



U.S. DEPARTMENT OF
ENERGY

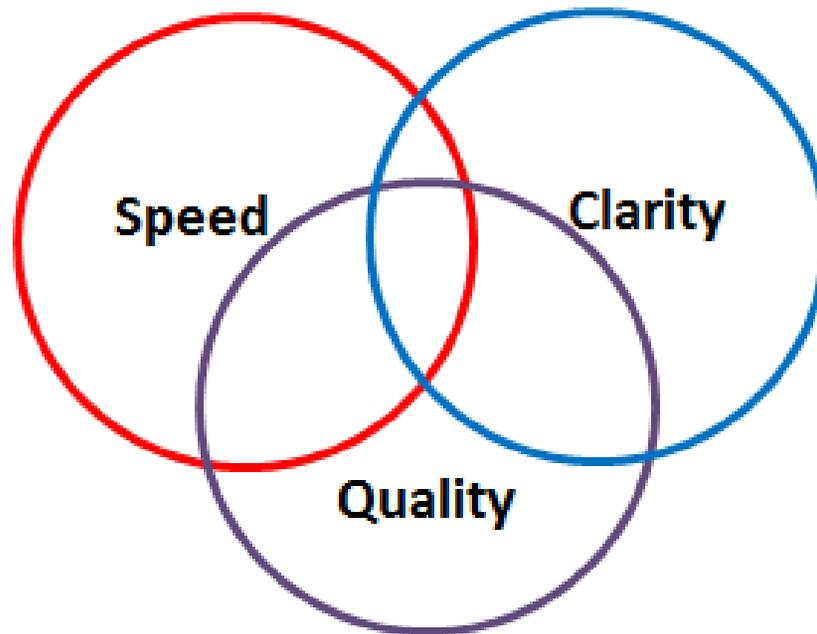
Office of Science-Chicago Office

America Invents Act

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The America Invents Act (AIA)



*source for slide: USPTO

Effective Dates (ED)



Act Signed 9/16/2011	1 year 9/16/2012	18 months 3/16/2013
Section 5 - Prior User Rights Covers patents issued on or after the ED	Section 4 – Oath or Declaration	Section 3 - First-inventor-to-file
Section 6 - Post Grant Review	Section 6 –Post Grant Review Procedures	
Section 11 - New Fees 15 % surcharge, accelerated examination and paper filing fee, begin on ED	Section 8 – 3 rd part submissions	
Section 15 - Eliminates Best Mode Defense Applies to litigation filed on or after ED	Section 12 – Supplemental Examination	
Section 16 - Patent Marking Cases pending on or after ED	Section 35 – default effective data	
Section 19 - Changes to Joinder Provisions		
Section 22 - PTO funding		

Speed: Prioritized Examination



Prioritized Examination Requirements

- Original non-provisional patent application (including continuation/divisional)
- Requires \$4800 fee
- 4 or fewer claims
- Limit to 10,00 filings per year

