

Early-stage companies

Get your patent attorney involved early

INTERVIEWED JAYNE GEST

Intellectual property (IP) drives value, especially in industries like robotics or medical devices. However, engineers would rather be developing new products. They dislike spending time on invention disclosures. Carl Ronald, shareholder at Babst Calland, believes patent attorneys can help fill this gap in younger companies that have started taking on outside investors.

“Sometimes, I will get a call from an engineering manager who just approved an employee request to present a poster at a conference. They’re wondering, ‘Is this is something that could affect patentability? Can you look at it?’ The conference is in five days,” Ronald says.

It’s better to be proactive and strategic, where an attorney works with your engineering team — reducing the barriers to getting disclosures on paper, identifying what you should patent and what you should keep secret.

Smart Business spoke with Ronald about developing relationships between engineers and attorneys to build up an IP portfolio.

Why is it important to involve a patent attorney early in the development pathway?

It is critical to set the tone early. Executives that position the business as an innovative company need to make sure their employees are educated about IP, and that the organization is utilizing patents, trade secrets and other forms of IP to protect that value.

Let’s say, a Ph.D. student working with a company wants to publish an article. Some magazines have confidentiality around peer reviewers and some do not. So, a submittal to peer review could be a disclosure that could destroy novelty, thus destroying patentability. While in the U.S., you can disclose something and still file a patent within a year, overseas that is not the case.

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Some engineers know about IP but do not understand the nuances around publication or the differences between U.S. and foreign patent laws; others know very little. And some feel hopeless, that the idea will be stolen anyway. If a patent attorney is brought in early, he or she can educate the R&D team about the IP process and pitfalls, while helping establish invention disclosure and incentive programs. This also applies to companies with in-house counsel; they typically prefer to work with an expert who deals with IP every day when these issues arise.

What are invention disclosure and incentive programs? How can an attorney help?

Invention disclosure programs are an organized way to identify and evaluate IP. An invention disclosure document is usually completed by an engineer if the group thinks it has solved a problem in a novel way. This starts the process to see if it infringes on someone else’s IP and protects the advancement if the team is creating something new.

In incentive programs, employees are rewarded, through money or stock, if the company files a patent application that lists them as the inventor. Employees may get another reward if a patent issues. Once incentives are attached to disclosures, the number of disclosures typically increases.

Traditionally, a three- or four-page invention disclosure provides an explanation of the problem being solved, along with the proposed solution. Some members of an engineering team lack interest in finding time to take on the burden of completing this document; having a patent attorney the engineer already knows can help. The attorney can touch base at critical junctions, such as a sprint review, to see what problems have been solved and take verbal disclosures, if appropriate. Or, engineers could email minimal disclosures as they go, and the attorney reviews those with the engineering manager or chief technology officer.

If these procedures are easier to follow, and properly incentivized, then the R&D team and attorney can work together to ensure IP value is maximized.

Why aren’t more companies working closely with an IP attorney early in the product development lifecycle?

While some companies feel they can handle IP on their own, others are concerned about cost. Many law firms, however, are starting to think outside the box with alternative fee arrangements, such as a flat fee for service or a lower initial rate until an agreed-upon amount of capital is raised. If you have an innovative company in a competitive market, it’s never too early to introduce a patent attorney to your engineering team. ●