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PATENTS

GOING GLOBAL: GETTING THE RIGHT PATENT PORTFOLIO

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Requirements for services in patent law have changed in the last five years. Cases are more complex, with less time to resolve them.

Nils T. F. Schmid, Partner at Boehmert & Boehmert: "Being a partner at a multinationally acting law firm is no longer a one-man show. It is important to choose your full IP team well. IP advisers must consider if attorneys, lawyers and engineers working for them are excellent at what they do and therefore have to consider carefully recruitment of those going to be involved. It is time to develop the successful one-man shows into strong teams of specialised professionals."

Below, he speaks about specific considerations behind developing global patent/design strategies and how the UPC could change the IP sector, particularly the strategy.

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Nils T.F. Schmid specializes in traditional mechanical engineering. For his clients, especially medium-sized companies in Germany/Europe and Asian and American big corporations, he develops both German and global patent strategies and sees to their implementation with regard to the building up and management of patent and design patent portfolios.

You develop both German and global patent strategies; which additional considerations need to be made for a global strategy?

The conflict between keeping increasing costs for a global patent strategy reasonable and the need of multinational protection for a client's essential innovations in several jurisdictions dominates the creation of a global strategy. Worldwide protection coverage rarely makes sense.

Usually players in the market considering intellectual property think strategically: 'Where is my market and where shall I sell my products?', in order to determine hot spots for patent protections. However, to meet the client's interest of keeping the IP investments reasonable by creating an effective patent strategy, a different question should be addressed first, namely: 'How long will the product be successful on the market?'. Products remain on the market for about 7 years up to 15 years which provides a good indicator to assess countries and their markets.

Germany, for example, provides the opportunity of filing utility models being cheaper than patents and providing the same scope of protection for up to ten years. Filing utility models for short term products can be a good strategy to save costs such that it worth checking if this would better apply for the client beforehand.

A main indicator for an equilibrated patent portfolio is to face the actual legal effect of a patent. Patents do not establish a positive right of using a patent granted innovation, but rather the right of prohibiting someone to use this innovation. Accordingly, the focus should be set on getting protection in countries where their competitors, producers, distributors, etc. are located.

Further, reliability of the national/regional jurisdiction's legal system in those countries can be decisive for whether protection in a country shall be aimed. It needs to be considered, whether protection is needed in countries where the difficulty of enforcing patent rights is obvious. The UK and Germany are traditionally very reliable and rather predictable. So even if there is no market or competitor in those countries, it is worth considering them as part of a global strategy, simply for keeping the option of initiating legal action from one of these countries. The same, of course, applies for the US, which is a reliable system outside of the EU, as well as China, which has become more interesting and a more reliable system for companies to develop innovations.

What do you think is the most difficult aspect of building up design patent portfolios?

Regarding larger and midsized clients, either in France, Germany or UK, it is very important to guide and teach their awareness about the strength of a design patent. Usually, if you consider technical innovation, you should always have in mind patent protection. However, especially regarding prosecution, it can take years to get a patent granted. In addition or as alternative, design patents can be very useful and a strong weapon to avoid copies. Even large companies are often not aware of this opportunity.

Another aspect is being aware of the fact that a design patent – if, for example, is fixed by a drawing -, has its limits in protection. In this regard, a key challenge for the patent attorney is to make the design patent's protection abstract, global and broad, by concentrating on that design elements which make the design unique. These elements should be designated as background of the design.

Further difficulties arise with the international filing system. There is a unified system, but there are countries not being part of the international filing system which might be important for the client's global design patent portfolio. Legal systems differ from one another, and it is important for a design patent lawyer to know the peculiarities of these systems, in order to file a design patent application which complies with all of those national systems.

From your experience, what do you think is the most common issue your clients deal with? What can be done for them to avoid such an issue?

For many clients, one issue is a lack of education regarding strategical positioning of patents. In order to help the client making the right decisions, the attorney needs to have a good overview of the client's patent portfolio, its weaknesses, and its strengths as well as of the client's economic strategy and positions on the market. A sensible attorney should make sure that his knowledge is transferred, in a very effective way, to the decision makers who are not necessarily the inventor. Further to this, CEOs should be taught about their competitor's patent portfolio. The patent attorney shall create a clear and effective line of communication, which allows the deciding person(s) to make reasonable and thorough decisions. Additionally, it is hard work but essential to ensure that the company's patent portfolio will be used effectively at the right time.

A common problem is that decision makers are often not aware of the level of innovation in the company. Not always being fully aware of the vast amount of innovative growth can make it nearly impossible to make the best decisions.

As thought leader in your field, can you share changes you are hoping to witness in your sector in 2018?

One hot topic remains how the United Patent Court (UPC) progresses, which might heavily influence the future of IP. It seems that the UPC is not on the political agenda for the time being. But, it could be quickly implemented. It is the task of all IP advisers to prepare their clients for its implementation.

As honorary president and former president of UNION-IP, a non-profit association of European patent practitioners, I have the opportunity to discuss future developments with members of the European Parliament or Commission, which show still a clear willingness to implement a Community enforcement regime. Therefore, any entrepreneurial adviser in Europe should be prepared for the moment UPC and its legal side effects will come into force.

Aside from the development of the UPC, another change will be Brexit. For Continental Europe, Brexit will not influence any IP patent or design patent strategy. All the advantages of the community law and the EPC will be kept. Regarding the protection in the UK, simple thoughts about additional national IP protection should be considered, however, the existing national law will be a good base. I am convinced that the conditional regulations will not be of any disadvantage both for companies inside or outside of the UK in terms of existing patent and design patent rights.

Last but not least, I closely follow the development at the European Patent Office (EPO) and the question: "How the EPO will increase efficiency in patent prosecution proceedings and how will this affect the quality of the same?"

You lecture at the University of Strasbourg for those preparing to qualify as a European Patent Attorney: what do you think is vital in order to be the best patent attorney in this given climate?

The kind of questioning of European Qualification Examination (EQE) is traditionally drafted to be close to "real IP cases". Even though patent attorney candidates even have a master or PhD degree, i. e. a very good academic background, the three obligatory years necessary to be admitted to the exam, are usually insufficient to give candidates all the skills. A very intense preparation for the EQE not only leads to good exam results, but also to an improved professional start of the qualified candidate! However, post qualification, European Patent Attorneys shall remain humble regarding their profession. They should check themselves to ensure their ability to provide good service in the interest of their clients. **LM**