

# 2011 AMERICA INVENTS ACT PATENT REFORM

Presented by

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# The America Invents Act (AIA)

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Enacted September 16,  
2011

Variety of effective dates  
depending upon the  
provision

Purpose: consistency  
with rest of the world





# Patent Types

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Provisional: one year to file utility, reserves priority dates without full patent

Plant: newly invented strains of asexually reproducing plants

Utility: full patent (compositions, methods)

Design: ornamental features only

# Bayh-Dole Act of 1980

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- Really started university technology transfer
- Universities and small businesses retain title to inventions under federally funded research programs
- Universities must:
  - Grant licenses rather than assign
  - Disclose government interest in the patent
  - Share income with inventors
  - Use residual income for research
  - Grant a non-exclusive license to the government

# The America Invents Act

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- Introduced in the Senate as the Patent Reform Act of 2011 (S. 23)
- Name changed in floor amendment before passage by the Senate (95-5) March 8th (118 pages)
- Introduced in the House as H.R. 1249
- Amended, and name changed, before passage by the House (304-117) June 23rd (152 pages)
- House version passed by Senate (89-9) September 8th
- Signed by the President September 16, and became Public Law No. 112-29

# Changes that Matter

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The new rules are clearer than current law, since no more concerns with:

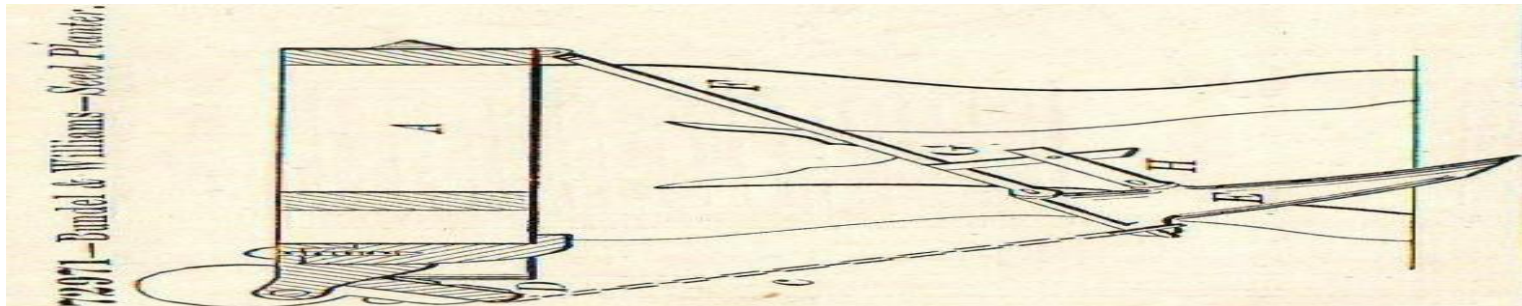
- ❑ Date of conception
- ❑ Date of reduction to practice or invention
- ❑ Diligence in reduction to practice
- ❑ Documenting those activities



# The Biggest Change: First to File

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- Rules to determine which of two almost-simultaneous inventors get the patent
- Important, because patents are “winner take all” right
  - ▣ Patent owner can stop others from making, using, selling, offering for sale or importing
  - ▣ Unlike copyrights and trade secrets, independent creation is **not** a defense





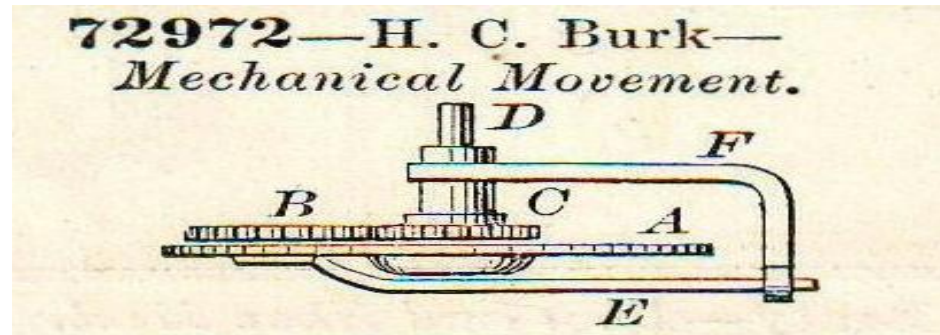
# The Old System: First to Invent

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First inventor to invent wins the patent, even over a prior application-filer

Very factually complicated with issues of conception, reduction to practice, etc.

