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Provisional Patent Application, Reality and Myth

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Provisional patent applications were established in 1995 as part of the legislation related to the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). One may file a provisional patent application in the United States, and enjoy the benefit of its priority date in a later-filed non-provisional U.S. application.¹ The later-filed application must be filed within twelve months of the provisional application.²

An impression rapidly developed that provisional patent applications could be used to secure a priority date with a minimal disclosure at very low cost. This impression was especially attractive to, and prevalent among, low-budget applicants, such as universities and small businesses. We will demonstrate below that this impression is largely a myth.

We will first review the relevant sections of the patent act in order to establish the actual advantages of provisional applications. We will then describe the process by which provisional applications were introduced into the patent act, and reveal the apparent source of the myth of reduced disclosure requirements. With an understanding of what is reality and what is myth, we will be able to establish principles that will assist in determining when it is advantageous to file provisional applications, and when it is not.

THE REALITY

The requirements of a patent application are provided for in 35 U.S.C. §111. Section 111(a) is entitled "In General," and applies to non-provisional applications. The general requirements for it non-provisional application are:

- (A) a specification, **as prescribed by section 112** of this title;
- (B) a drawing as prescribed by section 113 of this title;
- (C) an oath by the applicant as prescribed by section 115 of this title.

Section 111(b) is entitled "Provisional Application." The requirements for a provisional application are listed as follows:

- (A) a specification **as prescribed by the first paragraph of section 112** of this title; and
- (B) a drawing as prescribed by §113 of this title.

As can be seen, there are two differences between the requirements for a non-provisional application and the requirements for a provisional application. First, a non-provisional application requires a specification as prescribed by all of §112. A provisional application requires a specification as prescribed only by the first paragraph of §112.

According to the literal words of §111 of the patent act, both a provisional application and a non-provisional application require a specification as prescribed by the first paragraph of §112.³ The first paragraph of §112 describes the disclosure requirements of a valid patent, namely, written description, enablement, and best mode.

The second paragraph of §112 requires a claim "...particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention." A provisional application does not require compliance with the second paragraph of §112. Indeed, §111(b) specifically states that a claim is not required in it provisional application.⁴

The second difference is that a non-provisional application requires an oath by the applicant. The oath is usually made in the form of a declaration that is combined with a power of attorney. A provisional application does not require an oath or a power of attorney.

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The authors question the practical significance of the statutory differences between provisional and non-provisional applications. The combined declaration and power of attorney that satisfies the requirement for an oath is a simple form. It is signed by the inventors, and submitted either with the non-provisional application, or when notified by the Patent and Trademark Office (USPTO) that it is missing. The effort and cost involved in satisfying the requirement for an oath are negligible.

The lack of a requirement for a claim in a provisional application might appear more significant, at least on the surface. Nevertheless, even if one does not formally submit a set of claims, it is difficult to imagine being able to satisfy the written description and enablement requirements of §112 without knowing precisely what one intends to claim up to twelve months later upon filing a non-provisional application.⁵ In this regard, the Court of Appeals for the Federal Circuit (CAFC) has stated the following in regard to satisfaction of the written description requirement of §112:

... the applicant must also convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of *the invention*. The invention is, for purposes of the ‘written description and inquiry’ *whatever is now claimed*. (Original emphasis.)⁶

In order to obtain a filing date for a claim in a non-provisional application based on an earlier filed provisional application, then, the provisional application must describe “with reasonable clarity” the invention as claimed. The courts have interpreted the words “with reasonable clarity” very strictly, and in recent years have significantly increased both the written description⁷ and enablement⁸ requirements of §112.

Accordingly, the lack of a requirement for a claim does not significantly reduce the effort and cost of filing an effective provisional patent application, i.e., a provisional application that confers its filing date on a later-filed non-provisional

application. As mentioned above, one must know with considerable precision what the claims in the later-filed non-provisional application will be in order to satisfy §112.

The most difficult, time consuming, and, therefore, costly part of writing a patent application is determining how best to claim an invention in order to obtain maximum commercial benefit, taking relevant scientific, legal, and commercial considerations into account. Once the difficult task of determining how best to claim an invention has been completed, it is a relatively routine matter to write the rest of the specification.

It is critical to remember, however, that in order to obtain a valid filing date for the claims decided upon, it is necessary for the specification to satisfy §112, irrespective of whether one files a provisional application or a non-provisional application. See above.

It is also critical to remember that filing a proper priority application is an all or nothing proposition. If a priority application, irrespective of whether it is a provisional or non-provisional application, does not satisfy the first paragraph of §112, the application is not entitled to a filing date.

