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Big changes in U.S. patent law coming, with more on the way

Commentary by William R. Trueba Jr. and Michael E. Tschupp

When President Obama signed the Leahy-Smith America Invents Act into law, U.S. patent law embarked on its first major change in decades and, arguably, its most fundamental change ever.

The law, enacted Friday, makes some immediate changes and phases in other changes over the coming year. One immediate change: Suits for false patent marking — which operate like *qui tam* suits and have given rise to a cottage industry — are now limited only to those who have suffered a competitive injury as a result of false marking. Starting Sept. 16, 2012, new procedures will be in place for members of the public to submit materials to the examiner during the review of other's patent applications.

FIRST-TO-INVENT

The most fundamental changes, however, will go into effect in March 2013. Since the beginning, we have had a first-to-invent system. Under this system an inventor can defeat another's attempt to win a patent by demonstrating that he or she had actually invented the invention first.

But few inventions are the product of a discrete "Eureka!" moment, and determining who the first inventor is has al-



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ways been a difficult task. Traditionally, the United States has deemed an invention to occur at the moment that the invention is conceived, provided that the inventor then proceeds to diligently reduce the invention to practice by filing a patent application or by placing the invention into practice. Therefore, if Inventor A conceives of an invention before Inventor B, but Inventor B reduces the invention to practice first and gets a patent application in to the Patent Office first, Inventor A will still win the battle over the rights to the invention as long as he or she has worked diligently on reducing the invention to practice.

FIRST-TO-FILE

The America Invents Act completely changes this approach and introduces the first-to-file system — a system followed in the rest of the world. The first inventor to file their patent application wins regardless of who came up with the invention first. This has an advantage in terms of clarity, but at the potential price of fairness. After all, an earlier, diligent, inventor can lose out if he is outraced to the patent office.

But this change is necessary to bring



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the U.S. in line with the rest of the world. Since 1998, when the Philippines made the switch, the United States has been the sole "first-to-invent" system. This uniqueness has complicated cooperation between the U.S. Patent & Trademark Office and its foreign counterparts and created challenges for inventors seeking to patent their invention in multiple countries.

This new system will apply to patent applications filed March 16, 2013, and forward. Applications already on file, or filed, before the switch, will be grandfathered into the old system. Therefore, inventors concerned about losing the race to the patent office should be sure to get their applications filed before the change. Once the change goes in to effect, all inventors or businesses owning rights to inventions will need to file their applications as soon as possible to avoid being beaten to the punch by a rival inventor.

PUBLIC DISCLOSURE

We will also see changes to how public disclosure of an invention affects its patentability in March 2013.

Today, public disclosure of an inven-



tion within the year leading up to the filing of a patent application does not foreclose the patenting of the invention, provided that the applicant had made the invention before the disclosure. But after the switch, if a third party first discloses the invention to the public at any time prior to the filing of your own patent application, your invention will not be patentable.

You must make an earlier disclosure of the invention then file your patent application within a year of your disclosure. Under the new system, inventors should file a patent application as soon as possible or publicly disclose their invention then follow up with a patent application within the year.

There are over 30 other categories of changes in this historic law.

It is critical for businesses to know how they will be affected by the changing landscape.

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