Maxwells

Patent and Trade Mark Attorneys
& Intellectual Property Lawyers

Patents Information Memorandum

Information about filing patents in Australia and internationally

This memorandum provides information on the types of patents available in Australia, some common filing strategies that are often adopted and the costs of filing and prosecuting patent applications in Australia and overseas.

Types of Patents

There are three types of patent applications that can be filed in the Australian Patent Office. A brief introduction is provided in respect of each patent type as follows:

Provisional Patent Applications

Provisional applications establish a priority date, which is useful to prove you were the first to come up with a new invention. Think of a provisional application as a placeholder application. It is a relatively inexpensive way of staking a claim to your invention at an early stage.

However, filing a provisional application on its own will not result in patent protection. In order to obtain patent protection in Australia, you must apply for a complete application (standard or innovation patent applications) or file a PCT application. If you want to claim the date of filing of your provisional patent application, such a complete application needs to be filed within 12 months of filing the first provisional application that describes your invention.

A provisional application also gives you time to determine whether your invention is worthy of further time, money and effort associated with filing a complete application for a patent. You can do this by testing the market or conducting patent searches such as an International Type Search offered by IP Australia or a privately conducted patent search.

Some details of your provisional application, such as the invention title and applicant name, will be published in the Australian Official Journal of Patents and available

online. However, IP Australia does not publicly disclose any of the technical or scientific details of your application at this stage.

Standard Patent Applications

A standard patent is a complete patent application and can give rise to patent protection. Standard patents give you long-term protection and control over an invention. They last for up to 20 years from the filing date of your application (or up to 25 years for certain pharmaceutical substances).

The invention claimed in a standard patent must be novel, involve an inventive step and be able to be made or used in industry.

Being novel is a requirement that the invention is new and has never been disclosed in a publicly available document anywhere in the world or made or performed anywhere in the world.

Possessing an inventive step means that even if it is novel, the invention must additionally not be obvious to someone with knowledge and experience in the technological field of the invention.

Before a standard patent can be granted, the application will be examined by IP Australia to make sure it meets legislative requirements. Depending on the circumstances and the type of protection you are applying for, examination can take from six months up to several years.

Innovation Patent Applications

If you want protection for an invention with a short market life or one where it is an improvement on existing technology or even if you want a solid patent to assert infringement of in the marketplace, filing an innovation patent application is worth considering.

An innovation patent lasts up to eight years and is designed to protect inventions that do not meet the inventive threshold required for standard patents. It is a relatively quick and inexpensive way to obtain protection for your new device, substance, method or process.

The innovation patent requires an innovative step rather than an inventive step. An innovative step exists when the invention is different from what is known before and the difference makes a substantial contribution to the working of the invention. The

innovation patent protects an incremental advance on existing technology rather than being a groundbreaking invention.

An innovation patent is usually granted within months of filing the complete application. This is because there is no examination before it is granted.

An innovation patent is only legally enforceable if it has been examined by IP Australia and found to meet the requirements of the Patents Act 1990, and has been certified. Examination of an innovation patent will only occur if requested by the patentee, a third party or if the Commissioner of Patents decides to examine the patent. The patentee will not be required to pay for examination until it is requested.

International Applications (PCT Applications)

An Australian patent provides protection only within Australia. To obtain protection in other countries you generally have two choices:

- File separate Convention patent applications in each country. If you only intend to file in a few countries, this is usually the most cost effective option.

- File a single international application under the Patent Cooperation Treaty (PCT) which is administered by the World Intellectual Property Organization (WIPO). This path gives your application automatic effect in 150 countries, including Australia, where your PCT application becomes an application for a standard patent. However within a certain period of time, national phase applications must be made in the countries and/or regions you wish your application to proceed in. These additional fees make the PCT process more expensive, albeit the expenses are delayed somewhat.

