It's Here!
Strategies For the First-to-File Transition

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First to File - Plan of Attack

- **The Nuts and Bolts**
  - Definition of Prior Art - 102(a)
  - Exceptions - 102(b)
- **Examples of Exceptions to Prior Art**
- **Major Unknowns**
  - Public Disclosure Requirement
  - Grace Period
  - Scope of Preemptive Disclosures
- **PTO Regulations/Guidelines**
- **Recap**

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Old Types of Prior Art

- **First-to-Invent System -- Prior art based on:**
  - Events occurring before the invention – 102(a), (d), (e), (g)
  - Events occurring more than a year before filing – 102(b)
  - Location of events sometimes matters and sometimes doesn't

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The AIA: Less is More?

(a) Novelty; Prior Art.—A person shall be entitled to a patent unless— –
(~~a~~) ~~the~~1) the claimed invention was ~~known or used by others in this country, or~~ patented ~~or~~, described in a printed publication ~~in this or a foreign country, before the invention thereof by the applicant for patent, or~~, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or

~~(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or~~

~~(c) he has abandoned the invention, or~~

~~(d) the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States, or~~

~~(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language; or~~

~~(f) he did not himself invent the subject matter sought to be patented, or~~

~~(g)(1) during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.~~

(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.

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Prior Art Provisions of AIA

- **New 102(a) Redefines Prior Art (subject to 102(b) exceptions):**

102(a)(1) prior art:

- patented
- described in printed publication
- in public use
- on sale
- otherwise available to the public
- before effective filing date
- anywhere in the world

102(a)(2) prior art:

- described in other's issued US patent or published application
- having earlier effective date (including foreign priority claim)

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What's New?

- **First, much is still the same, but . . .**
- **Effective filing date is now the key**
  - Date of invention no longer relevant (can't "swear behind")
- **No distinction between prior art in the U.S. vs. outside the U.S.**
- **No prior invention prior art -- 102(g)**
- **Ambiguous catch-all provision:**
  - "Otherwise available to public"

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Prior Art Exceptions -- 102(b)(1)

- **102(b)(1) provides exceptions to 102(a)(1)**
- **(A) One-year grace period for inventor's own disclosures**
  - Disclosures by the inventor
  - Disclosures "by another" who obtained the subject matter "directly or indirectly" from the inventor
- **(B) Preemptive Disclosures**
  - Disclosures by others are not 102(a)(1) prior art, if:
    - within 1 year of effective filing date, and
    - subject matter was previously "publicly disclosed" by inventor (or by another who obtained the subject matter from the inventor)
  - *But*, be careful about relying on this

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More Prior Art Exceptions -- 102(b)(2)

- **102(b)(2) provides exceptions to 102(a)(2)**
- **(A) Subject matter disclosed was from the inventor**
  - Or obtained "directly or indirectly" from the inventor
- **(B) Preemptive Disclosures**
  - Subject matter had previously been "publicly disclosed" by:
    - the inventor or a joint inventor, or
    - another who obtained the subject matter from the inventor
  - Again, be careful about relying on this
- **(C) Disclosure by common owner**
  - Prior patent/app and claimed invention commonly owned, or
  - Subject to obligation of assignment to same person
  - By the effective filing date of the claimed invention

Derivation Proceedings

- **102(b)(1) and (b)(2)(B) exemptions for disclosures:**
  - by "another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor"
- **1.130(a) affidavit used to establish (b)(1) exceptions**
- **"Derivation proceeding" used for (b)(2)(B) exception**
  - Applicant must petition for a derivation proceeding within one year of publication of earlier app/patent
  - Petition must be supported by substantial evidence that earlier claimed invention derived from petitioner
  - Proceeding by new Patent Trial and Appeal Board (PTAB)

