



## **An Update on the America Invents Act (AIA) and Strategies to Consider**

The America Invents Act (AIA), the greatest change to American patent law in over 150 years, was enacted in September 2011, but many first-inventor-to-file (FITF) implementing rules were just recently proposed in July 2012, as the US patent system prepares to transition to a first-inventor-to-file (FITF) system on March 16, 2013. In anticipation of this 2013 transition, there are three helpful perspectives with which to view the implementation of the AIA's FITF system: (1) the perspective of pre-AIA US patent filings before March 16, 2013; (2) the perspective of post-AIA US patent filings with "effective" filing dates on or after March 16, 2013; and (3) the perspective of transitional US patent filings filed in the US Patent and Trademark Office (USPTO) on or after March 16, 2013, but with an "effective" filing date before March 16, 2013. This third perspective takes into account: a US patent application filed on or after March 16, 2013 which claims a benefit of priority under the Paris Convention to an earlier filed non-US application; and/or a US patent application filed on or after March 16, 2013 as a National Stage application of a PCT (Patent Cooperation Treaty) application filed before March 16, 2013. Understanding the proper "perspective" which applies to each US patent application filing will be critical to building a strong US patent portfolio as the perspective will impact, for example, the scope of relevant prior art and attendant duty to disclose information to the USPTO, and an appropriate claim drafting strategy.

It is important to remember that the AIA's FITF system will enhance the scope of available prior art, and thus impact compliance with the USPTO's ongoing duty to disclose relevant prior art to the USPTO in all patent applications that are subject to the AIA. It is also important to recognize that with a transition to a FITF system, the ability to fall back upon proof of earlier invention conception will be eliminated. Thus, for US patent applications which fall under the AIA, the scope of available prior art will increase, and the use of affidavits to swear behind what would otherwise be prior art will be eliminated. This article will provide a brief discussion of each of the three mentioned perspectives including relevant considerations to ensuring that the claims filed in any US application receive pre-AIA treatment if possible and if desired.

### ***Pre-AIA US patent filings before March 16, 2013***

Under current pre-AIA US patent law, the first to invent claimed subject matter will be awarded US patent rights unless a statutory bar exists to preclude the first inventor's ability to prove earlier conception. The statute which defines qualifying prior art in the USPTO is 35 USC Section 102 which states in subparagraphs (a), (b) and (e):

- ***35 USC 102 Conditions for patentability; novelty and loss of right to patent.***

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 a patent.
- (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 application for patent in the United States.

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- (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

The ability to swear behind an earlier filed application and/or disclosure of what would otherwise be qualifying prior art is set forth in 37 CFR Section 1.131 as follows:

- **37 CFR. 1.131 Affidavit or declaration of prior invention.**
- (a) When any claim of an application or a patent under reexamination is rejected, the inventor of the subject matter of the rejected claim, the owner of the patent under reexamination, or the party qualified under §§ 1.42, 1.43, or 1.47, may submit an appropriate oath or declaration to establish invention of the subject matter of the rejected claim prior to the effective date of the reference or activity on which the rejection is based. The effective date of a U.S. patent, U.S. patent application publication, or international application publication under PCT Article 21(2) is the earlier of its publication date or date that it is effective as a reference under 35 USC 102(e). Prior invention may not be established under this section in any country other than the United States, a NAFTA country, or a WTO member country. Prior invention may not be established under this section before December 8, 1993, in a NAFTA country other than the United States, or before January 1, 1996, in a WTO member country other than a NAFTA country. Prior invention may not be established under this section if either:
- (1) The rejection is based upon a U.S. patent or U.S. patent application publication of a pending or patented application to another or others which claims the same patentable invention as defined in § 41.203(a) of this title, in which case an applicant may suggest an interference pursuant to § 41.202(a) of this title; or
  - (2) The rejection is based upon a statutory bar.
- (b) The showing of facts shall be such, in character and weight, as to establish reduction to practice prior to the effective date of the reference, or conception of the invention prior to the effective date of the reference coupled with due diligence from prior to said date to a subsequent reduction to practice or to the filing of the application. Original exhibits of drawings or records, or photocopies thereof, must accompany and form part of the affidavit or declaration or their absence must be satisfactorily explained.

