

ICT Innovation – Spring 2018

MSc in Computer Science and MEng Telecom. Engineering EIT Masters ITA, S&P, SDE, DMT
MA Management of Innovation

Lecture 11 – Intellectual Property Rights
Prof. Fabio Massacci

Value of Intellectual Property



- Intellectual property (IP)
 - intangible asset created by human intellectual or inspirational activity.
 - "Intellectual capital is recognized as the most important asset of many of the world's largest and most powerful companies; it is the foundation for the market dominance and continuing profitability of leading corporations."
 - K. King, World Intellectual Property Organization
- There are many types of IP:
 - trademarks, copyrights, designs, software, patents, trade secrets, processes, and other specialized knowledge.
- For Fortune 500 companies, value of IP can be very large
 - Pfizer (57B "cash", 11B Equip., 35B IP, 42B Goodwill, over 169B)
 - Google (80B "cash", 23B Equip.. 5B IP, 15B Goodwill over 131B)

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Copyright



- The right to make copies
 - Arises from simply creating a work
 - Protects the expression not the idea
 - Last 95 years!
- Default copyright ownership
 - Owned by author unless otherwise agreed (e.g. by employee or contractor agreement)
- Open source
 - For sharing and building



- Notice format is quite flexible
 - Copyright © 2010, Google, Inc., All Rights Reserved
 - © 2010 Google Copyright Google

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Trademark



- Valuable for building and protecting a brand
- A "mark" under which you sell goods and services
 - House mark This oxo
 - Product mark ThinkPad iPad
 - Rights valuable for use in commerce → ... ™
 - Federal registration in the US → ... ®
- Cannot protect "common names"
 - Only the particular graphical form.
 - Generic GIGABYTE

 - Descriptive ANALOG DEVICES
 - Suggestive HARDAS NAILS®
- Cannot protect "numbers" in any form
 - "486" cannot be protected, "Pentium" can

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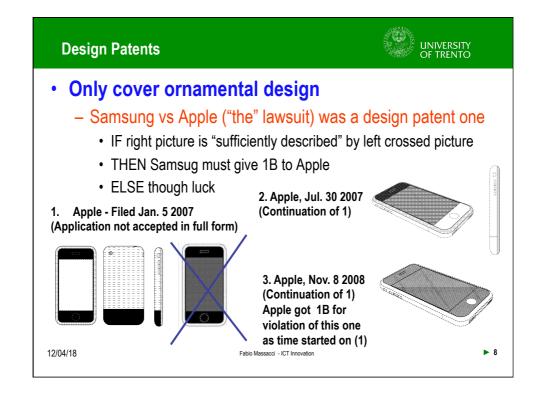
The Basic Process Application - Apply to Country Patent and Trademark Office • For Europe you can apply to the European PTO - PTO may reject the claim or ask for changes • "not enough different from an existing one" • "Common words" - Appeal - PTO admits the Trademark - Competitors/Nearby field may ask changes • "Trademark only applies to medical devices" - Finally granted Renewal after 5 years - Must show evidence of actual use in practice • E.g., picture of products into shops/adverts in the country

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All this through a patent attorney

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Having a Trademark in EU, US, China → 20-30K€



Utility Patent



- Limited-time monopoly, granted by government, in exchange for teaching the public new and useful knowledge
 - US/EU/JP/CN: 20 years from filing date
- Key Feature
 - Gives owner the right to exclude others from practicing the invention
 - Owner's right to practice may be limited by others patent rights (similar or dominating inventions)
- Real estate analogy:
 - Right to prevent trespassers
 - Ownership ≠ right to use
 - limited by access rights, zoning, etc.
 - Claims of patent ≈ fence around property

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Requirements to Obtain a Patent



- Patentable subject matter
- · Not previously sold or publicly described
- Novel
 - prior art must be cited
- Useful
 - for some demonstrable need or value
- Not obvious
 - "to one of ordinary skill in the art"
 - prior art "teaches against"
 - initial commercial success may demonstrate

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What is in a Patent?



