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Q My company has a few patents but the cost of keeping them alive is burdensome. What can I do to limit or defer these costs?

A Patents require renewal fees to be paid periodically, typically annually, in order to be kept in force. Failure to pay a particular renewal fee will result in the patent lapsing. Once a patent has lapsed it cannot be restored, except in certain specific circumstances.

While the cost of renewing a patent in a particular country is generally not that expensive, renewal costs can mount when, as may often happen, a number of renewal fees become due at the same time.

Further, the amount that is due to renew a patent in each successive period generally increases, the theory being that if the patent has been worth keeping in force for such a long time, then it must be commercially valuable and the proprietor should be prepared to pay more to maintain it!

The writer should first conduct a review of his patent portfolio to assess which of the patents are of most importance to his business and which, if any, are of no or limited importance.

Such a review should take a long term view so as to take account of forecasted requirements and any opportunities that may present themselves in the future. The review should also consider the impact that the patents have on competitors.

For patents that are of lesser or no importance the writer could decide not to pay the renewal fees, thereby allowing the patent(s) to lapse. A better alternative might be to consider trying to sell or licence the patent(s) to another business, thereby generating some income.

For those patents that are wanted, if the writer's financial position is not particularly strong at the time when renewal fees are due but will soon turn for the better, then it may be possible to take advantage of any late payment period that is available. In the UK, a renewal fee can be paid up to one month late at no extra charge. Beyond this, outstanding renewal fees can be paid with a monthly surcharge for a further five months. Taking advantage of this late payment period does not affect the strength of your patent rights in the UK, as regards third parties.

Once a patent has lapsed it is possible to apply for restoration. However, this procedure requires evidence that the non payment was the result of certain laid-down conditions. Thus, restoration is not intended to afford patent proprietors a route to defer further renewal fee payments. The lapse of a patent can also be used by the vigilant to gain access to technology whether or not the restoration procedure is successful.

A qualified patent attorney will be able to help with any of the issues raised above.

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