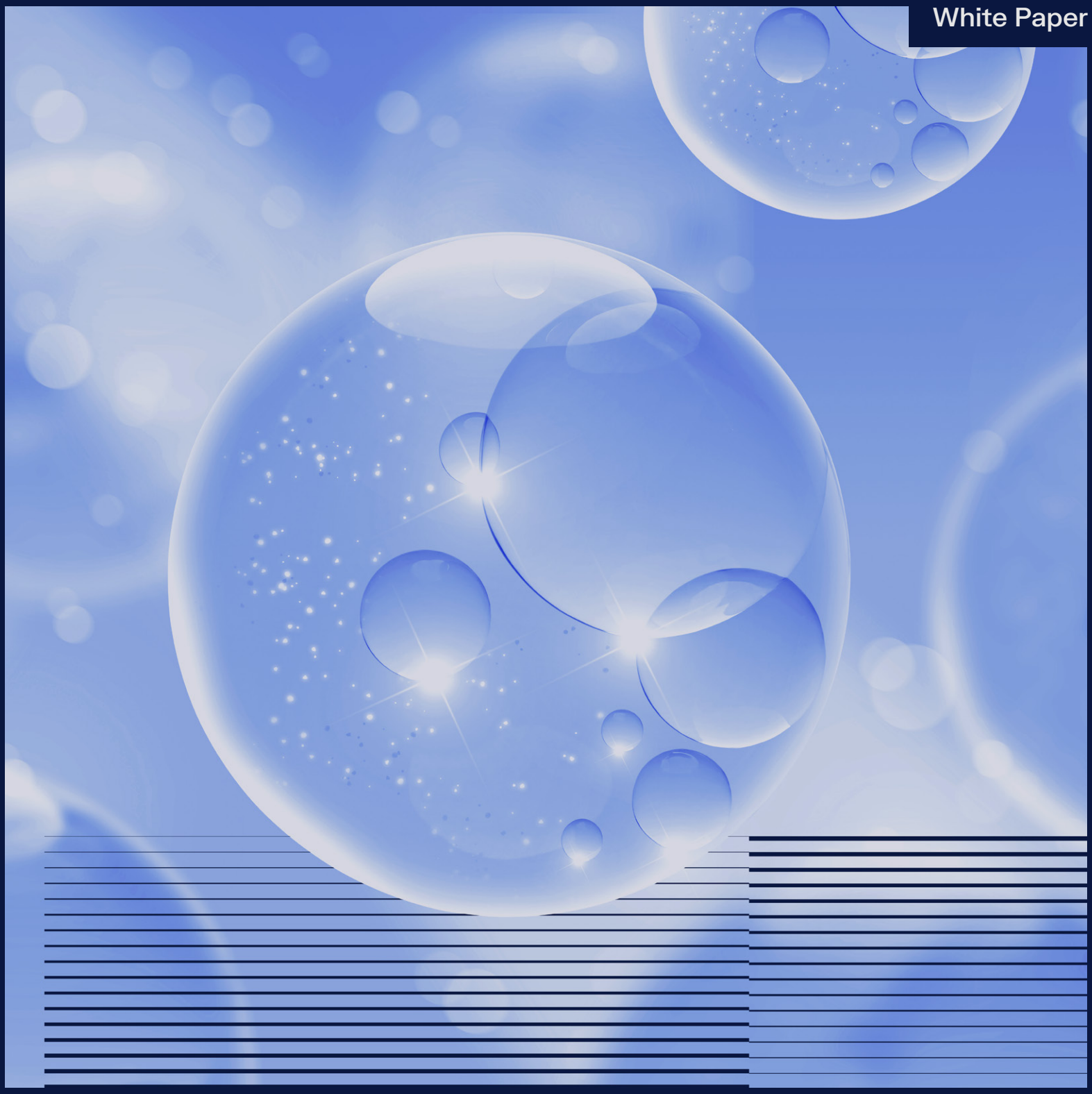
White Paper



What Should I Patent?

A Decision Guide

SCALE|AI

Note: This guide deliberately avoids using legal jargon. Business people do not need it.

What should I patent?

Deciding whether to patent an idea can feel overwhelming. General advice is plentiful, but applying it to your specific idea is harder than it looks.

The real question isn't "Can I patent this?" – it's "Should I?" Patents demand significant time, energy, and budget - so they need to deliver real business value to be worth your precious investment.

