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## EUROPEAN TRADE MARK

SWEEPING REFORMS PROMISE A FASTER,  
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THE WORLD'S  
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ARBITRATION  
CENTRES IN ASIA  
COMPARED

HOW TO SUE  
ICANN OVER  
GTLDS

PREPARE FOR  
FIRST-TO-FILE  
IN THE US

# Eight strategies for facing first-to-file

**Patrick Kartes, Trent Kirk** and **Jason Cooper** tell patent owners what strategies they must implement as the US officially becomes a first-to-file patent regime

**A**ny US patent application filed on or after March 16 2013 will be subject to the new first-to-file system mandated by the America Invents Act, while any application filed prior to March 16 will still be subject to the old first-to-invent system. Each system has its own set of rules that apply, and, moving forward, it is important to recognise which patents and patent applications fall under which system – particularly since it is not always as straightforward as it may seem.

The first-to-invent system allowed inventors to rely on their date of invention to predate a putative prior art reference. However, any patent application filed on or after March 16 this year will no longer be able to swear-behind, and thereby remove, a cited reference based on a prior date of invention. This means that even though the underlying technology may have been conceived prior to the filing date, the patent application will be limited to the filing date as its earliest date of invention. Indeed, references that are published after the date of invention, but prior to the date of filing, may be used as prior art for such a patent application. By broadening the potential pool of prior art, this can reduce the value of a patent application since the date of invention often occurs months (or years) before filing.

Further, a number of new patentability standards come into effect under the first-to-file system that may also have an adverse effect on patent applications filed on or after March 16. Notably, there is no geographic limitation as to what is considered prior art for a patent application, as even public uses or sales in a foreign country, as well as foreign publications in a foreign language as of their earliest actual filing dates (rather than publication dates), will be considered prior art if they pre-date the effective filing date of the patent application. Additionally, patent applications filed on or after March 16 may be filed within one year of a public disclosure by the inventor(s) only, meaning that the one-year grace period available under the first-to-invent system for any public disclosure by a third-party is no longer available.

## Now it gets tricky

It is important to note that any patent application filed on or after March 16 that claims priority to a patent application with a filing date prior to March 16 will be subject to the new first-to-file system if the later-filed patent application includes any claims directed to new subject matter (subject matter not supported by the original disclosure). Indeed, the final first-to-file rules recently posted by the USPTO require that, for any non-provisional patent application filed on or after March 16 that claims priority to a foreign, provisional, non-provisional or Patent Cooperation Treaty (PCT) designating the US patent application filed prior to March 16 (a transition application), an applicant must provide a statement indicating if any claims in the transition application are directed to subject matter not supported by the priority application. Notably, a statement is not required if there are no claims in the transition application directed to subject matter not supported by the priority application filed prior to March 16. Further, it is also worth noting that, if a non-provisional application filed on or after March 16 claims priority to any application that is governed by the first-to-file system, that later non-provisional application will automatically fall into the first-to-file system even if all the claims are supported by an application filed prior to March 16. A statement to that effect, however, is not required in the later non-provisional application.

In view of these complexities, patent owners should heed the following tips in the weeks leading up to and after March 16.

## One-minute read



As the US goes from a first-to-invent to a first-to-file patent system this month, patent owners have a rough road ahead. The new system means significant

change for US patent law, but practitioners will still be dealing with the old system for some time to come. Companies must know the key changes, their potential implications, and then implement practical solutions for forming an effective strategy that will leverage the benefits - and avoid the pitfalls - of both systems. These eight strategies will help to ease the transition.

**1 File before March 16**

Considering some of the changes that affect rights associated with patent applications filed on or after March 16, if possible, consider filing any patent applications prior to March 16. In particular, patent owners should consider any pending invention disclosures for filing as a patent application and proceeding with the conversion of any pending provisional applications, as well as filing any continuation-in-part or PCT applications with new subject matter prior to March 16. File any non-provisional and PCT applications directed to:

- Outstanding invention disclosures
- Pending and unconverted provisional applications
- New subject matter for a pending non-provisional application

Further, the USPTO is expecting a flood of patent application filings in the days leading up to March 16. Considering the short time frame, it would be prudent to determine filing needs as soon as possible and prioritise the filing of important (and, possibly, older) inventions to ensure that patent counsel is able to handle the filing prior to enactment of the new first-to-file system.

