Patent Application Prioritization and Resource Allocation Strategy

From the upcoming book: *The Inventor's Guide to Effective Patents*
by Kelce S. Wilson

Invention conceived

Best plan is to keep it secret? — Y →

Evaluation criteria for Trade Secrets:
1. Exclusive use provides a competitive advantage;
2. Unlikely to be independently discovered by others within a period of reasonable length for the market;
3. Not easily discoverable by reverse engineering; AND
4. Secrecy, even with risk of disclosure, is more valuable than the best likely patent rights, plus publicity benefits.

Keep as a Trade Secret

Secrecy can be more expensive than is typically recognized, due to inefficient information flow and resource use, and also lost collaboration opportunities.

N ↓

Potential to be a top-tier patent? — Y →

Evaluation criteria for "Business Builder Patents":
1. Likely to be built or sold <u>where patented</u> (Does it have desirable features? How feasible is a design-around?);
2. In large numbers or with a high royalty base;
3. By an entity in your industry (market relevant); AND
4. Infringement is easily detectable.
High scores are needed for <u>all</u> of these criteria to qualify.

Evaluate <u>expected allowable patent claims</u>, rather than the market value of a product that uses the invention.

A "Business Builder Patent" should have sufficient novelty and prosecution quality to withstand litigation.

Use spiral development process to improve application quality

Neutral Reviewer

Application quality improves each cycle

Inventor   Patent Expert

N ↓

Potential to be a middle-tier patent? — Y →

Evaluation criteria for "Cross Licensing Bulk Patents" is the same as for a "Business Builder Patent", but with relaxed scoring needs. Moderate scores are acceptable for each.

"Cross Licensing Bulk Patents" should not be relied upon for litigation, but rather to overwhelm opponents' resources.

Only enough expense is needed for these patents that:
1. A potential licensee believes that it cannot risk being dismissive of the entire patent portfolio; AND
2. A litigation opponent expends non-trivial effort planning defense contingencies.

OK to draft application with a "throw it over the fence" process

Inventor | Patent Expert

N ↓

Potential to be a low-tier patent? — Y →

Evaluation criteria for "Souvenir Patents":
1. Low expected cost from drafting up through allowance;
2. High likelihood of at least one claim issuing; AND
3. Funds are available to play a "numbers game".

"Souvenir Patents" provide an inexpensive way to increase patent numbers. When patent portfolios are large enough, even with low quality patents, licensees pay royalties for unseen patents, out of fear that one or more of them might present significant liability. <u>The top-tier and middle-tier criteria have reduced importance in this analysis</u>.

Use a low cost drafting agent and narrow scope to speed allowance

narrow claims = low prosecution costs, & rapid allowance
Quantity valued over Quality

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Value in preventing another's patent? — Y →

A competitor, patenting a similar idea, might obtain an advantageous revenue stream from licensing to third parties – even if the patent has such low quality that it earns only nuisance level royalties. The revenue stream, if large enough, can finance new product development or enable price reductions for current products, thereby possibly increasing that competitor's market share.

Publicizing ideas that are not selected for patenting can reduce the likelihood of this situation. Select a publication venue that puts your ideas in front of PTO examiners who are searching prior art against competitors' applications.

Select one or more:
1. Academic publication;
2. Defensive publication; and
3. Including disclosure, but not claiming the invention, in another patent application having similar technology

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Resources are better spent elsewhere