- Description
 - Field of the invention
 - · Describe the problem addressed
 - Background of the invention
 - · Describe the "prior art"
 - · List advantages over existing methods
 - Summary of the invention
 - Detailed description
 - Best mode: the best way to implement the invention
 - · Examples of use and modes of implementation
- Claims
 - unique characteristics of the invention
 - owner can prevent others from practicing the invention only through the claims.

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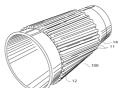


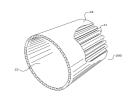
Coffee cup Sleeve - Summary



Recyclable corrugated beverage container and holder

- Corrugated beverage containers and holders are which employ recyclable materials, but provide fluting structures for containing insulating air.
- These products are easy to hold and have a lesser impact on the environment than polystyrene containers.
- Description
 - 14 Paragraphs
 - 13 Figures
- 18 Claims





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Cofee Cup Sleeve - Claims



1. A recyclable, insulating beverage container holder, comprising

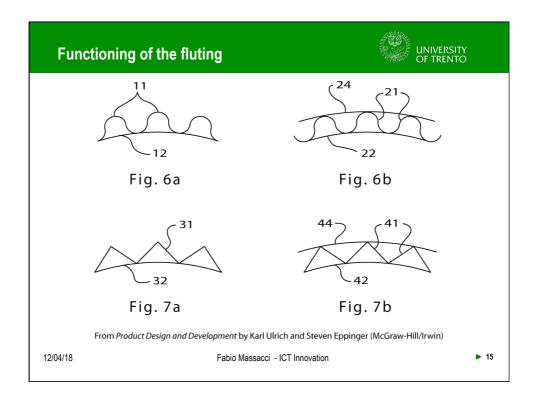
- a corrugated tubular member comprising cellulosic material and at least a first opening therein for receiving and retaining a beverage container,
- said corrugated tubular member comprising fluting means for containing insulating air;
- said fluting means comprising fluting adhesively attached to a liner with a recyclable adhesive.

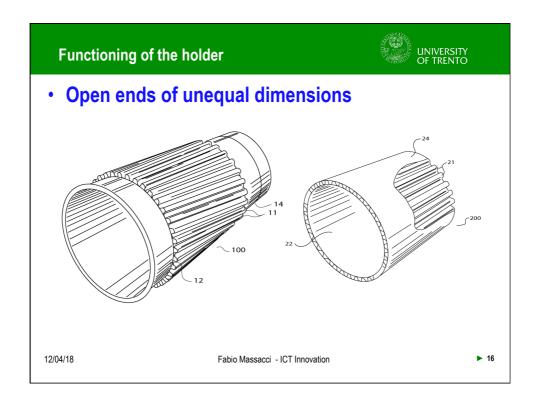
2. The holder of claim 1, wherein

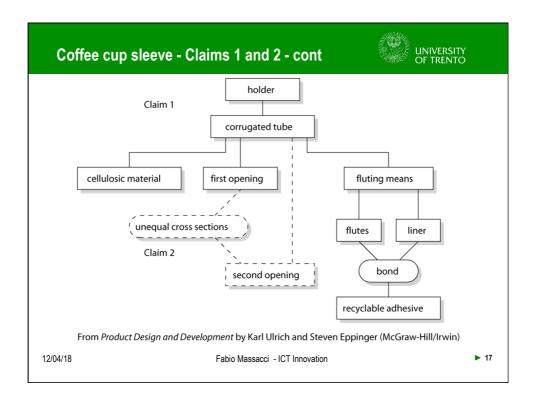
 said tubular member comprises a corrugated tube having first and second open ends of unequal cross-sectional dimensions

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Patents and Business Plans



- Freedom to Make, License and Sell your Product
- Does Your Company Own the Technology?
 - Assigned by Inventor to Company?
 - Licensed from University?
 - Did it go into the Public Domain?
 - · Public Disclosure/On Sale Bars
- What is your Strategy?
 - Patenting vs Disclosing to Prevent Others from Patenting

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- Patenting to force others to license your products
- Patenting to force others to buy your company
- Software patents...

