Client Alert.

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Anticipating First-to-File: What to do to Prepare for the United States Patent System's Change to First-to-File

By Otis Littlefield

First, if you filed a U.S. provisional patent application or foreign priority patent application on or after March 16, 2012, and you intend to add material to your patent application when you convert to a non-provisional patent application one year later, file the non-provisional patent application or a second U.S. provisional patent application or foreign priority patent application with the additional material on or before March 15, 2013. If you file the non-provisional patent application with the additional material on March 16, 2013 or later, at a minimum the additional material will be subject to the new first-to-file system.

Second, file patent applications on any new inventions you are ready to file on or before March 15, 2013 if possible. Further, if you do file U.S. provisional patent applications on such new inventions on or before March 15, 2013, the U.S. provisional patent applications should be as good as any non-provisional patent application that you would expect a patent examiner to actually examine.

Why file before March 16, 2013? As explained below, there are at least three good reasons that the current first-to-invent system can be better for you than the new first-to-file system. The new first-to-file system will apply to new inventions that are first disclosed in a patent application filed on or after March 16, 2013. Patent applications filed before March 16, 2013 will continue to be subject to the first-to-invent system. This includes later filed patent applications that claim priority to patent applications filed before March 16, 2013. By taking the above advice, at least your current inventions will be subject to the current first-to-invent system.

WHY PREFER THE FIRST-TO-INVENT SYSTEM OVER THE FIRST-TO-FILE SYSTEM

Greater Difficulty in Obtaining a U.S. Patent: It will be harder to get U.S. patents on inventions from patent applications under the new first-to-file system. The new first-to-file system expands the range of disclosures that can be prior art, which can prevent you from patenting an invention. For example, the first-to-file system includes the new catch-all prior art category of anything "otherwise publicly disclosed."

In addition, the new first-to-file system substantially narrows the one-year grace period that can protect an inventor from prior art. Under the current first-to-invent system, an inventor may have up to one year to file a patent application on an invention after ***anyone*** publishes in a printed publication or sells his or her invention. The one-year grace period under the new first-to-file system for the most part only protects an inventor from disclosures by, or derived from, the inventor.

Greater Uncertainty in Whether you Can Get a U.S. Patent and then Defend the U.S. Patent: For years, Federal Courts have been interpreting the laws of the current first-to-invent system. This includes the laws that define which disclosures are prior art and which disclosures are not prior art. This allows patent attorneys to assess whether an invention will be patentable with some degree of certainty (assuming they can find all relevant prior art).

In contrast, patent attorneys won't necessarily know with certainty whether a disclosure is or is not prior art under the new first-to-file system until Federal Courts begin interpreting the new laws of the first-to-file system.

This uncertainty will also make evaluation of patent portfolios harder. Industries where a company's patent portfolio is a substantial portion of its value will be at greatest risk.

Even after Federal Courts have provided interpretations for the laws defining prior art for the new first-to-file system, defending U.S. patents will still be more difficult. As mentioned above, the first-to-file system adds the new catch-all prior art category of anything "otherwise publicly disclosed." This category will likely present a challenge for U.S. patent examiners when examining U.S. patent applications. For example, "otherwise publicly disclosed" probably includes public presentations at scientific and engineering conferences. Examiners won't have the resources to determine what was disclosed at such public presentations. As a result, examiners may grant patents on inventions even though the invention was publicly disclosed at a conference before the patent application was filed on the invention. On the other hand, companies defending against patent claims in U.S. courts will likely have much greater resources than a U.S. patent examiner. Such companies may therefore be able to find relevant prior art that the examiner could not, which they could use to invalidate the patent claims asserted in litigation.

Greater Risk of the U.S. Patent Being Invalidated: Patents on inventions subject to the first-to-file system can be challenged in the first nine months after issuance in the new post-grant review proceedings established by the Leahy-Smith America Invents Act of 2011. The post-grant review proceeding will allow anyone to challenge the validity on any ground that would be available in ligation before a Federal Court at a much lower cost. Further, the new post-grant review is expected to be a reasonably effective means of challenging issued patents. This is due in part to the lower standard to invalidate and to the expected technical expertise of the administrative patent judges who will oversee the new post-grant review proceedings.

RECOMMENDATIONS

- Work with your scientists, engineers, or other inventors now to determine if they have new inventions that are ready or will soon be ready to file patent applications upon so that you can file any patent applications on March 15, 2013 or earlier.
- Accelerate research and development on commercially important inventions so you can file patent applications on them by March 15, 2013.
- Ensure that any new U.S. provisional patent applications that you file between now and March 15, 2013 are as complete and well drafted as any non-provisional patent application that you would expect a patent examiner to examine. If you add any new material when converting to a non-provisional application after March 15, 2013, you risk your invention being subject to the first-to-file system.
- File a second U.S. provisional application or foreign priority application or file a non-provisional conversion application on March 15, 2013, if you have additional material to add when converting to any U.S. provisional applications or foreign priority applications you filed on March 16, 2012 or later.

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