**2 File post-March 16 applications quickly**

Any patent application with claims having an effective filing date of March 16 or later will be subject to the first-to-file system. Under the new system, any publication or third-party public disclosure prior to the effective filing date is considered prior art. In addition, as noted above, the scope of available prior art has expanded to include public uses or sales in a foreign country and foreign publications in a foreign language as of their actual filing dates.

As such, it becomes advantageous to proceed with filing any patent applications as soon as possible to obtain the earliest possible priority date. Along these lines, companies should create a procedure for expedited patent committee decisions for important or crucial inventions, particularly if a competitor may be focused on developing similar innovations. Thus, it may be beneficial to expeditiously file non-provisional applications or provisional applications with sufficient disclosure to support a claim in a later-filed non-provisional application for important invention disclosures.

**3 File provisional patent applications**

With the increased importance of securing the earliest effective filing date, it may be beneficial to file provisional applications for any invention disclosures that are facing questionable or slow patent committee decisions. When filing provisional applications, however, it is important to ensure that any filing contains a robust disclosure of the invention, possibly even including claims. As such, patent owners should try to avoid filing rush, so-called cover-sheet provisional applications that are unlikely to provide sufficient support for mean-

**Best practices for first-to-file**

- 1 Consider filing patent applications prior to March 16, especially for outstanding invention disclosures and pending, unconverted provisional applications.
- 2 Implement expedited patent committee decisions for key invention disclosures.
- 3 File fully-developed provisional applications.
- 4 Closely monitor any planned public disclosures or offers for sale.
- 5 Consider conducting a patentability investigation to determine proper claim scope prior to filing.
- 6 Continue to maintain records of inventions.
- 7 Consider monitoring patent activity by key competitors.
- 8 Consider the new USPTO patent fees for budgeting purposes.

ingful claim scope in a later-filed conversion application.

Along these lines, despite the sense of urgency to rush to file a patent application, it is important to keep a few things in mind.

**4 Beware of public disclosures**

It remains extremely important to monitor public disclosures of inventions. Notably, while a public disclosure by an inventor will not bar a later patent application filed within one year of the public disclosure, intervening public disclosures of additional information by a third-party may bar any later-filed patent application with respect to that additional information.

It is therefore important to be cautious of immediate disclosures after filing a patent application for a less than fully developed invention. Such a disclosure may result in a competitor being able to further develop the invention and publicly disclose those additional developments or even file its own patent application to those further developments. The third-party public disclosure or the competitor's patent application may ultimately result in a bar to any claims in a later-filed patent application directed to any additional non-obvious developments.

Despite the above scenario, if the applicant can successfully argue that the subject matter of the first disclosure by the inventor covered the intervening disclosure, the prior art exception provided under 35 USC, section 102(b)(1)(B) may apply to the later filed patent application with respect to the intervening third-party disclosure. Indeed, the recent final first-to-file rules indicated that intervening third-party disclosures need not be the exact same disclosure as the first disclosure by the inventor in order to be removed as prior art. Alternatively, the later filed patent application may be able to remove the intervening third party disclosure from being prior art under 35 USC 102(b)(1)(A) if the applicant can successfully argue that the additional information was obtained "directly or indirectly" from the inventor. Further, with respect to the competitor's patent application to the addition-

## It is important to be cautious of immediate disclosures after filing a patent application for a less than fully developed invention

al information, a derivation proceeding may be instituted to provide an avenue to remove the competitor's right to that patent application.

