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Patent Reform: “First-Inventor-to-File” to Replace the Current “First-to-Invent” System

By Kevin E. Noonan, Ph.D.

The Leahy-Smith America Invents Act of 2011 (“AIA”) was signed into law by President Obama on September 16, 2011. The first significant overhaul of the U.S. patent system in nearly 60 years, this new patent reform measure ushers in considerable changes in how companies and individuals may obtain and enforce patents in the United States. This is the third in a series of articles on the AIA. The first articles discussed the fee surcharge implemented on September 26, 2011 and the other changes that have already been implemented; those articles can be accessed [here](#). This article describes the upcoming change to a “first-inventor-to-file” regime. Future articles in the series will address other changes that will take effect in the coming months and years.

One of the most significant effects of the AIA is that the U.S. will convert from a “first-to-invent” system to “first-inventor-to-file” regime. The provisions of the AIA relating to “first-inventor-to-file” are set forth in Section 3. And while these provisions do not take effect until 18 months from the date of enactment, i.e., March 16, 2013, they are worth considering in advance of that date as they may impact your patenting and disclosure strategy in the months leading up to the switch. For example, although the “first-inventor-to-file” provisions of Section 3 go into effect in 2013, the new provisions will only apply to applications (and patents issuing therefrom) that contain (or contained) claims having an “effective filing date” (discussed below) on or after March 16, 2013, meaning that some (or many) post-March 16, 2013 applications and patents will be scrutinized under the first-to-invent rules for many years to come.

Section 3(a) amends definitions relating to inventorship in 35 U.S.C. § 100. The “inventor” is defined in new § 100(f) as “the individual, or if a joint invention, the individuals collectively who invented or discovered the subject matter of the invention.” A “joint inventor” is defined as “any 1 of the individuals who invented or discovered the subject matter of a joint invention” (§ 100(g)). This section defines a “joint research agreement” along current lines (§ 100(h)). Importantly for the “first-inventor-to-file” regime, Section 3(a) of the AIA defines the “effective filing date” either as the actual filing date of the patent or application containing a claim to the invention (§ 100(i)(1)(A)) or “the filing date of the earliest application for which the patent or application is entitled” under §§ 119, 365(a), 365(b), 120, 121, or 365(c) (§ 100(i)(1)(B)). Finally, this section defines the “claimed invention” as “the subject matter defined by a claim in a patent or an application” (§ 100(j)).

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Section 3(b) effects the changes in 35 U.S.C. § 102 that convert U.S. patent law from “first-to-invent” to “first-inventor-to-file.” Instead of subsections § 102(a) through § 102(g), new § 102(a) provides that:

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.

These provisions eliminate the distinction for public use, on sale, or “otherwise available to the public” between acts occurring in the U.S. (“in this country”) and acts occurring abroad (“in this or a foreign country”) that have long been a feature of defining prior art under § 102; this effect is made explicit in Section 3(d), which repeals 35 U.S.C. § 104. New § 102(a)(2) expressly defines the “first-inventor-to-file” aspects of the change, by defining as prior art an earlier-filed patent or application that “names another inventor”; a definition of “another inventor” is not provided in the AIA, but it seems likely that this term will be interpreted to mean another “inventive entity,” i.e., any difference in named joint inventors. Section 3(d) of the new statute also expands the scope of foreign-filed applications as prior art: instead of being limited as prior art to their U.S. filing date (or, in the case of a PCT application, the International Filing Date), the new law gives foreign patents and applications the benefit of their earliest effective filing date, which would be the foreign filing date for such applications.

The grace period that remains under the AIA is contained in new § 102(b), which provides exceptions that include:

(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.

(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.

New § 102(b)(1)(A) establishes the one-year grace period for the inventor's own disclosure or disclosure by another who derived the invention ("obtained directly or indirectly") from the "true" inventor. New § 102(b)(1)(B), on the other hand, relates to a "second" disclosure of the subject matter that had previously been disclosed ("before such disclosure [had] been publicly disclosed") by the inventor or "another" who derived ("directly or indirectly") the invention from the inventor, also presumably less than one year prior to the effective filing date. Thus, this new provision provides that the "true" inventor's public disclosure "immunizes" the inventor from disclosure by another, presumably provided that the "true" inventor files a patent application within one year of her initial disclosure (i.e., within the grace period).

