

America Invents Act of 2011: First to File Overview

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Major Substantive Changes

- **Very important major overhaul for patent law**
- **General trend is toward a more internationally harmonized US law – but with many nuances and twists!**

Post-grant review

- **Must be instituted within 9 months of issuance of a patent**
- **Patent may be challenged on any grounds, not just patents and printed publications under 102 and 103, as with reexams**

First to File Priority

- **Affects three primary areas of patent law:**
 - **Priority of invention/novelty**
 - **Priority contests – end of interferences**
 - **Grace period: effect of inventor pre-filing activities (inventor or third party) on patent validity**

Novelty

- **The prior art will now consist of all publicly available material, without geographic restriction, dated earlier than the patent filing date**
- **No more “swearing behind” prior art based on patentee’s inventive activities**
 - **Goodbye conception, reduction to practice, diligence, and Rule 131.**
 - **Goodbye categories of “domestic-only” prior art.**

New Section 102

§ 102. Conditions for patentability; novelty

“(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;

(2) [invention described in prior-filed patent applications that result in issued patents or published applications – analogous to old 102(e)]

Exception: Grace Period

(b) EXCEPTIONS.—

(1) DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION.—A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if—

Requirements for Grace Period

- (A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or**

- (B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who [derived from the inventor] [Note: New 102(b)(1)(B) allows an inventor to remove prior art created by another if the inventor published earlier than the other.]**

Priority of invention

- **First applicant to file now wins, usually.**
- **Exceptions are (i) where second filer was first to publicly disclose the invention within the 1-year pre-filing grace period; or (ii) where first actual filer derived invention from another.**
- **Second exception determined by a “derivation proceeding” – the heir to interferences under the old law.**

Grace Period

- **The new law does permit a limited grace period that exempts from the prior art both (i) the inventor's own "disclosures"; and (ii) other parties' "disclosures" that occur after the inventor's disclosure.**
- **Grace period gives 1 year from date of activity to allow time to file.**
- **But the scope of the grace period is unclear based on the wording of the Act.**

Grace period (cont'd)

- Some argue that certain prior art events (e.g., prior public uses) by inventor do not qualify for the grace period because such an event isn't a "disclosure" under the new Act
- This is incorrect. The new Act is quite clear in defining an inventor's own "disclosure" very broadly – thus, the inventor's own on sale or non-informing public use events DO qualify for the grace period

For inventor, “disclosure” includes on-sale and (non-informing) public use events

- The statute specifically distinguishes between “disclosure” and “PUBLIC disclosure”
 - Compare sec. 102(b)(1) [“DISCLOSURES MADE 1 YEAR OR LESS BEFORE EFFECTIVE FILING DATE”] *with* sec. 102(b)(1)(B) “...the subject matter disclosed had ... been publicly disclosed ...”
 - Some definitions of “disclose” refer to something less than widespread dissemination; e.g., Oxford Eng. Dict, def. 4 (“open to one’s own knowledge”)

New Act perpetuates current rule in distinguishing prior art events initiated by inventor and those of 3rd parties

- **ANY disclosure by inventor him or herself – including confidential on-sale activities and non-informing public uses – initiates a 1-year grace period**
 - **Inventor has 1 year within which to file after on-sale or public use event**

Under the statute

- **A's on-sale activity or non-informing public use creates a grace period FOR A but DOES NOT bar a patent for others such as B**
 - Why not? Because it is prior art ONLY TO A under 102(a)(1), and therefore a “disclosure” under 102(b)(2) which qualifies for the 1 year grace period
- **Also: As under current law, confidential third party on-sale and non-informing public use activities by third party B do NOT create prior art for patent applicant A**

5 Step Analysis

- 1. Novelty rule, 102(a)(1), is keyed to the filing date. Categories of prior art include “patented, described in a printed publication, or in public use, on sale, or otherwise available to the public”**
- 2. Grace period in 102(b)(1) is an exception to the novelty rule of 102(a)(1)**
- 3. 102(b)(1) uses generic word “disclosure” to refer to all categories of prior art under novelty rule, 102(a)(1)**
- 4. Prior art categories under 102(a)(1) incorporate existing law defining each category**

5 Step Analysis (cont'd)

- 5. Existing law distinguishes between first- and third-party events for purposes of the on sale and “public use” categories in 102(a)(1)**

Prior art non-informing public use

- Under current law, A's non-informing public use for more than a year bars A from getting a patent
 - *Metallizing Engineering*
- But this does not bar a third party, B, from getting a patent

AIA uses term “disclose” in very broad sense

“[Grace period] will apply to all actions **by the patent owner** during the year prior to filing **that would otherwise create § 102(a) prior art.**” House Cmte Rep. 112-98 at 43.

“Applicants’ own publication or disclosure that occurs within 1 year prior to filing will not act as prior art against their applications.” (Suggesting that disclosure is different from publication.) *Id.*, at 42.

**Consistent with current law:
existing section 102**

More legislative history

“New section 102(b) preserves the grace period, ensuring that during the year prior to filing, an invention will not be rendered unpatentable based on any of the inventor’s own disclosures, or any disclosure made by any party after the inventor has disclosed his invention to the public.” – Cmte Rep. 112-98, at p. 73.

