

What Every General Counsel Needs to Know About the America Invents Act

By Michael G. Biro, Lathrop & Gage LLP, Brian C. Trinque, Lathrop & Gage LLP, and Aaron L. Schwartz, Eisai Inc.

On Sept. 16, 2011, President Obama signed into law the Leahy-Smith America Invents Act (the AIA), P.L. 112-29, which makes the most significant changes to our existing patent laws (Title 35 of the United States Code) since the 1952 Patent Act. The most publicized amendment concerns the change from a "first to invent" patent system to a "first inventor to file" patent system, along with accompanying changes to Section 102, which requires that an invention be new (novel).

The AIA also makes a number of additional changes to our patent laws, which will affect the way companies think about their patent strategy. This article will address some of the provisions that will come into effect on March 16, 2013, as well as some that came into effect on September 16, 2012.

"First Inventor to File" Patent System (Section 3 of the AIA)

Novelty

Section 102 of Title 35 of the United States Code describes the "novelty provisions" of the US patent laws, which require that any patented invention be new (novel). One of the most significant changes under the AIA is the amendment to Section 102 that will change the United States patent system from a "first to invent"

system to a "first inventor to file" system. Traditionally, the United States has been one of the few countries to concern itself with the date that an invention was invented, and not the date the invention was described in a patent application and filed with the United States Patent & Trademark Office (USPTO). As a result, when an invention was rejected in view of a third party's earlier disclosure of that same invention, inventors could rely on the date of their invention (e.g., signed and dated pages from a lab notebook) — distinguished from the date of their patent application filing — in order to demonstrate that their invention was invented prior to the third party's disclosure. A successful showing of prior invention by "swearing behind" the third-party disclosure resulted in a US patent protecting that invention.

Under the new law, however, the first person to invent subject matter may not always be entitled to a patent. This is because the new law rewards the first inventor to file a patent application, as opposed to making an invention. In making this change, Congress was clearly not interested in preserving our "first to invent" uniqueness. Section 3 of the AIA explains that converting the US patent system to a "first inventor to file" system will "promote harmonization of the United States patent system with the patent

systems in the rest of the world."

In general, the changes to the novelty provisions will also expand the field of "prior art" (printed publications, verbal presentations and other events) that could be used to demonstrate a lack of novelty, which may make it more difficult to obtain a patent. As such, companies should be aware of the following issues:

- Prior to the AIA, an inventor's own prior art (e.g., a publication in a scientific journal) may not have deleteriously affected the inventor's efforts to obtain a patent on an invention compared to the prior art of a third party. With certain exceptions (see below), the AIA does not make a distinction between prior art of the inventor and that of third parties.
- The AIA removes the territorial limits of the current law such that it does not make a distinction between US and foreign prior art publications or events.
- The AIA has eliminated the Hilmer Doctrine. As a result, US patents and applications with foreign priority claims will be citable as prior art as of their foreign priority dates.
- The AIA retains a one-year grace period for disclosures made by or on behalf of the inventor that occur

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one year or less before the effective filing date of the patent application. This one-year grace period could be a trap for the unwary, though, if a company plans to file internationally, as many countries have an absolute novelty standard and do not have a one-year grace period.

Overall, these changes to our novelty provisions should cause companies to seriously consider filing a patent application earlier in the research and development phase than they may have under the current law, especially in situations where they are creating innovations in a crowded field (i.e., technological areas where many people and/or companies are creating innovations).

Non-obviousness

Section 103 of Title 35 of the United States Code currently states that a novel invention may still not be patentable "if the differences between the [invention] sought to be patented and the prior art are such that the [invention] as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art." Stated alternatively, if an invention's novelty is achieved by simply modifying a prior invention in a way that could be deemed "obvious" to the skilled artisan, then a patent will not be awarded. The obviousness provisions of Section 103 will change under the AIA in order to conform to the novelty provisions of Section 102. This means that, under the new law, obviousness will also be

determined as of the effective filing date of the patent application, rather than at the time the invention was made. This change will also expand the field of prior art and may make it more difficult to obtain a patent.

Changes to take effect on March 16, 2013

The changes regarding first inventor to file, novelty, and non-obviousness will take effect on March 16, 2013, and will apply to all applications and patents issued thereon, that contain or contained at any time an invention specified (claimed) in a patent application filed on or after this date. (Note, however, that the introduction of a new invention into a patent application filed prior to the March 16, 2013 date could act as a "one way ticket" that irrevocably brings the application, and all applications claiming priority to it, under the provisions of the AIA.) Companies should determine how these new laws will affect their patent applications and develop patent filing and prosecution strategies that maximize the value of their intellectual property.

