

Global Patenting: Strategies for Controlling Costs

Obtaining patent protection in multiple countries is important in a global economy but can be a very expensive endeavor. Foreign patent filing decisions should take into account all of the potential additional costs associated with filing, prosecution, and annuity fees, as well as translation and legal service costs for hiring patent practitioners in each jurisdiction. Because the costs associated with obtaining foreign patents are significant, strategies that control, delay, consolidate, or minimize costs are necessary. Here we summarize strategies for obtaining foreign patent protection in a cost-effective manner.

Determine whether foreign patent protection is necessary

Identify where the product covered by the patent will likely be sold and manufactured, including potential markets, manufacturing and distribution centers, licensees and/or partners, and where competitors are seeking patent protection. Also consider the strength of the patent enforcement system in particular countries. By considering these factors in decision making, costs can be controlled by limiting the patent filings to critical countries.

Consider a PCT application to defer costs and foreign filing decisions

Direct national filing, regional filing, and using the Patent Corporation Treaty (PCT) are three approaches for seeking foreign patent protection.

If a patent is needed in only a few foreign countries, it may be cost-effective to file directly in each country or file one application in a regional office, e.g. Europe, although filing costs can be substantial and cannot be deferred. In situations where foreign filing decisions have yet to be made or to defer costs, a PCT (“international”) application should be considered. Use of the PCT can defer national filings and the associated costs for at least 18 months, and also provides a search report and a preliminary opinion directed at the patentability of the claims.

Drafting the application with a eye on foreign practices can help control prosecution costs and the final outcome

There are differences between the U.S. Patent laws and the laws and practices in many foreign countries. Thus, the same application can lead to different results in different countries. Some countries also charge significant fees for pages and claims over a set limit. Longer applications also lead to larger translation costs. Drafting an application with these factors in mind can lead to reduced prosecution costs and, more importantly, robust global patent protection.

Evaluate portfolio on a continuous basis

Maintaining patents is expensive. Regular reviews and “pruning” of an IP portfolio by selling or abandoning assets to match an IP strategy can dramatically reduce the cost of a global patent portfolio.

While any of the above factors can help reduce overall patent filing costs, it is important to consult with a patent attorney to ensure that any deadlines and necessary requirements regarding the application are met.

About MBHB

At McDonnell Boehnen Hulbert & Berghoff LLP ("MBHB"), we provide creative, pragmatic business solutions through a variety of intellectual property services, including litigation, prosecution, and general client counseling.

MBHB’s practice areas encompass all aspects of intellectual property law. We have practical experience in a myriad of technology areas. Our attorneys are experienced in the procurement, licensing, enforcement, and defense of patents, trademarks, copyrights, trade secrets, and unfair competition actions in a number of technological disciplines and product categories including biotechnology, business methods, chemical, electrical, mechanical and materials, pharmaceuticals and diagnostics, software and telecommunications.

By Emily Miao, Ph.D., Daniel F. Gelwicks, and Steven J. Sarussi, MBHB