

# America Invents Act (2011)

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- Cite as “Leahy-Smith America Invents Act”
- Previously called the Patent Reform Act of 2011 (S.23; H.R. 1249)
- Signed into law on Sept. 16, 2011
- Public Law 112-29; 125 Stat. 284
- Default effective date is Sept. 16, 2012 (AIA §35)
- Many sections have their own effective dates (discussed below)

## First Inventor to File (Sec. 3)

- AIA Sec. 3 provides a completely new §102
  - redefines prior art
  - essentially requires absolute novelty subject to a limited grace period.
  - w/o appln of grace period or derivation, FITF wins.
  - Changes effective dates of foreign references.
- Modifies §103 to refer to remove date of invention.
- Repeals §104 (“invention made abroad”).
- Rewrites §135 as “Derivation proceedings.”
- Rewrites §291 as “Derived patents;” adds 1-year statute of limitations

# Effective Date of Sec. 3

- **Effective date is 18 months from enactment, *i.e.*, March 16, 2013.**
- **BUT: only to patents or applns that:**
  - **have any claim with an effective filing date on or after 3-16-13, or**
  - **have a specific reference under §§120, 121, or 365(c) to any patent or appln. that has or had such a claim.**

## Effective Date of Sec. 3-ctd.

- AIA §3 applies if: (A) any past or present claim has an effective filing date on or after 3-16-13, or (B) an appln has a “specific reference” under various sections to an appln or patent having such a claim. AIA §3(n)(1).
- **BUT**, if any claim asserts priority before 3-16-13, this subjects ALL claims to the old law **for “interfering patents.”** AIA §3(n)(2).

# Example A: Sec. 3 Effective Date

- CTN appln filed 6-1-15
  - Actual filing date alone is not enough to make AIA apply; need to know Effective Filing Date (“EFD”)
- Claims priority to US parent filed 3-1-12
  - Still not enough – need a claim with an EFD on or after 3-16-13 for AIA new provisions to apply.
- Under AIA §3(n), old §§102 (incl. 102(g)), 103, 135, 291 still apply.

## Example B: Sec. 3 Effective Date

- Fact 1: CIP filed 6-1-15; adds new matter and claims entitled to only that EFD.
- Fact 2: other claims have EFD of 3-1-12.
- Results:
  - Because of Fact 1, under AIA 3(n)(1) all claims in general are subject to FITF, new §102, changed grace period, etc. **BUT**
  - Because of Fact 2, under AIA 3(n)(2) all claims are subject to old §§102(g), 135, 291.
  - Claims can be subject to BOTH the new statute and old statute for different purposes.

# Section 102 Deletions

- Removed sections:
  - 102(c) (abandonment)
  - 102(f) (did not himself invent)
  - 102(g) (interferences) is replaced with a provision for proving derivation.
- **Effective date: 18 month prov'ns. of AIA §3(n)**



# New 35 U.S.C. § 102(a)

102(a) NOVELTY; PRIOR ART.—A person shall be entitled to a patent unless—  
(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or

## New 35 U.S.C. § 102(a)

102(a) NOVELTY; PRIOR ART.—A person shall be entitled to a patent unless— \* \* \*

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

# New 35 U.S.C. § 102(a)

- Compare to old 102a, 102b
- Non-patent publications:
  - Always were W/W
- “On sale” and public use:
  - expanded to W/W
- patents:
  - Use foreign filing date for WTO countries or Paris convention countries.
  - 102(a)(1) refers to patents generally;  
102(a)(2) is specific to U.S. patent doc's.

## Grace Period (Sec. 3)

- modified scope of prior grace period
- scope limited to disclosures by/via the actual inventor.
- Term is still 12 mos. for most things.
- Publications or uses by others are **not** covered by the grace period and are prior art unless covered by an exception under §102(b)(1), *e.g.*, the inventor had published before then.