Goal: final disposition within 12 months

Speed: PTO Fees and Funding

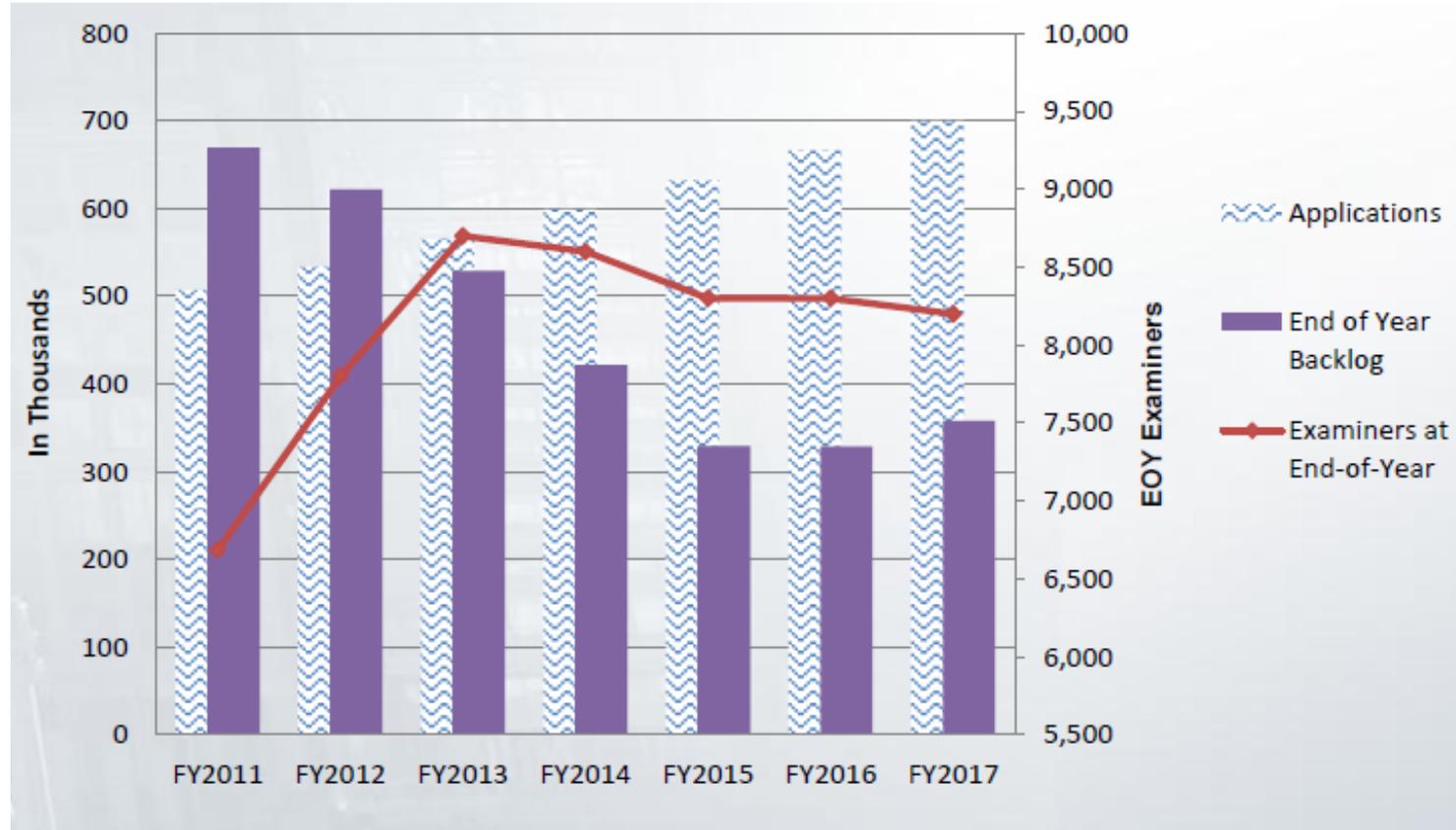


- PTO director now has fee-setting authority
- PTO revenues are less likely to be diverted by congress
- The AIA imposed a 15% fee surcharge that started on September 26, 2011
- The AIA defines a new “micro entity” status
 - Entitled to a 75% reduction in fees
 - Includes certain applicants primarily employed by or who assign their applications to an institution of higher education
 - USPTO proposed rules
- New \$400 fee for paper filed applications

Speed -PTO Fee Setting Authority



- Authorizes the USPTO to set or adjust patent and trademark fees by rule for 7 years
- USPTO Goal: reduce the current backlog of 669,000+ cases to 339,500 by the end of 2015.



*source for slide: USPTO

Clarity: First-to-File

clarity and harmonization with the world?



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- **Most countries employ an “absolute novelty standard”**
 - First to file wins.
- **The new U.S. laws creates a hybrid “first-inventor-to-file”**
 - First to file w/1 year grace period for public disclosures
 - As we will see, the grace makes the new system significantly different than traditional first to file jurisdictions. In some ways it is better, but is makes in much more complicated.