In a sense, an ineffective priority application is worse than nothing. The applicants believe they have a priority date and act accordingly. But there is no priority date.

A very recent case decided by the CAFC is exemplary. In *New Railhead Mfg. v. Vermeer Mfg. Co.*,⁹ the CAFC reviewed a summary judgment that a patent claiming certain drill bits was invalid.

The patentee conceded that the claimed drill bits had been sold more than one year before the filing date of a non-provisional application that matured into the patent. The patentee noted, however, that the sale occurred less than one year before the filing date of an earlier-filed provisional application.¹⁰ In order to avoid invalidity under 35 U.S.C. 102(b), therefore, the patent had to be entitled to the filing date of the provisional application.

The court found that air angle and a ratio present in the claims of the non-provisional application were not disclosed in the provisional application. Therefore, the

claims were held not to be described in the provisional application in accordance with the first paragraph of §112.¹¹

Accordingly, the CAFC, in the *New Railhead* case, declared the patent to be invalid. The court stated:

... the specification of the provisional must ‘contain a written description of the invention and the manner and process of making and using it, in such full, clear, concise, and exact terms,’ 35 U.S.C. 112 ¶1, to enable an ordinarily skilled artisan to practice the invention claimed in the non-provisional application. (Original emphasis.)¹²

The principal advantage of filing a provisional application is an extension of the term of a U.S. patent.¹³ The patent term is twenty years from the filing date of a non-provisional application.¹⁴ The filing of a provisional application does not affect the patent term.¹⁵ Accordingly, if a provisional application satisfies the first paragraph of §112, and a non-provisional application is entitled to the filing date of the provisional application, the patent term of the non-provisional application is up to twenty-one years from the filing date of the provisional application.

THE MYTH

As stated above, a myth exists that the disclosure requirements for a provisional patent application under §111(b) are less than those for a non-provisional patent application under §111(a). We will now investigate possible sources of this myth.

For various reasons, including the need for global harmonization of patent laws and increased costs of patent litigation, the Secretary of Commerce formed the Advisory Commission on Patent Law Reform (the Commission) in 1990. The Commission had a diverse membership of representatives from U.S. businesses, universities, the patent bar and the public. The purpose of the Commission was to advise the Secretary of Commerce of the state of the U.S. patent system, and the need for any reform.¹⁶

The first meeting of the Commission was held on March 26, 1991 in order to

develop a list of issues to be considered. On May 16, 1991, the USPTO published a notice soliciting public comments regarding those issues.¹⁷ The fourth and final meeting of the Commission was held on April 27, 1992. Two months later, an almost 200 page report containing recommendations was submitted to the Secretary of Commerce. See The Advisory Commission on Patent Law Reform, A Report to the Secretary of Commerce (1992) (the Report).

A focus of the Report was an effort towards global patent law harmonization. As a contribution to harmonization, the Report recommended that the United States replace its current first-to-invent system with a first-to-file system.¹⁸

An issue inherent in a first-to-file system is the protection of rights when only preliminary results are available, and only a premature disclosure is possible. To address this issue, the Commission recommended a simple and inexpensive means for establishing priority of invention. The simple and inexpensive means was to be called a provisional patent application.¹⁹ The purpose of the provisional application was to permit applicants to obtain early filing dates at reduced costs with minimal application requirements.²⁰

The Commission also made other recommendations to effectuate a first-to-file system.²¹ These recommendations included a harmonized grace period of one year for publications of the inventor²² and a “prior user right.”²³ The Commission’s report also recommended the change of patent term from seventeen years from date of issue to twenty years from date of filing.²⁴

Around the time the Commission was recommending the provisional application, Congress was considering legislation to implement GATT. Congress’ considerations included the Report regarding patent law harmonization.

Congress adopted some of the recommendations of the Commission on December 8, 1994.²⁵ The recommendations adopted included limited prior user rights,²⁶ a patent term of twenty years from date of filing,²⁷ and, of most relevance here, establishing provisional patent applica-

tions.²⁸ The first-to-file system was not adopted.

Congress’ purpose in establishing provisional patent applications is not clear. As mentioned above, the Commission recommended provisional patent applications to address a problem inherent in a first-to-file system. The first-to-file system was, however, not adopted.

A review of the Congressional Record suggests that Congress rejected or adopted the various recommendations of the Commission with little debate. Virtually nothing about provisional applications was mentioned in the Record.²⁹

It has been reported by other commentators that one purpose of establishing provisional applications was to ensure parity between U.S. and foreign applicants.³⁰ To illustrate the parity issue, we will use the example of a U.S. applicant and a Canadian applicant.

