

# Inventions and Patents

**Great innovation deserves great protection. Protecting inventive new products and processes can be a crucial ingredient to business success.**

The aim of this guide is to help you to think about how you can protect your inventions from third party imitation via obtaining patent protection. It also provides guidance as to how you can take steps to avoid infringing other people's patents, in respect of their inventions.

Innovation sets you apart from your competitors. It gives you a market edge. You only have to think about how, when products such as the 'Dyson' vacuum cleaner and the 'iPod' were first launched, they very quickly achieved high sales volumes because of their unique offering in the market place. They were so different from what went before them.

## Launching a new product or process

There are a variety of different issues to consider when deciding whether or not to launch a new product or use a new process (e.g. a new manufacturing process for making a particular product). Often the 'legal' aspects get overlooked.

At Ashfords, we recommend to our clients that when thinking about launching a new product or using a new process they should think about at least the following two legal issues:

- If I produce and sell this product, or use this process, will I infringe someone else's earlier patent?

(This issue can be addressed through conducting searches and investigations, often known as 'freedom-to-operate' searches and investigations)

- Will I be able to get a patent for my new product or process and thus make it easier for me to be able to stop others from making/using it?

(This issue can also be addressed through conducting 'freedom-to-operate' searches and investigations and by taking preliminary legal advice)

## 'Freedom-to-Operate' Searches and Investigations – why are they important?

When thinking about launching a new product or using a new process, many clients fail to appreciate that they ought to carry out

'freedom-to-operate' searches and investigations.

You should conduct searches and investigations to determine whether, if you produce and sell a product, or use a process, you will infringe someone else's earlier patent.

By way of illustration, an owner of a patent for a product can take legal proceedings against anyone who makes, disposes of, offers to dispose of, uses or imports the product, or who keeps it for disposal or otherwise. An owner of a patent for a process can take legal proceedings against anyone who uses the process (or who offers it for use) and a person who disposes of, offers to dispose of, uses or imports any product obtained directly by means of the process, or who keeps any such product for disposal or otherwise. Such proceedings can be extremely serious for a client's business and expensive to defend and/or resolve. If legal proceedings are successful, a defendant is normally prevented from continuing to do the acts of which complaint was made by the patent owner and may have to pay large sums in damages to compensate the patent owner. A defendant would normally also have to bear the patent owner's legal costs, together with its own legal costs.

Basically, if you do not carry out searches and investigations you run the risk of infringing someone else's patent.

There is nothing worse than having to go to the cost and effort of a re-design, a mere month or two after a new product was first launched to the public and to the trade, or a new process of manufacture is first used by a business. In addition to the cost of re-designing (and destroying all of the unsold products that you have produced), a re-design could easily result in a major loss of customer goodwill and provide your competitors with an advantage. This is on top of any damages and legal costs that you might end up having to pay the person

who owns the earlier patent.

Businesses often put a great deal of time and money into their design, production and marketing plans, before they realise that there is another business with a patent that can prevent them doing what they want to do. Conducting 'freedom-to-operate' searches and investigations at the outset can help to avoid this possibility. Usually this will involve carrying out (as a minimum) a UK patent search, to see whether someone has registered a patent that would prevent you doing what you propose to do.

Also, conducting 'freedom-to-operate' searches assists in assessing the chances of your own product or process achieving registration as a patent. No business wants to incur the cost of filing patent applications that they subsequently have to abandon because the applications do not cover patentable inventions. Whilst pre-filing searches and investigations are never 100% conclusive, they do go a long way towards avoiding such wasted costs. They should hopefully reveal whether someone else has an earlier patent, which they can rely on to prevent the registration of your product or process as a patent.

#### **What is a patent?**

A patent is essentially a negative, monopoly right. It prevents another trader from being able to make, dispose of, offer to dispose of, use or import a product covered by the patent, or from keeping such a product for disposal or otherwise. An owner of a patent for a process can take legal proceedings against anyone who uses the process (or who offers it for use) and a person who disposes of, offers to dispose of, uses or imports any product obtained directly by means of the process, or who keeps any such product for disposal or otherwise.

In order to obtain a patent you have to file an application at a national registry (e.g. the UK

Intellectual Property Office if you want a UK patent), or at the European Patent Office (if you want a patent in several European countries, for example France, Italy and Germany), or at the World Intellectual Property Office (if you want a patent in several international countries, such as the USA and Japan). You also have to pay all necessary official filing, examination, registration and/or publication fees.

Once registered, provided that you pay your renewal fees, your patent will normally last for 20 years from the date of filing.

#### **What can you register as a patent?**

A patent protects new, non-obvious inventions (that are capable of industrial application) in respect of products and processes.

#### **What can't you register as a patent?**

You cannot register inventions that are not 'new' (i.e. an identical invention has been made available to the public beforehand)

You also cannot register inventions that do not involve an inventive step (i.e. the invention is obvious to a person skilled in the relevant art, having regard to what inventions have previously been made available to the public).

You also cannot register, amongst other things, scientific theories, mere discoveries, mathematical methods, a scheme or method of doing business or playing a game, a computer program, or a literary, dramatic, musical or artistic work.

#### **Patent registration – why is this important?**

By registering your inventions as patents you are able to tell the world at large of your legal rights in them. Patent registers are open to public inspection. This enables businesses to check to see whether a patent covers a product or process that they plan to use. It 'warns them off'.