Convention applications are filed in the patent office associated with the overseas country or region of interest, usually by overseas appointed patent agents. International Applications can be filed by us directly in Australia through IP Australia or a number of other receiving office's including Europe, USA or directly with WIPO in Geneva.

Irrespective whether you file Convention applications or a PCT application followed by multiple national phase entry applications, the rules of the overseas patent office will be used to determine the availability and scope of any patent protection. Many countries and regions differ on what can be patented and for how long.

Other Applications

Australian patent applications can also be filed as patents of addition and divisional patent applications.

Only a standard application can be filed as a patent of addition. A patent of addition is useful in circumstances where you may have received a patent for an invention and where you wish to obtain protection over an improvement to that invention. If filed as a patent of addition, the application is only judged against your earlier patent for novelty purposes only. Your original patent won't be used to judge whether your new application for the improvement is inventive over your old technology (which it may not be).

A divisional patent is one which has been filed off a pending application. If the subject matter disclosed is the same as the original application, it will obtain the same priority date. If new material is added the new material gets a priority date of the date of filing of new application. Divisional applications are useful during examination to get certain claims accepted and granted and have the remainder filed as a divisional application for argument with the examiner at a later date.

Both patents of addition and divisional applications retain the "date of the patent" of the parent patent application. Usually that is the date of filing of the parent application unless the parent itself is a divisional or patent of addition.

Priority Dates and Claiming Priority

As a general rule, the priority date for your invention is the date on which you first filed a patent application that described your invention in detail. Depending on the type of application that is filed, you can in certain situations claim the earlier filing date as the "priority date" of the later application. The general criteria for claiming priority include the following:

1. The invention as claimed in the subsequent application was described in the priority application;
2. The subsequent application is filed within 12 months of the priority filing; and
3. There was at the time of the priority filing, no valid and pending applications were in existence that also described the invention.

Notwithstanding the general criteria for claiming priority there are a number of additional rules and criteria that need to be met with respect to certain types of priority claims. These are set out in the following paragraphs:

An Australian provisional application can act as a priority document for many different types of applications as shown in Fig. 1 of this Memorandum. In particular, a provisional patent application can serve as a priority filing for: a standard patent application, an innovation patent application, an international or PCT application and also foreign filed Convention applications.

Innovation and standard Australian patent applications are less useful as priority filings as Australian legislation does not generally permit them to be used as the basis to claim priority for subsequently filed Australian patent applications. The only exception is for the filing of International or PCT applications designating Australia which can claim priority to an Australian innovation patent application or an Australian standard patent application.

If you think you would like to make a priority claim it is often best to go with a provisional application or standard patent application for this reason. If you have made a standard application these can be converted to a provisional application in certain circumstances.

In addition to Australian applications being used as priority documents, foreign filings can also be used to claim a priority date. For example, you can follow up the filing of a US patent application in Australian with an Australian application within 12 months and still claim the priority date of the US application. These Australian patent applications are known as convention applications when they claim a foreign priority date.

Making a priority claim can be important in fast moving fields where technology advances rapidly or where you wish to market the invention before filing a complete application or foreign patent applications.

Common Patent Filing Strategies

Reference should be made when reading the following to Figures 2 and 3 of the present Memorandum which sets out much of the following information in pictorial and flowchart form.

The usual starting point is to file an Australian provisional patent application which should describe your still secret or unpublished invention as it is then understood so that an early priority date for your invention may be established.

A provisional application is suitable when your invention is still at its experimental or prototype stage and more work needs to be done in refining or reaching a commercially viable embodiment of the invention. This option is suitable in most circumstances and costs around $3,500 for simple inventions to upwards of $7,000 for more complex inventions involving for eg. software, complex electronics or biological inventions.

Once a provisional application is filed, you have 12 months from its filing date to file a complete application. This generally means you have 12 months to do the work needed to determine the best method of performing the invention (i.e. its refinement and development into a commercially viable embodiment).

Within 3 months of filing a provisional application, an International Type Search may be requested of the Patent Office for a cost of about $3,000 (including patent attorney fees).

