



# Important Patent Law Changes Under the America Invents Act

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- Patents in a nutshell
- Patent Reform Milestones
- Overview of the America Invents Act (AIA)
- Impact on prosecution of patents
- Impact on patent litigation
- New procedures for fixing/challenging patents at the Patent & Trademark Office (PTO)

- One type of “intellectual property”
  - Copyright, trademark, trade secret
- Conveys the right to exclude others from practicing claimed invention
  - Not a right to *use*; a right to *exclude*
- What is patentable
- “Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent” (35 U.S.C. 101)
- “anything under the sun that is made by man” **Diamond v. Chakrabarty**, 447 [U.S. 303](#) (1980)

- U.S. Constitution Article I, Section 8, Clause 8 (1789)
  - *The Congress shall have power...* To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.
- 1952 Patent Act—Modern Patent Law
- USPTO Reform Attempt 2007 (blocked by courts-substantive rule making)
- Leahy-Smith America Invents Act (2011)

# The Leahy-Smith America Invents Act

- Signed into law on September 16, 2011
- Most significant change to the Patent Act since 1952
- Product of five years of legislative effort



President Barack Obama signs the America Invents Act September 16, 2011, at Thomas Jefferson High School for Science and Technology in Alexandria, Va.

# Key Provisions

- Change from “first to invent” to “first inventor to file”
- Significant changes to what constitutes “prior art”
- Changes to the funding of the Patent & Trademark Office (PTO)
- Procedural changes affecting patent litigation
- New procedures to challenge/fix patents in the PTO

- Little improvement to the quality of new patents
  - Emphasis is on fixing already issued patents
  - First inventor to file will cause more patent applications to be filed
  - ... and less care will be put into those applications.
- Enhanced PTO funding may help initial patent quality

# First Inventor to File



- **A patent is awarded to the first inventor to file a patent application**
  - New rule applies to patents filed after March 15, 2013
- An inventor's public disclosures (within one year of filing application) are not prior art
- The AIA simplifies and broadens the definition of “prior art”
- AIA excludes commonly owned patent applications from “prior art”
- The transition from “first to invent” to “first inventor to file” requires planning to ensure patent applications have the right priority date

- First to invent (Existing Rule):
  - “the invention was known or used by **others in this country**, or patented or described in a printed publication in this or a foreign country, **before the invention thereof** by the applicant for patent”
- First inventor to file (New Rule):
  - “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”

# Prior Art

## Big Picture

- Changes to 102 and 103 apply to applications with claims having “**Effective Filing Date**” on or after March 16, 2013.
- Potentially more prior art available
- Prior art potentially has earlier date
- **But, more exceptions to prior art**

## Impact of 35 USC 102(a)(1)

### More Prior Art

- More categories of prior art
  - Public use and on sale activities outside the U.S. now constitute prior art.
- More prior art generally citable against an application
  - Prior art date needs only to beat the EFD to be problematic rather than date of invention

## Exceptions to Prior art

- An inventor's public disclosures (e.g., articles, speeches) are not prior art if:
  - Made within one year of patent application
  - Open question whether “disclosures” include sales and public uses
- Other patent applications are not prior art if:
  - Subject matter **obtained from the inventor** or joint inventor, or
  - If there is **common ownership** of patent applications

# AIA vs. Europe

Aspect	United States	Europe
Priority	First-Inventor-to-File	First-to-File
Grace Period	One year grace period for inventor's own disclosures	<b>No grace period</b> (limited exceptions)
Confidential Sales	Confidential sales are prior art	Confidential sales are not prior art
Prior Use	If prior use is public, it is prior art if no inventor/joint inventor exception	If prior use is public, it is prior art; if confidential, not prior art
Joint Research Agreements	Work by collaborators in joint research agreements is not prior art	If under confidential agreement, not prior art