Grace Period and Novelty

- If A begins confidential on-sale, or non-informing public use, activity, A has 1 year in which to file
- BUT: If thereafter B **PUBLICLY DISCLOSES** before A files his or her patent application, then A's patent is barred
- Prior "**public** disclosure" (not just any disclosure) by A is required to protect A against B's subsequent public disclosure

Statute: “disclosure” vs. “public disclosure”

“Disclosure” in the grace period provision, 102(b)(2), incorporates all categories of prior art listed in 102(a)

This is distinct from the term “**PUBLIC disclosure**” in 102(b)(2)

Therefore, not all disclosures are public disclosures

Statutory language

102(b)(1): “A disclosure made 1 year or less before [filing] ... shall **not be prior art if** –

(A) The disclosure was made by the inventor ...
; OR

(B) ... the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor ...

Hypothetical 1

Baker publishes in *Science* magazine, on June 1, material claimed by Able in application filed on June 30.

Able's patent application is invalid for lack of novelty under 102(a)(1)

Hypothetical 2

Able on June 1, Year 1 enters into a confidential sales agreement with Company X to sell units of Able's invention

Without more, Able has until June 1, Year 2 to file a patent application on the invention

Hypothetical 3

Same facts as Hypo 3, but in addition, Baker on July 1, Year 1 publishes in *Science* magazine a full description of the invention sold in confidence by Able on June 1, Year 1

If Able files a patent application on or after July 1, Year 1, Able's invention will be invalid for lack of novelty due to Baker's publication

Hypothetical 4

However: If the examiner asserts against applicant Able the reference published by Baker prior to Able's filing, Able will be able to avoid Baker's **publication if Able can prove that the subject matter was disclosed by Able himself in a public disclosure (NOT a “mere” disclosure) that occurred prior to Baker’s disclosure. In other words, if Able "disclosed behind" Baker's publication, Able will be able to use the grace period to avoid the effect of Baker's publication.**

Hypothetical 5

Baker sells in confidence units of an invention on June 1, Year 1. Able files a patent application on the same invention on June 30, Year 2 – more than 1 year after Baker’s confidential sale.

Able’s patent is NOT invalid, because Baker’s on sale activity does not fall within any prior art category in 102(a)(1). The grace period is irrelevant; there is no prior art to trigger a grace period – no “disclosure” has been made as that term is used in the grace period provision.

Inter Partes Reexam

- **New standard for initiating reexam: “there is a reasonable likelihood that the requester would prevail with respect to at least 1 of the claims challenged in the request”**

AIA §6 (amending 35 U.S.C. §314).

- **Note that, after a final PTO reexam action adverse to the patentee, the patentee will not be able to argue that the initiation of the reexam proceeding didn't satisfy the standard.**

Preissuance submissions by 3rd Parties

- Third parties may submit (1) patents, (2) published application, or (3) printed publication, to be included in file history of pending application.
- Submission may include “concise description” of submission’s relevance.
- Must be submitted before (1) date of patent allowance; (2) 6 months of pending application publication; or (3) first rejection by examiner – whichever event is later [L-S AIA sec. 8, amending 35 USC 122]

Other provisions

- Tax strategies deemed “within the prior art”
– so not patentable
- Joinder of defendants: no longer sufficient to allege that defendants infringe same patent; must be greater nexus of facts to add defendants to suit

Prior User Rights

- **Effective date: date of signing. Applies to all patents filed on or after date Act is signed**
- **Prior user right is a defense to infringement liability; it does not invalidate a patent**
- **So if A sues B for infringement, and B successfully defends by showing prior use, A's patent is still valid against C, D, etc.**

Major Elements

- **Prior commercial use of a claimed invention**
- **Prior = In general, more than 1 year before patentee's application was filed**
- **Party asserting defense must establish it by clear and convincing evidence**

Leahy-Smith AIA, sec. 5

New 35 USC 273: Defense if –

[Person] acting in good faith, commercially used the subject matter in the United States, either in connection with an **internal commercial use or an **actual arm's length sale or other arm's length commercial transfer of a useful end result of such commercial use****



Summary of the Changes to 35 USC 102

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Rev. Oct 15, 2011

Fenwick
FENWICK & WEST LLP

New 102

Purpose

Changes

Summary

Agenda

- Purpose of the talk
- Major changes to 35 USC 102
 - Overview
 - Inventor actions as prior art
 - Third party actions as prior art
 - Patents as prior art
- Changes summarized in one slide
- Changes summarized in one sentence

New 102

What I'll cover (and won't cover)

Purpose

The purpose of this talk is to provide a high-level framework for understanding the changes to 35 USC 102. I will focus on the major changes to 35 USC 102, but presented from a different perspective than usual.

Changes

I will not cover:

- changes to sections other than 102
- nuances / minor changes within 102
- USPTO rules or practices for implementing the changes to 102

Summary

This is an overview talk. Please do not rely on this for specific legal advice. Instead, refer to the statute and consult with your attorney for your specific situation.