Before the end of the 12 month period from the of the provisional application, a complete application (which incorporates the extra details of the invention stemming from the further work) needs to be filed with the Australian Patent Office to retain the filing date of the provisional application as the priority date.

You may request that the complete application be for a standard patent for an innovation patent. If you wish to have your complete application examined much sooner rather than later and at minimal cost, but also wish to have your invention possibly enjoy patent protection for a 20 year term, then we recommend the filing of a complete application for an innovation patent together with a complete application for a standard patent.

If the 12 months period to file a complete patent application after provisional patent application is not long enough to complete the further work needed to determine the best method of performing the invention, the provisional application may be allowed to lapse (it is not published by the Patent Office in these circumstances) and a new provisional application may be filed to restart the clock with a new priority date.

However, the first provisional application should not be allowed to lapse if the invention has been made public since the provisional application was filed. Indeed any public disclosure needs to be followed up in Australia with the filing of a complete patent application within 12 months of that disclosure. Ideally, there will be no public disclosure before any application is filed in Australia.

The less usual starting point is to file a complete application at first instance without filing an earlier provisional application. You do this only if the invention is already refined and commercially viable and no further experimental work needs to be done.

As well as Australia, the complete application (whether it is filed within 12 months of a provisional application or at first instance) may be filed in other countries around the world. If it is desired to protect the invention in, say, four or more countries (including Australia) and those countries are signatories to the PCT, the better option is to file the complete application in the form of an International Patent Application under the PCT designating those countries of interest to you. For us to prepare and file such an International Application in good time to meet the 12 months deadline for retaining the priority date from a provisional application, we shall need to be provided with the updated details of the invention at least one month before the deadline date.

The cost for preparing and filing the PCT application within 12 months of a previously filed provisional application will be about $9,000. These costs are usually more if the PCT application is filed at first instance with no prior filings.

For those countries which are not signatories to the PCT, such as Malaysia, Thailand and Argentina, separate national applications may be prepared and filed at the same time as the International Application at an average cost of about $6,000 per country. A copy of the most recent list of PCT signatory countries is attached.

An International Search Report will issue from the Australian Patent Office (acting as the Receiving Office for the International Application) within a few months of filing the International Application and our costs for considering and forwarding that Report to you (along with any documents cited therein) will be between about $300 and $800 depending on whether we provide any advice along with the report. The International Application will be published by WIPO as a PCT application about 18 months after the priority date of the application.

The due date for entering the National and Regional Phases will be fixed at 30 or 31 months from the priority date. The only countries that require national phase applications to be made at 20 or 21 months now are Luxembourg, Uganda, United Republic of Tanzania. Thus the main costs of filing patent applications internationally can be pushed back a further 18 months after filing the PCT application (which itself is normally filed 12 months after a provisional or convention application).

The date you choose to enter the National and Regional Phases is very important for budgeting purposes as the costs for such entry are very high, notably, about $16,000

for the EPO nations, about $8,000 for Japan, about $6,000 for USA, about $3,500 for Canada, about $1,800 for New Zealand and about $2,000 for Australia, to provide but a few examples.

Once the International Application has entered the National and Regional Phases, it takes the form of a national or regional application in each of the countries or regions entered and becomes subject to the procedures (and costs) of the Patent Office of each of those countries or regions.

The date when each Patent Office will examine its respective application will vary. In Japan, for instance, examination of the application may not occur for at least 5 to 7 years, whereas in the USA it may be after 4 to 6 months. In Australia, if the complete application is for a standard patent, the Patent Office issues a Direction to Request Examination (usually after about 9 to 12 months) which signals that they are ready to examine the application. Once examination of the Australian standard patent application is requested by you (for a cost of about $900), an Examiner's Report may issue after about 6 to 9 months if there are any objections, but in the absence of any objections, the Australian standard patent application will be accepted. If required for infringement enforcement purposes, examination in Australia may be expedited upon request. If the complete application is for an innovation patent, the Australian Patent Office will grant an innovation patent on the application following a quick formalities check only, but will only certify the innovation patent for enforcement purposes if examination is requested and the examination is successful.

