

EXAMPLES OF PATENT STRATEGIES

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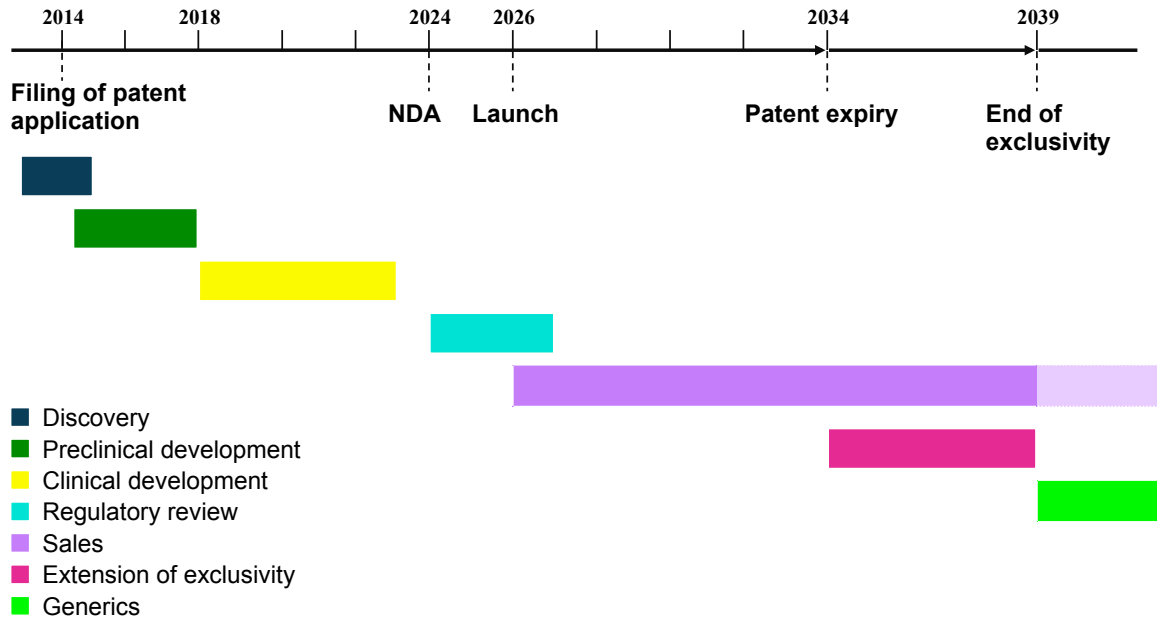
Forum for Genetic Research, Murten June 24, 2014

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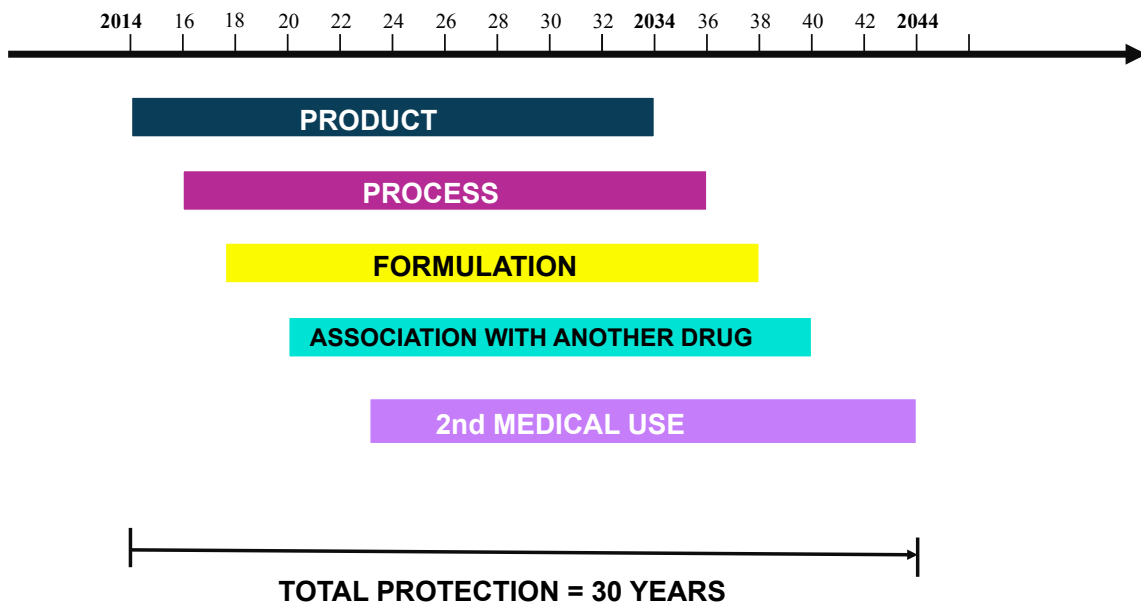
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LIFE - CYCLE OF A PHARMACEUTICAL PRODUCT