## Grace Period, ctd.

- Should not raise problems for sophisticated multinational cos.
  - probably already treat important inventions promptly, on FITF basis
- Could be a problem if not accustomed to early filing discipline.
- **Effective date: 18 mo. prov'ns. AIA §3(n) (above)**

## Grace Period, ctd.

- The exceptions in new §102(b) cover the grace periods. These have two broad divisions:
  - New §102(b)(**1**) limits prior art under new §102(a)(**1**), and
  - New §102(b)(**2**) limits prior art under new §102(a)(**2**).

## §102(b)(1) (Exceptions)

- Grace period for §102(a)(1) prior art (pat'd, printed publ'n, public use, on sale, or otherwise available to public)
- A grace period of **1 year** applies if:
  - **A. the disclosure was by or from the inventor, OR**
  - **B. the inventor had earlier publicly disclosed the subject matter that was later disclosed**

## §102(b)(1) (Exceptions), ctd.

- 102(b)(1). “A disclosure made 1 year or less before the effective filing date ... shall not be prior art ... under ... (a)(1) if-
  - “(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter directly or indirectly from the inventor or a joint inventor; or
  - “(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter directly or indirectly from the inventor or a joint inventor.”
    - **No defn of “publicly disclosed” but likely broad scope**



# §102(b)(2) (Exceptions)

- Grace period for §102(a)(2) prior art
  - Revision of old §102(e) – prior art patents and published applns that name another inventor. New §102(d) extends this to certain foreign filings.
- §102(b)(2):
  - **states no time limit**
  - provides that this subject matter is not prior art under §102(a)(2) under any of 3 conditions:

# §102(b)(2) (Exceptions)

- **the disclosure came from the inventor,**
  - “(A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor”; or

## §102(b)(2) (Exceptions), ctd.

- **the inventor benefits from his own public disclosure, or**
  - “(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor”; or

## §102(b)(2) (Exceptions), ctd.

- **There is common ownership**
  - “(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.”
- New §102(c) explains when the common ownership exception applies to joint development agreements.

# Joint Development Agmt- Common Ownership Exception

- When common ownership arises under a JDA, new §102(c) states **three conditions** for the grace period:
  - Developed and made by or on behalf of a party to a joint research agmt (JRA) in effect on/before the effective filing date;
  - Invention is result of activity within scope of the JRA; and
  - Patent appln names the parties to JRA.

# Common Ownership JRA

- AIA §3 defines JRA in new 35 USC §100(h)
  - Written contract, grant, or cooperative agmt by 2 or more persons for experimental, developmental, or research work in field of claimed invention.
- Again, common ownership under a JRA relates to an exception to prior art patents and published applns **ONLY**
- Own/obligation to assign agreement must be in place by effective filing date.
- Query whether a later JRA could retroactively remove prior art under new §102(a)(2).

# Prior Art – Summary of Exceptions of §102(b)(2)

- Disclosures in applns and patents are **not prior art** if the subject matter --
  - was obtained from an inventor, or
  - is subject to a grace period due to public disclosure by or via inventor, or
  - is subject to common ownership or obligation to assign by a certain date.
- **Eff. date: 18 mo. prov'ns. AIA §3(n)**

# Practice Note

- The common assignee provision is effective against only earlier-filed applications naming another inventor.
- It is NO defense to public disclosures by anyone else in the company.
- Result: even though employees have an obligation to assign, a public disclosure by one can be fatal to an application of another who files later, even if he is FITF.



# Example 1

- Day 1: A invents
- Day 2: B invents
- Day 3: B files patent appln.
- Day 4: A files patent appln.
- A and B are obligated to assign to C.
- Outcomes: neither appln is barred.
  - B is FITF. **B is safe.**
  - B's Day 3 appln is prior art to A, but A is rescued by the common ownership exception. **A is safe.**

## Example 2

- Day 1: A invents
- Day 2: B invents
- **Day 3: A publicly discloses**
- Day 4: B files patent appln.
- Day 5: A files patent appln.
- A and B are obligated to assign to C.