Post-Issuance Mechanisms For Challenging Issued Patents (Section 6 Of The Aia)

The AIA also adds three new mechanisms for challenging issued patents within the USPTO (Post-Grant Review, Inter Partes Review, and Citation of Prior Art and Written Statements), while deleting two current mechanisms (optional inter partes re-examination and citation of prior art).

Post-grant review

Chapter 32, Post-Grant Review (Sections 321-329), has been added to Title 35 of the United States Code. Under the new law, a person who is not the owner of a patent may file a petition with the USPTO to institute a post-grant review of a patent. This review may be based upon almost any requirement of patentability, including Section 112, which requires that an invention be adequately described, and enable one of skill in the art to make and use the invention. A petition for post-grant review may only be filed within nine months of the issuance of a patent. In addition, the petition must identify the grounds upon which the challenge to the patent is based, and the evidence that supports the grounds for challenge. Post-grant review is barred if the petitioner filed a civil action challenging the validity of a claim of the patent.

The end result of a post-grant review could be settlement, cancellation of a claim or amendment of the patent. A noteworthy disadvantage of post-grant review is the estoppel provisions, which state that after a final written decision, the petitioner may not assert in a proceeding before the USPTO, International Trade Commission (ITC), or in a civil action, any argument that the petitioner raised or reasonably could have raised during post-grant review.

Inter partes review

After the nine-month window for post-grant review has closed, a person who is not the owner of a patent may file, under the new law (Chapter

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31; Sections 311-319), a petition with the USPTO to institute an inter partes review of the patent. However, a petitioner's arguments are limited to issues under Section 102 (novelty) or Section 103 (obviousness), and only on the basis of prior art consisting of patents or printed publications. Like post-grant review, the petition must identify in writing each claim challenged, the grounds upon which the challenge to each claim is based and the evidence that supports the grounds for challenge to each claim. Inter partes review is barred if the petitioner filed a civil action challenging the validity of a claim of the patent.

The end result of inter partes review could be settlement, cancellation of a claim or amendment of the patent. As with post-grant review, a disadvantage of inter partes review is the estoppel provisions, which state that after a final written decision, the petitioner may not assert in a proceeding before the USPTO, ITC, or in a civil action, any arguments that could have been raised during inter partes review. These changes took effect on Sept. 16, 2012, and will apply to any patent issued before, on or after that date.

Citation of prior art and written statements

Section 301, Citation of Prior Art, of Chapter 30 of Title 35 of the United States Code has been replaced with

Section 301, Citation of Prior Art and Written Statements. The new law provides that any person at any time may cite to the USPTO, in writing, any patents or printed publications that are believed to have a bearing on the patentability of an invention described in a patent, and "statements of the patent owner filed in a proceeding before a Federal court or the Office in which the patent owner took a position on the scope of any claim of a particular patent."

Strategy

Companies should consider monitoring issued patents of third parties and/or competitors in their field in order to take advantage of post-grant review, which can only be instituted within nine months of patent issuance. Although inter partes review, and citation of prior art and written statements are not time barred, the scope of the challenge is limited to prior art patents and printed publications. The decision to use post-grant review or inter partes review should be carefully evaluated in light of the estoppel provisions. It is also important to note that Ex Parte Reexamination of Patents (Sections 302-309) of Title 35 of the United States Code remains unchanged by the AIA, and is still a viable alternative to challenge an issued patent.

Correcting Information In Issued Patents (Section 12 of The Aia)

The AIA has added a new procedure called Supplemental Examination to

Section 257 of Title 35 of the United States Code for correcting information in issued patents. Under the new law, a patent owner may request supplemental examination of its patent in the USPTO to consider, reconsider or correct information believed to be relevant to the patent. Reexamination of the patent will be ordered if the information in the request raises a substantial new question of patentability. Importantly, a patent will not be held unenforceable on the basis of conduct relating to information that was not considered, was inadequately considered or was incorrect in a prior examination of the patent if the information was considered, reconsidered or corrected during a supplemental examination of the patent.

This procedure is an opportunity to further strengthen an important patent prior to possible litigation, such as by clarifying the record to mitigate or avoid third-party allegations of inequitable conduct. In addition, requesting supplemental examination will not destroy the presumption of validity of the patent or be relevant to enforceability of the patent. These changes took effect on Sept. 16, 2012, and will apply to any patent issued before, on or after that date.

It is important to note that other means of correcting patents, such as reissue, disclaimer, certificates of correction and correction of inventorship, remain available and are unchanged by the AIA.