

ON THE NATURAL PARITY OF OPPORTUNITIES AND ON NATURAL MANIFESTATIONS

(OR ON THE WAYS OF REFORMING THE PATENT SYSTEM)

(PART II)

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FOREWORD

Dealing with domestic applicants has shown that their approaches to patenting technical solutions cover a wide spectrum. Filing their technical solutions for patenting covers a wide range, viz. from a cursory statement of one's concept in general form and through to a concrete submission of work drawings and demonstration of an operating model or a prototype product.

Each true inventor is a creative individual who either dreams of blessing humanity with his invention or leaving a mark in history, or enriching oneself in life as Bill Gates or Steve Jobs.

Inventors, who want to make humanity happy, as a rule invent known things, which they have no knowledge of only because they have never worked in the area where they strive to invent.

Those who want to be enriched with an invention are usually more practical in their ambitions and can achieve their goal provided the commercial opportunities are favourable.

However, they often lack the tenacity in overcoming obstacles that inevitably occur on the thorny path of implementing their inventions, and they suffer from lack of start-up capital. Few of them have at their disposal their own production capacities and can develop the product of their creation to the commercial introduction level. The majority of them seek sponsor support, as a rule without success.

How can one help the domestic inventor? This is the issue posed by the author of this publication who offers his variant of the answer for review and discussion.

Stogniy Ye.S., Patent Agent

The patent system, especially patent databases, is a body of knowledge accumulated by humanity. Year upon year, new layers of patent documentation come into being. On the one hand, they are a reframing of society's knowledge accumulated to date, and on the other hand, they are a source of new creative

explorations and feats. Studying patent databases makes one wonder what drives a person to pursue the path of inventiveness and wilfully tighten one's belt to create new technical solutions? It is hard to understand how, in the Neolithic age, representatives of the human race, under constant anxiety about their subsistence and permanent dangers have created cave drawings and sketches, and tools for this.

In this paper, I will not dwell in detail on the different aspects of TIPS and ASIP, but will consider only the urges of an inventor and proposals on stimulating the creation of new technical solutions.

Clearly, technical solutions can be created owing to a variety of circumstances, for instance, errors, blunders, fortuity, ill fate, delusion, and a combination of circumstances. Often a person, due to the above circumstances, finds a technical solution, which, in his opinion, can be filed as an invention application. The point is that the inventor, in so doing, should be aware that he has invented a new and unobvious technical solution that can be granted a patent.

Different people are driven by various incentives. Not in every instance are inventors driven by pragmatic feelings of gaining material benefit. In some cases, the author is bent on breaking through the walls of the fortress of science. In other ones, he would like his great grandchildren to know him as a famous inventor.

For instance, a new unobvious technical solution can be created by an author due to his individual activities. For example, a former retired designer, advanced in age, can solve design problems in a technical field known to him because of his earlier employment. The technical solutions created in this case will not be employee ones because the objective of their creation was not fulfilling one's job duties. The rationale of such inventor's activity consists largely in exploiting one's wealth of experience. At the same time, no one of course would mind if the accumulated life and production experience would convert into the familiar golden jingle of coins.

The patent system is known to have been created to drive technical advancement, as a whole, and protecting the rights of inventors, in particular. However, in the process of receiving an invention patent, the author meets several challenges. Primarily, as a rule, he has neither the time nor the desire, and no funds for patenting. However, in spite of this, the author hopes that an application for a technical solution can be filed, and that it will turn out to be patentable. Furthermore, if

the author after all has decided to get involved in the patenting process, there is no guarantee that he will pursue this path to the end. With account of this path being thorny and the extended patenting terms, he can abandon the patenting procedure at any stage. Finally, the author can abandon patenting if he finds that his technical solution cannot be implemented due to several plausible and obvious reasons. For instance, if his technical solution does not relate to the art known to the author, and there is no experience, time and funds to promote one's technical solution, the author, in spite of the probable patentability of his technical solution, can abandon patenting because he sees his chances of success as negligible.

In this case, the inventor understands that, in spite of being granted a patent, it will be difficult to convince a prospective manufacturer to introduce his invention into production because each enterprise believes that it employs not only smart specialists but also the most qualified ones who can deal with the problem themselves and need no services of an outsider inventor. Other reasons to refuse to implement an invention can be as follows: the technical solution proposed by the inventor has a small extent of rights; the author has patented his invention only in one or two countries, in which the prospective user of the patent is not interested in or reckons that if the patents were received in other countries of interest for him, then he might have considered the proposed invention, but otherwise, sorry.