## Example 2-outcomes

- As to B (1<sup>st</sup> to file):
  - A's Day 3 disclosure is prior art to B under §102(a)(1). The common ownership exception is irrelevant. **B is barred.**
- As to A (1<sup>st</sup> to disclose, 2<sup>nd</sup> to file):
  - A's own disclosure is prior art, but the grace period of §102(b)(1)(A) rescues A.
  - B's appln is prior art, but both A's public disclosure and the common ownership exception protect A. §102(b)(2)(B) & (C)
  - **A is safe.**

# Example 3

- Day 1: A invents
- Day 2: B invents
- **Day 3: B publicly discloses**
- Day 4: B files patent appln.
- Day 5: A files patent appln.
- A, B are obligated to assign to C.
- Outcomes:
  - **A is barred** by B's disclosure (Day 3).  
Common ownership is irrelevant to such prior art.
  - B's disclosure is prior art to B's own appln.  
However, B is rescued by §102(b)(1)(A).
  - **B is safe.**

# Example 4

- Day 1: A invents
- Day 2: B invents
- **Day 3: B publicly discloses**
- **Day 4: A publicly discloses**
- Day 5: B files patent appln.
- Day 6: A files patent appln.
- A, B are obligated to assign to C.

# Example 4-Outcomes

- As to B (1<sup>st</sup> to file; 1<sup>st</sup> to disclose):
  - B's own public disclosure is prior art against B's appln under §102(a)(1). However, B is rescued by §102(b)(1)(A).
  - A's public disclosure is prior art to B's appln. However, B is rescued by §102(b)(1)(B) because B had disclosed earlier.
  - **B is safe.**

# Example 4-Outcomes, ctd.

- As to A (2<sup>nd</sup> to disclose, 2<sup>nd</sup> to file):
  - B's appln is prior art to A. However, A's public disclosure and the common ownership exception protect A.  
§102(b)(2)(B,C).
  - B's public disclosure also is prior art to A.
    - The common ownership exception is irrelevant to public disclosure prior art.
    - Because A's disclosure is after B's disclosure, the grace period of §102(b)(1) does not protect A.
    - **A is barred.**

# Note re Geography

- In Examples 1-4, the country where the public disclosure occurs is irrelevant.
- The country or countries where A and B first file applications can be different but do not matter, so long as they are Paris Convention or WTO countries, or Taiwan (and are claiming foreign priority).



## New 35 U.S.C. § 102(d)- Effective Dates of Patent Prior Art

- **general rule: the earliest filing date applies.**
- Under §102(d), for prior art purposes, reference patent or appln is considered to have been effectively filed --
- (1) as of the actual filing date of the patent or the application for patent (unless paragraph 2 applies);

# Effective Prior Art Dates, ctd.

(2) The earliest filing date under:

- §119 (Paris Convention or WTO);
- §365(a) or (b) (PCT filings naming at least one country other than U.S.);
- §120 or 121 (continuation or division of earlier, co-pending, enabling U.S. appln);  
or
- §365(c) (PCT)

# Practice Note

- New 102(d) changes old 102(e) and *In re Hilmer*.
- **Eff. date: 18 mo. prov'ns. AIA §3(n)**
- Due to these changes, the scope of IDS contents should be rethought.
- Consider global activity

## Section 103 (Sec. 3)

- § 103 amended to delete reference to “the time the invention was made.”
- now calls for determining obviousness “before the effective filing date.”
  - later date may denote higher level of skill
- removes 103 basis for determining obviousness *at the date of conception* (or actual R/P)
- **Eff. date: 18 mos. AIA §3(n)**

## Interferences (Sec. 3)

- §135 interferences *largely* eliminated but **new ones can still be declared** per AIA 3(n)(2).
- Patent Trial and Appeal Board (PTAB) may conduct **derivation proceedings**
  - PTAB replaces BPAI.
  - Keep records re inventions.
  - PTO may have to decide derivation if an applicant argues that §102(a)(1) or (a)(2) art was derived.

