

The fiction of Detritus - Patent Renewal blues

Abandoning patents is a dilemma often faced by innovators and patent holders. Regardless of large or small portfolios, patents are intangible assets but may not necessarily bring value to the organization. In the dynamic world of technology some patents aren't valuable anymore, albeit they remain hidden in the portfolio adding to your renewal fees. It is unsurprising that big companies with large portfolio abandon most patents. However, the choice may not be as obvious and clear for a smaller market player. Innovators, after all, tend to hold on to their beloved invention.

It is difficult to put down in a certain framework whether or not to keep a patent, so here are some pointers that might help making that dreaded decision.

If your field of expertise and innovation is a fast moving one or the patented technology is obsolete or in decline, and you can foresee that your patent shall serve no long-term purpose, scrapping it might be an option. Often, patents revolve around improvisation to existing products. While the improvisation might be valuable in its own right, it may not continue to serve as an adequate patent strategy. Innovators may have to resort to comparative and alternate means of achieving the desired outcome.

Subsequently, the other pointer being that your patent's valuation is declining. Companies, very wisely, tend to decide on a threshold value of their patent portfolio. A valuation, significantly lower than the expected may be worth abandoning. It might also be worth comparing the valuation of your patent with strength of other patents in the similar technology. A decline in the valuation also means there is no incentive to keep maintaining the patent.





- Intelligence Simplified

An obvious pointer is if the patent office is overcharging you with heavy renewal fees. This might mean a lot for smaller players who have limited means or have to snip other budgets to follow through with renewal. By keeping track of which patents are up for renewal you can have transparency on what you're paying for. This will ensure that you have better control over which patents you want to renew or abandon.

Lastly, the most obvious indicator is if your patent has no forward citation. No forward citations indicate innovators in your domain aren't building on the protected technology suggesting it may not be valuable. So if your patent has no citations it may be time to abandon it. This is truer for evaluating patents that have existed for a few years. Time enough to understand if the industry has warmed up to the invention. Younger patents are exception as they may not have had the time to gather any citations.

This is by no means an exhaustive list and nor is it the sole model on which strategies should be placed. More thought and IP strategies, technology licensing for starters, goes into making such guarded decisions. End of the day, business is about learning to prosper and capitalizing on your assets. Fees charged for everything in the patent world are high – in most cases justifiably because patent laws are complex but that is another can of worms altogether.

I suspect that there may be other, more cogent theories and strategies and, again, would love to hear from readers on this issue.