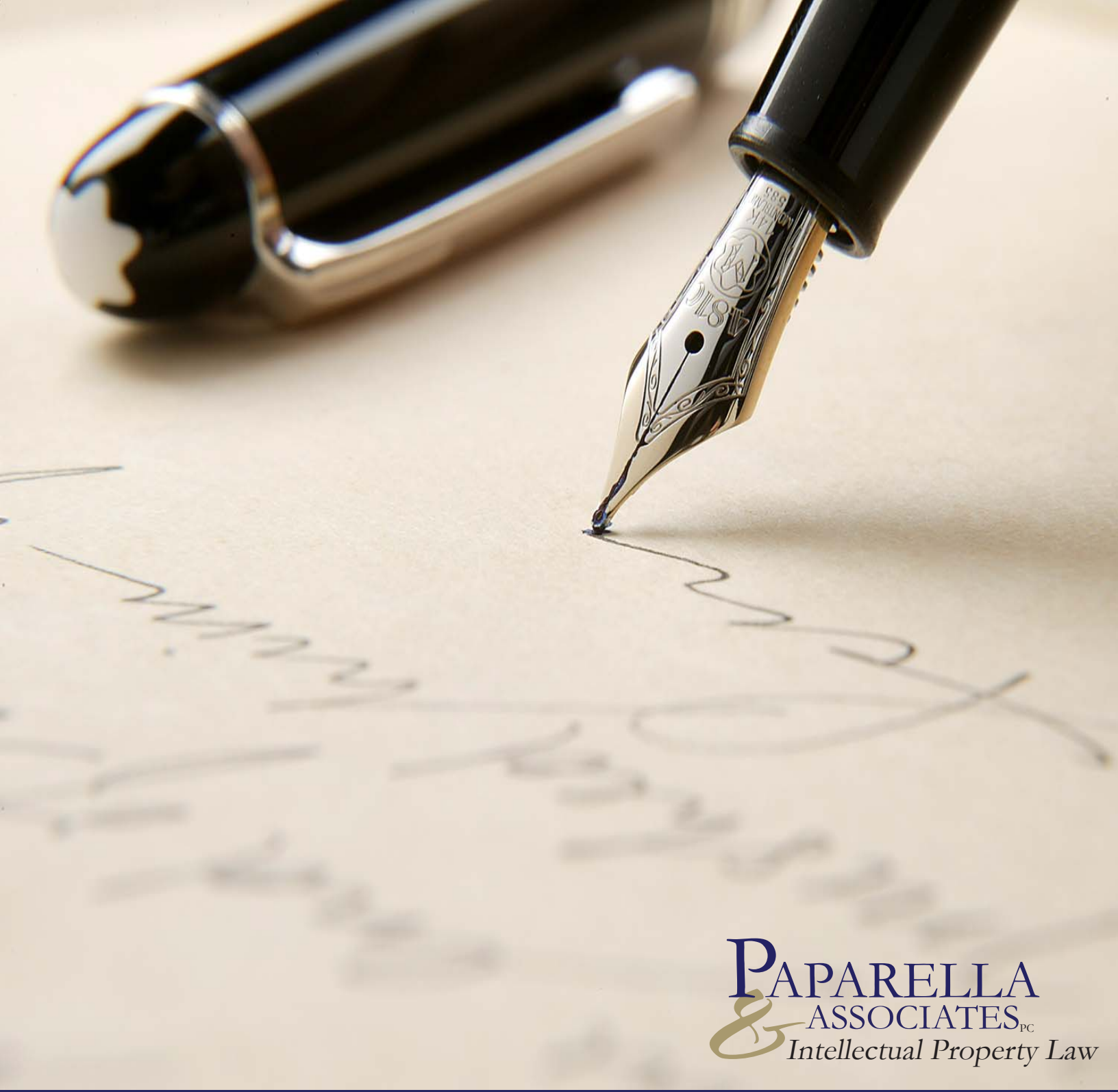

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THE PATENT PROCESS, APPLICATION, BASICS, AND FAQ

Information on the Process and Costs Involved in Provisional and Non-Provisional Patent Application Preparation, Filing, and Prosecution

At Paparella & Associates, we are committed to educating our clients about the details and expenses that are part of the patent process. In order to assist you, we have created this primer on the process. However, the patent process is very complicated and, as such, this is not an "easy" read (although we have tried to simplify this material), nor is it all-inclusive. Hence, this primer is not meant to be construed as legal advice and is provided solely for informative purposes.