## Derivation Proceedings (Sec. 3)

- Sec. 3 also changes §291 from “Interfering Patents” to “Derived Patents”
- Many questions remain.
- Prof. Joshua D. Sarnoff in “Derivation and Prior Art Problems with the New Patent Act,” 2011 Patently-O Law Review 12 explains why the derivation and prior art provisions of the Act “require[...] either immediate revision or creative administrative and judicial interpretation.”
- **Eff. date: 18 mos. AIA §3(n)**

## Oath and Filing (Sec. 4)

- Applns need not be filed by the inventors themselves
- Can be filed by employers.
- name(s) of the individual inventor(s) is (are) still required.
- prior cumbersome filing requirements for assignees will be relaxed and more practical to use.
- **Effective for applns filed on or after 9-16-12**

# Prior User Defense (Sec. 5)

- prior user defense §273 expanded: -- not just business methods.
- now includes processes, machines, manufactures, or compositions *used in manufacturing or other commercial processes*.
- Does not apply to *all* patent claims
  - PUD does not deprive a prior user from asserting invalidity; a pure product claim may be invalid if the prior user was selling the patented product.
- PUD requires use in U.S. at least 1 year before EFD of patent or a pre-filing disclosure, whichever is earlier.



## Prior User Defense, ctd.

- exception for university patents under many circumstances.
- Requires clear, convincing evidence.
- Retaining records to prove use.
- **Effective date:**
  - applies to patents granted after enactment (September 16, 2011)
  - the provisions of old prior user defense remain in effect for existing patents.

# Inter Partes Review (Sec. 6a)

- Adds 35 USC §§311-319
- *inter partes* review replaces *inter partes* reexam.
- Consider only patents or printed publns.
- cannot initiate until after 9 months of patent grant or reissuance (or after termination of a post-grant review).
- threshold standard is **reasonable likelihood that petitioner would prevail on at least one claim.**

## *Inter Partes* Review, ctd.

- cannot be instituted if a D.Ct. action challenges validity of a claim.
- A civil action filed on or after filing a petition for *inter partes* review is stayed automatically until certain events occur.
- PTAB reaches final written determination within 12 mos., extendible by 6 mos., of “noticing” the review.
- oral hearings.

# *Inter Partes Review, ctd.*

- Estoppels:
  - If a final written dec'n is reached, then estoppel re all things raised or that "reasonably could have been raised"
  - Estoppel applies to the petitioner, the real party in interest, others "privy of the petitioner"
- IPR can be terminated and estoppel avoided.

## *Inter Partes Review, ctd.*

- §317 provides for settlement and joint request of the petitioner and patent owner.
- Effective unless PTO has decided the merits before the request for termination is filed.
- **Effective after 12 mos.**
- **Not limited to applns. filed after 12 mos.**

# Post-Grant Review (Sec. 6d)

- Adds 35 USC §§321-329.
- Any non-owner may petition for PGR
  - within 9 mos. of patent or reissue grant;
  - any ground in §282(b), para. (2) or (3).
- Test to grant pet'n:
  - more likely than not that a claim is not patentable if info in petition is not rebutted, or
  - It raises a novel or unsettled legal question that is important to other patents or pending applications.
- Post Grant Review ("PGR") heard by PTAB.

# Post-Grant Review, ctd.

- cannot sue for invalidity, then pet'n for PGR.
- if pet'n for PGR, then sue for invalidity, suit is stayed until patent owner takes certain action.
- PGR includes discovery, participation by patent owner, & oral argument
- Ruling within 12 mos., extendible by 6 mos.
- Preponderance of the evidence
- Estoppel re all grounds raised or "reasonably could have been raised"
  - Estoppel applies to the petitioner, the real party in interest, others "privy of the petitioner"

## Post-Grant Review, ctd.

- PGR can be stopped and estoppel avoided.
- §327 provides for settlement and joint request of the pet'r and patent owner.
- Effective unless PTO has decided the merits before the request for termination is filed.



