Avoiding An International Incident:

The Basics of Foreign Patent Protection

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When a new client approaches me seeking a patent on a concept, one of the first questions I usually receive is whether our U.S. patent will provide worldwide protection. The short answer is *no*--it will not provide protection in any country other than the U.S. once it is granted. However, I quickly reply with my own question: have you publically disclosed your concept yet? More on that later.

I then proceed to explain how every country or region has its own patent system, and that the concept must be independently filed in each country or region (along with the requisite filing fee) where it will be examined, granting into a local patent. Practically speaking, very few enterprises can afford to file a patent in every country on earth. The filing fees alone would add up to six figures, while the attorney fees and other handling costs could easily push that amount to close to seven figures over the life of the patent. Nor do all countries truly respect IP, making filing there a waste of time/money.

Nevertheless, many concepts may benefit by selected foreign patent protection. For example, for many enterprises, Europe is a natural candidate for filing. Japan, China, Canada and other British Commonwealth countries may also add business value from a patenting standpoint. In many cases, investors and venture capitalists may attach critical importance to the availability of foreign patent rights, looking at the broader future for the new company they wish to invest in.

For most start-up enterprises, and many well-established ones, the filing of patent protection in wide range of jurisdictions may be cost-prohibitive. Moreover, foreign filings must occur within one year of the initial U.S. filing gaining the benefit of that first U.S. filing. That is, foreign filings are treated as if they were filed on the same day as the U.S. filing.

This is important because any public disclosure that occurs before the patent's effective filing date usually destroys any right to file abroad. This is why I always ask if there has been a public disclosure. If one avoids publically disclosing the concept—for example, putting a paper out on the web before the U.S. filing—then foreign options remain open. The details as to what constitutes a public disclosure in the U.S. and Europe are rather complex, and will be left for the subject of my next article.

Assuming that foreign rights have not been lost by a premature disclosure, and we remain within the one year grace period for foreign filing following the U.S. filing date, then a decision must be made as to how to appropriately file abroad.

For most clients, the best option is a vehicle called the Patent Cooperation Treaty or "PCT" application. Virtually all nations and regions are signatories to the PCT. It allows the door to be held open for subsequent foreign filings in the various countries and regions, giving the applicant a breathing space of about eighteen additional months before that decision and significant cash outlay must be made. Often this is enough time to determine if the invention is viable and whether investment capital will be available to undertake this process.

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During a PCT application's pendency, it will never mature into a patent itself, but it will be examined according to international standards, giving the client a better idea of whether their invention can receive a strong patent.

Currently, the cost is anywhere between $6,000 and $8,000 to file a PCT at prevailing exchange rates. This may be a good investment when faced with the alternative of tens of thousands in immediate cash outlays to initiate a direct foreign filing program.

In any case, foreign patent protection can be a valuable part of an enterprise's assets. The appropriate filing strategy and the countries in which to file should always be carefully planned. Likewise, the input of a patent counsel in forming the strategy is critical.