**5 Get your claims right**

One of the goals of the AIA is to create stronger patents that stand up to greater scrutiny. In line with this effort, the AIA enacted a number of procedures that enable third parties to challenge the claims of patents and patent applications. One of these procedures is a preissuance submission, which

## USPTO recent fee change table

Name of fee	Old fee	New fee
Total filing fees for a utility patent application	\$1260	\$1600
Total fees for an appeal	\$1260	\$2800
Filing fee for a first request for continued examination	\$930	\$1200
Filing fee for a subsequent request for continued examination	\$930	\$1700
Fourth year maintenance fee	\$1150	\$1600
Eighth year maintenance fee	\$2900	\$3600
Twelfth year maintenance fee	\$4810	\$7400
Utility issue fee (does not take effect until January 1 2014)	\$1770	\$960

allows a third party to submit publications during the prosecution of any patent application for consideration by the examiner. Patent applications with overbroad and optimistic claims may be easy targets for the new preissuance submission procedure. As such, it may be beneficial to conduct a patentability investigation prior to filing the patent application to determine the proper claim scope for examination and to increase the chance of survival against a patentability challenge.

A further goal of the USPTO is to reduce overall patent application pendency. The USPTO has thus issued new rules that create escalating fees for the filing of subsequent requests for continued examination (RCE). Starting March 19, the fee for filing a first RCE will be \$1,200, but any subsequently filed RCE will carry a fee of \$1,700. Therefore, developing the proper claim scope and claim strategy at the time of filing the application will likely cut down on the number of RCEs necessary during prosecution.

### 6 Maintain invention records

While the change to a first-to-file system may have appeared to eliminate the need to maintain invention records, such as inventor notebooks, discarding this practice is not recommended. Indeed, under the new first-to-file system it may still be important to keep such records. For example, the new derivation proceeding is a procedure used to determine if an inventor in an earlier-filed patent application derived the claimed invention from an inventor in a later-filed application. Notably, a successful derivation proceeding also requires evidence that the earlier application was filed without authorisation. Thus, keeping invention records may prove beneficial for establishing that the claimed invention of an earlier-filed application was actually derived from an invention claimed in a later-filed application.

### 7 Monitor your competitors

In addition to changing to a first-to-file system, the AIA provides for a number of procedures for third parties to challenge competitor patents and patent applications. With these various procedures for challenging a competitor's patents or

patent applications outside of litigation, we recommend considering actively monitoring patent activity by key competitors, such as to identify publication and issuance of any patent applications. One of the procedures most relevant to a monitoring strategy is preissuance submission.

The preissuance submission procedure enables a third party to submit, at a low cost, patents, published patent applications, or other printed publications to the USPTO for consideration during examination of a patent application. There is no cost for filing a first and only preissuance submission with three or fewer references and, otherwise, a minimal cost of \$180 for the first ten references. The third party must submit a concise description of the relevance of each reference, but may not include any arguments against the patentability of the patent application being examined. Any publication must be submitted before the later of (i) six months after publication or (ii) the issuance of the first office action and before the issuance of the notice of allowance.

It is important to note that while the submitted references will be made of record in the patent application, there is no guarantee that the examiner will find the references relevant and use them to reject the claims of the patent application. Further, once the preissuance submission is filed, the third-party petitioner may no longer comment on the reference or be involved in the determination of validity of the claims of the patent application with respect to the reference. Additionally, the third-party must sign any preissuance submission, thereby putting the patentee on notice of who may be concerned about their patent application. However, a designated agent may be used to submit a preissuance submission and, thus, use of outside counsel may be recommended in order to maintain anonymity.

Preissuance submissions may be beneficial as a low-cost alternative when a competitor's patent application includes relatively broad claims. For example, in a situation in which it appears clear that the prior art would force narrowing of the claims, it may be beneficial to submit the prior art to avoid issuance of a patent with broad claims. However, in a situation that is not as clear cut, it may be beneficial to hold on to the reference(s) for use in other post-issuance challenges, should the patent issue, in order to maintain greater control and ensure that proper weight is given to the reference(s).

### 8 Budget

The USPTO recently issued final rules that will soon put into effect changes to a number of patent fees. A majority of these fee changes will take effect on March 19 2013, and will generally result in an increase in fees. The following chart, which assumes large entity status, provides some notable fee changes.



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