

Provisional Patent Applications Versus Utility Patent Applications

May 11, 2017

by David E. Rogers

I. Provisional Patent Applications.

Provisional applications were introduced in the United States in the Inventor's Protection Act of 1995. The purpose was to facilitate a quick filing, if necessary, to establish a priority filing date and salvage potential patent protection if an invention was on the verge of being publicly disclosed or offered for sale, either of which can bar patent protection.

A provisional patent application, in contrast to a utility patent application, can never mature into a patent. The United States Patent and Trademark Office ("USPTO") conducts no prior art search for it, and it is never prosecuted or examined, other than to verify that it satisfies minimal filing requirements. A provisional application buys additional time (up to twelve months) to prepare and file a U.S. utility application and foreign applications, all of which can mature into patents, and which can claim "priority" to the provisional patent application. That is the purpose of a provisional application: to place a stake in the ground establishing a priority filing date for later-filed applications.

There is a right way and a wrong way to prepare a provisional patent application.

A. The Right Way to Prepare a Provisional Application.

There are two ways to prepare a provisional application depending on the time available:

1. **Make It as Thorough as a Utility Application.** If time permits, prepare a provisional application as you would prepare a utility application, including claims (or specific "statements" or "examples" of the invention). Include a thorough, detailed description of the invention, and all required drawing figures. The claims/examples/statements should preferably be prepared in multiple-dependent form to define numerous permutations for use in later-filed applications, especially foreign applications, which will claim priority to the provisional application.

2. **A Kitchen-Sink Fast Filing.** Alternatively, if you have a looming deadline, use a provisional application for what it was originally intended – a fast filing, including all available information about the invention, regardless of format or cohesion, when there is no time to prepare a thorough, detailed application. The information included in a fast-filed provisional application could include things such as marketing materials, press releases, CAD drawings, hand sketches, web pages, and slide presentations. Before filing, be careful to cull business-sensitive material unrelated to the invention.

B. The Wrong Way to Prepare a Provisional Application.

Even though time permits to prepare a thorough application, you use a provisional application as an "inexpensive" alternative to a U.S. utility application. You include only a brief, sketchy description of the invention without a complete set of drawings, and do not include claims or specific examples/statements of the invention. The problem with this approach is that the sketchy provisional may not provide adequate support for later-filed U.S. utility applications or foreign applications.

II. Utility Patent Applications.

A utility patent application can mature into a utility patent. Utility patents protect any new and useful process, machine, product, or composition of matter. A utility patent application is prosecuted and examined by the USPTO, which conducts a prior art search and analysis to determine if the claimed inventions are novel and non-obvious.

A. **There Is Only One Way to Properly Prepare a Utility Patent Application: Make it as Thorough as Possible.**

A utility patent application should include (1) a thorough, written description of the invention with as broad a scope as practical, including specific statements/examples of the invention in multiple-dependent form to describe numerous permutations for potential use in later-filed U.S. and foreign applications,¹ (2) any required drawing figures, and (3) a thorough set of claims.

B. **Remember the Purpose of a Utility Patent - Look Ahead to Profits, i.e., Sales, Licensing, and Enforcement.**

A utility patent creates a barrier preventing legal entry into the technology sector defined by the patent's claims. The patent owner has the right to operate exclusively within that sector and to stop any trespass (called "patent infringement") into it. This means the patent owner can exclude others from making, using, selling, offering to sell, or importing products or services covered by the patent for a period of up to twenty years from the effective filing date of the patent application that matured into the patent.²

The value of a patent is based largely on the same factors that determine the value of a parcel of land, namely its size and location.

The value of a patent is based largely on the same factors that determine the value of a parcel of land, namely its size and location. The size of a parcel of land is determined by physical boundaries, and its location is determined by factors such as proximity to shopping, its school district, or the view from the backyard. The "size" of a patent, which is also called its "scope" or "breadth," is determined by the words used in the patent, particularly in the claims, to describe the invention. A patent's "location" is the inherent market value of the invention being protected. As with a parcel of land, the larger the "size" of a patent and the more desirable its "location," the more valuable the patent, and the greater the potential revenue from selling products/services falling within the patent's scope, selling the patent, licensing the patent, or enforcing the patent against infringers.

A patent's mere existence can monopolize a technology sector.

¹ **If** the utility application is the first-filed application disclosing an invention, it will be the priority document for any later-filed foreign applications for the invention. **If** the utility application is **not** the first-filed application, i.e., it claims priority to an earlier-filed provisional application or an earlier-filed utility application, it cannot be the priority document for later-filed foreign applications for the invention.

² The effective filing date is the earliest priority date claimed in a utility application. If the effective filing date is the filing date of a provisional application, the time between filing the provisional application and filing the utility application that claims priority to the provisional is not included in the patent term for any resulting utility patent.

The patent owner may protect the patented invention regardless of whether the owner provides products/ services. ***That is the power of a patent - its mere existence can monopolize a technology sector.*** You can generate profits by licensing, selling, or enforcing rights in the patent without ever providing products or services, or dealing with vendors, customers, employees, or regulatory agencies.