New 102

Purpose

Changes

Summary

My perspective

- I will not go clause by clause through the statute.
- Rather, I have grouped the changes in a way that I think will be useful and easy to understand, primarily for prosecutors and portfolio managers.
- My perspective
 - Fifteen years IP experience in Silicon Valley
 - Four years industry experience as engineer
 - J.D. from Stanford, Ph.D. from Stanford
 - Focus on practical advice (like this slide deck)
 - Innovative. Current projects include financial models for patent portfolios, and fourth generation techniques for portfolio management.

New 102

Purpose

Changes

Summary

Effective date of the new 102

Rule: New 102 applies to any patent asset where at least one claim has a priority date on or after Mar 16, 2013.

Clearly old 102:

- Applications filed before Mar 16.
- Straight CON/DIVs filed on/after Mar 16, where the original parent was filed before Mar 16.

Clearly new 102:

- Original applications filed on/after Mar 16.

Unclear:

- CIP (more generally, any application with new matter) filed on/after Mar 16, with priority claim to before Mar 16.

New 102

Purpose

Changes

Summary

A closer look at the new 102

The definition of prior art can be broken down into two questions:

- What actions qualify as prior art?
- When must the actions have occurred in order to qualify as prior art?

I will divide possible prior art into three categories, and then consider these two questions for each of the three categories:

- A. Inventor actions
- B. Third party actions
- C. Patent documents

In the following slides, changes to 102 are shown as ~~strikeouts~~ and red underlines.

New 102

Purpose

Changes

Summary

A. Inventor prior art, old 102

What qualifies?

- Printed publication anywhere
- On sale in the US
- Public use in the US

When, in order to qualify?

- More than one year before your priority date
- For these purposes, your priority date does not include foreign priority claims

A. Inventor prior art, ~~old~~ new 102

What qualifies?

- Printed publication anywhere
- On sale ~~in the US~~ anywhere
- Public use ~~in the US~~ anywhere
- Otherwise available to the public anywhere

When, in order to qualify?

- More than one year before your priority date¹
- For these purposes, your priority date ~~does not~~ does include foreign priority claims

¹Assumes (probably correctly) that all of these inventor actions qualify as “disclosures” under the statute. If some do not, then there is no one year grace period for those.

New 102

Purpose

Changes

Summary

New 102

B. Third party prior art, old 102

What qualifies?

- Printed publication anywhere
- On sale in the US
- Public use in the US
- Publicly known in the US

When, in order to qualify?

- More than one year before your priority date; OR less than a year but before your invention date (some actions use only one of the two prongs)
- For these purposes, your priority date does not include foreign priority claims

Purpose

Changes

Summary

B. Third party prior art, ~~old~~ new 102

What qualifies?

- Printed publication anywhere
- On sale ~~in the US~~ anywhere
- Public use ~~in the US~~ anywhere
- ~~Publicly known in the US~~
- Otherwise available to the public anywhere

When, in order to qualify?

- More than one year before your priority date; OR less than a year but before ~~your invention date~~ your public disclosure date² (some activities use one or the other but not both)
- For these purposes, your priority date ~~does not~~ does include foreign priority claims

²Note that such a public disclosure would bar foreign patents.

New 102

Purpose

Changes

Summary

New 102

Purpose

Changes

Summary

C. Patent prior art, old 102

What qualifies?

- US patent asset that:
 - eventually is published or patented; and
 - is filed by another

When, in order to qualify?

- The other patent asset has priority date before your invention date.

C. Patent prior art, ~~old~~ new 102

What qualifies?

- US patent asset that:
 - eventually is published or patented; and
 - is filed by another

When, in order to qualify?

- The other patent asset has priority date ~~before your invention date~~ more than a year before your priority date OR less than a year but before your public disclosure date.

New 102

Purpose

Changes

Summary

High level summary of 102, in one slide

New 102

Purpose

Changes

Summary

- Inventors still have one year grace period for their own actions (probably) – not changed.
- Actions more than a year before the priority date are still prior art – also not changed.
- For third party actions less than a year before the priority date:
 - Old 102: Can possibly avoid based on invention date
 - New 102: Can possibly avoid based on public disclosure date (but such a disclosure would bar foreign patents).
- Some minor changes:
 - On sale, public use broadened from US-only to world. Catch-all for public availability.
 - Priority date calculation includes foreign priority claims.

High level summary of 102, in one sentence

New 102

Purpose

Changes

Summary

For those who make original patent filings in the US, the new 102 is largely the same as the old 102, except that “swearing behind” prior art based on your invention date is replaced by a similar concept **but based on your public disclosure date rather than your invention date.**

New 102

Purpose

Changes

Summary

Questions?

For questions, comments, more details, or recommendations for best practices, please contact:

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Peter S. Menell

NOVELTY

America Invents
Act of 2011

§ 102. Conditions for Patentability; Novelty

(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 under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

NOVELTY

America Invents
Act of 2011

§ 100. Definitions

(i)(1) The term ‘**effective filing date**’ for a claimed invention in a patent or application for patent means—

(A) if subparagraph (B) does not apply, the actual filing date of the patent or the application for the patent containing a claim to the invention; or

(B) the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), or 365(b) or to the benefit of an earlier filing date under section 120, 121, or 365(c).