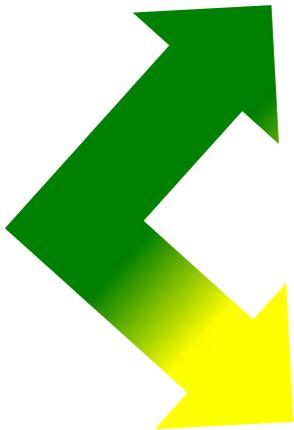
First-Inventor-to-File or Publish?



The AIA creates two potential paths to win the patent race

Path One: be the first to file a patent application

(as long as nobody makes a preceding public disclosure)



Path Two: be the first to publicly disclose the invention

(as long as nobody files an application on the invention before your public disclosure and you file within the one year grace period)

- Beware of relying on path two!**
- Potential loss of foreign rights (absolute novelty outside U.S.)
- Level of disclosure not clear. Current law suggests that publication might need to be “enabling”
- Competitors may rush to publish variations to limit the breadth of your invention



Prior Art Under AIA

Two types of prior art under the new law:

Publicly Disclosed Art: public disclosures anywhere in the world

“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. . .”

Patent Filing Art: non-public US/US-PCT patent/application of another inventor that later become public

***note:** disclosure is most likely broader under AIA, may include poster sessions etc.

Prior Art Exceptions Under AIA

the one year grace period



Section 102(b) Exceptions of PD

(1) 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.