Yet another reason to refuse to use the offered patent is an insufficient extent of rights residing in the patent. The cause of this is the overly detailed claims, resulting in that a negligible value of patent rights is offered for being acquired. Another reason can be that three and more years have passed from the application filing date, and the technical solution as of today is topical no more.

In addition, the author can know that, owing to the inadequate application of his patented invention, the inventor can be compelled to provide licenses to interested persons on more just and favourable conditions, which may not suit him. In defining these conditions, the fact must be taken into account that, during the time allowed to the inventor, he has failed to set up commercial production and use his technical solution. This neuters the inventor because it is indicative of the big risks involved in implementing the invention. The main point is that, in 2-3 years, technical solutions would have advanced far and his invention may be obsolete, and to comply with the

formalities and the law, the acquirer of rights will be forced to petition for being granted a compulsory license. To this, the author can object that it is too early for those wonderful times when favourable conditions will be in place to exploit the invention. For instance, required alloys have not yet been developed or current machining precision is insufficient, which are the requisite conditions for implementing the invention. However, anyway, these circumstances can only aggravate and deteriorate the author's stance.

Cases are known when the management of a company shelves an employee's patentable technical solution, for instance, because of budget insufficient for funding patenting. In this case, even if the author shall receive the right to independent patenting of a technical solution, this is far from implying that he will want to exercise this right because the author is well aware of the intricacies of the patent system and the costs to be incurred. With these costs, even the most likely prospective user of the technical solution (the enterprise that employs the author) will have no interest in implementing it.

Hence, the author will rather keep silence about his technical solution or convince oneself in the futility of patenting, with the most harmful outcome being that the author stops thinking about the practicality of patenting future inventions. This will be a misdeed both to oneself and to society. An advice to the inventor would be that it is no worth being guided by the principle of "unimportance" (or insignificance) of one's technical solution because, as it is known, a spark can kindle a flame.

All the above reasons have an unfavourable effect on the activity of inventors and impair their interest in patenting one's own inventions. They will also have an adverse effect on an adequate formation of new patent documentation, which is instrumental for future technical solutions.

Hence, the paper considers the issues of boosting the inventiveness process, and measures are suggested to create conditions inducing inventors to patent their technical solutions.

The Russian Federation is known for having in place an incentive for inventors to patent their inventions, such as relieving the author-applicant from paying governmental patenting fees.

With this in view, the author, when filing an invention application, makes a

statement that, based on Article 1366 of the Civil Code of the Russian Federation, he undertakes to alienate the patented technical solution, for which an RF invention was registered, to any resident entity in the RF. Obviously, this provision is very sticky and cannot wholly account for the interests of a prospective patent owner because much time can pass from the application filing date to the patent issuance one.

The prospective acquirer of rights as per compulsory alienation will be unable to place this technical solution, or account for it completely, in his patent portfolio because the right of priority for filing the claimed technical solution in other countries will be lost permanently.

Note also that such compulsory alienation of patent rights in a patent results in diminution of the value of assigned patent rights because the acquirer of rights will be incapable of building one's patent portfolio optimally.

The result of compulsory alienation of patent rights by the author to the first person who express his wish to acquire them is that the invention will be valued at its minimal cost because the economic attractiveness of the given technical solution at this point is unclear, and the presence of one buyer always predetermines the low value of exercised patent rights.

Therefore, the following is suggested.

In the first place, society shall announce that its goal is increasing the number of filed invention and utility model applications. To achieve this goal, appropriate patent system drivers have to be actuated, which would ensure an influx of invention applications whose submission is dubious owing to authors' attitudes, who are not interested in this because of the above-mentioned circumstances.

A legislative norm must be introduced, according to which the author, when filing an invention application, can state that he is willing to conclude a patent rights alienation agreement with the first person who will express his wish to acquire the claimed technical solution. In this case, the author is relieved of paying governmental fees and charges, and the application is published (laid open to the public) in eight months from its filing date. In so doing, the application undergoes examination for formalities, and is published along with a patent search report (identical to the

international PCT search report). The report shall contain information on closest analogs, with an opinion on compliance of the claimed technical solution with patentability criteria: novelty, inventive step and commercial applicability. This patent search report will help the author to evaluate the probability of acquiring patent rights, and will let him address prospective acquirers of patent rights with reference to the patent search report compiled by the Patent Office.

