

Top Five Dangers for the AIA Unwary

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The Leahy-Smith America Invents Act (AIA), signed into law on September 16, 2011, marked the first fundamental patent reform in the United States since the 1952 Patent Act (pre-AIA).¹ The 130-page AIA legislation transformed foundational aspects of the U.S. law of patentability and patent enforceability with the intent to deliver greater transparency, objectiveness, predictability, and simplified patent law principles. Whether or not any of those lofty objectives will pan out in reality, inventors, patent applicants, patent owners, and the patent professionals who assist them must understand the changes to avoid significant "dangers" that lurk for the unwary, both in formulating patent filing strategies and in evaluating existing U.S. patents and patent applications, including those of third parties. This article highlights some of the more significant and immediate of those dangers.

Failing to Understand the Expanded Definition of Prior Art

A first challenge is to be able to identify applicable prior art and thus avoid overlooking potentially fatal prior art. As of March 16, 2013, 35 U.S.C. § 102 changes fundamental assumptions defining what will and will not be considered prior art under the AIA, for any application containing at least one claim having an effective filing date after March 15, 2013. Public disclosures before the effective filing date of the claimed invention anywhere in the world in any language will have prior art effect.² In other words, the new definitions remove geographic and language restrictions on prior art, exponentially expanding, in view of U.S. litigation discovery, which does not exist in other first-to-file systems, the universe of what now may be considered prior art.

In addition, the temporal window for additional prior art is wider in one respect through the change in focus from "date of invention" to "effective filing date," because the effective filing date of any claimed invention is almost always later than the pre-AIA date of invention. However, the window is

narrower in other respects because prior inventions of others under pre-AIA § 102(f) and (g) are generally no longer prior art under the AIA, Metallizing Engineering forfeiture apparently may no longer exist,³ and common ownership may now provide a defense against documents that would otherwise be prior art under the AIA.

Under the AIA, what is prior art under the new law (presumably absent an *In re Nomiya*-type admission by the patent applicant⁴) must be either: (1) a public disclosure anywhere in the world (in any language), or (2) an "effectively filed" patent filing disclosure, and both must have a date prior to the "effective filing date" of the claimed invention at issue.⁵

"Effectively filed" requires that eventually at least one of the following three "special publications" publish: (1) a U.S. patent; (2) a U.S. patent application; or (3) a Patent Cooperation Treaty (PCT) application designating the United States, whether or not that PCT application ever enters into the U.S. national stage. An "effectively filed" patent filing disclosure may still be prior art as of an earlier filing date even though it is not published until after the effective filing date of the relevant claimed invention.

AIA prior art may constitute a danger even to those fully aware of the Act's expansion of the body of prior art. For example, it may be extremely difficult for a patent owner or potential patent licensee to find out about every public disclosure in every language everywhere in the world. Unfortunately, it may first be brought to a patent owner's attention by opponents during discovery in U.S. litigation. Hence, a potential licensee may conclude that a particular U.S. patent claim or U.S. patent application claim is strong when, in fact, that claim is anticipated by an earlier public disclosure at a conference in China in Chinese.

Here are two examples of what will be considered prior art under the AIA:

1. An earlier-filed patent application, relative to the claimed invention at issue, with no claim for the benefit of an even earlier-filed patent application, will be considered prior art if effectively filed as of its actual filing date, for all it describes that is relevant to the patentability of the claimed invention; and

2. A later-filed patent application with a claim for the priority/benefit of an earlier patent filing will be considered prior art as of the earlier patent filing date, as long as the earlier patent filing contains a description (not necessarily an enablement) of the same subject matter found in the later-filed patent application and relevant to the patentability of the claimed invention.⁶ The earlier patent filing may be in any language and may be filed outside of the United States as long as it can be considered "effectively filed" with respect to the relevant subject matter set forth in one of the three special publications described above.

The second example shows that the AIA eliminated the effect of two old U.S. patent cases: *Hilmer I* and *II*.⁷ Under the *Hilmer* cases, one needed a U.S. filing date to use as offensive prior art under pre-AIA § 102(e) or (g). Now, a foreign priority date can be used offensively as prior art under the AIA's § 102(a)(2) against the patent claims of others, as long as the subject matter in one of the three

special publications was at least described in a foreign priority document that was "effectively filed" relative to the relevant subject matter.⁸

On a different note, practitioners are cautioned against interpreting "disclosure" in the AIA as replacing a patent application filing; publishing is not a substitute for filing to obtain a strong patent position on the invention. An inventor who has publicly disclosed should file a patent application promptly or, better yet, before disclosure. Why? Because, a mere public disclosure will never provide an effective filing date. Moreover, even assuming a statutory exception can be established under §102(b)(2) for the prior disclosure, that prior disclosure arguably protects a claimed invention only against anticipatory subject matter, not against obvious variants.⁹

In contrast, an earlier effective filing date protects against both post-filing date anticipatory and obviousness prior art, assuming that some earlier patent filing is not "effectively filed" for relevant subject matter for purposes of § 102(a)(2) before that earlier effective filing date. Furthermore, disclosure before filing may be almost fatal with respect to international patent rights.