Under the Paris Convention, an applicant can file a patent application in the Canadian Patent Office, and, within one year, file a non-provisional application in the United States. The U.S. application is entitled to the priority date of the Canadian application, as long as the Canadian application satisfies the requirements of §112.³¹ If granted, the term of the U.S. patent begins with the U.S. filing date.³² Hence, the Canadian applicant benefits from a patent term of up to twenty-one years from the date of filing of the priority application in Canada.

A provisional application affords U.S. applicants the same extended patent term in the United States, i.e., up to twenty-one years from the date of filing the provisional application. See above. Thus, provisional applications provide parity to U.S. applicants.

Whether or not parity between domestic and foreign applicants was considered by the Commission or Congress is unclear. The authors have carefully reviewed the Commission’s report and the legislative history relating to provisional applications, but were unable to find any reference to the parity issue in the public record.

In March of 1995, i.e. approximately three months after Congress created provisional applications, the USPTO placed a notice on its website in order to inform the public of the changes to the patent law as a result of GATT.³³ In its analysis, the USPTO appears to have suffered from some irrational exuberance.

Thus, the USPTO stated that a provisional application “... has minimal legal and formal requirements,” and provides a mechanism whereby applicants can *quickly and inexpensively* (\$150/\$75) establish an early effective filing date...³⁴ (Emphasis added). For example, the notice described the provisional application as requiring “the filing of *only* a specification in compliance with the first paragraph of section 112.” (Emphasis added).

The statement that “*only* a specification in compliance with the first paragraph of §112” is required is disingenuous, and possibly confusing. Compliance with the first paragraph of §112, and its equivalent in previous patent acts, has been a requirement for obtaining a filing date at least since the 1800’s.³⁵ The relative insignificance of eliminating the requirement for compliance with the second paragraph of §112, i.e., for claims, in a provisional application has been discussed above.

The USPTO’s depiction of the provisional application as being “quick” and “inexpensive” appears to have addressed concerns among many small businesses and academic institutions. Perhaps as a result, many applicants may have been lured into believing that a minimal invention disclosure could secure the filing date of a provisional application in a later-filed non-provisional application.

In fact, an article by Kowalski et al. published shortly after the legislation leading to provisional applications took effect stated that universities believed the provisional application procedure would enable an inventor to submit a draft manuscript prior to publication.³⁶ According to these authors: “The provisional application, however has not proved to be the answer.”³⁷

And for good reason. Draft manuscripts are typically narrower in focus and scope

than patent applications. Unless all of the critical elements of the invention are fully disclosed in accordance with §112, a manuscript will not support commercially valuable claims in a non-provisional application filed subsequently. Under such circumstances, the valuable claims will not be entitled to the priority date of the manuscript/provisional application. See above.

In anticipation of the legislation implementing GATT, the USPTO published a Notice of Proposed Rulemaking in the Official Gazette soliciting comments concerning changes to the patent rules in the wake of the amendments to Title 35.³⁸ Several months later, the USPTO published some of the comments that were received in response to the Notice.³⁹ Some of the comments, and the responses of the USPTO to them, are instructive.

One of the comments expressed doubts that a provisional application filed without a claim could ever contain a sufficient disclosure to provide the basis for a foreign or U.S. priority date. The response of the USPTO was that claims were not required, but could be filed in a provisional application if so desired, and be considered as part of the disclosure.

Another comment suggested that the USPTO revise its rules to clarify that strict adherence to the first paragraph of §112 is *not* required in provisional applications. Apparently, the commenter was under the impression that strict adherence to §112, first paragraph is not a requirement in provisional applications. This comment shows the confusion and misconceptions about the requirements for a provisional application that were present from the beginning, and that persist.

Even more interesting is the USPTO's cryptic response. The comment presented a perfect opportunity for the USPTO to make clear that the §112, first paragraph requirements are identical in provisional and non-provisional applications. Although the USPTO declined to revise its rules in accordance with the suggestion, it did little to clarify the issue.

Rather, the USPTO explained that the requirements of §112, first paragraph are

established by court cases, not by USPTO rules, and that the case law applies to provisional applications as well as to non-provisional applications. A more forthcoming response would have been to address the misunderstanding about the disclosure requirements of non-provisional applications. The commenter was probably not confused about, and probably did not care, whether the rules or case law govern such requirements.

