

The Patent Application Process for Entrepreneurial Companies

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The following does not constitute legal advice, nor does it establish an attorney/client relationship with anyone. Moreover, all costs and dates herein are estimates subject to change, and do not constitute a contractual offer. Not all patent applications result in issued patents; patents can be held invalid or unenforceable by courts of competent jurisdiction. Some details have been omitted from the following for brevity.

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Before filing, consider whether to maintain the invention as a trade secret or to patent it.

Test: Can you reverse-engineer the invention from the final product or service?

If no, then maintain the trade secret (e.g., Coca Cola®).

If yes, then apply for a patent (e.g., pharmaceuticals).

Before drafting the patent application, consider performing a novelty search of prior patents, journal articles, and/or competitors' advertisements and catalogues.

Typical Attorney Fee ("TAF"): \$2,000 to \$10,000+.

Novelty and Grace Periods: In the United States, a patent application must be filed within one year of the earliest public use, disclosure, sale, or offer for sale. However, in many other countries (e.g., European countries), a patent application filing must come first. Any other use or disclosure destroys novelty, and blocks patenting in those countries. And, a confidentiality agreement might not protect novelty for all situations or countries.

Time

This filing date is your "Priority Date." Any prior art arising after this date cannot be used against the application to show lack of novelty or obviousness.

FILE A PROVISIONAL PATENT APPLICATION IN THE UNITED STATES PATENT AND TRADEMARK OFFICE ("USPTO")

TAF: \$7,000 to \$20,000+

USPTO Fee: \$110 to \$220 (Small entities with <500 employees, and non-profits including universities, have many USPTO fees reduced by 50%.) Application must (a) provide written description of invention, (b) enable one of ordinary skill in the art to make and use the invention without undue experimentation, and (c) disclose the best mode contemplated by the inventor(s) for practicing the invention.

As further developments arise, consider filing additional provisional patent applications to obtain early priority dates for those developments.

After 12 months, a provisional application expires. It is not examined for patentability. A provisional application serves only to establish a priority date for everything disclosed. Therefore, within 12 months of the Priority Date, applicant must file (a) a U.S. non-provisional application, (b) an international application under the Patent Cooperation Treaty ("PCT"), and/or (c) a national patent application in each country where patent protection is desired. See page 2 for option (a), and page 3 for option (b). Foreign applications under option (c), while analogous to option (a), go beyond the scope of this document.

12 Months

SEEKING A U.S. PATENT ONLY

12 Months
(since Priority Date)

← FILE U.S. NON-PROVISIONAL PATENT APPLICATION IN USPTO.
- Consider adding any new developments.
- Consider requesting non-publication if intending to file in the U.S. only.
TAF: \$1,000 to \$10,000+.
USPTO Fee: \$462 to \$1,090+ (depends on number of pages, "claims," etc.).
A patent claim is a numbered sentence at the end of the patent that forms a fence around the protected invention. For example, a claim covering the ball-point pen might read: "1. A writing pen, comprising a gripping portion enclosing an ink reservoir having at one end an ink-depositing ball."

18 Months

← Application publishes unless applicant requested non-publication upon filing the non-provisional application.
All inventors, attorneys, and persons substantively involved in the preparation and prosecution of a U.S. non-provisional application owe a duty of disclosure to the USPTO, until the application goes abandoned or issues as a U.S. patent.
Filing an Information Disclosure Statement to satisfy that duty:
TAF: \$500 to \$2,500+ (depends on number of documents, need for translations, etc.).
USPTO Fee: \$0 to \$180.

24-30 Months

← Patent Examiner may issue a Restriction Requirement, asserting that the application claims more than one invention. Applicant elects one invention for examination; other steps may be taken.
TAF: \$300 to \$1,000+.
USPTO Fee: Usually \$0, if no extensions of time are needed.

28-32 Months

← First Office Action issues; that is, the application's claims are rejected as unpatentable. The vast majority of all U.S. patent applications are initially rejected. Applicant responds by arguing against the rejections and/or amending (perhaps narrowing) the claims to overcome the rejections.
TAF: \$2,000 to \$7,000+.
USPTO Fee: \$0 to \$1,000+.

