Woohoo! I Invented a Huge Improvement over My Competitor's Invention!

This Patent Stuff and My Semiconductor Business – Part 7

Welcome to this post about patents and chips. Not a lot has been written about this combination, but there is a lot to know, especially for the innovators and entrepreneurs themselves. In this three-weekly series, I talk about various aspects, from my dual points of view of a patent agent and a semiconductor entrepreneur. If you like the article and read it on LinkedIn, give it a thumbs up, and/or click on Follow. If you like to work with us for your next patent, "contact us" info is on www.icswpatent.com. You can also subscribe/unsubscribe for short email alerts when the next post is available.

Well, there you go! You've bested them! Now let's see what you've done…

In Figure 8, there are three scenarios. In these scenarios, your competitor patented an invention before you've made yours. Usually, their first filing date counts.

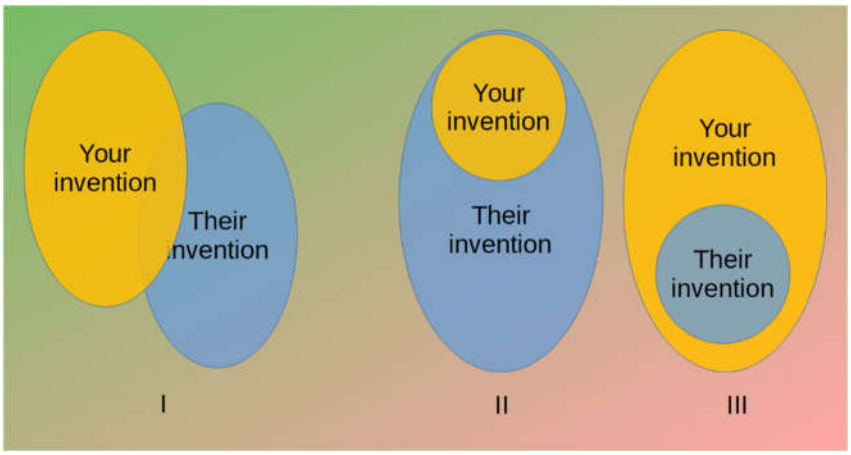

Figure 8 - Your invention versus theirs

Scenario I is a bit different from the others. You've invented something different than your competitor has (patented). Thus, your invention may share some of the elements that they have in a patented claim or claim set, but not all of the elements, and your invention also has other elements. For instance, their patented invention covers a bicycle with a green frame and a hexagonal wheel, while your invention covers a bicycle with a green frame and a UV flashing reflector. In this case, great!! You have no worries. If your invention is better than theirs, you have exactly what you want, and the world will be a better place. You will probably want to cover your invention with a patent, too, so that it too will be protected.

In **scenario II**, you really made a change to their patented invention, hopefully the huge improvement that you were looking for. In this case, your invention has all the elements (limitations) in their patent claim set, and a couple more that they hadn't thought about, or at least, that they never published, suggested, or patented. In this case, there is a nasty twist. To be able to manufacture, sell, or even use your invention in a country where they have patented theirs, for that

country you must first get a license from your competitor. Sometimes that is OK. For instance, if your competitor's invention is part of work performed to establish a new industry standard, there is usually a requirement that your competitor makes the invention available to anybody, under the same fair license terms. These of course include payment of some royalties or a license fee, but you will be able to compete. And your invention, especially if you're not required to license it to anybody else, may give you a real edge in the market.

But, frankly, often it is not OK. If your competitor is not required to license it to you under fair terms, nothing stops them from bluntly saying *NO*, and there is nothing you can do. The only leverage you have is the huge improvement that your invention offers, because that offers you an option to bargain with them. You may end up sharing your invention with them, in which case both of you could have an advantage over other competitors. But if they're tough negotiators, their advantage could be bigger than yours. And, until the moment that your patent has been granted, you don't have a lot of bargaining power. They can just sit and wait to see if your application gets rejected and abandoned. Once it is, they can use your invention, and you cannot! Aaggh! So, if your invention is not rejected but granted, they can nicely sit around the table to discuss with you, but they could also launch an attack on your patent, and question its validity. This will put a lot of pressure on you to conclude negotiations as quickly as possible, even if the outcome is quite unbalanced. Not a situation that you'd like to be in…

In **scenario III**, you have invented something that is a broadening of their (patented) invention. Your invention does not have all limitations that they have patented in a set of claims. This means that your invention needs something less than theirs, and if it can still work well then it has value. But what is the legal situation? In relevant jurisdictions (the countries where both you and they are manufacturing, selling, or using the invention), it could be the following. If their invention was patented first, you won't be able to stop them. But they could stop you from manufacturing, selling, or using theirs. But that may not matter to you as long as you don't use all elements in their broadest claims, which means the "independent" claims. If you have an improvement over them without using all elements of their invention, you can be in business. Now, can you get your invention patented? It might be difficult, but talk with your patent practitioner to find out what your chances are. Whether you can or cannot, your invention takes the value out of theirs, and when they see you sucking up their market share, they will curse their patent practitioner for not writing a broader patent, and leaving them so vulnerable.

So you got the gist. But, how to determine in which of the three scenarios you are? The answer lies in your competitors' independent claims (the ones that start with the article "A" as in "A something that improves the world" rather than "The" as in "The something that improves the world of claim X") and you will know the broadest scope of their patent. Their description of their invention may suggest your invention, in which case it will (and should) be tough for you to get a patent for yourself. But, if they don't claim it, they essentially give it to you.

Claim language is difficult. It is not normal English (or whatever language the patent is in), and there is a boatload of case law that reinterprets words and phrases. A patent practitioner has been trained to read and write claims, but only a patent lawyer is authorized to give legal advice about them (and in the end, only courts can interpret them). If you decide you don't want to know, you could be gambling. Because if you ever need to fight it out in court, you'd better have deep pockets already. Lawyers love to fight about every word, dot, or comma. They will do so *ad nauseam*. And *ad bolsam*. That is, your nausea, and your wallet.

Upcoming:

8 I'll Be A Billionaire Soon Enough. But Now I'll Just Buy This Book on Patent Writing on thriftbooks.com.

9 My CTO Can't Explain His Invention to Me. But He Is the Smartest Guy in the World.

10 Should I Do a Provisional, Non-Provisional, Or a PCT?

11 My Invention is Vital for My Business Plan. But I Don't Have Much Money Yet. How Can I Save?

12 I Want to Protect It Now—But Am Still Working Out Architecture Details. Can I Add Those Later?

Published so far (find them on www.icswpatent.com or #ThisPatentStuff):

1 So You Got This Great Idea That Will Wipe Out Competition. Now What?

2 Developing an IP Protection Strategy for Your Semiconductor Company – PART I

3 Developing an IP Protection Strategy for Your Semiconductor Company – PART II

4 In What Countries Should I Patent, Anyway?

5 Choosing the Right Patent Person for Your Inventions

6 How is a Chip or Firmware Patent Different than Other Patents? What About a Software Patent?

7 Woohoo! I Invented a Huge Improvement over My Competitor's Invention!

Disclaimer

Please do not construe anything in this article as legal advice: it isn't. The article contains my private opinions, with where possible the point of view of a semiconductor industry entrepreneur and/or a patent agent fighting for the inventor and the entrepreneur. If you need a strong patent on your circuit and/or system, I might be your guy.

www.icswpatent.com