

Founder Fundamentals

What Every Startup Needs To Know Before Filing for a Patent

By James M. Singer

1. What is a patent?

The U.S. Patent and Trademark Office (USPTO) awards patents for unique inventions: machines, articles of manufacture, compositions and processes. A patent gives its owner the right to exclude others from making, using or selling the invention, beginning on the date that the patent grants and lasting for up to 20 years.

2. What inventions are patentable?

An invention is patentable if it is new, useful and non-obvious. A patent search can help determine whether an invention is patentable. No search can guarantee patentability, but a search can at least help the inventor assess the likelihood of success for a patent application. The cost of a patentability search is typically \$1,500 to \$3,500, although it can be higher, depending on the number of references found and the level of analysis that the inventor requests.

3. When can I apply for a patent?

You must apply for a patent before any public disclosure, sale or offer for sale of the invention. In some situations, you may be able to file within one year after your own public disclosure, but these situations are limited. An inventor must apply for a patent in every country where he or she desires patent coverage.

4. What documentation does the patent attorney need?

To prepare a patent application, the inventor must provide the attorney with details sufficient to enable a reader to make and use the invention. This may include design drawings, flowcharts, algorithms or chemical formulae. The inventor should provide a detailed narrative of the drawings, and briefly describe the important points of novelty. The points of novelty should explain how the invention differs from the prior art, and also what features of the invention will provide a business advantage.

5. What are the typical costs to file?

There are generally two types of patent applications: utility patent applications and design patent

applications. The cost to prepare and file a new utility patent application typically ranges from \$8,000 to \$15,000, depending on the complexity and technology area of the application. The cost to prepare and file a design patent application is typically \$3,000 to \$4,500. These costs include filing fees, but they do not include post-filing costs (e.g., preparing responses to USPTO office actions, paying issue fees, etc.). Actions between filing and issuance typically at least double the overall cost over a two- to five-year period.

a. Provisional Applications: If a rush filing is needed, or if the inventor is still developing the invention but wants to obtain a filing date for the work done so far, the inventor may file a provisional patent application. A provisional application alone will not result in a patent. It merely preserves a filing date for up to one year before the utility application must be filed. It must be as detailed and thorough as a formal application. The cost to file, including attorney's fees and filing fees, is typically \$2,500 to \$5,000.

6. What happens after filing?

The USPTO will review the application and issue an office action within 18 to 30 months after filing. (Applicants may expedite this process by paying an additional fee at the time of filing.) The USPTO's first action typically rejects most, and often rejects all, of the claims. The applicant's response to the action may include claim amendments, arguments against the rejections or both. The USPTO will then issue either a notice of allowance or a second office action with additional rejections or objections. If the second office action continues to reject the claims, the applicant may file additional amendments or the attorney may appeal the examiner's decision. The typical time from filing to grant ranges from 18 to 36 months or more, depending on technology. The USPTO also offers options to expedite examination for additional fees.

7. What foreign entity deadlines apply?

If you want patent protection outside of the U.S., foreign filing must be completed within one year of the U.S. filing date. Costs and legal fees for foreign filing can vary widely, often ranging from \$2,000 to \$10,000, per foreign country. An international filing under the Patent Cooperation Treaty (PCT) can help to delay these costs for another 18 months or more.

8. Who owns the patent?

U.S. patent applications are filed in the name of the inventor(s). The inventor(s) are presumed to own the application unless proof of the contrary can be shown. If a patent will be owned by an entity other than the inventor(s), then the inventor(s) must sign a document in which they assign all right, title and interest in and to the application to the ownership entity. This document must identify the patent application by number and must be recorded with the USPTO.

9. What is the “Duty of Disclosure”?

U.S. patent law requires that inventors and patent attorneys disclose all prior art that is material to patentability. If you are aware of any potentially relevant prior art, you should provide it to the patent attorney before the application is filed. Also, you must supplement the disclosures if new material is discovered while the application is pending.

10. What are the procedures for patent issuance?

If the USPTO allows the patent, then the applicant must pay an issue fee. Before paying the issue fee, the applicant also may file a continuing application in order to seek additional claims.

11. What happens after the patent grants?

- a. Term: The term of a utility patent is generally 20 years from the filing date. In order to keep the patent in effect, the patent owner must pay maintenance fees at years 3.5, 7.5 and 11.5 after issuance.
- b. Patent Marking: A patent owner should mark patented products with the patent number in order to help maximize the amount of damages that the patent owner may receive in an infringement action. Before the patent grants and while the patent application is pending, the product may be marked with “patent pending,” although this has no legal effect.

12. What does a patent not do?

A patent provides a right to exclude others from practicing an invention, but it does not guarantee that the patent owner has a right to practice the invention. Multiple patents may cover a product. If so, the product’s manufacturer and sellers must either own each of the patents or obtain licenses to any patents that are owned by others.

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