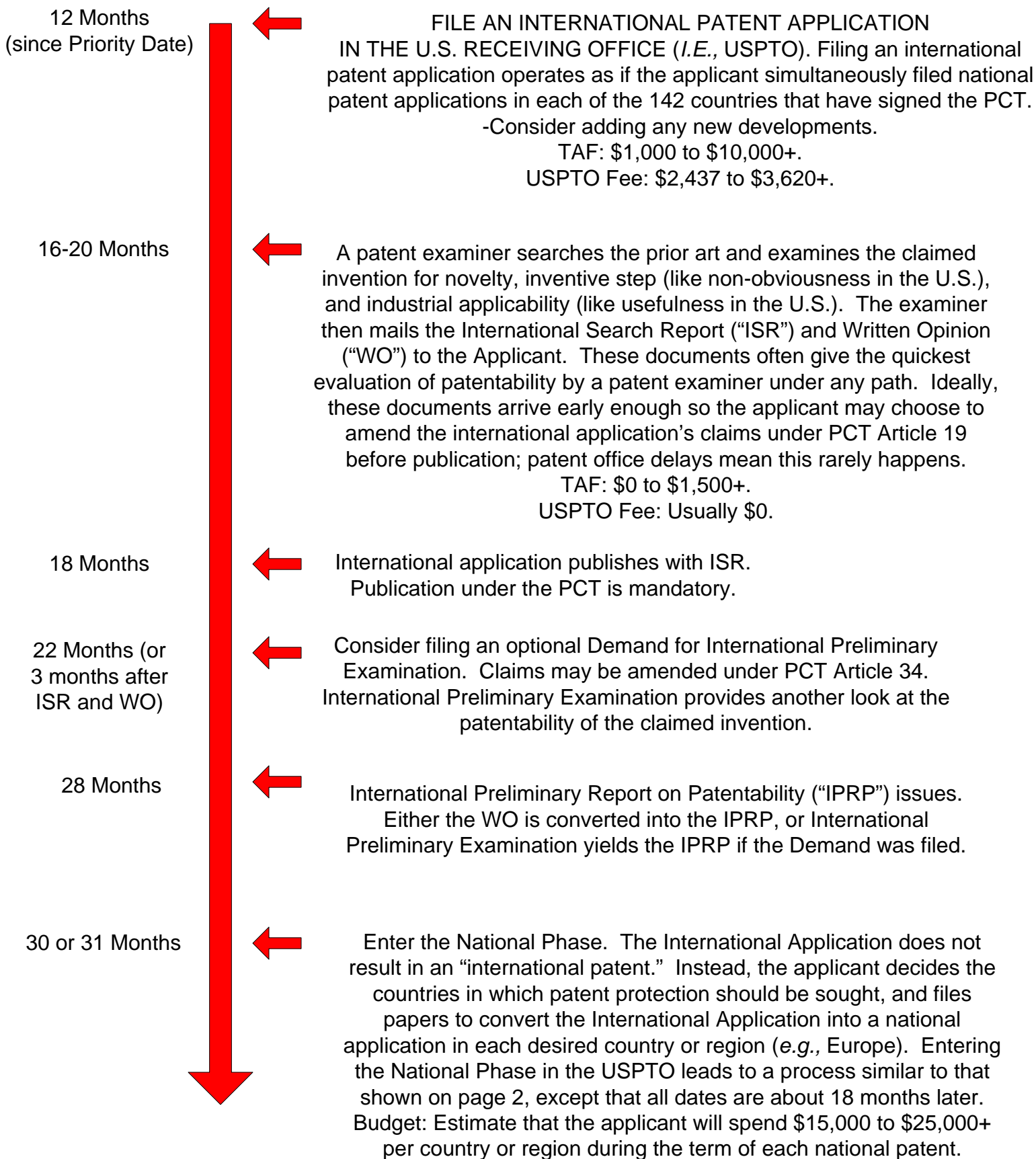
34-40 Months

← Final Office Action issues; that is, the application is "finally rejected." Applicant can further amend the claims, argue the rejections again, file a "Request for Continued Examination" (to obtain another round of Office Actions), and/or appeal the final rejection to the USPTO's Board of Patent Appeals and Interferences. Other appeals are possible.
TAF: \$2,000 to \$7,000+.
USPTO Fee: \$0 to \$1,000+.

42-55 Months

← Application found to claim patentable inventions issues as a U.S. patent. Average pendency is 52.4 months from the Priority Date.
TAF: \$750+.
USPTO Fee: \$755 to \$1,810.

SEEKING U.S. AND OVERSEAS PATENT PROTECTION UNDER THE PATENT COOPERATION TREATY (“PCT”)



THINGS TO CONSIDER ONCE A U.S. PATENT ISSUES

Certificate of Correction: Minor errors in an issued U.S. patent can be corrected by filing a request for a Certificate of Correction.

TAF: \$1,000+.

USPTO Fee: \$0 to \$100.

Reissue Application: If a patent is wholly or partly inoperative or invalid due to an error that arose without deceptive intent, the patentee can apply for a reissue. Reissue examination explores all issues of patentability, including utility. Bonus: claims broader than those patented can be applied for within two years after the patent issues, subject to certain limitations.

TAF: \$5,000 to \$12,000+.

USPTO Fee: \$760 to \$1,520.

Re-Examination: If a substantial new question of patentability based on patents and printed publications arises, either the patentee or a third party may request that the USPTO re-examine the patented claims. Re-examination evaluates only novelty and obviousness, so its review is narrower than reissue examination.

TAF (without third party): \$5,000 to \$12,000+.

USPTO Fee: \$2,520 to \$8,800.

Maintenance fees are due 3.5, 7.5, and 11.5 years after the patent issues.

TAF: \$300 each.

USPTO Fee: \$490 to \$4,110 each.

Infringement: Patentee should monitor whether others infringe the patent. Infringement may entitle patentee to receive money damages for lost profits and reasonable royalties, and an infringer may be enjoined from further infringing activity.

Recovery is typically limited to damages incurred within the six years prior to filing the infringement suit.

If the infringement is "willful," money damages may be increased as much as three-fold.

If the case is "exceptional," the prevailing party may receive attorney fees for the litigation.

Marking: Unless the patented product is marked with the relevant patent number(s), infringement damages may be limited to those accruing after the infringer received actual notice of the infringement. However, marking a product with a patent number that does not cover the product can cost up to \$500.00 per product in penalties.

Term: The patent will expire 20 years from the filing date of the non-provisional application or the international patent application. Term adjustments and term extensions are available in some circumstances.

Respecting Other's Patents: A company may consider requesting a freedom-to-operate search of competitors' patents before making significant product-development investments. Also, a competent opinion of counsel finding non-infringement of another's patent may prevent willfulness damages.

Sources: (a) USPTO Website, <http://www.uspto.gov>, (b) 35 U.S.C. § 101 *et seq.* (2006), (c) AIPLA REPORT OF THE ECONOMIC SURVEY 2009 (2009), (d) Patently-O Blog Website, <http://www.patentlyo.com>.