

# Overseas patent filing strategy – choosing countries

Patent rights are territorial. This means that a separate patent must be filed in each country you require patent protection in.

Once a patent application for an invention has been filed in one country there are options for filing the same application in other countries. These are discussed in our information sheet entitled "[Overseas Applications: PCT v Convention](#)".

Irrespective of the option selected, at some stage early in the patent process you will need to decide which countries to seek intellectual property (IP) protection in. While filing in more countries offers more protection for an invention, the advantages of gaining protection in some countries may not always warrant the investment.

In our experience prudent clients consider filing patent applications based on the following considerations:

- **Market return**

Probably the most important consideration is to assess the size of the market for your invention in a given country and forecast the returns from potential sales of your invention or license fees from the patent over the lifetime of the patent (usually 20 years).

This should be compared to the cost of gaining and maintaining IP protection in that country.

Most applicants find the potential returns justify the investment in all but their smallest markets.

- **Future markets**

Potential markets for an invention should also be evaluated. A patent confers 20 years of protection so your commercial plans in several years' time may also merit filing for patent protection in some countries where there is no currently established market.

- **Home country**

Patent protection should always be sought in your home country. Often, your home country will be a major market and you will want to cover it anyway. However, even if your home market is small this strategy protects against ex-employees who may leave you to set up in competition.

- **Manufacturing base**

It is also usually advisable to seek IP protection in countries where a product is manufactured. A manufacturer may have detailed knowledge of your product and the machinery that makes it. There is a risk that they could use this information to their advantage, for example by setting up in competition with you or making similar products for competitors.

- **Competitors**

As well as being defensive tools, patents can also be used aggressively. By filing for protection in countries of importance to competitors (for example their home country, major markets or manufacturing base), it may be possible to stifle their activities.

- **Fast patent systems**

It can be advantageous to obtain granted patents in some countries quickly, for example to reassure or attract investors. This can provide a business case for filing in countries that have relatively fast examination processes, such as Australia or New Zealand.

In addition, contentious matters are likely to be settled in some countries faster than others. Australia and New Zealand are again good examples. Filing for protection in these countries means infringement or invalidity proceedings can be decided relatively quickly, which often provides a good indication as to which way decisions will go in larger markets, where such proceedings will take longer to reach a conclusion and be considerably more expensive.

It is always important to discuss your requirements with your IP advisor to ensure maximum protection can be taken from the intellectual property system.