MAXIMISING PROTECTION



BROADENING THE SCOPE OF PROTECTION

- «comprising» instead of «consisting»
- the core of the invention
- Think global : could my invention be useful in another field ?

DEFERING THE MOST SIGNIFICANT COSTS

- The PCT route
- Better : Priority provisional filing followed by a PCT filing

PROVISIONAL FILING

- US route
- Non-US route

LIVING WITH A DEPENDENT PATENT

- Mother patent owned by a third part
- Child patent owned by me
- The invention claimed in the child patent cannot be exploited, neither by me nor by the owner of the mother patent

AN ORDINARY STORY IN THE PATENT FIELD

COMPANY X :

- ✧ State of the art: Pharmaceutical composition A + B
- ✧ Invention: A + B + C → more effective, fewer side effects
- ✧ Existing market : Essentially A+B, price is the only way to differentiate the product between companies
- ✧ Great hopes with the invention :
 - greater market share
 - becoming leader in the field
 - profit increase

COMPANY X :

- Patent application filed and will be granted for :
« Pharmaceutical composition **comprising** A + B + C »
- In case of opposition a more limited should be maintained :
« Pharmaceutical composition **consisting** A + B + C »
- Clinical trials are promising

COMPANY Y :

- ☹ Decrease of our A+B sales
- ⌚ « crash product development program » →
obtention of A+B+C+D which is better than
A+B+C
- ☺ Very positive reaction from the market
- ☆ A+B+C+D patent application filed.
Examination has not started yet

COMPANY X :

- ☹ Composition A+B+C+D is a serious threat for our position on the market
- ✉ Sending of a « soft warning letter » with a copy of the patent application. 4 weeks deadline to reply

COMPANY Y :

- ☆ Letter receipt acknowledged. Request to extend to 3 months the deadline
- ☹ Composition A+B+C+D is indeed infringing
- ☺ Our patent attorney is hopeful to invalidate the X patent in opposition before the EPO. Prior art search initiated
- ☆ Reply to company X: Opposition considered. Alternatively cross-licensing
- ☆ A+B+C+D sales continue

COMPANY X :

- ☹ We fear that company Y identifies relevant prior art which could totally or partially invalidate our upcoming patent
- ☹ Consumers want A+B+C+D
- 😊 Our patent is granted
- ✧ Decision to negotiate licence agreement
- ✧ Invitation to a «Top management meeting»

COMPANY Y :

- 😊 We note that company X has become less aggressive
- ⌚ Time issue: 9 months to find an agreement
- ☹ Our prior art search did not identify relevant prior art . Invitation accepted
- ☆ Our strategy : Request a royalty of 4% on the sales of A+B+C+D and licence-free use of A+B+C

COMPANY X :

- ☹ We assume that our patent is valid. Our strategy :
Request a royalty of 4% on the sales of A+B+C+D
- ☹ No time issue
- ☹ Dramatic situation if opposition succeed

1ST MEETING

- ⚡ Opposite requests. No agreement
- ☞ Both parties agree to find a solution before the end of the opposition deadline
- ☞ 2nd meeting planed in 4 weeks

2ND MEETING

- ☞ An agreement has to be found
- ☞ Royalty free cross-licences are proposed and accepted. Company X requests that no opposition has to be filed
- ☞ Lawyers must quickly draft an agreement

COMMENTS

- ☞ The validity of the patents is not considered in the agreement
- ☞ Any new development of one party is not mentioned in the agreement. There is only one comment referring to the need to negotiate a separate agreement if such occasion occurs
- ☞ Each company may use the patented technology of the other party
- ☞ Duopoly