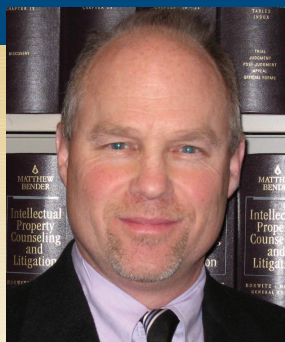




John W. Boger, Esq.
Heslin Rothenberg
Farley & Mesiti P.C.



Filing a Provisional Patent Application – Applicant Beware

The world changed as we knew it on June 8, 1995, when the United States Patent and Trademark Office (“USPTO”) was required to implement certain provisions from the GATT Uruguay Round Agreements. One of the modifications that occurred as a result of the GATT Agreements was that the lifetime of a United States Utility Patent was changed from 17 years from the issue date of the patent to 20 years from the effective filing date of the patent application.

Depending on the type of technology, large companies will use provisional patent applications as a tool to capture the potential extra year of patent eligibility that will occur at the end of the term.

The second change, and is the subject of this article, was the addition of being able to file a provisional patent application. The U.S. applicants parity with foreign applicants under GATT.

Prior to the 1995 changes, there were only three types of patents available to inventors: utility, design and plant. Plant patents are quite rare and design patents are relatively common, and utility patents are the most desired but are the hardest to obtain and the most expensive. Before the creation of the provisional application, foreign applicants had an advantage in that they could extend the lifetime of their U.S. patents to 21 years as determined by the filing date of their home country patent application. This one-year extension would occur if the foreign applicant delayed filing the U.S. application for the permitted one-year period (following their filing of the parent application in their home country) and then claimed priority back to their home country application under the Paris

Convention. With the genesis of the provisional application, the playing field was leveled by giving U.S. applicants the same opportunity as foreign applicants to extend the lifetime of the patent to twenty-one years from the filing date of the provisional application.

What exactly is a provisional patent application? People routinely call this statutory creation a wide variety of names, including: “manuscript application,” “dirty provisional application” and a “quickie application.” These alternative names convey the meaning that provisional applications are less extensive than the typical non-provisional utility appli-

cation and can usually be completed in a short period of time. This portrayal is accurate to a point, but one must be careful not to fall into some of the traps that surround use of the provisional application.

The provisional application is a U.S. national application and is filed without any formal patent claims, an oath or declaration by the inventor, or any information disclosure (prior-art) statement. Hence, the “less expensive” characterization. The application provides a means for establishing an early effective filing date and allows the applicant to use the terms “Patent Pending” in relation to the disclosed invention. Allowing one to use these words is, in and of itself, a tremendous value to most applicants and corporations. A critical limit to provisional applications is that its pendency only lasts for 12 months from the date of filing, and this time period cannot be extended. Thus, an applicant must act during this one-year period or risk losing the advantageous earlier priority date.

Certain requirements must be met by the applicant in order for the USPTO to grant the provisional application a filing date. First, the provisional application must be made in the name(s) of all of the inventor(s). This is sometimes a difficult task because the application may be filed without claims, and inventorship is determined by who contributed to what is being claimed. The application can be filed up to 12 months following the date of the first sale, the first offer for sale, public use or publication of the invention. One needs to be keenly aware that such pre-sale invention disclosures may preclude patenting in foreign countries. The USPTO will only record a filing date to a provisional application when the application includes a written description of the invention that complies with U.S. patent law. Specifically, the written description must disclose the manner and process of making and using the invention in such full, clear, concise and exact terms so as to enable any person skilled in the art to make and use the invention (See 35 U.S.C. §113). Thus, the applicant must satisfy the long-standing “enablement” standard that is required of non-provisional applications. The reason for this disclosure requirement will be discussed later in this article, as will the potential fallout if the provisional application fails to include the required common subject matter in the written description with the later-filed non-provisional application.

Start-ups generally use provisional applications more frequently because of cost pressures.