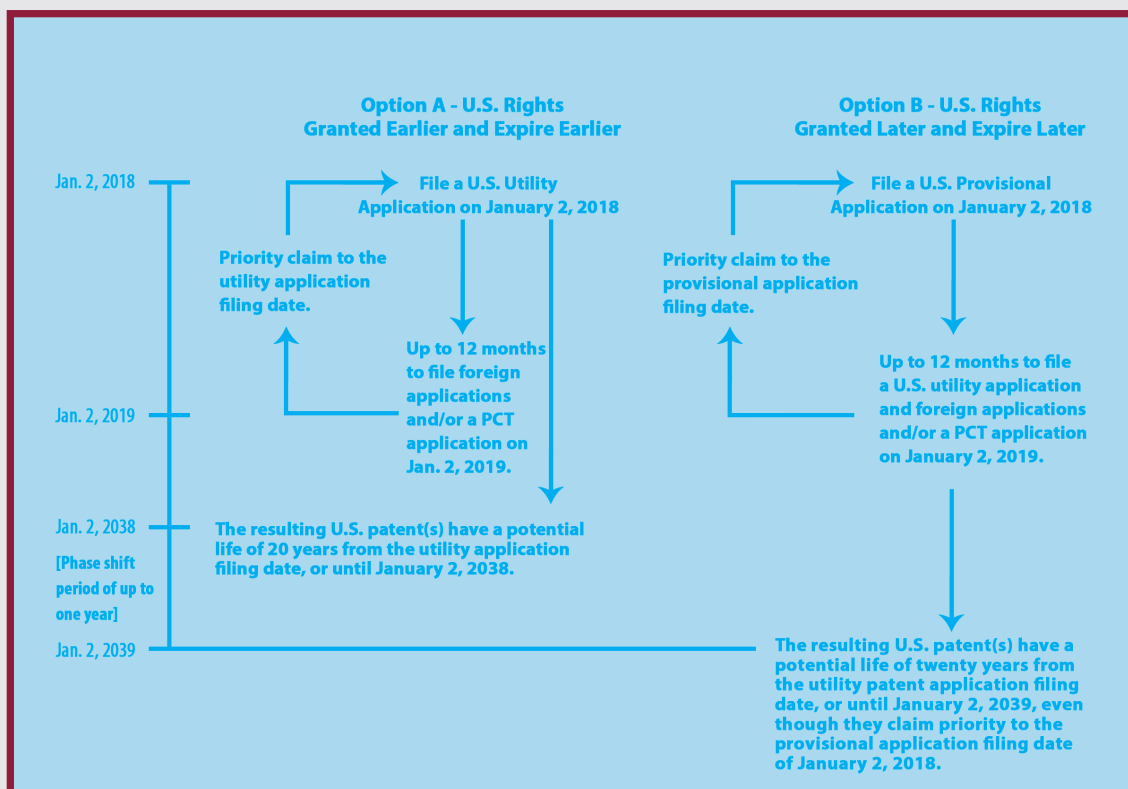
III. Why Prepare a Provisional Application if Time Permits to Prepare a Utility Application?

There is no logic in preparing a sketchy provisional application if time permits to prepare a thorough application - either provisional or utility. But there are reasons to file a thoroughly-prepared provisional application instead of a thoroughly-prepared utility application.

Three considerations when opting between a provisional or utility application are: (1) phase shifting; (2) delaying U.S. prosecution costs; and (3) buying time to avoid any additional costs by (a) potentially abandoning the invention, or (b) protecting the invention as a trade secret.

A. Phase Shifting: Adjusting the Patent Period by Up to One Year.

Do you want a U.S. patent to issue quickly, or would you prefer that it issue later, and that its rights extend further into the future? You can opt to file a utility application first, in which case you would likely obtain a patent earlier, but the patent would expire earlier. Alternatively, by first filing a provisional application, and then filing a utility application claiming priority to the provisional application, any resulting utility patent would likely issue later, but its rights would expire later. A phase shifting example is shown below. Option A begins with filing a utility application and Option B begins with filing a provisional application:



B. Delaying U.S. Patent Prosecution Costs.

Filing a provisional application first also provides the benefit of deferring the costs of prosecuting a utility application in the United States (but not in foreign jurisdictions). Provisional applications are not examined and there is no prosecution. You can wait up to one-year after filing a provisional application to file a U.S. utility application claiming priority to the provisional, and then begin to incur U.S. prosecution costs. Foreign applications, however, must be filed within one year of the first-filed U.S. application, whether it is a utility application or provisional application. So, regardless of whether you first file a U.S. provisional or U.S. utility application, the deadline for foreign filing and the timing for foreign prosecution costs are the same.

C. Protect the Invention as a Trade Secret and Avoid All U.S. and Foreign Filing and Prosecution Fees.

A provisional application is never published and is not publicly available unless (1) a U.S. utility application or foreign application that claims priority to the provisional application is *published*, or (2) a U.S. patent that claims priority to the provisional application *issues*.³ After filing a provisional application, you may decide that the invention is not worth the additional costs of pursuing patent protection, and/or that it can be better protected as a trade secret. In either case, you could elect to not file a U.S. utility application or foreign applications, no additional filing fees or prosecution fees would be incurred, and the invention could potentially be protected as a trade secret.

IV. Conclusion.

If there is no time to prepare a thorough, detailed application, file a provisional application with as much information about the invention as possible. If you have time to prepare a thorough application, the selection of a provisional patent application versus a utility patent application should be strategic and consider phase shifting, delaying/avoiding prosecution costs in the U.S., and allowing additional time to decide whether to protect the invention as a patent or as a trade secret.

³ This would be a situation in which a U.S. utility application is filed with a non-publication petition, in which case the right to foreign file the application is forfeited.



David E. Rogers
602.382.6225
drogers@swlaw.com

Dave Rogers is a registered patent attorney with over 20 years of experience. He practices patent, trademark, trade secret and unfair competition law, including: litigation and arbitration; trademark oppositions, cancellations and domain name disputes; preparing manufacturing and technology contracts; and patent and trademark preparation and prosecution.