

America Invents Act: Comment on First-Inventor-to-File

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I. Introduction

Passed by Congress and signed into law on September 16, 2011, the “Leahy-Smith America Invents Act” (“AIA”) represents the most significant overhaul to United States patent law in decades.² The effective dates of the so-called “First Inventor to File” (FITF) provisions are specified in Section 3 of the AIA. Specifically, Section 3(n)(1) implements an effective date of March 16, 2013 (the “trigger date”) for applying FITF law “in general.”³ The same trigger date applies for the transition from interferences to derivation proceedings under Section 3(n)(2), “Interfering Patents.”⁴

However, the shift to FITF will not be a clean break. After March 16, 2013, some claims will be examined under the old patent law and some under the new AIA patent law. This Comment examines how the AIA treats a situation where one inventor files for an invention before the trigger date, and another independent inventor files on the same invention after the trigger date. This Comment also examines a related problem—namely, when an applicant who files after March 16, 2013, includes claims unrelated to the primary invention so that the applicant can potentially assert an interference proceeding against another filer on the claims related to the primary invention. This Comment will show how, at least in some variations of these situations, inevitable conflicts and nonsensical results may arise, and proposes solutions as to these problems.

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² Leahy–Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (cited hereafter as “AIA”).

³ AIA § 3(n)(1).

⁴ AIA § 3(n)(2).

II. Inevitable Conflicts When Two Independent Inventors “Straddle” the Trigger Date

A hypothetical example best illustrates the issues that may arise when two inventors independently invent and each file under a different system. The various interpretations of the statute discussed in this report will be based upon this simple hypothetical.

1. On February 1, 2013, Inventor A independently invents X and actually reduces the invention to practice (RTP).
2. On March 1, 2013, Inventor B independently invents X and publishes the full details of X.
3. On March 3, 2013, Inventor A files for a patent on X.
4. On March 16, 2013, the FITF system goes into effect.
5. On April 1, 2013, Inventor B files for a patent on X.

Although the facts in this hypothetical may seem unlikely to occur in actuality—at least more than a few times—as explained below, they are equivalent to a situation that may be quite common, particularly depending upon how the PTO interprets the relevant provisions. Specifically, under one interpretation of the AIA—namely, the “offensive use” interpretation described below—this hypothetical is equivalent to one in which an inventor files on X *after* March 16, 2013, but uses a CIP application in order to include claims on an *unrelated* invention in order to “reach back” so as to fall under the pre-AIA interference provisions. Because inventors could easily manipulate their applications to achieve this effect—at least under the offensive use interpretation—the resolution of the issues presented herein is of one of major concern.

A. Prior Art

Under a relatively straightforward analysis, prior art will neither bar Inventor A nor Inventor B from being granted a patent for the same invention. Because of their respective filing dates, Inventor A qualifies for first-to-invent (FTI) treatment under the old Act and Inventor B qualifies for FITF treatment under the new Act.

Inventor B’s publication will not anticipate Inventor A’s invention because it is not considered prior art under FTI. Prior art by a third party must be disclosed in a printed publication “before the date of invention.”⁵ Specifically, Inventor A would be able to demonstrate that he actually reduced to practice on February 1, one month before Inventor B published. Hence, Inventor A should be awarded the patent.

At first glance, Inventor A’s patent application filed on March 3 would fall into prior art under AIA § 102(a)(2) and, thus, anticipate Inventor B’s invention filed on April 1. Prior art includes a “claimed invention [that] was described in...an application for patent...filed before the effective filing date of the claimed invention.”⁶ However, under AIA § 102(b)(2), Inventor A’s filing would be excluded from prior art, because the subject matter disclosed [in Inventor A’s patent application] had, before such subject matter was effectively filed under subsection (a)(2), [here by Inventor A on March 3], been publicly disclosed by the inventor, [here by Inventor B on March 1].”⁷ In other words, Inventor B’s publication prior to Inventor A’s patent application filing will push Inventor A’s application outside of the scope of prior art. So, Inventor B should *also* be awarded the patent at least when considering the prior art provisions.

B. Interference and Derivation Proceedings

We must now turn to either an “interference proceeding” or a “derivation proceeding” to resolve the puzzling outcome of a dual patent award for the same invention. It is clear that a pre-trigger date filer, such as A, has an interference proceeding at his disposal against a *senior* filer—or any other applicant who filed before the trigger date.⁸ However, as explained below, it is unclear if A could assert an interference proceeding against a *post-trigger date* filer, such as B. For a post-trigger date filer, such as B, he can file a derivation proceeding against a more senior filer that filed *after* the trigger date, but – as explained below – it is unclear whether B can file a derivation proceeding against a pre-trigger date filer, such as A.

