

## PATENT STRATEGIES AND GUIDELINES IN VIEW OF THE AMERICA INVENTS ACT

The Leahy-Smith America Invents Act (AIA) was passed by Congress and signed into law by President Barack Obama on September 16, 2011. The AIA represents the most significant change to the U.S. patent system in the past several decades. Various sections of the AIA have been implemented in phases over the last couple of years, with the most impactful and important sections set for full implementation on March 16, 2013. Below we provide some strategy suggestions concerning provisions of the AIA and related explanations.

### CURRENTLY PENDING AND CONTINUATION APPLICATIONS

Currently pending patent applications and applications which claim priority to patent applications (e.g., continuation applications) filed before March 16, 2013 are subject to the current, pre-AIA rules and provisions. That is, the new AIA rules and provisions are not applicable to applications filed before March 16, 2013. Patent applications filed on or after March 16, 2013 that do not claim priority to an earlier filed application are subject to the new AIA rules and provisions. A potential risk associated with filing patent applications after March 16, 2013 which claim priority to an application filed before March 16, 2013 is that if, at any time during prosecution, even one claim contains subject matter which was not originally disclosed in the priority application, the new AIA rules and provisions apply in determining the patentability of every claim in the application. As such, in some instances it might be desirable to review an existing patent or patent portfolio to identify cases which may merit continuation applications before the March 16, 2013 provisions take effect.

### FIRST TO FILE AND THE USE OF PROVISIONAL APPLICATIONS

The most notable change under the AIA is that the United States becomes a first-inventor-to-file (FITF) jurisdiction as of March 16, 2013. That is, when two patent applications directed to the same invention are filed by different parties, the United States Patent and Trademark Office (USPTO) will award the patent to the inventor(s) on the first filed application. The pressure to file applications early will increase after March 16, 2013, and we expect that filing provisional patent applications will become an even more significant strategy option than under current practice in an effort to obtain an early filing date or dates. In light of the significant rule changes, we suggest consideration for filing one or more provisional applications as early as possible and with any follow-up provisional applications as early and as often as appropriate. We also suggest reviewing existing patent portfolios and pending invention disclosures to identify cases which may merit provisional applications and/or convert pending provisional applications well before the March 16, 2013 provisions take effect.

As noted above, for currently pending provisional applications and/or for future provisional applications, it might be worth considering the filing of serial provisional patent applications in an effort to provide a series of early filing dates as inventors develop new observations concerning an invention disclosure. To optimize this strategy, at the one year anniversary of the earliest filed provisional application a non-provisional U.S. patent application and/or a PCT International patent application could then be filed, claiming priority to each of the serially filed provisional applications.

### EXPANSION OF PRIOR ART

The body of the prior art available to be cited against U.S. patent applications expands as of March 16, 2013. For example, a journal article that is published even one day before a patent application is filed can be applied as prior art by the USPTO, and if cited, would need to be substantively distinguished. Thus, the current ability to establish an earlier date of invention than the date of a cited reference (e.g., "swearing behind" a reference) will be obsolete as of March 16, 2013. Another significant change from the rules currently in effect is that U.S. and PCT patent application publications which claim priority to foreign patent applications are available as prior art as of the filing date of the foreign priority application. For example, a published U.S. patent application with a German priority application will be effective as prior art as of its German foreign filing date. Additionally, public use, public sale, or other availability to the public in a foreign country will be available as prior art as of March 16, 2013 and are no longer limited to the U.S.

In the case of a public disclosure by the inventor or by a joint inventor, a one-year grace period continues for a U.S. filing under the AIA. Any act made by an inventor that results in an enabled public disclosure of the invented subject matter by any means – meaning the invention is described in a printed publication, or is in public use, on sale, or otherwise available to the public – will trigger the one-year grace period under the AIA. Of course, this has no impact on foreign filings in that any public disclosure can still have a novelty destroying effect on proposed foreign filing programs.

### POST GRANT REVIEW (PGR) AND *INTER PARTES* REVIEW

The AIA has implemented a post grant review (PGR) process that is similar to opposition proceedings in other countries, which went into effect on September 16, 2012. A petition for post grant review can be filed by anyone who is not the owner of the patent. With limited exceptions, only those patents issuing from applications subject to the first-inventor-to-file provisions of the AIA, e.g., patents having no priority claims and issuing from applications filed on or after March 16, 2013. The petition must be filed no later than nine months after the grant of the patent. The petition involves a request to cancel, as unpatentable, one or more claims in an issued patent and permits invalidity

challenges based on any aspects of the U.S. patent statutes, including sections 101 (i.e., patentable subject matter and utility), 102 (i.e., lack of novelty), 103 (i.e., obviousness), and section 112 (i.e., enablement and written description). This is much broader in scope than current reexamination practice. Challenges under 35 U.S.C. § 101 relating to patentability subject matter may continue to arise, as case law in this area develops.

