneys **Jean Baker** and **Jack Cook**, from the Milwaukee, WI-based office of Quarles & Brady LLP, outlined a number of tips and best practices that can help TTOs improve patent quality while also keeping the lid on expenses.

Focus on your best IP: The biggest cause of overspending on patent costs is TTOs' tendency to file applications on innovations that either don't have value, or have lost their market appeal, stressed Cook. To put an end to this problem, TTO personnel need to ask themselves the right questions when they are evaluating new disclosures. And the first thing that comes to mind should not be what you can or cannot claim in the patent application, he emphasized.

"What you should be asking yourself is 'how can I explain this in a quick, essential thirty-second elevator explanation of what the technology or invention is.'"

Another critical and often misunderstood factor in selecting IP for patenting is the pool of potential licensees – which often becomes too focused on the biggest players, when often it is the niches, or submarkets, where the action is, Baker stressed. Most TTOs look for big markets because they're looking for a blockbuster product, but a big market doesn't necessarily deliver a big royalty, she said. "You can have the best invention in the world, but if you're not part of the submarket, or where the industry is going, it's a real strike against the invention. Tech transfer offices are sometimes better served by the more niche players because the market isn't so saturated."

Think strategically about claims: It's not that TTOs shouldn't consider broad claims, but not think-

ing your claims through strategically can be an expensive mistake, emphasized Cook. In the absence of clarity on this point, attorneys are likely to focus on doing what they think the client wants. For example, they may latch on to a comment made during an early discussion of the IP when, in fact, you really need a more in-depth conversation around this issue, he explained. It's a critical decision that requires more than a "go for it all" mentality, Cook argued. "What you'll get if you inadvertently go broader than your strategic plans [warrants] is a lot of prior art that you'll have to fight out from underneath for your narrow claims," he said. "You need to make sure that you're not responding to just an impulse to be aggressive, or an impulse to look around the corner and cover a bunch of stuff that isn't necessarily in your best interest."

Get your money's worth from attorneys: What you are really paying for with an attorney is judgment, so make sure you're asking questions in such a way that you get that judgment in ample supply, advised Baker. For example, instead of asking whether or not the claims in your patent application are too broad or too narrow, ask the attorney to help you understand what facts he or she is basing the decision on, she explained.

"After hearing the factual basis for an opinion, you may decide that it is not applicable in your case, or that it's very applicable, but [in either case] you're getting more information," she said. "You're not just getting the concluding part, you're getting the attorney's actual experience, and when you've paid so much money for these individuals, one thing you ought to get is the benefit of experience. This [type of question] unlocks some of that experience."

Cook also advised taking care of administrative details through straightforward e-mail communications, so the actual time you spend with an attorney is better utilized. "A short email with some of the

assumptions about a project is going to save money and time for everybody. Simple equals less attorney time," he said.

Explore per-project rather than per-hour billing rates. Some law firms are willing to work with TTOs on a fixed-fee or per-project basis rather than the typical hour-based billing structure. This can offer affordability as well as predictability to the process, so it is not a bad idea to explore, noted Baker -- but there are caveats. "This only works if you have a good understanding of your attorney and your attorney has a good understanding of you, but I think that [approach] is where we're all going to," she said. "It encourages everyone to be more efficient." A similar tactic is to establish a "do-not-exceed" fee with the law firm, but this too requires a clear articulation of what the assumptions are on the front end of the process. "Putting fixed fees or do-not-exceeds into the equation without everybody understanding the expectations, the goals, and the strategies that are involved can unintentionally inject negative consequences," said Cook.

A third approach to consider: If your office deals with one predominant technology, you might want to hire an attorney with expertise in that area to prepare your patent applications in-house, noted Baker. "This is, quite frankly, a time in our nation's history where there are people who could fit this bill, and not instantly be hired away by law firms, which might have happened four years ago," she said. "The barrier is the technological match-up, but if you can handle that, I think this would work out quite well."

Consider whether disputes over inventorship are personnel matters. Disputes over inventorship do happen, and it can drive up the cost of prosecuting a patent in a big way, stressed Cook. But before you turn over such a dispute to an attorney, consider whether it really involves a legal issue, such as a disagreement over factual matters, or an underlying personnel issue. "Lawyers can help you understand the law, and the way it relates to the claims, but personnel issues often aren't resolved with that kind of communication," noted Cook. Ultimately, personnel issues need to be handled internally, either within the TTO or the university, he added.

Make use of face time with the USPTO. The USPTO is moving toward a model where it encourages interviews at the beginning of the examination process, and these opportunities should be seized, noted Cook. Such meetings can help to ensure that the examiner doesn't make incorrect assumptions

about information in the patent application, which can speed things along. "These [interviews] are typically quite productive," added Cook, noting that a post-examination/pre-office action interview with the examiner can be beneficial as well. Give your attorney the latitude to take advantage of either of these interview options, he advised.

Use inventors as a resource. Yes, some inventors can be difficult to work with, but when these relationships are managed effectively, they can save you significant time and dollars. "Inventors can cut through a lot of patent office technology analysis very quickly," stressed Baker, although she acknowledged that it's an art to know when to bring faculty into the process and then use their input effectively.

Clearly, some inventors require more hand-holding than others. For example, it's not uncommon for TTOs to receive incomplete disclosures that focus more on the proof of an invention than what, specifically, the invention is, explained Baker. In these cases, it is up to the TTO to encourage inventors to go further. "Even if they only have broad data, have them write it up so there's a tangibility to what everybody's talking about," she counseled. "It will save a lot of money if, from the beginning, you can get inventors to consider the commercial application." Also, always insist that all of the inventor's information is delivered in electronic form, advised Baker. "If material is presented to the attorneys in ways that can be quickly cut, pasted, and edited, [this can result in] a tremendous cost-savings."

Finally, whenever you are about to file a patent application, always run the document by the inventors, and instruct them to check and double-check all of the important data points, emphasized Baker. "It will break your heart to be prosecuting an application, [only to realize] that the inventor had an error in a figure or a table," she said. "It's the inventors who have to catch this."

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Editor's Note: The entire recorded audioconference "Patent Prosecution: Best Practices for Reducing Costs While Improving Patent Quality" is available on CD, MP3, and print transcript, including all handout materials, for \$197. For complete details or to order online, go to www.technologytransfertactics.com/content/audio/patpr/. To order by phone call 239-263-0605, or mail your order with payment to 2Market Information Inc., 1992 Westminister Way, Atlanta, GA 30307. ►