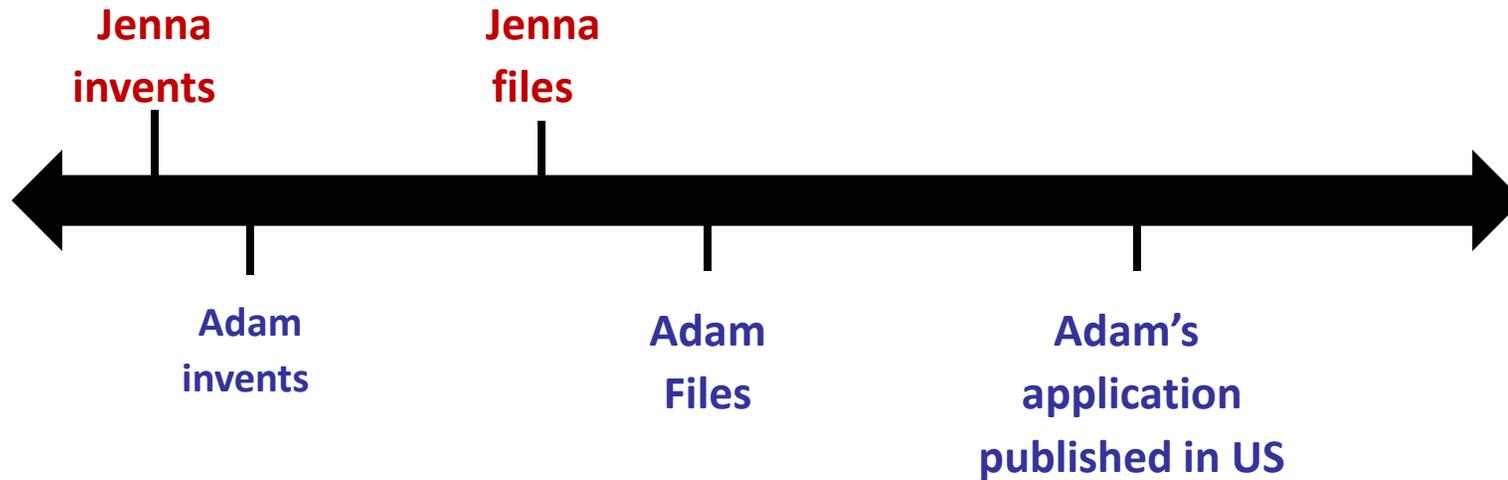
Scenario I

Jenna invents first and files first



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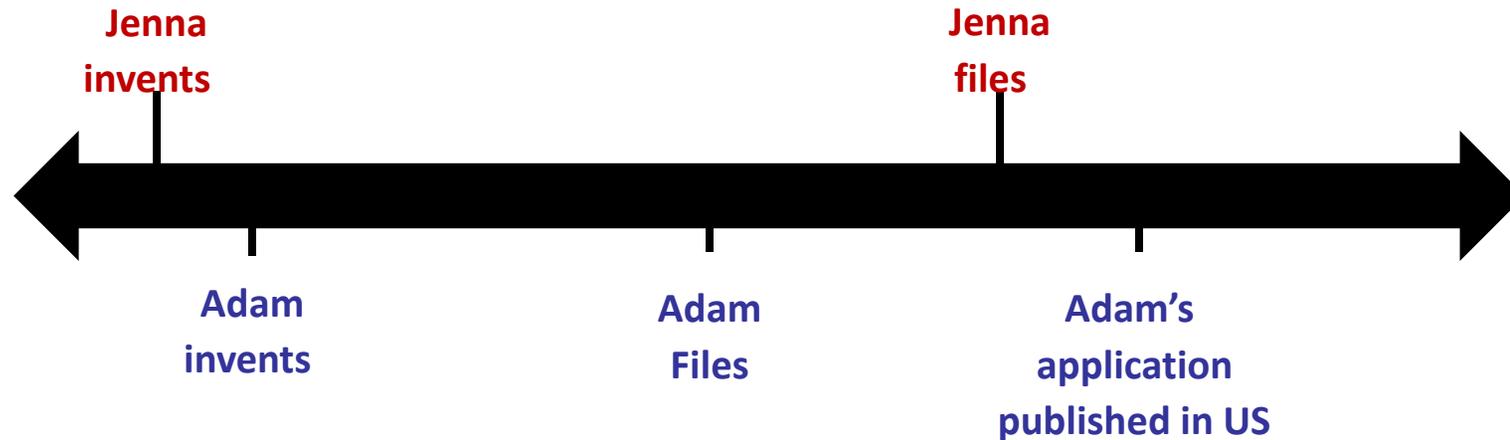
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Under old law	Under AIA:
Jenna was first to invent.	Jenna was first to file.
Jenna wins	Jenna wins

Scenario II

Jenna first to invent, Adam first to file (no public disclosures)

