

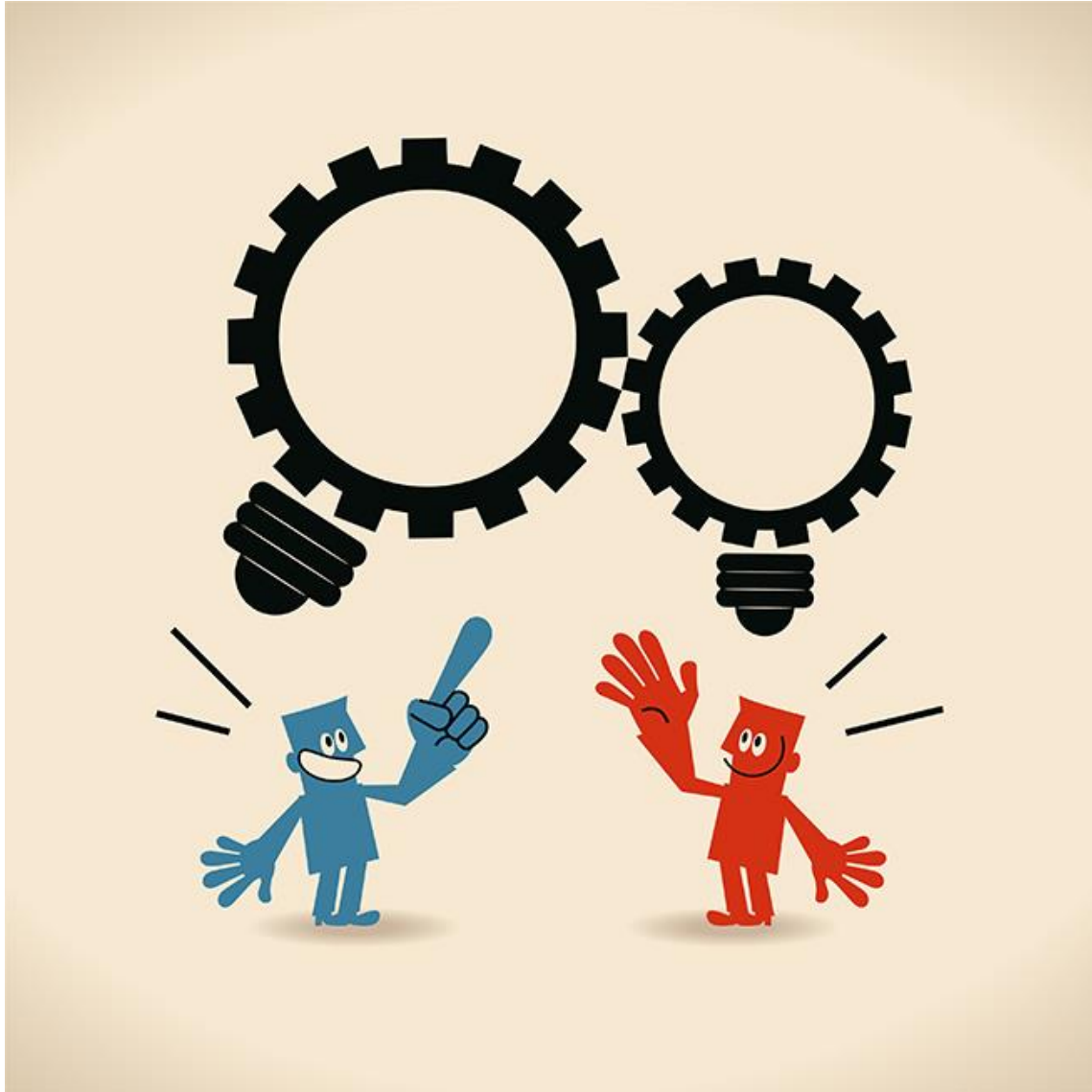
Copyright © 2015 McCormick, Paulding & Huber LLP

All Rights Reserved

CI encourages you to share this content, however, in doing so, you may not alter its contents.

ctinnovations.com

Patents: Beyond the Basics – Current Risks and Opportunities Part Two



The world of patents is constantly changing. Recent developments could have a major effect on your business. It's important to stay one step ahead to avoid surprises.

That's why we enlisted the help of attorneys at McCormick, Paulding & Huber. They've prepared a four-part Q&A series that will answer questions relating to patent trolls litigation, the new environment since Leahy-Smith America Invests Act (AIA) and more.

