

Patent Filers: No More Swearing, says IP Law Expert Yon Sohn

By Yon S. Sohn
Carstens & Cahoon

January 18, 2013 – New Year’s resolutions are made to be broken. But on March 16, the America Invents Act (AIA) will come to aid inventors and corporate R&D departments to keep their resolution to not swear anymore.

Of course, we are not talking about profanity but rather the practice known as “swearing behind” or antedating the date of invention when procuring a U.S. patent. But first, let us cover a little background before further discussing this no-more-swearing law.

The U.S. patent system has been a first-to-invent system that awards patents to those who invented first.

Under this system, the USPTO presumes that the filing date of a patent application is the date of invention. So any patents or other publications that existed before the filing date would be considered prior art that can be cited against the would-be inventors to reject their patent application. The inventors could then file a declaration demonstrating that they invented before the date of the prior art being cited against them.

This is called “swearing behind” a reference.

The entire rest of the world, on the other hand, has been a first-to-file system that awards a patent to whoever filed a patent application before anyone else.

On September 16, 2011, the AIA changed the U.S. patent system to more closely align with the rest of the world by instituting a “first-inventor-to-file” system that will go into effect on March 16. So, on that magical Saturday, inventors no longer have the luxury of removing a prior art reference from the patent examiner’s arsenal simply by swearing behind it.

Some may say that this change is not going to affect their patent practice much because many companies are already seeking patent rights worldwide and they are already operating under a first-to-file regime. And that may be true in many cases.



Yon S. Sohn

Why rush to file your patent application before March 16th?

First, your competitor may be waiting anxiously to file its patent application on March 16. It is not uncommon to see multiple inventors or inventive entities working on the same or very closely related things at the same time.

This is especially true in fast-moving, crowded fields of technology such as semiconductors or telecommunications. If your competitor gets a file stamp on its patent application at midnight on March 16 and your application is stamped at 00:01, you may be out of luck.

The clock strikes midnight and your R&D investment may turn into a pumpkin.

Thus, I predict that many patent attorneys will be burning the midnight oil on March 15. You could avoid this mayhem by filing on or before March 15 so that you can continue to use the antedating affidavit to swear to an earlier invention date if need be. Old habits are hard to quit sometimes.

Second, the scope of the prior art that can be cited against you will be greater under the new law.

Under the old statute, an offer for sale, sale, public use, or knowledge by others in a foreign country did not count as prior art unless it was also patented or published in another country. The new law under the AIA abolishes >

SERVING BUSINESS LAWYERS IN TEXAS

the geographical distinction. So while an oral presentation in Germany about your invention may not have had any effect on patentability in the United States under the old laws, a one-year clock will begin to count down under the new laws that may prevent you from obtaining a patent in the United States.

Third, a patent granted under the first-inventor-to-file application can be challenged through a post-grant review (PGR), a new proceeding brought to you by the AIA. In a PGR, a third-party petitioner can challenge a granted patent before the USPTO Patent Trial and Appeal Board.

The possible bases for a PGR request include any ground that could be raised as an invalidity defense in U.S. patent litigation (namely, statutory subject matter, utility, novelty, obviousness, written description, and enablement requirements). Comparatively, the *ex parte* or *inter partes* reexaminations available pre-AIA were limited only to raising novelty and obviousness arguments against an issued patent.

Moreover, the petitioner can use any type of prior art, not just patents and printed publications to which the *ex parte* or *inter partes* reexaminations were limited under the old law.

This is a significantly larger scope of risk than what patents issued under the old first-to-invent regime face.

To put this in perspective, consider the following scenario. Company A wants to challenge the validity of a patent issued to Company B, a competitor. In the old reexamination proceedings, Company A was limited to two types of arguments: (1) show patents and publications that disclose an identical invention as Company B's patent, or (2) show a combination of patents or publications that rendered Company B's invention obvious.

In a PGR, however, Company A has at its disposal a universe of relevant evidence, which it can use to defeat Company B's patent. A PGR offers the third-party challenger a lot more latitude.

We can't avoid PGR forever; it's coming whether we welcome it or not. But it doesn't hurt to file as many of the applications as possible before PGR comes into effect.

Finally, there will inevitably be a transition period marked by confusion.

Whenever new statutes and regulations go into effect, there is bound to be ambiguities and misunderstandings. We need no other evidence than the Congress's own actions: on Nov. 30, 2012, a new bill proposing corrections to the AIA was introduced to the House of Representatives. If the statutes change, the related regulations and USPTO procedures will also need to change.

So, it may be worthwhile filing the patent application before March 16 just to avoid the uncertainties of the new first-to-file system if not for anything else.

Should everyone rush to the Patent Office to file patent applications right now?

Not necessarily. It should be a case-by-case determination because one size does not fit all.

You have about two months left to decide which inventions would be prime candidates for filing under the old laws.

Any corporation with a substantial investment in R&D should thoroughly evaluate its patent strategies under the AIA if they have not done so already. The new patent system rewards those who work quickly, so establishing internal procedures to avoid unnecessary delays will be critical to maintaining your competitive edge in your IP portfolio.

Yon Sohn is a lawyer in the Intellectual Property practice at Carstens & Cahoon in Dallas. She is a frequent adviser to businesses on the American Invents Act and its impact. Her full bio can be found at www.cclaw.com/our-people/partners/yon-sohn.

Please visit www.texaslawbook.net for more articles on business law in Texas.