



SEVEN PATENT CONCEPTS EVERY LAWYER SHOULD KNOW

By Steven A. Nielsen, Esq.*
© 2009

1. Only Attorneys Registered with the United States Patent & Trademark Office (USPTO or U.S. Patent Office)

May Represent Clients in Submitting Patent Applications or Dealing with Patent Matters Before the U.S. Patent Office.

Patent prosecution (the process of obtaining a patent) is the only area of law that requires a separate examination and qualifying criteria in addition to a law degree and state bar license. Only an attorney with a specified science degree from a qualifying university is eligible to apply to take the examination and become a member of the patent bar. An attorney who jumps over all the hurdles may register with the U.S. Patent Office and then be called a “registered patent attorney.”

If you are not a registered patent attorney, you may not retain any fees collected for work that you are not authorized to perform. Any patent-related documents that you submit to the U.S. Patent Office will be returned. As a consequence, your client may not obtain a filing date and could lose all rights to his or her invention.

2. The Inventor Has a One Year Period in which to File for Patent Protection Which Starts With a Public Disclosure of the Invention or a Public or Private Offer to Sell the Invention.

This strict one year rule is often called the “Bar on Sale Rule” and is intended to motivate inventors to diligently participate in the patent system. The rule makes intuitive sense.

Assume that your client observes an amazing product in a public demonstration at Costco. Your client has never heard of the patent process. She sells her home and fires up a business selling the amazing product down the mall at Target. After a year or so of hard work, your client’s efforts pay off and she moves her children into private schools, buys a string of polo ponies, and donates generously to Marin Legal Aid. After another year or so of hard

(Continued on page 15.)

You are cordially invited to attend
the induction ceremony of

The Honorable Andrew E. Sweet
Marin Superior Court

Thursday the fourteenth of May, 2009
at six p.m.

Marin County Showcase Theater
Avenue of the Flags
San Rafael, California

Reception following the ceremony
rsvp to jsalas@30nsp.org



LEGAL VIDEOS, LLC

Serving Marin and Sonoma Counties since 1988

4340 Redwood Highway F #150
San Rafael, CA 94903

www.legalvideos.com
info@legalvideos.com

415.459.7672
Toll free 866.454.7672
Fax 415.459.1797

Complimentary Deposition Suites with refreshments when using our services. Deposition Suites also available for rent.



Depositions
Trial Preparation
Trial Software Training
Trial Presentations
Courtroom Set-up
Mock Trials
In House Synchronization
Duplication & Editing
Day-in-the-Life
Court Reporters
Free Wireless Internet
Video Teleconferencing

(Patent, continued from page 3.)

work, your client receives a cease and desist letter from the inventor of the amazing product. If the inventor failed to file a patent application within one year of the first public demonstration, your client's new life may continue uninterrupted. This result makes equitable sense, since your client has spent over a year of her life devoted to developing and marketing the amazing product.

But, if the inventor wisely filed a timely patent application within one year of the first public demonstration or public or private offer to sell the invention, your client is in deep trouble and will soon learn the phrase "Patent Punishment." Since there is no patent prison (yet), your client will be out and about with plenty of time on her hands and motivation to blame others for her setback. Your client may ask you, her long-time lawyer, why you did not advise her of this result when you first learned of her new business based upon the amazing product that she did not invent. This predicament can be avoided by the simple suggestion of a patent search to determine if there already is a patent or a published application for the product.

3. Do Not Express an Opinion on the Patentability of a Product or the Potential Commercial Success of a Product.

Imagine in the year 1900 two bicycle mechanics tell their business lawyer about their plans to make a wing-warping mechanism and other components to create the first powered aircraft. Had the lawyer pointed out that the greatest and most educated engineers of the world were already working on powered flight inventions and dissuaded his clients, Orville and Wilbur, from participating in the patent process, today we might be taking slow boats to Hawaii. Every lawyer should know that the sanity of an inventor is often a close call and that registered patent attorneys and the U.S. Patent Office do not discriminate against the "reality challenged." Do not undertake the job of trying to figure out if your client's invention will succeed. Who could guess that the *Chuck It Tennis Ball Thrower* would be granted patent protection and turn out to be as ubiquitous as the dog collar? Send your client to a registered patent attorney and get back to your billable day.

4. The U.S. Patent Office Gladly Accepts Patent Applications from Inventors who Are Insane, in Prison, Incapacitated, Under-Age, or Even Dead.