- When to file a patent application?
  - **ASAP – the earliest filing date wins the race**
  - **Need to streamline procedures for filing patent applications**
  - But the patent application must be sufficiently detailed to support the claims
  - Consider filing serial provisional applications



- Significant differences will continue to exist between US and foreign patent practice
- Need to manage the transition to first inventor to file rules
- Continue to maintain laboratory notebooks
  - Establish rights in derivation proceedings
  - Establish exceptions to prior art rules
  - Telling the story of invention in litigation

# AIA's Impact on Patent Litigation

- September 15, 2011 was the most litigious day in patent law history: 54 cases naming over 800 defendants
- No more single trials with numerous, unrelated defendants
  - Coordination among unrelated defendants was a significant burden
  - Lowest-common-denominator defense strategies
- But . . .
  - Cases can be consolidated for pre-trial procedures
  - It does not appear to have had much effect on venue
  - And it has not deterred NPEs from suing numerous defendants at the same time in the same court
  - It remains to be seen whether the increase in costs associated with separate litigations changes the calculus for NPEs suing marginal defendants.

- Expansion of Federal Circuit Jurisdiction
  - Denies state courts jurisdiction over patents, plant variety, copyright actions
  - Vests all appellate jurisdiction for patent or plant variety claims and counterclaims in the Federal Circuit

- Elimination of “best mode” defense
  - Minimal impact since it was a rare defense before the AIA
  - Still a requirement for patentability
- Willfulness/Inducement – Advice of Counsel
  - The fact a company did not obtain an opinion or decided not to introduce it at trial may not be used to prove willfulness or inducement
  - Favorable opinions can still be introduced by accused infringer
  - Furthers an already high standard to prove intent for willfulness and inducement claims

# PTO Proceedings



AIA Procedure	
Supplemental examination	Post grant review initiated by patent owner
Third party pre-issuance submissions	Pre-grant submission by third parties
Citation of prior art and written statements	Post-grant submission by third parties
Post-grant review <i>Inter partes</i> review	Post-grant reviews initiated by third parties
Ex parte reexamination	Post-grant review
Derivation proceedings	Post-grant challenge to inventorship

- Patent owner initiates for issued patents to inoculate a patent against new prior art or potential inequitable conduct
  - Not available to 3<sup>rd</sup> parties
- Submission may include any information believed to be relevant
- USPTO substantively examines the submission
  - USPTO institutes *ex parte* reexamination if substantial new question of patentability is raised by submission
- Cannot inoculate Patentee from inequitable conduct, **if already alleged** or if the result of materially fraudulent activity



# Third Party Pre-Issuance Submissions (Sec. 8, § 122(e))

- **During prosecution**, any third party may now submit prior art “of potential relevance to the examination of the application”
  - Does not preclude **anonymous** submission
  - Specific time to file:
    - Before the notice of allowance and
    - Before the later of the following dates:
      - The date six months after publication
      - The date of the first office action
  - Becomes part of prosecution history
- Inexpensive way to potentially knock out a competitor’s patent before it issues
- But, there is a risk of facing a stronger patent

# FR Citation of Prior Art and Written Statements (§ 301)

- Like 3<sup>rd</sup> Party Pre-Issuance Submissions, but for issued patents
  - Who/when: Any person at any time (anonymous)
  - What can be submitted:
    - Patents and printed publications
    - Patent owner statements regarding claim scope made in federal court or PTO proceeding (Must include supporting evidence (e.g., pleadings))
  - Effect:
    - Submissions become part of written record
    - Limited to claim interpretation purposes

- **Unchanged**
- Central Reexamination Unit (CRU) retains responsibility for *Ex Parte* Reexamination
- The present threshold of a “substantial new question of patentability” (SNQ) continues

- First inventor to file is a significant change to prosecution practice
  - Requires companies to have procedures in place to quickly file good patent applications
  - Need to manage the transition from the old rules to the new rules
- Prior Art Expanded
- AIA brings the US patent system closer to the rest of the world, but there are important differences

Thank You