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PATENT INQUIRY 2007-2008

What is a patent?
A U.S. patent for an invention is the grant of a property right to the inventor(s), issued by the U.S. Patent and Trademark Office (USPTO). The right conferred by the patent is "the right to exclude others from making, using, offering for sale, or selling" the invention in the United States or "importing" the invention into the United States. To obtain a U.S. patent, an application must be filed in the USPTO by the inventor or a registered patent attorney or agent.

There are three types of patents: utility, design, and plant patents. Utility patents are granted for any new and useful process, machine, article of manufacture, composition of matter, or any new and useful improvement of these items. The grant is for a period of 20 years from the date the application is filed. Design patents cover the appearance of an article of manufacture, and may be granted for any new, original, and ornamental design for a manufactured article. Design patents last for 14 years from the issue date. Plant patents cover plant varieties that can be reproduced by cuttings.

A provisional application for patent is a form of a utility patent application which was designed to provide a lower cost patent filing in the United States and to give U.S. applicants parity with foreign applicants. Claims and oath or declaration are not required for a provisional application. A provisional application provides a means to establish an early effective filing date in a patent application and permits the term "Patent Pending" to be applied in connection with the invention. A provisional application must be refiled as a regular utility application with claims within one year of its filing date.

What is patentable?
U.S. Patent Law defines the subject matter that can be patented and the conditions under which a patent may be obtained. In the language of the statute, any person who "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent," subject to the conditions and requirements of the law. The word "process" is defined by law as a process, act or method, and primarily includes industrial or technical processes (including computer software and computer-implemented business methods).

In order for an invention to be patentable, the invention must be novel (i.e., new), useful and non-obvious. To be novel, an invention must be different in some way from the prior art. Specifically, if the invention has been described in a printed publication (e.g., patents, publications, and advertisements or promotional materials) anywhere in the world, or if it has been in public use or on sale in this country before the date of invention, a patent cannot be obtained. Also, if the invention has been described in a printed publication anywhere, or has been in public use or on sale in this country more than one year before the filing date of the application, a patent cannot be obtained. The term "useful" refers to having a useful purpose and also includes being able to operate to perform its intended purpose. Finally, with respect to non-obvious, the invention must be sufficiently different from what has been used or described before that it may be said to be non-obvious to a person having ordinary skill in the area of technology related to the invention.

With respect to patents in other countries, many foreign countries require that a patent application be on file before any public disclosure or sale of the invention. If you wish to preserve your rights to file an application in foreign countries, you should make sure that your application is on file before any public use, disclosure, offer for sale, or sale of the invention. Please let us know if you require additional information regarding protecting your invention in foreign countries.

What is a preliminary patentability search?
It is recommended to search prior patents before applying to discover if the particular invention or one similar to it has already been patented. An inventor can conduct a search himself or employ a professional search firm to conduct the search. Professional search firms generally charge in the range of $700 - $1200 to conduct a search of the U.S. Patent Office records and provide the inventor with the results. More extensive searches can be commissioned that include non-patent publications and foreign patent databases at an additional cost. The fee for an opinion of patentability by a patent attorney will vary based on the technology and the number of references located by the searcher. Generally, a written opinion of patentability ranges between $1000-$1,500.

After conducting the search, if the information revealed in the search suggests that your invention is unpatentable, then you may wish to reconsider filing an application in view of the expense associated with the preparation and filing of a patent application. Even if the search results do not uncover any prior patents that necessarily destroy patentability, the search results will assist in determining the scope of your invention so that the patent application may be drafted in accordance

therewith. Keep in mind, however, that such a search only serves, as its name indicates, a preliminary purpose. For this reason, the patent examiner may, and often does, reject claims in an application on the basis of prior patents or publications not found in the preliminary search.

What are the costs and fees for filing?
A utility patent application includes a full and complete written description of the invention (specification), including how to make and use the invention and setting forth the best mode, drawings, legal claims (the portion of the application that defines the scope of protection afforded by the patent), and an oath or declaration. The government filing fee depends on the number of claims and whether the applicant qualifies as a small entity (generally $500 - $1000). Under the new rules, an application may include up to 25 claims and no more than five independent (the 5/25 rule). If an application does not comply with this rule, the applicant must submit an Examination Support Document (ESD). An ESD is an expensive and time-consuming process and would likely be avoided by most applicants.

The attorney fees for preparing and filing a utility patent will vary based on the complexity of the technology and the adequacy of the disclosure. Typically, mechanical or electrical inventions of average complexity range between $5,500-8,000. Complex electronic or computer inventions (including Internet business methods) range between $8,000-12,000. These fees generally cover the work through filing the patent application. However, if the nature of the invention has changed or if you decide to add more or different embodiments beyond those initially described, additional fees will be incurred. If drawings for your invention are simple, or you can provide drawings which can be scanned and filed, there will be no additional fee for drawings. For more complex drawings, or if artistic talent is required, we use a drafting service (approximately $200 per page).

The attorney fees for preparing and filing a provisional utility application are slightly lower than a regular utility application since a set of claims does not need to be prepared initially. The government filing fee is currently $105 for a small entity. However, because the specification in a provisional needs to be as complete as a regular utility application (except for the claims), the cost is not much less than a regular utility application. On average, a provisional will initially cost about $1000 - $3000 less to file. This cost difference will be made up later, and probably more, when we prepare the regular application based on the provisional. Keep in mind, a provisional application is not examined and must be refiled as a regular utility application within one (1) year of filing.

What happens after filing?
About 18 - 36 months after filing a utility application, it will be examined and almost always will be rejected (85% or more applications receive at least one Office Action). The rejections may be as to matters of form, or the Examiner may have found patents in his search that he believes are identical to your invention as recited in the claims, or which render your invention obvious. You will have 3 months (with extensions available for a fee) to respond by amending the claims, arguing against the rejections, or both. Fees for preparing a response are based on time, and are usually in the $900-2,500 range. If interviews with the examiner, appeals, etc. are required, there will be additional time and Patent Office fees involved. Finally, of course, there is no guarantee as to the number of times which we may need to respond to the Patent Office, or if it may become necessary to appeal a rejection, or file a request for continued examination (RCE), or if your application will ever issue as a patent at all. New rules limit applicants to 2 continuing applications and one RCE in any application family, without any justification.

Fees for preparation of other documents required after filing are billed as the documents are filed (prosecution fees). For example, an Information Disclosure Statement (IDS) is required to be filed with copies of your patentability search results (approx. $300). Additional fees will be incurred in the normal course of monitoring your application, docketing, receiving and reviewing communications from the Patent Office, filing assignments, and publication. If the application is allowed by the Patent Office, an issue and processing fee will be payable shortly thereafter. These prosecution fees (not including those related to Office Actions) generally amount to about $1500 - $2500 for small entity applicants. Maintenance fees will be required periodically to maintain the patent after it issues.

Our office requires a minimum retainer of $5,000 for the preparation of a patent application. We will provide you with an engagement letter upon retaining our firm. Further retainer amounts may be required, from time to time, depending upon the anticipated costs of work to be performed. Any prosecution work performed subsequent to the initial filing of the application is generally billed on an hourly basis. To assist in monitoring fees and costs, we do not undertake additional work on any account which is not current. All Patent Office fees must be paid in advance.

Please let us know if we can be of further assistance. If you wish to schedule an appointment, our office charges an initial consultation fee of $250.

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