

TECH VALLEY PATENT

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FOREIGN PATENT PROTECTION- AN OVERVIEW

1. Introduction

Patent protection is available in most countries. However, since patents are national instruments issued by the government of a particular country, and effective only within the boundaries of that country, an applicant is required to file a separate application in each country of interest. The applicant must also comply with the other requirements of the specific country (for example, the payment of national filing fees, the translation into the national language, representation by local counsel, etc.). However, certain international conventions have been adopted which significantly simplify the foreign filing and patenting process and afford a number of other advantages, as more fully discussed below.

2. Foreign Filing Countries

The choice of countries to file for patent protection outside the US is a business decision entirely up to you. Our general recommendation is to consider filing a patent application in those countries where foreign competitors and/or potential manufacturers/licensees are likely to be located, rather than to try to cover every possible country in which the product might be marketed.

3. Likelihood of Success

With regard to the likelihood of receiving patent protection in foreign countries, at the time when the decision to file abroad has to be made (generally within 8-10 months after the filing of your US application), it is very difficult to predict the chances of success. If a pre-examination search was conducted on the invention prior to the filing of your U.S. application, the search may have provided a reasonable basis for determining whether to proceed with the U.S. patent application, but the search is inherently not exhaustive – that is, other significant prior art may exist. The examination conducted by the U.S. Patent Office is considered to be reasonably thorough and should provide a more accurate basis for predicting the likelihood of success in foreign countries.

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Unfortunately, it often takes 18 months or more before we receive an Office Action from the U.S. Patent Office. In the meantime, decisions have to be made with respect to foreign filing in order to preserve your original U.S. filing date as a “priority date” for foreign applications. In view of this time constraint, instead of filing in various foreign countries directly, we recommend - and many applicants choose - to file an “International Application” under the Patent Cooperation Treaty (PCT) as an intermediate step.

In accordance with the PCT procedures, a single “International Application” is filed with the United States Receiving Office. This not only simplifies the filing process, but also defers for an additional 18 months the significant expense of translating the patent application into foreign languages, appointing foreign associates, and filing individual applications in the designated foreign countries. The latter decision may be assisted by receipt during the 18-month period of an Office Action from the U.S. Patent Office summarizing prior art uncovered by the U.S. Patent Office for your U.S. application and the receipt of another prior art search conducted for your PCT application.

4. PCT Procedure

The first step in a PCT filing is the filing of the “Request” through which your application enters the PCT program. The second step, the filing of a “Demand” in about ten months, is optional and is discussed further below. When the Request is filed, virtually every commercially important country in the world will automatically be designated for receipt of your application. Currently, the only non-PCT countries are most of the Islamic States, Taiwan, and several South American nations. (See the footnote on page 4 for a complete list of non-PCT countries.)

At the time of filing the Request, you must designate an International Search Authority, that is, a patent office that will conduct a prior art search of your claimed invention. As a U.S. applicant, you may choose the US Patent Office (USPTO), the

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European Patent Office (EPO), the Korean Patent Office (KPO), or the Australian Patent Office (APO) for your PCT International Search Authority (ISA).

If you are interested primarily in “parking” your PCT application for another eighteen (18) months, Korea provides the least expensive option as the International Search Authority. If you are ultimately interested in a speedy and less expensive European patent, the European Patent Office provides the best, but initially, more expensive, option as International Search Authority. Australia is only available as a Search Authority for certain technologies, and offers little advantage except in unusual circumstances. The USPTO may also be selected, but since your parent US application will inherently be searched by the USPTO, having a second Search Authority provide a search can sometimes provide more comprehensive search results.

The present fees for filing a PCT application include: (1) an “International Filing Fee” of about \$1,100; (2) a Transmittal Fee of about \$240; and (3) a Search Fee. The Search Fee varies depending on the country selected for International Search Authority. The Search Fee for the USPTO as the International Search Authority (ISA) is presently \$2,080.00. The European Patent office as ISA fee is about \$2,500. The Korean Intellectual Property Office as ISA fee is about \$1,100; and the Australian Patent Office fee is about \$1,400. Thus, the initial official fees for filing a PCT application using one of the above referenced ISAs are listed below:

United States: \$3,420.00

European Patent Office: \$3,840.00

South Korea: \$2,440.00

Australia: \$2,740

A Supplemental Filing fee of \$13.00 applies for each page of the application over 30.