In addition to these disclosure requirements, to be a “complete” provisional application, the applicant must include the filing fee and a cover sheet. The filing fee is currently \$220 for large entities and \$110 for small entities. In comparison, a non-provisional application filing fee is \$330 and \$165, respectively. One needs to remember that for non-provisional applications, a search fee (\$540 and \$270) and an examination fee (\$220 and \$110) must also be paid on the date of the filing. Clearly, in the aggregate, the fees for filing a provisional application are much less costly than a non-provisional application. The requirements of the cover sheet include: (i) identifying the application as a provisional application; (ii) listing the name(s) of the inventors; (iii) listing the inventor(s) residence(s); (iv) if applicable, listing the name and registration number of the filing attorney; (v) providing the correspondence

address of the inventor or filing attorney; and (vi) if applicable, providing the name of any U.S. Government agency that has a property interest in the application. Many filers use “home grown” cover sheets, but the more prudent step would be to use Form PTO/SB/16, an example of which is provided at the end of this article (Courtesy of the USPTO). This printable form can be found at the USPTO website at www.uspto.gov/web/forms/index. If the application meets the above requirements, a filing date will be accorded to it. Then the contents of the application will remain in confidence at the USPTO as no formal examination on the merits will occur, nor will the application be published.

The best way to use the provisional application depends on numerous factors and circumstances. Strategically, companies and academic institutions may use provisional applications in different ways. Depending on the type of technology, large companies will use provisional patent applications as a tool to capture the potential extra year of patent eligibility that will occur at the end of the term. A review of the provisional application filings shows that companies that operate in the pharmaceutical and medical device technology fields use provisional applications at a high rate, whereas companies in the electrical and electronics fields typically file fewer of these types of applications. (See PatentlyO-Blog, July 26, 2009, patentlaw.typepad.com.)

Comparing start-up ventures to established companies, start-ups generally use provisional applications more frequently because of cost pressures. It’s an easy way to build value and bulk in their intellectual property (IP) portfolios, and it provides early protection of inventions

while they still are making their way through the product development cycle. As a result, many startups adhere to the philosophy of “filing early and often” with provisional applications. Academic institutions may use provisional applications for different reasons than their corporate counterparts. Cost issues, though, play a major rule in the high use by universities of provisional applications. Universities frequently use the 12-month application pendency to shop the technology and attempt to engage a corporate partner for future invention development and possible licensing. Universities are also in a unique position in that their inventor pool comprises professors who operate under pressures of “publish or perish.” Thus, these institutions are forced to use provisional applications as a tool to combat inadvertent disclosure by the inventors/professors who are actively on the lecture or publishing circuit.

As noted above, provisional applications have a non-extendable 12-month life span. Importantly, the benefits of the earlier filed date cannot be claimed if during this 12-month period a non-provisional application is not filed. It is critical to understand that a patent cannot issue from a provisional application unless one of the following two actions are taken. First, a provisional application may be converted to a non-provisional patent application by filing a grantable petition with the required fees (*See* 37 C.F.R. §1.53(c)(3)) within the 12-month pendency period. A word of caution for one using the conversion route: converting an application will negatively impact the term of any patent that may issue from the non-provisional application. How? The patent law states that the term of any patent that issues from a conversion non-provisional application will be measured from the original filing date of the converted provisional application. Therefore, if you choose the conversion route, you will lose the bonus year that was provided by the provisional application.

In order for the applicant to obtain the benefit of the earlier filing date of the provisional application, the claimed subject matter (i.e. the claims) in the later filed non-provisional application must have full support in the provisional application.

Obviously, then, the more prudent action to take during the 12-month pendency period is the second possible route, which is to file a corresponding non-provisional application that references the provisional application and claims the benefit of this earlier filed application. Taking this path preserves the added year and earlier filing date.

As the title of this article states, the applicant must be aware of the possible shortcomings of the provisional application or he could fall victim to these pitfalls. Chief among these dangers is the fact that in order for the applicant to obtain the benefit of the earlier filing date of the provisional application, the claimed subject matter (i.e. the claims) in the later filed non-provisional application must have full support in the provisional application. Therefore, the written description of the invention in the provisional application must be as complete as possible to avoid any possible loss of priority. Courts have consistently decided that if the provisional application does not include sufficient information to support the limitations of the claims of the issued patent that claimed the benefit of the provisional application, then the issued patent is not entitled to the earlier fil-

ing date and may be invalid. *See New Railhead Manufacturing, L.L.C. v. Vermeer Manufacturing Company*, 298 F.3d 1290, 1297 (Fed. Cir. 2002).