This is part two in the series.

[Please note that this patent Q&A series is for general informational purposes only and does not represent legal advice by the authors or McCormick, Paulding & Huber LLP.]

Q: What does the Leahy-Smith America Invents Act (AIA) mean for innovators?

A: The [Leahy-Smith America Invents Act \(AIA\)](#) changed United States patent law in many ways after it was signed into law in 2011. The most striking change was the shift from a first-to-invent patent system (what we had for nearly 200 years) to a first-to-file system. This change was a significant step toward one of the goals of the AIA: to harmonize the United States patent system with most of the global patent systems.

What does the AIA mean for innovators? They should now be racing to file provisional patent applications with the United States Patent and Trademark Office (USPTO) – as soon as they can describe their invention “in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same.”

First to file is a big departure from our old first-to-invent paradigm, under which American inventors had the benefit of being able to raise capital by promoting their invention for nearly a full year before filing a patent application. Based on the

outcome of their capital-raising efforts, small business owners could decide whether or not to move forward with filing for patent protection. Thus, even though it had always been good practice to file an application with the USPTO before embarking on product launches, our old first-to-invent paradigm offered valuable protections. It protected innovators by granting them a one-year "grace period" to file an application after the date their invention first became publicly available and by requiring any competing applicants to prove they had worked on their own version of the invention before the original innovator. Sometimes, evidence of invention could be traced back over years of effort and experiment, diligently recorded in lab notebooks kept by both the inventor and competing inventor. This sort of back-tracing was called an "interference" and was conducted by a special section of the USPTO called the Board of Patent Appeals and Interferences (BPAI). Under an interference proceeding, the later applicants had a burden to prove that they were the earlier inventors.

Our new first-to-file paradigm eliminates interference proceedings. In their place, we have a race to the USPTO. In case some interloper is the first to file an application that claims an original innovator's invention, the original innovator now must prove in a "derivation proceeding" not only that he or she invented first, but also that the interloper "derived" or copied from the original invention. This is a much tougher standard to meet than simply answering the "Who invented first?" question asked under interference proceedings. The new derivation proceedings are conducted by the Patent Trials and Appeals Board, which has replaced the BPAI.

Additionally, under the first-to-file system, the "grace period" rules have been cut down. Instead of being able to file a patent application up to one year after an invention becomes publicly available, an innovator can only file a valid patent application within one year after he or she personally has made that invention available to the public. This means that if several people independently come up

with an invention, the first to disclose has an immediate opportunity to prevent all others from ever obtaining a patent on that invention.

The first-to-file paradigm puts significant pressure on innovators to file patent applications before they have even had an opportunity to evaluate whether an invention is technically feasible or has business potential. This presents a challenge, particularly for cash-strapped startups, which feel pressured to spend more and more money on filings. Larger corporations are impacted as well but tend to have more effective and timely procedures for moving innovative ideas to invention disclosures that can support filings of valid patent applications.

In conclusion, to secure a claim to an invention, an innovator should use provisional patent applications to get in the race. Such applications require the type of disclosure mentioned in our second paragraph – just enough to enable someone to make and use the invention. It acts as a placeholder, reserving a filing date for a later utility patent application. Provisional patent applications are kept hidden in the USPTO until their expiration one year after the filing date. During that time, the filer can choose to file a utility patent application, which can be prosecuted to become a patent. Thus, by filing a provisional patent application, an innovator can establish his or her first-to-file status without publicly disclosing the invention, and then can seek financing, armed with the provisional patent filing.

Special thanks to our Q&A part two contributors from McCormick, Paulding & Huber LLP:

Alan Harrison



[Alan Harrison](#) is an associate in the Hartford office of the law firm [McCormick, Paulding & Huber LLP](#), which has focused exclusively on intellectual property law for more than 100 years. Before becoming an attorney, he trained as a mechanical and nuclear engineer. He is experienced in patent and trademark prosecution and enforcement, business startups and intellectual property transactions. You can contact Alan at Harrison@ip-lawyers.com

Justin Durelli



Justin Durelli is a patent prosecution intern at [McCormick, Paulding & Huber LLP](#) and a third-year student at Quinnipiac University School of Law, where he is an associate editor of the Quinnipiac Health Law Journal and a member of the Student Bar Association. Previously he worked for General Electric's Global Patent Operation. Justin earned bachelor's and master's degrees in chemical engineering from the University of Connecticut.