



Column
IP Investor

Written by
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From the ridiculous to the sublime

Some patents are broad and difficult to enforce. It does not necessarily make them any less inventive

Narrower patents do not mean better inventions. In my last column (*IAM* issue 20, page 21, "Dumb and dumber"), I considered patents on what appear to be ridiculous inventions, such as a "method of combing one's hair to conceal baldness". What do people whose business it is to obtain and monetise innovation think about narrowing the definition of what is considered inventive?

"I certainly do not want a government employee deciding what is important enough for patent protection," says Steven Rubin, a patent attorney at Wolf Block in New York told me recently. "As long as an invention meets the requirements for patentability, that it is new to the world, it should be awarded patent protection. The US courts and most others have generally agreed with this," he states.

"I remember an invention relating to the combination of peanut butter and jelly in one container," continues Rubin. "As a parent of a five-year old child who eats only five foods, one of which is PB&J sandwiches, such a combination is not a bad idea. If the product is new to the market and it's profitable enough to incur a law suit, perhaps it is the type of thing worthy of patent protection. Just because it's simple doesn't mean it doesn't help science or society."

Patent worthy

"It is not up to us to decide what is worthy of a patent," argues Irving Rappaport, former chief patent counsel for Apple Computer, Medtronic and National Semiconductor, and co-founder with Kevin Rivette (chief IP strategist at IBM) of SmartPatents. "About 98% of patents turn out not to have any direct economic value, but that is not a reason to shut down the patent system. Since the USPTO is 100% funded by users and not taxpayers why should anyone care? There are 400,000 applications a year being filed in the US and only about 2,500 patent infringement cases [of which fewer than 4% go to trial].

What is everyone so upset about?"

Readers of this column (and my books) recall that I am fond of reminding them that the USPTO is a lot like another US government agency, the IRS. Almost any competent lawyer can get a patent to issue, just as most accountants who wish to can engineer a refund on an individual tax return. But a refund cheque does not mean that the tax filing will endure the scrutiny of an audit, which takes place on about 1.5% of returns. The percentage of patent suits that go to trial is between 3% and 4%. Still, to most tax payers, the prospect of fines, back taxes and interest are sufficiently daunting to dissuade any bending of the rules. The government and society rely on them to act honourably. Similarly, government relies on patent applicants for a degree of sincerity and the courts to keep both infringers and filers honest.

Innovation can no more be legislated than good taste. Abusive patent filers can be as deceptive as tax cheats. Their actions foster a kind of cynicism that undermines both innovation and commerce.

Jim Ferguson is no cynic. He is among those independent inventors who know firsthand that the patent system can work. Ferguson is responsible for discovering and commercializing the LCD (liquid crystal diode) used in hundreds of millions of watches and displays worldwide. His patents are used by nearly all LCD makers. He has been inducted into the USPTO Inventor's Hall of Fame and was 2006 recipient of the US\$500,000 Lemelson Prize from MIT, which he donated to charity. He grew up on a farm in Missouri and attended school in a one room house. Ferguson became wealthy not from inventing but from enforcing his rights, which he had to learn how to do when he saw companies infringing them.

"It doesn't hurt to issue what appears to be a dumb patent," says Ferguson. "It may hurt more not to issue it. Westinghouse developed a urinal many years ago that checked PH each time it flushed. Most people thought it was a big joke, but it can be used for dozens of tests. In hindsight many successful inventions appear to be ridiculously simple. Good patents can sometimes be broad."

Half of a hole

Patent prosecutor and strategist Brenda Pomerance thinks outrageous patents, including those on business methods, should be taken seriously.

"They remind me of a patent that I made fun of once. It was for a video cassette cartridge with a hole in it. 'Hole?' I scoffed, 'how could this rise to the level of an invention?' Well, it turned out that because of the hole, the loading/unloading mechanism could be built differently, enabling a low profile VCR, which was indeed of commercial significance. So, you never know," she says.

"It's not the patent office's job to weed out silly stuff. Let it issue. In rare cases when it is necessary, the courts and the marketplace will figure it out," Pomerance continues. "Surely, among the over seven million issued patents, a few blatantly silly ones are bound to get issued and even asserted. Many patents look like they read on serious inventions, but when you understand the technology that underlies them they can be just as silly in context. Dumb patents are like dumb people. There are always going to be some of them around."

When it comes to inventions and the claims on them, dumb is often in the eye of the beholder. Many patents that appear to be about serious technology are often considered absurd by serious technologists in the field because they know they are obvious. But that does not mean they will never issue or not require vetting. Because everyone apparently is an expert on making sandwiches, the PBJ sandwich maker or business method patent appears stupid and obvious. The patent system's job is to encourage innovation. We should not be surprised if it inadvertently promotes some nonsense along the way.

Bruce Berman is president of Brody Berman Associates in New York, where he works closely with IP owners and investors. His latest book is *Making Innovation Pay – Turning IP Into Shareholder Value* (Wiley 2006). The views expressed above are Bruce Berman's and do not necessarily reflect those of Brody Berman Associates
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