The U.S. Patent Office anticipates that many great minds may be considered legally insane, and it provides simple mechanisms to allow such people access to the patent process. A guardian or other legal representative

may sign patent documents on behalf of an insane or unavailable inventor. Unlike a trusts and estates lawyer who drafts a will for a client, the patent lawyer who prepares a patent application need not take the client's mental state into consideration.

5. The U.S. Patent System Is Instrumental in Rewarding and Promoting Innovation.

The Framers of the U.S. Constitution were interested in promoting scientific inquiry and the development of technology. Our Constitution gives Congress the authority to grant inventors exclusive rights to their inventions. In exchange for a government-granted monopoly, inventors are required to make a full disclosure of their invention within their patent application. The contents of a published patent application or a patent describe the invention in sufficient detail so as to allow one reasonably skilled in the art to make the invention. With such disclosures, other inventors have a greater knowledge base upon which to develop new technology – consistent with the intent of our founding fathers.

6. Invention Promotion Companies Are to be Avoided at all Costs.

Invention promotion is a huge industry that takes advantage of the public's perception that a mere idea will lead to untold riches. In late night TV ads or infomercials, invention promotion companies promise inventors access to willing manufactures, marketing companies, worldwide markets and anything else that might be alluring to a potential customer. For an affordable fee of \$300 and up, these companies initially offer the unwitting inventor mechanical drawings and other simple services. Upon completion of the drawings or simple service, the promotion company will extol the commercial potential of the item and entice the inventor into paying an additional \$5,000 to \$20,000 for additional "development" or for submitting the idea to a list of manufactures and various companies. The invention promotion companies will continue asking for money until the inventor stops paying for worthless goods and services.

7. While only registered patent attorneys may represent clients before the U.S. Patent Office, any attorney may represent clients in patent lawsuits, which are conducted in federal court.

Patents are valid for 20 years after the filing date. Patents are not self-enforcing. A patent holder may need to file

(Continued on page 16.)

(Patent, continued from page 15.)

a lawsuit in federal court to stop an infringer and recover damages. By act of Congress, our federal court system has exclusive jurisdiction over cases involving patents. Our federal judges are familiar with patent disputes, but, due to the complexities of patent litigation, most federal district courts have local patent rules that dictate timelines and hearings peculiar to patent litigation such as claim interpretation hearings or client tutorials. A claim interpretation hearing or “Markham hearing” is a separate bench trial to adjudicate disputes over the meaning of words within the claims of the subject patent. A client tutorial is where an inventor or expert hired by one of the parties explains the subject technology to the court.

When a patent suit is filed by a patent holder, a defendant may allege that the subject patent is invalid for a number of reasons. Arguments of invalidity often revolve around the earlier procurement of the patent before the U.S. Patent Office. Often trial counsel will hire a registered patent attorney to review the prosecution history of the relevant patent application. The set of documents maintained by the USPTO for each patent application is called a “file wrapper.” Patent litigation is a very lucrative field and is available to all attorneys who have a penchant for technology and a tolerance for a byzantine set of rules found only in patent disputes.

**Steven A. Nielsen is a registered patent attorney and a principal of Allman & Nielsen, P.C. Mr. Nielsen is the current Chairperson of the Intellectual Property Section of the MCBA and may be reached at www.NielsenPatents.com.*

(Attach Order, continued from page 6.)

work performed under a construction contract unless the contractor can prove that it was properly licensed *at all times* during the performance of the work. In addition, an owner can require the unlicensed contractor to disgorge all sums it has already been paid.)

The court rejected Barak’s argument, finding that a claim brought under the California Contractors State License Law “may appropriately form the basis for a right to attach order since an agreement for the performance of services lies at the heart of such a claim.”

The court also rejected Barak’s argument that it should be entitled to recover for the value of the work performed after it became licensed. The court held that the fact that Barak became licensed sometime during the performance of the work was immaterial, citing *Great West Contractors, Inc. v. WSS Industrial Construction, Inc.* (2008) 162 Cal. App. 4th 581.

The court also held that Barak was not entitled to recover the value of extra work performed pursuant to separate oral agreements, stating that the fact that there was no formal agreement regarding the extras did not render the extras separate from the contract, citing *M.W. Erectors, Inc. v. Niederhauser Ornamental & Metal Works Co., Inc.* (2005) 36 Cal. 4th 412, 428.