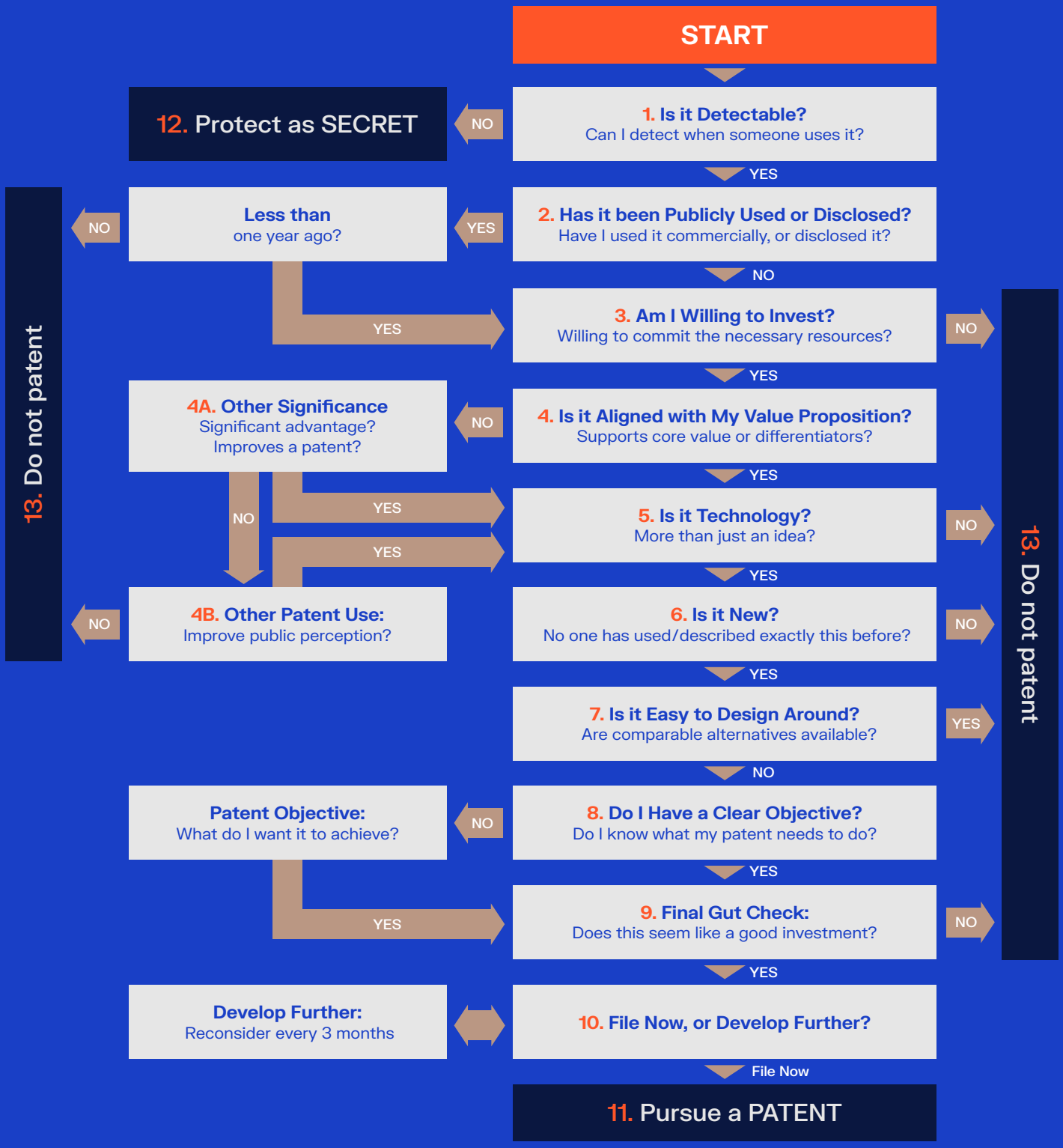
Too often, people assume their most advanced technology is the best candidate. In reality, patenting is a business exercise - not a technical one - and success hinges on choosing the right starting point, having a clear objective and following a careful process.

The following pages contain an annotated decision tree with 10 steps to help you decide. This guide will not only help you evaluate a specific technology, but also teach you how to spot promising opportunities - a skill that compounds in value over time.

