



TENNESSEE INVENTORS ASSOCIATION

P.O. BOX 11225

KNOXVILLE, TENNESSEE 37939-1225

February 18, 2006

Time to renew your dues!

Anybody not renewing by the end of February will not receive any more newsletters!

Forthcoming Meeting, February 18, 2006

We have been told that the local venture capitalist, **Otto Wheeley**, will speak. He has recovered from his stroke and heart attack of the past November, 2005.

Age: 83

Hometown: Log Creek Community, Macon County, TN

Current residence: Crossville, TN

Degrees: 1943, Bachelor of Science in Chemical Engineering from UT

Career: 1943-1984 at Kopper's Inc., Pittsburgh, where he began as a chemical engineer and left as Deputy Chairman; 1984 to present, **venture capitalist and entrepreneurial advocate** living first in North Carolina and then Tennessee

Honors: National Account Marketing Association's Marketing Man of the Year, 1973; honorary law degree, Alderson-Broaddus College, Philippi, W. VA; scholarship to the Brookings Institute, 1961; UT's Outstanding Engineer Alumnus, 1976 and 1987; American Baptist Men of Pennsylvania/Delaware, Layman of the Year, 1973; Coopers and Lybrand Entrepreneurial Business Support Award, 1988, **and now UT Volunteer of the Year for 2005.**

Activities: Public speaking; has served on a number of college and university boards and as an adjunct professor at Carnegie Mellon University; church and church ministries; golf.

Publications: "Church Planning and Management"; Dorrance Publishing, 1975; "God can work through you", Judson Press, 1977; "Turtle on top of a fence post", self-published

Past Meeting, January 21, 2006

Our past TIA member, **Thomas A. Kulaga** spoke. He gave an excellent discussion of patent law. His slides are appended to this newsletter. Thomas is a patent attorney in Knoxville, In 2005, Tom opened his own firm, Knox Patents: Kulaga Law Office, PLLC, to better serve his clients. Tom may be reached at Ph 865 470 4212, or TKulaga@com.KnoxPatents.

Forthcoming Second Meeting, March 18, 2006

The speaker will be **Jacqueline Merritt** from Nashville. She will speak on "Financing Your Business the SBA Way". We thank Vice President Terry Brewster for obtaining this very pertinent speaker.

Forthcoming Third Meeting, April 15, 2006

Inventor **Charles Gibbs** will talk on several of his successfully patented and commercialized inventions. These include a device to detect and evaluate gum disease, a device for climbing ropes for cave explorers, mountain climbers, and rescue groups, and a device to measure the effectiveness of pain medication on mice.

Patents: The Why and How

A Presentation to the
Tennessee Inventors Association

January 21, 2006

Tom Kulaga
Knox Patents: Kulaga Law Office, PLLC
www.KnoxPatents.com
865-470-4212

1

Legal Disclaimer

- The legal information contained in this presentation is offered for patent law educational purposes.
- It is suggested that a patent attorney be consulted if you want professional assurance that any actions taken as a result of this presentation are appropriate for your particular situation.
- The patent law changes frequently. Before relying upon any information contained in this presentation, you may want to consult with a patent attorney regarding the current state of the law.

2

Why Patent?

- **Protect a product or process**
 - Patent grants a limited monopoly
- **Create an asset**
 - Patents and Applications have value to venture capitalists and banks
 - License others to use, make, and/or sell your invention
- **Market advantage**
 - Advertising

3

Types of Patents

- **Utility Patent**
 - Protects the **functional** aspect of an invention
 - Good for 20 years from filing date
 - Must be renewed at 4, 8, and 12 years
- **Design Patent**
 - Protects the **aesthetic** appearance of an invention
 - Good for 14 years from issue date
 - No renewal fees

4

Patent Requirements (1)

- In order to obtain a patent, an invention must be
 - **New** (never been done before), and
 - **Not-Obvious** based on what has been done before

5

Patent Requirements (2)

- A patent application must be filed within 12 months of
 - The first public disclosure, or
 - The first offer to sell the invention

This requirement is known as the 12 month bar

6

Patent Search

- Look for identical or similar devices in patents and published applications
- Gives an idea as to the risk of rejection if an application is filed
- Optional – no requirement to do a search
- Insurance – Answers the question of whether a patent application should be filed.

7

Applying for a Patent

- **Provisional Application for Patent**
 - Establishes a Priority Date
 - Valid for 12 months
 - Will not be reviewed or issue as a patent
 - Does not affect patent term
- **Non-Provisional Patent Application**
 - Reviewed by Patent and Trademark Office
 - May issue as a patent

8

Provisional Application

- Requires
 - **Drawings** and
 - A **full written description** of the invention
- Does not require
 - A background section,
 - Claims, or
 - Final drawings

9

Non-Provisional Patent Application

- Requires
 - Background section
 - Full written description
 - Claims
 - Final Drawings
- Cannot add to application after filing

10

Why File a Provisional App?

- Test the water
 - Protect the invention while marketing
 - Minimize investment and initial cash outlay
- Invention is still being developed
- Running out of time – 12 month bar
- Ok to have a delay in getting a patent
 - Examination will not begin until non-provisional application is filed

11

After Filing

- The Patent Office (PTO) reviews the non-provisional patent application
- Applicant (inventor) must negotiate with PTO examiner for allowance
- If PTO examiner satisfied, the application issues as a patent

12

After a Patent Issues

- **Term**
 - **Utility Patent:** 20 yrs from filing date
 - **Design Patent:** 14 yrs from issue date
 - No extensions
- **Renewal (Maintenance Fees)**
 - Utility Patent has fees payable at the 4, 8, and 12 year mark after issuance

13

Patent Fee Comparison

- **Provisional Patent Application**
 - Preparation by Attorney \$2000 to 3500+
 - Total cost (atty + PTO fees) \$2100 to 3600+
- **Non-Provisional Patent Application**
 - Preparation by Attorney \$4500 to 12000+
 - Total cost (atty + PTO fees) \$7000 to 15000+
- **Design Patent Application**
 - Preparation by Attorney \$1500 to 2500+
 - Total cost (atty + PTO fees) \$4000 to 7000+

14

Patent Office Fees

- Filing Fee to PTO \$ 500 minimum
- Issue Fee to PTO \$1000

- 4 year renewal \$ 450
- 8 year renewal \$1150
- 12 year renewal \$1900

The above are Small Entity PTO fees for a Utility Patent Application issued as a patent

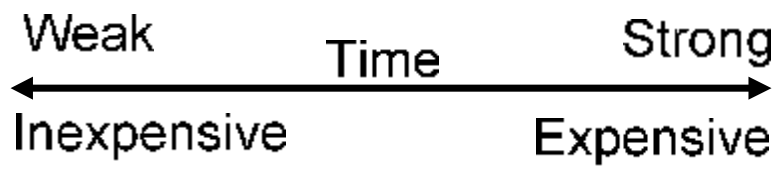
15

Patent Strategy

- File for a patent?
 - Business decision
 - Consider Return on Investment (ROI)
- When is the patent desired?
- How strong of a patent is needed?
- How much can be spent on the patent?

16

Cost-Strength vs. Time Line



17