IMPACT OF PRE-ISSUANCE CHANGES IN AIA

By,

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Agenda

- Overview
- First-to-file
  - Prior art
  - Exceptions
  - Grace period
- Third-party submissions
- Derivation proceedings

OVERVIEW

Key facts

- Passed into law on September 16, 2011
- Significant change to US patent law
- Harmonizes patent law with other nations
- Aims to reform patent system – foster innovation and increase protection of IP assets
  - clarity to patent ownership and
  - a more efficient alternative to litigation in settling disputes
- New “micro” entity fee category introduced

USPTO gets some freedom

- Fee setting authority
- 15% increase in normal fee
- If "3rd party submissions" take off, they could realize more revenue with less work!

FIRST INVENTOR TO FILE

Key facts

- Effective from March 16, 2013
- Not the same as first to file system in other countries
- US flavor of first-to-file
- To ensure that the inventor is always the one who obtains the patent

First inventor to file

§ 102. Conditions for patentability; novelty

(a) *NOVELTY; PRIOR ART.—A person shall be entitled to a patent unless—*

(1) *the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public* ***before the effective filing date of the claimed invention****;*

(2) the claimed invention was described in a patent issued .., or in an application … published …, names another inventor and ***was effectively filed before the effective filing date of the claimed invention***.

Prior art

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Prior art

- Patent
  - Before effective filing date
- Publication
  - Before effective filing date
- Public use
  - Anywhere
  - Before effective filing date
- On sale
  - Anywhere
  - Before effective filing date
- Otherwise available to the public
  - Anywhere

Prior art – pre-AIA vs AIA

Prior art concept	Pre-AIA	AIA
Patent	Anywhere	Anywhere
Printed publication	Anywhere	Anywhere
Prior use	In the US	Anywhere
Prior knowledge	In the US	Anywhere
Prior sale	In the US	Anywhere

Exceptions

§ 102. Conditions for patentability; novelty

*(b) **Exceptions.—***

*(1) **Disclosures made 1 year or less before the effective filing date of the claimed invention.—** A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if—*

(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

Exceptions (Contd.)

(2) **Disclosures appearing in applications and patents.—** A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if—

(A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;

(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.