Let's dive in.

Should I file a patent?

(See corresponding section for detailed guidance)



1. Is it Detectable?

QUESTION: Will you be able to detect if someone is using the concept without your permission?

WHY IT MATTERS:

A patent application publishes a detailed roadmap of your idea - often before the patent is granted. Since you're responsible for enforcement (there's no "patent police"), you must be able to detect infringement – otherwise your patent is a gift to competitors.

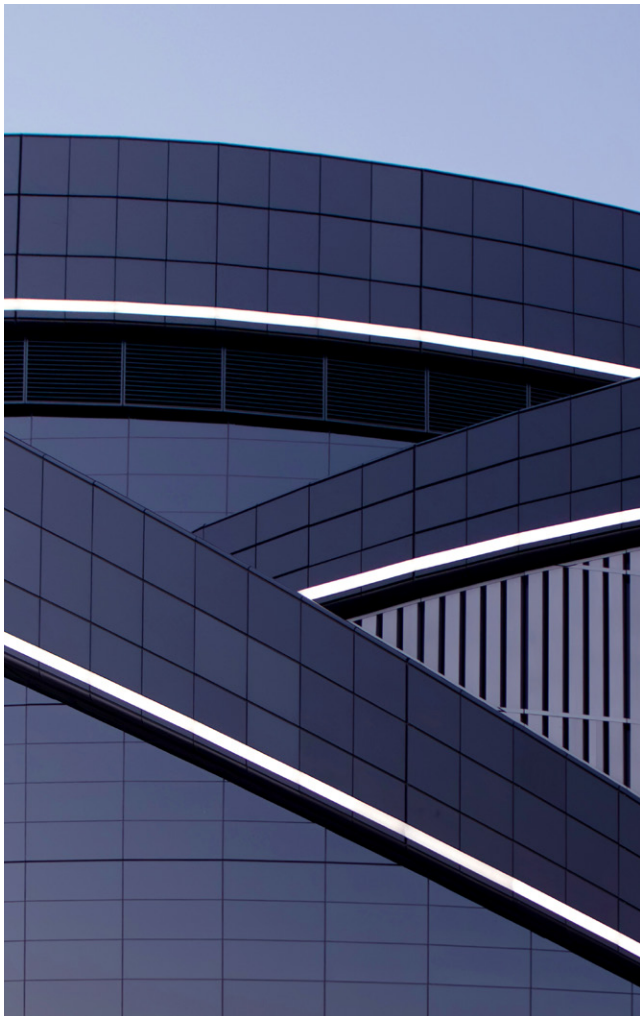
People often think new AI algorithms make great patent opportunities, but since most can't be detected or reverse-engineered, they're actually very poor candidates.

Examples of detectable inventions in AI:

- → User-facing features and interfaces
- → Novel data inputs/outputs that reveal model logic
- → Systems including hardware components (sensors, specialized chips)
- → Domain-specific workflows or vertical integrations

If it's not detectable:

Maintain it as a secret instead (see Step 12). Sometimes, companies want patents for other reasons, even when use cannot be detected – although it's not generally recommended, see Step 4B for further discussion.



2. Has it been Publicly Used or Disclosed?

QUESTION: Have you already publicly used or disclosed the concept?

WHY IT MATTERS:

Most countries require patents to be filed before any non-confidential disclosure. But in Canada and the US, you have a one-year grace period after first public use or disclosure.

Did you:

1. Offer a product or service using the idea?
2. Publish key details (white paper, website)?
3. Share key details non-confidentially (pitch without NDA)?

If you answered "No" to all:
Proceed to Step 3.

If you answered "Yes" to any:

→ Was it less than one year ago? You may still have time to file in Canada and the US - but act quickly before that year expires. Proceed to Step 3.

→ Was it more than one year ago? It's too late to patent. See Step 13 for alternate options.

3. Am I Willing to Invest?

QUESTION: Are you willing to commit adequate time, attention, and budget to a robust patent effort?

WHY IT MATTERS:

Patents aren't commodities - they can be weak or strong, and the difference depends mostly on the investment made (money, time and effort).

Prioritizing cost savings over effectiveness usually yields weak patents. Not only does this waste your resources, but the published application also gives competitors a roadmap to your idea.

Perseverance is essential. The patent process takes longer than most realize, and your patent's true strength is only determined at the end. You can't work diligently at the beginning then go on autopilot.

