

# America Invents Act

## First Inventor to File, Derivation Proceedings and Post Grant Review After Patent Reform – What You Need to Know Now

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# IN THIS PROGRAM

- What's already happened and what you need to know now
- First-to-file & derivation proceedings
- Post grant review & inter partes review

# What's already happened and what you need to know now

- Tax strategies deemed within the prior art
  - Reducing, avoiding, deferring
  - Excludes inventions for preparing or filing returns, or financial management
- Change to inter partes reexam standard
- Prioritized examination by the USPTO
  - \$4800 fee for final disposition in 1 year
- Ban on claims directed to or encompassing a human organism

# What's already happened and what you need to know now

- False marking offense – only U.S. has standing
  - Expired patents not false marking
  - Civil claims for “competitive injury” possible
  - Virtual marking possible
- Civil action joinder provisions
- Prior use defense extends beyond business methods
  - personal defense for commercial good faith use
  - exclusion for universities
- Best mode is no longer an invalidating ground

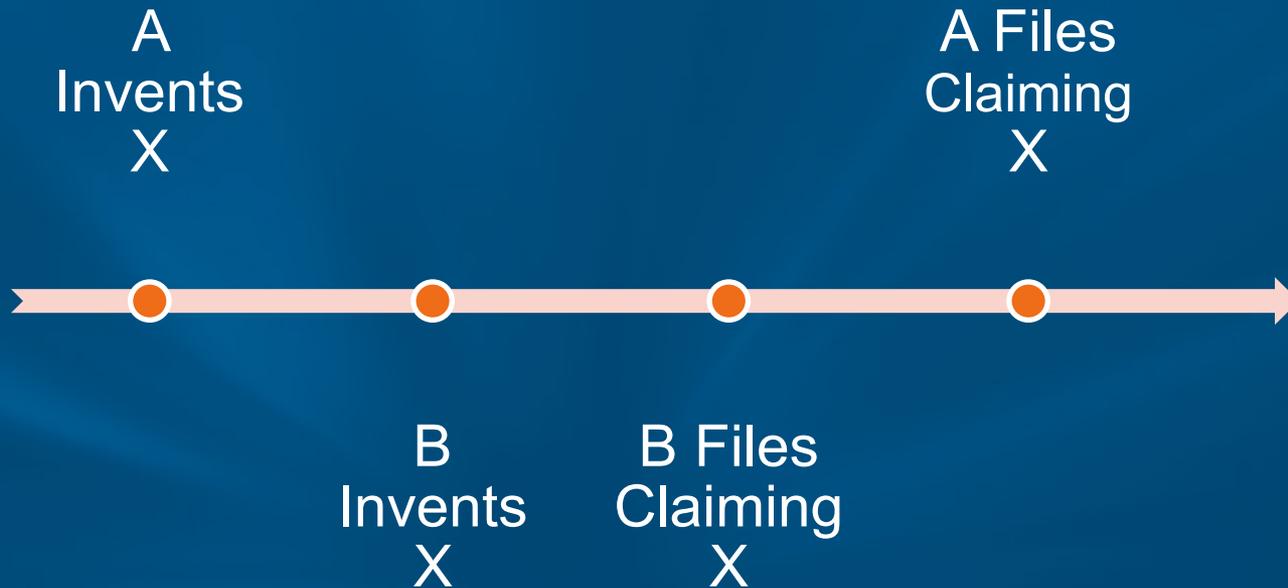
# First-to-file

- Shift from first-to-invent
- Partially Harmonizes United States patent law
- Is first-to-file constitutional?
  - Article I, Section 8 of the Constitution states: “To promote the Progress of ... useful Arts, by securing for limited Times to ... Inventors the exclusive Right to their respective ... Discoveries.”

# New Conditions for Patentability/Novelty

- 102(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; or
  - ‘(2) the claimed invention was described in a patent issued ... , or in an application for patent published or deemed published under section 122(b), in which the patent or application ... names another inventor and was effectively filed before the effective filing date of the claimed invention.

# Example



Despite A inventing before B, B's earlier filed application is prior art to A, and B can receive a patent for X over A; A can no longer antedate B's application.

## New Nonobvious Statute

- §103. Conditions for patentability; nonobvious subject matter -- A patent for a claimed invention may not be obtained, notwithstanding that the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.

