



USPTO ANNOUNCES PILOT PROGRAM FOR EXTENSION OF PROVISIONAL PATENT APPLICATION TIME PERIOD

New Program May Provide More Time to File Regular Patent Application – But The Risks of Provisionals Still Remain

There is an old adage, “if it sounds too good to be true, it probably is” This adage certainly applies to dealing with government agencies such as the U.S. Patent and Trademark Office (USPTO). Those who use the patent system to file and obtain patents for valuable inventions and technologies may be intrigued by the recent USPTO announcement of a new program that – on its face – seems to provide additional time to file non-provisional patent applications. Specifically, the program purports to provide for a twelve-month extension of the time for patent applicants to file a non-provisional patent application (NPA) claiming priority to an earlier-filed provisional patent application (PPA).

On December 8, 2010, the USPTO issued a press release titled as follows: “USPTO Implements Pilot Program Effectively Allowing a 12-Month Extension to the Provisional Patent Application Period.”¹ A twelve month extension for provisional patent applications sounds too good to be true! And regrettably it is – the title suggests a much bigger benefit than is really provided.

A close reading of the Pilot Program press release reveals that the ostensible benefits of the program are not as great as one might think. Like so many other things with laws and regulations, you have to read the fine print.

First, here is a refresher about provisional patent applications (PPAs). The U.S. Patent laws (35 U.S.C. § 111(b)) provide a mechanism called a “provisional patent application” (a/k/a “PPA”) that supposedly – with certain



¹ See http://www.uspto.gov/news/pr/2010/10_62.jsp. See 1362 OG 44 04JAN2011 and 75 Fed. Reg. 76401 (Dec. 8, 2010) for the Federal Register Notice.

significant limitations – allows patent applicants to file a patent application that lacks certain formalities but still start the process of obtaining a patent. Under the PPA provisions, a patent applicant who files a PPA can within a year of filing the PPA file a corresponding regular or “non-provisional” patent application (NPA) that satisfies the formalities but maintains the benefit of the filing date of the PPA. The filing date of the PPA can be very important in determining what prior art might be available to cite against the patentability of any invention disclosed in the patent application.

There is a widespread belief that the PPA approach allows patent applicants to defer the potentially significant costs of preparing a high quality, comprehensive, and legally compliant patent application. This is not really true. Many patent applicants do not appreciate the significant limitations with PPAs. As a result, some patent owners fail to obtain quality patent protection for potentially valuable inventions. These limitations are the subject of many articles by many attorneys and are beyond the scope of this article.



Very often, patent practitioners – even after repeatedly warning their clients about the risks and problems with PPAs – have clients who wait until the last minute before the one-year deadline before starting work on the NPA. Instructions to the patent attorneys are often belatedly provided, and a frenetic effort is often required under a strict time gun to make a quality NPA filing. This last minute effort often results in stress on the

inventors in assembling the required materials (drawings, written description, and claims) for a high quality and compliant NPA. The last minute effort also stresses the attorneys who must scurry around in a “fire drill” to help the client prepare the best possible application in a limited period of time.

While a “fire drill” last minute patent application may result in a lower cost NPA – simply because there is not much time to run up a big cost – the quality of the end product can suffer for the same reason: there is not enough time to carefully consider the issues, understand the protection that is available in view of the prior art, ensure that there is a complete written description that is enabling to one skilled in the art, and write a good set of claims. It is axiomatic that good claims should be presented in a patent application as early as possible in the process. In order to be valid and valuable, the claims of a patent application must avoid the prior art and cover the most likely competitive workarounds. This takes time and skill.

In short, not having enough time to do a thorough job, even if it costs less, may in the long run be more costly in many respects – such as the failure to obtain a valid patent.

One of the most significant limitations with PPAs is the legal requirement that, in order to obtain the benefit of the PPA in a corresponding NPA, the PPA must contain a full written description of the invention that supports the claims that are ultimately presented and hopefully allowed in the later-filed NPA. (See 35 U.S.C. § 112, first paragraph.) This means, in essence, that the PPA must contain all of the required technical details, explanation, drawings, and claims to evidence possession of the invention at the broadest level legally available, but also at a narrower level likely to survive a validity attack in litigation.