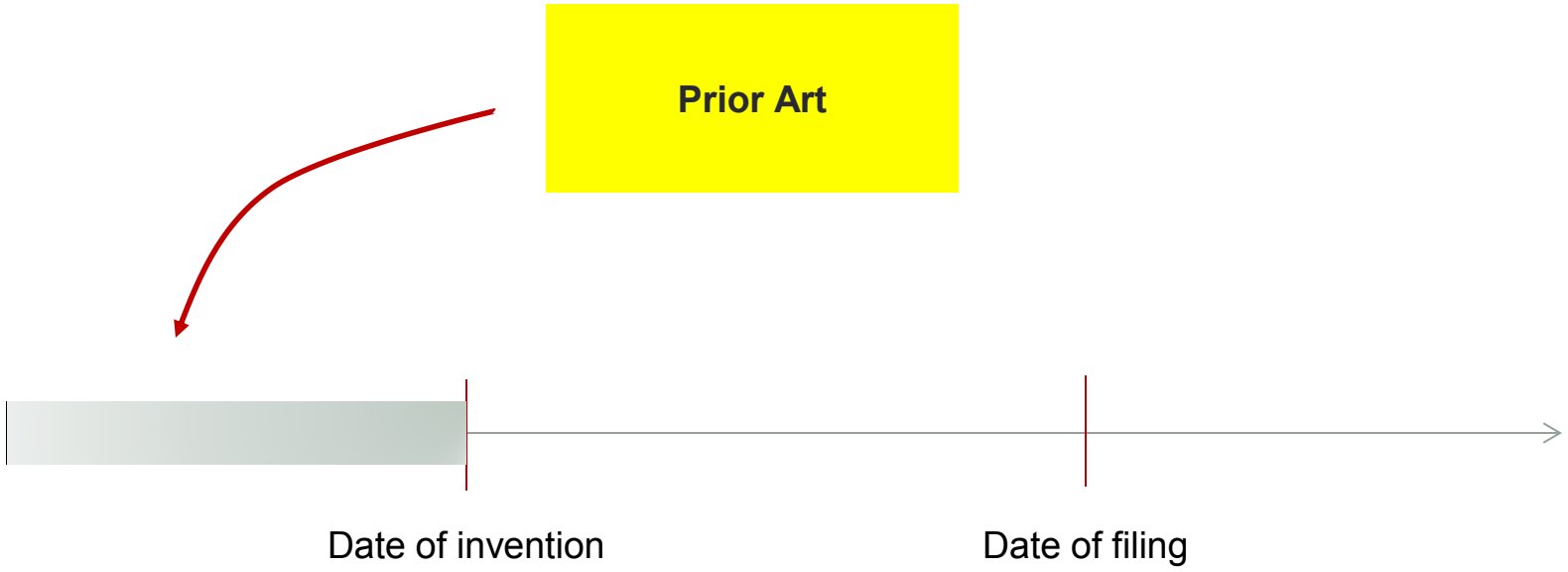
Exceptions

- Limited one-year grace period via exceptions

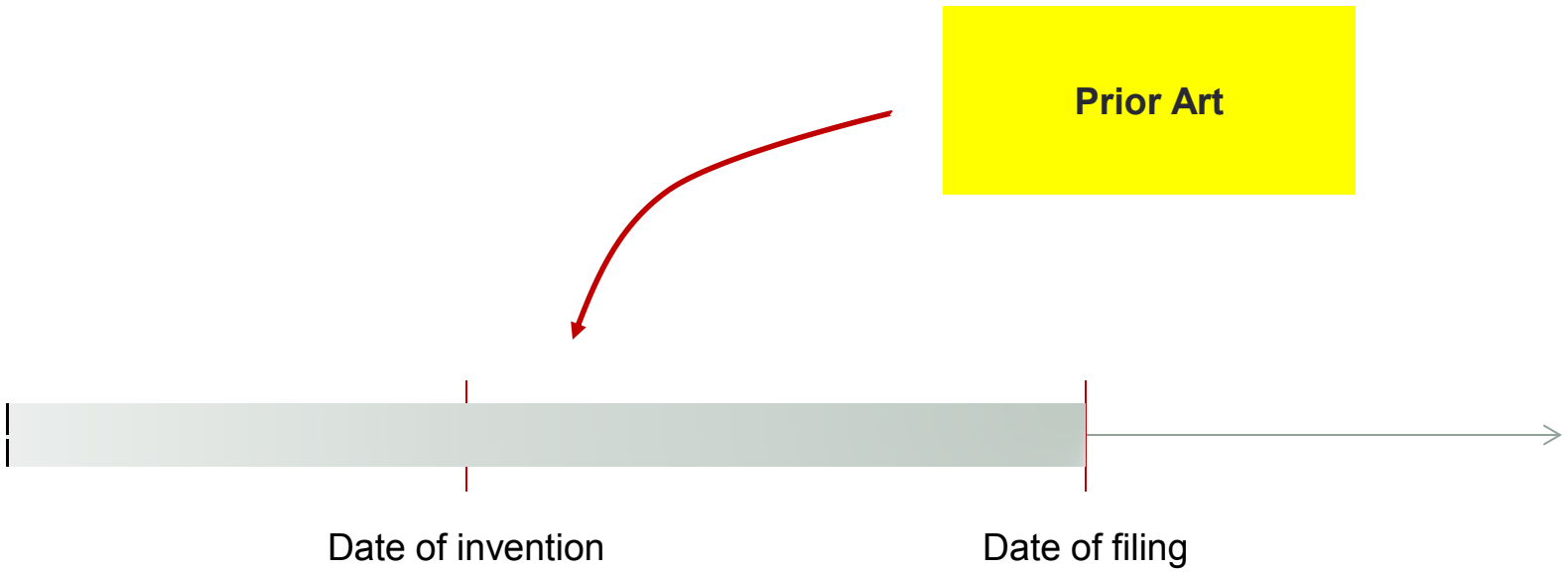
Disclosure not considered prior art:

- Disclosure is preceded by an disclosure from Inventor
- Disclosure is derived from a disclosure by inventor
- Common ownership (by effective filing date)