I. SUMMARY

Generally speaking, the patent process involves governmental entities and fees, Intellectual Property (IP) attorneys and law firms, and technical matter. It is a complicated process, and yes, it is expensive. In brief, the entire patent process generally lasts between 2 and 5 years (or more), and you may have to invest between $6,000 and $12,000 (USD) over that time. If you are not prepared for these expenditures, you may want to rethink your business strategy/plans. Regardless, always consult an experienced intellectual property attorney for advice before proceeding with any IP matter.

II. IS THE IDEA PATENTABLE

After realizing the costs, the single most frequently asked question is: Is my idea patentable?

If you are asking: Can I apply for a patent? The answer is, most likely, yes. However, if you are asking (and most people mean): If I apply for a patent, will I obtain a grant (i.e., will I obtain a patent)? The answer is…maybe. No one can guarantee that you will or will not be able to obtain a patent. What we can advise you on is the likelihood of obtaining patent protection. This will depend, in large part, on: 1) Whether you are the first to come up with (invent) the idea; and 2) whether your invention is so close to another, known idea that it is not "new" (e.g., it is an obvious improvement). There is only one way to ensure that these questions are answered appropriately, and that is to conduct a proper patentability search.

If you have further questions about patentable subject matter, the types of patents, or the length of protection, please continue reading within this section (II). Otherwise, if you are interested in the search process, please proceed to section III.

Patentable Subject Matter:

A patent can be granted to anyone who "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof."

- **Process**: The word "process" is defined by law as a process, act, or method, and primarily includes industrial or technical processes;
  - e.g., a manufacturing process or a business method.
- **Machine**: The word "machine" is not statutorily defined. However, one useful definition is: any device which performs or assists in the performance of human tasks;
  - e.g., a manufacturing machine.
- **Manufacture**: The term "manufacture" refers to articles that are fabricated, and includes all manufactured articles;
  - e.g., devices or "widgets."
- **Composition of matter**: The term "composition of matter" relates to chemical compositions and may include mixtures of ingredients as well as new chemical compounds;
  - e.g., drugs.

Patent Protection and Term:
The grant or allowance of a patent gives the patentee and his heirs or assigns the right to exclude others from: making; using; offering for sale; or selling the invention throughout the United States; or importing the invention into the United States. If the allowed patent is a process, then the "bundle of rights" offered by an issued patent includes the right to exclude others from: using, offering for sale, or selling the invention throughout the United States; or importing the products made by the process (the patented subject matter) into the United States. It is important to remember that the rights offered by the grant of a patent include the right to *exclude* others from making, using, offering for sale, or selling an invention; not necessarily the right to make, use, sell, or import it. It can be difficult to fully understand the ramifications of this point and, as such, it is imperative that you seek a qualified patent attorney for more information.

A United States patent is generally valid for a term ending 20 years from the date on which the application for the patent was filed in the United States.

Types of Patents:
There are different types of patents, and all "patents" are not created equal. There are plant patents, design patents, utility (non-provisional) patents, and provisional patents, to name but a few.

- Provisional Application for Patent
  Can initially be filed for all patent types except for design patents
  - 1-year term and the USPTO does not examine the application.
  - Cannot become a "patent" (e.g., a patent grant) without further action.
- Non-provisional (Utility) Patent
  Can be filed for all patent types except for plant and design patents
  - If allowed, the term is (generally) 20 years; the USPTO examines (prosecutes) the application.
- Design Patent
  A design consists of the visual ornamental characteristics embodied in, or applied to, an article of manufacture.
  - If allowed, the term is 14 years; the USPTO examines (prosecutes) the application.
- Plant Patent
  One must have invented or discovered, and asexually reproduced, a distinct and new variety of plant, other than a tuber-propagated plant or a plant found in an uncultivated state.

