

## **Applying for a Patent under the PCT Agreement, What are the Advantages?**

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If an invention is to be protected in the most important industrial countries, which usually suffices even for world-wide marketing, the costs involved must be expected to range from 40,000 to 100,000 € (Europe, USA, Japan, etc.). If the invention is to be protected in a large number of other countries, the expenses involved will be considerably higher. If no PCT application is filed, these costs will become due fairly soon after filing such foreign applications – which must be done prior to expiry of the priority year. Only in the case of a European application will payment in some cases be required less urgently.

### **Advantages**

For foreign protection, a PCT application costing at minimum ca 6,200 € allows you to “purchase” a postponement for a further 18 months to give you, in all, 30 months (31 months for EP) as opposed to the 12 months' term from the filing or priority date. Only then is it necessary to decide whether to enter the national or regional phase and if so, in what countries, *ie* those countries where you want to acquire national patents<sup>1)</sup>.

A PCT application can be given up at any stage, in which case no subsequent costs will become due.

### **A PCT application is meaningful when**

- no decision has been made as to whether the invention is to go into production,
- no decision has been made as to the extent to which the invention is to be marketed and in what countries,
- the extent of the profits that will be earned by the product of the invention is still not estimable, or
- no licensee has as yet been found (to bear the cost of the foreign applications, for example).

### **A PCT application is not advisable when**

- it is necessary to apply for patent protection in only a few countries or only in Europe,
- the profits to be expected do not justify expenditure of this order of magnitude, or
- a sure decision can be made in good time before expiry of the priority year as to the countries in which Subsequent Applications are to be filed.

<sup>1)</sup> *The former requirement to the effect that a **request for a preliminary international examination should be filed after not more than 19 months**, in order to extend the time limit to 30 or 31 months, now applies virtually only to **Luxembourg, Tanzania and Uganda**. But “extension” can also be obtained via a regional designation (EP or ARIPO) without request for examination.*

*A request for a preliminary international examination should be filed when the application needs to be revised in order to distinguish it from prior art found in the search. This accelerates the national or regional (eg European) granting procedure and avoids multiple expenditures.*

## Costs and Time Line for an International Application under the PCT Agreement

Time		
Years	Months	
1	0	Filing (priority) date in Germany (Europe or some other country)  The PCT application must be filed prior to expiry of the first year from the filing date. Cost factor: 6,300 to 7,280 € [€ 3,244 to 4,224] <sup>1)</sup> . The lower range applies to applications of less than 31 pages in Europe and USA, whilst the higher range applies to applications of 100 pages. An option for any of the countries covered by the PCT Agreement is included automatically.
	16	An International Search Report is established with disclosure and evaluation of the relevant prior art. Analysis of the Search Report will cost 100 to 1.500 €, depending on effort.
2	18	Publication of the International Application.
	19/20	A request for a preliminary International Examination should be filed (if meaningful <sup>2)</sup> ). Cost factor: 2,613 € [2,113 €].  The Examiner's Response is issued by the Receiving Office. A reply must possibly be drafted, perhaps with restatement of the claims and modification of the documents. Cost factor: 100 to 3,000 € (depending on effort).
4-6	28	International Examiner's Preliminary Report is issued by the Receiving Office
	30	Latest opportunity to enter the National Phase <sup>see Note 1 on page 3)</sup>
	31	Latest opportunity to enter the (Regional) European Phase (proceedings before the European Patent Office) <sup>see Note 2 on page 3)</sup> .
	↓	European examination proceedings and Grant for designated countries (patents in those European countries which are covered by the European Patent Agreement).

- <sup>1)</sup> *Included official fees are also stated separately. The quoted costs are estimations of net prices made in the light of our previous experience. They may be greater in cases of unusual scope and difficulty. All information on costs and actions stated herein relates to "normal" applications, as are 80 to 90 % of all cases.*
- <sup>2)</sup> **For acceleration and price reduction** of the following national and regional (eg European) granting procedures (cf footnote page 1). The European Patent Office then reduces the examination fee for the European examination procedure by 50 %.

## Note 1

When entering the **National Phase**, national charges become due just as in the case of national applications (although reduced in some cases) and in addition the fees for the counterpart attorneys in the relevant countries, including translation costs (1,000 to 10,000 € per country, possibly even more). The costs<sup>1)</sup> can vary considerably depending on whether a national examination is carried out or not.

- For instance, in **Switzerland** a patent is registered without substantive examination and no translation fees are due, only a registration fee of ca 1,000 €.
- But, on the other hand, in **Japan** the application is re-examined, and the application, Examiner's Responses and replies thereto as well as revised documents all have to be translated, processing being jointly carried out by the German and Japanese attorneys.  
Cost factor: 5,000 to 10,000 € or higher if oppositions or appeals are raised.