Under the foregoing 35 USC Section 102 statute, for a third party use or sale to qualify as prior art to a patent applicant's pending US patent application, the third party use or sale has to occur in the US. To the extent such use or sale did occur in the US, but had occurred less than one year prior to the patent applicant's US filing date, the patent applicant can "swear behind" the use or sale by filing a Rule 1.131 Affidavit meeting the specified criteria in 37 CFR Section 1.131 (b).

With regard to an inventor's own earlier disclosure of their invention as subsequently claimed in a pending US patent application, the combined effect of 35 USC Sections 102(a) and (b) is to provide the inventor a one year grace period. In other words, an inventor's own use or sale or public disclosure of their invention less than one year before filing a US patent application cannot be relied upon by a US Patent Examiner as prior art to the inventor's subsequently filed patent application claiming the invention.

Thus, the scope of prior art under the current, pre-AIA first-to-invent system excludes third party use or sale outside the US, and allows US patent applicants an ability to swear behind third party public disclosures which were published less than one year prior to the applicant's US patent application.

The pre-AIA scope of prior art also excludes from the scope of consideration the foreign priority filing date of a third party's US patent (e.g., a Paris Convention priority date). That is, a US Patent Examiner can only rely upon a third party's US filing date as prior art under 35 USC Section 102 (e), and cannot cite the third party's non-US priority date (e.g., a UK priority document filing date).

As such, the ability of a patent applicant to secure patent protection in the US is much greater, in most cases, under the current, pre-AIA patent law as compared to the AIA FITF system.

***US patent filings with an "effective" AIA filing date***

In contrast to pre-AIA US patent applications which are subject to a narrowed pool of prior art, and a swear-behind process to prove an earlier conception date, US patent applications with an effective post-AIA filing date will be subject to a broader scope of available prior art, and the patent applicant will have no ability to swear behind an earlier published disclosure of a third party who acted independently of the applicant. There is still a limited derivation procedure by which a US patent applicant can remove a third party disclosure as a prior art reference if the patent applicant can prove in an affidavit or declaration under proposed rule 37 CFR Section 1.130 that the third party disclosure was derived either directly or indirectly from the patent applicant's own work. This reflects the AIA's character as a "first-inventor-to-file" system, versus being a strict first-to-file system.

The AIA will enhance the pool of available prior art at the disposal of the US Patent Examiner by including within the scope of 35 USC Section 102 (a) prior art any public disclosure, public use or sale before the "effective filing date" (e.g., the Paris Convention priority date) of the US patent application, without limiting any such disclosure, use or sale activity to the US. In other words, a third party's prior sale in the UK could now qualify as prior art to a pending US application of another. Prior commercial use of a patented invention anywhere in the world will, in most cases, also qualify as a defense to an accused infringer's alleged infringement if such use occurred more than one year prior to the asserted patent's effective filing date.

In addition, an effective filing date of a US patent application such as a Paris Convention priority document's filing date outside the US, or a PCT international filing date of a PCT application which designates the US, can now qualify as an effective prior date against a pending US application of another for both novelty and obviousness under the AIA's revised 35 USC Sections 102 and 103 (i.e., inventive step). Under the AIA, non-US inventors can therefore consider foregoing pre-AIA decisions to contemporaneously file a U.S. provisional application to establish an early 35 USC Section 102(e) US filing date (i.e. a date that can be relied upon by US Examiners as prior art against third party US applications) and instead rely on the "effective" Paris Convention filing date.

Under the AIA, an inventor is still afforded a one year grace period to file a US application following the inventor's earlier public disclosure anywhere in the world. However, no such grace period exists in most countries, and early disclosure could lead to a loss of rights in any country where absolute novelty applies.