But if all this work and technical detail is done for the PPA, what is the point of even filing a PPA? Why not just file the NPA if the work is already done? These are very good questions. Many patent practitioners disdain provisional patent application for the very reason that the process lulls patent applicants into a false sense of security that “the PPA provides me good protection until I have more time and resources.” The PPA process tends to make people think they have more time than they really do to prepare a good quality NPA.

There is an explanation here, but beyond the scope of this article. The explanation mainly pertains to the primary purpose of a PPA – to provide relief from certain formalities for an NPA, but not from the primary legal requirements of written description, enablement, etc., which are set forth in the patent laws (35 U.S.C. § 112, first paragraph). A PPA is not exempt from this provision in the statute – which some people filing PPAs seem to ignore or readily forget.

One year to convert a PPA into an NPA is not really a lot of time, especially for startup ventures and small businesses that may not be far enough along in one year to make heavy investments in building a formidable IP portfolio. Having additional time to prepare an NPA sounds like a great idea.

So, the recent USPTO Pilot Program announcement created a sense of excitement about possible relief from the potentially burdensome and expensive NPA compliance requirements. The program will, accordingly to the words of the press release, effectively provide a 12-month extension to the existing 12-month provisional application period. This extension is supposed to provide patent applicants additional time to find financial help, evaluate a product’s worth in the marketplace, or further develop the invention for commercialization. The benefits are achieved by a change to the “missing parts practice” that will provide twelve additional months to perfect a non-provisional patent application. The problem is – the Pilot Program does not provide benefits that seem all that attractive.



Because the program is a “pilot” program and not yet permanent, applicants who wish to

obtain this additional twelve months must file an NPA no later than 12 months after the PPA filing date – the basic requirement to file something by the one year date is still there – and they must file a request for delay in payment of the search and examination fees. This request must take the form of a certification in a form proscribed by the USPTO. (Form PTO/SB/421, see <http://www.uspto.gov/forms/sb0421.pdf>).

The delay in payment of the search and examination fee in many cases is not a significant benefit in the grand scheme of things. Any U.S. utility patent application (NPA) requires the submission of three official fees upon filing: an application fee, a search fee, and an examination fee. Failure to include all three fees upon initial filing of an NPA will draw a “missing parts” notice from the USPTO. This sets a deadline for paying all the official fees plus a surcharge for late filing. The application fee cannot be avoided in the Pilot Program – only the search fee and examination fee are deferred. It is this “missing parts” requirement that is addressed in the Pilot Program – to some degree.

Here is where the fine print comes in: if accepted into the Pilot Program, all that the applicant really obtains is an additional twelve months to pay the search fee and examination fee. The program merely provides an extension to provide those two relatively minor “missing parts.” For a company with more than 500 employees (not a “small entity”), this is a total of \$760.00. For a small entity, this is a total of \$380.00. This is not a huge savings compared to the cost of preparing a good quality patent application. And there is no relief from the requirement to file a complete and enabling patent application, containing all the technical details required by the patent statute. That is where the real cost could and should be deferred – but the Pilot Program does not defer that expense.

Here is some further “fine print” that reveals the Pilot Program’s significant limitations and risk of being misunderstood:

- A nonprovisional application in the Pilot Program must have a specification including at least one claim and a drawing(s) if necessary for an understanding of the invention in order to be entitled to a filing date and thus be eligible for the program. This is a requirement of the patent laws (see 35 U.S.C. 111(a)) and thus cannot be changed by USPTO regulation.
- The applicant must submit the basic filing fee, an executed oath or declaration of inventorship, and application papers that are “in condition for publication.” These requirements alone show that the benefits to applicants are limited – the application will be published at the 18-month point, and one must still submit a declaration and publishable papers. There is no relief from these requirements. Failure to comply with these requirements will draw a separate “missing parts” or “defective parts” notice which will not be deferred under the Pilot Program. (As mentioned above, all that is really deferred is the search and examination fees.)
- Here is the real issue: Any nonprovisional application in the Pilot Program as originally filed must have a complete disclosure that complies with the enablement and written description requirements of 35 U.S.C. 112, first paragraph, which

is sufficient to support the claims submitted on filing and any claims submitted later during prosecution. Under the law, new matter cannot be added to a patent application after the filing date of the application. (See 35 U.S.C. 132(a)). This is the real cost factor for patent filing – and the Pilot Program does not and cannot defer this.

