

Navigating your way around the America Invents Act: allowing people to make millions from inventing a device that lets you pee without ever getting off the couch.

Written By: Laura Budd

Edited By: Sarah Traynor

Researcher: Lindsay Landstrom

Managing Editor: Amanda Klimczak

Patents are an essential element in the progress of science and technology. They are a company's most valuable assets. For example, Google is working to [acquire](#) Motorola Mobility primarily for their patent portfolio, for an astronomical \$12.5 billion. Based on the prices companies are willing to pay to acquire patents indicates how important patents are in furthering business and invention.

Patents protect an inventor's work and time by granting her a limited monopoly over their useful discoveries. This means that for 20 years an inventor has exclusive control over the use of her invention. She may give others permission to use her discoveries through licensing agreements in exchange for money. If a rival company or inventor does use her hard work without a license, she may sue for infringement. Companies spend thousands of dollars annually to protect their products through patent litigation and this effectively prevents others from using their valuable ideas and processes.

The recent ratification of the [Leahy-Smith America Invents Act](#) (AIA) is going to cause many changes to occur in the area of patent law. The AIA will take full effect on March 1, 2013, and there have been mixed reviews regarding the changes that will occur and how those changes will affect future patent law. Small-scale inventors and companies with less available capital think that the new bill favors larger corporations and better-funded research. Others, especially larger companies, believe that the changes will help promote the progress of science and improve the patenting system by encouraging earlier disclosure of inventions. Unfortunately, there is no consensus among patent lawyers of how these changes will affect the law.

The changes regarded to be the most important include changing from first to invent to first to file, altering the best mode defense in litigation, increased importance of provisional patent applications, and creating a statutory limit of the ability to patent a human organism. Since many provisions of the AIA will not be in effect for 17 months, patent attorneys are speculating how they will change patent law. Despite the unknown effects, this is a brief foray into the confusing and uncertain world of patent law under the America Invents Act.

First to File

Under a 'first to file' system, even if an inventor is not the first person to create an invention, they may still receive a patent if they file with the Patent and Trademark Office (PTO) first, as long as they actually invented the device. A 'first to file' system will mean that if two scientists develop an idea independently (Sue and Bob), but Sue filed an application first she would receive the patent even though Bob first invented the

process. This rule is used in European and other foreign patent rules. This change will make American patent law more similar to those around the world.

Prior to the AIA, America used a ‘first to invent’ system. Using this rule, Bob could invalidate or cancel Sue’s patent, even though she filed it first, as long as he could prove he was the first to invent the idea. In patent litigation, this would require courts to delve into the complicated world research journals and records proving who was the original inventor. This rule allowed inventors to consider whether their invention would produce financial benefit by allowing them to take time to assess the marketability of her invention. However, [historically](#) it also created some problems. Under the old law some nefarious inventors would not make any move to put to use or patent their invention, and then later bring forward law suits claiming ownership to issued patents.

There have been recent concerns that the ‘first to file’ rule will favor larger companies and inventors with more capital to spend on the expensive patenting process. However, some patent attorneys [disagree](#) and believe that smaller groups will rely more on provisional applications, which provide them with an extra year to file a full application by retaining the earlier filing date (see below). Luckily, rules for disclosing an invention have also changed to help alleviate complications from disclosing to the public what you have invented (also see below, prior art).

Provisional Applications

Patent applicants may use [provisional applications](#) to obtain an early patent application priority filing date. They do not require the same level of formality as a non-provisional or formal patent application, and are thus easier to receive. They allow a patent application to secure their “patent date” while continuing to work on drafting their claims of the full, non-provisional application for up to 12 months. If after 12 months the applicant does not file a non-provisional application they forfeit their reserved filing date.

With the change from “first to invent” to “first to file” more applicants are [expected](#) to provisional applications to protect patentability of their invention. Now, more than ever, there will be a race to the PTO to protect an inventor’s work. Increased use of this tool may help to assuage fears held by small companies and inventors, allowing them more time to secure the funds to pay for costly applications.

