

# A Practical Guide To The First-To-File Rule And Other AIA Changes

By Daniel J. Santos  
Smith Risley Tempel Santos LLC  
(770) 709-0013  
email: [dsantos@srtslaw.com](mailto:dsantos@srtslaw.com)  
[www.srtslaw.com](http://www.srtslaw.com)



# The U.S. Moves To A First-To-File System

- Prior To Enactment Of The AIA, The U.S. Was A First-To-Invent Patent System
- What's The Difference?
  - Previously, a second inventor who filed a patent application later in time could use an interference proceeding to prove that he was entitled to a patent over a first inventor who filed earlier in time, but who invented later in time.
  - Now, the first inventor to file a patent application on the invention will be entitled to patent protection over a second inventor who files a patent application at a later point in time.

# The U.S. Moves To A First-To-File System (Cont.)

- Does this mean that a second inventor who derives the invention from the first inventor and rushes to the USPTO to get the application on file first is entitled to a patent?
- No. The above examples assume that the first and second inventors invented the same invention independently of one another.
- Derivation Proceeding: An applicant can file a petition for a derivation proceeding against another applicant who derived the claimed invention from the petitioner.
  - Timing: The petition must be filed within one year of the publication of the petitioner's application.

# The U.S. Moves To A First-To-File System (Cont.)

- When Does The First-To-File System Go Into Effect.
  - Effective for applications filed on or after March 16, 2013.
- Civil Actions In Lieu Of Derivation Proceeding.
  - Can be filed within 1 year of issuance of the patent containing the allegedly derived subject matter.
  - Must be filed within the earlier of 10 years from the date of the alleged derivation and 1 year after the USPTO was made aware of the derivation.



# The U.S. Moves To A First-To-File System (Cont.)

- Practice Pointers
  - Be diligent in getting applications on file.
    - Why?
      - You want to file before another inventor files who invented independently.
      - You don't want to have to rely on a derivation proceeding to prove you are entitled to a patent over an earlier filer who derived the invention from you.
  - Maintain good written/electronic records of technological developments.
    - Why?
      - In the event that we have to invoke a derivation proceeding, we will have the evidence we need to prevail.
      - So that we can rely on the Prior User Defense, if applicable, as will be described below in more detail.

# The U.S. Moves To A First-To-File System (Cont.)

- Practice Pointers (Cont.)
  - Streamline Application Filing Process
    - Conduct brainstorming sessions more frequently (invention workshops); Keep good written/electronic records of these sessions and any developments that follow.
    - Reduce the amount of time that it takes to review invention disclosures to determine which are worthy of patenting.
    - Reduce the amount of time that it takes to authorize patent attorney to prepare a patent application.
    - Insist on relatively quick turn around from patent attorney for preparing the application and filing it in the USPTO.

# The U.S. Moves To A First-To-File System (Cont.)

- Practice Pointers (Cont.)

- Consider The Use Of Public Disclosures As Defensive Publications Against Competitors' Filings.
  - The public disclosure will operate as prior art if it pre-dates the filing date of applications of others; it may therefore bar others from obtaining patents on the same or a similar invention.
  - If the public disclosure pre-dates the filing date of the patent or published application of another, the patent or published application cannot be applied as prior art against your application if filed within one year of the public disclosure.
  - Must file application in the USPTO within one year of making the public disclosure.
  - Not a good solution if you want to obtain patent protection in countries other than the U.S. that have absolute novelty requirements.
  - The meaning of “public disclosure” under the AIA is not yet settled by the courts, so we will have to wait for this to be addressed by the courts.
  - Guard against inadvertent public disclosures that could result in a bar to patentability due to failure to file within one year of the disclosure.

# The U.S. Moves To A First-To-File System (Cont.)

## Practice Pointers (Cont.)

- Consider Filing Provisional Patent Applications In The USPTO Very Quickly After Conception Of An Invention.
  - A later-filed U.S. nonprovisional patent application will have the benefit of the earlier filing date of the provisional application filing. This increases the likelihood that you will be the first filer.
  - The earlier filing date reduces the scope of potential prior art that can be used to prevent a patent from issuing or that can be used to invalidate a patent after issuance; this is very important in view of the expansion of prior art under the AIA.
  - Must file nonprovisional application in the USPTO within one year of the provisional application filing date.
  - Must file PCT international application or national applications in each foreign country within one year of the provisional application filing date.

