

# Patenting research outputs – managing your finances

**B**efore making the leap into patent law as part of WP Thompson's chemical and life sciences team, Dr Ian Wilson worked and studied in academia for over a decade. In our continuing series, Ian investigates the key financial considerations for researchers as they seek patent protection for their inventions.

The costs associated with a patent across its lifetime – from the initial drafting and filing to payment of maintenance fees up to 20 years later – can be considerable. As such, researchers contemplating seeking patent protection for an invention should carefully consider the likely monetary value of that invention in the short-, medium- and long-term, in order to establish a strategy for maximising the value of their intellectual property protection.

## Know the competition

The time and expense involved in drafting a patent application vary based on the discipline and/or complexity of the invention. It is therefore worthwhile gaining some indicator of the likelihood of success before starting out. For example, freedom-to-operate searches seek to establish whether there are other patents or patent applications that may be an impediment to your proposed activities. Meanwhile, prior art searches look more broadly at published documents to identify any existing disclosures that might destroy some or all of an invention's claims to novelty and inventiveness. Incurring relatively low costs, these searches can provide peace of mind, help minimise the risks of refusal or infringement, or simply minimise expenses incurred in the event that an application is deemed not worth pursuing.

## Know the markets

As we discussed in the Summer 2022 edition of Elements, applicants must eventually decide in which countries and regions they wish to seek patent protection for their invention. Of course, each country or region in which protection is sought will come with its own costs, amplifying the financial risks associated with a single invention's IP rights and the number of fiscal decisions to be made. Researchers considering patenting their inventions may therefore benefit from conducting market research to identify in which countries a granted patent is likely to generate the most

revenue in the short-, medium- and long-term. Beyond this, knowing the markets of interest can help applicants identify to which patent offices they wish to submit their patent application. For example, an inventor whose product is only likely to sell well in Germany may choose to file directly at the German Patent Office, whilst an inventor with a product that has pan-European appeal may prefer the more cost-effective centralised examination process provided by the European Patent Office rather than paying examination fees in every country of interest.

## Stick or twist

In any single country, applicants or proprietors have the option of abandoning their application or patent at almost any stage from the moment they file an application to the final day of a granted patent's 20-year lifespan. During the search and examination stage, this allows applicants to abandon an application if costs are building more than anticipated, perhaps due to a protracted dialogue with the examiner or an unfavourable search opinion. Post-grant, this importantly means that proprietors are not obliged to pay ongoing renewal fees. This allows proprietors to adapt to market fluctuations and maximise their profits, or to simply wind down a patent, as planned, at the end of a product's lifespan.

## Portfolio strategies

Questions regarding whether to pursue an application or continue maintaining a granted patent should therefore be regularly considered by their proprietor. This becomes particularly important once multiple applications or patents are owned across multiple jurisdictions. For example, funds tied up in applications for, or maintenance of, relatively low-value patents may need to be released to fund a patent application for a high-value flagship invention. Alternatively, it may be that licencing out the rights to work an invention, or to sell the rights to an application or patent, are more financially beneficial. As such, many large companies have monthly portfolio reviews to discuss such topics. However, even researchers taking their first steps in the world of IP should consider adopting a review strategy for their own burgeoning portfolio. As we have said time and again, preparation is key in the patent field.

**To find out more, including how IP could benefit your work, please visit <https://www.wpt.co.uk> or contact Stuart Forrest at [sfo@wpt.co.uk](mailto:sfo@wpt.co.uk)**