

Patent Points

NOW STARTING MY 21ST YEAR...

Pesky Demand Letters

Most tech companies at one time or another have received letters from inventors demanding payment for infringing their patents. If the financial resources of the tech company are larger than that of the inventor, these letters are often ignored. Sometimes the inventor obtains financial backing and sues a group of smaller companies, hoping that some of these companies will offer a small settlement rather than pay higher legal expenses. If enough small companies settle, then the inventor can go after larger companies, or hold out for larger settlements.

More recently, specialized patent holding companies have been established. These companies do not manufacture anything; they simply own patents. Thus they have few liabilities, and they have no manufacturing business that can be shut down by a counter-suit.

When the inventor has a company that manufactures a product, the tech company can counter-sue using one of the tech company's patents. Such defensive use of patents is one reason tech companies develop a patent portfolio. When the tech company holds a large number of patents, other companies may be afraid to sue, since they may be infringing one of the tech company's patents.

Tiger in a Bag of Patents

This is sometimes called the "tiger in a bag" syndrome. When a tech company has only a few patents, their bag is small and cannot hold a tiger. But as the tech company gets more and more patents issued, their bag gets bigger and bigger until it could hold a tiger - a strong patent that no competitor could defeat or get around. When the bag of patents is huge, nobody wants to open the bag because a tiger could jump out !

Unfortunately, some large companies open the bag and face the tiger. Apple and Samsung/Google are locked in a bitter patent war over smartphones. Each has spent huge sums of money buying patents. For example, Google paid \$12.5 Billion for Motorola Mobility, then sold it for \$2.9 Billion, keeping the 17,000 patents. Google thus paid almost \$10 Billion for the patents.

Earlier, Apple contributed \$2.6 Billion to a group that bought Nortel's patents. Apple's R&D budget for the year was only \$2.4 Billion - less than what they spent buying the Nortel patents.

New Law Against Patent Trolls ?

Last year the US House of Representatives passed a bill known as the Innovation Act. This bill is now stalled in the Senate. The bill has various provisions to discourage patent lawsuits, especially from Non-Practicing Entities (NPE's),

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aka "Patent Trolls".

NPE's are formed to buy and hold large numbers of patents. NPE's eventually may use these patents to sue others. Since the NPE's do not manufacture anything, they cannot be counter-sued for infringement. Thus any patent lawsuit with a NPE is very asymmetrical, with all the risk on the defendant tech company, and little risk for the NPE.

The bill would require NPE plaintiffs to disclose their financial backers, spend more time developing detailed infringement reports, and pay legal fees if they lose.

Unintended Consequences

Small inventors may enlist the help of a NPE to assert their patents against large companies, since the inventor lacks the financial resources to sue. Thus NPE's may help small inventors. Large companies such as Microsoft, Google, and Apple support the bill, while Universities and drug companies that rely on strong patents generally are against the bill.

Supreme Court Action

The Supreme Court recently heard arguments over requiring abusive Patent trolls to pay the other side's legal fees. Thus the courts may take action before the bill gets passed.

The Supreme Court will take on several patent cases this year that may have profound effects. One key case is the *CLS Banks* case that may set new rules for software patent claims.

PCT Filings

Clients sometimes ask about international patents. Each country has its own patent office, so applicants wanting coverage internationally must file a copy of their patent application in each country. The additional filing, translation, attorney, and maintenance expenses can be quite high.

While there is no international Patent, there is an international application through the Patent Cooperation Treaty (PCT). A patent may be filed as a PCT application with the USPTO and still

designate other countries. After about 2 years, the applicant must convert his PCT application into national applications in each desired country.

PCT is a complex system with different rules and deadlines than standard US filings. All papers must be re-formatted for the European A4 size, and special filing software is used to create the PCT application. I charge an extra \$1,500 for PCT filings.

PCT has strict deadlines for both the applicant and the USPTO. Surprisingly, PCT patents tend to be examined more quickly. The PCT applicant may designate faster patent offices, such as the Korea Patent Office, to accelerate examination. Once a claim is allowed anywhere in the world, a fast-track process in the PTO is available. Thus some applicants file as PCT the USPTO, designate Korea for searching and preliminary examination, then return to the US and get their patents allowed sooner than if they did a standard US filing.

Why Korea ? Korean examiners speak Chinese, Japanese, and English and search in all three languages. Not only are the searches better, but the office is efficient and faster than other patent offices. Many of my colleagues strongly recommend Korea for PCT applications.