The applicant filing a provisional patent application should also be aware that: (i) provisional applications are not examined on their merits; (ii) provisional applications may not be filed for design applications; (iii) the benefit of the provisional application cannot be claimed if the one-year non-provisional application filing date has expired; (iv) provisional applications cannot claim any benefit from a previously filed application; (v) if multiple inventors exist, each inventor must be named; (vi) the non-provisional application must have at least one inventor in common with the inventor(s) named in the provisional application in order to claim the benefit of the earlier filing date; and (vii) provisional applications may not be amended after filing unless such a change is required to make the provisional application comply with the patent law and associated regulations.

Most applicants will agree that even in light of the above potential pitfalls, the benefits of filing provisional applications greatly outweigh the dangers. Depending on who the applicant is, the importance of these advantages will

vary. Universally, though, the two biggest advantages of the provisional application is the ease in filing the application and the less costly upfront investment that gives the applicant 12 months to evaluate the commercial potential (e.g. sale or license) of the invention before having to commit to the significantly higher cost associated with filing a non-provisional application.

Another advantage of the provisional application includes the ability to use the "Patent Pending" notice in connection with the invention. A further advantage is the ability, post-filing, to move forward with the commercial promotion and exploitation of the invention without the risk of it being stolen. This means that the applicant is free to discuss his invention with others and begin to promote and sell it without jeopardizing any property rights. Furthermore, the provisional application is not subject to the 18-month publication rule, thus the contents of the application remain confidential during the one-year pendency of the application. In addition, one may file multiple provisional applications and consolidate these filings into a single non-provisional application. Lastly, filing a provi-

sional application provides the applicant with an additional year to develop and improve his invention before having to file a utility patent application.

Prudent use of the provisional application allows the applicant to enhance his IP portfolio while at the same time investigate the invention's long-term market value.

In conclusion, prudent use of the provisional application allows the applicant to enhance his IP portfolio while at the same time investigate the invention's long-term market value. Applicants must be careful to provide, to the greatest extent possible, enough information to their patent attorney relative to their invention to satisfy the enablement standard, and that will provide the support necessary for later filed claims in the non-provisional application. Failure to take such steps may result in the provisional application being worthless. An applicant may be tempted to attempt to file a provisional application on his own, but one should understand the potential risks and pitfalls that are associated with this task and the possible long-term impact in protecting an invention.

Please remember that this article is not intended to be interpreted as legal advice, but is provided to assist and educate the reader in the various aspects of the provisional patent application. If you have further questions regarding filing this type of application, you are encouraged to contact a patent professional for assistance.

John W. Boger is an associate with the Albany, New York law firm of Heslin Rothenberg Farley & Mesiti P.C. and is a member of the firm's Medical Products and Technology Practice Group. Before attending law school, Mr. Boger worked for eight years with a large orthopaedic device manufacturer in various engineering and marking positions, including as Product Development Engineer. He can be reached at 518-452-5600 or at jwb@hrfmlaw.com.

Heslin Rothenberg Farley & Mesiti P.C.
5 Columbia Circle
Albany, NY 12203 USA
518-452-5600 (phone)
www.hrfmlaw.com

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R&D Engineers and Product Managers can learn more about their roles in the intellectual property (IP) audit process by attending John's lecture on Wednesday, June 16 at OMTEC 2010 in Chicago. Mr. Boger will review goals for an IP audit and will discuss how to plan, implement, value and evaluate its results, as well as highlight the pros and cons of various forms of audit deliverables.

Attendees will receive these tools to put to immediate use:

- An outline for planning an IP Audit
- How to design and develop an IP asset valuation grid
- How to make generate alternative revenue streams from the results of the IP audit

A detailed abstract of John's lecture is available online and in the OMTEC Advance Program available at www.orthoworld.com.

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