As briefly mentioned above, some good news is the expanded zone of protection under the §102(b)(2)(C) exception to § 102(a)(2) prior art, for commonly assigned patent applications and subject matter developed under joint research agreements. Importantly, the AIA recognizes common ownership as an exception effective against § 102(a)(2) or § 103 prior art as long as that ownership is in place by the effective filing date (as opposed to the invention date) of the claimed invention, even if the earlier subject matter was not developed under a joint research agreement.

The date of invention is almost always earlier than the effective filing date of the claimed invention. This AIA change thus has a broadening effect also. In fact, the AIA change to "on or before the effective filing date" may mean that a patent applicant can purchase potential, even independently developed, § 102(a)(2) prior art before filing a patent application, thereby removing the potential prior art as a threat.

Failing to Understand "Entitled to Priority" ("Effective Filing Date") v. "Entitled to Claim the Benefit of Priority" ("Effectively Filed")

As discussed above, the effective filing date for the claimed invention is critical to define the window of prior art for both novelty and nonobviousness purposes. It is also critical to establish the applicable law, i.e., pre-AIA, AIA, or *both*.¹⁰

Generally, the "effective filing date" is the actual patent application filing date in the case of a still pending application, unless the claimed invention is entitled to priority/benefit of an earlier patent filing. This entitlement to priority/benefit exists where (1) a claim for priority/benefit is made, and (2) the earlier patent filing contains a written description and enablement support of the claimed invention, as the AIA expressly removed the requirement of disclosing the best mode in an earlier application for the purposes of showing entitlement to priority/benefit.¹¹

Practitioners must be aware that there is a potentially very significant difference between the language "entitled . . . to a right" of priority/benefit in the AIA's § 100(i) and the language "entitled to claim a right" of priority/benefit in § 102(d). There are those who argue that being entitled to actual benefit is not the same as being entitled to claim a right to benefit. That argument is based upon the legislative history, which distinguishes between the alleged "core requirement of section 120 et al.—that the application include an enabling disclosure" (necessary to be entitled to an earlier filing date)—and "the ministerial requirements of that section—that the application be copendent and specifically referenced" (allegedly satisfying the "entitled . . . to claim the benefit" of priority of §102(d), which can result in relevant subject matter being "effectively filed" under § 102(a)(2)).¹²

But is that legislative history dispositive? Most certainly not, as U.S. courts are not bound by legislative history.¹³ Accordingly, until future litigation clarifies this issue, practitioners must carefully consider both the legislative history and the AIA statutory context¹⁴ in determining what both "entitled to claim the benefit of priority" and "effectively filed" require.

Failing to Evaluate Whether Pre-AIA or AIA Law Is Desired

Practitioners must evaluate and decide, particularly for U.S. patent applications that can be filed around March 16, 2013, whether pre-AIA, AIA, or a mixture of pre-AIA and AIA law is desired.

AIA section 3(n)(1) defines the effective date of new 35 U.S.C. §§ 102 and 103 (March 16, 2013) for all applications containing at least one claim having an effective filing date after March 15, 2013. AIA section 3(n)(2) defines that a mixture of pre-AIA and AIA law will apply to all claims of an application containing at least one claim with an effective filing date before March 16, 2013, and at least one claim with an effective filing date after March 15, 2013.¹⁵

For example, if the effective filing date of all claims in a patent application is on or after March 16, 2013, the prior art provisions, exceptions, and definitions of the AIA apply under transition section 3(n)(1) to all those claims. And as a further example, if all claims in an application have an effective filing date before March 16, 2013, only pre-AIA law applies and neither section 3(n)(1) nor (2) applies.

If the AIA applies to the application as a whole—i.e., all claims have an effective filing date on or after March 16, 2013—the patent applicant can rely only upon the effective filing date for each claim, not the date of invention. By the same token, if the AIA does not apply at all—i.e., all claims in an application have an effective filing date before March 16, 2013—only pre-AIA law applies and the patent applicant as needed can rely on the date of invention.

Disputes have already arisen as to whether amendments to pre-AIA claims or presentation of new claims after March 15, 2013, should flip a patent application into the AIA world. In our view, no such flipping should occur as long as the effective filing date of each claim in the application, as amended or newly presented, is before March 16, 2013.