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Obtaining a Patent



- The Application Process breaks down into four main projects
 - Determining What to Patent
 - Determining When to File
 - Preparing one or more Patent Applications
 - Prosecuting the Applications

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What to Patent



- Determining What to Patent
 - Probably the most important step
 - · Do NOT ask "What can I get a patent on?"
 - Ask instead "What do I want a patent on?"
 - What is of commercial value to my company?
 - How would my competitors use my technology?
 - Patent owner can prevent others from "making, using, selling, or importing"
- Show stoppers
 - Compare against the prior art
 - No dominating patents
 - Another patent dominates yours if you practice at least one claim of theirs. (Handle on Coffee Cup)
 - It is OK if you have permission to infringe from the owner of the dominating patent, i.e., a license

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When to File



Determining When to File

- Before you lose rights
 - · Before a public disclosure
 - · Before an "on sale" bar
- In time to have a patent to protect your products

Provisional Patent Applications (in the US)

- Requires a meaningful description of the invention
- Protects invention for one year (See how market goes)
- Fast and Cheap but nothing happens at the USPTO
- What you fail to disclose may not be protected

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The Basic Process



Application

- Apply to Country Patent and Trademark Office
 - For Europe you can apply to the European PTO (expensive)
 - · Can apply to the national office (cheap but only work for other)
 - PTO may reject the claim or ask for changes
 - "Not enough difference from an existing one"
 - · "Claims too broad"
 - Appeal (repeat process)
 - · Reduce/change claims
 - PTO admits the patent
 - Competitors may challenge it

Finally granted

- priority date is when you first filed
- If people started to use your idea they should pay you a license
- Renewal after 5 years → major jump in patent fees

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Costs



- Patent Applications
 - 5-15K\$ for preparing the application
- Patent Filing Costs
 - EU Filing fee → 6-8K\$
 - US Filing fee → 400-800\$ + Prosecution 5-15K\$
 - Internation PCT demand 1-2.5K\$ + filing fee 2.5-4K\$
 - Japanese Filing/Trans. fee is about 7-10K\$
- Worldwide Costs (Gov. Accounting Office study):
 - 300-500K\$ in 10 countries over the life of the patent

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Cost Breakdown



- · Italian Patent
 - Cheap initial submission
 - Long wait for the report (actually will come from the EPTO)
 - Eventually must lift to European
 - 4K → Attorney estimate costs begin to end
 - Kind of cheating: Italian ministry will pay for the EPTO research review fee
- European Patent submission
 - >5K for the attorney
 - 1.5K in taxes for the EPTO
 - 250€ for every claim after the 15th
 - 600€ for every claim after the 50th
- European Patent review
 - >2K for the attorney
 - 1.2K in taxes for the EPTO
- · European Patent individual country deposit
 - >1.5K for the attorney
 - Translation costs in German and French
 - Translation costs in any other language
 - 500€/Country x national deposit
- Maintenance Fee

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Software Patents



- With chemicals, plants or physical inventions you create "something"
 - Common use → manufacture and sell invention or license it to people who sell it
 - Natural interpretation of invention
- Many Software patents protect features that are hardly inventions (from any reasonable perspective)
 - Used to create "legal arsenal" to force competitors to negotiate on services and use of software
 - Software "royalties" are close to not existing
 - MP3 Licenses to Fraunhofer being the mostly known exception
 - Occasionally you hear top brass of Google, Facebook, Microsoft, etc. moaning about "Patent Trolls" (i.e. people who try to rightly extract royalties from patents) → let's see who's right

