

Navigating in the Twilight of First-to-Invent



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U.S. patent laws governing prior art have gone essentially unchanged since 1952. Now, the America Invents Act promises to completely change the framework governing what is and what is not patentable in the U.S. beginning in 2013. After years of proudly clinging to its first-to-invent tradition in the face of an increasingly first-to-file world, the U.S. will be switching to a first-to-file system.

This revolutionary change would be easier to negotiate if the contours of the new system could be readily analogized to a system employed by another major jurisdiction. But the U.S. will still have grace periods, unlike Europe. The U.S. will ignore certain earlier patent filings from the same applicant, unlike most if not all other patent systems. The U.S. will hold unpublished prior patent applications of others against an applicant not only for novelty but for obviousness — again, counter to the tenets common to the rest of the world. In short, U.S. patent reform demands stakeholders quickly come to grips with a prior art framework unlike anything the world has seen before.

The Effects of Patent Reform on Prior Art and Patentability

It's certainly true that under the nascent first-to-file system each patent application will face a broader range of potential prior art. But that's not to say that there are not certain advantages to the new system. Table 1 compares key differences between the current and future prior art systems from the vantage of a patent applicant whose primary motivation is obtaining broad patent protection. Colored boxes indicate which system typically offers the lowest barrier to obtaining patent protection, although this generalization may not hold for all situations.

Table 1

	First-to-invent	First-to-file
Key date for disqualifying certain "prior art"	Date of invention	Date of inventor's first publication
Grace period window	One year from first U.S. filing	One year from earliest effective priority date
Geographic scope of prior use/sale as prior art	U.S. only	Worldwide
Effect of foreign priority dates	Not effective as prior art against others or to trigger grace period	Effective as prior art and as trigger for grace period
Impact of third-party PCT filing date	Prior art only if published in English	Prior art regardless of language

Impact of applicant's own prior filings	Relevant to novelty unless same inventors; not relevant to obviousness	Not relevant to novelty or obviousness until publication
Impact of joint research agreement	Disqualifies related patent filings for obviousness purposes	Disqualifies related patent filings for both novelty and obviousness
Contest with competitor filing on same technology	Which applicant invented first?	Did first filer derive the invention from the second filer?
Will patent be subject to post-grant review?	No	Yes

One of the key comforts of the first-to-invent system is the ability to disqualify the publications and patent filings of others as prior art, at least within the one-year grace period before the applicant's earliest U.S. priority date. Despite the "first-to-file" moniker, this feature is not entirely lost in the new system. However, instead of requiring an applicant to show evidence of earlier invention, the new system requires an applicant to show a prior publication that can be traced back to the inventors. Not only is the inventor's own disclosure exempt from the realm of prior art, but later disclosure of the same information by others is disqualified as well. Within the confines of the U.S., this creates more of a "race to the publisher" than a "race to the patent office." However,

Bonus for foreign applicants: Under first-to-file, your grace period will extend one year from your foreign priority date, not just from your PCT./US filing date.

Tip: Keep careful records of all pre-filing disclosures, public and private. Expect to be required to show both the date and content of the disclosure to obtain the full benefit of the first-to-file grace period.

because foreign patent systems are typically not so generous, the global patent filer will use this quirk of the U.S. system as an avenue of last resort rather than a patent strategy.

Global harmonization was a key motivation for the America Invents Act, and this is perhaps most obvious in the elimination of geographic limitations to prior art. Under the first-to-invent system, public uses, public knowledge, and sales of the invention were only prior art if they occurred in the U.S. After

patent reform, the borders are lifted; no matter where in the world these events occur, they can serve as prior art against a U.S. patent filing.

Geographic discrimination is also eliminated when it comes to the effect of a foreign priority document. Under the first-to-invent system, an applicant's own foreign priority document does not preserve the one-year grace period, meaning that in typical circumstances the grace period and the priority year are co-extensive. Similarly, a third-party's foreign priority document is not available as prior art against an applicant. Instead, the earliest relevant filing date is either the date of a U.S. filing or English-language PCT claiming the benefit of that foreign priority document. After patent reform, however, a foreign priority document will be treated on par with a U.S. filing, removing the advantages previously held by U.S. applicants relative to their foreign counterparts.

