MAINE CERNOTA & RARDIN
ADVOCATI RES MENTIS

All About Patents

U.S. UTILITY PATENTS may be obtained for inventions that are new, useful and not obvious to others knowledgeable in the field at the time of the invention. The patent holder has the right to exclude others from making, using or selling the invention in the United States from the date of issue for up to 21 years from the date of first filing. It is a government granted right of exclusion, given in return for the inventor's public disclosure of the invention, after a rigorous examination process. A patent typically takes two to three years to obtain, but may take longer. Patent protection does not apply until the patent actually issues.

In the United States, the inventor owns the patent rights unless the invention is created in the course of employment or under the terms of an employment contract where the employer is entitled to some or all rights in the invention. The owner of an application or patent can sell, assign or license all or part of its rights to others at any time. Suitable assignees or licensees should be able to offer money, technical help, business expertise, manufacturing assistance, or access to valuable markets in exchange for receiving patent rights.

A registered patent attorney provides legal and practical assistance to define the invention, evaluate the business plan, execute patent searches and opinion letters, and draft provisional and utility U.S., P.C.T. (Patent Cooperation Treaty), and U.S. national stage patent applications. The patent attorney or firm will handle the prosecution of U.S. patent applications and manage foreign patent prosecutions through law firms in those jurisdictions. Clients will also likely need legal assistance with non-disclosure agreements, employment contracts, joint venture and licensing agreements, assignments, and contract negotiations. Clients may need additional legal help to analyze alternate designs and competing patents, and draft opinions on patentability and infringement issues. Patent law firms or attorneys may be tasked with competitor watch programs and management of US and foreign patent portfolios for periodic annuities and maintenance payments, as well as with support to management in developing and executing the corporate intellectual property strategic plan.

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The first step for clients is often an **invention capture** exercise with the inventors, and consultation with management, leading to a description of the invention and an understanding of the client's objectives. The patent attorney will prefer to receive a written **invention disclosure** with drawings, explaining the invention in detail, the problem it solves, the ways in which it is different from prior solutions, any prior art known to the client, an explanation of the client's related business objectives, along with inventors' names, addresses and citizenship. Prototypes are often helpful. Legal consultations may be accomplished in person, by phone, fax, email, or otherwise, depending on client preference and mutual convenience. The attorney will generally provide his or her "first impression" comments on the merits of the invention, with recommendations and cost estimates for legal services, and also raise other potentially important legal or business concerns. Often the consultation will identify special issues, such as maintaining trade secrets, potential inventor/owner disputes, international filing rights, marketing issues and related strategies including timing of publication and filing of related trademarks.

A **patentability screening search** can be conducted by anyone, but is preferably done under the direction of a patent attorney. It is helpful to provide the patent attorney with probable search criteria as well as the results of any client-conducted searches. There is a legal requirement for everyone involved in the application to submit all known information materially affecting patentability of the invention to the patent office.

A search may yield enforceable third party patents for which **infringement** is an issue if the invention is practiced. This art should be reviewed and considered by the attorney as well for its business and legal implications. If the search results are suitable, preparation and filing of a **provisional patent application** may be appropriate, depending on the scope and complexity of the invention, quality of the applicant's disclosure, and timing.

A provisional application is a relatively quick way, at lower initial cost, to establish a priority date for later filings, up to one year later, and to allow the invention to be publicized or advertised with "patent pending" status. A provisional application is not published or examined, but must contain a fully enabling disclosure of the invention in order to be an effective priority document.

In most non-U.S. jurisdictions, a first application must be filed in the same or a reciprocating treaty country prior to *any* publication or offer of sale of the invention. In the U.S., there is a one- year grace period after the date of publication or first offer of sale, during which a first application can be filed. However, it is generally prudent to file before any publication or offer for sale, if possible.

Some law firms require a **retainer** in advance of any work. Some firms charge **hourly rates**, others may quote a **fixed fee**. Either way, the cost of the provisional should mitigate the cost of a later utility application, unless the subject matter is greatly expanded or altered after the provisional is filed. The US filing fee for a provisional application is presently $130 for small entities, $65 for micro entities (if applicable), and $260 for large entities (500+ employees).

At some point in the process, the client may require a comprehensive, written **patentability opinion**, including consideration of prior patents and other published evidence of commercial usage found in the searches. This, if desired, as well as a further review of the client's business objectives, should precede the decision whether to go ahead with a **utility patent application**.

A utility application must be filed within twelve months of any provisional or foreign applications to which it claims priority. Or, in the special case of a **continuation application**, during the pendency of any prior US utility applications that are being claimed as priority documents. The cost to draft and file a utility patent application in the U.S., with up to twenty claims and the related documents necessary for filing, can be expected to be in the range of $10,000 and up, depending on many variables. It may take several weeks or more calendar time, depending on the attorney's workload and client cooperation. The basic U.S. filing fees as of March 2013 are $730 (electronic filing) for small entities, $400 for micro entities (if applicable), and $1600 for large entities (500+ employees).

When a formal filing receipt is received from the Patent Office, or sooner if proper filing procedures are followed, the specimens, drawings and descriptions of the invention can be labeled “patent pending” to indicate that patent protection is being sought. Misuse of the terms “patent pending” and “patented” is a violation of law.

Applicants should be aware that **publication** of U.S. utility applications normally occurs at eighteen months after the earliest priority date claimed, exposing the invention description for all to see, irrespective of whether a patent will ever issue. The published application then becomes prior art as to other later-filed applications, effective as of its filing date. There are provisions for avoiding publication in some cases. Consult with your patent counsel in this regard.

The prosecution of a utility patent application generally involves at least one **office action** correspondence from the Patent Office. It is important to note in advance that **no one can guarantee that any claims will be allowed**.

Upon doing its own search and examination, the examiner may make a statutory **rejection** of some or all claims, with an explanation. The patent attorney will normally review the correspondence, consult with the client about the rejection, and prepare a **response** to the examiner, perhaps with **amendments** to the claims and arguments in support of the application. The fee for preparing an office action response is normally based on the time required, and is typically billed at the attorney's hourly rate. The cost can vary widely depending on the specifics of the office action and the client's objectives and instructions.

Eventually the examiner will either allow or finally reject the claims. Upon receipt of a notice of allowance for a utility patent, the attorney will prepare and submit **formal drawings** if not already completed, and submit issue documents with the **issue fee**. If the application was fully and finally rejected, there is an appeals process.

Once issued, **maintenance fees** are payable at 3, 7 and 11 years from the date of issue to keep a U.S. utility patent in force for the full term. The attorney will calendar these events, and invoice the client when appropriate. If the invention turns out to be unsuccessful commercially, the patent may be abandoned by not paying the maintenance fees.

Foreign filings add cost and complexity to the process, and must be coordinated carefully with the first filing of the invention. See the Patent Cooperation Treaty (PCT) section for more information. Consult your patent attorney early, if there are important non-U.S. markets or competitors relating to the invention.

For more patent information, consult our Document Library.