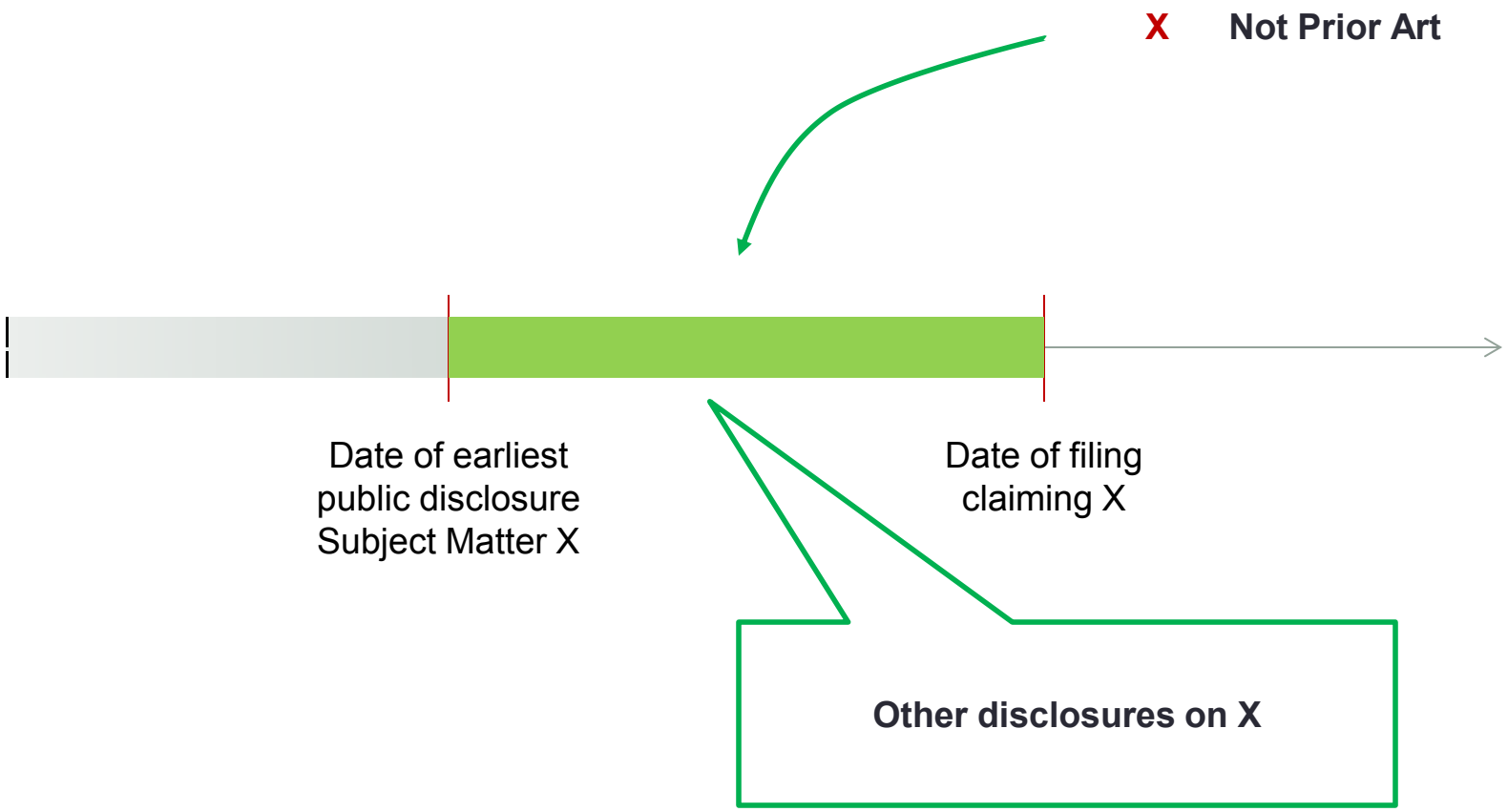
Pre-AIA



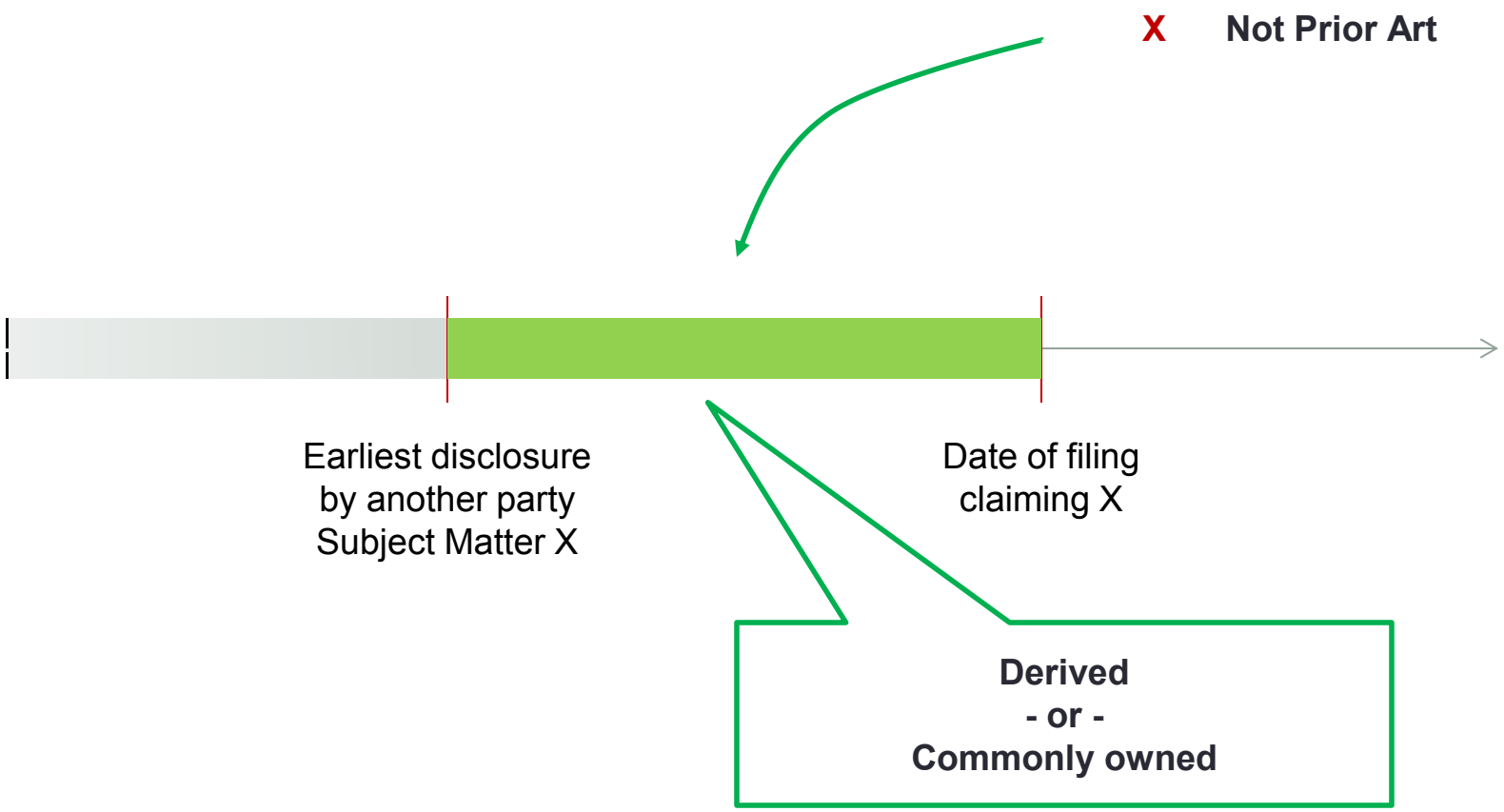
AIA



AIA – Prior Disclosure



AIA – Prior Disclosure



Which provisions apply?

- effective filing date of all claims after March 15, 2013,
  - the AIA prior art provisions apply
- effective filing date of all claims before March 16, 2013,
  - only pre-AIA provisions applies
- at least one claim has an effective filing date after March 15, 2013, and
- at least one claim has an effective filing date before March 16, 2013,
  - all claims are subject to both the AIA and pre-AIA

Observations

- Level of disclosure required to apply exclusions is not clear
- Disclosure more important, but is not a substitute for filing a patent application
  - Disclose when possible, after first filing
- Public disclosure may risk patent rights in countries that do not allow grace periods for such disclosure
- Early disclosure can be proxy to priority, if US is the sole focus
  - Can be used as a delaying/ blocking tactic as well, if money is a constraint

Observations

- Enough disclosure is important in a provisional
  - A subsequent publication may negate the priority benefits of a simple provisional
- Best strategy is to file first as soon as possible
  - Quality of disclosure vs earliest priority date
  - File multiple provisional applications for improvements so as to not lose out on improvements

THIRD PARTY SUBMISSIONS

Key facts

- Effective from September 16, 2012
- Allows third parties to submit patents and printed publications to be considered during patent examination
- Submissions cannot be made after notice of allowance

Code

§ 122 - Confidential status of applications; publication of patent applications

(e) **Preissuance Submissions by Third Parties.—**

(1) **In general.—** Any third party may submit for consideration and inclusion in the record of a patent application, any patent, published patent application, or other printed publication of potential relevance to the examination of the application, if such submission is made in writing before the earlier of—

- (A) the date a notice of allowance … is given or mailed in the application for patent; or
- (B) the later of—
  - (i) 6 months after the date on which the application for patent is first published … by the Office, or
  - (ii) the date of the first rejection … of any claim by the examiner during the examination of the application for patent.

