

REPORT

USPTO ISSUES FINAL AIA FIRST-INVENTOR-TO-FILE RULES AND GUIDANCE

February 19, 2013

On February 14, the U.S. Patent and Trademark Office (USPTO) formally published its final rules and examination guidelines for implementing the first-inventor-to-file (FITF) provisions of the America Invents Act (AIA). These rules go into effect on March 16, 2013.

I. Background

The AIA makes sweeping changes to 35 U.S.C. §§ 102 and 103 to shift the United States patent system from a first-to-invent system to a first-inventor-to-file system. These and other FITF changes are detailed in Section III.A. of our November 22, 2011 Special Report, "Updated Analysis of America Invents Act (AIA)."¹

Our October 31, 2012 Special Report, "Planning For March 16, 2013 U.S. First-Inventor-To-File Changes," discussed the USPTO's proposed rule changes and examination guidelines for implementing the FITF provisions of AIA. Among the proposed guidelines and rule changes that we discussed were (1) requirements that statements be submitted in certain applications that "bridge" March 16, 2013, (2) requirements for invoking the prior art exceptions under AIA §102(b), (3) requirements

that the USPTO receive certified copies of foreign priority applications within newly shortened time periods, and (4) the USPTO's interpretation of AIA "on-sale" prior art.

The present Special Report addresses the changes between those proposed rules and guidance, and the final rules and guidance that will go into effect on March 16. Thus, we recommend that this Special Report and our October 31 Special Report be read together. The Recommendations in our October 31 Special Report remain applicable in their entirety, and thus are not repeated in the Recommendations at the end of this Special Report.

The final rules and guidelines include a number of revisions in response to public input, including our firm's detailed comments (available on the USPTO website).² Among the more significant revisions are those:

- Eliminating the proposed required statement to identify a nonprovisional application that claims priority to or the benefit of an application filed prior to March 16, 2013, and discloses subject matter not also disclosed in the prior

¹ Our Special Reports are available in English and Japanese in the Resources/News & Events section of our website (www.oliff.com).

² The USPTO commentary indicates that the USPTO plans to seek additional public comment on the FITF rules of practice after the USPTO and the public have gained experience with these rules of practice in operation.

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- application, but does not contain a claim that has an effective filing date on or after March 16, 2013;
- Providing a more flexible approach for submission of evidence of a prior shielding public disclosure;
 - Clarifying the requirement of near identity for an earlier shielding disclosure to disqualify a third-party intervening disclosure;
 - Allowing applicants to satisfy the requirements that the USPTO receive certified copies of foreign priority applications within the specified time periods by either requesting that the USPTO retrieve a copy of the foreign priority application under the priority document exchange program (PDEP), or filing an informal "interim" copy of the foreign priority application; and
 - Providing the USPTO's interpretation that "secret" on-sale activities do not constitute prior art under AIA §102.
- four months from the actual filing date of the later-filed application,
 - four months from the date of entry into the national stage in an international application,
 - sixteen months from the filing date of the prior-filed application, or
 - the date that a first claim to a claimed invention that has an effective filing date on or after March 16, 2013, is presented in the application.

In its rules commentary, the USPTO made clear that it would consider intentional failure to file such a statement in an application in which it should have been filed to raise inequitable conduct issues under USPTO Rule 56.

In response to comments by our firm and others, the USPTO eliminated the requirement to file any such statement in a bridging application that discloses but does not claim subject matter not also disclosed in the prior-filed application. However, we recommend that our clients identify any such new matter to us, so that we will not inadvertently convert a pre-AIA application to an AIA application when amending claims during prosecution of the application. This is particularly important in view of the fact that the statement as to first presentation of an AIA claim presented in a post-filing date amendment must be provided simultaneously with the amendment, and because the failure to file the statement has the potential to raise inequitable conduct issues.

The USPTO plans to indicate in the Patent Application Information Retrieval (PAIR) system whether the USPTO is treating an application as subject to pre-AIA or AIA 35 U.S.C. §§ 102 and 103. Additionally, the USPTO is developing form paragraphs for use in Office Actions that will identify whether the provisions of pre-AIA or AIA §§ 102 and 103 apply if there is a rejection based upon 35 U.S.C. §§ 102 or 103.