New § 102(b)(2) disqualifies as prior art disclosure in a patent or patent application by another who "obtained [the subject matter] directly or indirectly from the inventor" (§ 102(b)(2)(A)) or wherein the subject matter had been publicly disclosed by the inventor or another who derived the invention from the inventor prior to the effective filing date of the earlier patent or application (§ 102(b)(2)(B)) or there was joint ownership ("not later than the effective filing date of the claimed invention") of the earlier disclosed subject matter and the claimed invention. These provisions provide an incentive for early disclosure of inventions within the one-year grace period, because the effect of earlier disclosure is to eliminate as prior art any disclosure or patent or patent application that occurs after the first public disclosure by the inventor, provided the inventor files a patent application on the subject matter within the one-year grace period. However, experience with the current law has established that such a disclosure must be an enabling disclosure, and that prior disclosure could create the possibility (if not the likelihood) that variations (obvious or otherwise) could be created and filed by "another," resulting in a diminution of the "true" inventor's patent rights.

New § 102 also defines common ownership under a joint research agreement (new § 102(c), which seems to broaden the protections thereof from obviousness, as is currently the case under § 103, to novelty). Moreover, new § 102 expressly states Congress' intent for "continuity" of the treatment of joint research agreements under the new law and the CREATE Act (new § 102(d)).

Section 3(c) amends current 35 U.S.C. § 103, which *sub silentio* repeals §§ 103(b) and (c):

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. Patentability shall not be negated by the manner in which the invention was made.

Section 3(e) repeals statutory invention registrations, and §§ 3(f) and 3(g) are “conforming” amendments (§ 3(f) amends Section 120 to change “which is filed by an inventor or inventors named” to “which names an inventor or joint inventor”; § 3(g) amends a number of sections of 35 U.S.C. to bring the language of those sections in line with the amendments to §§ 100, 102, and 103).

Sections 3(h) and (i) relate to “derived patents” and “derivation proceedings” in the Office that will supplant the current interference practice. These provisions of the AIA will be addressed in more detail in an upcoming article in this series.

Section 3(k) introduces a 10-year “statute of limitations” into 35 U.S.C. § 32 regarding disciplinary proceedings before the Office and a biennial description of incidents that were barred from being brought under this section by the statute of limitations.

Section 3(l) relates to a small business study to determine the effects of the change to “first-inventor-to-file” on “small business concerns,” with a Report to be provided to Congress not later than one year after the Act is enacted. Similarly, Section 3(m) provides for a Report to Congress on prior user rights in the U.S. and abroad in Europe, Japan, Canada, and Australia and their effects “if any[] on small businesses, universities and individual inventors.”

Finally, Sections 3(o) and 3(p) express the “Sense of Congress” that the changes effected by these provisions of the Act “will promote the progress of science and the useful arts” and will “promote harmonization of the United States patent system with patent systems” in the rest of the world and “promote greater international uniformity and certainty” in patenting.

Kevin E. Noonan, Ph.D., an MBHB partner, is an experienced biotechnology patent lawyer. Dr. Noonan brings more than 10 years of extensive work as a molecular biologist studying high-technology problems in serving the unique needs of his clients. His practice involves all aspects of patent prosecution, interferences, and litigation. He represents pharmaceutical companies both large and small on a myriad of issues, as well as several universities in both patenting and licensing to outside investors. He has also filed amicus briefs to district courts, the Federal Circuit and the Supreme Court involving patenting issues relevant to biotechnology. He is a founding author of the [Patent Docs weblog](#), a site focusing on biotechnology and pharmaceutical patent law. noonan@mbhb.com

MBHB attorneys are well versed on the Leahy-Smith America Invents Act patent law changes and how the changes will impact prosecuting and enforcing patents in the U.S. Please contact an MBHB attorney should you have any questions about the Act or to arrange an in-house seminar about the Leahy-Smith America Invents Act. For more general information about the Act, and its impact on the patent laws, [view our most recent edition of snippets](#).