



# MDG MICHAUD-DUFFY GROUP LLP

INTELLECTUAL PROPERTY LAW

Presented by Citibank - The Michaud-Duffy Glossary of Terms in Patent Law

## USPTO

The USPTO is the abbreviation for the U.S. Patent and Trademark Office. This agency of the U.S. Department of Commerce, which has more than 6,000 employees and is based in Arlington, Virginia, has statutory authority over the granting and processing of United States patents. The agency employs some 4,000 patent examiners to review patent applications. When the agency was first created under federal law by the Patent Act of 1790, the Secretary of State in consultation with the Secretary of War and the Attorney General granted patents. Both the President and the Secretary of State then signed the issued patents.



**Assignment** – An assignment is a legal document transferring ownership of an interest in a patent asset to a third party. It is recommended that any assignment be recorded at the USPTO.

**Business Method Patent** – This patent protects the means for carrying out a concrete system of doing, conducting or transacting business. A method for ordering goods on the Internet is patentable. Because of their novelty and complexity, these patents take longer to prosecute than other patents.

**Claims** – The claims in a patent are specific statements that determine the scope of protection. The art in drafting claims is to construct them narrowly enough to distinguish the invention from others yet broadly enough to have maximum commercial value.

**Design Patent** – A design patent is directed toward the aesthetic or ornamental aspects of an object. The design must be novel, non-obvious and ornamental—not functional.

**Employment Agreement** – Since patents issue to inventors in the United States, companies should specify in the employment agreement or in a consulting agreement that ownership of any patents that are job-related rests with the employer.

**Information Disclosure Statement (IDS)** – An IDS is a written statement in which an inventor discloses to the United States Patent and Trademark Office information that might bear on the patentability of his or her invention.

**License** – Typically, a license is a formal agreement that conditionally transfers rights held by one party to another.

**Office Action** – Patent applications are routinely rejected by Examiners for various reasons in formal determinations called “Office Actions.” A response to an Office Action is required to overcome whatever rejections are made.

**Patent** – In the United States, a patent is a grant by a government to an inventor for the right to exclude others from producing, selling or using the claimed invention for a limited time.

**Patent Drawings** – In almost all cases, the applicant is required to submit a drawing of the invention. The drawing or drawings must show every feature of the invention and must be prepared in a particular form. Specially trained patent draftspersons are often engaged to create such drawings.

**Patent Infringement** – Patent infringement occurs when each and every element of a claim, or its substantial equivalent, is found in the allegedly infringing device or method.

**Patent Life** – A utility patent issued in the United States has a patent life of 20 years from the filing date. The patent life of a design patent is 14 years from the issue date.

**Patentability Search** – This search is a very thorough undertaking to determine whether issued or published patents and/or applications exist that are relevant to the patentability of a particular invention. Law firms normally confine the search to the USPTO’s records of previously issued patent documents. The USPTO will also conduct its own, more thorough search. Even so, it is better to undertake a search at the earliest stages to discover the results.



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A view of the law offices of Michaud-Duffy.

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**Patent Pending** – Patent pending status refers to a patent application that is filed as either a provisional or non-provisional application and has not yet issued. Both kinds of applications establish a “patent pending” filing date.

**PCT** – PCT is the abbreviation for the Patent Cooperation Treaty, an international treaty under which an inventor can reserve the right to file a patent application in almost every country in the world while delaying the ultimate foreign filing decisions and costs for approximately 30 months from the earliest filing date.

**Plant Patent** – A plant patent can be granted to anyone who has invented or discovered and reproduced any distinct and new variety of plant by means other than from seeds, such as by the rooting of cuttings, by layering, budding, grafting, inarching, etc.

**Published Patent Application** – Under current U.S. law, non-provisional patent applications are published 18 months after their filing or the filing of the provisional application to which they relate. This presents an applicant with a risk; if the patent is ultimately not granted, the invention is disclosed without patent protection. However, if the applicant does not intend to file for protection in foreign countries, the applicant may request that the application not be published.



**Portfolio Management** – Within the field of intellectual property and specifically patent practice, portfolio management pertains to covering the recurring fees and annuities associated with a company’s issued patents both in the United States and abroad. It also involves a careful assessment of each patent within that portfolio to determine whether the previously issued patents warrant such maintenance fees.

**Preliminary Amendment** – A preliminary amendment is an amendment that is received in the USPTO on or before the mail date of the first Office Action. Amendments in applications, other than reissue applications, are routinely offered and accepted by the USPTO during the prosecution process.

**Prior Art** – Prior art refers to prior works and information that are material to the patentability of an invention. It provides the basis by which a patent application will be evaluated for patentability.

**Prosecution** – Prosecuting a patent application refers to the interaction between inventors and the USPTO from the time an application is filed until it ultimately issues.

**Provisional Patent Application** – A provisional patent application affords the applicant with patent pending status for one year upon submission. This type of application may be somewhat less detailed than the standard patent application. In fact, the provisional patent application need only describe the invention in sufficient detail to enable someone, after reading the application, to make or use the invention without undue experimentation.

As a result, the expense associated with drafting a provisional application is considerably less than drafting a non-provisional patent application.

A provisional patent application must be replaced within one year by a standard application if patent protection is to be obtained.

Since the late 1990s, provisional patent applications have provided a streamlined and valuable patent application process that has solved a number of perplexing and expensive challenges facing new and established inventors.



**Reverse Engineering** – Reverse engineering involves the recreation of a product or process through the disassembly of that object or process.

**Rule 1.56 (37 CFR §1.56)** – According to Rule 1.56, an individual associated with the filing and prosecution of a patent application has a duty in dealing with the USPTO to disclose all information known to that individual to be material to patentability.

**Trade Secret** – A trade secret involves information such as a formula, pattern, compilation, program, device, method, technique or process that derives independent value—actual or potential—from not being generally known and not being widely ascertainable. Reasonable efforts must be made to maintain the secrecy of the information.

**U. S. Constitution** – Patent law is rooted in the U.S. Constitution—at a time when our founding fathers lived in an agrarian society with little manufacturing or scientific advancement. Article I Section 8 states: “The Congress shall have Power ... to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”

**USPTO Registered Attorney** – To be registered before the U. S. Patent Office as well as to qualify for the Patent Bar Exam, an attorney must demonstrate proficiency in a scientific or technical discipline.



### Utility Patent

Utility patents may be granted to anyone who invents or discovers any new and useful process, machine, article of manufacture, or composition of matter—or any new and useful improvement thereof. The utility patent is the most common type of patent and is directed to the structure—not merely the function—of the invention or process. To issue, utility patents must satisfy three criteria by being new (or having a new combination of old elements), useful and non-obvious. The criteria must meet the legal standard of one of ordinary skill in the art to which the invention pertains. Utility patents apply to inventions that work. Each utility patent doesn't have to be better than what preceded it—just different. Even so, patented inventions have transformed companies and industries.



### Important U.S. Supreme Court Decision Affects Patents

On March 30, the U.S. Supreme Court rendered its decision in *KSR International Co. v. Teleflex Inc.*, a decision that has been anxiously awaited because it addresses one of the bedrock issues of patent law: how does one determine whether an invention is worthy of a patent? The Supreme Court instructed lower courts to resist being formalistic when determining whether an invention is non-obvious and worthy of a patent, or whether it is obvious and cannot be patented. The proper approach, the Court said, is a flexible one that takes into account the level of ordinary skill in the art, as well as other factors, and whether the result of such a combination is predictable. The Court said that by taking this approach, the courts will assure that the patent system achieves its Constitutional purpose, “to promote the progress of the useful arts.”