But what if claims presented after March 15, 2013, in an application filed before March 16, 2013, fail to satisfy the requirements of 35 U.S.C. § 112 (enablement)? Arguments have been made that such "improper" claims should flip a patent application otherwise subject to pre AIA law into the AIA world. To the authors, that result seems unwarranted. Simply put, such improper claims have no effective filing date. And the touchstone of whether a claim is in the pre-AIA, AIA, or mixed pre-AIA and AIA world is "effective filing date." Hence, if a claim has no effective filing date, it is simply an improper claim and should have no effect on whether other proper claims in the application somehow change status from pre-AIA to AIA.

Is there a mixed world of pre-AIA and AIA in a single application? That Rubik's Cube® appears to be provided for under AIA section 3 (n)(2). Under special circumstances, therefore, there will be patent practitioners who deliberately create a "Jedi Master Mixer" (JMM) and invoke section 3(n)(2), which can be invoked only if section 3(n)(1) also applies. Simply put, the JMM application is engineered to contain at least one claim with an effective filing date prior to March 16, 2013, and at least one claim having an effective filing date after March 15, 2013. Both AIA section 3(n)(1) and (2) apply to that JMM application. And subject to having to deal with pre AIA 35 U.S.C. §§ 102(g), 135, and 291, the JMM patent applicant gets the following illustrative benefits of the AIA for all claims: (1) apparently no forfeiture,¹⁶ and (2) liberalized common ownership/CREATE Act (§§ 102 and 103) advantages.

In the JMM application, one objective is to secure whatever benefits might exist in both the first-to-invent and the first-inventor-to-file AIA section 3(n)(1) and (2) worlds, subject to having to fend off vestiges of pre-AIA in the form of §§ 102(g), 135, and 291. Advantageously, the JMM application strategy may, depending on all facts and circumstances, avoid pre-AIA bars to patentability of the claimed invention, as long as those bars are not also AIA bars to patentability.

Thus, the practitioner may elect to file before March 16, 2013, a pre-AIA application, and after March 15, 2013, both an AIA application and a JMM application. In so doing, it is important to remember that patents with identical claims will still be barred, so the three patent filings will need to stand alone. In addition, unless claims presented are patentably distinct from each other, a terminal disclaimer may be required.

As March 16, 2013, approaches, many patent filers are wondering if they should hurry and file by March 15, 2013, and stay in pre-AIA law (the "devil-you-know" strategy). The danger lurking in this strategy, however, is that an application filed before it is ready—i.e., without full written description and/or enablement support in the specification relative to the claimed invention—may ultimately require refiling after March 16, 2013. No benefit will have been gained by rushing to preserve a first-to-invent pre-AIA status. Patent filings should not be made before their time—under pre-AIA or AIA law—but nonetheless should be timely made once the requisite supporting information has been developed.

Practitioners should focus on the effective filing dates for each claim and try to ensure that any and every claim made stays on one side or the other of the effective date divide between pre-AIA and

AIA, unless one purposefully wants to bring pre-AIA claims into AIA land through a JMM application and have the benefits occasioned by both AIA section 3(n)(1) and (2). If you mix claims, do so deliberately via the JMM application.

Misunderstanding Which Law Applies to U.S. Patents and Applications and Therefore What Is the Relevant Prior Art

It is conservatively estimated that U.S. patents subject to pre-AIA, AIA, and both pre-AIA and AIA law under AIA section 3(n)(1) and (2) will be in existence until at least 2034.¹⁷ Hence, practitioners need to be alert to the dangers of misunderstanding which law applies to their clients' patents and applications, as well as to the patents and applications of third parties. It can make all the difference in terms of what is relevant prior art.

As noted, AIA prior art provisions will apply to all applications filed after March 15, 2013, wherein all claims in that application (and any patent issuing thereon) have effective filing dates after March 15, 2013. Pre-AIA prior art provisions will apply to any application where all claims in the application have an effective filing date before March 16, 2013. And for any JMM application filed after March 15, 2013, and containing at least one claim with an effective filing date before March 16, 2013, and at least one claim with an effective filing date after March 15, 2013, both pre-AIA and AIA law apply under AIA section 3(n)(1) and (2).

For JMM applications, this means that the claims will be subject to the broader prior art provisions of the AIA (e.g., worldwide disclosures in any language) and subject to the "first-to-invent" pre-AIA provisions of 35 U.S.C. §§ 102(g), 135, and 291 (e.g., proof of earlier invention). But as noted, the JMM application claims will not be subject to pre-AIA impediments to patentability, unless those impediments also apply under the AIA.