(2) The effective filing date for a claimed invention in an application for reissue or reissued patent shall be determined by deeming the claim to the invention to have been contained in the patent for which reissue was sought.

§ 102. Conditions for Patentability; Novelty

(b) EXCEPTIONS.--

(1) DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION.—A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if—

(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor;

or

(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

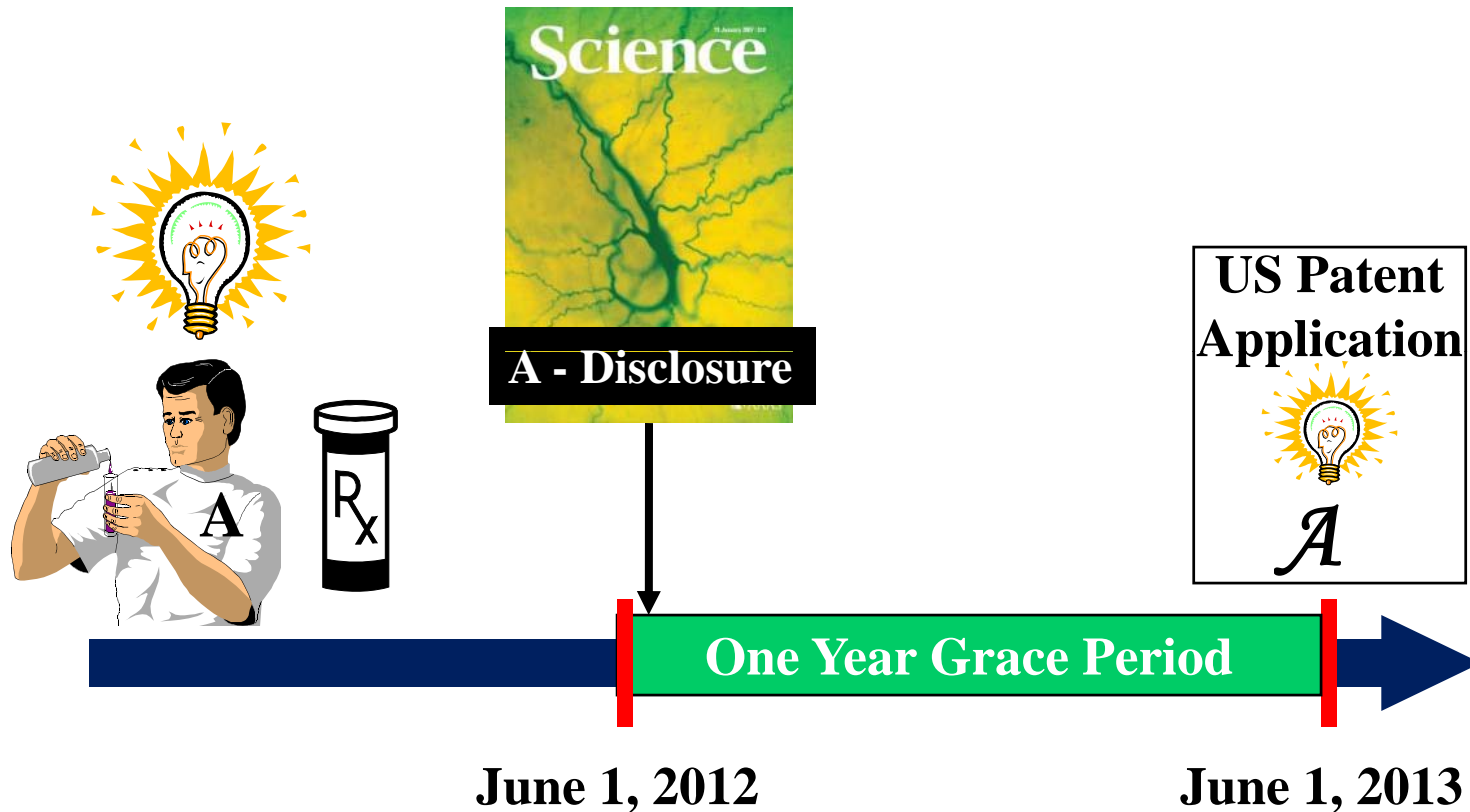
§ 102. Conditions for Patentability; Novelty

(b) EXCEPTIONS.--

(2) DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS.—A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if—

- (A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;**
- (B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or**
- (C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.**

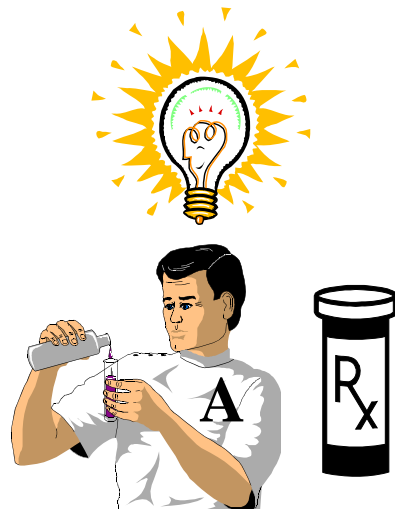
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America Invents Act of 2011