Spontaneous-Area Networks

My informal "Patent of the Year" is shown on page 3. A Spontaneous Area Network (SPAN) has mobile and fixed nodes. The SPAN network topology changes frequently as mobile nodes move, disconnect, and re-connect. Delay-Tolerant Distributed Objects compensate for moving mobile nodes and varying network conditions. The inventors are from the wireless networking hub of Barcelona, Spain. Congratulations to the inventors !





US008493849B2

(12) **United States Patent**
Fuste Vilella et al.

(10) **Patent No.:** **US 8,493,849 B2**
(45) **Date of Patent:** **Jul. 23, 2013**

(54) **SYSTEMS AND METHODS FOR CREATING, MANAGING AND COMMUNICATING USERS AND APPLICATIONS ON SPONTANEOUS AREA NETWORKS**

(75) Inventors: **David Fuste Vilella**, Barcelona (ES);
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(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 686 days.

(21) Appl. No.: **12/704,904**

(22) Filed: **Feb. 12, 2010**

(65) **Prior Publication Data**

US 2010/0208662 A1 Aug. 19, 2010

Related U.S. Application Data

(60) Provisional application No. 61/152,566, filed on Feb. 13, 2009, provisional application No. 61/264,939, filed on Nov. 30, 2009.

(51) **Int. Cl.**
H04J 1/16 (2006.01)
H04J 3/14 (2006.01)

(52) **U.S. Cl.**
USPC **370/230; 370/235**

(58) **Field of Classification Search**
USPC **370/230, 235**
See application file for complete search history.

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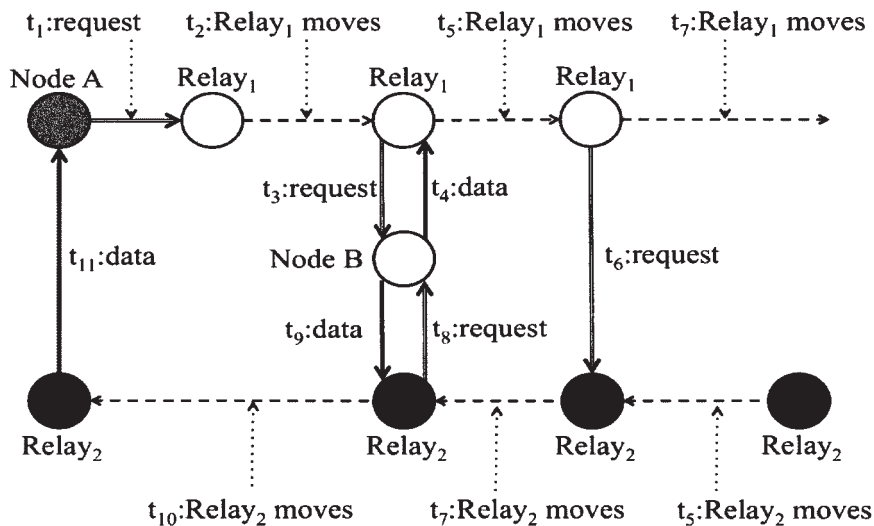
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(57) **ABSTRACT**

A Spontaneous Area Network (SPAN) is formed by mobile and fixed nodes using wireless transmission links between nodes, usually in a nearby geographical area. Applications allow users to create, join, leave, and manage SPANs and groups in a SPAN. Automatic procedures allow nodes to join other SPANs. Transmission power of the wireless network interface is dynamic, varying depending on battery level, type of information to transmit, state and topology of the network. A delay tolerant object layer abstraction creates, modifies, deletes, publishes, and handles Delay Tolerant Distributed Objects (DTDOs). A Patient Transport Protocol (PTP) ensures a reliable transport of information through the network while avoiding congestion conditions. An aggressive and explosive network protocol (AGENET) has routing and forwarding capacities and uses datagrams to establish communication between different nodes of the SPAN. Cooperation and diversity are exploited to react to node mobility that causes frequent changes in network topology and disconnections.

11 Claims, 50 Drawing Sheets



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470 Patents Issued

After 20 years of writing patents as a full-time Patent Agent, 471 applications that I've written have now issued as patents. Congratulations inventors!

You can view the 471 issued patents I've written at:

www.gpatent.com

Rates Set for 2014

My hourly rate for 2014 will be \$250 per hour, billed in quarter-hour increments. Fixed-price quotes are available for patent applications to facilitate budgeting and avoid expensive surprises.

Prosecution work such as amendments and other paperwork is billed at the hourly rate. Litigation-support work is billed at a higher rate. Patent searches are billed at a flat \$500 for U.S. abstract searches. Patents can be viewed on-line.

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Address Correction Requested