

## **Freedom to Operate**

### **What is freedom to operate?**

Patents are often described as being “swords” rather than “shields”. Essentially, having a patent means that you can stop others from implementing your invention, but it does not necessarily mean that you can implement the invention yourself.

In some cases, it may be that a patent or a group of patents owned by someone else covers some aspects of your own products or processes. This can prevent you from being “free” to operate (i.e. market) these products or processes, even if they are covered by your own patents.

Consider the following basic example. A company invents a new bicycle spoke made from an alloy which is particularly strong and lightweight, and they obtain a patent for a bicycle spoke made from the alloy. You discover that the benefits can be further increased by arranging this new type of spoke in a particular pattern, and you obtain a patent for a bicycle wheel having the improved spokes in your clever spoke arrangement. Although you have a patent for this new wheel, the other company can prevent you from selling it as they own the patent on the spokes you need to build the wheel – you are not free to operate.

### **What is a freedom to operate search?**

There are a huge number of patents currently in force across the globe. Therefore, whatever field your business concerns, it is likely that some patents exist that reduce your freedom to operate in that field.

A freedom to operate search looks for intellectual property rights – usually registered rights like patents and trade marks – that may be relevant to your operations. Once any potentially relevant rights have been identified, they can be analysed to understand the extent of their impact. This could include an assessment of the scope of protection, validity, territorial coverage and legal status of the rights.

### **Why conduct a freedom to operate search?**

#### **Manage your risk**

It can be very expensive to develop a new product line or brand. After the investment in bringing a new offering to market, being subsequently forced to cease operations due to IP infringement can strike a hammer-blow to your business if you are unable to realise sufficient returns.

Undertaking a freedom to operate search as part of the development process can help identify and quantify possible risks before they arise. In particular, a freedom to operate search can help

guide the product development process so as to reduce the risk of third-party patent enforcement. Prevention is better than cure, after all.

In addition, if a freedom to operate search identifies IP, such as patent-protected technologies, that you would like to make use of, you would then be able to approach the owner(s) in advance to negotiate a licence to do so.

### **Identify red herrings**

It can be hard to know if a patent that belongs to someone else might be a problem for you or not. Sometimes, on deeper investigation, what seems like it might be a product-killing patent turns out to be nothing more than a handy description of a competitor's technology. A freedom to operate exercise can help you deduce which of these it might be.

### **Clear a path**

A freedom to operate search may reveal that the a market space you plan to enter is covered by a thicket of patents. In other cases, the search results may identify a handful of patents which cover a particularly wide range of technologies and/or which cover an especially important technology area. Having the results of a freedom to operate search can help you decide if it is worthwhile trying to cut away at the thicket.

In particular, it may be possible to knock out or “oppose” various recently-granted patents through the relevant patent office with the aim of reducing their scope or even having them invalidated entirely. These “oppositions” may even be brought anonymously for patents in some territories and regions. Otherwise, invalidity actions can be brought against granted patents in a court.

### **Go your own way**

It may be that a freedom to operate search indicates that the technology which you are currently developing does not seem to be covered by existing third party patents. If so, you might consider filing your own patents in respect of your technology to protect your own innovation and to create intellectual property assets of your own.

### **When should a freedom to operate search be conducted?**

Depending on the target area a freedom to operate search can be a lengthy and involved process that is relatively expensive. Therefore, we would usually recommend that a freedom to operate search is conducted when it is most pertinent to your commercial interests. For example, it may be advisable to conduct a freedom to operate search when:

- deciding which avenue to pursue at an important stage gate during product or process development;
- preparing to make a significant unrecoverable investment, such as purchasing bespoke tools and machinery;
- preparing for a product or process launch; or
- doing due diligence ahead of acquiring another business which operates in a new technology area and/or which has intellectual property assets of its own.

### **How HLK can help**

HLK can advise on whether conducting a freedom to operate search might be beneficial for you or your company. We can also conduct a freedom to operate search on your behalf and provide the corresponding analysis.

This is for general information only and does not constitute legal advice. Should you require advice on this or any other topic then please contact [hlk@hlk-ip.com](mailto:hlk@hlk-ip.com) or your usual Haseltine Lake Kempner advisor.