- If allowed, the term is 20 years; the USPTO examines (prosecutes) the application.

- International Application for Patent (or PCT Application)

  Allows for protection (if granted) in most foreign countries around the world

  - 30-month term; some prosecution may be available.
  - Cannot become a "patent" (e.g., a patent grant) without further action.
  - Must be "nationalized" in each country where protection is desired.

III. PATENT AND PATENTABILITY SEARCH AND REPORT

Before we prepare and file a Utility patent application—and, possibly, in conjunction with filing a Provisional patent application—we generally recommend that a patentability search be conducted. A patentability search helps us determine whether or not your invention is patentable, and if so, the amount of protection you may receive from any patent application stemming therefrom. Although such a search is not a prerequisite for filing a patent application, we usually recommend that one be conducted on most subject matter. In the majority of cases we have found that a patent search permits you not only to make a more informed decision as to whether or not to apply for a patent, but if applied for, it may also help to make the subsequent patent (if allowed) stronger.

Costs of a Patent Search:

The costs associated with a patentability search will depend on the comprehensiveness of the search. Searching packages are divided into two main categories: 1) On-Line/In-House Searches; and 2) Comprehensive (USPTO) searches.

- On-Line and In-House Search:

This search is conducted in-house, utilizing state of the art databases and trained associates. On average, we spend 4-6 hours conducting the search and analyzing the results. We then prepare a brief outline of what we have found. This search is not as exhaustive or detailed as the comprehensive search.

In general, Paparella & Associates can conduct, review, and briefly report our search findings for as little as **$550 (USD)**. This figure includes the search fee, the review fee, and a brief report. The search usually takes 2 to 3 weeks to conduct, review, and report. However, this can be expedited for an additional fee.

- Comprehensive Search:

This search is conducted at the United States Patent and Trademark Office (USPTO) in Washington D.C., utilizing associates who specialize in searching within the USPTO database. On average, we spend 10-12 hours conducting the search and analyzing the results. We then prepare a report of our findings. One of our attorneys will render a more comprehensive analysis, report what we have found, and advise you on your chances of obtaining patent protection.

In general, Paparella & Associates can conduct, review, and report our search findings for as little as **$1500 (USD)**. This figure includes the search fee, the review fee, and a comprehensive analysis and report. This search usually takes 4 to 8 weeks to conduct, review, and report. However, this report can be expedited for an additional fee.

It is our opinion that a patent application prepared in conjunction with, and utilizing the information obtained from, a patentability search makes for a stronger application. A properly executed patentability search allows us to better address the issues that are likely to be brought up by the Examiner during the USPTO examination process. This is because analyzing the references (patents and patent applications) that were disclosed during the search allows your patent attorney to prepare claims that are easier to defend (more accurate) during the examination phase. Consequently, by having conducted a search, the costs associated with the prosecution of an application may also be reduced. In addition, we may be able to prepare a broader, more comprehensive, and more precise patent application.

A proper search allows us to review the inventions and ideas that are already "out there." It also tells us something about what does not exist. Therefore, by reviewing what others have done, as well as what has not been disclosed, we may be able to obtain broader patent protection for items or ideas that might otherwise have been thought unpatentable. Hence, in most situations, having conducted a search allows us to create a more encompassing and higher quality application.

A more comprehensive patent search will yield a more accurate analysis and report. The most comprehensive searches are conducted (physically) at the United States Patent and Trademark Office (USPTO) by highly trained and specialized researchers. Our "Comprehensive Search" provides this. However, not all businesses require this level of comprehensiveness, and some may desire a less detailed analysis, which our "On-Line and In-House Search" will provide.

Whether you desire an on-line or a comprehensive search, you must ensure that your search is: 1) conducted properly; and 2) provides an analysis and a report of the results. With respect to the latter, only a patent attorney can render such an analysis and report.