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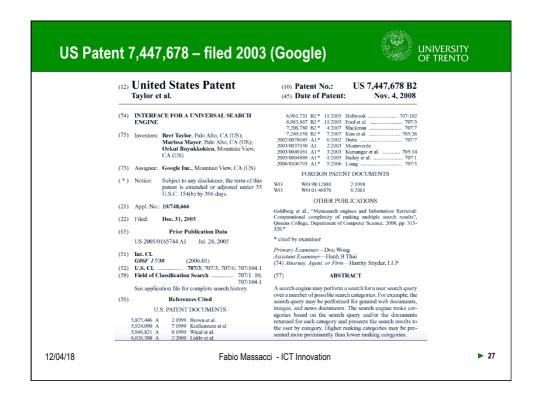
Patents on search interfaces



- Search Interfaces: 158 Patents
 - TTL/Search AND TTL/Interface
- Search Interfaces for the Web/Internet: 19 Patents
 - ... AND (ABST/Internet OR ABST/Web)
- Earliest Patent 5,982,370 Filed 1997 by IBM
 - Highlighting tool for **search** specification in a user **interface** of a computer system
- Google Patents: 4 (earliest filed in 2003)
 - Interface for a universal search engine
 - ... AND AN/Google

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US Patent #5,982,370 – filed 1997 (IBM)



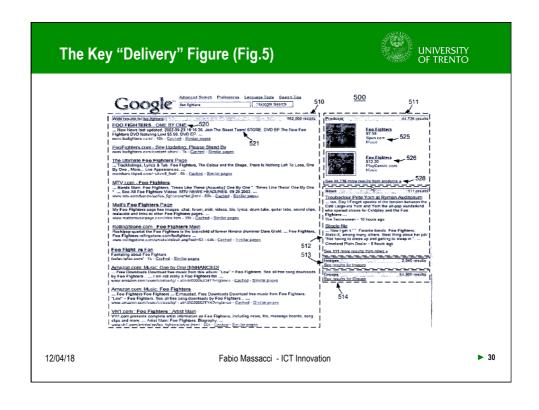
- Highlighting tool for search specification in a user interface of a computer system
 - A search interface is provided that is easy to use and understand.
 - A unique visual metaphor in the form of a "highlight" tool is used for this purpose.
 - The highlighting tool is used to identify search terms. In one embodiment, a user uses the tool to mark text on a document, such as an HTML document displayed in a Web browser.
 - Upon selection of this text, and preferably following a time delay, a pop-up menu appears that offers the user the option of searching for this text.
 - After searching and receiving the results, the user can again use the highlighting tool to mark one or more words/terms (or other information, such as a URL) within the results listed.

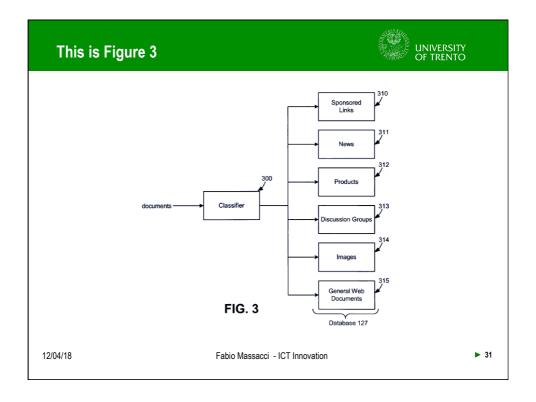
US Patent 7,447,678 – filed 2003 (Google)