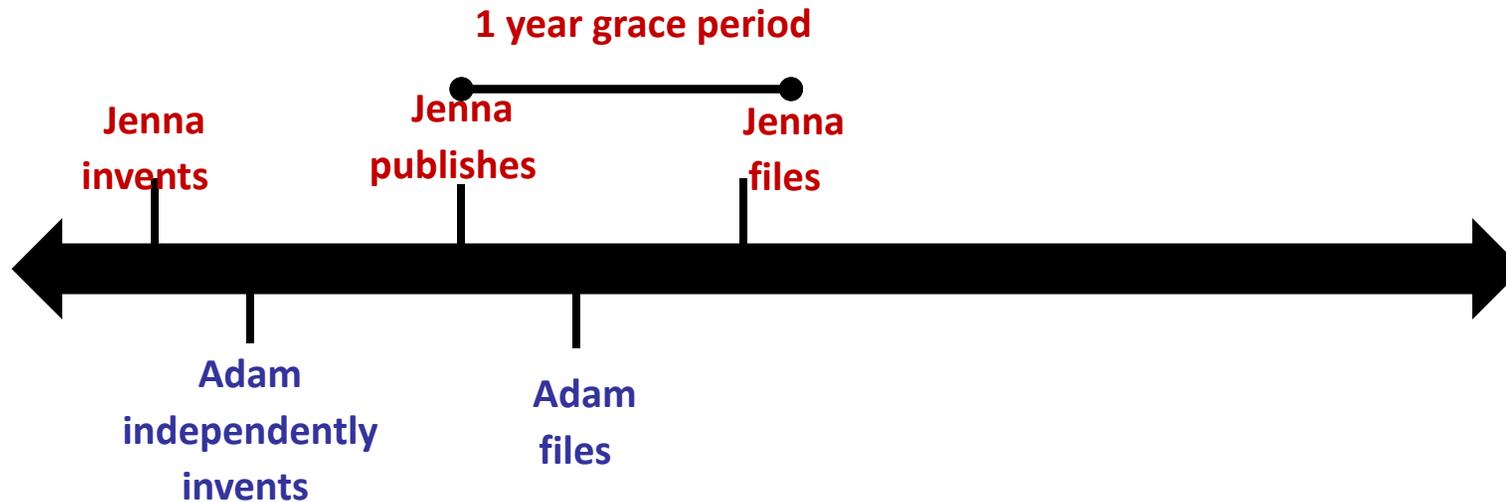


Under old law	Under AIA:
Jenna was first to invent and can swear behind Adam's published application.	Adam filed first, but Jenna can no longer swear behind Adam or win in an interference
Jenna wins	Adam wins

Scenario III



Jenna first to invent, Adam first to file, but Jenna files w/grace period



Under old law

Jenna was first to invent and filed within her 1 year grace period.

Jenna wins

Under AIA:

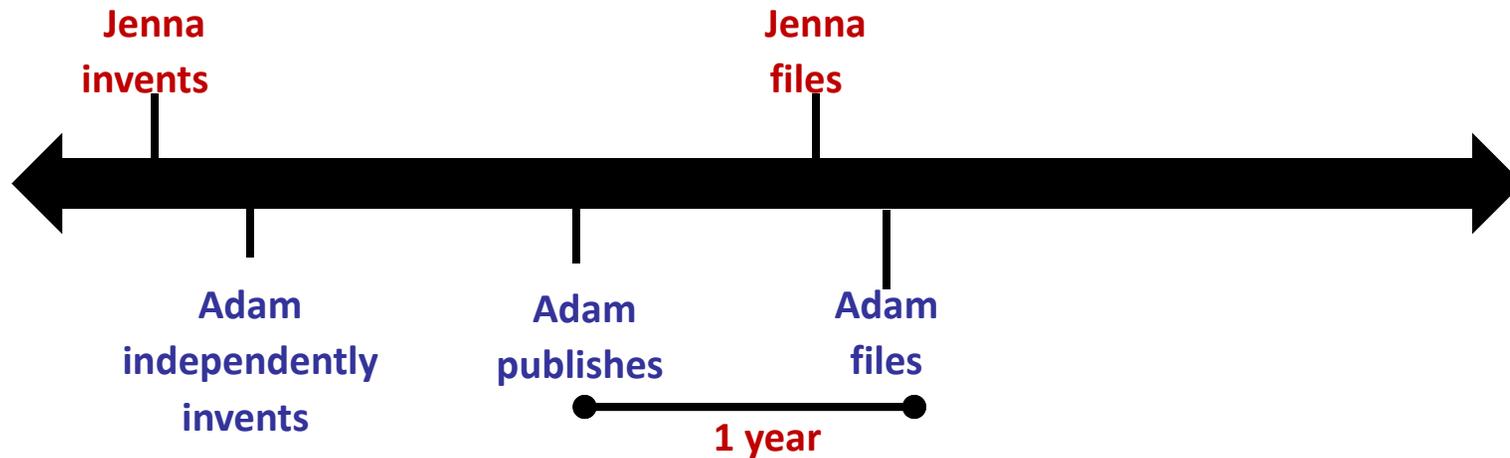
Adam was first to file, but Jenna was first to publish and filed within her 1 year grace period.

Jenna wins?
(is publication enabling?)

Scenario IV



Jenna first to invent, Adam first to file, but Jenna files less than one year after Adam's publication



Under old law

Jenna was first to invent and filed within 1 year of the publication so she can swear behind the publication.

