What Entrepreneurs Get All Wrong About Patents — and How It’s Holding Them Back



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Key Takeaways

- Many founders delay patents, thinking they are expensive, unnecessary, or only useful for litigation.
- In reality, startups with patents are far more likely to raise funding, protect their technology and gain leverage during acquisition talks.
- Filing early, even with provisionals, prevents self-inflicted loss of IP rights and keeps costs manageable.

I talk to founders every week who tell me patents aren’t their

priority now. They're focused on building products, shipping them to customers and pitching investors. Many assume IP protection can wait.

But if you look at who's getting funded and who's getting acquired, a different picture starts to emerge. An EPO–EUIPO study found that startups with patents are 10 times as likely to raise early-stage funding.

In this piece, I'll unpack the most common misconceptions I hear from founders around patents. Later, I'll share how getting your strategy right early can unlock capital, protection and leverage when it matters most to your startup.

So let's start with the myths.

Related: Your Big Idea Is Worth Protecting – That's Why You Need to Patent Your Invention

Misconception #1: We don't need patents to succeed

I hear this one constantly: *"Patents aren't really necessary to build a successful company."*

And yes, you'll find plenty of stories and a handful of high-profile outliers. One is WhatsApp, with a few patents, and it is still sold for billions.

But that's the exception, not the rule.

WhatsApp scaled rapidly in a narrow window when the messaging infrastructure was evolving. Later acquired by Facebook, a company with tens of thousands of patents and a deep IP strategy. Most startups don't operate in that environment.

So here's my advice: Scan your ecosystem. What are the serious players doing, the ones you want to compete with or be acquired by? Chances are, they're filing. So should you – at

least hedge your bets.

Many innovative startups are doing the same. Take Solenic Medical. They filed early, and it helped them raise $5.1 million. That's not luck. That's leverage.

Misconception #2: We'll file a patent once the product is ready

Founders tell me this all the time: *"We'll sort out patents once the product's ready."*

And I get it, you're focused on pitching, building, getting to market, etc. But here's the problem: If you show your tech before you file, you might lose the right to protect it. Completely.

You don't have to take my word for it. Courts have ruled this again and again. In Netscape v. Konrad, the inventor demoed too early – patent gone. Minerva Surgical showed their device at a trade show, then filed. The court tossed it.

This didn't happen because these ideas weren't strong. But because they waited, their own marketing effort spoiled any possibility of protection.

That's how patent law works. You don't get a second chance.

So file early, even a quick provisional will work. It's cheap, locks in your date and keeps your options open.

Because once it's public, it's out of your hands and given to the public domain in many cases.

Related: 4 Surprising Patent Myths That Could Cost You Big – What You Need to Know Now

Misconception #3: Not every idea is patentable

Founders often assume their innovation isn't "*groundbreaking*" enough. They say: "*We're not inventing anything new, just improving something that already exists*."

I hear this all the time. But most patents aren't for game-changing inventions. They're for smart improvements that solve problems better than before. Inventors are often too humble to appreciate the patentability, so they seek a professional opinion.

Let me give you an example. Edison didn't invent the first light bulb. Others built versions, but they didn't last. Edison tested thousands of materials before finding carbonized bamboo. That made the bulb last long enough to replace oil lamps. It worked as an incremental advancement, and it was a patentable roadblock that justified commercialization.

I've seen the same pattern with startups. One change in design, one better method, and suddenly the product has real IP value for an incremental feature that every competitor will need to add to their alternative to remain competitive.

So don't underestimate your work. If it's new, useful and solves a problem, it might be patentable.

Misconception #4: Patents are too expensive for startups

Founders often assume patents are unaffordable. They're only for big companies with deep pockets. But that's a misunderstanding of how patent costs actually work.

In one of my earlier articles, I outlined how startups can manage IP costs strategically from day one.

Yes, a U.S. patent might cost up to $50,000 over its lifetime. But smart teams use provisionals to delay costs, limit filings to high-value ideas and plan ahead.

The cost isn't the problem. Poor planning is. When you treat IP like a business asset, it becomes affordable and powerful.

Misconception #5: Why patent if I don't plan to litigate?

Thinking that patents are only valuable if you want to litigate is a common disconnect with what sophisticated enterprises know. Litigation is just one use and often the least relevant for early-stage companies.

Take Tesla. In its early days, it filed key patents around its battery systems and charging tech. But when it opened those patents in 2014, it wasn't abandoning IP. It was using it to lead the market. Those early filings signaled technical leadership, attracted investment and helped establish Tesla's ecosystem. Even to litigate those patents against a competitor recently.

That's the real power of IP: signaling strength, building trust and opening doors.

So how do you build that kind of foundation from day one without hurting your budget and other resources?

Here's a roadmap I've seen work for startups.

Related: What Most People Get Wrong About Inventions, According to a Leading Patent Lawyer

A strategic IP roadmap for any

startup to succeed

After two decades advising startups on building IP portfolios that attract funding and strengthen exit value, here's what I recommend:

- **Don't let ideas slip through the cracks:** Capture innovations enterprise-wide. Product, engineering and support teams often surface technical solutions. Set up a simple system where any team can submit ideas easily, without friction.
- **Filter and file only high-quality patent ideas:** Not every idea is worth protecting. Focus on innovations tied to revenue, defensibility or investor interest. Use attorney input early to frame what's protectable, increasing the likelihood of success.
- **File strategically to save cost and create leverage:** File provisional applications to secure early dates. Leverage government fee discounts and defer global spend through the PCT. File where IP adds real business value.
- **Align IP with business milestones:** Time filings around fundraising, product launches and partnerships. A well-timed application strengthens your pitch or valuation.
- **Revisit and refine quarterly:** Your product evolves, so should your IP. Realign filings to what still drives business value.

Startups move fast. But your IP strategy should be just as nimble.

The founders who treat patents not as paperwork but as business infrastructure are the ones who raise stronger rounds, build more defensible companies and exit on their own terms.

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