

**CHAPTER 3: WHY PATENT**  
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Most business owners are well aware that a United States utility patent is an expensive proposition, costing anywhere from \$10,000 to \$20,000 per invention with no promise or guarantee that a patent will issue on the invention. However, in many fields, it is virtually impossible to start and maintain a competitive business without them.

The United States economy is built upon the principles of a free market system, in which the attainment of high quality, low cost goods and services is driven by competition. Under such a system, legal monopolies are limited as they eliminate competition and undermine the basic principles of a free market economy.

One of the few legally authorized monopolies in the United States is granted by way of a utility patent. A United States utility patent gives the owner an exclusive right to make, have made, use, sell, offer for sale and import the patented invention within the United States during the term of the patent. United States utility patents filed after June 8, 1995 have an enforceable term of twenty years from their ‘earliest effective’ filing date subject to certain adjustments.

Absent a patent, the free market system permits – and indeed even encourages – competitors to copy new product offerings and sell the ‘copied’ product in competition with the innovator. Patent protect can be an invaluable tool to start-up companies who typically need the exclusivity granted by a patent to get off the ground – free from the stifling competition of larger established players. Established businesses enjoy increased profit margins for products protected by a patent – thereby justifying further research and development efforts. Indeed, many experts contend that in the absence of a patent system, only academic institutions funded by taxpayer dollars would undertake research and development as the cost of innovation could seldom be recovered in the marketplace.