Jenna wins

Under AIA:

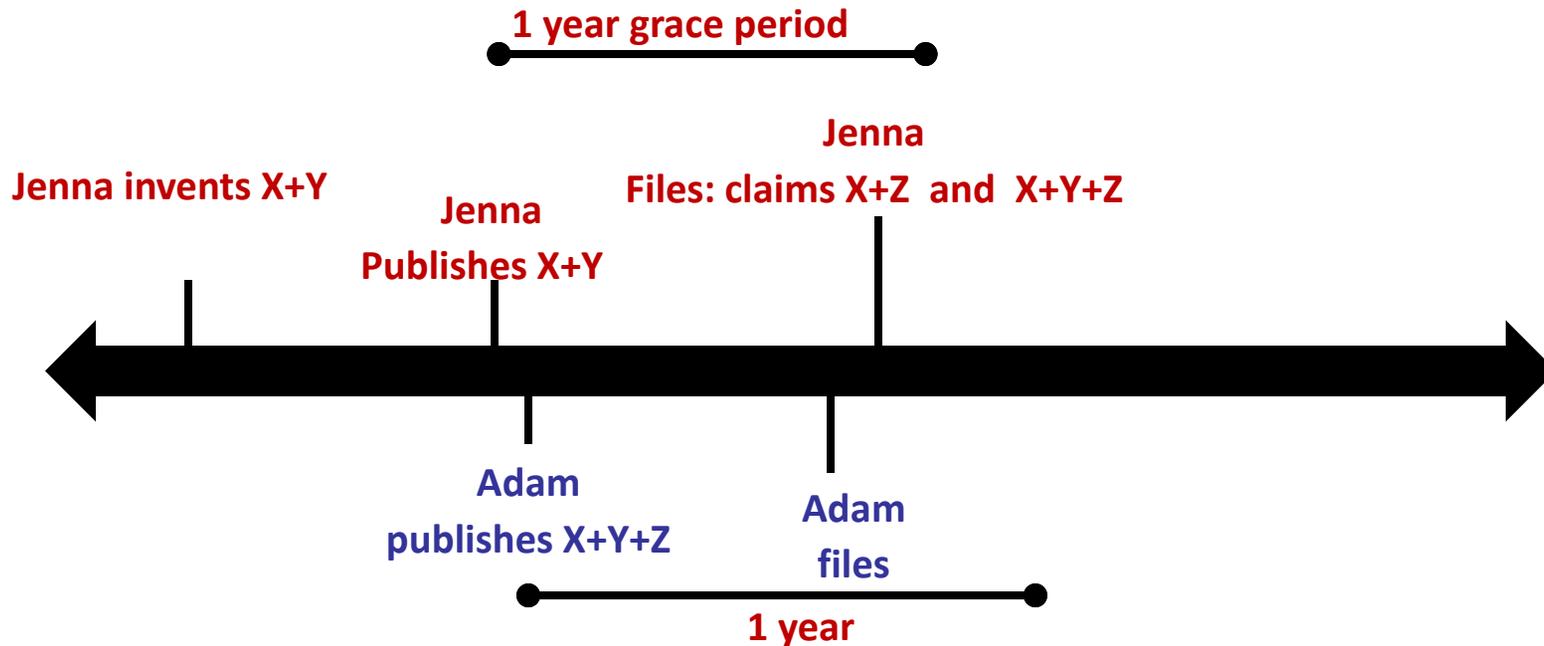
Adam was first to file. Even though Jenna files within 1 year of Adam's publication, the grace period does not apply to Jenna.

Adam wins

Scenario V



Jenna first to invent and publish, but files after Adam's disclosure has been public less than 1 year