Comment

The decision in *Goldstein* is potentially very significant. It is a common occurrence in construction litigation to find that a contractor or a subcontractor was not licensed at all times during the performance of a contract or subcontract, either because the license was obtained after the work commenced or because the license was not timely renewed and lapsed for a period of time during performance. And frequently the contractor or subcontractor does not hold the right kind of license, such as an “A” license for general engineering work (Bus. & Prof. Code section 7056), a “B” license for general building work (Bus. & Prof. Code section 7057), or a “C” license for specialty work (Bus. & Prof. Code section 7058). In fact, there are over forty different classes of specialty licenses. Case law has held that, even if a contractor has a contractor’s license, when it undertakes work outside the scope of its license it is deemed to be unlicensed.

The lack of a proper contractor’s license comes up with great frequency in construction litigation. Under *Goldstein*, whenever a party has a good case against a contractor for lack of a proper license at all times during the performance of the work, it would appear to be appropriate to seek a prejudgment writ of attachment. The right to attach order effectively allows a party to seize and freeze the assets of the party against whom the order is issued, up to the amount specified in the right to attach order. This could put a party out of business, as it is hard to do business if all the party’s bank accounts are frozen.

Obviously the party with a right to attach order obtains a great deal of leverage in any settlement negotiations held after the right to attach order is issued. The right to attach order is indeed a powerful litigation tool.

**Gregory R. Shaughnessy specializes in construction and real estate litigation. He regularly advises owners, general contractors and subcontractors on their legal rights and remedies. For more information about the issues discussed in this article, Mr. Shaughnessy can be reached at (415) 435-2409; email: grs@grs-law.com; website: www.grs-law.com*

The Marin Lawyer

An Official Publication of the Marin County Bar Association



GENERAL MEMBERSHIP MEETING WHERE WILL YOU BUY YOUR ELECTRICITY NEXT YEAR?

SUPERVISOR MCGLASHAN ANSWERS YOUR QUESTIONS ABOUT MARIN CLEAN ENERGY AT MAY 27 GENERAL MEMBERSHIP MEETING

PG&E may soon be facing competition from local Marin governments. How will this affect you, your clients, and your practice? Learn about Marin Clean Energy from Marin County Supervisor Charles McGlashan, one of the county's leading proponents of environmental sustainability.

On **Wednesday, May 27, 2009**, beginning at 12:00 noon at **Jason's Restaurant** (300 Drakes Landing Road, Greenbrae), Sup. McGlashan will explain the work of Marin Energy Authority (MEA). MEA, comprising the County and eight Marin cities, is building a program to buy renewable power directly from the market for county residents. The MEA, with its Marin Clean Energy initiative, expects to secure a clean energy supply, price stability, energy efficiencies, local economic benefits and a significant reduction of the county's greenhouse gas emissions.

How will Marin Clean Energy locate and purchase energy, and how will the program be funded? What role will PG&E retain in the county? Will Marin residents have a choice of energy providers or type of energy purchased? Be among the first to find out.

(Continued on page 13.)

Calendar of Events

May 27th
General Membership Meeting
Jason's Restaurant, Greenbrae
12 – 1:30 pm

May 19th
Law Day
7- 9pm

May 20th
ADR Section Meeting
12 – 1:30 pm

May 20th
Probate & Estate Planning Section Meeting
12 – 1:30 pm

May 21st
Real Property Section Meeting
12 – 1:30 pm

Look for details each month in
The Marin Lawyer

In This Issue

President's Message.....	2
Seven Patent Concepts.....	3
Therese Stewart.....	4
David Hellman.....	5
Right to Attach Order.....	6
Going Green.....	7
MCBA Law Day.....	8
Spotlight on Kate Rockas.....	10
Kim Blackseth.....	11
Jennifer Ani.....	10
Details for Calendar.....	17
New Members.....	18
The Marketplace.....	19

Sara B. Allman was Guest Editor of this issue of *The Marin Lawyer*. Philip R. Diamond is Series Editor for 2009.

NEW "LANDMARK" CALIFORNIA DISABILITY ACCESS LAW HAS UNCERTAIN FUTURE

By Sara B. Allman, Esq. *
© 2009

The California Legislature recently enacted bipartisan legislation designed to encourage compliance with disability access laws while minimizing business owners' exposure to "shakedown" ADA lawsuits. The legislation (SB 1608), praised by some as "landmark," was signed by Governor Schwarzenegger last October. Most provisions took effect January 1, 2009, with implementation of other provisions delayed to July 2009. The law adds new provisions (found in the Civil Code, Government



(Continued on page 13.)