# What's Different in the New §102(a)?

- Focus now on “effective filing date”
- Potential Prior Art Expanded
  - Public Use or On Sale activities outside of United States may now constitute prior art
  - Published patent applications prior art as of effective foreign filing date
  - New category of prior art “otherwise available to the public”

# Prior Art Exceptions

- 102(b)(1) - Disclosures made one year or less before effective filing date of claimed invention are not prior art under 102(a)(1) if:
  - (A) the disclosure was made by the inventor or ... another who obtained the subject matter disclosed directly or indirectly from the inventor ... ; or
  - (B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or ... another who obtained the subject matter disclosed directly or indirectly from the inventor.

# Prior Art Exceptions

- 102(b)(2) – Disclosures appearing in applications and patents are not prior art under 102(a)(2) if:
  - (A) the subject matter disclosed was obtained directly or indirectly from the inventor ... ;
  - (B) the subject matter disclosed had before such subject matter was effectively filed ... , been publicly disclosed by the inventor ... or another who obtained the subject matter disclosed ... from the inventor ... ; or
  - (C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned ... or subject to ... assignment to the same person [entity].

# Grace Period

- Applicable
  - Inventor was first to disclose
  - Inventor's "disclosure" was within one year of filing date
- Potentially not applicable to public use or on sale activities anywhere
- Patent Office expected to require applicants to provide/identify disclosure prior to examination

# Example 1



## Outcome?

- A's public disclosure is prior art to both B's application and A's application (102(a)(1))
- Neither A nor B can receive a patent on X

## Example 2



## Outcome?

- A's disclosure is not prior art to A's application (102(b)(1)(A))
- A's disclosure is prior art to B's application (102(a)(1))
- B's disclosure is not prior art to A's application (102(b)(1)(B))
- B's application is not prior art to A's application (102(b)(2)(B))
- A's application entitled to patent on X over B's application

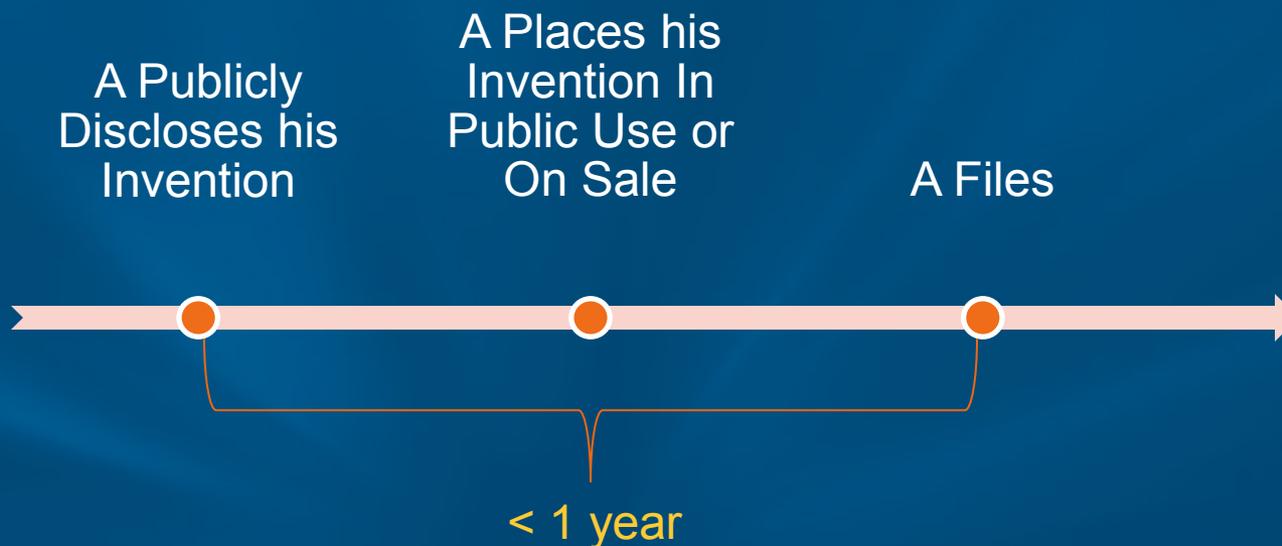
## Example 3



## Outcome?

- A's public use or sale may be prior art to A's application (102(a)(1))

## Example 4



## Outcome?

- A's disclosure is not prior art to A's application (102(b)(1)(A))
- A's public use or sale may be prior art to A's application (102(a)(1))