Hence, one evaluating a U.S. patent, for example, should conclude that if there is a pre-AIA claim in an application or patent that also contains an AIA claim, then both AIA section 3(n)(1) and (2) apply. In that case, all the claims in the patent are subject to all of the AIA plus §§ 102(g), 135, and 291. And because "all" is a clear term, that conclusion applies even to those claims that have an effective filing date after March 15, 2013, and would otherwise be "pure" AIA claims.

Let's look at an example. Suppose a practitioner is evaluating the validity of a U.S. patent. The AIA's § 102(a)(2) can be relevant to that analysis in two different ways. First, if there is a patent filing or U.S. patent that resulted in one of the three special publications discussed above, that publication is § 102(a)(2) prior art as of its filing date against a claimed invention if it was filed before the effective filing date of the claimed invention and thereafter published. In other words, the relevant subject matter of the prior art was "effectively filed" as of its filing date, assuming that the subject matter is, as noted above, at least described in that special publication.

Second, assume the filing date associated with the special publication is after the effective filing date of the claimed invention. That does not necessarily mean that the special publication cannot be prior art under § 102(a)(2) for subject matter relevant to patentability of a claimed invention of interest. In

fact, that relevant subject matter in the special publication can still be § 102(a)(2) prior art if, relative to the relevant subject matter, an earlier patent filing existed for which priority/benefit was sought in a ministerially proper way and in which the relevant subject matter was at least described. In such case, the earlier filing was "effectively filed" relative to the relevant subject matter and constitutes, as of the date of that earlier filing, prior art under § 102(a)(2).¹⁸ In other words, the practitioner should conclude that a publication is § 102(a)(2) prior art against a claimed invention if the relevant subject matter was effectively filed prior to the date of the claimed invention.

Abandoning Laboratory Notebooks

In the nuts and bolts of everyday patent practice in the pre-AIA first-to-invent system, laboratory notebooks were the bedrock upon which the patent was built. The unwary may conclude that the first inventor-to-file provisions of the AIA make laboratory notebooks unnecessary; however, laboratory notebooks may be even more important than before.

Why? The naming of the inventor on the application for patent remains a fundamental requirement, and all pre AIA inventorship case law seemingly remains relevant. The proper and correct naming of the inventor permits the legal chain of title to be established from the inventor to the assignee-applicant for patent. And as noted above, if applicable because of a JMM application, AIA section (3)(n) (2) expressly brings into play 35 U.S.C. §§ 102(g), 135, and 291, where proof of first inventorship may be critical.

In addition, determination of inventorship is still important in the AIA's derivation proceedings under 35 U.S.C. § 135.¹⁹ If a derivation proceeding is instituted, the newly formed Patent Trial and Appeal Board (PTAB) will determine whether an inventor named in an earlier-filed application derived the claimed invention from another and, without authorization, filed the earlier application. A district court litigation avenue is also available for derivation proceedings under the AIA.²⁰ The new derivation proceeding recognizes the importance of a patent being awarded to a true inventor/innovator, not a thief. An inventor may be the second to invent but the first to file and will get a patent. However, a party that steals an invention from another (by claiming it in an earlier-filed application) is not entitled to a patent.

The AIA provides a bona fide patent owner with opportunities to correct all errors and omissions in the inventor-naming process. However, proof of the facts and such other requirements may be imposed, highlighting the importance of the maintenance and retention of traditional laboratory notebook practice.²¹

Finally, laboratory notebooks remain important because for those U.S. patents and applications with claims having effective filing dates prior to March 16, 2013, the old "first to-invent" system continues to apply. This means that proving a prior date of invention will still establish who is entitled to the patent. Thus, a determination of inventorship remains an important consideration in preparing and prosecuting patent applications, and therefore careful laboratory notebook practice should remain a best practice procedure.

Conclusion

This article highlights only a few of the dangers for unwary practitioners brought about by the passage of the highly complex AIA. It is key to remember that patent practice will involve both the old and new laws until at least March 15, 2034. Practitioners will have to keep track of pre-AIA and AIA law to deliver the best counsel possible for the management of U.S. patent portfolios, for potential licensing scenarios involving patents and applications of third parties, and for evaluating one's own patents.