II. Changes To The Statements Required For Nonprovisional Applications Claiming Priority To Or The Benefit Of An Application Filed Prior To March 16, 2013

The USPTO final rules require that if a nonprovisional patent application filed on or after March 16, 2013, that claims the benefit of the filing date of a foreign, provisional, or nonprovisional application filed prior to March 16, 2013 ("bridging" application), contains at any time a claim to a claimed invention that has an effective filing date on or after March 16, 2013, the applicant must provide a statement to that effect (unless such a statement has already been filed in a parent application) within the later of:

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III. Changes To The Rules And Examination Guidelines Regarding Prior Art Exceptions Under AIA §102(b)

AIA §102(b) excludes a number of disclosures from being prior art based on the source and timing of those disclosures, and in some cases based on the existence of corresponding prior disclosures by the inventor(s). The USPTO's proposed rules provided various ways for invoking these prior art exceptions under AIA §102(b), including the submission of an affidavit or declaration of attribution or prior public disclosure under Rule 130. The USPTO also proposed guidelines to help USPTO Examiners determine whether an applicant meets the formal requirements and submits sufficient evidence to establish that a disclosure is not prior art under one of the AIA §102(b) exceptions. Section III of our October 31 Special Report discusses in detail the statutory exceptions available under AIA §102(b), and the USPTO's proposed rules and examination guidelines for invoking those exceptions. We highlight below some of the more significant changes in the final rules and guidelines.

A. A More Flexible Approach

Except for the points discussed below, the rules are clarified and simplified, but the procedural requirements and the showing required to invoke a §102(b) prior art exception are substantially unchanged from those detailed in our October 31 Special Report. In general, the mechanisms provided by the USPTO require declarations of fact supported by documentary evidence. Thus, documentary evidence of pre-filing date events relating to public disclosure of such subject matter during the grace year or communication of the subject matter of an invention to others should be carefully preserved.

B. Option To Pursue A Derivation Proceeding

An affidavit or declaration alleging that subject matter was derived from the inventor or a joint inventor may not be available to overcome a rejection when an applied U.S. patent or U.S. patent application publication claims the same or substantially the same subject matter as the rejected application. In such a case, an applicant may file a petition for a derivation proceeding. The final rules no longer make such a petition mandatory, but allow other actions (e.g., claim amendments) to be undertaken to overcome a rejection.

C. Clarification Of The USPTO's Interpretation Of The Required Degree Of Identity For An Earlier Shielding Disclosure To Disqualify An Intervening Disclosure

Subject matter previously publicly disclosed by the inventor or a joint inventor (a shielding disclosure) will disqualify as prior art the same subject matter in an intervening grace period disclosure. This determination requires a comparison of the subject matter of the inventor's prior public disclosure and the subject matter of the intervening disclosure. The determination does not involve a comparison of the subject matter of the claimed invention to either (a) the inventor's previously publicly disclosed subject matter, or (b) the subject matter of the subsequent intervening grace period disclosure.

According to the previously proposed guidelines:

Even if the only differences between the subject matter in the prior art disclosure that is relied upon under 35 U.S.C. 102(a) and the subject matter [of the shielding disclosure] are mere insubstantial changes, or only trivial or obvious variations,

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the exception under 35 U.S.C. 102(b)(1)(B) does not apply.

The USPTO's commentary about the final examination guidelines repeats this interpretation of the AIA's required degree of identity. However, the language quoted above does not appear in the final examination guidelines. Instead, the guidelines expand on the various aspects of the determination of the required degree of identity between the subject disclosures.

According to the final guidelines and commentary:

an intervening disclosure would be disqualified if the inventor's shielding disclosure disclosed as much of the subject matter of the invention as was disclosed in the intervening disclosure; and

any subject matter disclosed by the intervening disclosure that was not also disclosed in the inventor's prior public disclosure would not be disqualified.

These points are illustrated by an example—if:

the inventor or a joint inventor had publicly disclosed elements A, B, and C, and a subsequent intervening grace period disclosure discloses elements A, B, C, and D, then only element D of the intervening grace period disclosure is available as prior art under AIA 35 U.S.C. 102(a)(1).

