

# Chicago Daily Law Bulletin®

Volume 157, No. 212

Friday, October 28, 2011

## U.S. patent law leaps into international arena

In an era of increasing global trade and transnational marketing, patents have strangely remained creatures of domestic law. No international or regional patents exist. To the contrary, patent protection for an invention can only be secured by seeking and obtaining a patent in every country where the inventor hopes to secure protection.

In the U.S., this domestic creature was even more clearly a product of U.S. sensibilities as U.S. patent law remained cobbled by practices out of step with international standards. Inventors were granted extended “grace periods” in which to commercialize their inventions before seeking protection. Only uses within the territorial boundaries of the United States were considered in determining whether an invention demonstrated sufficient novelty to warrant protection.

Most significantly, patents were granted to the first inventor, even if that inventor was slow to seek patent protection by filing the necessary application with the U.S. Patent and Trademark Office. On Sept. 16, 2011, with the signing of the Smith-Leahy America Invents (Patent Reform) Act (AIA), wisely or not, U.S. patent law took a major leap into the international arena by altering these and other practices to fit within international norms. U.S. patent law will never be the same.

For 200 years U.S. patent law granted patent rights to the first person(s) to invent a patentable invention. For the past several years, the U.S. has stood alone, while international practice awarded rights to the first inventor to file an application. The AIA alters this solitary status and brings the United States into accord with international practice. As of March 23, 2013, the effective date of this provision, an initial inventor standard that has been at the heart of protecting the garage inventor over the more sophisticated corporate research department is gone.

On a practical level, this internationalization of U.S. patent law makes patent ownership more predictable. Since patents are territorial, most inventors file applications in multiple countries to secure rights to their inventions. With the removal of the first-to-invent standard, a significant stumbling block to creating a predictable global patent portfolio has been removed — and more patent filings should result. Unfortunately, foreign inventors are more practiced in the rapid filing techniques required to take advantage of first-to-file standards. In the initial years, U.S. inventors may lose out on patents they might otherwise have obtained under the first-to-invent standard.

The AIA has internationalized U.S.



### Global IP

By Doris Estelle Long

Doris Estelle Long is a law professor and chairwoman of the intellectual property, information technology and privacy group at The John Marshall Law School. She has served as a consultant on IPR issues for diverse U.S. and foreign government agencies, including as attorney advisor in the Office of Legislative and International Affairs of the USPTO. She can be reached at [7long@jmls.edu](mailto:7long@jmls.edu).

patent law in other ways. Perhaps most critically, it has finally recognized that the novelty obligation which is at the heart of domestic patent protection must be judged by the realities of the global marketplace. Prior to the AIA, novelty was decided by considering the public use of the invention within the borders of the U.S. If an inventor practiced his invention in Canada before seeking patent protection in the United States, U.S. law pretended such “use” didn’t exist. The addition of an “international use” element as a bar to patentability provides those seeking to challenge the validity of a granted patent with a powerful new weapon. It places U.S. patent law closer to the international practice of requiring absolute novelty for patent protection. Ultimately, it should aid in reducing improvidently granted U.S. patents to inventions which do not qualify for enhanced protection in any other country.

The AIA also promises to begin to bring U.S. opposition practice in accord with international practice. Internationally, patent holders are provided the exclusive right to prohibit others from making, using, selling or importing their invention for 20 years. Many countries have a vibrant opposition process that allows third parties to assist the patent office in assuring that only novel and nonobvious inventions are granted patents. The AIA for the first time allows third parties to submit patents, patent applications and printed publications prior to a notice of allowance. It also establishes a post-grant review challenge within nine months of the issuance of a new or reissued patent.

These new practices open the application process to more public scrutiny, making prior art in the form of practical industry knowledge more readily available — and making challenges to im-

providently granted patents easier as well. These pre- and post-grant procedures will not become available until Sept. 16, 2012. Because regulations governing these new opposition procedures are in the development stage, it is too soon to tell to what extent they will mirror similar opposition practices in other countries — but they represent a valuable first step.

Despite a clear intention to bring U.S. patent practice into line with international norms, the AIA nonetheless retains certain purely U.S. standards.

Statutory subject matter for patents remains unchanged. Thus, software patents and business method patents which are largely unavailable internationally remain viable subjects for patent protection in the United States. Most critically, the U.S. continues to allow one-year grace periods for certain inventor activities. Although the stated purpose of the act was to apply an international absolute novelty standard to determine patentability, public disclosures made by an inventor less than one year before the effective application filing date do not qualify as barring prior art. Even public disclosures by third parties that are derived from an inventor’s public disclosure are excluded. This “grace period” potentially alters the international first-to-invent standard, to a purely U.S. standard of first-to-publicly-disclose. The parameters of this exception will undoubtedly be hotly contested. While it may save certain inventions from a loss of patentability in the United States, it does not save them under international practices. This may lead U.S. inventors into a false sense of security. To protect their rights internationally, U.S. inventors should still file the application first and then make any public disclosures.

Even with the U.S. limitations on the first-to-file doctrine, the AIA has changed the playing field for U.S. inventors. U.S. patent applications should be subject to the same rapid filing strategy used for foreign patents. Inventors should be encouraged to contact patent attorneys to put application strategies quickly into place, not only before any public disclosures of their inventions are made, but at the stage where conceptual reduction to practice seems likely. Published U.S. applications should be scrutinized and a post-grant opposition policy crafted so that problematic patents can be challenged before they become potential litigation liabilities. By reforming its patent policy, the U.S. has clearly conveyed its intention to remain in front of the innovation protection curve. The challenge for the rest of us is to play catch up with foreign practitioners who have more experience in the field.