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3 Must-Knows For Provisional Patent Applications

By **Matthew Bultman**

Law360, New York (August 10, 2017, 8:06 PM EDT) -- Provisional patent applications have taken on increased significance in recent years and can be a savvy business move and help inventors stake a claim to an invention, but if not done right, provisionals can leave applicants with no protections or, worse yet, undermine their patents down the road.

Provisional applications are often thought of as a placeholder for applicants to secure an earlier filing date at the U.S. Patent and Trademark Office. The applications, which include a description of the invention but don't need formal patent claims, allow inventors to say they have a "patent pending" for up to 12 months, before a full application must be filed.

Attorneys say provisional applications have been utilized more since the passage of the 2011 America Invents Act — switching the U.S. to a first-to-file system — since inventors can no longer rely on evidence that they were the first to invent something to obtain a patent.

"Now, more often than not applicants are filing a provisional application to get the early filing date and then deciding within a year whether they want to go through the whole patent application process," Ice Miller LLP attorney Douglas Duff said.

Here's what you need to know about provisional patent applications.

When to File

There are several things that must be accounted for when considering when to file a provisional application. Marcie Clarke, a partner at McCarter & English LLP, said this includes "both the formal requirements and more importantly I think the business strategy of your client."

Startups and other companies, for instance, might have an invention they want to make public to generate buzz and attract investors. But it might not be a good idea to show off your invention at a trade show or in a presentation, even behind closed doors, without protecting your rights.

"Some benefits of filing early and often are that your IP rights are solidly protected and you can disclose, after the provisional is filed, your most current invention and research without fear of losing your rights," Clarke said.

For those on a tight budget or in need of a quick turnaround, a provisional application is an attractive alternative to a full one, which can often take longer and cost more to put together.

“You can secure your priority date early, you can put as much effort into it as you’re able to and you can do so without necessarily having to meet all the formalities and incur all the costs with a full application,” said Jeffrey Snow, co-chair of the patent prosecution practice at Pryor Cashman LLP.

There are also times when research and development is ongoing. If that’s the case, applicants might want to file what are referred to as “rolling” or “serial” provisional applications, capturing follow-on inventions or improvements as they come about.

“By the end of that 12-month period you can then file your utility application and claim priority to all of those rolling provisions and maximize your patent term with respect to each species of disclosures,” Clarke said.

To be sure, there are times when companies might be advised to go straight to a full application and bypass the provisional stage. But Les Bookoff, co-founder of Bookoff McAndrews PLLC, said filing a provisional application would rarely be considered a bad idea.

“It matters most that, if one is filed, one, what’s its content and two, what are you going to do afterwards based on that provisional,” Bookoff said.

What the Benefits Are

Let’s go back to costs for a minute.

Filing a provisional application with the USPTO costs $260 for certain applicants, whereas a formal application will run that same applicant $1,600, including search and examination fees. Depending on the scope and detail of the provisional, the money spent preparing it can also be much less.

For cost-conscious companies and entrepreneurs, this can be appealing, especially when they are considering a new technology and there are questions about whether it will be patentable or whether customers will even be interested in purchasing a product.

Once the provisional application is on file, the one-year window it provides can be used to test the market or further investigate prior art to see whether it is worth investing the additional time and money into a nonprovisional application.

“That provisional application acts essentially as a placeholder where you can file it and get the benefit of that filing date before you’ve conducted all of this investigation and development,” Duff said.

By putting your stake in the ground and securing that filing date as soon as possible, there is less risk of a competitor scooping you and beating you to the patent office with an application for a similar invention. Also, inventors who wait to file could find that additional prior art — like a journal article, for instance — has been published and renders their invention unpatentable.

For some companies, such as those in the pharmaceutical industry, provisional applications can also be a tool to maximize their revenue.

The term of a patent — 20 years for utility patents — is measured from the filing date of the nonprovisional application. And when it comes to drugs, the last days of a patent term can be worth millions of dollars, much more than the early stages when the drug is still in development.

“What many drug companies do is file full-blown provisionals, wait one year, and convert it to a nonprovisional,” Bookoff said. “This gets an extra year of term. If you would have filed it originally as a nonprovisional, your 20 years would have been up one year earlier.”

Where Potential Pitfalls Lie

Even with a provisional application, there are certain patentability requirements, like including a written description of the invention and how to make it. If these requirements aren’t met, the applicant won’t be entitled to the provisional’s earlier filing date.

“That, to me, is one of the biggest potential pitfalls with provisionals,” Bookoff said.

Deficient applications could lull applicants into a false sense of security, thinking they’ve nailed down the early filing date when, in reality, the application isn’t going to protect their rights. While time constraints might dictate an application be relatively lean, it still needs to be complete.

“You want to look at what’s going to be filed to make sure there is sufficient disclosure there,” Snow said.

Duff also warned about the possibility that, in a rush to get a provisional out, something is said in the application that might contradict what will be argued in the later application. Contradictions have the potential to be ammunition for a finding later on that the actual patent is invalid.

“[The big picture] should be clear at the provisional filing stage ... you don’t want to have any contradictory information that comes out of the file history, because that can be used to potentially invalidate the patent should one issue on the nonprovisional application,” Duff said.

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