

Avoiding patent infringement using freedom-to-operate analyses

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In today's business world, patents are increasingly used by innovative companies as a tool to support technology transfer and to create opportunities for commercial success. Owning a patent provides a competitive advantage, and it often leads to possibilities to license or sell the patented technology and expand into international markets.

However, patents alone do not guarantee commercial success. A patent grants a right to a specific technical feature or set of technical features that may only form part of a product or process. These products and processes often include a number of features that are protected by multiple patents.

Therefore, if an inventor or company wants to develop and commercialise a product, but it only has the rights to a patent that covers one aspect of the production process, the company will not have the freedom to make, use, sell or bring the product to market without first gaining permission to use the other patented processes.

Let's say that an innovative company obtains a patent on a new composite product. If it plans to manufacture and sell the product by using a proprietary polymer as a raw material, the owner of the patented polymeric material could take action to stop the company from using this material.

As another example, if the company plans to use its patented product to manufacture a membrane material, the owner of a patented process for manufacturing the membrane material could prevent the company from using the material produced by the patented process.

In short, even if a company can obtain a patent over a product, it may not be able to commercialise it.

It is therefore important to understand the difference between "patentability" and "freedom to operate". Patentability refers to the extent to which an invention meets the requirements to receive protection as a patent (how useful, novel and non-obvious in view of the current state of the art the invention is).

On the other hand, freedom to operate refers to the process of determining whether the use of an invention in practice infringes on the rights of other patent holders.

Understanding the difference between patentability and freedom to operate is especially important, because when the patent office examines a patent application, it will only consider whether the invention in the application meets the requirements of patentability, and not whether the applicant has the right to use the invention in practice without infringing the rights of other patent holders.

Therefore, an inventor or company, as the patent applicant, should conduct a freedom-to-operate analysis as well as a patentability analysis.

A freedom-to-operate analysis focuses on analysing existing patents in the country where the patent applicant wants to commercialise its invention.

The applicant will analyse unexpired blocking patents, as well as published patent applications, to help determine whether the utilisation of the patent will infringe on the rights of other patent holders if the patented subject is commercialised in the territory.

Much like a patentability analysis and many other patent processes, however, a freedom-to-operate analysis does not establish with absolute certainty whether the applied-for patent will infringe on other patent rights. It only reduces this risk, and improves the chance of commercial success.

Freedom-to-operate and patentability analyses provide important but different information to companies looking to invest in new technologies, and ideally they should both be done together.

A freedom-to-operate analysis should be done very early on to allow a company to guide product or process designs in a direction that avoids blocking patents and therefore disputes over patent rights with other companies.

Another freedom-to-operate analysis should be conducted after a change is made to a product or process design to ensure that the new design does not infringe on others' patent rights. And if changes cannot be made, a company may consider obtaining a licence to use the patented design.

Depending on the number of patents to be analysed, these analyses can be costly. If a company has budget constraints, it should first conduct a freedom-to-operate analysis. Afterward, it should conduct a patentability analysis, if the budget allows for it.

A freedom-to-operate analysis is more crucial than a patentability analysis because companies have a legal duty not to engage in a business that infringes the patent rights of other parties.

In contrast, there is no legal duty to seek patent protection for technology that a company intends to use. In all cases, it is important to seek the advice of local counsel who understand your business and industry.