

The ultimate guide to patent renewals

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Maintaining patent portfolios can be a complex, confusing and costly operation for businesses.

Dennemeyer offers trusted and flexible patent renewal solutions that deliver peace of mind and ensure security and efficiency. Here we provide a practical guide to the key issues of patent renewals.

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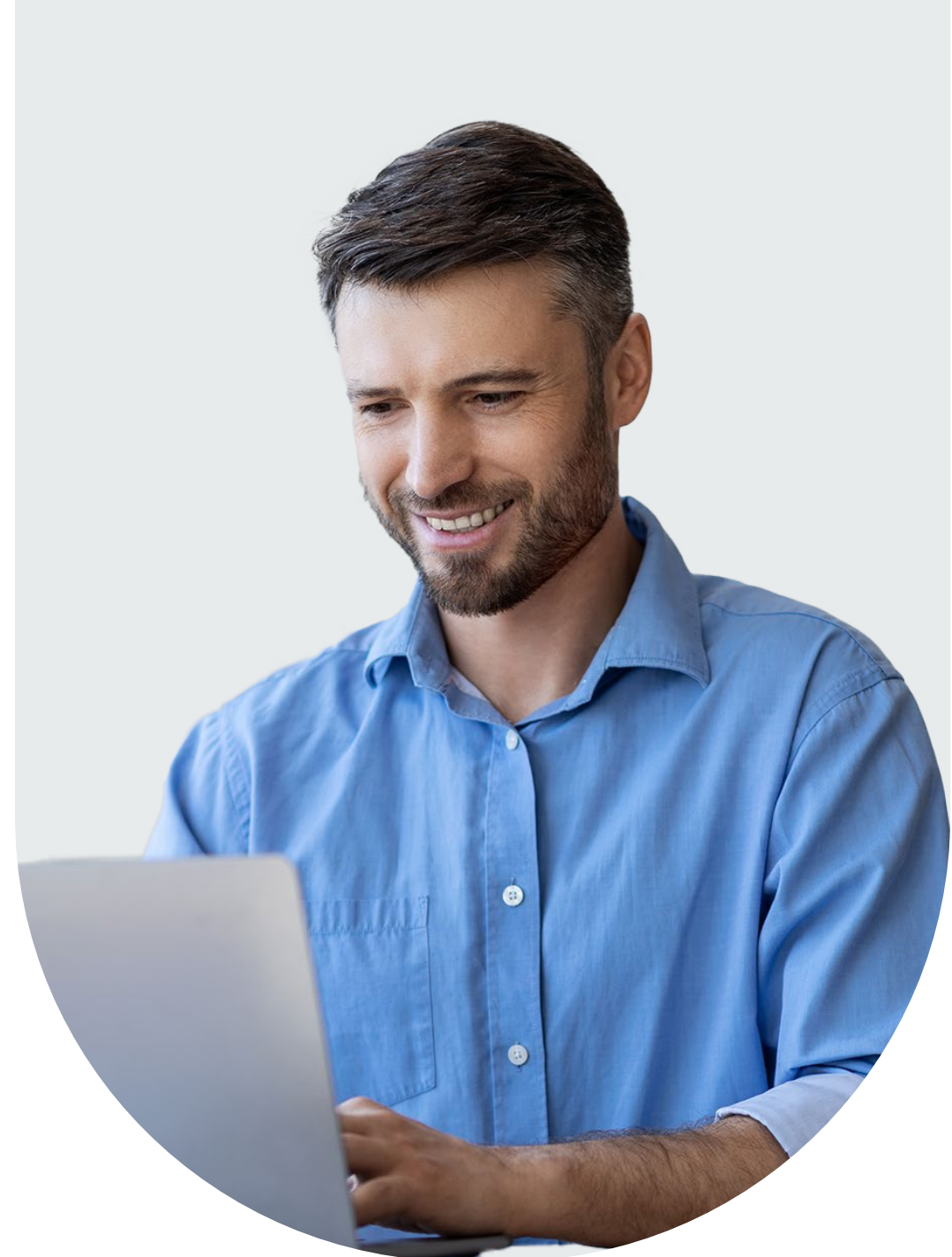
Why do patents need to be renewed?

