

The Limited Monopoly

A Hypothetical Case – of Keeping an Invention From Going to the Dogs

The Opportunity¹

Dave is the founder of Catalyst Concepts, a small product design firm. He's been looking for years to get some business from Gigatron Inc., a major player in consumer electronics. After scads of networking, he's finally landed a Request for Proposal from Gigatron. The product is referred to as "DogGone," a TV remote with a built in mute button that will mute the sound of a barking dog.

It looks like a great project, but looking through the package from Gigatron, Dave is perplexed. In the product description and rough schematics, there are several areas marked "Details To Be Determined." It's difficult to tell how the remote works. Dave gives the package to Nicole (their acoustics whiz) and Barz (his best software engineer), and asks them to look through it and see if Catalyst should bid on the job.

In a week, Nicole and Barz get back to Dave and confirm his first impression. Gigatron doesn't have a working product concept, and the TBD's are show stoppers. All that Gigatron has provided are the specs on an existing remote – the rest essentially just amounts to stating a result to be accomplished. The good news is, Barz and Nicole have come up with totally new innovative concepts to do the job, and are pretty sure that they will work. By placing a small microphone in the remote along with some voice recognition software, a viewer will be able to put the TV in "learn mode" during a one-time setup routine, annoy the dog (say with a doorbell), and make the TV remote "learn" the sound of the dog barking. By using noise cancellation algorithms, the TV speakers will broadcast the exact sound needed to cancel out the sound of the dog barking when the "dog mute" button is pushed.

Dave thinks they have nailed it. He tells Nicole and Barz to get the diagrams and schematics, a writeup, and specs together for the proposal. What they've got should make them a lock to get this business. Except for one thing.

The Risk

The RFP says that a candidate firm should include in its proposal "any additional or alternative design concepts that it believes will demonstrate the firm's qualifications to provide the requested services." But the RFP also states that the candidate is forbidden to mark any proposal documents as "Confidential," and if any such documents are marked "Confidential," the proposal will be returned to the candidate without consideration.

Dave thinks that he has an exceptional case, and that if he can just get Catalyst's proposal in the game, it will win. But he wants some assurance that he won't have to risk giving away his team's invention just for a chance. He calls the purchasing agent at Gigatron to inquire about getting a Non-Disclosure Agreement (NDA) signed before submitting the proposal. He is politely rebuffed and reminded again of the non-confidential submission requirement.

Dave's company is in a tough spot. Catalyst needs the work. But if it submits the proposal to Gigatron with no obligation of confidentiality, Gigatron is free to take their invention in-house, or send it off to a low-ball firm elsewhere. Dave suspects that

Gigatron is on a fishing expedition to land a free solution to its problem. He doesn't want to end up in a situation like that guy from Evans Cooling with his Corvette radiator². What to do?

Some Insurance

The lack of an NDA notwithstanding, Dave does have another option. Before submitting the proposal to Gigatron, Catalyst can file a patent application on its invention (with assignments from Barz and Nicole to Catalyst). In this case, Gigatron has only suggested the result to be accomplished, and not the means for accomplishing it; thus no employee of Gigatron is a co-inventor with Nicole and Barz. A Provisional Application for Patent would probably be the best choice here because of its modest filing fee (\$100), and the acceptability of submitting informal drawings. The description of the invention must meet the requirements of 35 USC §112, i.e., it must enable a person of ordinary skill in the art to make and use the invention, and it must describe what is believed by the inventors to be the best mode of making and using the invention.

The diagrams, preliminary circuit layouts, and writeup in the proposal can all serve as excellent input to the patent application. Although Catalyst is free to file the application *pro se* (on its own behalf), it may also retain an experienced patent practitioner to be sure all requirements of the patent statutes and regulations are met.

By filing a provisional patent application before submitting the non-confidential proposal, Catalyst is now in a much better position going forward. The provisional application will be pending for one year, and during this time, Catalyst will either win or lose the project. If it wins, great. Catalyst can choose to abandon the application, or pursue a utility patent and enter into an amicable licensing agreement with Gigatron if the patent is granted.

But suppose Gigatron shops Catalyst's invention to another firm, and then produces the "DogGone" product. If Catalyst is successful in obtaining its patent, it then has some leverage. Admittedly, an uphill battle might lie ahead – but at least Catalyst would have a club to swing if it has to fight the big dog.

1. The above is a fictitious account used for illustrative purposes.
2. J. Hammond and R. Gunderman, *The Rochester Engineer*, 84(6) February 2006, p.11.

Authors John M. Hammond P.E. (Patent Innovations, LLC www.patent-innovations.com) and Robert D. Gunderman P.E. (Patent Technologies, LLC www.patentechnologies.com) are both registered patent agents and licensed professional engineers. They offer a course entitled "Introduction to Patents" that qualifies for one PDH credit hour. More information on the course can be found at www.patenteducation.com. We would like to thank Robert D. Gunderman, Esq., General Counsel for Patent Technologies, LLC, for his contributions to this article. Copyright 2006 John Hammond and Robert Gunderman, Jr.

Note: This short article is intended only to provide cursory background information, and is not intended to be legal advice. No client relationship with the authors is in any way established by this article. □

