

Should I Pay Extra to Get the Patent Faster?

This Patent Stuff and My Semiconductor Business – Part 18

Welcome to this post about patents and chips. Not a lot has been written about this combination, but there is a lot to know, especially for the innovators and entrepreneurs themselves. In this three-weekly series, I talk about various aspects, from a dual perspective of a patent agent and a semiconductor entrepreneur. If you like the article and read it on LinkedIn, give it a thumbs up, and/or click on Follow. If you like to work with us for your next patent, "contact us" info is on www.icswpatent.com. You can also subscribe/unsubscribe for short email alerts when the next post is available.

Everybody knows that patent applications can take years before they're granted. Sometimes 2 to 4 years. Annoying, right? Not everybody knows that you can pay the patent office (at least in the US) to speed up the process. For a company with under 500 employees it is about \$2000, and it can get the process accelerated to a target conclusion within one year. Do you want it?

Actually, in Brazil and some other countries, getting a patent can easily take eight years, i.e. longer than eternity in the semiconductor universe. I once spoke with Leonor there, the long-time owner, face, and voice of a patent law firm. She told me half-jokingly that nobody really cared. She clarified that a pending patent provides the same deterrence against copying as an issued one, and issuance only brought costs with it. I thought that was an interesting view!

Could the same be true in the US? And in similar jurisdictions? And if so, is there more to consider?

In the US, waiting can save you money. For instance, during the 1-year duration of a provisional application, nothing much needs to be happening, so you pay for nothing much. But your patent is pending, and you can let competitors know that they risk their shirt if they copy your invention. Then you file, say, only a US non-provisional application that is based on the provisional. Filing costs money of course. Now you wait for USPTO to respond. Let's say you're lucky in that there are no office actions. In a first scenario, USPTO sends you a notice of allowance (NoA) within 6 months (it happens sometimes) and in a second scenario, it sends you a notice of allowance after 3 years. When you get the NoA, you need to pay for issuance (currently \$600 if you have less than 500 employees), and the clock starts for maintenance fees. At the current rate, those are \$1000 at 3.5 years, \$1880 at 7.5 years, and \$3850 at 11.5 years. So the timing of about \$7000 to \$8000 in fees is tied to the time of issuance of your patent. Do you want to pay those sooner (scenario 1) or later (scenario 2)? Do you want to pay \$2k to pay the \$8k up to 2.5 years quicker?

How about other countries? There are quite a few countries where you can file your patent application, but can wait filing a request for examination. There's of course a limit to how long you can wait. Most countries also have maintenance fees (often called annuities), but unlike in the US, their timing may be tied to the moment of filing instead of the moment

of issuance. In those cases, pushing out examination doesn't help you to push out maintenance fees, but of course it pushes out costs related to the prosecution of the patent. I.e., patent practitioners wrestling with examiners and with your finance department. The cost of prosecution can add up, especially if you pursue a software patent.

Why on earth would anybody want to pay for prioritized examination??

Well, there are circumstances in which it makes sense.

One case is when you are arranging financing of your company, and you expect that your VCs will be a lot more interested when you have an issued patent than one that is pending. A pending patent may not get allowed, and out goes the illusion of protection. VCs can afford to be highly critical. They probably cannot afford not to be highly critical.

Another case is when you're getting the patent in multiple countries or jurisdictions. When you file a patent in five different countries, you may have to defend it in five different countries, and pay for five times prosecution. That can become expensive. But, if one country is done quickly, resulting in an issued patent, then other countries may lean on those results via a bunch of bilateral agreements between countries, collectively called the Patent Prosecution Highway (PPH). Using this program can result in significantly lower international costs for prosecution, and that can make the \$2k investment for prioritized examination become almost a no-brainer.

Upcoming:

19. How Many of Those Patent Office Actions Should I Budget For?
20. My Company is Located in Brazil. How Do I Manage Patenting Worldwide?
21. Why China Is Important for My Chip Patent
22. Do I Really Need to Spend So Much Time to Get the Patent?

Published so far (find the articles on www.icswpatent.com or #ThisPatentStuff):

1. So You Got This Great Idea That Will Wipe Out Competition. Now What?
2. Developing an IP Protection Strategy for Your Semiconductor Company – PART I
3. Developing an IP Protection Strategy for Your Semiconductor Company – PART II
4. In What Countries Should I Patent, Anyway?
5. Choosing the Right Patent Person for Your Inventions
6. How is a Chip or Firmware Patent Different than Other Patents? What About a Software Patent?
7. Woohoo! I Invented a Huge Improvement over My Competitor's Invention!
8. I'll Be A Billionaire Soon Enough. But Now I'll Just Buy This Book on Patent Writing on thriftbooks.com.
9. My CTO Can't Explain His Invention to Me. But He Is the Smartest Guy in the World.
10. Should I Do a Provisional, Non-Provisional, Or a PCT?
11. What Makes an Inventor, and How Can I Stimulate Innovation?
12. My Invention is Vital for My Business Plan. But I Don't Have Much Money Yet. How Can I Save?

13. I Want to Protect It Now, But Am Still Working Out Architecture Details. Can I Add Those Later?
14. I Want to Use an FPGA Before an ASIC. Can It Be One Patent?
15. How Do I Know If My Invention Is Patentable?
16. How Do I Screen My Employee's Invention Before Deciding on a Patent?
17. A Prior Art Search Before Filing the Application
18. Should I Pay Extra to Get the Patent Faster?

Disclaimer

Please do not construe anything in this article as legal advice: it isn't. The article contains my private opinions, based on experience as a semiconductor industry entrepreneur and as a patent agent fighting for the inventor and the entrepreneur. If you need a strong patent on your circuit and/or system, I might be your guy.

© 2021, Andy Grouwstra

www.icswpatent.com