# Takeaways

- Risky to rely on grace period
- It's really a race to the patent office
- Statute will remain unclear until interpretations litigated
- Provisional applications

# Derivation Proceedings

- A new proceeding addressing 'stolen' inventions
  - Formerly 102(f)
  - Interference proceedings under 102(g) phased out and eventually abolished
- New PTO procedure at s. 135 heard before Patent Trademark and Appeal Board
- Also a civil action (291)

# Derivation - Petition to PTO

- How: file a petition
  - stating with “particularity the basis for finding that an inventor named in an earlier application derived the claimed invention from an inventor named in the petitioner’s application and, without authorization, the earlier application claiming such invention was filed.”
  - “within the 1-year period beginning on the date of the first publication of a claim to an invention that is the same or substantially the same as the earlier application’s claim to the invention”

# Practical implications

- Do you need to keep lab books anymore....?
- Phase out of interference practice
- Effective Date tied to changes to first to file: – March 16, 2013

# Post Grant Proceedings

- Effective Date – September 16, 2012
- Petition to institute post-grant review/inter partes review
  - Filed by anyone but patent owner
  - Nine months from issuance (PGR)
  - After nine months from issuance (IPR)
  - Requirements:
    - Fee – expected to be large
    - Identity of real parties in interest
    - Grounds on which each claim is being challenged including supporting evidence
    - Send copies of petition including evidence to patent owner

# Basis For Post Grant Proceedings

- PGR - Any ground that could be raised under defenses to patent infringement in 282(b)(2) and (3)
  - 101 and 112 except failure to disclose best mode
  - 102 and 103 – no limitations on applicable prior art
- IPR - 102 and 103 based on patents and printed publications

# Review Standards at the PTO

- Thresholds:
  - Ex parte reexam & old inter partes reexam:- “substantial new question of patentability”
    - 95% of petitions granted
  - Inter partes reexam & new inter partes review:- “reasonable likelihood that petitioner would prevail on at least 1 claim”
  - Post grant review:- “more likely than not that at least 1 of the claims challenged in the petition is unpatentable”

# Post Grant / Inter Partes Review

	Post Grant Review	Inter Partes Review
Grounds	Broad: 101, 112, 102, 103	Patents, printed pubs, 102, 103
When	w/in 9 mos. of patent grant	After 9 mos., or end of PGR, only w/in 12 mos. of civil action
Target patents	Patents w/ priority on or after March 16, 2013	Any patent including those w/ effective filing date before November 29, 1999
Effective	On or after March 16, 2013	September 16, 2012
Discovery	Yes	Yes – includes depositions
Bar	Yes	Yes
Estoppel	Yes	Yes

# Post Grant / Inter Partes Review

- Patent owner may file preliminary response to petition
- Three months for PTO to decide whether to institute
- Patentee may amend claims at least once
- Heard by the Patent Trademark & Appeal Board
- Appeal direct to Federal Circuit
- Cost?
  - PTO to prescribe regulations within a year
  - PTO may limit the number for next 4 years

# Post Grant Review – Relation to Other Proceedings

- Must file post grant review on same day or before declaratory judgment action challenging validity
- Party sued for patent infringement can seek post grant review
- Courts cannot stay preliminary injunction motion on newly issued patent based on post grant review
- No post grant review of reissue patents if claims identical or narrower

# Inter Partes Review – Relation to Other Proceedings

- Must file post grant review on same day or before declaratory judgment action challenging validity
- Party sued for patent infringement can seek inter partes review within one year of service of complaint

# Post Grant and Inter Partes Review – Estoppel

- In PTO, Court, and ITC – grounds that “petitioner raised or reasonably could have raised during the post-grant review.”
- Estoppel attaches upon written decision from the Patent Trial and Appeals Board

# EPO & USPTO Compared

	Post Grant Review	EP Oppositions
When	w/i 9 mo of patent grant	w/i 9 mo of patent grant
Discovery	Yes	No
Duration	1 year	2-4 years
Discovery	Yes	No
Estoppel	Yes	No
Cost	\$\$\$ ?	\$15-30,000

# Takeaway? Don't throw away your legal textbooks yet...

- September 16, 2012:
  - Inter partes review
  - PGR for transitional program for covered business method patents
- March 16, 2013:
  - First to file & derivation proceedings
  - But applications with earlier priority claims continue under the old law

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