
Managing and Exploiting Your Software IP

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- “We’re moving toward a global economy where the true strategic asset is IP”

Microsoft Attorney

Management of IP

- Previously – main focus of an IP strategy had been the protection and exploitation of technology patents
- Now – blueprint to identify IP capabilities should be developed and deployed in order to support innovation

IP Management

1. Developing an IP strategy
2. Valuation and categorization of IP assets
3. Determine methods of protecting and exploiting assets

Develop an IP Strategy

- Develop internal organizational structures
- Assessment of the landscape
- Evaluate goals

Managing Software IP

Patent – Copyright

- Copyright protection protects the expression of your software (code)
- Patents protect the functionality of your software

Patentable Subject Matter

- Apparatus or article of manufacture
 - Computer hardware
 - Electro-mechanical devices
- Computer Software ?
- Methods
 - Methods of making a product
 - Business methods(?)
- Improvements
 - Improvements of existing devices or methods can be separately patented

Is It Novel?

- Not available to the public
- Absolute novelty in most countries
- Canada/U.S. have one year grace period for disclosures by the inventor
- Most countries are on a “first-to-file” system

Is It Inventive?



- Assessed from point of view of a person skilled in the art
- Would a person of ordinary skill in the art be able to come up with the invention

Is It Useful?

- Invention must provide claimed benefit
- The invention must not be an abstract theorem



Software Patents

General Definition

- "...patent on performance of a computer realized by means of a computer program"
- The term computer implemented invention is also used to describe software patents.

Current View

- Countries have different standards and tests that are applied when determining patentability.
- Many countries allow patents for software related inventions.

Canadian View

- The Canadian Intellectual Property Office (CIPO) released guidelines in 2005 that dealt with the examination of computer-implemented inventions.
- Computer-implemented inventions are patentable when they are claimed appropriately and they meet the other requisite tests for patentability.

Canadian View cont'd

- Must describe the invention fully in plain language.
- The invention should be described in sufficient detail for one skilled in the art to make and work the invention, and must provide a description of the hardware, data structures and modules of a computer program.

United States

- Software is patentable.
- Can be protected by claiming the methods that are implemented in software, the apparatus or machine that embodies the software, or the recording medium that embodies the software.
- Generally regarded as the most pro software patent jurisdiction.

European Position

- The European Patent Convention (EPC), Article 52, Paragraph 2 excludes from patentability:
 1. Discoveries, scientific theories, and mathematical method.
 2. Aesthetic creations.
 3. Schemes, rules and methods for performing mental acts, playing games or doing business and programs for computer.
 4. Presentation of information.

European Position cont'd

- The Board of Appeals of the EPO is that an invention is patentable if it provides a new and non-obvious technical solution to a technical problem.

Proponents of Software Patents

- Rationale is not different than that for other technologies
 - Promote R and D activities
 - Patent applications further the general body of knowledge
 - Foster innovation

New SW IP - Invention Evaluation

- Encourage submission of Invention Disclosure forms
 - Conduct patent mining sessions at conception, during development and before and after release
 - Brainstorming sessions for a product group where you discuss recent solutions to problems, possible solutions for current problems and the future trend in your product area
- Analyze the Invention
 - Is it a core invention?
 - Is it ground-breaking or a minor improvement?
 - Is it valuable to others?
 - How would exploitation by a competitor impact you?
 - Would competitors likely want to develop and patent improvements?
 - Barriers to entry for competitors
 - \$\$\$, Skill/knowledge

Invention Evaluation (cont'd)

- Patenting Considerations
 - Lifetime of the software?
 - Patentability of Invention?
 - Assess novelty, inventiveness, utility and subject matter
 - Potential scope of a granted patent?
 - Foreign Filing Strategies
 - Dealing with infringement in certain jurisdictions
 - Costs
 - Difficulty in detecting infringement?

Patent Filing Strategy

- Where to Apply For Patent?
 - Consider jurisdictions carefully re market size, competitor location and ability to enforce patents and patentability
 - Consider filing a U.S. provisional application to obtain a filing date and buy time to further consider/develop the invention
 - Consider filing a PCT patent application to further defer costs/decision making process
 - Consider filing a European patent application to streamline patent prosecution in Europe (request expedited examination)
 - Because every country is not a member of the PCT or Paris Convention Treaty, determine your countries of choice before the filing process

Other Approach?

- Maintain as a Trade Secret?
- File a Defensive Publication?
 - Publicly disclose an enabling description of the invention which becomes prior art that can be used to anticipate or make obvious any subsequent attempt to patent the subject matter
 - useful for potentially beneficial innovations with unacceptable patent costs
 - Ensure that authenticity and publishing date can be verified
 - Ensure that it can easily be found and that it provides a sufficient enabling disclosure

Other Approach (Cont)

- Pros

- Prevent competitors from patenting
- Low cost

- Cons

- No ability to enforce rights and prevents you from patenting (although 1 year grace period in certain countries)
- May not be considered "public" or "enabling" enough to defeat a competitor's application

Assess Your Competition

- Monitor the industry
 - What is the cutting edge technology?
 - Who are the major players?
 - Any new technology standards?
 - “External” Patent Mining
- Monitor the competition
 - Product releases
 - News releases
 - Contract Tenders
 - Website information
 - “External” Patent Mining

Patent Decisions To Make

- After you review your IP and competitor IP
 - How can you acquire what you need?
 - Can you get new patents for your products?
 - Can you license other relevant patents?
 - Can you buy key patents?
 - Can you hire key inventors?
 - How can you eliminate what you don't need?
 - Should you abandon any irrelevant patents or applications?
 - Could you assign or donate any patents (e.g. to a University) to keep them in force but to avoid paying maintenance fees?

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