Of special note is that, in case of publication of the above-mentioned application along with a patent search report, the compulsory alienation of patent rights does not extend to the convention priority right in effect for 12 months from the date of filing the first application with the Patent Office. Having received the patent search report, the author may be surprised by the level of one's technical solution and see it is a yet uncut diamond. This can infuse confidence in the author and his hopes in the promising outlook of foreign patenting of the first application filed with the Patent Office. Being not overburdened by the effect of one's petition for alienation of patent rights to any person who would have been the first to express a wish to acquire rights in this application, the author can seek independent foreign patenting on his own, including filing an international application under the PCT. If after publication of the application along with a patent search report, a third person will apply to the Patent Office in 12 months from the date of filing the application with the Patent Office, and express a wish to acquire patent rights in an application published along with a patent search report, the author shall retain the convention priority right related to international patenting. Thereat, the author, based on a side agreement, which does not encumber him, can conclude on equal terms a side agreement on alienation of the convention priority right for this application. This will allow the author to evaluate optimally one's rights and account for the interests of all parties. For instance, the author has filed an application along with a petition for willingness to alienate it to any person who has expressed such a wish. After the publication of an application along with a patent search report, the author files an international application under the PCT, allowing for transferring the application to an international one in 30 months. Therefore, the author can assign the rights in the first application to the first person who would have expressed such a wish. In so doing, based on a separate agreement, the author can assign the rights in an international application to the same or another person, or the author can independently undertake the transfer

of the international application to the designated states and enter the national patenting phase for the PCT application.

Note also that the above-mentioned procedure of application publication (laying open to the public) along with a patent search report allows for extending its action to utility models with certain reservations. Since in Ukraine a utility model patent is granted under applicant's responsibility, the applicant, in filing a utility model application, can state that he is willing to assign patent rights in a utility model under an agreement on alienation of patent rights to the first person who would express the wish to acquire the obtained patent. In the latter case, in three months from the date of filing a utility model application, the Patent Office examiner will forward the prepared patent search report to such an applicant. The patent search report shall contain information on the closest analogs of the claimed technical solution, which the examiner has found, and the examiner's opinion on compliance of the claimed utility model with patentability criteria: novelty and inventive step. If the examiner in the patent search report shall find that the claimed technical solution fails to meet patentability criteria, a decision on issuing a utility model patent for the stated technical solution is not made. However, the author can draft a reply with feasible amendments to the materials of the filed utility model application. If the author's reply will satisfy the examiner, he shall make a decision on issuing a patent. Note also that the convention priority right in a utility model does not transfer because of the author's petition for willingness to alienate patent rights to any person who would be the first to express the wish to acquire such patent rights.

A procedure can also be provided, according to which the patent holder can petition for willingness to alienate patent rights to any person who has expressed such a wish at any stage of effect of an invention or utility model patent. In so doing, the patent holder shall have no right to revoke one's petition for willingness to alienate patent rights. He can only change it to a petition for willingness to provide an open license with payment of a 50% fee for maintaining the patent during the period of effect of the petition for willingness to alienate patent rights. This norm will improve the effectiveness of exercising patent rights, and will allow the patent holder to mitigate the financial burden and retain one's patent portfolio during holder's unfavourable state of business.

The suggested procedures of assigning rights in claimed technical solutions will make it possible for the contracting parties to determine the value of the rights being assigned more prudently and justifiably. This will also allow the assignee of patent rights to exercise the priority right in the filed invention (utility model) application to proceed with patenting in other countries. In the event of concluding such an alienation agreement, the assignee shall compensate for all earlier unpaid fees to the Patent Office.

CONCLUSIONS:

1. A legislative norm is suggested, according to which, upon filing an invention application, the applicant can state that he is willing to conclude a patent rights alienation agreement with the first person who will express the wish to acquire rights in the claimed technical solution. In this case, the applicant is relieved from paying governmental fees and charges, and the application is published along with a patent search report, with the application convention priority right remaining with the applicant and without transfer because of compulsory alienation of patent rights to any person who has first expressed such a wish.

2. It is suggested to provide for a procedure, according to which, upon filing an invention application, the applicant can additionally petition for publishing the application earlier than in 18 months along with a patent search report.

3. It is suggested to provide for a procedure of filing a utility model application, according to which, upon filing a utility model application, the applicant can petition for the obligation to alienate a utility model patent published along with a patent search report to any person who has expressed such a wish. In this case, the applicant is also relieved from paying governmental fees and charges.

4. It is suggested to provide for a procedure, according to which the patent holder can petition for willingness to alienate patent rights to any person who has expressed such a wish at any stage of effect of an invention or utility model patent. In so doing, the patent holder shall have no right to revoke one's petition for willingness to alienate patent rights. He can only change it to a petition for willingness to provide an open license, with payment of a 50% fee for maintaining the patent during the term

of effect of the petition for willingness to alienate patent rights. This norm will improve the effectiveness of exercising patent rights, and will allow the patent holder to mitigate the financial burden and retain one's patent portfolio during holder's unfavourable state of business.

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