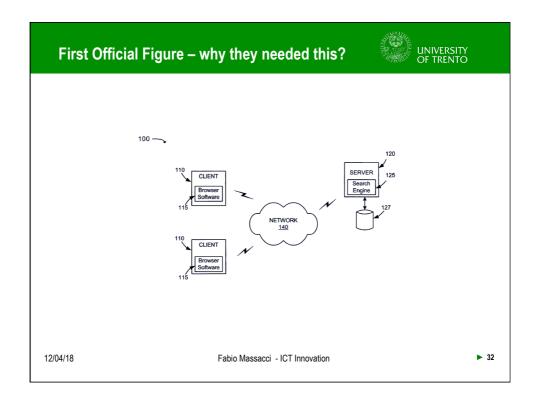


· Interface for a universal search engine

- A search engine may perform a search for a user search query over a number of possible search categories.
 - For example, the search query may be performed for general *web* documents, images, and news documents.
- The search engine ranks categories based on the search query and/or the documents returned for each category and presents the search results to the user by category.
 - Higher ranking categories may be presented more prominently than lower ranking categories.







Universal search engine - Claims



1. A method comprising:

- receiving a search query;
- performing a search, in response to the search query, on a database including a plurality of document categories to obtain a list of search results corresponding to each of the document categories;
- ranking the document categories relative to one another based on a content of documents in each of the lists of search results;
- and generating a document in which the list of search results corresponding to each of at least two of the document categories are presented in sections by category based on the ranking of the at least of the document categories, where...
- Which ones would you held as "Novel AND Non Obvious"?

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Universal search engine - Claims



A method comprising:

- receiving a search query;
- performing a search, in response to the search query, on a database including a
 plurality of document categories to obtain a list of search results corresponding to
 each of the document categories;
- ranking the document categories relative to one another based on a content of documents in each of the lists of search results;
- and generating a document in which the list of search results corresponding to each
 of at least two of the document categories are presented in sections by category
 based on the ranking of the at least of the document categories,
 - where a first section of the generated document corresponding to a higher ranking one of the
 at least two of the document categories is more prominently presented within the generated
 document than a second section of the generated document corresponding to a lower
 ranking one of the at least two of the document categories,
 - and the first section presents a textual snippet associated with respective ones of the listed search results corresponding to the higher ranking document category
 - and the second section does not present a textual snippet associated with each of the listed search results corresponding to the lower ranking document category.

Serch Interface patent - Claims discussion



The method of claim 1, where

- 2.... the generated document includes the search results as hyper-text transfer protocol (HTTP) links.
- 3 the first section includes more of the search results than are included in the second section.
- 4 at least one of the sections includes a title describing the category corresponding to the at least one section.
- 5. ... at least one of the sections includes a link to additional search results for the category corresponding to the at least one section.
- 6 the generated document is a web page.
- 7. ... ranking the document categories is further based on the search query.
- 8. ... the first section is presented on a left hand side of the generated document.
- 9. ... the document categories include at least one of a news category, an image category, or a product category.
- 10. ... the document categories include a general web page category.
- Which ones would you held as "Novel AND Non Obvious"?

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Bookmark's Patent



US Patent Office

- CCL/715/207 (Hyperlink display attribute) → 442 Patents
- CCL/715/207 AND ABST/Bookmark → 5 Patents
 - 1 Google (2007), 2 IBM, 1 NEC, 1 some Mr. Burke (2000)
- Patent 8,433,995 by Google, filed in 2007
 - Methods and apparatus, including computer program products, implementing and using techniques for managing bookmarks associated with web pages.
 - A button is displayed on a graphical user interface associated with a browser displaying a web page on the computer display.
 - A user input selecting the button is received.
 - Each time the button is selected, an editing window is displayed, which includes several bookmark editing operations for the displayed web page.
 - The bookmark editing operations can be completed by a user in the editing window.