With the advent of the World-Wide-Web and the proliferation of databases, there are now numerous organizations offering "discounted" or "low-priced" patent searches. Nevertheless, there is simply no substitute for a patentability search that has been conducted by qualified and experienced patent practitioners. Unless you are experienced in reviewing the discovered prior art, simply being provided with a "stack" of patents will do little to answer your questions about the patentability of your invention. In such circumstances, an analysis by a reputable patent attorney is crucial to your ability to make a qualified decision, before you invest thousands (or tens of thousands) of dollars.

After a review of the search results, if you decide to proceed with a patent application, you may choose to apply for either a Provisional Patent application (section IV) or a Non-Provisional (Utility) Patent Application (section V), each of which is discussed in more detail below.

IV. PROVISIONAL APPLICATION FOR PATENT

A Provisional Application for Patent (Provisional Patent Application) is a patent application that was designed to provide a lower-cost, initial patent filing in the United States. Applicants are entitled to claim the benefit of the filing date of the earlier filed provisional application in any corresponding non-provisional (Utility) application, as long as the Utility application is filed no later than 12 months thereafter. A provisional application for patent has a pendency lasting 12 months from the date the provisional application was filed. This 12-month pendency period cannot be extended. Therefore, an applicant who files a provisional application must file a corresponding non-provisional (Utility)

application during the 12-month pendency of the provisional application in order to benefit from the earlier filing date.

Features of a Provisional Application:

- Provides the applicant with Patent Pending status for 12 months;
- Secures "protection" by providing a priority date[1] of invention, and is better than relying exclusively on Confidential Disclosure Agreements (CDAs);
- The application will remain private (unless priority is claimed thereto);
- It will NOT become a patent (i.e., there is no such thing as a provisional patent);
- No further examination will be conducted (reduced costs); and
- It is automatically abandoned in one year.

Please note that an applicant whose invention is "made public," "in use," or "on sale" (see *35 U.S.C. §102(b)*) in the United States either before or during the 12-month provisional application pendency period may lose ALL of their rights to any patent protection if the appropriate rules are not followed. As such, if the 12-month period expires before a corresponding Utility application is filed, and if the invention was "made public," "in use," or "on sale" for over a year, you may lose the right to ever patent the invention (see *35 U.S.C. §102(b)*). The patent system is extremely complicated. As such, always seek a qualified patent attorney for guidance.

Further, if you are thinking of filing for protection internationally, it is imperative that, *before* you make public, use, or sell your invention, you discuss this with your patent attorney, as your rights may be affected.

Independent inventors should fully understand that a provisional application will not (ever) mature into a patent without further submissions by the inventor. Some illicit operations, internet-based businesses, invention promotion firms, and other unregulated establishments have been known to misuse the provisional application process and, in the end, leave the inventor with no patent.[2]

Costs of a Provisional Application:
The cost of preparing and filing a provisional application for patent depends on the amount of attorney time that is required to properly prepare the application. In general, Paparella & Associates can prepare and file a provisional application for as little $500 (USD). This figure includes the governmental (USPTO) provisional filing fee, and all other fees and costs associated with the preparation and filing of the provisional application with the USPTO. However, depending on the complexity and thoroughness required, a provisional application can cost as much as a Utility application.

[1] The priority date is the date used to determine "novelty," "obviousness," and what prior art is used during the examination process. When two (or more) applicants claim the same invention (e.g., separate applications are filed by different applicants for the same invention), the priority date can be used to determine who has "priority" or who "owns" the invention.
[2] http://www.uspto.gov/web/offices/pac/provapp.htm

It is important to note that while it is possible to file a relatively inexpensive provisional application, it is generally not recommended. This is because *all* patent applications must fulfill specific requirements (See 35 U.S.C. §112). If not properly prepared, the patent application (or subsequent grant) may become invalid (i.e., void). Therefore, always seek the assistance of a qualified patent attorney.

Once filed, unless you advise us otherwise, additional costs will be incurred during the 1-year pendency, in order to keep you apprised of your rights and responsibilities as they become due.

There are now numerous organizations offering "discounted," "low-price," or "do-it-yourself" provisional patent application filings (e.g, unregulated organizations). While many people have availed themselves of these services, it is our opinion that due to the complexity of the patent system, most clients are better served by utilizing the services of a reputable patent attorney. This is especially true if you desire the subsequent utility patent application to survive any re-examination, litigation, or further review (e.g., by a company looking to purchase your invention). While other organizations may be able to advise you on how to file, they cannot advise you on what to file (only patent attorneys are able to advise clients on patent matters).