The examination guidelines further state that if subject matter of the intervening disclosure is simply a more general description of the subject matter previously publicly disclosed by the inventor or a joint inventor, then the exception applies to such subject matter of the intervening disclosure:

For example, if the inventor or a joint inventor had publicly disclosed a species, and a subsequent intervening grace period disclosure discloses a genus (i.e., provides a more generic disclosure of the species), the intervening grace period disclosure of the genus is not available as prior art under AIA 35 U.S.C. 102(a)(1). Conversely, if the inventor or a joint inventor had publicly disclosed a genus, and a subsequent intervening grace period disclosure discloses a species, the intervening grace period disclosure of the species would be available as prior art under AIA 35 U.S.C. 102(a)(1). Likewise, if the inventor or a joint inventor had publicly disclosed a species, and a subsequent intervening grace period disclosure discloses an alternative species not also disclosed by the inventor or a joint inventor, the intervening grace period disclosure of the alternative species would be available as prior art under AIA 35 U.S.C. 102(a)(1). [Emphasis added.]

The initial statement that an intervening disclosure of a genus would be shielded is in tension with the final statement that disclosure of an alternative species would not be shielded. The precise presentation of the respective disclosures would be very important. For example, disclosure of a specified generic range might under some circumstances be interpreted as also disclosing additional species (e.g., the endpoints of the range).

The final guidelines also clarify that the shielding disclosure is not required to be a verbatim disclosure of the intervening disclosure. Further, the mode of disclosure by an inventor or

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joint inventor (e.g., publication, public use, sales activity) is not required to be the same as the mode of disclosure of the intervening disclosure. For example, a publication might be shielded by sales activity or vice versa.

Although the USPTO's near identity requirement has been clarified by the foregoing revisions to the final examination guidelines, we believe that the practical effects of the revised guidelines will be substantially the same as those of the proposed guidelines. Additionally, the USPTO's interpretations that allow (i) subject matter disclosed in an intervening disclosure to be partially disqualified, and (ii) an intervening disclosure of a genus to be disqualified by an inventor's earlier disclosure of a narrower sub-genus or species, are open to much interpretation and dispute. As a result, making a public disclosure of an invention before filing a patent application, with the hope of using that disclosure to shield a later-filed application from intervening disclosures, is not a sound strategy. A much better strategy is to prepare and file patent applications as quickly as possible.

D. Public Notice Of The Existence of Shielding Disclosures

The USPTO commentary indicated that the USPTO plans to include information on the cover sheet of a U.S. patent if an affidavit or declaration containing evidence of a prior public disclosure was filed during prosecution of the application for that patent, in order to facilitate search by Examiners and the public of prior public disclosures brought to the USPTO's attention.

E. Elimination Of The USPTO's Proposed Required Showing Of Enablement To Invoke The Grace Period Inventor-Attributable Disclosure Exception

As reported in our October 31 Special Report, the USPTO proposed guidelines indicated

that invoking the grace period inventor-attributable disclosure exception required a showing of a communication sufficient to enable one of ordinary skill in the art to make the subject matter of the claimed invention. In response to our firm's comments, the USPTO revised its guidance on this point, stating in its commentary on the final guidelines that the level of communication in the inventor's or joint inventor's disclosure need not be sufficient to teach one of ordinary skill how to make and use the invention so as to comply with 35 U.S.C. §112(a).

IV. Changes To The Certified Copy Requirements

The USPTO's proposed and final rules require that a certified copy of a foreign priority application for a nonprovisional application be filed within the later of (a) four months from the actual filing date of the application, or (b) sixteen months from the filing date of the prior foreign application.³ However, in response to comments by our firm and others, the final rules provide two new alternatives for satisfying this requirement.

First, filing a request under the Priority Document Exchange Program (a PDEP request)⁴ within the above time period satisfies the requirement. Second, filing an "interim" copy of the original foreign application from the applicant's own files within the above time period satisfies the requirement. In each case, the USPTO must receive either a copy of the foreign application from the participating foreign intellectual property office or a certified copy of

³ These changes do not apply to design patent applications or nonprovisional patent applications filed before March 16, 2013. In addition, it is not necessary to file a certified copy in a continuing application when one was filed in a parent nonprovisional application.