Detailed Description

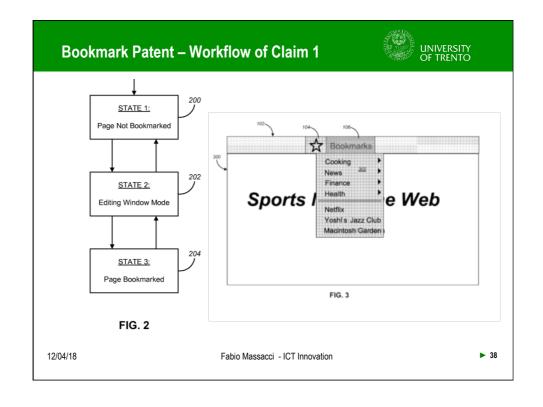
- 18 Paragraphs, 7 Figures
- 33 Claims

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Bookmarks' patent - Claim 1



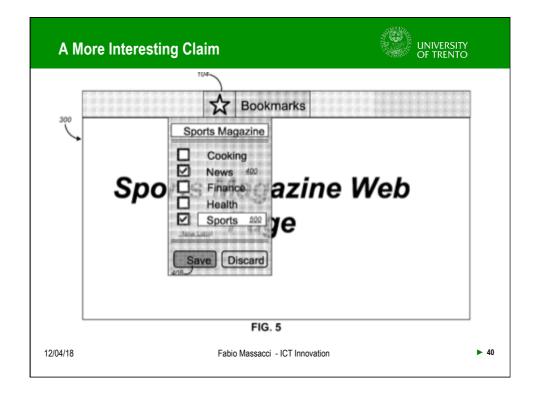
- 1. A computer-implemented method for managing bookmarks associated with web pages, comprising:
 - providing an interface element on a graphical user interface associated with a browser currently displaying a web page on a computer display,
 - the interface element being operable to be displayed in three different states, wherein each state indicates a bookmarking status of the currently displayed web page;
 - displaying the interface element in a non-bookmarked state if the currently displayed web page has not been bookmarked;
 - displaying the interface element in a bookmarked state if the currently displayed web page has been bookmarked;
 - receiving a user input selecting the interface element;



Bookmarks' patent – Claims discussion



- The method of claim 1,
 - 2 ... comprising:
 - receiving user input performing one or more bookmark editing operations in the editing window;
 - and updating a bookmark record for the user at a remote server in response to the received user input.
 - 3 ... the graphical user interface is a toolbar in a browser.
 - 4 ... displaying a semi-transparent editing window overlaying the currently displayed web page.
 - 5. ... displaying an editing window with a text box in which a user can enter a custom name for the currently displayed web page.
 - 6. ... displaying an editing window with one or more categories with which the currently displayed webpage can be associated.
 - 7. ... displaying a checkbox adjacent to each category in the editing window, the checkboxes being operable to be checked by a user to indicate an association between the currently displayed web page and the category adjacent to the checked checkbox.
- Which ones will you held "Novel AND Non Obvious"?



A bit of history



Marc Andreessen – Post on Comp.Infosystem Feb/1993

- NCSA is developing a new X/Motif-based networked information systems browser called X Mosaic.
- History list per window (both 'where you've been' and 'where you can go').
- Global history with previously visited locations visually distinct; global history is persistent across sessions.
- Hotlist/bookmark capability -- keep list of interesting documents, add/remove items, list is persistent across sessions
- Personal annotations with GUI annotation entry dialog; annotations can later be edited or deleted, and hyperlinks to existing annotations are inlined into subsequent accesses of an annotated document.
- Mentioned by Tim Berners Lee May 1993 WWW Newsletter

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SEC Filing Form 10-K, Year 2014



- Google
 - world leader in Search/Ads
- #Times "royalt" appears 7
 - NEVER in earnings, only in the litigations
- Financial Data
 - Total Revenues: 29 B
 - Sales of advertising: 89%
 - · Rest is sales in Market Place
 - Royalties: not even mentioned
 - Patents in Assets: 4B
- US Patents: 6.688
 - AN/Google AND ISD/\$/\$/1994->\$/\$/2014

- Pfizer
 - world leader in Pharma
- #Times "royalt" appears 28
 - Several times in the financial explanation
- Financial Data
 - Total Revenues: 49 B
 - Sales of products: 92%
 - · Plus licensing agreement
 - Explicity royalties: 1B
 - Patents in Assets: 26.6B
- US Patents: 2.460
 - AN/Pfizer AND ISD/\$/\$/1994->\$/\$/2014