It is noteworthy that more recent notices published by the USPTO in connection with provisional patent applications have become less exuberant and more cautionary. In a November 29, 2000 notice, under a section entitled "Cautions," the USPTO recommends "...that the disclosure in a provisional application be as complete as possible."⁴⁰

The USPTO explained that "...in order to obtain the benefit of the filing date of a provisional application the subject matter in the later filed non-provisional application must have support in the provisional application."⁴¹ In other words, the USPTO acknowledged that a provisional application must satisfy the requirements of §112, first paragraph.⁴²

One can speculate that the USPTO's movement away from its original irrational exuberance, and towards caution, may have arisen out of dissatisfied applicants who were lured into filing an inadequate disclosure provisionally, later to learn that the claims of a non-provisional application were not adequately supported, and hence, unworthy of the earlier filing date.

Whatever the source of the myth, the recent cautionary statements offered by the USPTO, and the recent *New Railhead* decision of the Federal Circuit discussed above, may contribute to a more realistic assessment of provisional applications. Provisional applications constitute a useful resource for patent applicants, but only when their limitations are fully appreciated.

GUIDELINES

Certain guidelines about when to use, and when not to use, provisional applications can be gleaned by accepting the

reality and rejecting the myth discussed above. It is important to remember that the only significant advantage of filing a provisional patent application is the extended patent term.

There is, however, a disadvantage to filing a provisional application. Provisional applications are never examined, and lie dormant for the twelve months they are in existence. By contrast, the USPTO begins processing non-provisional applications as soon as the applications are filed. Therefore, non-provisional applications that assert the priority date of earlier-filed provisional applications will be examined, and therefore will issue, later than initially filed non-provisional applications.⁴³

In view of the above, the following guidelines are proposed:

1. Most importantly, all patent applications, whether provisional or non-provisional, should, to the extent possible, contain a disclosure that satisfies §112, paragraph 1 for the claims one eventually wants to issue.
2. If an applicant does not want a patent application to be examined, it should be filed as a provisional application to take advantage of the extended term for a patent that eventually issues. One might, for example, not want a patent application to be examined because there is insufficient time to polish the application to the extent desired, or because it is advantageous to add to the application before it is examined information, data or examples that are not yet, but that imminently will be, available.
3. If a patent application is in condition to be examined, the decision whether to file a provisional or a non-provisional application should be based on whether an extra year of patent protection is more valuable, or less valuable, than the rapid issuance of a patent:
 - (a) When an extra year of patent protection is more valuable than the rapid issuance of a patent, a provisional application should be filed in order to take advantage of the extended patent term. An extra year of patent

protection is generally more valuable than the rapid issuance of a patent, for example, if the invention claimed requires a long period of development before it is commercialized, but has a relatively long commercial life, as is normally the case for pharmaceutical inventions.

- (b) When an extra year of patent protection is less valuable than the rapid issuance of a patent, a non-provisional application should be filed to take advantage of the earlier examination. An extra year of patent protection is generally less valuable than the rapid issuance of a patent, for example, if the invention claimed requires a short period of development before it is commercialized, but has a relatively short commercial life, as is normally the case for electronic and software inventions.

