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Options for Obtaining Patent Protection Outside the U.S.

In deciding whether to obtain patent protection outside the U.S., there are a number of factors an applicant should consider. (Note: A foreign filing license is required by law, and is normally granted by the U.S. Patent Office as a matter of course, before any patent application can be foreign filed by a U.S. applicant.) As a preliminary consideration, it is important to understand that most foreign filed applications will be published eighteen months after their priority date. As such, if an applicant files an application outside the U.S., they will eventually forfeit any trade secret protection for the subject matter disclosed in that application. If, however, the applicant files only in the U.S., they have the option of maintaining the secrecy of that subject matter until the application issues as a patent, assuming proper steps are taken. Thus, an applicant must decide if publication of the invention before any patent is granted is an acceptable consequence of filing for patent protection outside the U.S.

Caution, most but not all countries have patent treaties with the U.S. Of those that do, not all subscribe to the same treaties; as for example the People's Republic of China (PRC) and the Republic of China (ROC). And some countries are excluded by law for U.S. applicants. Check first!

The next step is to determine in which countries would patent protection likely provide value. Questions to ask here include: In what countries will products embodying the subject invention likely be sold or manufactured? In what countries will other companies likely manufacture or sell competing products? In what countries will enforcement of patent rights be effective, both from cost and legal standpoints? Although this determination will vary from company to company, foreign patent protection is most commonly sought in one or more of Australia, Canada, China, Japan, Korea, and various European countries. A related issue to consider here is cost, which can be significant depending on factors such as the selected country and translation costs. A simple cost benefit analysis should help resolve whether and where patent filings are justified.

A provisional or utility application is normally first filed in the U.S. patent office as a priority document, which provides a priority date and normally results in obtaining a foreign filing license. Alternatively, the invention disclosure can be submitted to the

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patent office on an expedited basis solely for the purpose of obtaining the foreign filing license.

Once it is determined that foreign patent protection is desired, and a foreign filing license has been obtained, a number of filing options are available. One option is to timely file the application, within one year of the priority date, directly in the patent office of a selected country, claiming priority to the initial U.S. filing. An applicant should consider filing patent applications directly in the respective national patent office if the applicant: (1) is absolutely certain in which countries patent protection is desired; (2) does not desire to reserve the right to seek protection in other countries at a later date; and (3) is prepared to pay the associated filing and translation costs. Typical costs for directly filing a patent application in a national patent office range from about $4,000 to $12,000 depending on the country, including attorney fees and translation costs. Canada tends to be at the lower end of the range, while Japan tends to be at the higher end. The costs associated with directly filing patent applications in other countries are generally somewhere within this range. Note that these estimates only reflect the costs for the initial filing and translation of the patent application, and not for the subsequent years and costs required to obtain allowance and maintain the issued patent. For example, in Japan the maintenance fees range from several hundred dollars in the first year of the patent term to several thousand dollars in the last year.

Another foreign filing option is to take advantage of one of the regional treaties available in some sections of the world. For example, a qualified applicant may timely file an application for patent directly in the European Patent Office (EPO). Filing in the EPO allows the applicant to file one application designating up to forty European countries, http://www.epo.org/about-us/organisation/member-states.html , instead of filing a separate application in each of the desired national patent offices. The EPO conducts an examination of the application and "grants" the patent. The applicant must then "perfect" that grant in the various individual countries of the European Patent Convention (EPC) in which protection is desired. Perfecting the patent grant usually entails paying various administrative fees and translating the patent into the appropriate language. Interestingly, some countries require only the claims be translated, while others require translation of the entire patent. Translation costs average about $100 per page of the U.S. application.

From a strategic standpoint, if the applicant intends to file in at least three of the available EPC member countries, then they should generally file an EPO application preserving the option for some or all member countries, rather than filing individual national applications. This allows the applicant to avoid multiple examination fees, and to defer the final selection of countries and payment of translation fees for later in the process. The cost of obtaining a patent grant in the EPO and perfecting it in five countries, for example, may be in the range of $30,000, depending upon the particular countries chosen, the length of the application, and the duration and extent of the

prosecution. Note that the above estimate only applies to the cost of obtaining and perfecting the patent, not to the annual fees required to keep it in force.

A third foreign filing option might be called a "global" or "international" option, and is a very common strategy for many applicants. A qualified applicant may file a single application in the United States Receiving Office (USRO) under the Patent Cooperation Treaty (PCT) and thereby preserve later national stage filing rights in more than 130 countries (including the U.S.) http://www.uspto.gov/web/offices/pac/dapp/pctstate.html for up to 30 months or more in some cases. The PCT process cannot itself result in a grant of patent anywhere. It must be followed by national stage or regional filings in the contracting countries before the PCT case expires. (Note again, the application must have received a foreign filing license, normally granted by the U.S. Patent Office as a matter of course, before it can be foreign filed.) The primary advantage associated with filing a PCT application is the delay in having to make a decision on where to file the application nationally, and to defer payment of the associated regional or national filing and translation fees. The PCT process includes an examiner search and review and issuance of a preliminary international search report and written opinion. While not binding on individual countries, this process gives important initial feedback about patentability to help the applicant with further decision making. Another variation on the PCT option is to file a U.S. utility application concurrently, and hope for some progress on the U.S. prosecution, a first office action with search results and examiner comments, before the PCT 30 month deadline, in order to better assess the scope of patentability likely to be obtained in other countries.

As with most foreign applications, the PCT application will be published approximately 18 months after its priority date. Once published, this application can be used as prior art to later filed applications.

Including government and legal fees, the cost of filing a PCT application may range from $4,000-$5,000 over and above the cost of preparing the utility application, depending upon which searching authority is chosen and the number of pages in the application.

Thus, an applicant has various options for pursuing patent protection outside the U.S. These options should always be discussed with the applicant's patent counsel in the context of the applicant's business plan, well in advance of legal deadlines, to ensure that strategic and timely filings are obtained. The estimates provided are for general budgetary information only. Actual costs depend on many factors, such as the fees charged by foreign authorities and agents, the length of the application, the number of claims, the particulars of the prosecution, and translation costs.

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