After entering the National Phase, renewal fees (annuities) will be due in each of the countries concerned.

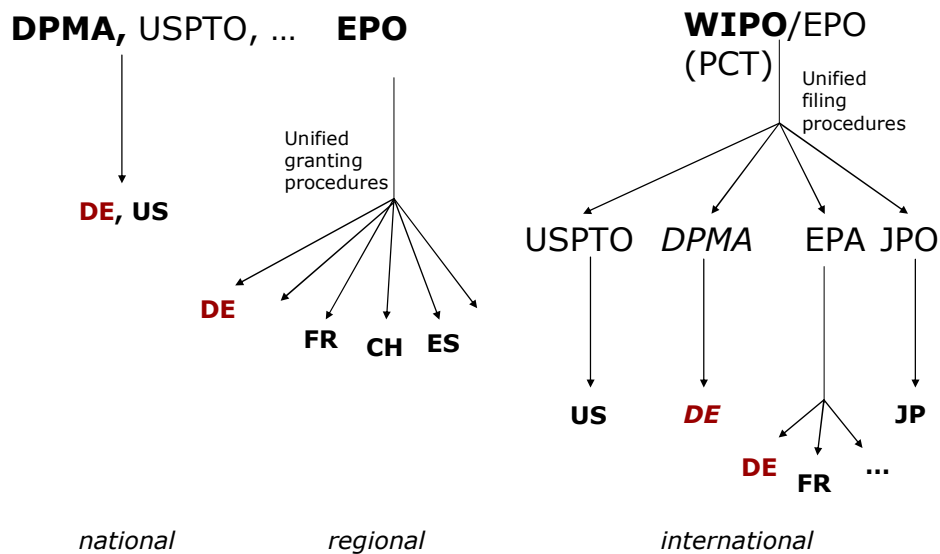
## Note 2

### Special case: European Patent Application

Transferring to the European procedure for granting a patent corresponds to transferring to the National Phase in the sense of the PCT agreement means. This costs at minimum ca 6.760 [ca 3.455], more when there are oppositions and appeals. However, the grant of a patent by the European Patent Office is binding for the Signatory Countries of the European Patent Agreement. There is no further national patent examination procedure. The additional costs involved for the individual countries, which are incurred only when a European patent has been granted, are restricted to the national charges, the fees of the counterpart attorney for dealing with the formalities and payments in the respective country, the translation fees (*except for Switzerland, Austria, France, Monaco, the UK and Luxembourg*), and the cost of correspondence with the foreign attorney. The cost factor per country may be estimated at ca 1.500 to 3.000 €, this being substantially determined by the scope of the translation work and its degree of difficulty and also by the price level in the country concerned.

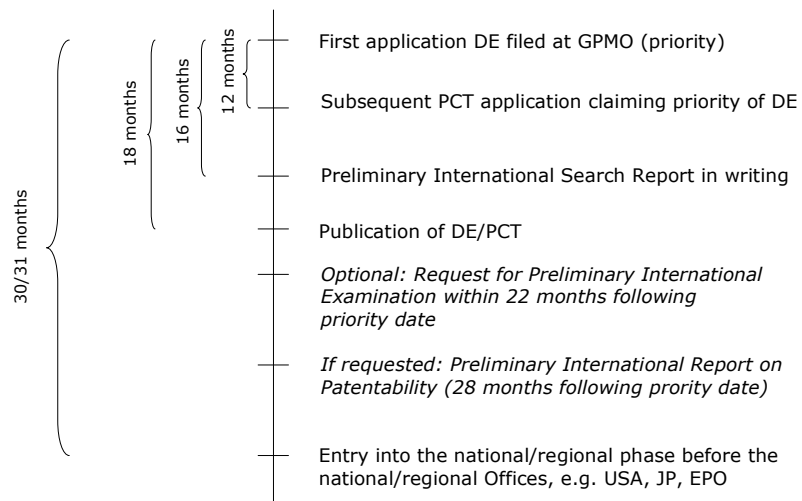
<sup>1)</sup> *Included official fees are also stated separately. The quoted costs are estimations of net prices made in the light of our previous experience. They may be greater in cases of unusual scope and difficulty.*

## Various ways of acquiring patent protection



During the so-called international phase (starting from the filing date until entry into the national or regional phase), the European Patent Office (EPO) undertakes processing of the PCT application on behalf of the WIPO. Prior to the expiry (see below) of this international phase a decision must be reached as to where a national or regional examination and issuance procedure is to be initiated before respective offices.

## Overview of PCT Process



The time intervals stated start from the priority date, i.e. from the filing date of the original application. In the case of an original PCT application, the time line starts as if it were an original national (or European) application.