It is also important to determine whether these unregulated companies will represent you (assist you) if further action is required by the USPTO. If not, you may have to seek the counsel of an experienced patent attorney in order to finish the application process (e.g., handle the prosecution of the application). Further, if the application was not prepared correctly, you may have to start the process over—at best you may lose the money you have already invested; at worst, and in addition to losing your investment, you may also lose all of your intellectual property rights.

As it is essential to properly prepare a provisional application, and because these unregulated organizations cannot advise clients as to a particular situation, or render advice as to the best course of action, we do not suggest utilizing these services without first seeking a consultation with a reputable patent attorney. In fact, we recommend that you call the USPTO directly and ask them for their opinion. In a worst-case scenario, if mishandled, it is possible for you to lose your patent rights altogether (e.g., under 35 U.S.C. §102(b)). Hence, it is strongly recommended that you seek the advice and assistance of a qualified and registered patent attorney, such as those at Paparella & Associates.

V. UTILITY (NON-PROVISIONAL) APPLICATION FOR PATENT

A non-provisional (utility) patent application is a "regular" patent application, which can become a patent (granted patent). A non-provisional application will be filed with, and then will subsequently be examined by, the USPTO. From the time the application is filed, this review can take from 2 to 5 years, and will end in either the USPTO allowing the application to be granted, or denying the same. If allowed, the patent will have a term that expires, with certain exceptions, 20 years from the application's filing date.

Features of a Utility Application:

- Provides the applicant with Patent Pending status throughout the entire process;
- Secures "protection" by providing a priority date of invention, and is better than relying exclusively on Confidential Disclosure Agreements (CDAs);

- The application will become publically available, with certain exceptions, 18 months from the earliest priority date;
- MAY become a patent; and
- Examination will be required (increases costs).

Costs of a Utility Application:

The cost of preparing and filing a non-provisional application for patent depends on the complexity of the disclosed matter, the complexity of the drawings required, and the amount of time necessary for the attorney to properly prepare the application. In general, Paparella & Associates can prepare and file a non-provisional application of low complexity, which is mechanical in nature, for as little **$4,000 to $6,000 (USD)**. This figure includes the governmental (USPTO) filing fee (up to 20 claims; 3 independent), all drawing fees, and all other fees and costs associated with the preparation and filing of a non-provisional application with the USPTO. After filing the non-provisional (utility) application, you will have obtained *Patent Pending* status.

Once your application is filed with the USPTO, your application has entered what we call the prosecution phase. The USPTO examines the applications received in chronological order. Considering the current USPTO backlog, it typically takes from 2 to 5 years before your application's initial examination. Additional costs will be incurred during this pendency in order to keep you apprised of your rights and responsibilities as they become due. Once examination starts, the process can last 1 to 3 years, with the USPTO reviewing your application at least once, and usually two times.

When an Examiner reviews your application, he prepares a written report of what he finds to be patentable (if anything). This report is called an Office Action (OA) and it must be correctly responded to or your application will be abandoned. As we receive these Office Actions, we will report them to you and prepare a response on your behalf. The response will be comprised of well-reasoned legal arguments that will seek to reach an agreement with the Examiner that the disclosed invention is patentable. It typically takes two of these Office Actions to determine whether or not the Examiner will allow your patent to be issued.

During this prosecution phase, you will be billed on an hourly basis. The costs associated with these activities are extremely difficult to estimate in advance. However, typical prosecution expenses tend to fall within a range of about $1,000 for various miscellaneous communications and activities, and anywhere from $500-$2500 for each Office Action. Hence, it is typical to expect to invest an additional **$1000 to $6,000 (USD)** during this 2- to 5-year period of prosecution. Additionally, it is essential that you recognize that no one can guarantee that an application will eventually become a patent.

If your application is allowed, you will incur additional fees. At the date of this writing, these fees include (approximately) an $800.00 issue fee (large companies pay twice that amount), and a $300 publication fee, in addition to our fees for rendering the required services ($200-$500 for ensuring that the application is issued in proper order).

