

The Leahy-Smith America Invents Act First To File Priority

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America Invents Act: Background

- America Invents Act (AIA) signed September 16, 2011
- Most comprehensive legislative patent reform in 60 years
- Rationale
 - Harmonize U.S. patent law with the rights of foreign jurisdictions
 - Speed up patent application/invention process
 - Bring certainty to contentious aspects of application process
 - Reduce litigation costs
 - Strengthen U.S. patents
 - Create jobs

America Invents Act: Major Changes

Provision	Effective Date
Qui Tam False Marking	September 16, 2011
Pre Issuance Submissions	September 16, 2012
Post Grant Review <i>Inter Partes</i> Review	September 16, 2012
Supplemental Examination	September 16, 2012
First to File	March 16, 2013
Derivation Hearings	March 16, 2013



Pre-AIA: First to Invent Priority

CASE #1

Inventor A



Inventor B



CASE #2

Inventor A



Inventor B



Post-AIA: First to File Priority

CASE #1



CASE #2



First to File Priority: Rationale

■ First to Invent

- Beneficial to independent inventors and small companies by allowing more time
 - To finalize R&D
 - To start fundraising and marketing

■ First to File

- Reduces uncertainty as to priority
- Eliminates litigation by third parties trying to swear behind the first filed application
- Increases transparency, objectivity, predictability, and simplicity.

■ Tradeoff from equity to certainty

First to File: Realities

- Rush to the Patent Office
 - Inventors will have to optimize inventive process, reduction to practice, and patent application process
- Inventive process is a function of innovative thoughts from the right person in the right place at the right time
- Reduction to practice accelerated with increased funding and resource levels
- Patent application process optimized in well “oiled” IP savvy organizations

First To File Priority: Derivation

- Scenario: Third party hears about your invention, rushes to the USPTO, and files an application ...
- Derivation disputes are subject to proceedings before the Patent Trial and Appeal Board
 - To determine whether third party derived its application from your invention
 - One year time limit
 - Burden on applicant to identify derivations
- Don't rely on filing date
 - Keep detailed records to justify invention time frame
 - Document flow of information to third parties, creating paper trail to prove derivation (e.g. presentations, facility tours, employees)

Strategies Addressing First to File Priority

- “File Early and Often”
- Public Disclosure
- Managed Inventive Process

“File Early and Often”

- Provisional application is a one year place holder
- Provisional application quicker and nominally cheaper than a non-provisional application

Application Section	Non-Provisional	Provisional
Abstract	Yes	
Written Description	Full	Enough to describe invention and support claims
Prior Art Discussion	Yes	
Drawings	Yes (formal)	Yes (informal)
Claims	Yes	
Information Disclosure Statement	Yes	
Inventory Oath	Yes	

“File Early and Often”

- Preserving an inventor’s rights may best be accomplished by filing a U.S. provisional patent application
 - Once an invention has been identified, file a provisional application ASAP
 - If necessary, filing multiple provisional patent applications as the invention evolves
- Rushed provisional application cuts off inventive process
 - Limits trial and error that might lead to better, different, or cheaper alternatives
 - Push to commercialize invention could distract/stop inventive process
- Limited resources might lead to single application attempt

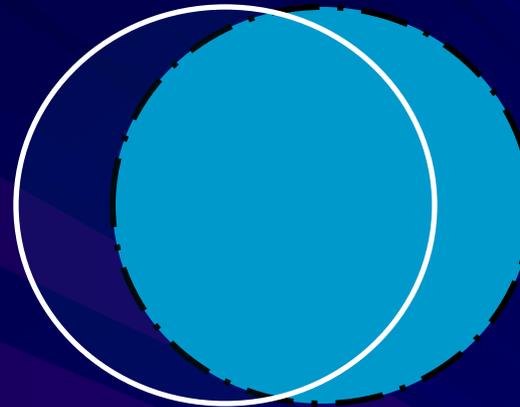
Rushed Prior Art Search Leads to Problems

Claims might be too broad

- Claims anticipated by prior art
- Applicant will have to narrow claims down the road, potentially rendering invention worthless

Application Space

Prior Art Space

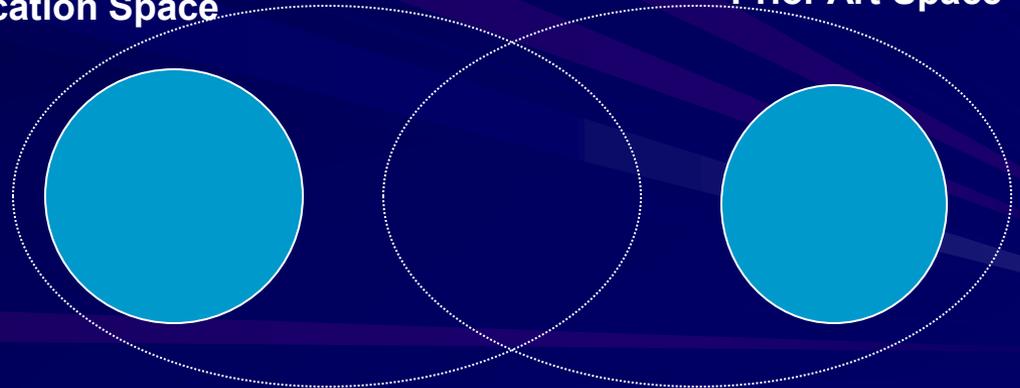


Claims might be too narrow

- Application leaves “claims on the table”
- Application with newly added subject matter will have a later filing date
- Exposure for third party prior art or patent application filing

Application Space

Prior Art Space



Public Disclosure

- Third Party Public Disclosure Exception AIA § 102(b)(1)(B)
 - If an inventor publicly discloses his or her invention prior to filing, any third party disclosure made in the interim shall not be considered prior art to defeat patentability of the claimed invention
 - Result → Public Disclosure defeats subsequent third party application filing
 - First to Disclose rather than First to File
- Problem!! No definition of “Public Disclosure” in AIA or regulations
- Dangers of a Faulty Public Disclosure
 - If public disclosure requirements are not met, applicant is not entitled to exception
 - Increased dangers if disclosure is written up by inventor and not vetted out by patent law practitioner

Managed Inventive Process

- IP Management to start earlier in inventive process
 - Bi-Weekly or Monthly engineering project reviews
 - Identifying new ideas that should be filed as patent applications
 - Compelling developers to spend more time on more frequent patent disclosures and patent prosecution
 - Modifying the employee incentive structures to achieve these goals
- Anti-Derivation Procedures to be implemented
 - Reviewing every departure of a key employee (perhaps to join a competitor)
 - Diversion of his former colleagues' time to write and file patent applications on patentable subject matter developed by the departing employee

America Invents Act– Survival Guide, Ron D. Katznelson, IEEE Conference, July 12, 2012, at 29

Glossary

derivation	Invention theft
prior art	All information that has been disclosed to the public in any form about an invention before a given date
reduction to practice	Development of a working prototype of either the object or method that has been sufficiently tested to demonstrate that it will work for its intended purpose
swearing back/behind-	Removing a reference (e.g., publication, application) from the prior art by providing evidence to the USPTO that either (1) conception of the invention occurred prior to the effective date of the reference and the inventor was diligent in reducing the invention to practice from just before the effective date of the reference until reduction to practice occurs or (2) completion of the invention (reduction to practice) occurred before the effective date.