⁵ 35 U.S.C. § 102(a).

⁶ AIA § 102(a)(2).

⁷ AIA § 102(b)(2).

⁸ 35 U.S.C. § 102(g).

There are two prevailing interpretations of the AIA regarding the transition from interferences to derivation proceedings. First, this Comment discusses these positions, rejecting both of them as viable solutions. Instead, this Comment recommends a more pragmatic approach, which requires amendment by Congress. Until such an amendment, it appears the PTO has no choice but to administer one of the two problematic approaches.

As noted earlier, the transition from FTI to FITF is governed by Section 3(n) of the AIA.⁹ Titled “General,” Section 3(n)(1) provides that the amendments “shall apply” to two types of patent applications.¹⁰ There are applications that contain a claim with an effective filing date “on or after” the trigger date (*i.e.*, March 16, 2013).¹¹ And, there are applications that “specific[ally] reference” such applications.¹² Yet, Section 3(n)(1) does not apply to “interfering patents” because the Act separately addresses “sections 102(g), 135, and 291 of title 35” in Section 3(n)(2), the meaning of which is examined in the following sub-sections.¹³

⁹ The full text of Section 3(n) is:

"(n) EFFECTIVE DATE.--

(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, 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."

AIA 2011 § 3(n).

¹⁰ See *supra* note 9 (noting Section 3(n)(1)).

¹¹ *Id.* (noting Section 3(n)(1)(A)).

¹² *Id.* (noting Section 3(n)(1)(B)).

¹³ *Id.* (noting Section 3(n)(2)).

i “Susceptible Use” Interpretation of the AIA

Some scholars have read the AIA to only allow “susceptible use” of an interference or derivation proceeding.¹⁴ This interpretation prevents a complaining party from being able to assert a proceeding against a target party that is not available under the target party’s patent law system. In other words, a patent application filed under the old Act can only be *attacked* with an interference proceeding. Conversely, a patent application filed under the new Act can only be attacked with a derivation proceeding.

Statutory language supports this interpretation. The AIA amends interference proceedings and derivation proceedings using a two-step process. First, Section 3(n)(1) defines those patents that are subject to FTF, including derivation proceedings.¹⁵ However, Section 3(n)(2) then pulls back “[t]he provisions of sections 102(g), 135, and 291 of title 35, United States Code, as in effect” before the trigger date” for certain patent applications.¹⁶ Specifically, applications that “contain...a claim to an invention having an effective filing date...before the effective date...or a specific reference...to any application that contains or contained at any time such a claim.”¹⁷

Two additional points need to be made. First, Section 3(n)(1) affirms that a patent application can either fall under Section 3(n)(1) or Section 3(n)(2) – not both – for purposes of determining whether an interference or derivation proceeding applies to the application. Specifically, Section 3(n)(1) states, “Except as otherwise provided in [Section 3(n)(2)]”¹⁸ Second, if a patent application falls under Section 3(n)(1), then “the amendments made by this section [*i.e.*, to replace interference proceedings with derivation proceedings]...shall apply to [such] applications.”¹⁹ And, if a patent application satisfies Section 3(n)(2), then *only* “[t]he provisions of sections 102(g), 135, and 291 of title 35, United States

¹⁴ Ted Sichelman (personal communication, January 11, 2012).

¹⁵ See *supra* note 9 (noting Section 3(n)(1)).

¹⁶ *Id.* (noting Section 3(n)(2)).

¹⁷ *Id.*

¹⁸ *Id.* (noting Section 3(n)(1)).

¹⁹ *Id.*

Code, as in effect on the day before the effective date [*i.e.* interference proceedings] shall apply to [such] applications.”²⁰

More importantly, what exactly does the language of Sections 3(n)(1) and 3(n)(2) mean? A derivation proceeding “*shall apply* to each claim of an application for patent” (emphasis added) if an application falls under Section 3(n)(1).²¹ An interference proceeding “*shall apply* to each claim of an application for patent” if an application satisfies Section 3(n)(2).²² Each section uses the common language “shall apply.”²³ The question then becomes whether “shall apply” means that only the applicable proceeding can be used *to challenge the relevant applicant’s claims*, or that the applicant can only use the applicable proceeding *to challenge others’ claims*?