# The U.S. Moves To A First-To-File System (Cont.)

## – Ask Yourself

- Is your company maintaining good records of technological developments that could be used as evidence in a derivation proceeding or as grounds for a prior user defense?
- Is your company conducting invention workshops to develop IP?
- When IP is developed, are decisions being made quickly to determine whether patent protection will be sought, and if so, whether protection in absolute-novelty countries will be sought?
- If decisions are made to seek patent protection, are provisional applications being filed quickly? Are public disclosures being made quickly? **Remember: Nonprovisional applications and foreign national applications must be filed within one year of the provisional filing date; In absolute-novelty countries, a public disclosure prior to filing is a bar to obtaining a patent.**



# The U.S. Moves To A First-To-File System (Cont.)

## – Ask Yourself (Cont.)

- Are you in the habit of having outside parties sign nondisclosure agreements before discussing your IP with them?
- Are you in the habit of marking documents, emails, presentations, etc., as “Confidential”?
- When your employees conduct innovation workshops or brainstorming sessions, do they take the time to create flowcharts, block diagrams, state diagrams, and textual descriptions that could be quickly converted into a provisional application or a public disclosure?
- How quickly can your company make a public disclosure, if necessary?



# Prior Art

- **§ 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.

---

\*No geographic restriction in section 102(a)(1), i.e., no longer public use or on sale “in this country.”

\*New prior art category of “otherwise available to the public.”

\* “effectively filed” in section 102(a)(2) includes foreign priority dates

\*Refers to “before the effective filing date” rather than “before the date of the invention.”

## Prior Art (Cont.)

- **§ 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.

---

\*The term “disclosure” clearly would include printed publications, but there is some question as to whether it would include public use or on sale activity. The legislative history indicates that “disclosure” covers public use and on sale activity.

\*If a third party publicly discloses, but after the inventor publicly discloses, the disclosure by the third party cannot be used as prior art. This emphasizes the importance of making an early public disclosure and filing within one year of the public disclosure.

\*The grace period applies to cases claiming foreign priority and provisional applications priority.



## Prior Art (Cont.)

- **§ 102. Conditions for patentability; novelty**

(b) EXCEPTIONS (Cont.)—

(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.

---

\* Make sure obligation to assign or an assignment is in place prior to the effective filing date; this should be made part of an employment agreement.

## Prior Art (Cont.)

- **§ 102. Conditions for patentability; novelty (Cont.)**
- (c) **COMMON OWNERSHIP UNDER JOINT RESEARCH AGREEMENTS.—**

Subject matter disclosed and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of subsection (b)(2)(C) if—

  - (1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, one 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.

---

\*If invention is developed by a joint venture, make sure a joint research agreement is in effect prior to the earliest filing date of any application to which priority is being claimed.

## Prior Art (Cont.)

- **§ 102. Conditions for patentability; novelty (Cont.)**
  - The new provisions go into effect on March 16, 2013.
  - The new provisions will apply to applications filed on or after March 16, 2013.
  - Current law will apply to applications filed before March 16, 2013.
  - For continuing applications that are filed on or after March 16, 2013, the effective date of the subject matter being claimed will control whether the new provisions or the current law apply; if the continuing application contains new subject matter, the new provisions will apply; otherwise, the current law will apply.



## Prior Art (Cont.)

### – Ask yourself

- Are you filing provisional applications, and if so, how quickly can you get a provisional application filed?
  - Your patent attorney will need a good description and drawings to prepare and file a provisional patent application quickly; consider creating drawings and textual descriptions as an integral part of invention workshop meetings.
- Are you making public disclosures, and if so, how quickly can you make them?
  - Don't do this if you are going to file national applications in absolute-novelty countries.
- Does your employment agreement contain “obligation to assign” language? If not, it *must* be revised to include it.

## Prior Art (Cont.)

### – Ask yourself

- Is your company executing joint research agreements when involved in joint research? If your company does joint research with one or more other companies that may result in the development of IP, an agreement must be executed prior to the effective filing date of any patent application in the U.S. to remove the reference as prior art.
  - This may also be important for derivation proceedings; such agreements should explicitly state which party will own the IP.
  - If you want to file an application, and have not yet executed a joint research agreement, and are aware of prior art owned by one of the parties involved in the joint research, consider making a public disclosure while you are in the process of trying to get the agreement prepared and executed; in any event, ***execute the agreement before filing the application***; the application must be filed within one year of the public disclosure, and public disclosure bars patentability in absolute-novelty countries.