In PCT practice, it is no longer necessary to file a Demand for formal examination in order to enter the national phase at 30 months. Every signatory country of the PCT can be entered at 30 months – even if the applicant did not file a Demand for formal examination, for example, at 19 months.

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There is one caveat to this, and although we have had no instance in over 20 years of practice when this was an issue, we bring it to your attention: you lose the option of entering Tanzania, Uganda, and Luxembourg directly from the PCT if you did not file the Demand for examination at 19 months. However, under PCT procedures, if desired, you may access these three (3) countries through the EPO in the regional phase of the PCT procedures even though you did not file a Demand for examination.

If a Demand is filed, a second official fee for examination will be required in about ten months. If the US was designated for the Search, the official fee for the Demand will be about \$800; if the EPO was designated for the Search, the official fees will be about \$2,575. Thus, the total fees for European search and examination are \$5,985 over an 8-month period; the total fees for US search and examination are \$4,126 over an 8-month period.

Is there any benefit to pay the additional \$1800 by using the EPO for the Examination? Possibly. By using the EPO as the Examining Authority instead of the USPTO, we have found, historically, that (a) superior prior art search is obtained; (b) the fees for entering the EPO after 30 months may be reduced, and (c) the examination of your application in the EPO during the national phase may be expedited and less expensive.

5. Expense

As suggested above, the expense associated with preparing and filing a PCT application varies depending upon the size of the application, the searching authority selected, and other factors, but generally runs about \$2,700-\$4,260. For countries that are not members of the PCT¹ (Taiwan and Argentina are non-PCT countries that are

¹ Non-PCT Countries

Afghanistan	Cambodia	Jamaica	Qatar
Andorra	Congo (Democratic Republic of)	Jordan	Rwanda
Angola	Gaza District	Kuwait	Sao Tome and Principe
Argentina	Guyana	Lebanon	Saudi Arabia
Aruba	Haiti	Mauritius	Somalia
Bahamas	Holy See	Myanmar (formerly Burma)	Suriname
Bangladesh	Hong Kong	Nepal	Taiwan

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sometimes of interest), you must file a separate corresponding application in the foreign country through the offices of a foreign patent agent. The associated expense will include the service charge of the foreign patent agent, fees payable to the foreign Patent Offices, translation costs, when necessary, and our charges. If you identify which countries you wish to file in, or are considering filing in, outside of the PCT, we can then contact our foreign associate in those countries to obtain an estimate of the likely filing expense.

Note that the charges discussed above are those associated only with the official fees for filing of counterpart patent applications either in the PCT or in the foreign Patent Offices directly. These estimates do not include our fees for preparing the application for foreign filing and corresponding with our foreign associates. Our fees will vary with the amount of time we need to do so. (We can provide estimates of our fees.) In addition, we advise you to anticipate the substantial expense associated with the prosecution of these applications, the payment of issue fees, and the payment of maintenance fees. Accordingly, the more ambitious you're foreign filing strategy, the higher the total expense will be. Fortunately, this foreign filing expense is spread out over a number of years, and you can discontinue any particular foreign filing activities when desired, for example, if market conditions or the results of the patent examination process warrant. In particular, we recommend that you anticipate costs of approximately \$5,000 per country (including \$5,000 for each European country) spread out over three to five years.

6. Conclusion

In summary, please advise us as soon as possible whether you are interested in protecting your invention outside the United States, and identify whether you wish to pursue individual national applications or the PCT procedures.

Bhutan
Bolivia
Burundi

Iran (Islamic Republic of)
Iraq

Pakistan
Panama
Paraguay
Peru

Tonga
Uruguay
Venezuela

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In order to proceed with the preparation and filing of a PCT application, we will need a retainer of \$2,000 if Korea is designated as the Preliminary Search and Examining Authority; \$3,200, if the U.S. is designated; or \$3,300, if the European Patent office is designated. The balance of our fee will be due when the PCT application is ready for filing. If you identify specific countries of interest outside of the PCT, we will then provide you with an estimate of the likely filing expense for each such country.

If you have any questions concerning these matters, please contact us.