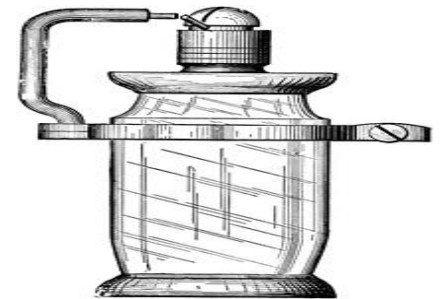
Not consistent with rest of the world and made work within various IP treaties difficult



# What is “Invention”?

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- **Idea**
  - ▣ The light bulb goes on
- **Conception**
  - ▣ Mentally solved the all the problems necessary to make and use the invention
  - ▣ All that remains is to construct it
- **Reduction to practice**
  - ▣ Complete claimed invention working, *or*
  - ▣ Patent application filed that describes how to make and use the claimed invention



# Interferences

A person shall be entitled to a patent unless—  
(g) (1) during the course of an interference conducted under section 135 or section 291, *another inventor* involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and *not abandoned, suppressed, or concealed*, or

(continued)

# Interferences (2)

(2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered *not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.*

# AIA First Big Change: First To File

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U.S. is now a modified “first to file” country,  
like most of the world

First genuine inventor to file wins the patent  
over second filer of same subject matter



# Worldwide Prior Art

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- Before: “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”
- Now: “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”



# The Current Grace Period

A person shall be entitled to a patent unless—

- (a) 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, or
- (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or ...

35 U.S.C. § 102

# A “Forfeiture” Provision?

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- Described that way in Senate debate
- Requires that inventor enter the patent system “promptly” (within a year)
- Only applicable if there has been invention (actually, conception) and diligence before the prior art
- Incentive now provided by “first-inventor-to-file”

(continued)



# A “Forfeiture” Provision? (2)

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- Current provision is a “general” grace period
  - ▣ Doesn’t depend upon who published or offered for sale
- Unwary inventor can be trapped over what is a “public use” or when “on sale”

# The NEW Grace Period

In a true “first to file” system, a disclosure, even by the inventor, that came before filing the patent application would be prior art

In a gesture to universities, recognizing the “publish or perish” culture, the AIA removes from prior art:

1. Prior disclosures, made by the inventor or another who received the information directly or indirectly from the inventor less than one year before filing and
2. Any disclosures or patent application of the same subject matter made by a third party after that original disclosure

# Example 1

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Inventor A invents on March 1, 2013

Inventor B invents on March 3, 2013

Inventor B files patent application March 17, 2013

Inventor A files patent application April 1, 2013

Who gets the patent? **INVENTOR B!**

# Example 2

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Assume Inventor A not only invented first, but published March 10, 2013 (after both invented, but before either filed an application)

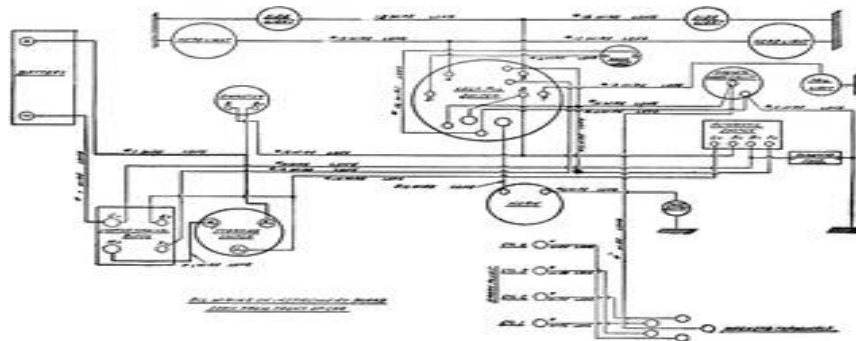
Who wins the patent? **INVENTOR A**, even though she was the second to file

- Can use the grace period so is not prior art against herself
- Is prior art against B's application; B cannot count on A's publication grace period. It is personal to A