Obtaining a patent right is a crucial milestone for inventors and businesses, but it is not the end of the innovation journey. While patents are granted for a fixed term (generally 20 years from the date of filing), maintenance fees typically need to be paid from when the application is still pending up until the date of the grant's final expiration. These are often known as patent renewal fees.

“ The payment of renewal fees at regular intervals (most often annually) provides an opportunity for the patent owner to decide whether or not to maintain the patent in force.

If the patent is expected to continue to add value to the business or be used in licensing or enforcement, it is likely to be worth renewing. If not, you may decide to let it lapse, saving the renewal cost and releasing the invention to the public domain.

Managing patent renewals can be an administrative burden, especially when you are maintaining an extensive portfolio in multiple jurisdictions: Different rules on dates, grace periods and fees, as well as unique organizational practices complicate the process. Making even a small mistake could lead to unexpected costs on the one hand or the unplanned loss of rights on the other, both of which can have significant commercial repercussions.



How are patents renewed, and why can the process be complex?

Renewals are handled by the relevant patent office in each jurisdiction. A fee must be paid to the office, generally on the anniversary of the filing date. Under the Paris Convention, which is incorporated into the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, countries must provide a grace period of at least six months to pay the patent renewal fee. If the payment is not made by the end of the grace period, the patent right lapses retrospectively, and rights are lost as of the date of the missed payment.

However, each jurisdiction's actual Intellectual Property (IP) regime can be convoluted, and fees can vary considerably. Rules are sometimes changed too, so you need to keep track of the latest developments.

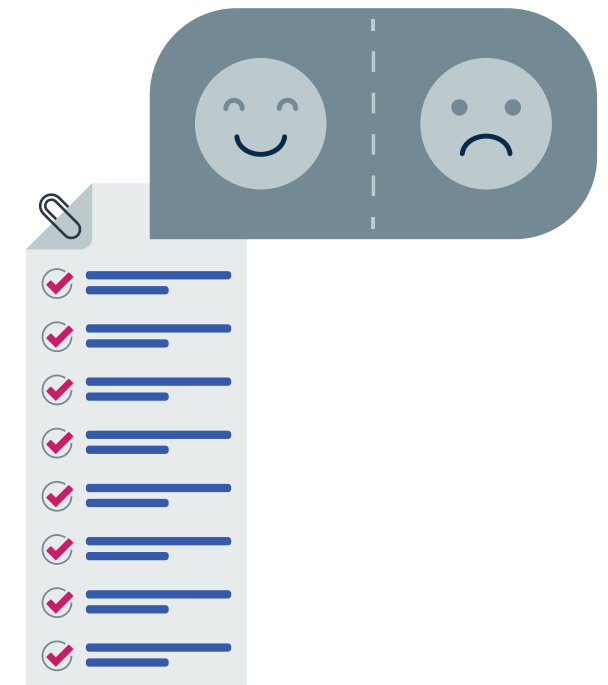
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A recent survey of eight national patent offices showed that the estimated total maintenance fees paid over a 10-year period ranged from 1,533 USD to 5,980 USD.

The survey also revealed that offices collect payments at different intervals, with payment dates ranging from a few months to more than a year after the patent issue date.

Moreover, fees are often adjusted. For example, in February 2020, changes came into force in New Zealand that doubled many of their renewal fees. Even in cases where fees are not increased, modifications to the procedure can create legal uncertainty. In July 2019, the United Arab Emirates reduced renewal payments for patent, utility model and industrial design applications to zero dirhams – but this raised a question about whether rights would be canceled for non-payment. The solution was to create an option to process a zero-dirham transaction for the renewal payment to maintain the right: The patent rights would lapse if that free transaction were not made.

When navigating a forest of deadlines and fees, it is all too easy to get lost and miss a renewal payment, jeopardizing a valuable patent right. That is why it is essential to map out a patent management strategy.