However, you don't need to write blank cheques. Discuss with your patent professional how costs can be managed or deferred, and the effect on the resulting patent. Some activities can save costs while actually increasing patent effectiveness.

If you aren't prepared to invest:

Skip filing. Better to focus resources elsewhere than hold a weak patent offering only false security.

4. Is it Aligned with My Value Proposition?

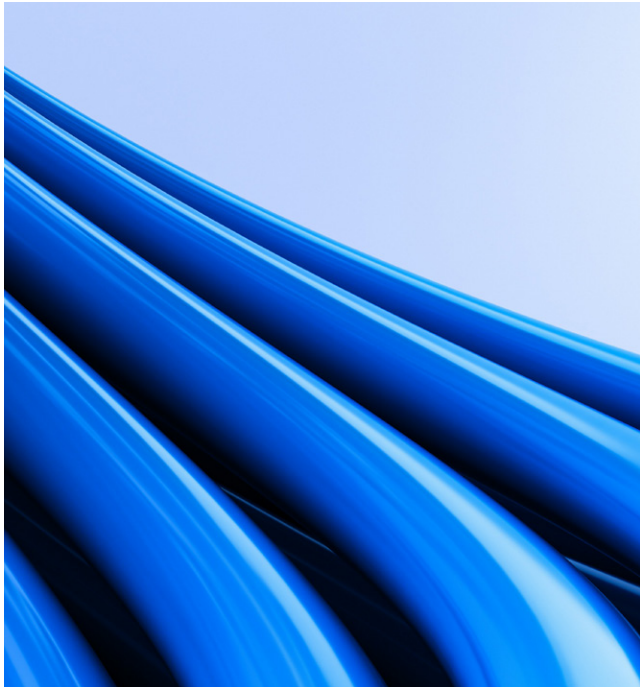
QUESTION: Does this concept support your core value proposition, drive customer choice, and/or differentiate you in the market?

WHY IT MATTERS:

A patent's value stems more from alignment with your value proposition than from technological advancement. Simple innovations aligned with your value proposition provide more business value when patented than poorly-aligned technological breakthroughs.

Effective patents cover economically valuable solutions, requiring strong business input in the patenting process. This demands shifting from technology-centric, competitor-focused approaches to customer-centric, solution-focused strategies.

Big companies can afford quantity over quality – but for small companies, every patent must closely align with core value proposition to achieve growth objectives.



If it's not aligned with your core value proposition: You may still pursue a patent if these exceptions apply:

- → **4A. Other Significance:** If the idea would significantly improve a competitor's product (giving you a bargaining chip), solves a significant problem representing future business opportunity, or improves on previously-patented concepts, pursuing a patent may make business sense.
- → **4B. Other Patent Use:** Companies sometimes pursue patents for public perception benefits - customers may prefer patented products, or industry peers may view patents as signalling expertise. While these are valid objectives, there are usually less expensive ways to achieve the same recognition.

If it's not aligned and no exceptions apply: Don't file.

5. Is it Technology?

QUESTION: Does the concept have a technical character?

WHY IT MATTERS:

Patents must cover technical solutions, not abstract ideas without a defined technical implementation.

Patents can cover physical things (like widgets) or methods (how AI and software are patented). But methods can't simply be mental or business processes - they need technological elements.

If there's no technical element: Perhaps the concept needs further development into technology, or patents aren't the right tool.

