Why Does It Cost So Much to Prepare a Patent Application?

Applying for a patent in the United States can be an intimidating undertaking. In fact, the cost of preparing and filing a patent application can actually be quite high. Certainly, one can hunt around for a bargain basement discount service on the Internet. But engaging these services brings significant additional risk. Does anyone really think that in an industry where practitioners only sell their time by the hour, or by the project, that the same quality will be obtained if you pay $2,500 for a nonprovisional patent application instead of the more likely cost of $10,000 - $15,000? Unfortunately, there are some novice inventors who can and do delude themselves, but sophisticated inventors, companies, universities and even newbies (with even a modicum of business sense) know that the more time you spend preparing a patent application the better; and more time equals more expense.

But why does it *really* cost so much to prepare and file a patent application? On the surface, it seems like a really simple question: But unfortunately, one that does not have a simple answer.

In the not-too-distant past *(circa 1980's)* the majority of patents usually involved relatively simple technologies. Often, applications were less than 5 pages long and included less than 10 claims. Those same patents were typically issued 5 to 10 years earlier, on average. Going back even further, you would see that patents and applications were even shorter. Most have as little as a page or two of drawings and perhaps several pages of double column text.

So, what happened to the relative simplicity of preparing and filing a patent application?

Somewhere along the way between then and now, patents started becoming exceptionally valuable. Things like Moore's Law, the Internet and electronic technologies exploded on the scene. Patents became big business, and those businesses began enforcing patents. It has become an equally big business in trying to get around issued patents so that you are not infringing, or at least, so you don't have to pay too much for a license fee, or for damages after the fact if you are found to infringe.

In 1982 the United States Court of Appeals for the Federal Circuit was formed. The purpose was to establish coherent and stable patent laws that would be uniform across the United States. Prior to the formation of the Federal Circuit, there had been some Regional Courts of Appeals, which in the eyes, unfortunately, hadn't seen a valid patent for decades. Nearly every patent litigated in those circuits would meet an untimely death. The Judges had never seen a patent worthy of being issued and valid. Something had to be done, and was! As a result of the stability provided by the US Court of Appeals, and the more consistent interpretation of the federal patent statutes, patents became stronger and enforcement more predictable. Bad patents have claims invalidated, good patents have claims confirmed and upheld.

Why Does It Cost So Much to Prepare a Patent Application?

With that certainty, came many more patent applications and issued patents, as well as an increase in patent infringement litigation. Between 1980 and 2010, the number of utility patent applications and patents issued per year soared. In 1980 there were approximately 104,000 utility applications filed and approximately 62,000 utility patents issued. By 2010, those numbers soared to just over 490,000 utility patent applications filed and nearly 220,000 utility patents issued. (In fact, there was a 31% increase in issued utility patents in 2010 alone)!! On the flip side of that coin, patent litigation cases also increased proportionately from approximately 800 cases in 1980 to approximately 3300 cases.

In short, due to the new predictability of the validity of issued patents, as a result of the consistency of law brought about by the Federal Circuit, it became far more of a challenge to defeat an issued patent by arguing that the claims should never have issued due to arguments regarding lack of novelty; or that it was obvious; or because it wasn't properly described at the time the patent application was filed. This has led to exponential growth in what is included in a patent application at the time of filing, both in terms of quantity and quality of the invention description, or "specification".

So, what is the big deal about describing an invention so thoroughly at the time you file your first patent application? The concept is referred to as "new matter." New matter is defined by first considering what is fairly described in the text, claims and drawings, as filed. That makes up your disclosure. Whatever is not in your disclosure at the time it is filed is considered "new matter" and under no circumstances is new matter allowed to be added to a pending patent application (after it has been filed with the USPTO). If you want to add new matter you must file a new patent application, but that means a new priority date for that which is being added for the first time. That new priority date means there will be additional prior art you need to consider and define around. Simply stated, the first patent application filed is critical. It has to describe the invention to the fullest extent possible.

But I thought you could add claims after you file a patent application? Yes you can, but that is different than adding new matter. You can add claims to a pending patent application without adding new matter because the claims must, by definition, be a subset of what you have disclosed in the application (as filed). The Manual of Patent Examination Procedure (MPEP) explains: "An amendment to the claims or the addition of a new claim must be supported by the description of the invention in the application as filed."

So what we're saying here is that one should do their best to describe their invention as completely as possible, with every potential variation one can reasonably imagine at the time of filing the original patent application. The way that those bargain basement services offer rock-bottom prices manage to prepare and file patent applications so cheaply is because they describe EXACTLY what the inventor has invented, and nothing more. As an example, if an inventor walks in with a right handed monkey wrench there will be no effort

put into determining whether the device could be used by left handed individuals, regardless of whether there might need to be structural alterations made or not. Figuring out the alternatives and what the fullest extent of what can be protected takes time; describing all the alternatives and what you are entitled to receive takes even more time.

Keep in mind that there is nothing inherently wrong with a narrow patent. What makes narrow patents problematic for inventors is that they typically don't think they are getting a narrow patent. They don't understand that because of the generally narrow scope of the description of their exact invention, they are leaving claim scope on the table — exclusive rights that they will think they possess but simply do not own. They haven't been able to claim all that is possible, because they didn't describe the alternatives. That is why you must keep three things in mind. First, you want to describe anything that works, no matter how crudely. Second, you want to describe variations to the invention that knock-off artists will likely employ to copy your idea, without actually infringing. Third, you need to remember that a patent ONLY gives you the right to exclude others, so you don't just protect what you are doing or what you want to do, but rather you want to describe everything you can think of, and describe them with enough concrete details. You absolutely need to describe not only what has been invented, but you should also describe the various possible combinations, permutations and alternatives. That is how patent applications can get rather large for even relatively simple inventions.

The cost of getting a patent is significant by almost any estimation. But what you get for what you pay can be enormously valuable and that is why patents have become more expensive to obtain. Because they are valuable to have and expensive to infringe, there will always be those who seek to get around your rights. The job of the patent attorney or agent is to make minimize the possibility of that happening to the greatest extent possible. That requires a lot of time and energy, which translates into money.

One thing to consider when shopping around for a patent service provider is the risk of outsourcing to those who speak English as a second language, which is often the case with many of the Internet based, low-cost services. (The same is true for patent search services). This can be extremely dangerous, and there is only so much a patent attorney or patent agent can do after the fact, without having someone more seasoned review the work and add value before the application is filed. We can complain about how much simpler it was in the past, or we can just realize that it takes more time and more energy to prepare patent applications then every before, and consequently more money than ideal. So if you are going to go down the patent path do yourself a favor. Either go all in and get quality, or don't bother. The half-way solution is a recipe for spending money and getting nothing to show for it in return.