# “First to Publish”

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- Public disclosure prevents others from getting a patent
- Must file an application within one year of public disclosure
- Note that it's when a journal article is actually published, not when it is submitted for publication
- Note also that filing a patent application is treated as a publication as of the date of its filing, rather than when it is actually published or a patent granted



# Prior Art

- All information that has been made available to the public in any form before a given date that might be relevant to a patent's claims of originality
- If an invention has been described in prior art, a patent on that invention is not valid
- Can be publications, offers for sale, published patent applications, oral disclosures or “otherwise available to the public”

# Prior Art Rejections at the Patent Office

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Basically two types

1. Novelty (Section 102): prior art “reads on” the patent claims exactly; also known as “anticipation”
2. Obviousness (Section 103): patent claims are obvious in light of one or more pieces of prior art combined

# Derivation Proceedings

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Proceedings to determine who is the true inventor, even within the first to file system

Example: A truly invents, B obtains it directly or indirectly from the inventor or joint inventor. B files first. A can win proceeding.

Will be at PTO and Federal District Courts

Problems: unclear burdens, expense, uncertainty of outcome





# Why File Before Disclosure?

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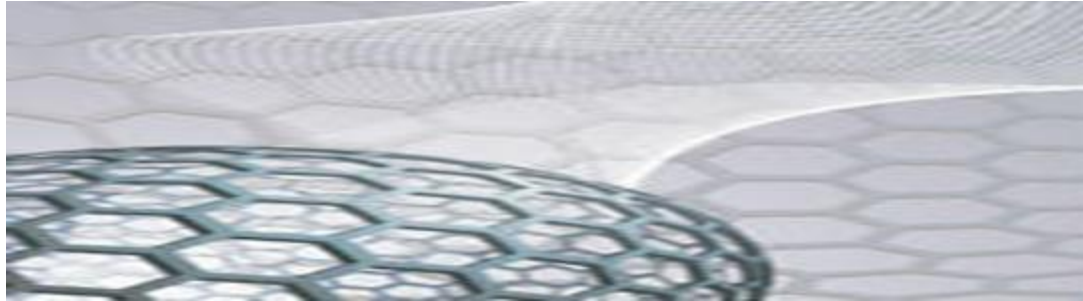
Considering that by publishing first you can win in the A v. B example, why wouldn't you rush to publish and then file in the year grace period?

**MANY, MANY REASONS!**



# Protect Potentially Valuable Foreign Rights

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The majority of other countries are still  
“absolute novelty”

If you disclose, you are prior art against  
yourself

# Best Practice: File Before Disclose

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Because of the uncertainties and litigation costs involved in correction, filing before disclosure is the best practice



# Even If You Are Keeping Your Invention Secret Until Filing....

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You should still considering filing as quickly as possible

Fast moving fields, competing research groups

If B publishes before you file, it is prior art to your application

If B files before you file, it gets the patent

- Could be very costly mistake



# Provisional Patent Application

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- Added to U.S. patent law in 2000
- Must describe how to make and use invention
- No claims required (and it's a good idea ***not*** to include any)
- Low filing fee (\$125 for small entities)

(continued)

# Provisional Patent Application (2)

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- Not examined or published, although may be viewed if patent claiming priority based upon it is granted
- Regular application must be filed within one year
- Establishes an effective filing date for any claim fully enabled in the application

# Continuation-in-Part Application

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- Allows you to add new material to a pending application
- Must indicate that it is a CIP
- Normally, it becomes a separate patent, with its own issue and maintenance fees
- Filing fee same as regular application (\$625 for small entity, if filed electronically)
- Claims get filing date based upon earliest application that supports the claim
- Patent term based upon first application in chain

# Requirement for an Application

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. . . a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

35 U.S.C. 112(a)





# AIA: University-Specific Changes

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- Prior use defense to infringement cannot be used against universities and their technology-licensing arms
- Reduced costs for accelerated cases
  - Normally is \$4,800, is \$2,400 for universities
- Filing by party other than inventor
  - If the inventor has assigned or is obligated to assign, the assignee may file without the inventor's execution the application



# AIA: Other Changes

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- Prior commercial use defense to infringement
- Micro-entity 75% discount on fees
- Disjoinder of patent infringement suits
  - “Patent trolls”
- New procedures to consider art
- Subject matter restrictions: tax or “directed to or encompassing a human organism”