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ENDNOTES

1. One may also assert the priority date of the provisional application in an application filed outside the United States.
2. See 35 U.S.C. §119(e)(1). International PCT applications and applications filed directly in other countries must also be filed within twelve months of the provisional application.
3. §119(e)(1) also requires that the specification of a provisional application satisfy the first paragraph of §112.
4. Paragraphs 3-6 of §112 also apply exclusively to non-provisional applications. These paragraphs add details to the claims required by the second paragraph.
5. The same is, of course, true for applications filed outside the United States with respect to laws equivalent to §112.
6. *VasCath v. Mahurkar*, 935 F.2d 1555 at 1563-1564, 19 USPQ2d 1111 at 1117 (1991).
7. *Enzo v. Gen-Probe*, 285 F.3d 1013, 62 USPQ2d 1289 (Fed. Cir. 2002), rehearing, 42 F.3d 439, 63 USPQ2d 1609 (Fed. Cir. 2002). *University of California v. Eli Lilly*, 119 F.3d 1559, 43 USPQ2d 1398 (Fed. Cir. 1997), *cert denied* 523 U.S. 1089 (1998).
8. *Genentech v. Novo Nordisk*, 108 F.3d 1361; 42 USPQ2d 1001 (Fed. Cir. 1997).
9. *New Railhead Manufacturing L.L.C. v. Vermeer Manufacturing Co.*, 298 F.3d 1290, 63 USPQ2d 1843 (Fed. Cir. 2002).
10. 298 F.3d at 1293, 63 USPQ2d at 1845.
11. *Id.*
12. 298 F.3d at 1294, 63 USPQ2d at 1846.
13. A minor advantage is the lower filing fee of a provisional application (currently \$160 for a large entity and \$80 for a small entity) than of a non-provisional application (currently \$740 for a large entity and \$370 for a small entity). 35 U.S.C. §41 (2001). The difference is relatively insignificant in comparison with customary attorney fees for preparing a patent application, especially in view of the requirement for more extensive disclosures due to the stricter interpretation of §112 in the recent Federal Circuit decisions discussed above.
14. 35 U.S.C. §154(a)(2).
15. 35 U.S.C. §154(a)(3), §119(e)(1).
16. See Fiorito, *Highlights of Selected Recommendations of the Advisory Commission on Patent Law Reform*, Tex. Intell. Prop. L. J., Vol. 1:011 (1992).
17. Fed. Reg. 22,702; 42 Pat. Trademark & Copyright J. (BNA) 97, 113 (1991).
18. In a first-to-file system, the party that first files a patent application sufficiently disclosing an invention is entitled to priority of the invention. In a first-to-invent system, the party that can prove that it first invented an invention is entitled to priority.
19. See DeBari, *International Harmonization of Patent Law: A Proposed Solution to the United States' First-To-File Debate*, 16 Fordham Int'l L.J., 687 at 698 (1999) (citing from the Report).
20. *Id.* at 698 (citing from the Report).
21. See Fiorito, above (citing from the Report).
22. This recommendation was largely aimed at other countries, since such a grace period already exists in the United States. As already exists in some countries outside the United States, the harmonized grace period would also apply to publications by a third party that derived the invention from the inventor, thereby preventing an attempt by the third party to comprise the patent rights of the inventor.
23. Prior user right refers to a personal right for a third party that develops and/or uses an invention in good faith, before the filing date of an application on which a patent is granted to another, to continue that use under certain circumstances.
24. The recommendation concerning this change in patent term was deemed part of the first-to-file system. See Fiorito, E., *supra*, at 16 (citing the Report).
25. Pub. L. No. 103-465, Title V, Subtitle c, §532(b)(3), 108 Stat. 4986. This legislation was signed by President Clinton on December 8, 1994 as part of GATT implementation. The provisions of GATT pertaining to patent term and provisional applications took effect on June 8, 1995.
26. 35 U.S.C. §273.
27. 35 U.S.C. §154(a)(2). See above.
28. 35 U.S.C. §111(b). See above.
29. Representative Carlos J. Moorhead, when speaking about the changes to U.S. patent law in the wake of GATT, stated that, in addition to other benefits afforded by the new legislation, the provisional patent application "...adds an additional year during which the applicant can develop claims..." Hon. Carlos Moorhead in the House of Representatives, *Abolishing the Submarine Patent*, May 16, 1995 - <http://Thomas.loc.gov/cgi-bin/query/D?r104:14:/temp/~r104qe0NYX:e0:> Representative Moorhead has served on the Judiciary Committee Subcommittee on Intellectual Property (which has jurisdiction over the USPTO) for more than eighteen years.
30. See, e.g. *Van Horn, GATT Symposium Issue: The Implications of GATT on U.S. Intellectual Property Laws: Practicalities and Potential Pitfalls When Using Provisional Patent Applications*, 22 AIPLA Q.J. 259, 262 (1994); Barney, *An Overview of the Pros and Cons of Provisional Patent Applications*, 1 Yale Symp. L. & Tech. 2 (1999).
31. 35 U.S.C. §119(a).
32. 35 U.S.C. §154(a)(2). See above.
33. See www.uspto.gov/web/offices/com/doc/Uruguay/SUMMARY.html.
34. *Id.* The fees have since been increased. See above.
35. See, e.g. *General Electric Co. v. Wabash Appliance Corp.* et al., 304 U.S. 364 (1938); Merrill v. Yeomans, 94 U.S. 568 (1876).
36. Kowalski, T. and Salkeld, P., *The Impact of GATT on the United States Patent and Trademark Office*, 11 St. John's J. L. Comm. 455, 462 (1996). Author Kowalski attended the Licensing Executive Society, Inc., 1996 Winter Meeting in Salt Lake City, Utah on March 1, 1996 at which E.R. Gates spoke on "What We Know About Patent Prosecution Nine Months After GATT? The Use of Provisional Patent Applications." Kowalski, et al., *supra*, 455, footnote 32.
37. Kowalski, et al., *Id.*
38. See Official Gazette, Jan. 3, 1995.
39. See Official Gazette, week 18, May 2, 1995.
40. See <http://www.uspto.gov/web/offices/pac/provapp.htm>
41. *Id.*
42. See, also, MPEP §601.
43. By an amount of time approximately equal to the difference between the filing dates of the provisional and non-provisional applications.

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