Patents are 'assets' of your business that you can sell to a purchaser of your patents, or of your business in general. You can also licence them to third parties, in return for royalties.

More significantly, if you do not register your inventions as patents there is often nothing preventing another person from using and exploiting your inventions. It is surprising how frequent this actually happens in practice.

There is also the possibility that somebody else might decide to apply to register your invention as a patent, and then accuse you of infringing their patent.

At Ashfords, we advise our clients to protect their inventions by registering them as patents. Registration works as prima facie evidence of your rights to the invention claimed in the patent. A patent will be discovered by someone conducting a search for a product or process the subject of the invention and should therefore deter third parties from adopting such a product or process for their businesses. A patent can also be used to prevent the registration and use of an identical or very similar invention.

When you consider the likely cost and damage to your business were someone else to start exploiting your new product or process, registration offers excellent value for money insurance cover against such a possibility.

### **Exploiting inventions outside of the UK**

When a business trades outside the UK it has to treat each country in which it trades as a separate potential legal problem.

For example, if you wanted to manufacture or sell a product, or use a manufacturing process, in France, Germany or Indonesia, you would need to ensure that in each of those separate markets you were entitled to do so and would not infringe an existing third party's patent rights in any of those countries.

Usually this will involve carrying out (as a minimum) a patent search in each country, to see whether the product or process you intend to exploit is already covered by an existing third party's patent registered in that country.

Carrying out clearance investigations in each territory has cost implications and can be time consuming. However, it is the only way of ensuring you have sufficient comfort that operating in a particular country will not result in you being sued by a third party who has prior patent rights in that territory.

In addition to carrying out country-by-country investigations, we advise clients who intend to operate abroad to consider obtaining patent protection in those countries. Usually we advise that patents should be obtained in the key territories of interest to a client.

Once you have obtained a patent in a particular territory, you will have a certificate that you can show to any third party that subsequently proposes, or starts, to exploit your invention in that territory.

However, it is important to bear in mind that owning a patent does not guarantee that you are not infringing a third party's prior patent in a particular territory. This is why it is still important to carry out patent clearance searches, so as to ascertain what prior patents exist in a particular territory, before you trade there or seek to register your invention as a patent in that territory.

*Ashfords is regulated by the Solicitors Regulation Authority. The information in this guidance note is intended to be general information about English law only and not comprehensive. It is not to be relied on as legal advice or as an alternative to taking professional advice relating to specific circumstances.*

# Our Services

## **Product/Process Clearance, Filing and Prosecution – we:**

- Give advice as to what inventions to register and where to register them
- Conduct, co-ordinate and supervise 'freedom-to-operate' searches and investigations to check that a product or process can be exploited (and/or registered as a patent) without infringing a third party's earlier patent
- Co-ordinate and supervise the drafting, filing, prosecution and registration of UK, European and International patents and co-ordinate and supervise the drafting, filing, prosecution and registration of patents in national countries around the world

## **Litigation, Patent Proceedings and Dispute Resolution – we:**

- Conduct patent infringement, non-infringement and revocation proceedings before the English Courts
- Conduct, co-ordinate and supervise various types of patent proceedings before the UK Intellectual Property Office and the European Patent Office (e.g. submitting observations against third party patent applications, filing and prosecuting oppositions to third party patent applications, seeking patent infringement and validity opinions and conducting employee and entitlement disputes)
- Co-ordinate and supervise patent litigation and other types of proceedings abroad
- Conduct all forms of alternative dispute resolution involving patents

## **Patent Maintenance and Renewal – we:**

- Co-ordinate and supervise the renewal of UK, European and International patents
- Co-ordinate and supervise the renewal of patents in national countries around the world

## **Commercial and Corporate Transactions involving Patents - we negotiate and draft:**

- Licences and assignments of patents and conduct, co-ordinate and supervise due diligence on target patent portfolios
- Manufacturing, research and development, and joint innovation and exploitation agreements and all other forms of commercial agreement that involve patents and inventions

# Key Contacts

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Mark is Head of Ashfords’ Intellectual Property and Technology Law Department. He specialises in the fields of intellectual property, information technology and commercial law. Mark has a background in commerce, having worked for ICI as a market analyst before qualifying as a solicitor. He has also worked in-house on secondment in the legal department of a large PLC.

*“Delivering advice in plain English is compulsory in our team. We deliver legal expertise and common sense”*



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Carl specialises in advising clients on all aspects of intellectual property law, and deals with both contentious and non-contentious matters. He also advises clients on the law of privacy and data protection, e-commerce, advertising, merchandising and sponsorship and general commercial contracts/commercial litigation. Carl previously worked for Taylor Wessing in London and has also been seconded to Blake Dawson in Sydney, Australia.

*“We listen, we give constructive, commercial advice and we deliver what we promise on time and on budget”*



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Gary specialises in the fields of intellectual property, information technology, e-commerce, data protection and commercial contracts. Before studying law Gary worked as a computer programmer and systems analyst, including in-house at the Alton Towers Theme Park. He was responsible for the design and implementation of the then largest Electronic Point of Sale Network in the country. He is also the Managing Partner of Ashfords’ Bristol Office.

*“Our clients’ interests are our interests. This thread runs through everything we do”*