Managing patent renewals

There are three main options for managing patent renewals:

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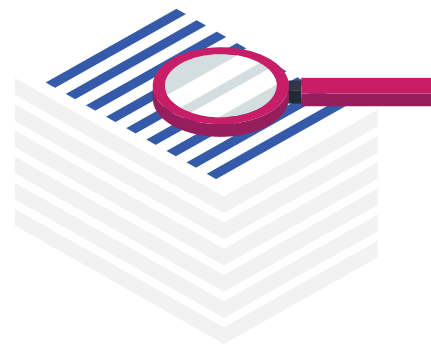
Manage personally:

This may be appropriate for small businesses or those with specialized internal teams. It requires a dedicated individual or group to keep track of all the relevant applications and grants, the latest rules on renewals and accepted payment. The individual or team can then communicate directly with all the appropriate patent offices and agents to ensure that renewal payments are made when required. Of course, this method places a heavy burden on those responsible for directing the operation, particularly if they have to become familiar with procedures in multiple jurisdictions - where information may not always be readily available.

②

Manage via a law firm:

Alternatively, portfolio management can be entrusted to an external law firm specializing in IP. Attorneys at the firm can then notify the patent owner when a fee is due and seek instructions. However, this option can be cumbersome and expensive for the patent owner.



③

Manage via a patent renewal service provider:

The third possibility is working with a service provider specializing in managing global patent renewals. This is becoming increasingly recognized as the best way to manage large portfolios. Providers use sophisticated record-keeping systems to ensure that portfolio information is updated and that no deadlines are missed. They also keep track of all the latest developments regarding dates, fees and procedures in each jurisdictional office. Central management of a portfolio offers cost efficiencies as patent renewal can often be combined with the provider's other IP-related services.

Of course, you may decide to take a hybrid approach – having a small internal team that oversees portfolio strategy working alongside an external patent renewal provider responsible for maintaining the portfolio.

How much do patent renewals cost?

The cost of renewing patents can be broken down into four main constituents: official fee, local fee (where applicable), foreign exchange rate (where applicable) and the provider's service fee.