# Formal Filing Requirements

- Who Can Apply For The Patent
  - The inventor or joint inventors
    - Oath must be made by the inventor(s) that states that the inventor(s) authorized the application to be made, and that the inventor(s) believe that they are the original inventor(s) of the claimed invention.
    - Exceptions: A substitute statement can be filed in lieu of the oath under permitted circumstances:
      - Inventor cannot execute oath due to being deceased, under legal incapacity, cannot be found or reached after diligent effort, or the inventor has refused to sign and is under an obligation to assign.
  - The assignee
    - The language that is needed in the oath can be included in the assignment to obviate the need to file separate oath and assignment.

## Formal Filing Requirements (Cont.)

- Practice Pointers
  - Make sure the assignment document that your company uses has been amended to state that the application was authorized to be made by the inventor, and that the inventor believes that they are the original inventor of the claimed invention.
    - This obviates the need to file a separate oath.
    - In the event that the inventor is unable or refuses to sign the oath, if you have a signed assignment, you don't need a signed oath.
  - Make sure the employment agreement states that the employees are obligated to assign their rights in any IP that they create.
    - Allows the company to file a substitute statement in lieu of an oath in the event that the inventor refuses to sign the oath.



## AIA (Cont.)

- Supplemental Examination
  - Allows patentee to have the USPTO consider, reconsider, or correct information believed to be relevant to the patent.
  - Allows patentee to cure a potential inequitable conduct problem by submitting information to the USPTO that should have been submitted during the prosecution of the application.
  - Patent will not be held unenforceable for failure to submit the information during the prosecution of the application.
  - No deadline for filing.
  - Provision will be in effect for applications filed on or after September 16, 2012.



## AIA (Cont.)

- Post-Grant Review
  - Allows a party other than the patentee to challenge the validity of a patent on any statutory grounds.
  - Must be filed within 9 months of the issue date of the patent.
  - Must show that more likely than not the arguments raised would invalidate at least one claim if not rebutted.
  - Goes into effect on September 16, 2012.



## AIA (Cont.)

- Inter-Parties Review
  - Allows a party other than the patentee to challenge the validity of a patent on the basis of prior art patents or printed publications.
  - Must be filed more than 9 months from the issue date of the patent or after a post-grant review has been completed, whichever occurs later.
  - Must show that there is a reasonable likelihood that the petitioner will prevail on at least one claim.
  - Goes into effect on September 16, 2012.



## AIA (Cont.)

- Joinder Of Parties
  - For all civil actions commenced on or after September 16, 2011, accused infringers may not be joined in one action as defendants, or have their actions consolidated for trial, based solely on allegations that all have infringed the patent in suit.



## AIA (Cont.)

- False Marking
  - Allows products to be marked by indicating an Internet address rather than the actual patent number.
  - A civil action can no longer be brought based solely on the continued marking of a product with a patent number for a patent that has expired.
  - Only parties who suffer competitive injuries due to false marking and the government can bring a civil action for false marking.
  - Effective as of September 16, 2011.



## AIA (Cont.)

- Prior User Defense
  - Allows a defendant who has internally used an invention commercially in the U.S. for at least one year before the effective filing date of the patent to avoid liability for patent infringement.
  - Effective for patents issuing on or after September 16, 2011.



## AIA (Cont.)

- Pre-Issuance Submissions
  - Allows third parties to submit published applications, patents or other printed publications to oppose the grant of a patent.
  - Must be filed within six months of the publication date of the application or before the first rejection of any claim, whichever is later.
  - This was previously permitted by the USPTO, but the AIA codified it and made some minor changes.



## AIA (Cont.)

- Prioritized Examination
  - Allows examination of an application to be expedited by paying a large fee, currently \$4,800.
  - Could be useful in cases where there is a need to have a patent issued relatively quickly (within twelve months).



## AIA (Cont.)

- Best Mode Requirement
  - Still required by statute to include best mode in the application.
  - If a patent fails to state the best mode, the patent cannot be invalidated on this basis.
  - To err on the side of caution, the best mode still needs to be included in the application.



# Thank You

Daniel J. Santos  
Smith Risley Tempel Santos LLC  
(770) 709-0013  
email: [dsantos@srtslaw.com](mailto:dsantos@srtslaw.com)  
[www.srtslaw.com](http://www.srtslaw.com)