FUNDAMENTAL SHIFT IN U.S. PATENT SYSTEM:
WHAT IS CHANGING … AND WHAT IS NOT

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With the New Year approaching, historic changes in U.S. patent law are set to take effect. Among the most important are those resulting from the America Invents Act, enacted more than a year ago. In 2013, this law will create a new (for the U.S., at least) first-inventor-to-file standard (FITF), which is arguably the most significant change ever to American patent law.

For patent applications filed after March 16, FITF will end the historical first-to-invent standard granting patent rights to the first person to conceive of and practice an invention, which allowed time for an inventor to finalize details for a suitable patent application. The first person to file an application will now succeed under the new law.

The FITF will apply to all inventors and patent owners. Whether it involves a Fortune 500 company, University research, or a fledgling start-up company, all will be under the new law and all will face the possibility of a "race to the patent office."

FITF will also alter patent examination standards. Patented inventions are those considered novel and nonobvious over prior patents and publications ("prior art"). A Patent Examiner considers both a) what an applied-for invention has that the prior art does not, as well as b) whether any differences between a claimed invention and the prior art merit such a new patent grant. The new law does not alter these fundamental considerations, but FITF will significantly expand what qualifies as prior art.

Currently, if a prior art reference "anticipates" (is identical to) or renders obvious claims of a pending patent application, the inventor may provide evidence showing he or she conceived the invention before the prior art reference date, as long as the date of the reference is less than 1 year before application filing date. The first-to-invent standard allows "swearing behind" such prior art, effectively overcoming such patent claim rejections. Making the transition to FITF somewhat easier, this standard will remain in effect for all patent applications filed before March 16, 2013.

For all applications filed after that date, however, the situation will change dramatically. Any references – including patent applications and publications -- having an earlier date than the application filing will be available as prior art against any later-filed U.S. patent application. The new law, how-

ever, provides an exception to this result, known as a grace period. Simply, an inventor publishing the invention subject matter up to 1 year before filing the patent application may claim priority back to the public dissemination date.

The following examples help further illustrate some of these changes:

Example 1: On February 15, Shelia Brown completes her invention. On February 28, Joe Green completes the same invention independently of Brown, and the next day he posts a detailed video of his invention on the Internet. On April 20, Brown files her patent application without seeing Green's video. On April 30, Green files his patent application.

The result: In 2012, under the current law, Brown would prevail as the first inventor. After March 16, 2013, Green's video would qualify as prior art against Brown's application. Coupled with the grace period from his posted video, Green would predate Brown's application and would prevail.

Example 2: Sally Lincoln completes her invention on January 15 and files her patent application on March 30. On February 15, Tom Washington publishes an article that describes the same invention, without knowledge of Lincoln's work.

The result: In 2012, under the current law, Washington could not prevent Lincoln from obtaining a patent, provided Lincoln can establish invention conception before February 15. In 2013, Lincoln would not be so fortunate, because Washington's published article would bar her patent claims. Further, because of the grace period created by his earlier publication, Washington would have until February 15, 2014 to file his own patent application according to what he had published.

As the March 16 effective date approaches for these significant changes, inventors, entrepreneurs, and companies should consult patent lawyers to help them fully understand the law to protect their valuable inventions.