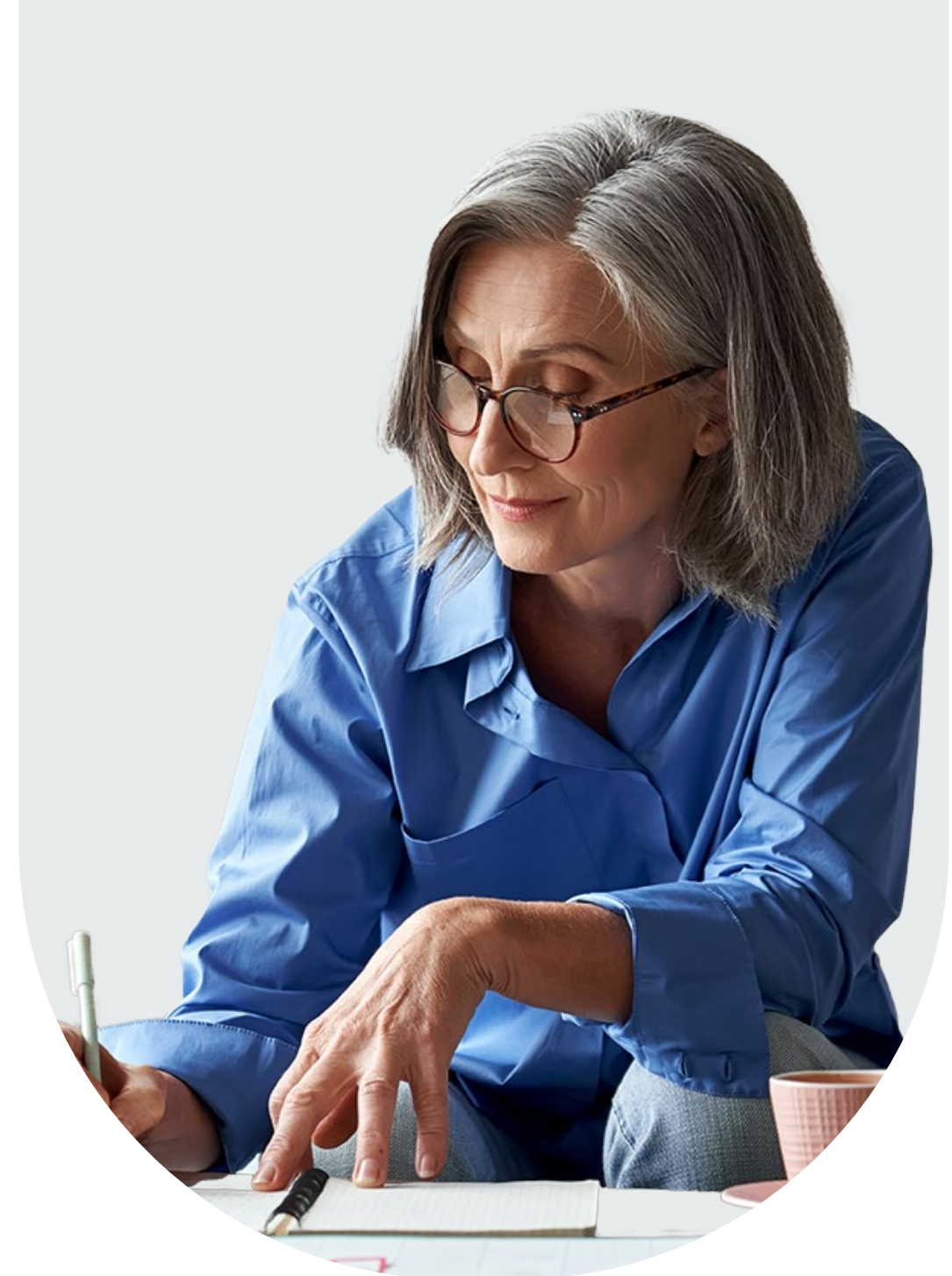
The **patent office charges the official fee** for the renewal of the patent.

The **local fee** is necessary in countries where use of an area representative is required. This will vary by country and representative, but large service providers can negotiate the best rates.

Foreign exchange rates are applicable as renewal fees are generally paid in the local currency. Some service providers charge exchange rates well above inter-bank exchange rates, with markups as high as 50%.

The **service provider charges the service fee** to cover the administrative costs involved in managing renewals. In addition, some providers charge additional fees, for example, per country or designation.

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Why use a patent renewal service provider?

Working with a specialized patent renewal service provider means you benefit from the experience and understanding of experts dedicated to managing renewals.

These professionals are also likely to have access to specialist agents in key countries, ensuring knowledge of the latest legal changes and delivering efficiencies of scale.

While it may be tempting to try to save costs by taking on the process yourself, the risk of missing a payment deadline is high. These risks are only exacerbated if records are misplaced, staff is busy with other tasks or the portfolio expands rapidly. Corporate reorganizations, changes of personnel and the sale or acquisition of patent rights can also cause problems.

Rather than setting up intricate systems from scratch and updating them as the business evolves, you can cut out the worry by employing a service provider to look after your IP. They can take care of everything, providing flexible solutions that react as your portfolio grows and develops.



Why work with Dennemeyer?

Dennemeyer is an established and highly qualified provider of patent renewal services, having been looking after some of the world's most valuable IP portfolios for 60 years. We offer global reach, outstanding economies of scale, preferential rates, optimized workflows and the scope of support that only a full-service provider is capable of.

Above all, we aim to provide an adaptive service that fits your organization's needs – responding to your company's size and in-house talent.