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Preemptive Disclosures

- **102(b)(1)(B) and (b)(2)(B) allow for preemptive disclosure, BUT scope of the exception is not clear**
- **Advantages**
  - Can get in front of prior art without filing application
  - Can preempt parallel inventors without filing
- **Disadvantages**
  - Starts the clock on your one-year grace period
  - Does not change effective filing date
  - Bars applications in foreign countries with "absolute novelty" laws
  - Is not effective against subsequent <u>additional</u> or somewhat <u>different</u> third party disclosures

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Summary of "First-to-File"

- **For a given invention, first person to file gets the patent, except when:**
  - the second person to file was first to "publicly disclose" the invention;
  - the first filer obtained the invention, directly or indirectly, from the second filer (derivation proceedings); or
  - the first filer abandons the application prior to publication or issuance.

- **So not technically "first-to-file"**

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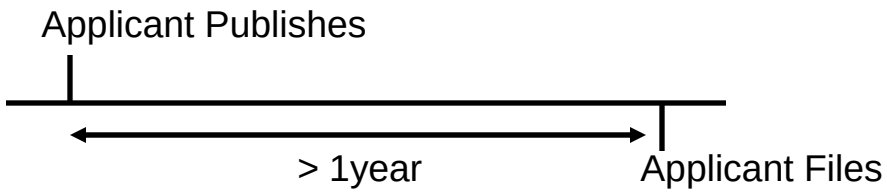
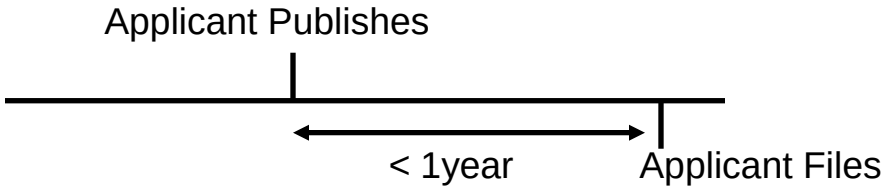
Example 1: 102(b)(1)(A) Grace Period



§102/103 Issue - Grace Period 102(b)(1)(A) exception does not apply



No Issue - Grace Period 102(b)(1)(A) exception applies

- Like pre-AIA 102(b) grace period
- Same grace period applies to public sales and uses (probably)
- No grace period needed for secret sales and uses?

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Example 1: 102(b)(1)(A) Grace Period

- **How will PTO handle?**
  - Need to prove that publication came from the inventor?
  - PTO Guidelines
    - If it is apparent from the disclosure or the patent application specification that the disclosure is by the inventor, then the prior art would not be applied
  - Rule 1.77(b) ("Arrangement of Application Elements")
    - Modified to allow for statement regarding prior disclosures of inventor
  - Can file an attribution declaration under 37 CFR 1.130(a)

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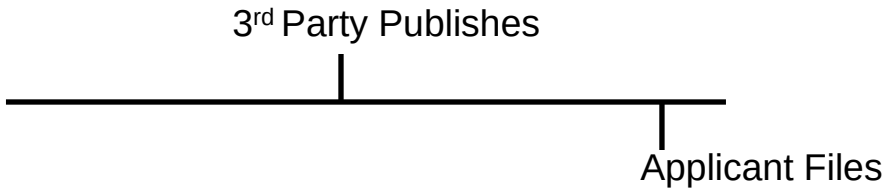
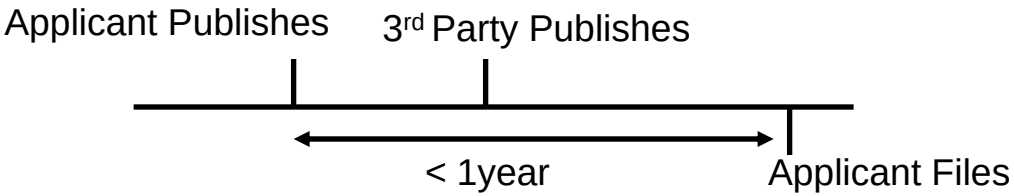
Example 2: 102(b)(1)(B) Preemptive Disclosure



