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Drafting and Claim Developments for Building  
a Patent Portfolio (January 25, 2016)

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*Pure Storage*

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The first article in this series addresses business and strategic reasons to use continuation practice, particularly for portfolio building and licensing.

The second article addressed how a patent portfolio manager may establish regular business processes as part of their regular IP management program.

This third article addresses how to draft patent applications with a view to longer-term portfolio growth, and how to identify and craft claimsets of value for product protection, cross-licensing or monetization.

For the purposes of this article, a patent owner can include an established company, a start-up, a university or an individual.

## **INVESTING IN PATENT APPLICATIONS**

Every patent application filed is an investment decision on behalf of the company and shareholders. Portfolio managers (often in-house counsel) have a unique opportunity to scrutinize this decision and lay the foundation for a strong patent. The decisions made at this point, and guidelines provided to the drafting counsel, can determine in large part the subsequent scope (and potentially the financial value) of a granted patent or family of patents.

There are several questions that the portfolio manager should ask before drafting and filing an application. The answers may determine the appropriate level of detail and complexity (and thus cost) associated with an application to be filed.

**Why?** How does the patent owner intend to use the patent in the long term? In a patent application intended primarily for incremental product protection, the level of detail required may be different than that of a strategic patent application or one intended for use in licensing. Similarly, if the patent owner is focused on rapid portfolio building and increasing the number of assets they hold, then a greater number of limited-scope, lower-cost filings may be their preferred course.

**What?** Is the patent application focused on a single incremental invention, or is it directed to a broader system or architecture? For important new products or platforms, the portfolio manager may consider filing multiple patents on different features of the product, to protect each one in a separate patent application. This can be helpful for monetization use in the future, as the features can potentially be licensed (or patents sold) separately from each other. The patent owner may consider filing on product features most likely to be copied by a competitor, rather than specific implementations of the patent-owner.

**Where?** In which jurisdictions does the patent holder plan to seek coverage? This may influence the drafting style and enabling support required, particularly for software-related applications. Also, certain jurisdictions (e.g., Taiwan, which is not a party to the Patent Cooperation Treaty) require a utility patent to be filed within a year of the priority date, which may incur up-front translation and filing costs. The patent owner may consider filing in jurisdictions where competitive products are manufactured, tested, or sold.

## **DRAFTING PRACTICES FOR FUTURE CLAIM DEVELOPMENT**

When drafting a patent application, it pays not just to envision how the idea may be used now, but also 5, 10 or 15 years in the future. By looking at long-term technology trends and likely future applications, a portfolio manager can provide support in the patent application at time of drafting to cover future commercial implementations of the idea, some of which may seem distant at the time of filing.

For example, the recent growth in wearable fitness tracker devices and internet-of-things connected sensor networks are disruptive applications which use some existing technological solutions in a new application or business model.

## **PATENT SPECIFICATION GUIDELINES**

To ensure consistency and quality across drafting law firms, portfolio managers may consider establishing drafting guidelines, with input from the firms and other knowledgeable sources, and periodically update them based on learning or changes in case-law and regulations.

Some basic guidelines include avoiding ‘patent profanity’ i.e., limiting terms, or defining the invention outside of the claims, or using firm boilerplate which conflicts with the specification or claims. The portfolio manager may also prefer to avoid use of a background or the term ‘prior art’ in the patent application, to minimize the likelihood of a rejection over potential ‘applicant admitted prior art’.

In addition, to preserve opportunities to claim future implementations, the drafting counsel should describe all relevant points in the chain of commerce, and how the invention is applicable to them. Although they may not all be claimed up front, it is useful to provide explicit support for both upstream and downstream uses of the invention, particularly how suppliers or customers may use it. This can provide leverage in the event of a cross-licensing discussion with them.

The portfolio manager should review drafts to enforce consistent use of terms across a patent family or set of technology, particularly if patent applications related to that technology are prepared by multiple law firms.