The costs of examination may be considerable depending on what objections, if any, are raised during examination by the various patent offices. It is very difficult to quote figures for examination costs, suffice it to say that you should budget about $20,000 for examination costs in, say, Australia, USA, Europe, Japan, Canada and New Zealand. More countries will, of course, mean higher costs. Bear in mind that each patent office will employ its own rules of patentability during examination, some countries' rules being tougher than others and it may be that an application is rejected in one or more countries but accepted in others, or in the worst case scenario, rejected in all countries. Ultimately, the outcome of examination will depend on how novel and inventive your invention is, as at the priority date.

Please note that, in most patent offices, there is a subsequent opposition period that allows third parties to oppose the acceptance or grant of a patent on certain grounds being, in the main, similar to those grounds of objection which should have been earlier considered by the examiner during examination. Should such opposition occur,

further costs will be incurred, although this is a matter which may be considered in more detail and with greater precision if and when it occurs.

There are numerous other costs, such as translation costs after acceptance of an application filed with the European Patent Office, patent grant and issue costs, renewal and maintenance costs for the term of a patent, that are the consequences of successful examination, but which are too complex and variable to quote succinctly and reliably at this stage. These costs will, however, be quoted to you before they need to be paid during the course of our ongoing reporting of the progress of your patent cases. All costs that are quoted are inclusive of our service charges, GST, and our foreseeable disbursements to overseas Associates, Government Offices, postage and the like.

IP Searches and Resources

Prosecuting patent applications is a costly and time consuming endeavor. In many cases an applicant is informed quite late in the process that their claimed invention is not new based on a comparison with the prior art. In many of these cases the prior art document relied on by the patent office could have been identified prior to filing any application or shortly after filing a provisional patent application.

Prior to any application being filed we can obtain for you a patent search over the desired area of technology or more narrowly, a search in respect to any particular named individuals or companies of interest to you. Name searches are in the low hundreds of dollars whereas subject matter searches can be quite expensive to conduct depending on the technology involved. Such searches can cost upwards of $5,000 or even $10,000 for really complicated or crowded technologies. Once search results have been obtained they usually require analysis which is additional to the search fees themselves.

You can also conduct your own searches using many easy to navigate search engines.

We recommend that before seeing an attorney you conduct basic searches to see if you can find your invention. At first instance we recommend the use of Google Patents database which covers a significant number of important countries patent filings, including USA, China, Europe, Canada, Japan and also captures Australian filings that have been filed through the PCT system as International Applications.

We also recommend clients conduct simple searches through AUSPAT the Australian patent database maintained by IP Australia.

Another important database is that of eSpace.net maintained by the European Patent Office or World Dossier maintained by the US Patent and Trade Mark Office. These databases cover many patents around the world and also allow you to identify foreign equivalent patent filings that form part of a global patent family.

All of the databases mentioned above are listed in our resources page on our website where there are direct links to the search engines themselves.

In addition to pre-filing searches, there are also opportunities provided to applicant who file provisional patent applications to have an international type search conducted by IP Australia. Although the searches are not definitive (no search ever is) the cost is low at around $3,000 and thus it is a cost effective manner of mitigating the risks of proceeding with expensive complete patent applications, particularly international applications.

Further Enquiries

Patent systems around the world are complex. The present memorandum is only provided as a general guide and is not considered legal advice. For advice in respect of your specific circumstances we recommend you make an enquiry with one of our experienced patent attorneys who will only be too happy to help you understand your position with respect to obtaining patents for your invention.