6. Is it New?

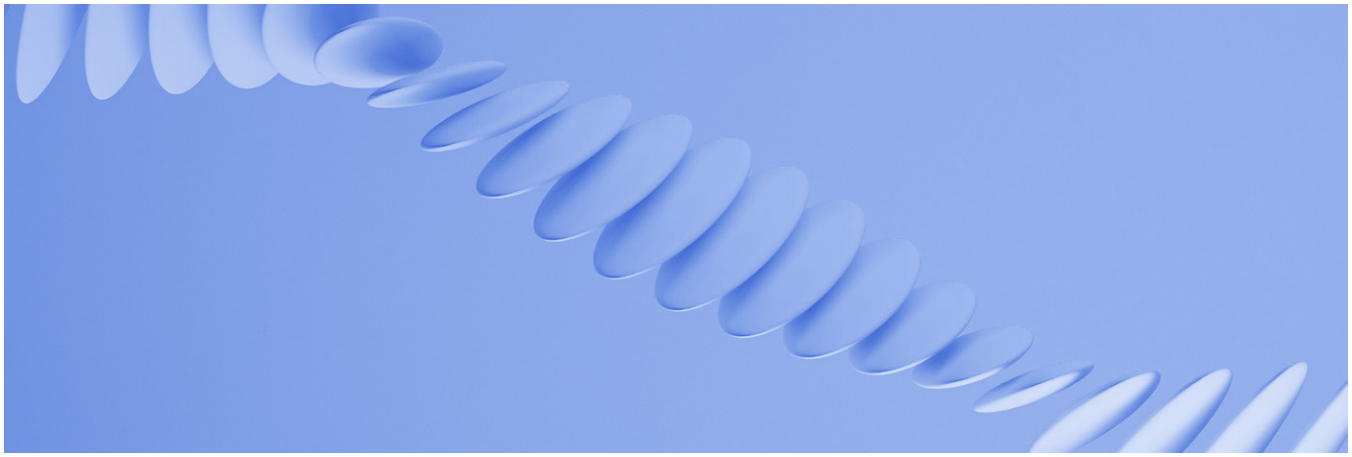
QUESTION: Has anyone ever solved this problem in exactly the same way?

WHY IT MATTERS:

Only concepts never-before described or used can be patented. Patent examiners will search for similar solutions - finding something identical stops your application.

Minor differences can still be patented, but whether such patents provide business value depends on whether those differences tie closely to your value proposition or differentiation. (Patent coverage is also limited to those differences).

If it's not new: Don't file - unless the differences you've identified pass all earlier steps, since these differences will become your patented concept.



7. Is it Easy to Design Around?

QUESTION: Could competitors easily implement alternative solutions at similar cost or performance?

WHY IT MATTERS:

Think of patents like gates controlling access to inventions. A gate's effectiveness depends on what's around it - a gate in an open field is meaningless, while a gate across a narrow pass can be very effective.

If your concept represents one of several good options available, your patent won't be the effective gate you want. But if alternatives don't exist or are much less attractive, patents offer real value potential.

If commercially viable design-arounds exist: Weigh the patent's impact versus potential competitive options. If the marginal benefit is weak, it's usually better not to file (unless Step 4B exceptions apply).

8. Do I Have a Clear Objective?

QUESTION: Do you know exactly what you want your patent to achieve?

WHY IT MATTERS:

In AI, the same concept can spawn very different patents. Having a clear purpose helps ensure your patent will hit its target.

Patents are mostly made of words. When inventions are clearly-defined and tangible (like hardware), selecting the right words is straightforward. But AI is amorphous, and can be described and claimed in many different but valid ways.

Having a clear purpose is critical - it's how you aim the patent at your target. Without knowing where you're aiming, you probably won't hit any target.

Common patent objectives:

- → Attracting investors or acquirers
- → Enabling partnerships or licensing
- → Deterring copying
- → Building credibility
- → Defensive publication

If you can't articulate the patent's business objective: Pause and define your objectives before proceeding.

9. Final Gut Check

QUESTION: Does patenting this concept still feel like a smart investment?

Take a moment to reassess. Patent filing is a serious commitment - ensure it aligns with your business goals, good judgment and investment appetite.

10. Timing: File Now or Develop Further?

QUESTION: Is this the right moment to file?

WHY IT MATTERS:

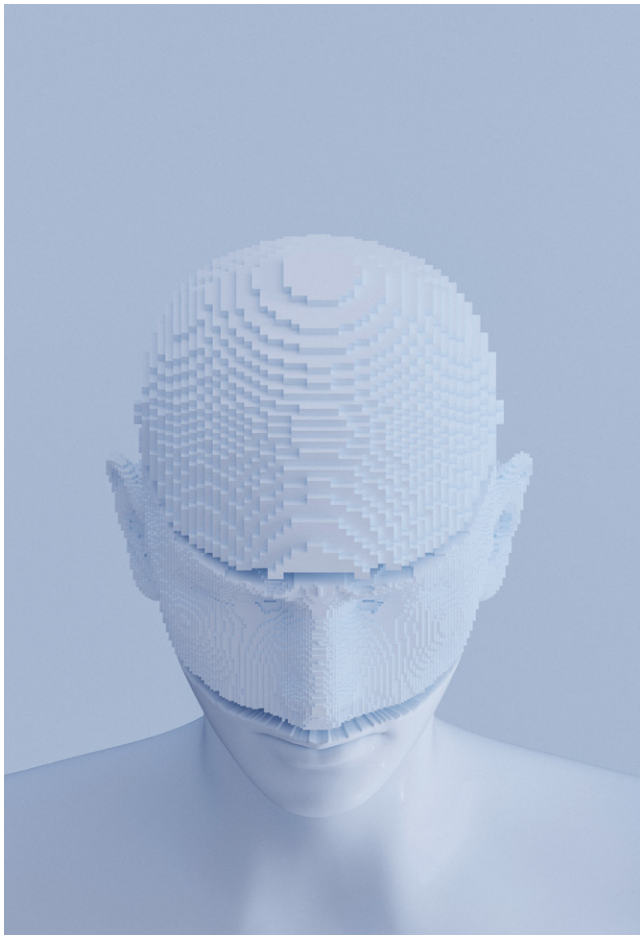
Filing fixes your place in line - if someone files before you, they're ahead. But once you file, you also cannot add improvements. So, if you haven't found market-fit yet, filing too early means your patent probably misses crucial details. Also, if you've had prior disclosure or use, you must file within one year or lose your chance.

In other words, the ideal filing time is an optimization.

Many experts suggest two possible strategies:

1. Wait for product-market fit, then file (US/CA grace period applies). This ensures you have a patent relevant to your business, even if you've pivoted.
2. File early, then file a second application to refine later - requires more budget but preserves broader options.

Choose based on your development stage, filing budget, and risk tolerance.



11. Pursuing a Patent

This is where the rubber meets the road.

Next steps:

1. Select a patent professional: Seek referrals from founders or coaches; review their AI track record.
2. Prepare your disclosure: Document the problem, solution, alternatives considered, and technical implementation in detail, including flowcharts or graphics.
3. Share your objective: Discuss business objectives with your professional and likely scenarios for how the patent can achieve them.
4. Establish budget and timing: Patenting requires investment planning and discipline. Discuss both, and how costs could be managed or staggered - without cutting corners.
5. Stay engaged: Filing requires three experts: a patent expert, a technical expert (inventor), and a business expert. Resist delegating to the other two.

Even while pursuing your application, future improvements may warrant patents themselves. You cannot add improvements to your filed application, but you can file a new application.

Why file more than one? Patents can be designed around, but it's twice as hard to circumvent two, four times as hard for four, and so on. Patents gain strength in numbers.

12. Protecting Secrets

Many assume we protect secrets by simply not telling others - but it takes much more.

Businesses must talk to their customers, vendors, and partners, so staying silent isn't an option. Instead, you must develop a structure that enables confident communication:

1. Know what counts: You can't protect everything - identify what truly needs protecting.
2. Understand where risk lies: Clients, partners, and vendors represent larger risks than theft or hacking. Even among these 'friends,' tailor communications using need-to-know principles.
3. Plan discussions ahead: Share what's necessary to achieve objectives without oversharing. Decide what's off-limits, what's safe, and how to discuss sensitive subjects.
4. Don't over-trust NDAs: They're essential but not bulletproof. Unnecessary disclosure remains risky even under NDA.

Effective strategies aren't hard to develop - they just require focus and preparation. But if you don't know what you're protecting, or how, you're not really protecting anything.

13. Deciding Not to Patent

If you arrive here, don't despair. It just means your time hasn't come yet - future opportunities may still emerge.

First, for the original concept: if it's detectable, it won't make a perfect secret, but treating it as secret anyway can limit or slow dissemination, retaining some competitive advantage.

Second, even though the concept may not warrant a patent, future improvements might. Carefully monitor development and regularly review work for opportunities.

Conclusion

Patenting in AI is a strategic business tool - when used correctly, it can help accelerate growth, seed partnerships, or strengthen position.

Use this guide to assess each opportunity critically and seek out your best prospects.
Effective patents are business tools - aimed precisely and executed well.

Ready to find yours?

About the author:

Todd Bailey, Scale AI's Chief IP Officer and General Counsel, leverages extensive business, legal and technical expertise to help Canadian SMEs embrace a practical "IP thinking" approach to artificial intelligence, encouraging leaders to integrate IP strategies seamlessly into their daily and long-term business plans.

Reach Out ↓

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