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## Securing International Patent Protection for Small US Companies

By David E. Mixon



Once a startup or small company has decided to file for patent protection in the United States, a common question for consideration is whether to also file in foreign countries. As the world economy and markets expand, it is becoming increasingly important to consider such protective actions. However, it should be a careful decision based on present and future business considerations because of the potential costs involved.

### ► Making the Decision

The decision to file for international patent protection must be a business decision with careful consideration given to the costs and benefits of a foreign patent. For example, many potential foreign partners will want patent protection in their country before considering joint ventures with U.S. companies. However, many countries charge more in maintenance fees for patents than the U.S. Additionally, enforcement of the foreign patent against any infringers in those countries may be problematic due to costs, distance and differences in legal and political systems. By way of comparison, a U.S. patent will allow an owner to stop acts of infringement within the U.S., which include the manufacture, use, sale or offer to sale of any product covered by the patent. The only infringing activity that a U.S. patent cannot stop is any manufacture, sale and use that take place completely outside U.S. borders. Since the U.S. is the largest market in the world, it is a very rare occurrence for infringing products to stay completely outside of the country. Consequently, in most instances, a U.S. patent will offer sufficient protection for most companies unless they have existing or imminent business prospects in foreign countries.

### ► A Cost-effective Option

Given the above, it might not always be financially feasible or in a small company's best immediate interests to file for patent protection with specific countries. However, an option does exist that provides protection in over 140 nations under the Patent Cooperation Treaty (PCT). One benefit of applying for PCT protection is that the application is very similar in terms of content and format to a U.S. patent application. This can result in significant cost-savings for applicants, since little or no additional drafting will be required. Most developed nations recognize PCT patent applications as a mechanism to obtain patent protection within their country. The most prominent non-signatories of the PCT are Taiwan and Argentina. Any company seeking patent protection in either of these countries should consider filing a patent application directly with their national patent office.

### ► Timing Considerations

Applicants must file for PCT protection no later than 12 months after the first filing date of a related U.S. patent application, which can include any provisional patent application that is used for a priority claim. If no provisional

application has been filed, the PCT filing can be delayed until 12 months after the filing of the U.S. application. There is no requirement to wait the full 12 months before filing; the PCT application can be filed simultaneously with the related U.S. application. After the application is filed, a search report that details the relevant prior art and an examination opinion will be generated for the applicant. The applicant now has the chance to amend the scope of the patent and/or rebut the examination opinion. These activities typically occur between nine and 20 months after filing the application. It is important to remember that an owner of any corresponding U.S. application has a continuing duty of disclosure that requires disclosure to the United States Patent and Trademark Office (USPTO) of any prior art that may have an impact on patentability. This means that the applicant has a duty to disclose the results of the search report from the PCT search report to the USPTO for the corresponding application.

#### ► Converting the PCT into a National Patent Application

The final step in the PCT process is filing the PCT application as a “national phase” patent application. The PCT application itself does not issue as a patent. Instead, the application, the search report, the examination report, along with any amendments and rebuttals, are submitted to individual national patent offices of signatory countries that are selected by the applicant. The patent offices of the selected countries then finalize the prosecution of the application and issue a patent from their respective country. Entry into the

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national phase is typically due no later than 30 months after the filing of the PCT application. However, some nations have extended this deadline to 31 months. One significant benefit of the PCT system is that the applicant does not have to decide in which countries to file for a patent until this final step. This is a 30-month option to pursue patent protection almost anywhere in the world.

Pursuing patent protection is an important step for any small company. Filing for international patent protection typically should not be done without solid business prospects overseas. However, the PCT application allows companies an efficient method to file for international patent protection while not having to commit to any particular country until 30 months after the filing date. ■

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