PLEASE REMEMBER...

If UT Southwestern has successfully negotiated a license to commercialize the technology, foreign patent protection costs are typically borne by exclusive licensees. Licensees typically use the same PCT filing process used by UT Southwestern.

Foreign protection is also sometimes sought by UT Southwestern when costs are offset by the revenues from non-exclusive licensees. When no license has been negotiated, UT Southwestern rarely prosecutes foreign applications.

For most high technology medical inventions, the U.S. is usually more than 65 percent of the world's market.

The Office for Technology Development seeks to identify potential licensees before the one year PCT grace period expires.

Public disclosure of an invention prior to filing a patent application effectively eliminates foreign patent protection!
International patent protection is critical for enhancing the value of commercializable inventions. In today's global economy, companies need to have inventions patented in the United States and in important foreign markets.

Foreign patents are controlled by two treaties, and the TWO MOST IMPORTANT RULES to know about foreign patents are that under these treaties:

- The United States patent application is filed first; filing creates a one year period during which foreign patent applications have to be filed – no exceptions.
- Publication prior to filing the U.S. patent application forfeits your right to a foreign patent – again, no exceptions.

Almost every country in the world provides a system for protecting inventions via patents by holding membership in two treaties called the Paris Convention and the Patent Cooperation Treaty (PCT). Instead of filing one application in every country of interest, these treaties allow one application to be filed to begin the process and let the inventor delay the decision about filing many subsequent individual applications in additional countries for as long as 30 months from that first application.

The 30 month delayed decision process affords UT Southwestern Medical Center an economically feasible strategy. We often protect patent rights by first filing U.S. applications. We then seek a licensee who will agree to assume the legal fees for prosecuting a patent through the lengthy and very expensive process of getting individual foreign patents. The ability to delay those expenses for up to 30 months can keep a patent application alive that otherwise would have to be abandoned due to the high costs.

## QUALIFICATIONS

The standards for patentability in foreign countries are very similar to those used in the U.S. Always remember, though, that in order to qualify for patent protection outside the U.S., a U.S. patent application must be filed prior to any public disclosure of the invention (i.e., before written publication, oral disclosure, poster session, etc.). This rule is absolute. Because of this, the University of Texas System Board of Regents' Rules & Regulations require inventors to disclose inventions to UT Southwestern Medical Center prior to public disclosure.

## ECONOMICS

Foreign patent applications can be very expensive. The initial PCT filing procedure usually costs around $6,000. However, after the PCT 30 month process is exhausted, filing fees and prosecution costs increase dramatically. The estimated cost to prosecute a foreign language patent application to issuance is $5,000 to $15,000 per country. If Asian language translations are required, significant additional fees are incurred. Of course, these costs are only estimates and are subject to many factors, including currency fluctuations, the complexity of the invention, and the total numbers of patent claims. Therefore, it is necessary for UT Southwestern to find a licensee who will take over these expenses.

## IMPORTANT FACTORS

The following factors represent a partial list; they should be carefully considered prior to filing for foreign patent protection:

- High costs associated with filing
- Long pendency of foreign applications before they issue (five to 10 years in Europe and generally longer in China, Japan, and South Korea)
- Size of the market in the desired country (i.e., sales > $5 million per year are usually the minimum forecast revenue)
- Manufacturing capability for the technology in that country
- Whether competitive advantages exist for manufacturers

- A PCT application publication period of 18 months following its priority date, disclosing your invention strategy globally
- The ability and willingness of the licensee and the issuing country to enforce the patent in a court once it is issued