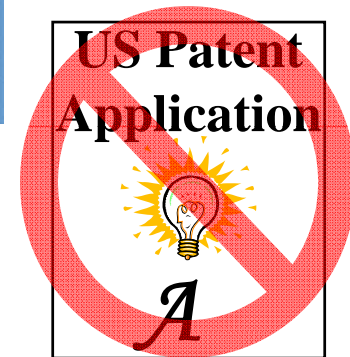
**A gets patent;
Disclosure by inventor during
grace period is not prior art**

FIRST TO FILE



* independent of A

B – Disclosure*



One Year Grace Period

June 1, 2012

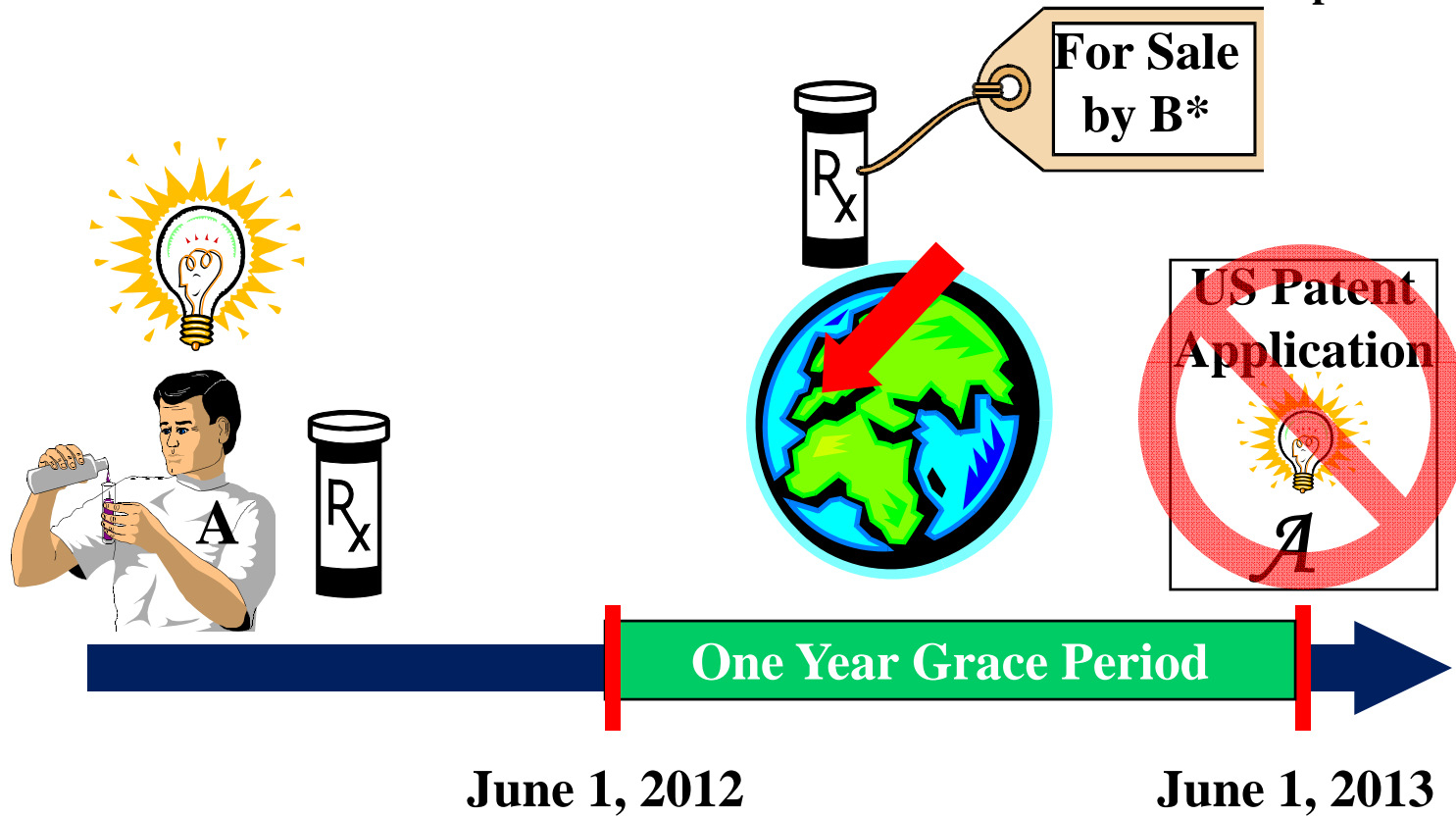
June 1, 2013

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Publication by 3rd Party is Prior Art;
A cannot swear behind reference