## Post-Grant Review, ctd.

- **Effective dates per AIA §6(f):**
- **after 12 mos.**
  - for patents covered by §18 (certain business method patents), and
  - for pending interferences that can be dismissed w/o prejudice to refile as a PGR.
- **After 18 mos., generally applicable to FITF patent applns. (3-16-13)**

## Appeals (Sec. 7)

- **Effective for proceedings begun 12 months after enactment.**
- appeals from the PTAB in reexams, post grant reviews, and *inter partes* reviews lie with the Fed. Cir.
  - Not de novo.
- appeals from derivation proceedings are filed with the Fed. Cir., but a party may opt for a civil action under 35 U.S.C. §146.

## Third Party Challenges (Sec. 8)

- Amends Section 122 to permit pre-issuance submissions by third parties
- Deadlines:
  - before a notice of allowance, or
  - the later of:
    - 6 months after first publication or
    - the date of a first rejection.
- **Effective after 12 months for all applns, whenever filed.**

## Venue (Sec. 9)

- The AIA places venue for district court filings in the Eastern District of Virginia instead of the District of Columbia.
- **Effective now, for civil actions begun on or after 9-16-11.**

## Fees and Micro Entities (Sec. 10–11)

- AIA increases most fees modestly
- **Various effective dates: now, 10 days, 60 days**
- makes special provisions for a new class of customer – the “micro entity” – that will have even smaller fees than “small entity” customers.
- **Pending issuance of fee regulations from USPTO.**

# Prioritized Examination

- Applicants can obtain prioritized examination for a fee of \$4,800.
- USPTO hopes to issue patents in about 1 year. 1<sup>st</sup> patent issued in < 1 month.
- **No** prioritized exam for applns with more than 4 independent claims or over 30 total claims.
- patent could issue before 18 mos. publn. (consider foreign priority dates)

## Supplemental Examination (Sec. 12)

- expands the bases for *ex parte* reexam
- permits a patent owner to request such examination for any information believed to be relevant to the patent.
- Director has 3 months to determine whether this presents **a substantial new question of patentability**.
- If so, reexamination commences.

## Supplemental Examination, ctd.

- Major advantage: patent cannot be held unenforceable on basis of conduct if it was considered during a supplemental reexam.
  - Making a request for supp. reex. “shall not be relevant to enforceability”
- **Effective after 12 months for all applns, whenever filed.**



## Specific Subject Matter- §§14, 18, 33

- §33 prohibits patents encompassing human “organisms” (no patenting people) – **Applies to all pending applns + new patents.**
- §14 excludes tax strategy inventions from patentability– **Applies to all pending applns + new patents.**
- §18 provides a mechanism to review “business methods” in the USPTO after threats of or actual filing of litigation. **PTO regs. req’d w/i 1 year to apply to all pats.+applns. Sunset in 8 years.**

# PGR of “Business Method” Patents, AIA §18

- Transitional proceeding for “covered business method patent”
  - claims a method or apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service,
  - but does not include “patents for technological inventions.”

# PGR of “Business Method Patent”

- Cannot seek a PGR for business method patent unless
  - Petitioner or real party in interest, or privy, has been
    - Sued for infringement, or
    - Charged with infringement under the patent.

# PGR/Bus. Method Patent

- PGR may consider prior art under §§102, 103 (pre-AIA) as follows:
  - Prior art under §102(a), or
  - Prior art that:
    - discloses the invention at least 1 year before the patent appln date in U.S., and
    - Would be §102(a) art if disclosure had been made by another before the invention by the applicant.

# PGR/Bus. Method Patent

- Petitioner is estopped narrowly
  - Covers grounds that the petitioner raised during the transitional proceeding.
  - That is, does not bar petitioner from everything that *could have been* raised.