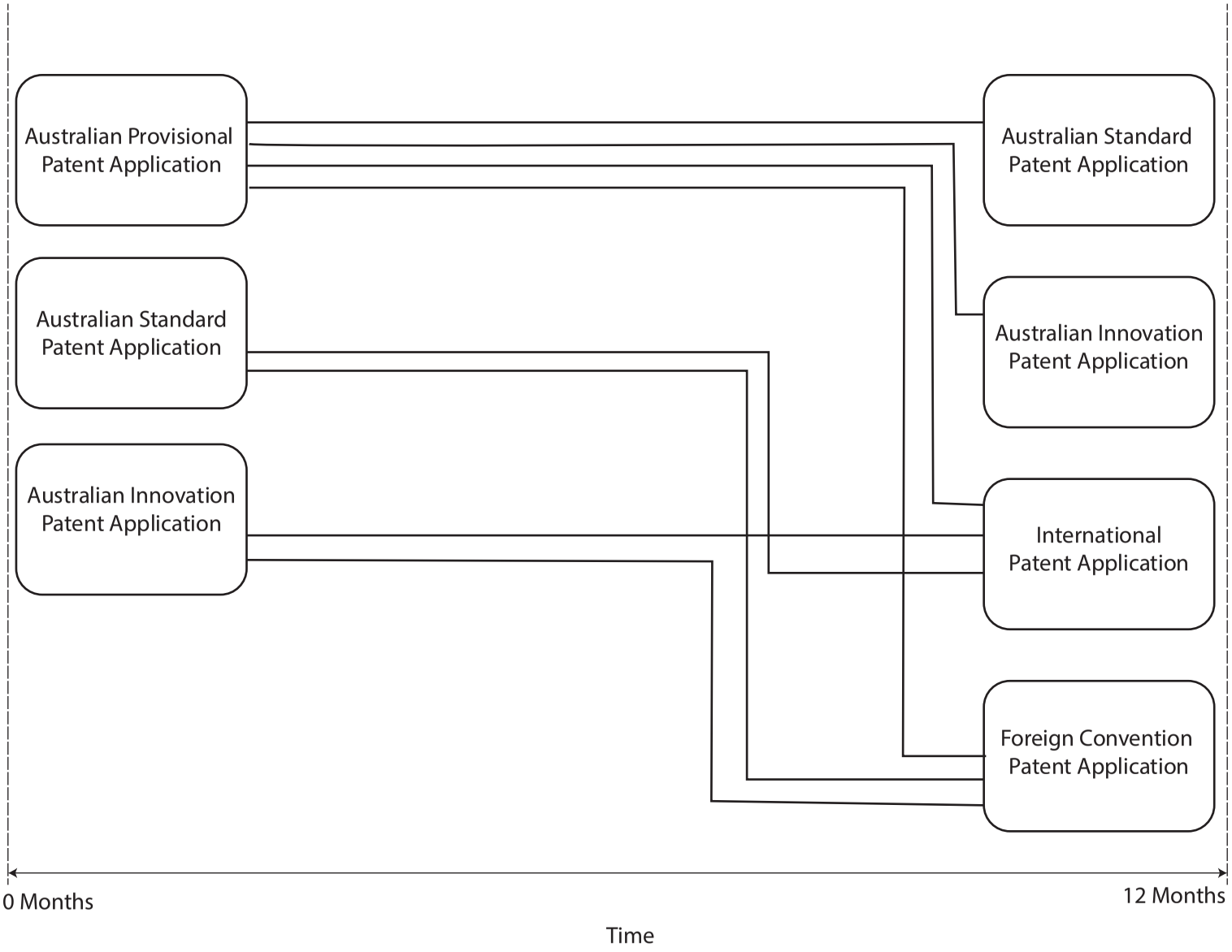

Figure 1: Priority Claiming Options

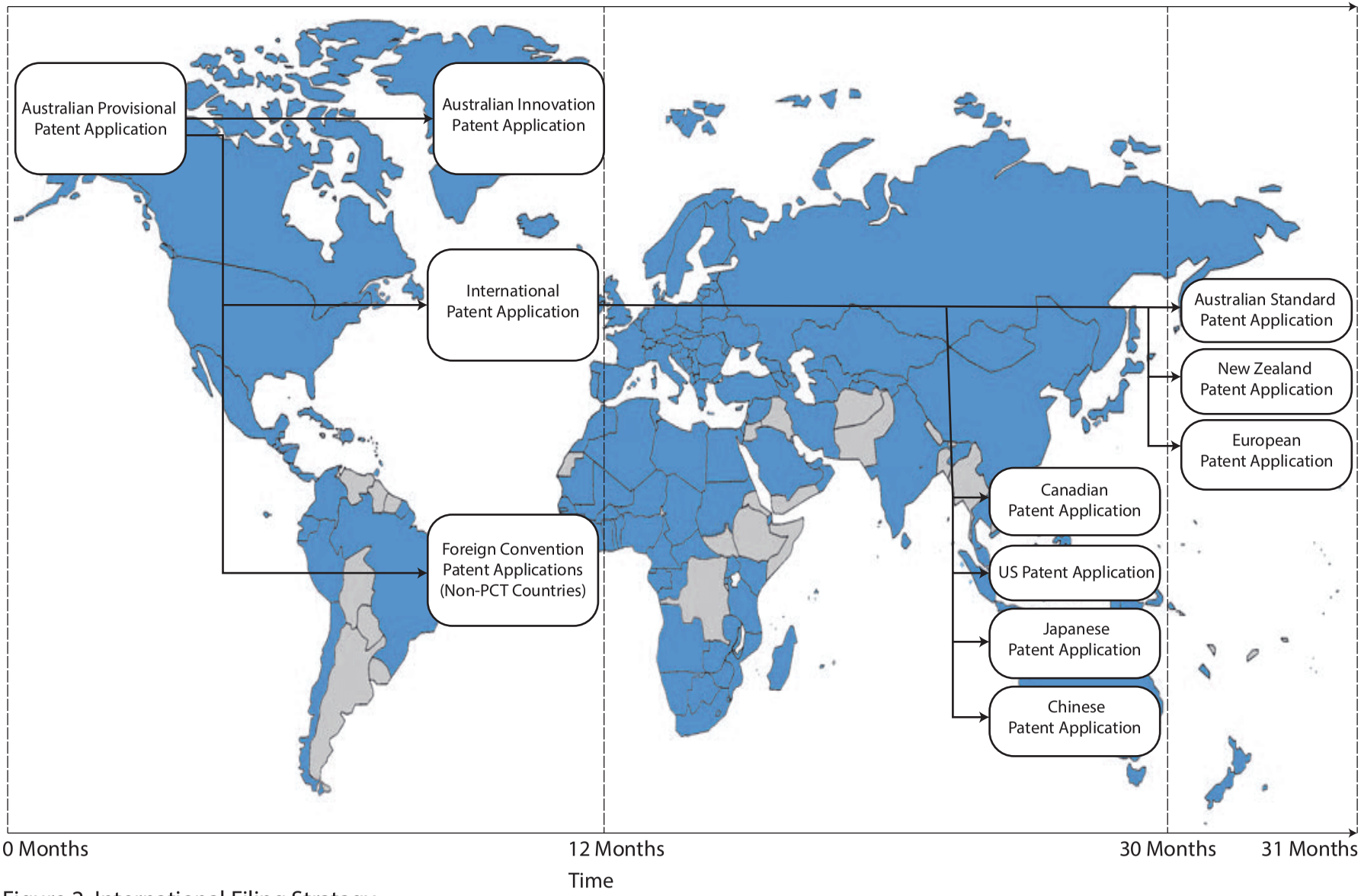

Figure 2: International Filing Stratagy