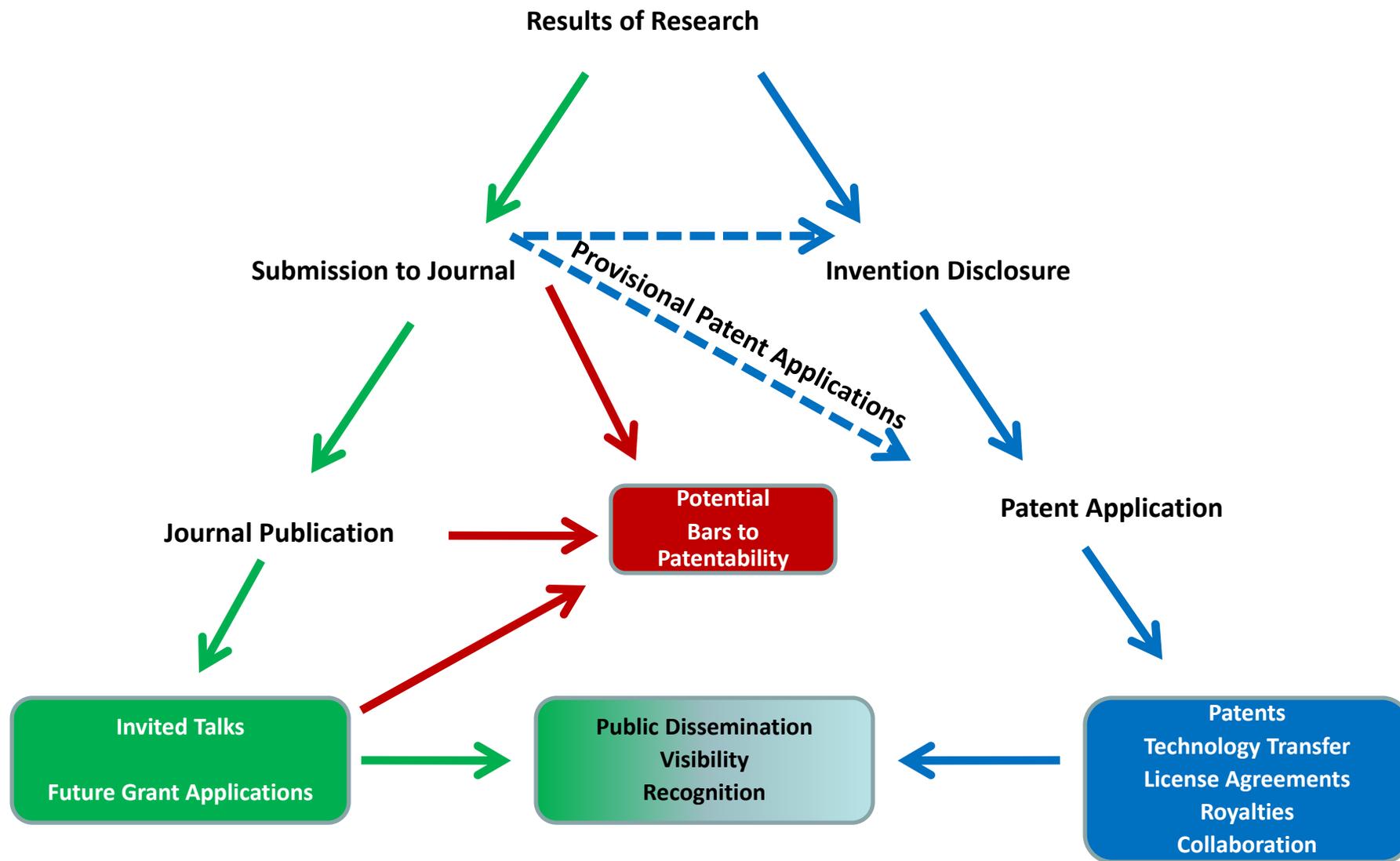


Under old law	Under AIA:
Jenna was first to invent and files within 1 year of publications thus she can swear behind.	Jenna was first to file and was within her grace period
Jenna wins	Jenna wins, but will only be able to protect X+Y due to Adam's publication

Why Publish or Perish? When you can Patent and Live*



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*attributed to Ed Tracy (NREL)

Potential AIA Invention & Filing Strategies



- ✓ **Update invention disclosure and assignment procedures and forms**
 - ✓ Redraft employee agreements and assignments in light of AIA and Stanford v. Roche
 - ✓ Those with the best record keeping will often prevail under AIA

- ✓ **Develop/Update patent strategy in light of AIA.**
 - ✓ consider filing provisional applications more invention disclosure records (IDRs)
 - ✓ Consider rapid, cover-sheet provisionals, followed by full provisional?
 - ✓ Improve internal processes so that IDRs are more complete

