

The America Invents Act First-Inventor-to-File System and New Novelty and Obviousness Requirements

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Recently, the United States Patent and Trademark Office (USPTO) implemented the Leahy-Smith America Invents Act (“AIA”). Signed into law September 16, 2011, the AIA overhauls much of the United States patent system. Some of the biggest changes took effect March 16, 2013, when the system shifted to a first-inventor-to-file system and, as a consequence, redefined what constitutes a “novel” or “nonobvious” invention. Some of these changes will provide uncertainty at first until the new laws are construed by courts or in administrative proceedings at the USPTO. Accordingly, while it is not possible to fully predict how the AIA will change patent practice going forward, provided below is a brief overview of some of the changes.

First-Inventor-to-File

For applications filed through March 15, 2013, the United States operated under a first-to-invent patent system. That meant the general rule, subject to some exceptions, was that the first person to invent was entitled to patent protection, even against a subsequent inventor who first filed a patent application. However, under the first-inventor-to-file system, the general rule has switched. Subject to some limited exceptions, the first-inventor-to-file will be entitled to patent protection, even against an earlier inventor. The requirements for obtaining a patent covering patent-eligible subject matter continue to be that the invention must be useful, novel, and nonobvious. However, with the first-inventor-to-file system, the laws regarding novelty and obviousness have changed.

Novelty Requirements

Effective March 16, 2013, revisions to the laws defining novelty took effect. Prior art has been broadened to include patents, certain patent applications, printed publications, public use, sale, or making the invention otherwise available to the public. Moreover, under the previous laws some types of disclosures were only considered prior art if made in the United States. More foreign disclosures will now be considered prior art.

Furthermore, the one year grace period has been modified and will not be available in all cases. Previously, the one year grace period was available in circumstances where 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. The previous grace period applied to disclosures by the inventor and others. Now, there are two situations providing a one year grace period. First, the disclosure was made by an inventor or a person who obtained the invention from the inventor. In that case, the inventor will have one year from the disclosure to file. Second, if Inventor A discloses the invention, then Inventor B discloses the invention and files an application before Inventor A, Inventor A will still be entitled to a patent if Inventor A files within one year of his disclosure. At first glance, the second situation may seem to encourage disclosure, which in some cases may be beneficial. However, there may be other consequences to disclosure. For example, at this point, it is unclear how Inventor B’s disclosure will affect parts of Inventor A’s application that were not disclosed by Inventor A and which were made obvious by Inventor B’s disclosure.

Obviousness Requirements

Under the first-to-invent system, obviousness is measured at the time the invention was made. However, the new law provides that a patent may not be obtained “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.”

One of the biggest consequences of this change is that more prior art will be used in obviousness rejections. Unless there are special circumstances, under the old system, in most cases the filing date of the patent application is considered the date of the invention. However, due to the broader one year grace period of the old system, the USPTO preferred to use prior art with a date more than one year before the filing date of the application. Under the new system, the broadened prior art will be used in obviousness rejections and the preference for prior art dated more than one year prior to filing may be reduced.

What does this mean going forward?

First, the new AIA provisions took effect March 16, 2013 and will be applicable to any patent application that contains or contained at any time a claim to a claimed invention that has an effective filing date that is on or after March 16, 2013. Applications which only have claims having an effective filing date prior to March 16, 2013 will still fall under the old rules. The effective filing date of a claim is the earlier of (1) the actual filing date of the patent application or (2) the filing date of the earliest application for which the application is entitled to a right of priority or the benefit of an earlier filing date. Therefore, the effective filing date of the claims of a non-provisional application may be the filing date of a provisional application to which the non-provisional application claims priority.

Although there may be a bit of uncertainty as the courts and USPTO strive to construe and implement the AIA, there are steps you can take to potentially reduce uncertainty. First, submit patent applications as soon as possible, preferably before any type of outside disclosure. Moreover, consider filing provisional patent applications while an invention is still in its early stages. Doing so will provide an effective filing date upon which priority may be claimed for a future non-provisional application.

Second, non-disclosure agreements will be increasingly important. The novelty requirements continue to distinguish between public and private disclosures. Third, detailed records of inventions and disclosures thereof are a must, as an inventor retains a modified one year grace period based on his own disclosures. Activities such as publication, public use, offers for sale, presentations and other disclosures, public or private, should be documented in case future issues arise. Oftentimes it can be many months or even a few years before receiving an office action in an application. In light of the modified grace period rules, the details of disclosures may be necessary to determine whether the grace period applies and if your disclosure predates prior art. Moreover, this information may be relevant ten or fifteen years down the road should litigation arise.

The attorneys at Brick Gentry P.C. are available to discuss the America Invents Act and strategies in light of same. Should you have any questions, please do not hesitate to contact Brian Lorenzo or Jessica Susie at 515-274-1450.

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