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Significant Provisions of the America Invents Act Set to Take Effect in March

Intellectual Property Client Alert

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The final and most significant changes under the Leahy-Smith American Invents Act (AIA) will become effective on March 16. This Client Alert explains what should be considered before and after that date.

U.S. Goes From a First-Inventor-to-Invent System to a First-Inventor-to-File System

Today the American patent system is a first-inventor-to-invent system. Under this system, in a competition between independent inventors, the first individual or individuals to invent are generally awarded the patent. Thus, individuals who are first to invent but second to file at the Patent Office may still be awarded the patent. This provision will change significantly on March 16.

Under the AIA's new first-inventor-to-file system, the first inventor to file a patent application in the United States will be awarded the patent. This is a momentous shift from the first-inventor-to-invent system. The first-inventor-to-file system will apply to U.S. patent applications that contain, or contained at any time, at least one claim having an effective filing date on or after March 16, 2013. Furthermore, unlike under the first-inventor-to-invent system, inventors under the first-inventor-to-file system will not be able to use the invention date to avoid prior art that appears between the invention date and filing date.

A Larger Universe of Prior Art

The universe of prior art available for comparison to the invention increases significantly on March 16. Under the current law, an inventor has one year from when the invention appears in a publication or is used or sold (each constituting prior art) in which to file a patent application. This one-year period is known as a "grace period." Under the new provisions taking effect in March, the blanket one-year grace period is gone. Any prior art available before the filing date will be available to apply against the patent application with one exception. The exception provides that if the invention was directly or indirectly disclosed within one year of the filing date by the inventor, the inventor will not be blocked by prior art appearing between the disclosure and the filing date. The exact scope of this exception is ill-defined and should not be relied upon until the courts interpret it.

The AIA also expands the universe of prior art by eliminating the Hilmer Doctrine. Under the long-standing Hilmer Doctrine, only published U.S. applications and international applications that designated the United States as recipient are available for use as prior art *as of their initial filing date*. Under the provisions of the AIA effective March 16, published patent applications and patents will—regardless of where filed or in what language they are filed—be available as prior art effective as of their initial filing date.

In March, the AIA also removes geographical limitations that currently exist for certain prior art. Under the current law, public use and sales activities cannot be used as prior art if these activities occurred outside the United States. Beginning March 16, the relevant provision has no geographical restriction.

Post-Grant Review

Sometime after March 16 we will see the new Post Grant Review (PGR) process used to challenge the validity of issued patents upon any grounds of patentability (novelty, obviousness, lack of enablement, etc.). To use a PGR, the petitioner must show that it is “more likely than not that at least one of the claims challenged is unpatentable.” Moreover, a PGR must be initiated within nine months of a patent grant and is only applicable to patents issued under the new first-inventor-to-file system.

What Should You Do Now?

Because a person who invents second but files first will be awarded the patent over one who invents first and files second and because of the increase in available prior art, you should consider filing patent applications on all your inventions before March 16. Please contact us if you would like assistance.

What Should You Do After March 16?

After March 16, you should file as soon as possible after creating a new invention. Filing processes should be reviewed and streamlined. Furthermore, you should discuss the filing timeline with your attorney on each patent application.

You should also consider monitoring patents issued to your competitors and evaluating opportunities under the PGR proceedings to challenge a competitor’s intellectual property before it can create problems for you in the marketplace. A timely filed PGR may help you to avoid high-cost litigation down the road.

We are happy to discuss our suggestions with you for preparing for the changes that are coming, and to assist you with the challenges of streamlining your patent filing practices and evaluating competitor patent filings.

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