AIA Invention and Filing Strategies and thoughts



- ✓ **Educate inventors on the importance of timely reporting and ramifications of disclosures**
 - ✓ Poster sessions
 - ✓ Be careful of disclosing future plans or features

- ✓ **Remember that new and old rules will run in parallel for next 20 years . .**

- ✓ **Plan more funding for patent filings and other expenses that will be incurred under AIA**

Derivation Proceedings



Replaces interferences

- **Derivation at the USPTO:** must file petition that an inventor in an earlier filed application derived claimed invention within 1 year after publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention
- **Derivation in District Court:** must be filed within 1 year after issuance of the 1st patent claiming the derived invention



AIA Effects on Litigation

- **Prior User Defense**
 - Expands the use of existing prior use defense
- **Best Mode**
 - Best mode is still a requirement for patentability
 - BUT the best mode defense for invalidity or unenforceability will be eliminated!
- **Joinder of Unrelated Defendants (attempt to address patent troll litigation)**
- **Willfulness and Inducement (advice of counsel)**
 - Neither the failure to obtain the advice of counsel, nor failure to present such advice may be used to prove willful or induced infringement

The AIA

Other Changes



- **Royalties from GOCO Labs**
 - Under AIA: after reaching the 5% cap, the Lab now gets to keep 85% of the royalties, with only 15% going back to the U.S. Treasury
 - **Ames Lab is the only federal Lab to ever surpass the 5% cap!**
- **Inventor Oath or Declaration**
 - New requirements (original inventor)
 - Update standard forms to comply with new rules
 - Modify assignments to include necessary declaration
- **Pre and Post Issuance Submissions and Proceedings**
- **False and virtual marking**
 - Marking with expired number covering a product is not a violation
 - Constructive notice can be made by marking “patented” on article together **with an web address linking the product and patent number.**

Quality: Pre- & Post-Issuance Submissions & Proceedings



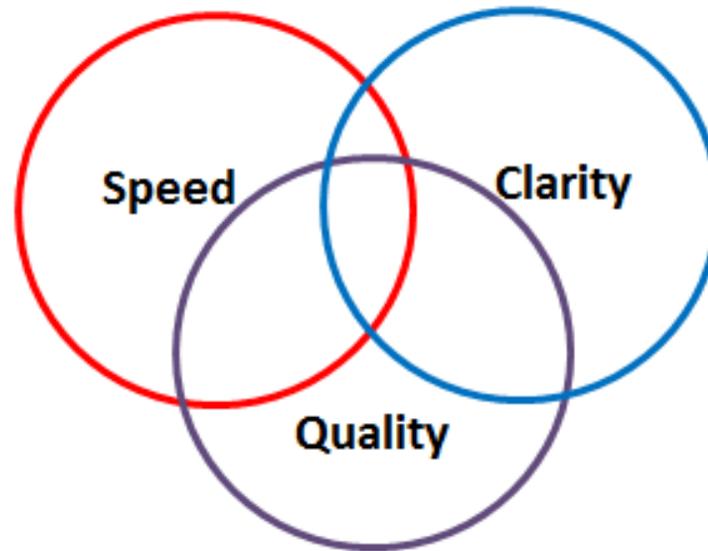
	Prior Art	Threshold & Pleading	Timing	Estoppel
Third party pre-issuance submission	Patents & printed publications	n/a	Later of 6 months after publication or date of first rejection under 132	n/a
Post-grant review (PGR)		More likely than not that at least one claim unpatentable -prohibited if petitioner filed civil action challenging validity of claim	Within 9 mos. of grant	Raised or could have raised
Inter partes review	Patents & printed publications	Reasonable likelihood that petitioner would prevail on at least 1 claim -SNQ continues for pre 9/16/11 requests -replaces old inter partes reexam	After later of 9 mos. of grant or termination of post-grant review	Raised or reasonably could have raised
Exparte reexam	Patents & printed publications	Substantial new question of patentability	Anytime after issuance	None
Supplemental Examination	Any information	Substantial new question of patentability	Anytime after issuance	n/a

Questions?



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