

How Patents Help In Valuation Talks With Investors

Obtaining a patent for an invention can potentially increase a company's valuation, increase brand and product cachet, and protect the company's GTM strategy.

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/EINPresswire.com/ -- Obtaining a patent for an invention can potentially increase a company's valuation in a number of ways. Here are a few examples:

Patents can provide exclusive rights to the owner, allowing the company to prevent others from making, using, selling, and importing the patented invention without permission. This exclusivity can provide a competitive advantage and increase the value of the company.

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Getting patents can help protect your startup from competitors who are ready to clone your product and your GTM strategy. Moreover, patents can support your company valuation.”

Bao Tran, Patent Attorney



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Patents can be used to license or sell the rights to the invention to others, generating additional revenue for the company.

Patents can serve as a form of intellectual property (IP) and can be used to secure funding or partnerships with other companies. Investors and partners may be more likely to invest in or work with a company that has strong IP protection.

Patents can also be used to deter competitors from entering a market or from copying a company's products

or technologies. This can help the company maintain its market share and strengthen its

position in the industry.

Overall, obtaining a patent can provide various strategic and financial benefits to a company, which can contribute to its valuation.

GET STARTED WITH A PROVISIONAL PATENT APPLICATION

A provisional patent application is a type of patent application that allows inventors to establish an early effective filing date for their invention, while

allowing them additional time to develop and test their ideas. Provisional patent applications are typically less formal and do not require a formal patent claim, oath or declaration, or any information disclosure statement.

To file a provisional patent application, inventors can prepare and submit a written description of their invention and any accompanying drawings to the US Patent and Trademark Office (USPTO). To get the full priority value, the provisional application should contain lots of details with many drawings, with the text description being fully and clearly written so that someone skilled in the relevant field can understand it.

Once the provisional is filed, inventors will then have up to 12 months to file a non-provisional patent application for the same invention. The non-provisional application must contain a complete specification and any necessary drawings, as well as any necessary oath or declaration and any required information disclosure statement.

Provisional patent applications can be a useful tool for inventors who are not yet ready to file a full non-provisional patent application, but who want to establish an early effective filing date for their invention. However, it is important to note that a provisional patent application does not itself grant any patent rights, and inventors must file a non-provisional patent application within 12 months to have their invention considered for patent protection.

FOLLOW UP WITH A NON-PROVISIONAL APPLICATION WITHIN A YEAR

That's correct. If you file a provisional patent application and you wish to pursue patent protection for your invention, you must follow up with a non-provisional patent application within 12 months of the provisional application's filing date. If you do not file a non-provisional patent application within this time period, your provisional application will expire and you will lose the benefit of the early effective filing date.

A non-provisional patent application is a full and complete patent application that includes a detailed specification describing the invention, any necessary drawings, and any necessary oath



or declaration. In addition, the non-provisional application must also include an information disclosure statement, which lists any published documents or other information that may be relevant to the patentability of the invention.

Once you file a non-provisional patent application, it will be reviewed by a patent examiner at the US Patent and Trademark Office (USPTO). The examiner will review the application to determine whether it meets the requirements for patentability, including novelty, non-obviousness, and usefulness. If the examiner determines that the invention meets these requirements, they will issue a patent for the invention.

Overall, filing a non-provisional patent application is an important step in the patent process, as it allows inventors to seek formal protection for their inventions and potentially receive the exclusive rights and benefits of owning a patent.

HOW MUCH DOES A PATENT APPLICATION ADD TO COMPANY VALUATION?

It is difficult to quantify exactly how much a patent application can add to a company's valuation, as it can vary significantly depending on a number of factors. That said, many investors have indicated that, as a part of overall company valuation, they accept the valuation range for a pending patent application to be between \$100,000 to \$200,000, and you should make a strong argument for this valuation.

Some of the factors that can impact the value of a patent and its potential contribution to a company's valuation include:

The nature and scope of the invention: Patents that cover innovative or highly sought-after technologies or products may be more valuable than patents that cover less novel or in-demand inventions.

The market size and demand for the invention: Patents that have the potential to generate significant revenue or address a large market need may be more valuable than patents that have a smaller market or less demand.

The strength of the patent: Patents that are more likely to withstand challenges or legal disputes may be more valuable than patents that are more vulnerable to attack.

The company's ability to exploit the patent: A company's ability to monetize a patent through licensing, selling, or other means can impact the value of the patent and its contribution to the company's valuation.

Overall, the value of a patent and its potential contribution to a company's valuation can vary widely depending on the specific circumstances. It is important for companies to carefully consider these and other factors when evaluating the value of a patent application or portfolio.

OTHER VALUES OF A PATENT APPLICATION

Obtaining a patent for an invention can potentially protect a company's go-to-market strategy in a number of ways. Here are a few examples:

Patents can provide exclusive rights to the owner, allowing the company to prevent others from making, using, selling, and importing the patented invention without permission. This exclusivity can help the company maintain its competitive advantage and protect its go-to-market strategy.

Patents can be used to license or sell the rights to the invention to others, generating additional revenue for the company and potentially supporting its go-to-market strategy.

Patents can serve as a form of intellectual property (IP) and can be used to secure funding or partnerships with other companies. Investors and partners may be more likely to invest in or work with a company that has strong IP protection, which can help support the company's go-to-market strategy.

Patents can also be used to deter competitors from entering a market or from copying a company's products or technologies. This can help the company maintain its market share and strengthen its position in the industry, supporting its go-to-market strategy.

Overall, obtaining a patent can provide various strategic benefits to a company, including protecting its go-to-market strategy. However, it is important to note that patents are not a guarantee of success, and companies should carefully consider their overall business strategy when seeking patent protection.

Remember that the key to achieving goals is to be specific, realistic, and consistent in efforts.

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PatentPC assists clients big and small in protecting their inventions in a variety of practice areas including software, digital health, and medical devices. Our specialized expertise covers a broad range of technical areas. We focus our practice on strategic guidance and services, including patent prosecution and strategic patent counseling. Our experience includes prior art searching, clearance searching, product licensing, and enforcement of patents and other intellectual property rights.

Our [patent attorneys](#) have a technical background that gives us the ability to create patent applications that capture a novel invention and also provide coverage beyond the boundaries of the invention. Our combined experience as patent lawyers and our knowledge of patent litigation allows us to prepare and file all types of patent applications that can withstand scrutiny and maximize enforceability. Our expertise also extends to negotiating and drafting licensing arrangements.

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