

Mitigating Patent Risks

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This is in furtherance of the post “Assessing patent risk in India”.

Mitigation and management of patent risks assumes very high importance in the light of increasing patent enforcement in India. Risks from patents primarily come from infringement of patents of others. Some of the common strategies for risk mitigation are as follows:

a. Design around; b. Licensing; and c. Invalidation.

a. Design Around

Risks from a patent can be mitigated by designing around the claims of the patent. If a product or process is so designed that it does not fall within the scope of the claims it would not be infringing.

Example – Vinod wants to make tables in India. He carries out a patent search at the Indian Patent Office and finds a patent, whose independent claim reads as follows:

1. I claim a table comprising of a flat wooden plank connected to legs at four corners of the said wooden plank.

The claim includes tables, which have four corners. This claim can be designed around by making tables without corners or with corners more or less than four corners. So, if Vinod

makes tables, which are circular in shape, he can successfully design around the claim. Though Vinod may be able to design around by making tables having the shape of a triangle, pentagon and so on, there is always a danger of equivalence extending to such tables.

b. Licensing

If a patent claim cannot be designed around, then the person may consider the option of licensing the patent. The option of licensing may be the only way with respect to base patents, which are related to new technologies. However, this mode of risk mitigation is dependent on patent holder's willingness to grant a license. Many companies, which derive competitive advantage through the patents and have the economic muscle to make the best of it may not be interested in licensing.

Example – Vishnu wishes to start a company for making a fairness cream. After carrying out a patent search, Vishnu finds a patent, whose claim reads as follows:

1. I claim a skin lightening composition comprising a melanin inhibitor or a UV light screening agent and additives.

As the patent claim is very broad, the only option for Vishnu may be a license unless he can invalidate the patent.

c. Invalidation

Patent invalidation is a very common strategy followed by many companies. When a suit for patent infringement is filed, the defendant in the suit generally claims patent invalidity. A patent may be invalidated at any time after grant and before it expires. Invalidation of a patent may be done based on

grounds such as non-satisfaction of patentability requirements, wrongful obtainment of the patent, inequitable conduct and so on.

Example – As the patent claim in the earlier example is very broadly worded, the best option for Vishnu may be patent invalidation. It may be invalidated based on prior art or on the ground that the claim is not clear and succinct.

In addition to the aforesaid basic strategies of risk mitigation, companies follow many other strategies such as patent fencing or ticketing, cross licensing, pooling and so on for risk mitigation. Many open patent models are also evolving with the objective of providing risk free operating fields in certain technologies.

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