§102/103 Issue - Grace Period exception does not apply

(Even if <1 year and with no ability to swear behind)



No Issue - Grace Period exception applies

(Assumes disclosures are the same)

- An affidavit can be filed under new 37 CFR 1.130(b) to prove applicant publication prior to third-party publication
- Scope of this exception is unclear

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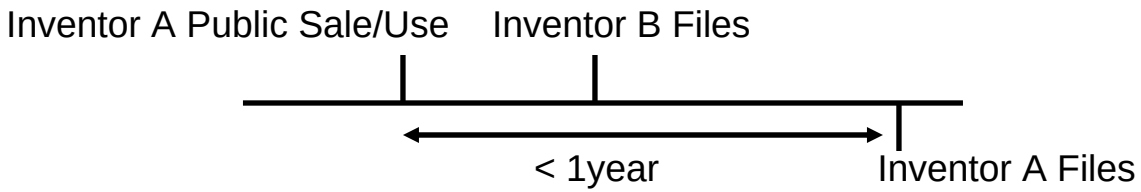
Example 3: Public Sale/Use Issue



- **Inventor A gets a patent**
  - Inventor A's public sale or use preemptively discloses
  - Inventor B's earlier filing subject to 102(b)(2)(B) exception via Rule 130 declaration

- ***But*, Inventor B likely to be awarded a patent too?**
  - Inventor A's public sale/use is prior art against Inventor B's filing
  - But how would the PTO know?
  - The PTO currently does not look to 1.131 affidavits for prior art, and the proposed regs do not address this new issue

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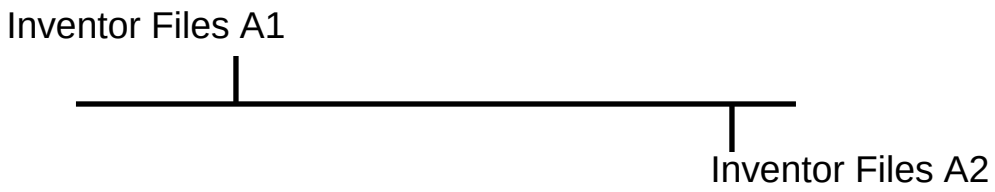
Example 4: 102(b)(2)(A) Same Inventor



- **Inventor A eligible for patents on A1 and A2**
  - For A2, the common subject matter of A2 falls within the 102(b)(2)(A) exception
  - Similar to pre-AIA 102(e) "by another" requirement

- ***But*, be mindful of triggering 102(a)(1)**
  - If A1 published >1 year before A2

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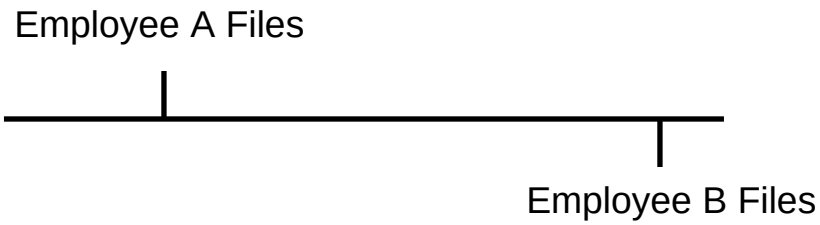
Example 5: 102(b)(2)(C) Common Ownership



- **Company gets patent for Employee B's application:**
  - Employee A's application is prior art under 102(a)(2)
  - But 102(b)(2)(C) exception applies if "owned by the same person or subject to an obligation of assignment to the same person" by "the effective filing date" of Employee B's application
  - Applicant statement under 1.104(c)(4) of common ownership can overcome rejection
- ***But*, be mindful of triggering 102(a)(1) if A1 published >1 year before A2**

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Major Unknowns: Public Disclosure Requirement?