Disclosure and Prior Art

In patent law “[prior art](#)” is any information that has been disclosed to the public before the date of a patent application. It includes any articles, patents, or public demonstrations relating to the subject matter of a patent. Prior use is also used to judge whether an invention is [obvious](#) to anyone skilled in the subject matter (referred to as art) of the patent. Any third party disclosure prior to the inventor’s filing date was normally treated as prior art, and would act to bar an invention from being patented.

[Pre-AIA patent law](#) stated that “a person could not receive a patent if the invention was known or used in this country, or patented or described in a publication here and abroad; it is described in another patent application in the US before the invention by the applicant, with within a patent granted to another before the invention of the applicant; or was invented by another inventor who had not abandoned, suppressed,

or concealed it” (among other requirements). Under these requirements, if the invention is released into the public domain in any form, including any oral or written communications of the development, a patent application will be barred.

The AIA changes these [requirements](#), and secures the inventor a short grace period for third party disclosures within one year of the applicant’s filing date if (1) the inventor discussed the invention prior to the disclosure, or (2) the third party disclosure was derived from the inventors. This encourages applicants to disclose their invention to some extent, to act as a mechanism for defeating any prior art arguments. Patent lawyers think this will help to further the progress of science and technology by encouraging some disclosure of the invention. If fellow inventors know of concurrent projects an inventor will turn her inquiry elsewhere, possibly resulting in the production of more inventions and useful discoveries.

The AIA also creates a [prior use defense](#) infringement for prior commercial use. If a company can prove they used a process (including machines, process of manufacture, composition of matter, or business process) within the company for internal commercial use, they are immune from patents that are filed more than a year later. It allows companies to continue to use the method without fear of infringing a patent.

Best Mode requirement

The “[best mode](#)” requirement requires that the inventor must include the best-known mode of carrying out her invention in the application. This allowed a person skilled in the art of the invention to perform or recreate the invention. The best mode requirement helps to protect the constitutional purpose of patents in “promoting the progress of science and the useful arts.” If an inventor were able to conceal the preferred embodiments of the patent from the public, yet still be granted a monopoly for the invention it would slow progress. Other inventors would be required to experiment to find the best use and embodiment of the patent, which may have been previously discovered by the patent holder. Due to its importance this requirement has not been removed by the America Invents act, but it has now been removed as a defense during litigation.

In a patent infringement cases a potential infringer could use this as a [defense](#) by invalidating an issued patent. If the inventor failed to disclose their best mode, it was a basis for invalidating, cancelling, or making a claim unenforceable if the inventor knew of a best mode and did not disclose it to the PTO. If the inventor did not know or realize the best mode prior to filing the application, the patent could not be invalidated. However, if they knew of the best mode [concealment](#) from the PTO would result in invalidation of the patent. Removal of the defense removes the tedious process of a subjective inquiry into the inventor’s state of mind. No longer may a fellow inventor assert that the patent holder knew of this embodiment, but did not disclose it to invalidate the patent. The purpose of this change was to do away with the troublesome subjective nature of this defense, while still requiring full disclosure in order to gain a monopoly over the invention.

Human Organisms

Lastly, the AIA has created a [statutory bar](#) for issuing a patent on a claim directed to or encompassing a human organism. The concept of excluding human organisms from the scope of patentable subject matter is not new. Prior to the Act, it was policy under the USPTO that a human organism may not be patented. The act now codifies this requirement, writing it as a law rather than a policy of the PTO. So if you were hoping to patent your clone, you are out of luck.

The above describes only a few changes the AIA will put into effect in patent law. Regardless of which version of patent law applies to an invention, the rules are complicated and confusing. Any inventor working to protect their idea should consult with an expert patent attorney. As technology becomes a more important aspect of daily life patents and the new ideas they protect will continue to gain importance. Hopefully will result in amazing new ideas and patent jobs for humble law students.