## Best Mode (Sec. 15)

- best mode req'mt. retained, but –
- violation is not a basis to hold an issued patent invalid or unenforceable
- Cannot be raised in a post-grant review
- USPTO exmrs. can (presumably) reject claims for best mode if they have information to support a rejection.
- **Applies to proceedings commenced on or after 9-16-11.**

## Patent Marking, Mismarking (Sec. 16)

- virtual patent marking via Internet.
- severely curtails *qui tam* actions.
- only the U.S. can sue for the penalty.
- new cause of action for persons competitively injured by a violation.
  - Can sue in D.Ct. to recover “damages adequate to compensate for the injury.”

## Patent Marking, Mismarking (ctd.)

- failure to remove number of an expired patent from patent marking “is not a violation...”
- **Effective now; applies to all actions already pending or filed later.**



## Advice of Counsel (Sec. 17)

- AIA forbids using any failure of an infringer to obtain the advice of counsel as evidence of willful infringement or that the actor intended to induce infringement of the patent.
- **Effective after 1 year. AIA §35 (catchall) says AIA applies to all patents issued on or after 9-16-12.**
- **May call for judicial clarification.**

## Jurisdiction (Sec. 19)

- amends 35 U.S.C. §1338 to deny expressly any jurisdiction of any State court for claims for relief arising under Acts of Congress relating to patents, plant variety protection, or copyrights.
- Civil actions may be removed to the D.Ct. in which such a claim is made.
- **Effective for all actions filed on or after 9-16-11.**

# Joinder & Consolidation (Sec. 19)

- limits joining accused infringers in one action
- permits joinder in same suit, or consolidating multiple actions *for trial*, only if:
  - *e.g.*, relief is requested jointly, severally, or alternatively with respect to or arising out of the same transaction, etc., **and**
  - questions of fact common to all accused infringers will arise in the action.
- That each infringed is **not** enough for joinder.
- Consolidation for pre-trial still permitted.
- **Effective for all suits filed after 9-16-11**

## Fee Diversion (Sec. 22)

- controversial difference between S. 23 and H.R. 1249 re diversion of fees collected by USPTO.
- AIA does not provide explicitly for USPTO to use all the fees it collects.
- Creates reserve fund within U.S. Treasury. USPTO access to reserve fund depends on appropriation acts.
- **Effective October 1, 2011**

## Satellite Offices (Sec. 23–24)

- requires the establishment of at least 3 branch offices of the USPTO in other locations
  - One office will be in Detroit.
- sets forth considerations for use in selecting locations.
- **Applies to all patents issued on or after 9-16-12. AIA §35.**

# Priority Examination (Sec. 25)

- USPTO Director is authorized to advance the examination of inventions in certain technologies important to the national economy or national competitiveness.
- **Applies to all patents issued on or after 9-16-12. AIA §35.**
- **Not fee based like “Prioritized” examinations.**

# Small Entities, Individual Inventors

- several provisions benefit small entities and individual inventors.
  - AIA Sec. 3(I): study effects of removing dates of invention in determining patentability. Study to examine how the change affects the ability of small business concerns to obtain patents, etc. **Report due 1 year after enactment.**
  - AIA Sec. 10: creates “micro-entity” which gets large fee reductions. **Effective after USPTO rulemaking**

- Sec. 28: Patent Ombudsman Program: provide support and services related to patent filings for small business concerns and independent inventors. **Effective 12 mos., §35.**
- Sec. 30: Congress intends to protect small businesses & inventors from predatory behavior that could cut off innovation.
- Sec. 31: study how to help small businesses with int'l. patent protection. **Report 120 days.**
- Sec. 32: work with IP law assns on pro bono programs to assist under-resourced independent inventors and small businesses. **Effective now.**



# Standards mentioned

- Suppl. exam. – substantial new question of patentability; 35 U.S.C. §257
- Ex parte reexam.–SNQ patentability; §302
- Pre-issuance and post-issuance submissions – no standard
- *Inter partes* review – reasonable likelihood that the petitioner would prevail re at least one claim; §314
- Post-Grant review – more likely than not that a challenged claim is unpatentable; §324

# Thank you!



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