

# The Patent One-Pager

excerpted from *The 30 Minute Patent MBA* by James Billmaier. Used by permission.

## Patents Increase Likelihood of Exit By IPO

**+153%**

## What's "First-to-File?"

The U.S. is now a "First-to-File" nation, meaning that the right to the patent for a given invention belongs to the first person to file a patent application for said invention. A First-to-File system increases the urgency with which inventors should act upon protecting their intellectual property.

As a result of this urgency, it's often wise for businesses to file provisional patent applications prior to converting them to non-provisional patents.

## Patents Increase Valuation

**+23%** **+29%**  
First Round Second Round

**"Unless you have a patent**

**or some proprietary technology you're gonna be in trouble."**

—Shark Tank host Robert Herjavec

## What's a Patent?

A patent is a 20-year government-granted monopoly for an invention. It gives your company a competitive advantage in the marketplace.

In the United States, a patent (from the filing date of the non-provisional application) is a 20-year government-granted monopoly for an invention, which generally speaking is a product or a process that provides, a new way of doing something or offers a new technical solution to a problem.

## What's In a Patent Application?

A patent is constructed in three sections: the claims, the figures, and the description. The most important of the three sections is the claims (which comprise the legal description of the invention and therefore dictate the actual boundaries of your intellectual property ownership). The rest of the patent is simply there to support the claims.

## Patents Increase Likelihood of Funding

**+53%** **+67%**  
First Round Second Round

## Patent Activity is Growing

**+8.3%** **+21.5%**  
Overall China

## The 2 Types of Patents

Utility patents are the most common type of patent filed. Utility patents protect functional aspects of an invention.

Design patents protect the appearance or ornamental design of an invention.

## Patents Increase Likelihood of Exit By Acquisition

**+83%**

## Is Your Invention Patentable?

At the most basic level, an invention must fulfill the following requirements to be considered for a patent:

- 1) The subject matter must be **patent-eligible**
- 2) The invention must be **new or novel**
- 3) An invention must be **non-obvious**
- 4) An invention must be **useful**, meaning that the USPTO's patent examiners must determine that an invention has a specific utility.

## Software IS Patentable

The court decision in *Alice Corp. v. CLS Bank* led to wild speculation that software might not be patentable. However, successive court decisions have reaffirmed the patentability of software, and computer-related patents continue to be a huge percentage of the patent office's total volume of work. Your competition understands that software innovation is very patentable.

## Percentage of Market Value Represented by a Company's Intangible Assets (Such as IP)

**80+%**

(All Publicly Traded Companies)

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