Practice Tips for the AIA Wary

- The AIA definition of prior art in 35 U.S.C. § 102 no longer includes geographic and language restrictions.
- Prior art applies against claims in AIA patent applications and patents depending on the effective filing date of the claimed invention, not the date of invention.
- Pay attention to the grace period, as disclosure is never a substitute for filing.
- Under the AIA, common ownership can protect against anticipation under 35 U.S.C. § 102(a)(2).
- Be aware of the argument that there is a difference between "entitled to priority" (to establish "effective filing date" of the claimed invention) and "entitled to claim the benefit of priority" (to determine whether subject matter is "effectively filed" for purposes of 35 U.S.C. § 102(a)(2)).
- Consider the relative advantages of pre-AIA claims, AIA claims, and JMM claims.
- If the effective filing date of all claims in a patent application is after March 15, 2013, the AIA prior art provisions apply and the patent applicant can rely only upon the effective filing date for each claim, not the date of invention.
- If all claims in an application have an effective filing date before March 16, 2013, only pre-AIA applies and the patent applicant can (and may need to) rely on the date of invention.
- If at least one claim in an application has an effective filing date after March 15, 2013, and at least one claim in that application has an effective filing date before March 16, 2013, the application is a JMM and all claims are subject to both the AIA and pre-AIA 35 U.S.C. §§ 102(g), 135, and 291. This is so even if the one claim with the effective filing date after March 15, 2013, is later canceled.
- Laboratory notebooks should be utilized and preserved as a best practice.

Endnotes

¹ Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284 (2011) (to be codified as amended in 35 U.S.C.). On January 14, 2013, the president signed H.R. 6621 into law, making

certain technical corrections to the AIA. Technical Corrections—Leahy-Smith America Invents Act, Pub. L. No. 112-274, 126 Stat. 2456 (2013). This article was written before sections 102 and 103 of 35 U.S.C. became effective on March 16, 2013.

² AIA § 3(b), 35 U.S.C. §§ 102(a)(1), (2).

³ See *Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir. 1946).

⁴ See *In re Nomiya*, 509 F.2d 566 (C.C.P.A. 1975).

⁵ AIA § 3(b), 35 U.S.C. § 102(a).

⁶ See AIA § 3(b), 35 U.S.C. § 102(d).

⁷ *In re Hilmer (Hilmer II)*, 424 F.2d 1108 (C.C.P.A. 1970); *In re Hilmer (Hilmer I)*, 359 F.2d 859 (C.C.P.A. 1966).

⁸ See AIA § 3(b), 35 U.S.C. § 102(a)(2), (d).

⁹ AIA § 3(b), 35 U.S.C. § 102(b).

¹⁰ See AIA § 3(n)(1), (2).

¹¹ AIA § 15. Note that the best mode requirement still exists at least for all U.S. nonprovisional patent filings because it remains in 35 U.S.C. § 112(a).

¹² 157 CONG. REC. S1370 (daily ed. Mar. 8, 2011).

¹³ *Hoechst Aktiengesellschaft v. Quigg*, 917 F.2d 522 (Fed. Cir. 1990), provides an example wherein the Federal Circuit disregarded volumes of legislative history clearly intending that no one would get more than five years for patent term extension, and granted Hoechst 6.8 years of patent term extension for the drug Trental®.

¹⁴ *Caraco Pharm. Labs., Ltd. v. Novo Nordisk A/S*, 132 S. Ct. 1670 (2012).

¹⁵ AIA section 3(n) provides: (1) IN GENERAL—Except as otherwise provided in this section, the amendments made by this section shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act, and shall apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time—

(A) a claim to a claimed invention that has an effective filing date as defined in section 100(i) of title 35, United States Code, that is on or after the effective date described in this paragraph; or

(B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.

(2) INTERFERING PATENTS—The provisions of sections 102(g), 135, and 291 of title 35, United States Code, as in effect on the day before the effective date set forth in paragraph (1) of this subsection, shall apply to each claim of an application for patent, and any patent issued thereon, for which the amendments made by this section also apply [in other words, AIA section 3(n)(1) also applies], if such application or patent contains or contained at any time—

(A) a claim to an invention having an effective filing date as defined in section 100(i) of title 35, United States Code, that occurs before the effective date set forth in paragraph (1) of this subsection; or

(B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.

¹⁶ See *Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir. 1946).

¹⁷ If a provisional application is filed pre-AIA on March 15, 2013, followed by a nonprovisional application on March 14, 2014, the 20-year term from filing will expire on March 14, 2034, and that patent will be a pre-AIA patent. If the patent is eligible for patent term adjustment and/or patent term extension, pre-AIA and AIA law will coexist even beyond 2034!

¹⁸ As discussed above, there are those who argue that "effectively filed" requires only description, not enablement.

¹⁹ AIA §§ 3(i), 6(f)(3).

²⁰ AIA § 3(h), 35 U.S.C. § 291.

²¹ AIA § 20, 35 U.S.C. § 256.

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