

Early Lessons from the America Invents Act

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FILE PATENT APPLICATIONS EARLY TO AVOID THE LOSS OF VALUABLE RIGHTS.

The America Invents Act (“AIA”) was implemented in stages from September 16, 2011 through March 16, 2013. As those involved with patenting inventions are aware, March 15, 2013 was a crucial date because it marked the last day a patent application could be filed in the U.S. and still be subject to the *first-to-invent* rule, which the United States had followed since the inception of its patent system. All applications filed on March 16, 2013 or later are subject to the new *first-to-file* rule, which much of the world had already adopted.

The examples at the bottom of this page show how the same invention would have been treated under the first-to-invent rule and the first-to-file rule, and how waiting just one extra day to file could have possibly negated any patent rights.

Comparing these two examples, if the inventor waited one extra day until March 16, 2013 to file (Example 2), nearly twenty-two months of priority³ back to the conception date of June 1, 2011 would be lost, and the invention could be rendered unpatentable by information that became available during that time.⁴ Thus, under Example 2, there is no ability to reach back in time

and claim an invention date earlier than the patent application filing date, as there is in Example 1. Instead, you are stuck with the patent application filing date.

Consequently, the new first-to-file rule means you must *file early* for patent protection, because you can no longer rely on an earlier *invention date* to (a) predate prior art, or (b) establish invention ownership.⁵ What does it mean to file early? File upon *conception* of your invention if you believe it has market potential. If you wait to tinker, perfect, work out manufacturing bugs, or just place the invention on the back burner for a while, another may file a patent application before you and obtain exclusive rights to the invention, foreclosing you from ever monetizing it.

File for patent protection early. If you wait, someone may file a patent application before you, obtain exclusive rights to the invention, and prevent you from ever monetizing it.

An implication of filing early is to *file often*. Because filing early is optimal, any patentable improvement developed after an initial filing should be filed as a separate application when conceived, assuming the improvement has independent market value. Does this increase the cost of pat-

enting your inventions? Maybe, but probably not much if at all. If an improvement is independently patentable, it may have to be in a separate application anyway,⁶ and preparing an application for most improvements is straight-forward because you can build on the application for your original invention.

What are other product developers doing? Despite the economy, patent filings in the U.S. have increased from about 296,000 in 2000 to nearly 543,000 in 2012.⁷ So every business day you delay filing, over 2,000 more applications precede you. Think, too, of how large, tech-savvy businesses operate. They generally file patent applications years ahead of introducing new products. They do not wait until the eve of a new product’s introduction because an earlier-filed application may usurp rights to the product, which must then be scrapped along with its marketing and advertising plans. Alternatively, the person or business that obtained rights by filing first may permit you to sell your product for a fee.⁸ Either way, your back is against the wall.

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In summary, waiting to file for patent protection simply makes no sense, unless there is serious doubt as to whether the invention has market potential.

Example 1: First to Invent

Patent application filed on March 15, 2013 or earlier.

- ↓ June 1, 2011: Conception¹ of the Invention.
- ↓ Diligent reduction to practice² from conception to patent filing.
- ↓ March 15, 2013: Patent application filed.

In this example, the earliest date for determining invention ownership and patentability is the *conception date* of June 1, 2011 because it was filed subject to the first-to-invent rule.

Example 2: First to File

Patent application filed on March 16, 2013 or later.

- ↓ June 1, 2011: Conception of the Invention.
- ↓ Diligent reduction to practice from conception to patent filing.
- ↓ March 16, 2013: Patent application filed.

In this example, the earliest date for determining invention ownership and patentability is the *application filing date* of March 16, 2013 because it was filed subject to the first-to-file rule.

THE INFORMATION NOW CONSIDERED IN DETERMINING WHETHER YOUR INVENTION IS PATENTABLE ALSO FAVORS EARLY FILING.

Another important issue concerning patent applications in the first-to-file world is the information, called prior art, that can now be used to render your invention unpatentable. The new categories of prior art affect all applications filed under the first-to-file rule and favor early filing because (a) the universe of information considered to be prior art has expanded, and (b) certain prior art now has an earlier effective date, which increases the possibility it can be used against you the longer you wait to file. Some of the changes to prior art under the AIA are shown in the chart at the bottom of this page.

SUMMARY.

Under the AIA, an important practice tip is to file patent applications early to avoid the loss of valuable rights.

ENDNOTES

1. *Conception* is when you have an understanding of the invention in enough detail to explain to others how to make and use it.
2. *Reduction to practice* can be either (a) actual, by making a working model of the invention and showing it to work for its intended purpose, or (b) constructive, by filing a patent application. Whether a person is diligent in reducing an invention to practice depends on numerous factors unique to each situation.
3. *Priority* means that a subsequent action, such as filing a patent application, has an effective date equal to an earlier action. Being able to claim priority is important for patent applications because it renders irrelevant information that became available between the application filing date and the earlier priority date.
4. Information that can be used to render an invention unpatentable is called *prior art*.

5. Such as through an interference proceeding in the United States Patent and Trademark Office (“USPTO”).
6. The USPTO may require that the improvement be prosecuted as a separate divisional application.
7. Source: USPTO.
8. Such as a patent licensing fee.
9. 35 U.S.C. § 102(a)(1). 35 U.S.C. § 102(b)(1), however, exempts any disclosure by the inventor or another who obtained the information from the inventor, provided the disclosure was within one year before the application filing date. Also, 35 U.S.C. § 102(b)(2) exempts information in published applications and patents if: (a) the information was obtained from the inventor or another who obtained the information from the inventor before the application filing date, or (b) the information is owned or subject to an obligation of assignment to the same entity as of the application filing date.
10. 35 U.S.C. § 102(a)(1).
11. Patent Cooperation Treaty (“PCT”).
12. 35 U.S.C. §§ 102(a)(2); 102(d).
13. 35 U.S.C. § 102(d) (assuming the proper priority chain has been established).

CHANGES TO PRIOR ART UNDER THE AIA

<u>Pre-AIA</u>	<u>Under the AIA</u>	<u>Net Effect</u>
Publications available before the <i>invention date</i> .	Publications available before the patent application <i>filing date</i> . ⁹	Can no longer antedate this category of prior art based on an invention date earlier than your application filing date.
Public use, sale, or offer for sale of an invention <i>in the United States</i> one year before the application filing date.	Public use, sale, or offer for sale of an invention <i>anywhere in the world</i> before the patent application filing date. ¹⁰	The universe of prior art subject to this provision has expanded from the U.S. to the entire world.
Published U.S., PCT ¹¹ applications designating the U.S. and published in the English language, and U.S. patents by another inventor, all as of the earliest <i>US filing date</i> or <i>PCT filing date</i> .	Published U.S., PCT applications designating the U.S., and U.S. patents, naming another inventor, as of: (a) the earliest U.S. filing date for U.S. applications and patents, or PCT applications claiming priority to a U.S. application, or (b) the earliest <i>foreign priority date</i> for U.S. or PCT applications claiming priority to a non-US application. ¹²	Simply put, before the AIA, applications first filed in foreign countries and later filed in the U.S., or in a PCT application designating the U.S., were not considered prior art as of their foreign-filing date, but as of a later date (usually twelve to eighteen months later). Now, they are considered prior art as of their earlier foreign-filing date. ¹³