*Inter partes* review became available in September 16, 2012 and replaced *inter partes* reexamination. *Inter partes* review is a trial proceeding conducted at the Board to review the patentability of one or more claims in a patent only on a ground that could be raised under §§ 102 or 103, and only on the basis of prior art consisting of patents or printed publications. A request for *inter partes* review must be filed after the later of nine months after the issuance of a patent, or if a post grant review is instituted, upon the date of termination of the post grant review.

The standard of proof required to trigger commencement of an *inter partes* review is slightly different than the standard of proof required to trigger commencement of post-grant review. For an *inter partes* review to be commenced, a third party must establish a reasonable likelihood that it will prevail on at least one claim, as opposed to post grant review's standard of review requirement that at least one challenged claim is more likely than not to be deemed unpatentable.

Additionally, with regard to both post grant review and *inter partes* review, estoppel effects can be encountered by the parties participating in these procedures. That is, positions taken during such procedures could be used to limit a party's position (s) taken in later civil actions or before the USPTO.

Where applicable, we suggest studying and updating any licensing agreement(s) and/or other agreement(s) for pending and/or later filed applications to incorporate language specifying which party and/or joint owner controls the prosecution (i.e., and which party is responsible for paying the fees) associated with a post grant review or *inter partes* review in the event that a patent covered by such an agreement becomes involved in such a proceeding.

### SUPPLEMENTAL EXAMINATION

Effective September 16, 2012, a patent owner can request supplemental examination of its own issued patent. This affords the ability to have information (e.g., prior art document(s) and/or §112 issues) considered post-issuance. A request for supplemental examination must be filed by the patent owner and must request that the USPTO consider, reconsider, or correct information believed to be relevant to the patent, but which was not considered during prosecution. Within three months after the receipt of a request meeting USPTO requirements, the USPTO will conduct the supplemental examination and conclude by issuing a certificate indicating whether the

information raises a substantial new question (SNQ) of patentability. If a SNQ is raised, an *ex parte* reexamination will be ordered and conducted according to *ex parte* reexamination procedures (except the patent owner will not have the right to file a statement pursuant to 35 U.S.C. 304). This procedure facilitates the patentee's ability to avoid or mitigate contentions of inequitable conduct where a reference was observed but not disclosed to the USPTO during prosecution of the patent application that issued as the patent.

### THIRD PARTY SUBMISSIONS

The window of time to submit prior art against the patent applications of others has been increased under the AIA. Particularly, a third party can submit prior art in the record of a published U.S. patent application if the submission is made in writing before the earlier of a Notice of Allowance, or the later of six months after publication or the date of first rejection. The third party submission must contain a concise description of the relevance of the reference and a fee. This provision went into effect September 16, 2012. The previous window of time for submission of prior art was two months after publication. The broader window of time available under the AIA should result in much more third party submissions of prior art.

### EXPEDITED PROSECUTION

Another procedure to keep in mind is the expedited prosecution procedure (e.g., TrackOne), which is currently available. Initial filing fees can be expensive (currently \$4,800 for a large entity), but it appears that this will be reduced. Current statistics show that such applications proceed to allowance at a higher level as compared to applications where expedited prosecution is not sought. It is noted that the \$4,800 filing fee could be effectively recaptured by avoiding multiple Office Action responses. One downside of this procedure is that if any extension of time is taken during the window for which expedited prosecution occurs, the application is bumped to the regular track of examination and the initial filing fee is not refunded.

### OTHER CONSIDERATIONS

As noted above, it is desirable to consider filing formally drafted, non-provisional utility applications and/or early conversion of existing provisional applications where appropriate prior to March 16, 2013. Any patent application filed on or after March 16, 2013 that includes even one claim having an effective filing date on or after March 16, 2013 will be treated under the provisions of the AIA (e.g., FITF provisions), as opposed to current law. For example, if a provisional application was filed in April 2012 and a utility application claiming priority to the provisional patent application is filed after March 16, 2013, any claim in the utility application that is not fully entitled to the provisional application's filing date will create a situation where the utility application will be treated

under the AIA (FITF provisions) during prosecution, as opposed to current law. Stated differently, a provisional application filed in April 2012 that becomes converted to a non-provisional utility patent application in April 2013 should be reviewed for inclusion of claims which clearly find support in the provisional patent application in order to be eligible for treatment under current law as opposed to the AIA. To mitigate the risk of having an application treated under the AIA, we suggest converting provisional applications and/or filing continuation applications before March 16, 2013. We further suggest that any patent application filed in close proximity to March 16, 2013 be formally drafted, if possible.

An additional item that perhaps should be discussed with inventors is the need to document any and all public disclosures and also to continue to maintain notebooks in the event a derivation proceeding arises. The derivation proceeding is the new proceeding under the AIA that effectively takes the place of an interference. The derivation is a proceeding wherein it is determined whether a first filer in fact derived the subject matter of the application for a different inventor.