Applicants in the first-to-file system will reap the most benefits when the worst prior art is their own. An applicant's unpublished prior patent filings are simply not prior art under the new system. Similarly, unpublished applications filed pursuant to a joint research agreement do not count as prior art, regardless of their ownership. This differs from current law, where applications arising out of a joint research agreement are still available for novelty, and even a company's own applications remain prior art for novelty unless the invention is exactly the same. Applicants who tend to file on incremental advances or other successive related applications stand to benefit the most from these changes. However, the doctrine of obviousness-type double patenting may still block incremental extensions of patent term in these circumstances.

Tip: Derivation proceedings are a second reason to keep accurate records of pre-filing transfers of information. Showing derivation will require corroborated evidence of the disclosure.

Interferences, an idiosyncratic procedure rooted in the

first-to-invent system, will begin to disappear after patent reform. Going forward, the U.S.P.T.O. will handle disputes between applicants squabbling over the same invention not with the goal of determining which applicant invented first, but rather whether the first filer derived the invention from the second — a much more limited inquiry — in a new procedure called a derivation proceeding. Since interferences occur only rarely even now, this change will not affect most applications.

This matrix of distinctions requires careful consideration. In some cases, applicants may even want parallel applications in the first-to-file and first-to-invent systems, because the different systems may offer the opportunity to claim something in each that would be unpatentable in the other!

Finding — and staying on — the right path

The first-to-file regime starts to take effect on March 16, 2013. The year before first-to-file is a unique period with critical importance to U.S. patent filers. For the last time, applicants will be able choose between the first-to-file and the first-to-invent system for their latest inventions — but only if they make all the appropriate preparations and conduct prosecution within the strict statutory barriers after the critical date.

The choice isn't as simple as filing the application before or after March 16, 2013. The applications — and resulting patents — governed by the first-to-file system will be those where a claim was filed that was not entitled to a priority date prior to March 16, 2013. The first applications locked into the first-to-file system are those whose earliest priority date is March 16, 2013. Until then, applicants are in control.

But the path is narrow and unfamiliar. As experienced practitioners know, when questions of priority arise, an applicant can amend the claims to get the benefit of an earlier priority date. However, under the America Invents Act, when an applicant presents even a single claim not entitled to a priority date prior to March 16, 2013, the application irreversibly flips into the first-to-file system — even if that claim is later cancelled. Any continuations and divisionals — even if filed before the slip-up — flip over as well. This unusually strict regime will be fodder for argument and litigation for years, if not decades.

So falling into the first-to-file regime is easy; staying in first-to-invent is a high-wire act with no divers. But applicants can take precautions in the coming months to maximize their chances of obtaining that first-to-invent patent on the other side of the chasm. The most generally applicable strategy is also

the most straightforward: file as much as possible prior to March 16. Send in that first provisional. Build out existing provisionals with more complete disclosure, newer embodiments, and updated experimentals. Do what can be done to make the last pre-March 16 filing as close as possible to the final application. If possible, avoid adding any content to the specification after March 16. These steps will reduce the risk of presenting a claim that sends the application over the edge into first-to-file

Not safe enough? Then don't wait the full priority year to file the final U.S. application; file it before March 16. Giving up some patent term may be worth ensuring that the full content of the application is safely within the first-to-invent system.

After March 16, there's no substitute for constant vigilance. Only cautious, circumspect claim drafting can keep the application from falling through the holes left by imperfect preparation. If the commercial reality requires a more aggressive claim

How important is first-to-invent for you? Applicants facing these circumstances may want to take extra steps to keep their application in the first-to-file regime:

- 1. There is a known third-party publication or other disclosure similar or identical to the invention that occurred less than a year before the first filing.**
- 2. There are known or suspected competitors who might be filing their own applications – especially if those competitors are located outside the U.S.**
- 3. The invention was sold or used outside the U.S. prior to the first filing.**

strategy— or even claiming added matter intentionally — thoughtful, creative filing strategies can help preserve the option of first-to-invent for the material entitled to earlier filing dates.

Applicants will be wrestling with the consequences of their pre-March 16, 2013 actions for the next twenty-odd years, whether prosecuting these transitional applications and their continuations and divisionals or defending the resulting patents in court. The extra effort applicants invest in the final months of first-to-invent can pay huge dividends down the road.