- **102(a)(1) prior art: "otherwise available to the public"**
  - "(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 . . ."
- **Open Question:**
  - Does this mean that the items in the list that precede this phrase must necessarily be "available to the public"?
  - Thus, could "on-sale" and "public use" (i.e., public use of non-evident invention) be redefined to be such uses and sales (and offers for sale) that are "available to the public"?

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Public Disclosure Requirement for Prior Art (cont.)

- **Legislative History**
  - Cong. Rec. March 9, 2011, pp S1496-S1497
  - Colloquy between Senators Leahy and Hatch
  - Mr. Leahy:
    - "One of the implications of the point we are making is that subsection 102(a) was drafted in part to do away with precedent under current law that private offers for sale or private uses or secret processes practiced in the United States that result in a product or service that is then made public may be deemed patent-defeating prior art. That will no longer be the case. **In effect, the new paragraph 102(a)(1) imposes an overarching requirement for availability to the public."**

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Public Disclosure Requirement for Prior Art (cont.)

- **PTO Examination Guidelines:**
  - "The Office views the "or otherwise available to the public" residual clause … as indicating that secret sale or use activity does not qualify as prior art."
  - "The Office's interpretation is consistent with the interpretation that was …expressed…during the congressional deliberations…"
  - "The Office appreciates that the courts may ultimately address questions concerning the meaning of AIA 35 U.S.C. 102 and 103."

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Major Unknowns: Grace Period

- **102(a) defines 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 . . ."
- **102(b)(1)(A) provides exceptions:**
  - refers to certain "disclosures" as not being prior art
- ***But*, what qualifies as a "disclosure?"**

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Grace Period Controversy (cont.)

- **Under old 102(b):**
  - A "sale" or "public use" did not necessarily have to result in a public disclosure to trigger 102(b)
    - Secret sale/offer for sale
    - Public use of product made from a secret inventive process ("secret commercial use")
- **Open Question:**
  - Does new 102(b)(1)(A) provide grace period for all use and sale activity?
  - Or just for those activities that result in public "disclosure" of the invention?

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Private Sale / Secret Commercial Use Recap

- **Pre-AIA "prior art"**
  - Private sales and patentee's own secret commercial use constitute 102(b) prior art
- **Post-AIA "prior art"**
  - Not clear whether a "sale" or "public use" must be sufficiently public to constitute 102(a)(1) prior art
- **Post-AIA 1-year grace period**
  - PTO's position is that 102(b)(1) grace period applies to anything that qualifies as 102(a)(1) prior art
  - *But*, it is not clear that private sales or public uses necessarily qualify as a 102(b) "disclosure"

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Private Sale / Secret Commercial Use Recap

- **Worst Case Scenario (for patentees)**
  - Private sales and secret commercial uses are 102(a)(1) prior art and do not trigger 102(b)(1) one-year grace period
- **Status Quo Scenario**
  - Private sales and secret commercial uses are 102(a)(1) prior art, but do trigger 102(b)(1) one-year grace period
  - This has same effect as pre-AIA 102(b)
- **Best Case Scenario (for patentees)**
  - Private sales and secret commercial uses are not 102(a)(1) prior art

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Private Sale / Secret Commercial Use Recap

- **What to do in the mean time?**
- **Protect yourself from the worst case scenario:**
  - File before any sale/offer for sale or use
  - Require NDA's for any prototypes and/or product samples
  - Clarify prototypes and/or product samples are "not for sale"
- **Take advantage of the best case scenario:**
  - Consider filing applications on inventions previously barred by the pre-AIA 102(b):
    - secretly sold products
    - inventive processes for making previously sold products
  - But trade secret may be the best route

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Major Unknowns: Preemptive Disclosures

- **102(b)(1)(B) and (b)(2)(B) Preemptive Disclosures**
  - Exception for subject matter previously "publicly disclosed" by the inventor
- **PTO's Proposed Examination Guidelines**
  - Exceptions do not apply if 3rd party disclosure has "mere insubstantial changes, or only trivial or obvious variations"
- **Now . . . PTO's Final Guidelines**
  - “There is also no requirement that the disclosure by the inventor or a joint inventor be a verbatim or ipsissimis verbis disclosure of the intervening grace period disclosure.”