- Similarly, there is no real relief in the Pilot Program from the requirement that the PPA on which the NPA is based must also contain a complete disclosure sufficient to support claims as required in the statute (35 U.S.C. § 112, first paragraph), or the filing date benefits of the PPA will not be available. Nor can there be, since this is statutory and not subject to USPTO regulatory change. There is a foundational court case that addresses this requirement – which should dispel any misconceptions that PPAs are a panacea for deferring costs of an NPA. See *New Railhead Mfg. LLC v. Vermeer Mfg. Co. et al.*, 298 F.3d 1290; 63 U.S.P.Q.2d 1843 (Fed. Cir. 2002), where a patent was invalidated because the PPA on which it claimed priority did not contain a disclosure that supported the claims sufficiently to avoid the prior art.
- The USPTO notice reminds that, “applicants may wish to consider the benefits of submitting a complete set of claims on filing of the nonprovisional application.” There is no relief in the Pilot Program from this particular burden and effort, since preparing good claims requires time and skillful effort – and careful thought.
- Another issue with the Pilot Program is that the applicant cannot request nonpublication of the patent application. One of the stated purposes of the Pilot Program is to add to the collection of prior art that can be applied against everyone, and remove applications for which applicants have decided not to pursue examination from the USPTO’s workload. This is clearly a benefit for the USPTO – but not for patent applicants².
- Finally, the Pilot Program certification form reminds that any foreign application (or international application) must still be filed within 12 months of the provisional application’s filing date if the applicant wishes to rely on the provisional application for priority in a foreign application (or international application). There is no relief from foreign filing requirements. If an applicant plans on an international patent program, then a full patent application meeting the requirements of international patent filing regimens must be filed before the one year anniversary of the PPA.

So, what are the real benefits of this Pilot Program? To borrow from William Shakespeare, this seems like “Much Ado About Nothing.” There seem to be few

² Some patent applicants may prefer that their possibly incomplete patent applications not be published at the 18-month period. In the U.S. patent laws, patent applications are published at 18 months after the earliest effective filing date, which is typically the PPA filing date. There is little benefit to a patent applicant from publication of a lesser-quality or incomplete application. By avoiding publication, an applicant can work on a higher quality application that includes a more comprehensive written description and thus improve the overall quality of the patent filing for aspects of the technology that might not have been fully described in the provisional application. The Pilot Program does not allow nonpublication and thus takes this deferred publication option off the table.

meaningful benefits for many patent applicants. There is effectively no relief from the unavoidable requirement that a quality patent application should be filed as early as possible, and that a PPA does not really buy much time, if any at all. There is no change to the basic conclusion that provisional patent applications do not really provide as much benefit as many have been lead to believe. There is no avoiding the fact that quality and valuable patent protection takes time and thought and effort.

It remains wise to prepare a thorough and quality patent application from the outset – and to realize that if one uses the PPA filing approach to patenting, or the Pilot Program, there are significant risks to quality of coverage and potential validity in the long run if anything less than the best is filed before any absolute deadlines such as a bar date. The Pilot Program, although it may have the benefits of deferred search and examination fees, does not seem to provide the advantages that may be suggested from a casual reading of the press release.

Those who wish to obtain high quality and valuable patents need to remember that the written description and disclosure requirements of the patent laws and the need for a good claim set are the driving factors, and not fall prey to the false comfort of cost savings from filing PPAs or using the pilot extension program.

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