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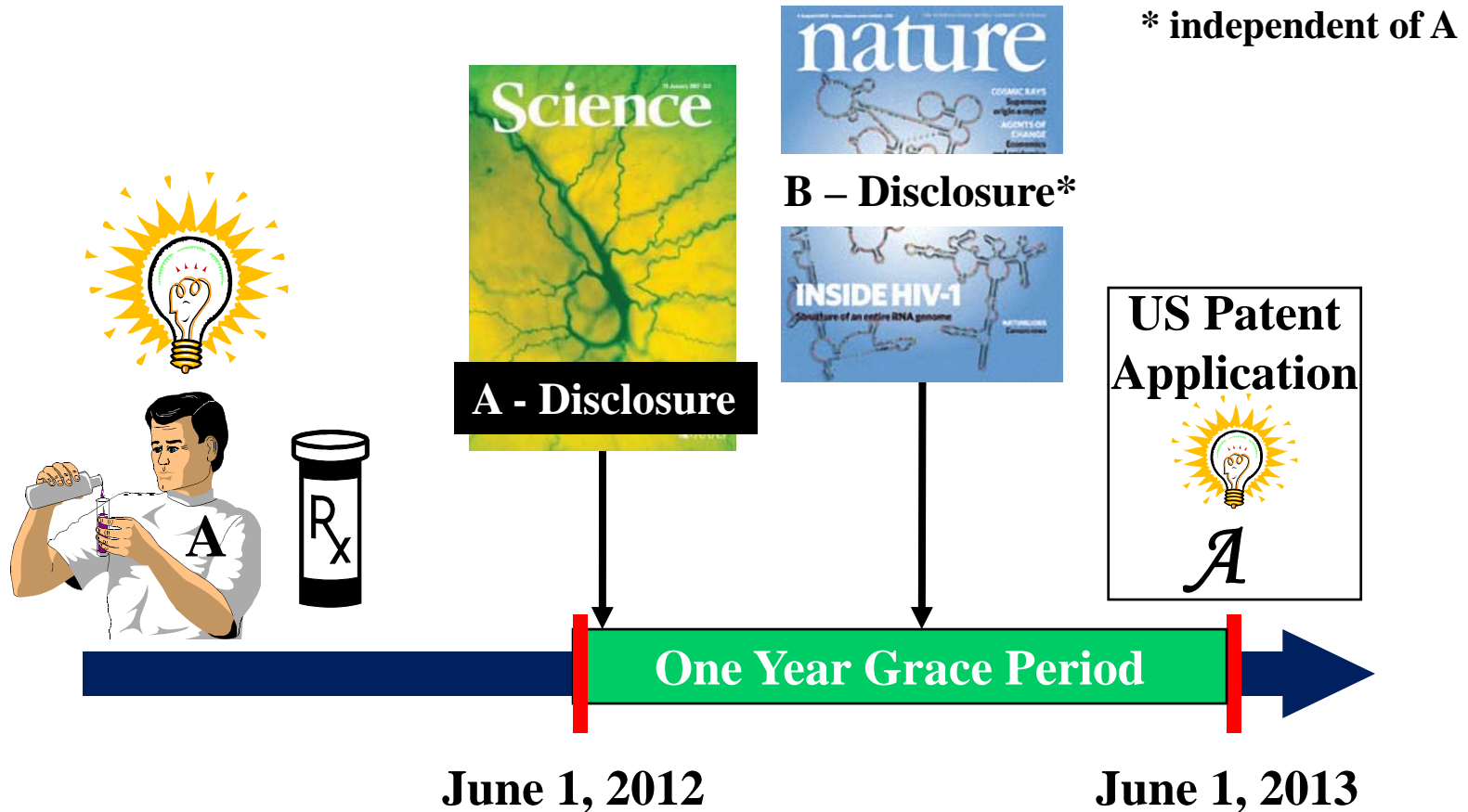
* independent of A



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3rd Party Public Use or Sale Anywhere
in the World is Prior Art