Code

(2) **Other requirements.—** Any submission under paragraph (1) shall—

(A) set forth a concise description of the asserted relevance of each submitted document;

(B) be accompanied by such fee as the Director may prescribe; and

(C) include a statement by the person making such submission affirming that the submission was made in compliance with this section.

USPTO Guideline

"The concise description must not include arguments against patentability or set forth conclusions regarding whether one or more claims are patentable, and must not include proposed rejections of the claims or arguments relating to an Office action or an applicant's reply in the application."

Submissions

- A concise description of the asserted relevance of each item identified in the document list
- A legible copy of each item identified in the document list, other than U.S. patents and U.S. patent application publications
- An English language translation of any non-English language item identified in the document list
- Necessary Statements by the party making the submission
- Any required fee

Non-compliant submissions

- No new time period for non-compliant submissions

- Must file another complete submission for consideration before stipulated time period

Observations

- Intention is to improve quality of patents issued
- If successful, less work and more revenue for USPTO!!
- May result in improvement of quality, even if slightly
  - Not exorbitantly costly
- Probably will favor large organizations more than small organizations
  - Time is of essence for smaller organizations
  - Must if directly impacting business
  - Submission may signal competitive intent – may not be a good idea in early stages

Observations

- Large organizations may take a cautious approach regarding submissions against other large ones
  - Surely will submit for important cases
  - Could prove to be detrimental if and when there is retaliation
  - Have not seen any significant change in approach from clients

DERIVATION PROCEEDINGS

Key facts

- Effective date follows first inventor to file implementation (March 16, 2013)

- Replaces interference proceedings (or priority contest)

Code

§ 135 - Derivation proceedings

(a) Institution of Proceeding.—

(1) In general.— An applicant for patent may file a petition with respect to an invention to institute a derivation proceeding in the Office. The petition shall set forth with particularity the basis for finding that an individual named in an earlier application as the inventor or a joint inventor derived such invention from an individual named in the petitioner's application as the inventor or a joint inventor and, without authorization, the earlier application claiming such invention was filed. Whenever the Director determines that a petition filed under this subsection demonstrates that the standards for instituting a derivation proceeding are met, the Director may institute a derivation proceeding.

How to initiate?

- The petition must be filed within one year of the first publication by the earlier applicant
- At least one claim must be same or substantially the same as the application's claim to the invention
- Publication may be a US patent publication or a WIPO publication designating US
- Petition must show why the respondent's claimed invention is the same or substantially the same as the invention disclosed to the respondent

How to initiate?

- Must identify the precise relief requested and also demonstrate that the claimed invention in the subject application or patent was derived from an inventor named in the petitioner's application

- Not instituted until claims are in condition for allowance

Evidence

- Under Section 42.405(c), a derivation is not sufficiently shown unless it is supported by substantial evidence
- Substantial evidence:
  - at least one affidavit addressing communication, and
  - lack of authorization (a negative)
- Lab notebooks and records still relevant
- Probably need more documentation regarding disclosure and related circumstances
  - Makes it more complex, but at least there is a mechanism

Observations

- Mechanism to eliminate first filers that are not “inventors”
- Showing of communication must be corroborated
- Showing lack of authorization may be difficult
  - Evidence mostly likely with the alleged party
- Petitioner may have practical difficulties in corroborating communication and proving lack of authorization
  - Inventors should not rely on derivation for claiming rights
  - Earliest disclosure may be a better bet, which comes with caveats
- As a result, proceedings may be rare

CONCLUDING REMARKS

Summary

- First-inventor-to-file as opposed to first-to-file
  - Practically equivalent to first-to-file
- Provisions for inventor to claim inventorship through derivation
  - May be practically difficult to achieve the goals
- Grace period available with potential pitfalls
  - Practically not useful as following publications may negate the effect
- Level of disclosure is a key question
  - Safe bet is to enable your “claims”, if you go that route

Not legal advise!

- Seems a “hypothetical” first inventor to file system
- Better off thinking about this as a first to file system
  - remedies are useful, when due diligence is applied
- Time is of essence now. File early!
  - As always, file detailed disclosures, where a provisional application or just a “public” disclosure
- Disclose publicly when possible, perhaps after first filing – provisional or non-provisional
  - if not detrimental to strategic goals

ANY REMARKS OR QUESTIONS?

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