

Importance of Patent Protection Before Disclosure

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Novelty

One of the most important requirements under the Patents Act 1990 (Cth) for an invention to qualify for patent protection is that it must be novel. For an invention to be novel, it must not have been publicly used or published anywhere in the world. Public disclosure can include publication in a printed media, disclosure in a presentation or public demonstration, or substantial publication of the material on a website, including a blog or other discussion forum.

Grace Period

In some countries, there is a grace period which allows a person to obtain patent protection provided that a complete patent application is filed within the grace period from the date of the first public disclosure of an invention. The grace period for most applicable countries is either 6 or 12 months. The complete application is a full patent application and must provide a full description of the product including the best known method of performing the invention. Thus, it is necessary for the product to be fully developed prior to filing a complete application.

It is important to note that the grace period is only provided by a limited number of countries, such as Australia and USA, excluding major marketplace holders such as Europe. In addition the grace period is only designed to cover public disclosure by the applicant. It will not protect against disclosure by a third party where the information was not derived from the Applicant. Thus, while the grace period in certain countries may provide 6 or 12 months to file a patent, any delay in filing a patent application could increase the risk of public disclosure by a third party disclosing the idea invalidating the patent or reducing the scope of the patent application. Any third party who begins use of the invention prior to the patent being filed will also retain the rights to continue use of the invention.

Provisional and Complete Applications

It is clear that the best way to prevent public disclosure of an invention is to refrain from disclosing the idea to anyone. In some situations disclosure of an invention is necessary, for example during licensing arrangements or negotiations with venture capitalists to gain funding, development and manufacturing processes or for publication. If faced with this situation, the best option is to first file a patent application for the invention. Where further development of the invention is required, a provisional patent application can often be useful to secure a filing or priority date for the invention. This provides the applicant with a 12 month period in which to further refine and develop the invention prior to filing a complete application.

Confidentiality Agreement

Non-disclosure agreements or confidentiality agreements are sometimes used in the absence of a patent application or prior to filing a patent application, however, such agreements are risky for several reasons. Firstly, they are only enforceable against the party signing the contract and if that party, or any other third party, publicly discloses the invention/information the inventor will lose the right to obtain patent protection. Secondly, non-disclosure agreements need to be well drafted and unfortunately, in many situations poorly drafted agreements leave inventors open to risk. Finally, if you are considering engaging in licensing discussions with a large company it should be noted that they may often be reluctant to sign a non-disclosure agreement.

Best Practice

The most comprehensive protection is to file for a patent application in conjunction with using confidentiality agreements for any necessary disclosure of your invention. As patents often take some time before they are published, the main advantage of this strategy is to provide you with immediate protection under the confidentiality agreement against disclosure by the receiver of your confidential information. Additionally, protection can also be afforded to you against the receiver of your confidential information for a broader range of information, including any non-patentable information.

Developing and implementing the appropriate IP strategy is an important part of the development phase for any new product. Your IP lawyer and patent attorney will be able to advise you on the best strategy suitable to your individual situation. Don't risk losing a valuable asset and ensure that your IP protection is in place prior to making any public disclosure of your invention.

For further information contact us