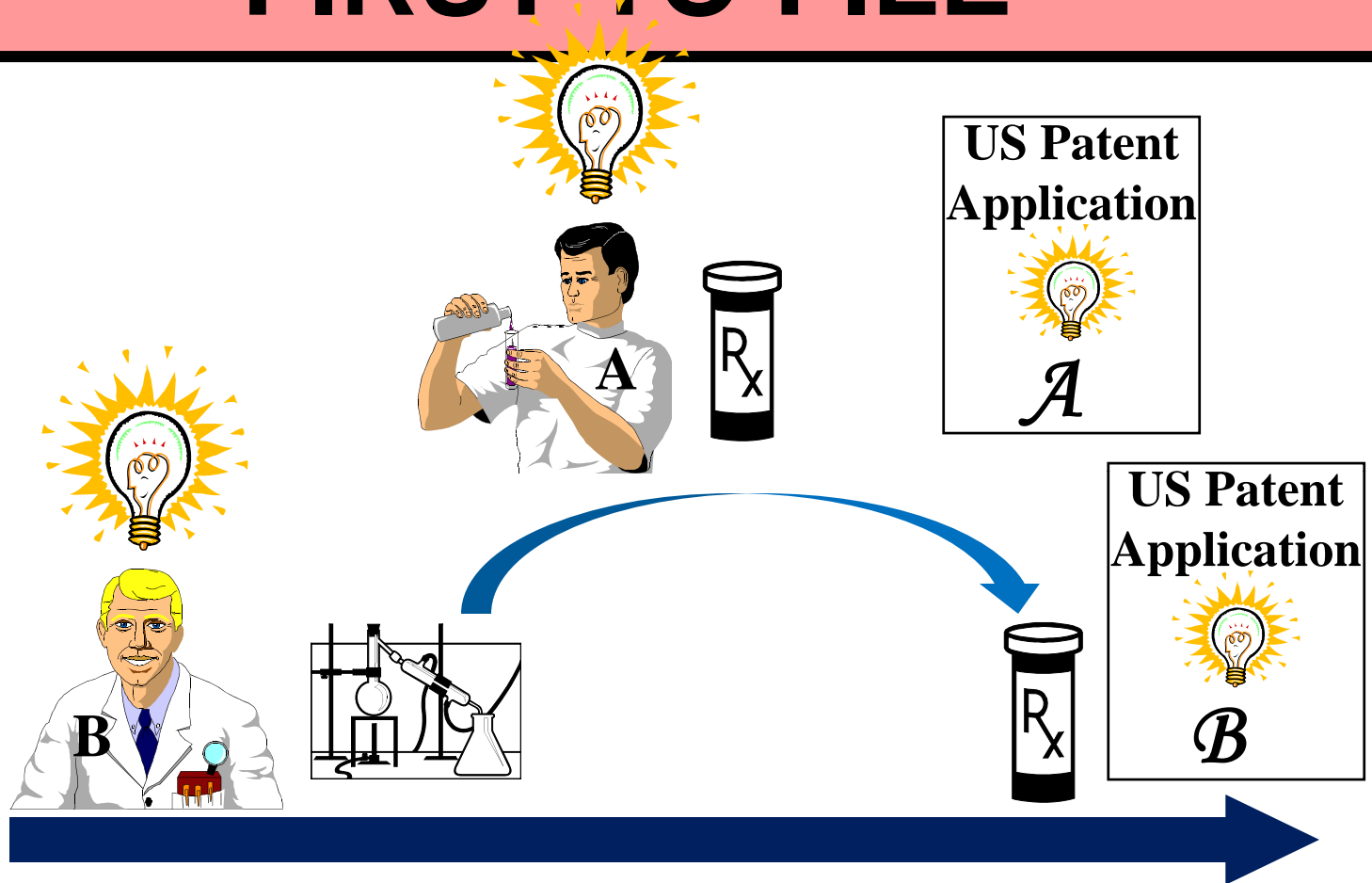
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Third Party Publication **After** Inventor
Grace Period Disclosure Not Prior Art;
A gets patent

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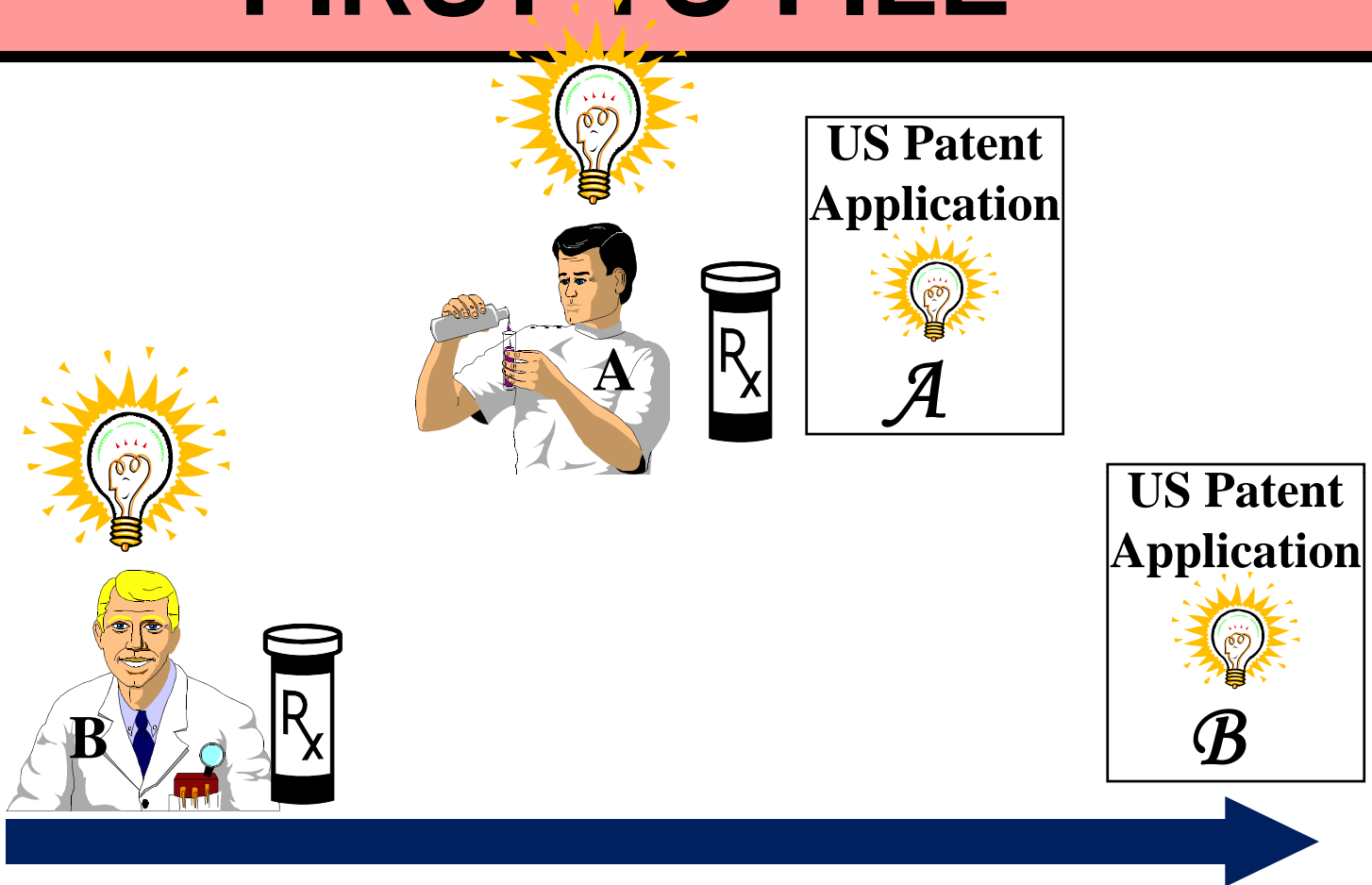
1952 Act