Still further, governmental "maintenance fees" (i.e., taxes) are required to keep utility patents in force for their full (20 year) term. Maintenance fees are due at the 4th, 8th, and 12th years after the patent was granted.

At the time of this writing, these fees were (approximately) $500, $1,300, and $2,100 (for small entities), respectively. These fees have been increasing yearly. Your patent will expire 20 years after its filing date.

VI. FEE COMPARISON

If you are comparing the relative pricing structures of various organizations...be careful. As with any comparison, make sure you are comparing the same services and fees. With respect to patents, you will want to know: 1) what type of patent will be prepared (e.g., utility, design, provisional); and 2) what costs are included in the quoted fee (e.g., USPTO fees, drawing fees, etc.). The policy of Paparella & Associates is to set forth an inclusive fee structure, to apprise you of the "total" costs for the various steps involved. As such, the pricing structure set forth herein includes everything for preparing and filing an application with the USPTO (including all of the attorney time for the preparation of the specification, the preparation of the drawings, payment of the USPTO fees, and all other items needed to prepare and file your application with the USPTO). Of course, these costs will vary on a case-by-case basis and these general guidelines are not to be taken as a quotation.

VII. EXPERIENCE

When seeking advice in intellectual property matters (patents, trademarks, copyrights, trade secrets), you should first look to a "patent attorney." A Registered Patent Attorney is an attorney who has chosen to specialize in intellectual property law and has taken and passed not only one or more State Bar exams, but also the Federal or Patent (USPTO) Bar. Further, not all attorneys can specialize in patent law. In order to be allowed to take the Patent Bar exam, the attorney must have been scientifically trained. Typically this training takes the form of an engineering degree (e.g., B.S.Me.E.).

Additionally, make sure that your registered patent attorney is experienced and has been properly trained in law, as well as in science and engineering. Ask your patent attorney how they were initially trained (i.e. whether he/she had formal training under the tutelage of a qualified and experienced patent attorney). Ask your patent attorney whether or not he/she has "real-world" engineering and/or science experience. The latter experience goes to the heart of a well-written patent application. At Paparella & Associates we value patent attorneys who have actually worked as scientists and engineers. This real–world experience is invaluable in preparing patent applications that are resistant to reverse engineering.

IMPORTANT NOTE: Please be aware that your patent application must be filed with the USPTO within one year of your first offer for sale, public use, or publication of your invention. Failure to file within this time frame bars you from obtaining a United States patent. 35 U.S.C. §102(b). Further, any offer for sale, public use, or publication may bar you from obtaining protection in most foreign countries.

If you have any interest in obtaining protection for your invention in foreign countries, your United States patent application must be filed before your invention is made public in any way. Any corresponding foreign patents must then be filed within one year (6 months for designs) of the filing date of your United States patent application.

If you have any questions, please do not hesitate to contact our office.

Sincerely,
Paparella & Associates, PLC
Intellectual Property Law Specialists

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Please note that the costs provided herein are cost "estimates" and are provided as a convenience only. There are numerous factors that go into the costs associated with all intellectual property and, as such, these costs are variable; your costs may be different than those listed. You should always talk with your patent attorney about the costs associated with your particular case. The costs provided herein are a base-costing structure for an invention that is of low complexity and mechanical in nature (as of January 2009). Higher complexity inventions and those that fall in the business method, electrical, software, chemical, and biological arts will be higher in cost; in some cases these costs will be significantly higher.

About Paparella & Associates:

Paparella & Associates is a law firm that specializes in Intellectual Property matters and specifically, Patents, Trademarks, & Copyrights. Serving the business community throughout the U.S., Paparella & Associates is uniquely situated to deliver the highest quality representation, while charging fees that are more in line with business expectations. Paparella & Associates represents clients in the U.S. and throughout the world in all intellectual property matters including Patents, Trademarks, Copyrights, Infringement Matters, Clearance Opinions, Freedom to Operate Opinions, and Litigation. For more information, please visit our website at www.Plaw.us

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