Where an inventor chooses to publically disclose an invention before filing a patent application, laboratory notebooks will likely continue to be useful in establishing the inventor's possession of an invention, and the scope of that invention. More significantly, such notebooks will also provide evidence to prove earlier invention in AIA derivation proceedings.

From the foregoing, it is clear that the AIA will significantly expand the available pool of prior art that a US Patent Examiner can cite against a pending US application. The AIA will limit that patent applicant's ability to remove such prior art from the pool unless the applicant can establish that the third party derived the invention being claimed from the applicant's own work. US patent applications with an earliest effective filing date on or after March 16, 2013 will also be subject to the AIA's newly established Post-Grant Review process.

***US patent filings with a pre-AIA “effective” date***

Under the transitional procedures of the AIA, a US patent application filed in the USPTO on or after March 16, 2013, but claiming the benefit of a priority document or PCT international application filed before March 16, 2013, can receive the benefits of pre-AIA examination. However, the recently proposed USPTO rules of July 26, 2012, and in particular 37 CFR Sections 1.55 and 1.78, set forth provisions which can result in a US patent applicant’s waiving of the benefit to an earlier filing date of a non-US priority document, an earlier filed US provisional application, or an earlier filed non-provisional or international application. For example, proposed 37 CFR Sections 1.55(a)(4), 1.78(a)(3) and 1.78 (c)(2) require that if a US patent application “contains, or contained at any time, a claim to a claimed invention that has an effective filing date on or after March 16, 2013”, or does not contain a claim to an effective filing date on or after March 16, 2013 but “discloses subject matter not also disclosed” in the prior-filed application, then the US patent applicant “must provide a statement to that effect” within a specified time period during pendency of the US patent application. The failure to provide such a statement within the prescribed time frame will, under proposed Rules 37 CFR Sections 1.55(c) and 1.78(a)(4) and 1.78(c)(3), be considered a waiver of any benefit regarding a claim for priority to the pre-AIA effective filing date. Although the proposed rules appear to provide opportunity to correct unintentional oversight as to submitting a required statement, the consequence of a failure to timely follow-up with the USPTO could be the loss of a narrowed scope of prior art, and an inability to swear behind a reference using the pre-AIA “first-to-invent” patent law. In addition, it should be noted that even where such an appropriate “statement” is submitted in the USPTO to preserve an earlier effective filing date, the application as a whole, and all continuation applications thereof, could be subject to post AIA treatment. That is, pursuant the “Effective Date” of the AIA legislation (Sec. 3), all claims of an application (or continuation thereof) that “contains, or contained at any time” a claim only entitled to a post-AIA effective filing date will be subject to treatment under the AIA (e.g., subject to the enhanced scope of AIA prior art, and to the AIA’s Post-Grant Review Process).

In summary, there are three perspectives from which to view the significant, impending changes to the US patent law scheduled to take effect March 16, 2013, assuming that the USPTO’s final implementation of the July 26, 2012 proposed rulemaking is not altered. Applications filed in the US before the March 16, 2013 FITF implementation date will be treated under the existing pre-AIA first-to-invent law. US applications with effective dates on or after March 16, 2013 will be examined under the AIA. Under the currently proposed USPTO rules, US applications filed on or after March 16, 2013 which claim the benefit of a pre-AIA effective filing date will be treated under the pre-AIA first-to-invent patent law. However, the addition of a claim or subject matter to the US application, without the appropriate “statement” of Rule 1.55 or 1.78, could possibly result in a waiver of the priority benefit and exposure to the enhanced scope of AIA prior art and loss of ability to swear back to an invention conception date. Care must therefore be exercised when filing such a US application to map the claims and specification to an application from which a priority benefit is claimed, and to ensure that the appropriate statements are submitted where the scope of the US claims and/or specification have been altered beyond that of the pre-AIA priority document(s).

Patrick C. Keane, Buchanan Ingersoll & Rooney PC, 14 December 2012