

Stolen Invention! CONCLUSION

Introduction:

I have recently posted regarding the issues and procedures of resolving disputes of ownership of inventions. Note the USPTO awards patents to the First Inventor to File. Issues arise when an inventor is omitted from the patent application or that the party filing the first application may have obtained (derived) the invention from the inventor. This can cause a claim of Stolen Invention and initiation of a Derivation Proceeding.

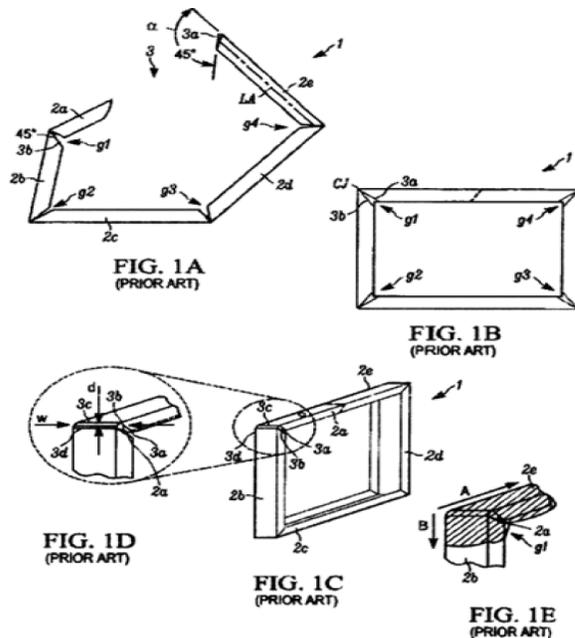
My earlier posts discussed the procedural hurdles and time expenditure required to pursue the claim of ownership within the USPTO. I have noted a reluctance of the Patent Trial and Appeal Board (PTAB) to take up resolution of these disputes. Some could comment that the PTAB is too quick to find procedural irregularities to avoid resolving the time consuming merits/evidence of the dispute.

I have also been taking this opportunity to recommend prompt filing of provisional applications as a measure to avoid these disputes. Again, it is advantageous to be the first to file for patent protection.

Discussion: The PTAB recently ruled upon the merits of a long running dispute between Anderson Corporation (Petitioner) and GED Integrated Solutions Inc. (Respondent) DER2017-00007. Anderson is a window manufacturer and GED was a supplier or fabricator of metal frames placed around the glass of the windows.

The dispute arose from communications between an employee engineer of Anderson and representatives of GED regarding a new framing component. The discussions took place between 2009 and 2011. The discussions involved the exchange of drawings and fabricated parts. GED filed a provisional application for patent for a metal glass window frame in June 12, 2014 and received patent 9,428,953 issued August 30, 2016. Anderson filed a patent application 15/058,862 on March 2, 2016. The Anderson application claimed priority to provisional application filed March 3, 2015.

The GED application was published December 17, 2015. Although the facts are unclear from the PTAB decision, it is assumed that Anderson timely filed its petition to institute the Derivation Proceeding within 12 months of the December 17, 2015 GED publication date.



To provide some clarity, the above are drawings showing prior art glass/metal framing structures.

Recall the Derivation Proceeding requires that Anderson provided substantial evidence that its invention was communicated to GED. Anderson must show that it achieved conception of the idea (which requires sufficient detail to enable GED to practice the invention) and that the invention was communicated to GED without authorization that GED file an application of patent. More specifically, the invention communicated to GED must be claimed by GED in its allegedly derived invention subject of its application for patent. Recall further that Anderson must file its own application for patent claiming the same invention. Stated differently, for there to be a Derivation Proceeding, there must be two parties claiming the same invention (as expressly stated in the claims appended to the specification and drawings of the respective applications). In addition

the party claiming ownership of the invention (petitioner) must have filed a petition requesting initiation of a Derivation Proceeding alleging communication of the invention to the first filing party, and this petition being filed within 12 months of the first publication of the respondent's application for patent.

I have commented in the earlier posts of the apparent reluctance of PTAB to under take the decision making process of deciding the ownership of the invention between the disputing parties. In this case (Anderson v. GED) the PTAB took up the gauntlet and conducted a lengthy and detailed review of the history of communication between the parties. Also the PTAB undertook a detailed review of the explicit language of the respective claims.

What is important is that this detailed review did not accept broad or ill defined statements of what the parties may have considered to be the communicated invention. The PTAB conducted an extensive analysis of the documents and the sworn testimony of witnesses. SPOILER ALERT: It is essential that the party alleging that a "first patent application filer" derived or "stole" the invention must provide documentation of the precise invention and that this clearly defined invention was communicated to the "thief" first filing the application for patent.

In Anderson v. GED, the PTAB carefully examined drawings exchanged between the parties. The PTAB also examined threads of emails exchanged between the parties, as well as email communications within a party. For example, PTAB focused on an intra Anderson email stating "don't tell GED too much". Also the PTAB reviewed dated and witnessed laboratory notebooks recording idea development of GED, the first filing party and alleged recipient of the Anderson invention.

What is important is that the PTAB looked at documentation and discounted unsupported testimony of witnesses. Again, documentation is key.

Also relevant to the PTAB was the fact that the chain of communication between Anderson and GED transpired between 2009 and 2011. However, no application (provisional) was filed by either party until 2014. The PTAB allowed an inference that the invention subject of the patent applications was therefore not conveyed between 2009 and 2011.

What is important is that the PTAB looked closely at the subject matter of the claimed invention (i.e., “stops” within the components of the frames) and the contents of the information exchanged (as documented by exchanged emails and drawings). The PTAB, in ruling against Anderson’s claim of ownership, could not find documentation that the elements of frame “stops”, an element of the application claims, was disclosed to GED in the 2009-2011 communication exchange. The PTAB also noted that the “stops” element was not added to the Anderson application until after publication of the GED application. In other words, Anderson did not specify this element in its original provisional application of 2015.

What is most important from my view point (and my continued advocacy of the prompt filing of robust provisional applications) is that the PTAB expressly noted that GED, the alleged party that derived the invention from Anderson between 2009 and 2011, did not file a provisional application on the invention until March 2014, a mere two months after GED produced documents showing internal development of the “stop” feature. (Note that Anderson’s witness/inventor acknowledged he never disclosed a “stop” feature to GED.) Again, the proximity between the documented invention and the filing of the provisional application is dispositive.

Conclusion:

The PTAB will examine closely the documents, including emails, drawings and dated/witnessed laboratory notebooks, for evidence of invention conception and communication. Lack of documentation is fatal to a claim of derivation. Ultimately, the proximity of a party filing a provisional application tipped the scales to confirm independent development of the invention.

I can not over emphasize the importance of prompt filing of provisional applications in relation to the creation of an innovation. It will support the inventor/applicant's assertion of independent development. It will also prevent the recipient of the information, e.g., fabricator/prototype developer, investor, or consultant, from becoming the "First Inventor to File", thereby creating an expensive and time delaying problem to reclaim your rightful position as inventor. Knowing the strict scrutiny of both form and substance imposed by the PTAB in determining who is the rightful inventor, you do not want to be pursuing a Derivation Proceeding while trying to obtain investment and marketing of your innovation.

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