⁴ Currently, the EPO, JPO, KIPO, and WIPO participate in the PDEP with the USPTO.

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the foreign application filed by the applicant within the pendency of the application and before the patent is issued. The USPTO commentary indicates that there is no requirement that an applicant be unable to obtain a certified copy within the time limit to use these alternatives.

For applications in which the foreign priority documents can be retrieved under the PDEP, our firm's current practice already complies with the final rules. In those applications claiming foreign priority to an application that cannot be retrieved under the PDEP, extra steps will need to be taken to ensure that a certified copy or an interim copy of the foreign priority document is filed within the applicable time period, and preferably when a new U.S. application is filed. We recommend that, in such cases, if you cannot provide us with a certified copy in time to be filed with a new U.S. application, you provide us with a copy of the originally-filed foreign priority application for us to file as an interim copy when we file a new U.S. application.

If a certified copy of the foreign application, a PDEP request, or an interim copy is not filed within the later of four months from the actual filing date of the application or sixteen months from the filing date of the prior foreign application, belated submission of a certified copy will be permitted only if accompanied by a satisfactory petition including a showing of good and sufficient cause for the delay and a \$200 petition fee.

V. USPTO Interpretation That "Secret" Activities Do Not Constitute Prior Art Under AIA §102

Our October 31 Special Report noted the ongoing debate in the patent community as to whether "on-sale" prior art under AIA §102(a) includes certain "secret" activities. Pre-AIA law established that many non-public commercial

activities, such as confidential sales and practice of inventive methods in secrecy with sales of resulting products, were prior art. Ambiguities in the phrasing of AIA §102(a) have raised serious questions as to whether this will continue to be the case.

The final examination guidelines indicate that the USPTO views the "or otherwise available to the public" residual clause of AIA §102(a)(1) as indicating that secret sales or use activity does not qualify as prior art. The examination guidelines provide that an activity, such as a sale, offer for sale, or other commercial activity is secret and, thus, non-public if, for example, it is among individuals having an obligation of confidentiality to the inventor.

Because the USPTO's interpretation is not binding on U.S. courts, we recommend that our clients assume for now that "secret" on-sale activity may still constitute prior art for purposes of timing the filing of patent applications and developing invalidity defenses against competitors' patents. However, we further recommend not to exclusively rely on such an assumption when developing invalidity defenses against competitors' patents.

One additional consequence of the USPTO's published interpretation is that applicants should be able to assume that "secret" on-sale information is not "material information" for purposes of the duty of disclosure. However, if there might be any issue as to availability of such information as prior art (e.g., as to the existence of sufficient confidentiality), we recommend disclosing such information to the USPTO during examination.

VI. Recommendations

Overall, we continue to recommend that as many planned U.S. patent applications as possible be filed before March 16, 2013, so that they will be entitled to pre-AIA law, subject to later

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conversion to AIA law by filing CIP applications, if desired.

As noted above, we will not repeat here the Recommendations provided in our October 31 Special Report, which all remain applicable. However, we further recommend that our clients:

1. When providing instructions to file a new patent application that claims priority to or benefit of the filing date of a pre-March 16, 2013 priority or parent application, please let us know whether the new application includes any disclosure not supported in the prior application, and identify that disclosure to us.
2. When providing instructions to file a new patent application that claims priority to or benefit of the filing date of a pre-March 16, 2013 priority or parent application, please let us know whether the new application includes any claim not supported in the prior application, and identify such claim(s) to us.
3. When providing instructions to amend a post-March 15, 2013 patent application that claims priority to or benefit of the filing date of a pre-March 16, 2013 priority or parent application, please let us know at the same time whether the amendment will result in any claim not supported in the prior application, and identify such claim(s) to us.
4. Until courts decide otherwise, assume that "secret" on-sale activity might constitute prior art for purposes of timing the filing of patent

applications and developing invalidity defenses against competitors' patents. However, do not exclusively rely upon such an assumption for developing invalidity defenses against competitors' patents.

5. If a certified copy of a priority document is not being provided through the Priority Document Exchange Program (and the application is not a PCT national stage application in which certified copies have been filed in the international stage), please send us a certified copy or an informal "interim" copy of the priority document with your initial filing instructions.

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