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The Saga of the Patented Bicycle Rack, Part I

by Howard M. Cohn

PATENT ATTORNEY

This four part story is designed to cover the basics of the Patent Process.

Julie and Rob, employees of the Millennium Bicycle Company, a manufacturer of high-end custom bicycles, were having lunch in the company cafeteria. (Julie is the Legal Counsel and Marketing Manager for Millennium, and Rob is the Engineering and Production manager.) Julie told Rob about a "great" idea she had for an adjustable bike rack to carry from one to four bikes. Together, they discussed some details for the design, which would make the bike rack user-friendly.

When Julie and Rob got back to their offices, Rob immediately sketched out their ideas on paper. That evening Rob and Julie went out to dinner and continued their discussions about the bike rack. They agreed on a unique bike rack design that would allow for easy loading and unloading of bicycles. Julie thought the new design could compete well with the other bike racks on the market. After a few glasses of wine, they began talking about manufacturing and selling their invention.

The next day at work, they approached their boss Ted, owner of the Millennium Bicycle Company, to discuss the marketing of "their invention," possibly through a new division of the company.

Ted was excited about the invention and offered to underwrite the development of the bike rack. He instructed Rob to create a design on Millennium's CAD/CAM system, and authorized him to build a prototype (known in patent law as "reduction to practice").

Ted loved the sleek design of Rob's prototype bike rack and he used it to carry his family's bicycles to the mountains on weekends. He told Rob to go ahead and design a production model of the bike rack, and discussed with Julie the organizing of a new division to market the bike racks. However, whenever Rob and Ted discussed the details of the bike rack design, Julie was excluded.

A few days after the prototype bike rack was completed, a customer purchasing a bike, saw the bike rack and wanted to buy one. Rob and Ted were really excited but Julie counseled against making a sale before finding out whether this would jeopardize their patent rights. Ted, not knowing much about patents, decided to follow Julie, his company's legal counsel, advice.

Julie was bothered that Ted, and even Rob, had failed to acknowledge her contribution. Nevertheless, she kept quiet and advised Ted to present the matter to an outside patent attorney with whom she was professionally acquainted. Ted contacted the patent attorney and explained that he wanted to obtain a patent for a new bike rack for which he and Rob were inventors. When Michael Jones, the patent attorney, heard the circumstances surrounding the design of the new bike rack, he immediately suggested a meeting with Ted, Rob, and Julie.[1]

At the meeting, they discussed the conception of the idea and how the Millennium Bicycle Company planned to organize a new division to sell the bike racks. When the discussion turned to filing a patent application on the idea, Attorney Jones explained that since Ted had contributed only resources, and not technical ideas to the bike rack invention, he could not be named as an inventor on a patent application. And if Julie were left off the patent application as an inventor, the resulting patent would be invalid - the patent law allows only the actual inventor(s), - those who have contributed to the inventive process – to be listed as inventor(s). More importantly, if a patent were granted on the invention with the wrong inventors listed, the patent could be unenforceable. Thus, ignorance of the many nuances of patent law could have led to loss of the patent, had it been challenged.

How should Ted proceed to ensure that he benefits from a patent in Rob and Julie's names, while also rewarding Rob and Julie for their invention?

Next month we will examine patent licenses and assignments and other advice that Attorney Jones gave Ted, Rob, and Julie to protect their respective intellectual property rights.

1) For purposes of this article, the possibility of one attorney representing three people, each having diverse legal interests is being ignored.

Disclaimer: This article is intended to be educational, and does not constitute legal advice, nor does it create or constitute any attorney-client relationship.

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