PATENTING CLEANTECH:
Patent Risks from Disclosures to Third Parties

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Cleantech and renewable energy are emerging fields with cutting edge technology. To develop and commercialize this technology, it is necessary for companies to collaborate with others to refine their ideas, overcome problems, and generate interest. This collaboration is done early in the life of the technology and requires that the technology be disclosed to others outside of the company. However, this disclosure may prevent the company from protecting the technology with patents.

A patent provides its owner with a monopoly, which can be critical in establishing an exclusive niche for a company. To be patented, subject matter must be new, i.e. it must not be publicly known. This includes information in published documents as well as disclosure to third parties when developing, funding, and commercializing a technology. Most companies would recognize that a public disclosure includes a research paper but many forget about more informal disclosures such as collaborations with other companies or engineers, presentations made to investors, or informal discussions at trade shows with colleagues from other companies.

Public disclosures include any situation where information is given to a third party with no obligation to keep it confidential. Public disclosures include patents, published patent applications, promotional material, websites and academic and technical journals. Abstracts published in proceedings, posters, and talks at conferences and trade shows are also sources of disclosure. Regulatory submissions may also include disclosures, particularly when they are published by government bodies. In addition to published material, disclosure may also result from the use of a device or application of a process outside of private facilities (e.g. testing a prototype on a job site).

The consequences of disclosure prior to filing a patent application vary by country. In most countries, subject matter that has been publicly disclosed, even by an applicant for a patent, cannot be validly protected by the patent. Canada and the United States provide some leeway to applicants. These countries permit an applicant to publicly disclose the technology prior to filing a patent application. However, the applicant must file a patent application in these countries within one year of its earliest disclosure to obtain a valid patent.

Ideally, a patent application is filed in advance of any disclosure of information related to the technology in the patent application. This ensures that the applicant can obtain protection in as many countries as possible. When developing technology, an applicant cannot control disclosure of information by others. However, the applicant should manage the timing and content of their own disclosures. Consistently filing applications prior to any disclosure may increase investor confidence.

Following a disclosure, counsel can assess the content, timing, and other circumstances related to the disclosure, and help mitigate any potential consequences of the disclosure.

Any time that a company will be disclosing information to a third party before a patent application is filed, the parties should sign a confidentiality agreement. If information is disclosed under a confidentiality agreement, this is not considered a public disclosure. This will improve the company's chances of obtaining a patent application and avoid an unnecessary issue with its own disclosure.

Disclosure is necessary to develop new technology and commercialize products. Patent protection provides a company with an exclusive niche. These are not mutually exclusive, as long as a company takes steps early to protect its technology and coordinates disclosure of information with filing patent applications.

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