B gets patent

America Invents
Act of 2011

A gets patent

FIRST TO FILE



1952 Act

B gets patent if he did not abandon, suppress, or conceal; otherwise A gets patent

America Invents Act of 2011

A gets patent

FIRST TO FILE

America Invents
Act of 2011

- **Prior Art is established as of effective filing date**
- **Date of invention is no longer relevant; inventor cannot swear behind references**
- **No geographic limitations on prior art**
- **Prior art based on earlier-filed applications is maintained (compare new § § 102(a) (2), 102(d) to existing §102(e))**
- **New administrative “Derivation Proceeding” is created to ensure that the first person to file is actually a true inventor**
- **Effective Date of First to File: applicable to applications filed 18 months from date of enactment**

FIRST TO FILE

America Invents
Act of 2011

Policy Balance

PROs

- **Easier to Determine Priority**
- **International Harmonization**
- **Encourages Earlier Disclosure by Inventor**

CONs

- **Could Encourage Premature Filing, Causing Later Enablement/Written Description Problems**
- **Could Undermine Patent Quality**
- **Could Increase Filings, Increasing PTO Backlog**
- **Perception that it Favors Large Companies; But Not Borne Out by Empirical Research**

Common Ownership; Nonobviousness; Derivation

Oct. 21, 2011

R. Merges, UC Berkeley

Topics

- **Common ownership and prior art**
- **Nonobviousness, § 103**
- **Derivation proceedings**
- **Assignee filing**

Common Ownership and Prior Art

§ 102(b)(2): A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if

- [A: Derivation from inventor]**
- [B: Prior public disclosure by inventor who files within 1 year – grace period]**
- [C: Common ownership]**

§ 102(b)(2)(C)

(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.

Joint Research Agreements

- **Prior Art disclosed by a party to a joint research agreement is treated as under a common obligation to assign – and therefore removed from the prior art**
- **Eliminated from § 102, not just § 103**

Requirements under § 102(c)

- (1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, 1 or more parties to a joint research agreement that was **in effect on or before the effective filing date** of the claimed invention;**
- (2) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and**
- (3) the application for patent for the claimed invention **discloses or is amended to disclose** the names of the parties to the joint research agreement.**

New version of § 103

- **Biggest change: the “critical date” is changed to the filing date**
- **In addition, some cleaning up and better diction**

§ 103: 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.

How will this work?

- The “prior art” under new § 103 will probably end up being defined as any reference under § 102
- So “disclosures” under § 102 and “prior art” under § 103 ought to be coextensive

§ 135: Derivation proceedings

- **Replaces old interference proceeding**
- **Can be filed by an applicant for a patent**
- **Heard by Patent Trial and Appeal Board (PTAB), successor to old BPAI**

Derivation: Timing

Any such petition may be filed only 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, shall be made under oath, and shall be supported by substantial evidence.

Derivation: Civil Action

§ 291. Derived Patents

(a) **IN GENERAL.**—The owner of a patent may have relief by civil action against the owner of another patent that claims the same invention and has an earlier effective filing date, if the invention claimed in such other patent was derived from the inventor of the invention claimed in the patent owned by the person seeking relief under this section.

Civil action: timing

**Civil action must be filed within
one year of issuance of patent
with claims allegedly derived
from true inventor**

Miscellaneous: Oath and Assignee Filing

- **§ 115 of the new act permits a “substitute oath” where the inventor is deceased, incapacitated, or under an obligation to assign but refuses to do so**

§ 118: Filing by Assignee

A person to whom the inventor has assigned or is under an obligation to assign the invention may make an application for patent. A person who otherwise **shows sufficient proprietary interest in the matter may make an application for patent on behalf of and as agent for the inventor** on proof of the pertinent facts and a showing that such action is appropriate to preserve the rights of the parties.