

## Deadline Strategies for US Patent Applications

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Deadlines pose a huge threat in the legal industry where human errors, although unavoidable, often become highly consequential when it comes to a client's IP rights. Last year, missing a patent filing deadline cost Fish & Richardson \$30 million in a case against client Kairos Scientific Inc. Now in a suit filed by Deposition Sciences Inc., the former Crosby, Heafey, Roach & May face a similar predicament in missing a filing deadline, a mistake that DSI claims caused it to lose its patent rights in eight European countries<sup>1</sup>.

In the United States, applicants have a 1-year grace period after public or private disclosure of the invention to file a patent application. Such disclosures include "offers for sale" of the technology, regardless of whether or not the product has been built or prototyped. On the international scene, however, many industrialized jurisdictions including Japan and several European countries adhere to international regulations, which do not give applicants the benefit of a one-year grace period. Thus, in these jurisdictions, one must file an application before one discloses his invention to the public. In either situation it is highly advisable for applicants to file early.

Foreign filing can be done directly through the foreign patent office under the Paris Convention, resulting in a more rapid patent issuance and possibly a less expensive process. However, foreign filing is often initiated under the Patent Cooperation Treaty (PCT) because applicants using the PCT route can delay filing in foreign offices for up to 31 months from the US filing date. While the overall cost might be higher with the PCT, payment for foreign patents can be delayed considerably. Even though most countries are members of both the Paris Convention and the PCT, it is advisable to ascertain the membership of relevant countries as early as possible.

In the United States, the one year grace period is not extendable, and the anniversary date from first disclosure is an absolute bar date. Thus, it is critical that owners of intellectual property file their US application prior to this date. The only exception that may justify late-filing would be a recent modification of the invention that differentiates it from the earlier disclosed idea. A company could legally argue that this modification or improvement actually constitutes the invention, and thus is not late. However, companies should not rely heavily on this strategy because by missing the one-year mark, the company loses its rights to the broader concept originally disclosed, and must instead limit the scope of the patentable idea by filing a patent application for a narrower invention.

After filing a non-provisional application, there are various due dates that one needs to know. After receiving an official action from the Examiner, the applicant usually has three months to respond to an office action from the USPTO. However, applicants can pay extension fees to extend that deadline up to six months, after which the patent application will be abandoned. Remedial action must then be taken to revive the application. First the applicant and law firm must determine whether the abandonment was unavoidable or unintentional. An unavoidable abandonment can arise from circumstances such as non-negligent

miscommunication between the firm and the client, whereas unintentional abandonment includes most errors resulting from negligence, such as a clerical error. Where abandonment was unavoidable, a petition demonstrating that the abandonment was unavoidable, as well as a petition fee of currently \$110 (\$55 for small entities, which have less than 500 employees) must be submitted to revive the application<sup>2</sup>. Reviving an unintentional abandonment requires the petitioner to simply state that the entire delay in filing the reply was unintentional, however at a significantly larger petition fee of \$1330 (\$665 for small entities)<sup>2</sup>. As part of the reparations for abandonment in both situations, the applicant must also file a terminal disclaimer, agreeing to an adjustment of the patent term, accounting for the earlier delay in continuing prosecution; the adjustment thereby reduces the full term (See Fig. 1) by the equivalent period of the application's abandonment<sup>2</sup>.

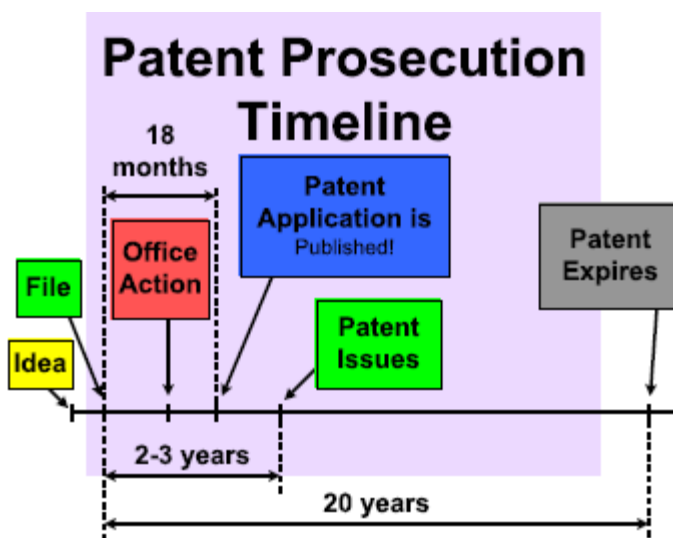


Fig 1. Patent Prosecution Timeline showing the full 20-year patent term

Oftentimes, in order to comply with the one year anniversary from the disclosure date in the US, companies that are coming close to the bar date might find the “quick and easy” nature of provisional applications to be more advantageous than filing a non-provisional application ( a regular application) As a simple, inexpensive version of a regular non-provisional patent application that sometimes can be drafted by the client, a provisional does not require claims or a declaration, but still allows the applicant to claim an early priority date for any subsequently filed applications. The provisional has the benefit of an additional priority year separate from the 20-year patent term, giving companies an opportunity to extend their patent terms, which can prove highly lucrative in drug industries, for example, where patents are most valuable at the end of their terms. Establishing an early priority or filing date has strategic value by preventing the development of prior art against the applicant’s case from later publications or other disclosures. In addition, R&D projects usually develop over time, so a provisional would not only defer examination of the invention for up to a year, but also circumvents the need to wait for a technology to be fully developed. Within a year, a series of provisionals can be filed after each new technical development. The non-provisional consequently claims priority to each provisional, thus obtaining the earliest possible priority dates for each development in the invention.

By petitioning, a provisional can also be converted into a regular application, instead of filing a separate non-provisional within the 12-month pendency period. However the patent term resulting from such a conversion will be measured from the filing date of the provisional. Considered as a regular national filing, a provisional only establishes a domestic priority date for the later filed regular application. Thus, the applicant has twelve months from the filing date to file an application abroad or under the PCT to preserve priority rights. In the absence of a later-filed non-provisional application, the provisional expires after its 12-month pendency period.

The tactical value of provisional applications makes it good strategy for highly competitive industries; however, the applicant's legal rights to priority are only as good as the priority document. A poorly written provisional can provide a dangerous false sense of security, when in fact the applicant's patent rights are not protected. Like late-filing exceptions, the provisional application offers a possible strategy to ensure one meets application deadlines; however, as shown, these tactics also entail disadvantages and risks for the applicant's patent rights. Unless greater strategic value may be gained, it is legally advisable to avoid such risks by filing a regular application as early as possible and to adhere to regular USPTO deadlines.

<sup>1</sup> See Brenda Sandburg, *Suit Contends Crosby Heafey Botched Paten*, The Recorder, 28 April 2004.

<sup>2</sup> See *The Handbook on Patents and the Patent Process: Volume I*, 2002