4. Patents

Key Terms

**algorithm:** A procedure for solving a given type of mathematical problem.

**anticipated:** Not novel.

**Bayh–Dole Act (1980):** A federal lawproviding that universities and other organizations may acquire patents on inventions developed with federal funds.

**blocking patent:** An improvement patent of a second inventor thatblocks a first inventor from making the improved version of the first inventor’s own invention.

**business method patent:** Though not statutorily defined, a type of patent that covers methods for processing data or conducting business operations.

**cease-and-desist letter:** A letter thatgenerally requests another party to either pay royalties or stop infringing a patent.

**claims:** The patent concludes with one or more claimsthat particularly point out and distinctly claim the subject matter which the inventor regards as his invention.

**cross-licensing:** An arrangementwhereby two parties authorize each other to make, use, or sell the inventions protected by the other party’s patents.

**damages:** Monetary compensation.

**design patents:** A type of patent that protects new, original, and ornamental designs on an article of manufacture.

**doctrine of equivalents:** A doctrine by which an accused device or process may be found to infringe if it performs substantially the same function in substantially the same way to obtain the same result.

**enablement:** A requirement of patentability that a patent document enablesany person skilled in the art to which it pertains to make and use the invention.

**exclusion order:** An order that bars the importation into the United States of articles that infringe a valid and enforceable U.S. patent (or U.S. copyright or registered trademark).

**Federal Circuit:** The federal court that hears appeals originating both from applications rejected by the USPTO as well as from district court patent decisions throughout the country.

**first sale doctrine:** An exception to the exclusive rights of a patent or copyright owner, by which the owner of a particular copy of a copyrighted work or patented invention may resell or otherwise dispose of that copy or invention without the permission of the copyright or patent owner.

**first-to-file:** A system by which patents are granted to the first inventor to file a patent application.

**first-to-invent:** A system by which patents are granted to the first inventor to invent an invention.

**grace period:** Once a company discloses an invention, it has a one-year grace periodto file a patent application or it will lose the right to patent due to lack of novelty.

**hold-up:** A situation in which a single patent owner prevents third party use of a product even though other relevant rights owners have given authorization.

**inequitable conduct:** Conduct before the USPTO that falls below the standard,such as intentionally failing to disclose relevant prior art to the examiner during prosecution.

**injunction:** An order by a court requiring a party to refrain from certain conduct.

**issue:** Togrant (a patent).

**limitation:** A part or element of a patent claim.

**literal infringement:** Where the accused device or process includes every limitation(part or element) of a patent claim.

**maintenance fees:** Periodic fees paid to the USPTO to maintain a patent in force.

**Markman hearings:** Claim construction proceedings associated with patent disputes.

**nonobvious:** The nonobviousness requirement extends the novelty requirement to bar inventions that are only slightly different from the prior art.

**novel:** A requirement of patentability that an invention be new.

**patent:** A government-granted, temporary *right to exclude*,awarded in return for an individual’s public disclosure of a new and useful invention.

**Patent Act (1952):** The principal federal patent law.

**patent examiner:** An employee of the USPTO that ensures that the invention described in a patent application meets the statutorily defined standards of patentability.

**patent landmine:** A metaphor used to describe the situation where a businessperson inadvertently infringes the patent of another.

**patent pool:** An arrangement in which owners of related patents bundle their rights so as to provide “one stop shopping” for those who wish to make or sell a product or service covered by those patents.

**patent thicket:** Overlapping patent rights that businesses must negotiate in order to conduct business.

**patent troll:** A pejorative term used to refer to an entity that asserts patents against others without itself practicing the inventions claimed in the patents.

**plant patents:** A type of patent that protects new and distinct plant varieties that can be asexually reproduced.

**prior art:** Prior patents, publications, or uses that could negate novelty.

**prior-use defense:** A provision in the America Invents Act that provides a defense from liability for those who commercially use an invention more than 1 year before the earlier of the patent application date or the public disclosure date.

**prosecute:** To apply for a patent.

**public domain:** Once a patent expires, it becomes part of the public domainand may be used freely by anyone without restriction.

**remand:** To send back a case (to a lower court).

**royalties:** Money paid for the right to use a patented invention or other intellectual property.

**secondary considerations:** Objective indicia of nonobviousness, such as the commercial success of an invention.

**specification:** The portion of the patent that describes the invention and the manner and process of making and using it.

**statute of limitations**: A statutory provision providing that suits cannot be brought or damages cannot be recovered after a specified period of time.

**to license:** To authorize or allow.

**treble damages:** Three times actual damages.

**United States International Trade Commission (USITC):** An administrative agency based in Washington, D.C., that has the authority to issue exclusion orders that bar the importation into the United States of articles that infringe a valid and enforceable U.S. patent (or U.S. copyright or registered trademark).

**utility:** A requirement of patentability that an invention be useful.

**utility patent:** The most common type of patent; ordinarily referred to simply as a “patent.”

**writ of certiorari:** The Supreme Court may in its discretion review Federal Circuit decisions by granting a party’s request for a writ of certiorari.