INVENTOR NOTEBOOKS: AN UNDERAPPRECIATED GOLDMINE

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Anyone who has met with an engineer or scientist has undoubtedly encountered the proverbial engineering or lab notebook. In many circumstances, these notebooks are the best and only evidence for proving rights to an invention. Without this source of information, companies could lose valuable intellectual property rights and, very likely, significant revenues.

In terms of intellectual property rights, lab notebooks are used for: (1) establishing priority to a particular invention; (2) defending against claims of infringement; and (3) establishing ownership in joint development activities.

ESTABLISHING PRIORITY TO A PARTICULAR INVENTION

In the United States, unlike most foreign countries, the first party to invent is entitled to a patent and is said to "establish priority." Lab notebooks provide crucial evidence that an inventor both conceived of the invention first and reduced the invention to practice. An invention can be "reduced to practice" in many different ways, including filing a patent application with a full and complete disclosure of the invention; building a prototype or working model; or proving utility of a new chemical compound. Lab notebooks are key evidence for corroborating investor testimony during a patent interference or court proceeding.

The best-known examples of using lab notebooks to establish priority are the fabled Telephone Cases concerning ownership of the patents relating to the telephone. The end result of the dispute was that Alexander Graham Bell was awarded the highly coveted patents because he had properly dated, signed and witnessed lab notebooks. The competing inventor's notebooks were neither dated nor witnessed by a third party. The rest, as they say, is history.

Using lab notebooks to establish priority is often critical in the biotechnology arena. For example, in Stern v. Columbia University, et al., a student's claim of co-inventorship was rejected because his lab notebooks were not witnessed. Similarly, in Medichem, S.A. v. Rolabo, Rolabo was granted priority even though Medichem had received a patent relating to making loratadine, the active ingredient of Claritin. The Medichem notebooks were not signed by the scientists themselves nor were they witnessed by a third party, and thus were insufficient to corroborate priority to the invention.

DEFENDING AGAINST CLAIMS OF INFRINGEMENT

Properly maintained notebooks also can be useful in defending against patent infringement claims by a third party. For example, if your company can prove that it conceived of, and reduced to practice, an invention before the filing date of the patent at issue, your company may be able to invalidate the patent, or at a minimum, gain the upper hand in settlement negotiations. The standard required to use lab notebooks as a "shield" will be nearly identical to the standard for using them to establish ownership in a patent dispute, namely the notebook must offer credible corroborating evidence of the prior conception and reduction to practice.

OWNERSHIP IN JOINT DEVELOPMENT ACTIVITIES

Lab notebooks are essential when companies are involved in joint development activities. In many of these arrangements, there will be contractual provisions that provide that the parties will retain respective ownership of sole developments and address how joint developments will be handled. In many circumstances, establishing that a particular invention is a sole or joint development can have a dramatic effect on a company's bottom line. Not surprisingly, the best evidence of the ownership of the respective contributions that a company makes under these joint development arrangements is often found in the inventor notebook.

GUIDELINES FOR MAINTAINING NOTEBOOKS

Maintaining an engineering/lab notebook is more than an academic exercise. Indeed, it can have a significant impact on the bottom line, and the overall value of a particular company's intellectual property portfolio. To maximize this value, companies are encouraged to follow these suggested guidelines:

1. Require that engineers and scientists maintain notebooks, including any sketches of particular embodiments of an invention (i.e., particular chemical formulas used or obtained, flowcharts for a process, or diagrams for a particular component), potential alternatives, and any interpretations of the results.

2. Maintain the notebooks in a permanent form (i.e., not pencil that can be erased) using pre-numbered pages that are accurately dated, witnessed by a third party (preferably someone familiar with the work, but not directly involved in the development), and identified to the specific project to which it is related.

3. Ensure that both successful and unsuccessful tests and results of a particular development project are equally well documented.

4. Do not remove pages or add notebook pages. These changes/records/additions can often cast a questionable light on the authenticity and accuracy of the underlying information.

5. Do not skip pages or leave empty spaces - draw lines through any unused portion.

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