## **PATENT APPLICATION FIGURES**

The figures or drawings help tell the story of the invention, as defined by the claims, and good figures can lay a foundation for clear teaching of the invention to the patent examiner or to the public. The portfolio manager may encourage drafting counsel to separate out the sequence of figures by embodiment, with early figures showing the broadest embodiment corresponding to independent claim, and later figures showing a ‘zoom-in’ view in terms of detail. To provide solid support for future claim development, ideally the figures should illustrate all relevant embodiments, and every feature stated in an apparatus claim should find support in at least one figure. It is helpful also to have all claimed features of an invention illustrated in a single figure, to deal with potential restriction requirements.

## **PATENT APPLICATION CLAIMS**

The claims of the patent application will vary both in scope and in commercial application based on the patent owner’s business model, the stage in the patent life-cycle, and the overall patent strategy employed.

As we have observed in recent years, over the typical 20-year life of a patent the enforceability of different types of claims may change in accordance with court decisions and legislative changes. Thus, it may be advisable to use a variety of claim types, of varying scope, covering each commercialization point the patent owner foresees as relevant. By ensuring good support in the patent application, and using continuation practice where appropriate, the patent owner can tailor claims in accordance with judicial and legislative changes and help preserve the value of the portfolio.

## **AFTER FILING THE PATENT APPLICATION**

Having crafted and filed a thorough and well supported priority patent application, a period of years typically passes during which the patent goes through examination by the USPTO, and a final disposition (hopefully allowance) is made by the USPTO. If the applicant requests an expedited

examination (e.g., via Track One) then this process occurs more quickly, often under a year for Track One filings.

When the patent application is allowed, or where an allowance appears likely, the portfolio manager may consider meeting with the original inventor(s) or other knowledgeable experts to determine how the invention has been implemented and potentially commercialized since filing. This provides valuable feedback, both for the patent application at hand, and also for subsequent claim development activity in the patent family.

The portfolio manager should consider scheduling regular claim development meetings with technologists and business partners within a particular technology space, to revisit patents and applications pending and amend existing claims or craft new continuation claims.

During this meeting, the claim development team may identify opportunities in the patent portfolio by reviewing existing patent families in light of market trends and new competitor products. This can include reviewing any evidence of use, which may be public or developed in-house or through third party sources or vendors. This meeting may also include a periodic review of competitor products, potential customer products and potential licensees.

In this meeting, the portfolio manager and technical experts can consider both legal and technical factors relevant to claims development.

#### **LEGAL CONSIDERATIONS INCLUDE:**

- Is there support in the specification and figures of the patent family for the intended continuation claims?
- Is there additional support available in a related provisional filing in the priority chain, which may be incorporated into the continuation filing and used as a basis for additional claim development?
- Has the family previously been litigated, and if so were any weaknesses identified that may be addressed through continuation filing. Markman claim construction is helpful as a starting point to work from, and continuation filings may be used to amend claim breadth to overcome an unfavorable Markman hearing.
- Has any new relevant art come to the attention of the patentee since the priority case (or any earlier continuations) were filed? If there is close art, the team should develop a strategy for distinguishing over this art, and of course citing it. It is important to develop claims that are applicable to products shipping now or in the near future.

## **BUSINESS AND COMPETITIVE CONSIDERATIONS INCLUDE:**

- Do known competitor product use the patented technology?
- What public evidence of use is available to demonstrate this? Are reverse-engineering reports or analysis available commercially?
- Do technologies deployed across the industry use the patented technology?
- What are the points of monetization for these technologies? Can claims be constructed to read on each point of monetization, without suffering from exhaustion or implied license?
- What are the relevant markets or manufacturing jurisdictions for the competitor?
- Are foreign counterpart applications available for use in these markets or jurisdictions, and are these jurisdictions supportive of patent owner rights (e.g., Germany, Netherlands)?

## **CONCLUSION**

The portfolio manager has a unique opportunity to control both what is filed today, and how it may provide coverage for products and potential monetization opportunities in the future. By establishing a process in partnership with technical and business counterparts to periodically examine both the portfolio and its business relevance, the portfolio manager can generate value both now and long into the future.



## NOTES