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SEC Filing Form 10-K, Year 2014 - cont



- Google
 - We generate revenues primarily by delivering online advertising that consumers find relevant and that advertisers find cost-effective
- IP Mentioned 32 times
 - Mostly related to risk of litigation
- Intellectual Property
 - We have also filed patent applications in the US and foreign countries covering certain of our technology, and acquired patent assets to supplement our portfolio.
- NO "significant" patents → because most software patents are not truly inventions, let alone "significant" inventions

Pfizer

 The majority of our revenues come from the manufacture and sale of biopharmaceutical products.

IP Mentioned 61 times

Mostly related to protection

Intellectual Property

- Based on current product sales, and considering the vigorous competition with products sold by our competitors, the patent rights we consider most significant in relation to our business as a whole, ... are those for the medicines set forth in the table below.
- 14 "significant" patents

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Do numbers add up?

- Google
 - Patents in Assets: 4B
 - US Patents: 6.688
- Is patenting worth?
 - Average Value = 0.6M
 - Average Patenting Cost = 0.5M
 - Using Costs of World Patents

- Pfizer
 - Patents in Assets: 26.6B

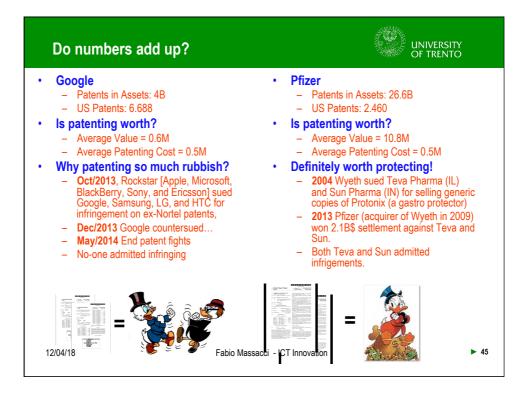
UNIVERSITY OF TRENTO

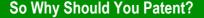
- US Patents: 2.460
- Is patenting worth?
 - Average Value = 10.8M
 - Average Patenting Cost = 0.5M
 - Using Costs of World Patents

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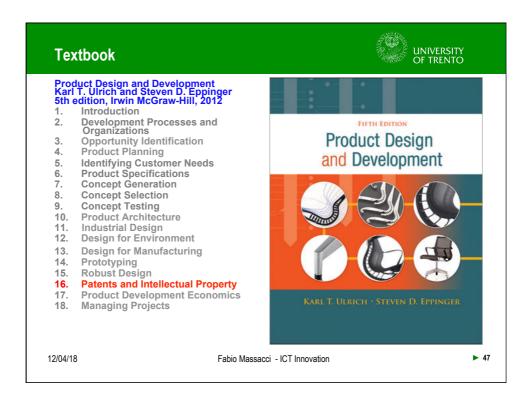






- Sell a physical product? → "Hardware" Patent
 - Might be licensed to actual producer
 - Easier to prove infringement
 - Example Apple Design patents → the look of it is enough
- Sell a service? → "Software" Patent
 - Hard to sell and license
 - Very difficult also to prove infringement
 - · How do you know what happens internally in a competitor's software?
 - Easier if it is about the interface → see Google's patent on bookmarks
- What if you are a small company?
 - Patent is mostly useful to show you have something valuable to potential investor in your company
 - BUT you must have first shown it works with a pilot or something
 - Eventually useful if large company wants to buy you

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Additional Reading



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- http://www.theverge.com/2014/6/19/5824144/
 http://www.theverge.com/2014/6/19/5824144/
 http://www.theverge.com/supreme-court-rules-software-patents-that-cover-abstract-ideas-are
 <a href="mailto:supreme-court-rules-software-patents-that-cover-abstract-ideas-are-rule
- See material on web page of course

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