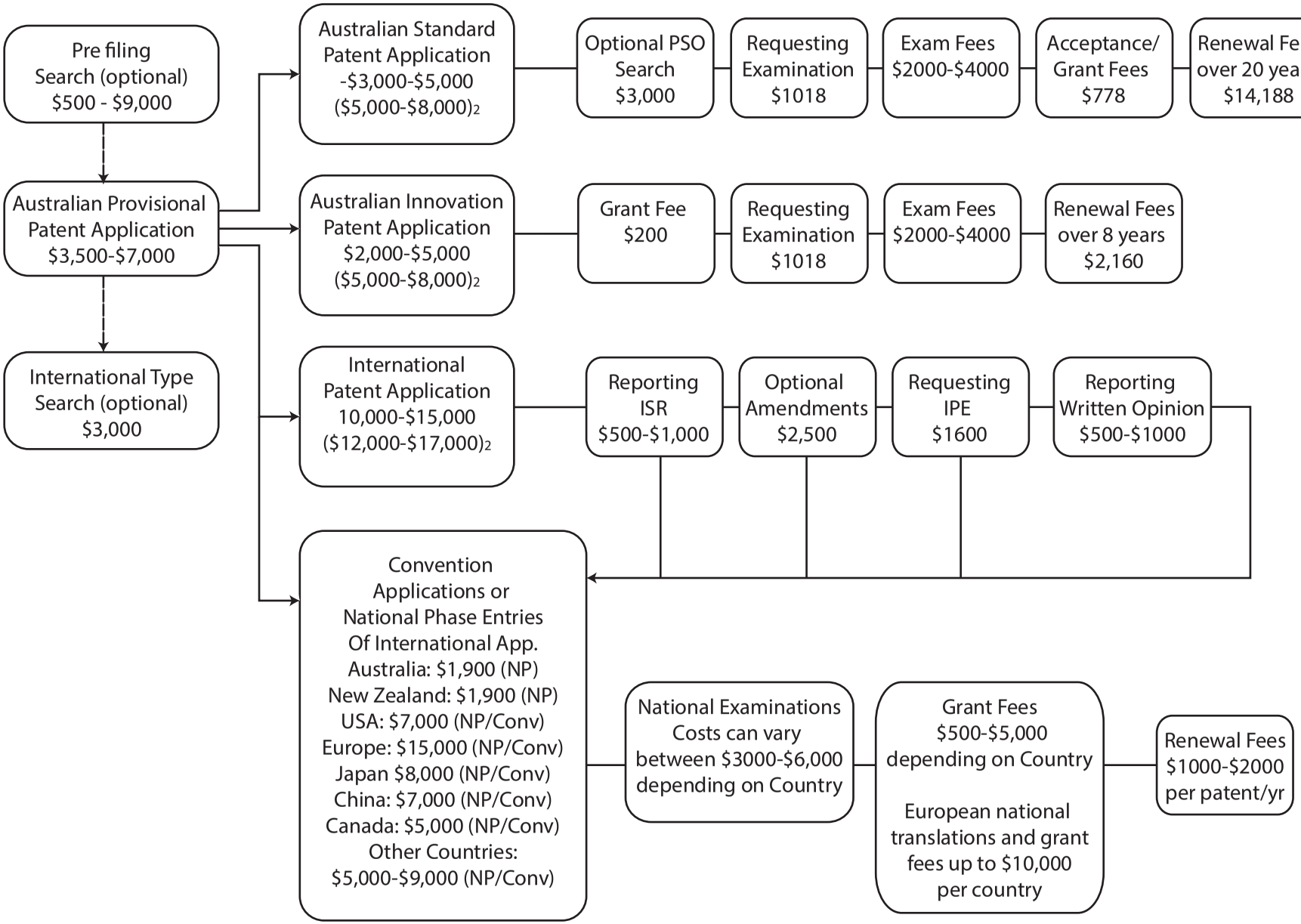

Figure 3: Approximate Costs

1. Actual fees may vary depending on a variety of factors including subject matter (technology type), claim breadth sought and degree of novelty of invention

2. Figures quoted in brackets are the costs of filing applications if filed at first instance without any previously prepared specification