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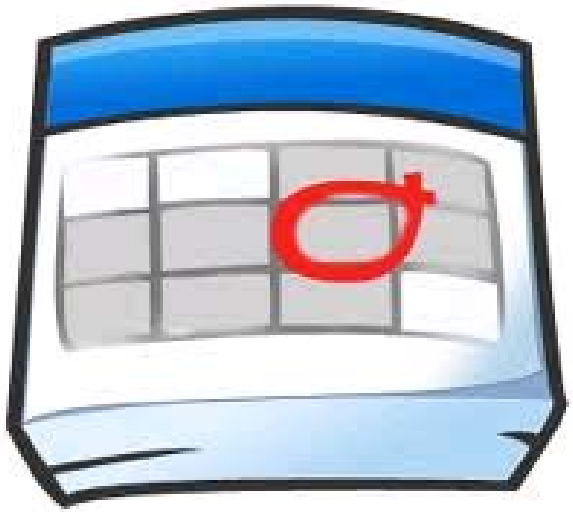
Effective Date - Section 3(n) of Act

- **New laws apply to...**
  - Claims with effective date on or after March 16, 2013
  - All claims in a patent or application with one such claim
  - All claims in a patent or application if reference made under 120, 121, or 365(c) to patent or application with one such claim
- **Can selectively proceed under new law when claiming priority**



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Effective Date - Section 3(n) of Act

- **If priority claimed to date before March 16, 2013...**
  - Can "swear behind" certain prior art
  - Not subject to "Hilmer Doctrine" foreign applications
  - Old 102(b) grace period is not personal
  - Public uses and sales must be in the U.S. to be prior art

- **Old interference law applies to ...**
  - All claims of application if any claim has effective filing date before March 16, 2013, or a specific reference is made under 120, 121, or 365(c) to a patent with such a claim.

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Additional PTO Rules/Observations

- **New 102 and 103 provisions apply to:**
  - Any application or patent that at <u>any time</u> had at least one claim with an effective filing date on or after March 16, 2013 or any application or patent that claimed priority at any time to such an application or patent.

- **Timing of obviousness determinations**
  - Changed to the effective filing date of the claimed invention rather than the date of the invention.

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Additional PTO Rules/Observations

- **Transition Applications**
  - If application claims priority to pre-AIA application but also includes a claim that has a post-AIA effective filing date, must provide a statement to that effect
  - File by later of: 4 mos. from actual filing date of transition application or nat'l stage entry,16 mos. from filing date of prior application, or date when first claim with post-AIA EFD is added
  - Do not have to identify how many or which claims have post-AIA EFD
  - Do not have to identify subject matter disclosed that is not also disclosed in the prior-filed application

First to File

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- **Recommendations**

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Final Recommendations

- **File earlier because "First to File"?**
  - Always better to file earlier, so not much has changed, other than reliance on earlier invention
  - Set clear filing date goals with clients
  - Selectively consider possibility and effect of offensive preemptive disclosures (be wary of defensive use)
  - File provisional app in addition to preemptive disclosure to avoid intervening disclosures
  - Consider "evolving" provisional apps
- **File before sales/offers for sale when possible**
  - "Disclosure" not well defined, so may not exclude sales/offers for sale from prior art
  - May not have clarification for 5-10 years

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Final Recommendations

- **Consider patenting certain commercialized trade secrets**
  - Secret prior art might be abolished
  - File on for recently disclosed trade secrets (or those that will be exposed)?
- **Keep documenting date of invention**
  - Basis for initiating or rebutting derivation proceeding
  - Evidence to establish Prior User Rights
- **Avoid accidentally triggering post-AIA rules if you have pre-AIA priority date**

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Questions?

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