

# America Invents Act

## Derivation Proceedings



### What is a derivation proceeding?

A derivation proceeding provides a safeguard to help ensure that the first person to file a patent application is actually a true inventor. The America Invents Act ("AIA") changes the U.S. patent system from a first-to-invent system to a first-inventor-to-file system, typically awarding a patent to the first inventor to file a patent application. Recognizing that a patent should not be awarded to a person who was first to file a patent application but who had derived the invention from another person, the AIA amends 35 U.S.C. §135 to provide derivation proceedings to decide who is the first true inventor to file a patent application.

### Which patents/applications are eligible?

Only a patent or application containing one or more claims having an effective filing date on or after March 16, 2013, will be eligible for a derivation proceeding.

### How does one institute a derivation proceeding?

Only a patent applicant may file a petition to institute a derivation proceeding. The petition must be filed within one year of the first publication of a claim to an invention that is the same or substantially the same as the first true inventor's claim. The petition must meet the requirements of 37 C.F.R. 42.405 and must be served on the first applicant to file (who will be known as the respondent). The PTO set the fee for filing a petition for a derivation proceeding at \$400.

### Who decides the outcome?

Once the Director institutes a derivation proceeding, it will be adjudicated by a three-judge panel of the Patent Trial and Appeal Board ("Board") in a single-phase trial that is similar to an inter partes review proceeding or post-grant review proceeding. In addition to deciding whether the respondent derived the invention from the true inventor, the Board may also consider issues of patentability that arise in derivation proceedings when there is "good cause" to do so. To prevail in a derivation proceeding, the petitioner must provide "sufficient evidence" to prove a claim of derivation.

### What does the "winner" get?

The Office may cancel patent claims or finally refuse claims of an application that cover the derived subject matter. Under "appropriate circumstances," the Board may correct inventorship of any application or patent at issue in a derivation proceeding. The term of a patent issuing on an application that was involved in a derivation proceeding may be adjusted to offset the delay in issuance due to the derivation proceeding.

### Can I appeal the Board's decision?

A party dissatisfied with a decision of the Board in a derivation proceeding may (i) first file a request for rehearing; (ii) seek remedy in district court via an action brought under 35 U.S.C. § 146; or (iii) seek remedy at the Court of Appeals for the Federal Circuit via an action brought under 35 U.S.C. § 141, with or without having sought remedy in district court.

### Can a derivation proceeding be terminated?

Yes, in any of several ways: settlement, arbitration, or a decision by the Board.

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