

# Are you ready for US patent reform?

The recently amended America Invents Act spells big changes for US patent law. Those chemical and biochemical-related companies that depend for the success of their business on protecting their research and their intellectual property should adapt their patenting strategies accordingly, says Jeffery Duncan

On 16 September 2011, President Obama signed the Leahy-Smith America Invents Act. Significantly, the new Section 102 represents a radical departure from the country's long-established first-to-invent system to adopt a first-inventor-to-file approach, which is closer to that found elsewhere in the world. The new provisions come into effect on 16 March, 2013, so companies have time to file applications under the former scheme. Nevertheless, forward-looking organisations should begin now to prepare for that date.

## Critical issues

Three critical issues emerge in Section 102(a) (1), which defines the first category of prior art, namely, a prior disclosure. First, 'prior' disclosure refers to a disclosure before the effective filing date of the application, not to the date of invention.

Secondly, the definition of prior art has been broadened to include disclosures by way of being 'patented, described in a printed publication, or in public use, on sale, or otherwise available to the public' anywhere in the world. Under the old law, activities other than publication or patenting were required to have taken place in the US to constitute prior art.

Thirdly, the phrase 'otherwise available to the public' was added as a catch-all to include any other activity by which the invention could have been disclosed. No one knows what that means right now; the intent was to leave the Act sufficiently flexible to cover information-dissemination technologies that develop in the future.

New Section 102(b)(1) allows two exceptions to this category of prior art.

- A disclosure made within one year before a patent application is filed will not be prior art if 'the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.' This one-year limit means that, if the inventor makes a disclosure more than one year before he files an application, his/her own disclosure will be prior art against him/her.
- If the inventor(s) or someone who obtained the invention from the inventor(s) does make a public disclosure of the invention within a year before filing, then if an unrelated party makes a disclosure subsequent to that, the disclosure by the unrelated party is exempt from being prior art.

Under the patent laws of most other countries,

any public disclosure, even by the inventor, can be fatal to patentability. Thus, if a company may be interested in obtaining patents outside the US, it must avoid any public disclosures of the invention before filing in the US.

The second category of prior art is defined by Section 102(a)(2), namely prior filed patent applications. A published or issued patent application that was effectively filed before the effective filing date of the application in question constitutes prior art.

This category of prior filed applications has three exceptions.

- If the relevant subject matter in the prior application was obtained from the inventor(s) or someone who obtained the subject matter from the inventor.
- If the prior and subsequent applications were owned by, or subject to, an obligation of ownership by the same person.
- If the prior application was filed after a public disclosure by the inventor(s) of the second application.

Importantly, neither of these two categories nor their exceptions refers to the date of invention. This is a big change from the old Section 102, where inventors could 'swear behind' a reference on the basis that they had invented it before the reference was published or before an application had been filed. For applications filed after 16 March 2013, that option will be gone. Unless you can show a prior public disclosure by the inventors, or derivation from the inventors, or common ownership, novelty will be based solely on the date on which the application is filed.

## Avoiding delays

In view of the changes, companies should make changes to their patenting strategy. First, because no one can know whether the opportunity to prove prior invention will be important at some point in the future and because we have until 16 March 2013 before that option disappears, it is important that companies do all they can to get their patent applications filed before that date. Haste is especially important for the chemical and pharmaceutical industries in which many companies are working simultaneously to solve the same problems.

Secondly, companies should eliminate any potential delays from their invention disclosure and application filing processes. A delay as short as one day could cost a patent.

Thirdly, because common ownership of a prior

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filed application will keep it from being prior art against a subsequent one, it is important that companies require all employees and contractors to sign agreements promising to assign rights to all inventions. Moreover, if a company works with another company, with a university or with another research group to research and develop technology, it is critical to memorialise the cooperation in a joint research agreement. Under the new Section 102(c) of the Act, if a written joint research agreement exists at least by the time a second application is filed, a prior application will be treated as co-owned, and not prior art to the second.

Finally, companies should prepare a foolproof tracking and recording system for all pre-filing disclosures by the inventor and anyone in contact with the inventor. All details should be reliably preserved and accessible during patent prosecution or litigation years later.