Clients particularly value the key features of Dennemeyer's patent renewals service:

- High levels of security
- A single gateway to all patent offices
- A trusted, audited, global network of local representatives
- A flat, transparent service fee that includes all maintenance services and data entries
- Automatic renewal date calculation and regular country law updates
- Seamless, secure transfer of client data from almost any location
- Complimentary around-the-clock online access to our web-based Portfolio Management App
- Electronic data health checks of patent data
- Electronic payment receipts and reports
- Expert global presence (including in Europe, United States, China and Japan)

Our standard services include electronic and manual data transfer, data quality control, fees overview for budgeting, timely reminders, monitoring of official fees and specific country rules and cooperation with patent offices to verify data and check statuses.

Setting up patent renewals with Dennemeyer

Working with Dennemeyer to set up your patent renewal management could not be easier.

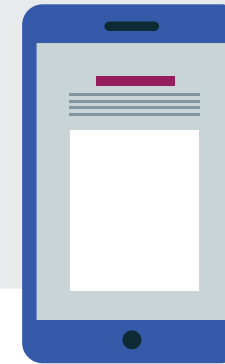
First, a service fee is determined based on the number of payments and portfolio size (small, medium or large). The fee will be re-evaluated if the portfolio changes significantly.

Next, Dennemeyer agrees on a payment start date with the client and calculates the first renewal due. Outstanding payments can be made if cases are due before the start date.

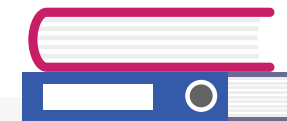
After this, a contract is sent to the client and primary contacts are determined. Data is then transferred using different file formats such as Excel or XML.

Finally, once the data is integrated, Dennemeyer provides complete portfolio lists and renewal reminders. We also provide our new clients with login credentials to view their portfolios 24/7 through our web app.

Small portfolios of up to 50 patents can be set up in two to three months, depending on the quality of data received, while medium portfolios of 50 to 500 patents may take three to four months. Portfolios of over 500 patents may take about four months, depending on their size and sophistication. In many cases, as in Europe, onboarding is even faster.

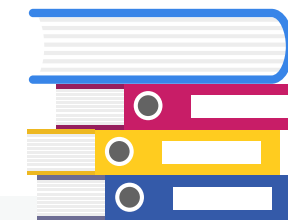


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Small portfolios

Up to 50 patents can be set up in two to three months.



Medium portfolios

50 to 500 patents may take three to four months.



Large portfolios

Portfolios of over 500 patents may take about four months, depending on their size and sophistication.

Four steps to patent renewal peace of mind

Dennemeyer believes the patent renewal process should be as efficient and straightforward as possible. It can be summarized in four clear steps:

- ① Dennemeyer sends the client a **list of upcoming renewal dates** and **cost estimates**.
- ② The client replies to the renewal reminder with their **instructions**.
- ③ Once instructions are received, Dennemeyer sends an **invoice** to the client for the cases to be paid.
- ④ Renewal payment is performed, and the **official payment receipt** is made available for clients.

Personalization and control

Clients can choose whether the default response for upcoming renewals is “do not pay” or “pay.” In the former case, instructions must be given for each instance. In the latter, cases are set to be paid unless other instructions are received.

“Regardless of the option chosen, renewal notices will be sent to the client.”

Invoices are typically sent out monthly and can be structured according to the client’s needs. Invoice addresses and dispatching can be customized, for instance, to different departments. This enables clients to clearly see the costs associated with each patent asset and portfolio.





Build value, minimize stress

Patents are some of the most valuable assets companies can own – especially high-tech, fast-growth companies.

The pace of globalization also means that many large and small companies now own a diverse portfolio of patent rights spanning a significant and growing number of jurisdictions.

What is more, change is coming to the patent landscape. More jurisdictions are becoming commercially important, while the expected launch of the EU Unitary Patent within the next couple of years will provide another option for patent protection in Europe. Of course, this new form of protection will come with its own set of renewal rules and fees, and we will be ready for it.

Working with a specialized patent renewals provider such as Dennemeyer ensures your portfolio is safeguarded. You stay in control without having to fret about missing deadlines. That means your team can focus on building value and delivering growth, assured that your all-important IP rights are in safe hands.



Dennemeyer

The IP Group

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