

*Some things to think about before filing an application for a utility patent*

Utility patents are a strong form of intellectual property because they protect ideas as opposed to expression. Having a patent allows for protection for a period of roughly seventeen years during which you can prohibit other competitors from exploiting your invention. You can also license your patent rights to others to exploit in exchange for royalty payments.

Keep in mind that utility patents are also the most expensive form of intellectual property to acquire and maintain. Most owners who profit from patents are established businesses. While it is possible for small independent inventors to profit from a patent, there are many so-called promoters who fraudulently prey upon the hopes, naivete, and inexperience of small inventors. If you are considering getting a patent, it makes sense to evaluate your

prospects for successfully obtaining a patent and profiting from it.

You can expect to pay at least \$5000 to obtain a utility patent on a simple invention that provides protection within the United States and will probably will pay quite a bit more than that. The cost of obtaining a patent go up significantly when the invention is complex or when the patent examiner raises patentability issues during the examination (a common occurrence). Obtaining patents in other countries adds greatly to the cost. Furthermore, there are no guarantees that a patent will issue.

There are other risks to consider when applying for a patent. For example, you will generally need to disclose how to make and use your invention which means that you can no longer keep this knowledge secret from potential competitors. Also, enforcing patents against infringers can be very expensive.

Any inventor should consider whether the invention has viable business prospects before making the investment required to obtain a patent. Many seemingly-good ideas have little hope of succeeding in the marketplace because of factors such as alternative products, production costs, and distribution issues. This means you need to evaluate the market for the invention and consider details such as how you or a licensee would manufacture, distribute, and market the invention.

In many cases, patents will make sense for people and businesses who are planning to sell or use the invention themselves. One reason is that such inventors do not need to depend on

other people to bring the invention to market. In this context, a patent can keep other people from knocking off your invention and allow you time to establish a market presence for the product or service. If the invention is successful at a regional or small-scale level, you might be able use that success to persuade other entities to license the patent from you should you not have the resources or desire to expand.

Inventors who hope to license a patent to other companies in lieu of exploiting it themselves need to put significant thought into whether the potential gains justify the costs of obtaining a patent. While patents are licensed everyday, it can be very difficult for small inventors to get access to the decisionmakers at potential licensees. Contrary to what some promoters may imply, most companies have little interest in licensing patents as a means of developing new products or service lines, and patenting a great idea is no assurance that anyone of importance will listen about your invention. If you do intend to get a patent that you plan to license to others, be aware that finding a licensee can take a lot of work.

**Time Considerations**

There are several statutory provisions that may prevent you from getting a patent. One requirement in the United States is that you must be the first person to invent the invention. Unlike many other countries, the first person to file an application will not be the person who gets the patent if other persons can prove they invented it first. This is why it is useful to document the steps you take

in developing the invention.

In addition, United States law gives inventors one year in which to test the commercial prospects of an invention before filing an application. This allows an inventor some time in which to publish information about the invention, use the invention publicly, make a publicly-available product from the invention, or to offer such products for sale. Once this time expires, you are no longer eligible to receive a patent. Therefore, you usually will want file an application as soon as reasonably possible.

**Consider Filing a Provisional Patent Application**

One way to obtain a filing date at a reasonable expense is to file a provisional patent application. Such applications must provide all the information needed to describe the invention but avoid most of the formal requirements associated with a regular patent application. They are less expensive to prepare than a regular patent application because there is no need to prepare formal drawings, claims, and prior art disclosures. The filing fee is significantly less as well.

The U.S. Patent and Trademark Office (USPTO) will assign a filing date once they receive the application. The applicant is then entitled to 12 months in which to file a regular patent application. Provisional applications are not examined on their merits and the USPTO will not take action other than a rudimentary check for completeness. If a regular patent application is not filed within 12 months, the provisional application will be deemed abandoned and the

applicant will lose the right to claim the filing date.

A provisional application thus buys you some time to test market or attempt to license an invention before committing to the expense of obtaining a patent. If you find a ready market for your invention or find significant interest from potential licensees, then it likely makes sense to pursue a patent. If no one seems interested, you will probably be better off not investing in a patent. Keep in mind that a regular patent application will take several weeks to prepare. So give yourself some leeway and do not count on using the entire 12 months to ascertain market interest for your invention.

**When Is It Better to File a Regular Application First**

Utility patents generally take at least two years to issue once the application is filed. If you have an invention that is already experiencing marketplace interest, you should probably file a regular application because you will not have the legal right to proceed against infringers until the patent is granted. However, if you allow the USPTO to publish your application, you may be able to recover some damages from infringers by notifying them and giving them a copy of the application. You can legally use the term "patent pending" after filing a regular or a provisional application.

BERT P. KRAGES II  
ATTORNEY AT LAW  
6665 S.W. HAMPTON STREET, SUITE 200  
PORTLAND, OREGON 97223  
WWW.KRAGES.COM  
© 2006 Bert P. Krages II