USING U.S. PROVISIONAL APPLICATIONS IN YOUR PATENT STRATEGY*

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U.S. companies live today in a very competitive and increasingly global environment. Many U.S. companies spend substantial R&D dollars to develop new technologies and products to meet the needs of the global consumer. Unfortunately, there are competitors in this global market who may not spend anything on R&D, but will gladly copy what they see as a lucrative opportunity and sell it at lower price. And unless the developer of the new technology or product has patents in place around the world, these "copy cats" can get a free R&D lunch at the expense of the developer.

Getting global patent protection is no longer as simple as being the first to invent. It has become a "first to file" race, especially if you want to get patents around the world. The U.S. is the most notable exception in allowing the first to invent to get the patent. Many countries, most notably in Europe, also require you to file the patent before "public exposure" of the invention *anywhere in the world* if you want to preserve your patent rights in those countries. Again, the U.S. is the notable exception in allowing a one-year grace period to file for the patent after such exposure.

For technology-based U.S. companies that rely heavily on their R&D for profitability, the need to "file first" to avoid potential loss of valuable global patent rights can be a real challenge. In many research projects, there are continual improvements in the technology that occur over a period of months or even years. Filing for a patent on each improvement can become very expensive, as well as creating a disjointed patent effort. More importantly, the pressure to get new products into the global market place can force an early filing to avoid loss of patent rights due to such "public exposure," but before the technology is fully understood so that the broadest possible patent coverage can be sought. Early filing also starts the clock ticking on the patent term (typically 20 years from the filing date in most countries, including the U.S.).

So how does a technology-based U.S. company cope with this situation? An answer may lie in using U.S. provisional applications. Since June 8, 1995, the U.S. has allowed the filing of provisional applications. Indeed, the filing of provisional applications can be an important component of the patent strategy of a technology-based U.S. company.

The requirements for a U.S. provisional application are less stringent than those for a traditional (nonprovisional) U.S. patent application. For example, patent claims and an oath signed by the inventor(s) is not required for provisional applications. Provisional applications are also significantly less expensive at $150 ($75 for small entities or individuals), versus a minimum of $760 for a traditional U.S. patent application ($380 for small entities or individuals). Importantly, the patent term does not start ticking when a U.S. provisional application is filed.

These unique features of U.S. provisional applications make them extremely desirable in the following situations:

1. When the technology is in a fairly early stage of development and it is anticipated that additional related improvements will be forthcoming within a year.

2. When it's unclear what the potential marketability of the technology is.

3. When a delay in starting the patent term clock ticking is important, such as when the technology (e.g., pharmaceuticals) requires regulatory approval before marketing.

Provisionals are especially valuable for doing multiple filings to cover sequential improvements of a basic technology and to establish early filing dates for these improvements at relatively low cost. For example, *five* U.S. provisional applications can be filed for less than the cost of one traditional U.S. patent application. A provisional application can also be used to preserve global patent rights where a "public exposure" of the invention is about to occur, such as through a journal publication.

Eventually, a U.S. provisional application will have to be converted to a traditional U.S. patent application to get the patent. (A year after it is filed, the provisional application ceases to exist for patent purposes). Also, there are certain situations where traditional U.S. patent applications should be considered over provisional applications:

1. When the technology is fairly well developed such that additional improvements are unlikely;

2. When a patent on the technology is needed fairly quickly;

There are certain practical issues to be aware of in using U.S. provisional applications. One is keeping track of the inventors who must eventually sign the oath for the traditional U.S. patent application. A system also needs to be put in place to keep track of these provisional applications to avoid missing the year anniversary date when the traditional U.S. patent application needs to be filed. (This year anniversary date is also important when considering where to file outside the U.S.)

Of particular concern is using U.S. provisional applications as an excuse for a "sloppy" patent filing. The provisional application should be drafted with the same degree of care as a traditional U.S. patent application. For example, while patent claims are optional in provisionals, it is strongly recommended that a set of claims be included in each provisional application. Provisional applications are also subject to the same stringent description and "best mode" requirements that apply to traditional U.S. patent applications, making it unwise to carelessly slap a provisional application together.

The use of U.S. provisional applications should be considered as a *complement* to traditional U.S. patent applications, not a substitute. When used appropriately, the U.S. provisional application can be a helpful tool for the technology-based U.S. company trying to protect its R&D investment, while at the same time introducing new products quickly into the global market.

 Published in the JOURNAL OF MANAGEMENT IN ENGINEERING, Vol. 15, No. 4, page 22 (July/August 1999); republished in THE ENTREPRENEUR NETWORK, page 5 (October 1999).