A plain language interpretation of “shall apply” would imply the former option, namely that the relevant applicant’s claims can only be challenged with the applicable proceeding. For example, an application that falls under Section 3(n)(1) cannot be *susceptible* to an interference proceeding, because only derivation proceedings “shall apply” to such applications.²⁴

This interpretation is further supported by the fact that Sections 102(g), 135, and 291 “shall apply to each claim of an application for patent.” Specifically, Section 102(g)(1), governing interferences states that “a person is entitled to a patent unless during the course of an interference..., *another inventor involved therein establishes*” (emphasis added) that the person was not the first to invent.²⁵ The fact that an inventor can be denied a patent when a challenger successfully establishes that the inventor was not the first to invent, implies that the inventor is *susceptible* to an interference proceeding.

However, Sections 135 and 291 do not provide such a clear interpretation. Section 135 states that “whenever an application is made for a patent which...would interfere with any pending application... an

²⁰ *Id.* (noting Section 3(n)(2)).

²¹ *Id.* (noting Section 3(n)(1)).

²² *Id.* (noting Section 3(n)(2)).

²³ *Id.* (noting the common “shall apply” language in Section 3(n)(1) and Section 3(n)(2)).

²⁴ *Id.* (noting Section 3(n)(1)).

²⁵ 35 U.S.C. § 102(g)(1).

interference may be declared.”²⁶ But, the statute does not explicitly state *which party* may declare this interference proceeding, because under pre-AIA law, either party could assert the proceeding. Of course, this does little to resolve the issue of what “Section 135 ... shall apply” in the context of AIA §3(n)(2) . Similarly, Section 291, governing civil interferences states that “[t]he owner of an interfering patent may have relief against the owner of another by civil action” (emphasis added).²⁷ Again, since this provision allows any patent owner to file a civil action, it does not help answer the “shall apply” question.

A closer look at the “reach back” provision may help to clarify what Section 135 and 291 mean with respect to “shall apply.” Section (3)(n)(2) specifically references “[t]he provisions of 102(g).”²⁸ This would include both Section 102(g)(1), for interference proceedings, and 102(g)(2), for prior art. Given the fact that anyone with a reach back claim is subject to 102(g)(2)—as well as 102(e) and 102(f)—for *prior art* purposes under Section 3(n)(1) of the AIA, it seems plausible that Congress thought it was logical to also subject applicants to 102(g)(1) for interference purposes under Section 3(n)(2). Thus, the susceptible use approach makes the application of 102(g)(2) to “reach back” claims for prior art purposes and 102(g)(1) for interference purposes entirely parallel. An offensive use interpretation, however, goes the opposite way, so to speak.²⁹

Even though the “susceptible use” approach follows from the plain language of the AIA, it fails to resolve our Inventor A and Inventor B dispute. Here, an interference proceeding would benefit Inventor A because he invented on February 1, one month before Inventor B. But under the susceptible use approach, Inventor A is faced with the dilemma that Inventor B is *not susceptible* to an interference proceeding. Inventor B’s April 1 filing date includes a “claim to a claimed invention...that is on or after the effective date” of March 15, and as such, the application satisfies Section 3(n)(1) where derivation

²⁶ 35 U.S.C. § 135.

²⁷ 35 U.S.C. § 291.

²⁸ See *supra* note 9 (noting Section 3(n)(2)).

²⁹ Indeed, Professor Chisum spends considerable time explaining why Congress must have intended the reference to 102(g) in Section 3(n)(2) not to refer to 102(g)(2), but only 102(g)(1). See Donald S. Chisum, *Priority Among Competing Patent Applicants Under the American Invents Act* (December 5, 2011), at 18, available at <http://ssrn.com/abstract=1969592>. Of course, under a susceptible use interpretation, such an issue does not arise, because the claims at issue are indeed subject to both sections of 102(g).

proceedings “shall apply.”³⁰ By filing after March 15, Inventor B has essentially shielded herself from the only attack that would invalidate her patent application (assuming all other requirements are met). And, for this very reason, Inventor B would not attempt to initiate this proceeding against Inventor A. With Inventor A “disarmed” of the use of an interference proceeding, both filers are awarded the patent.

ii “Offensive Use” Interpretation of the AIA

An alternate interpretation is proffered by Donald Chisum.³¹ Under this “offensive use” interpretation, an inventor is able to *assert the proceeding* that “shall apply” to his patent application (*i.e.*, an interference or derivative proceeding depending on when he filed) *against any other inventor*, regardless when that inventor filed.³²

If the “offensive use” interpretation applies, then Inventor A alone should be awarded a patent. Inventor A would initiate an interference proceeding and prove that he invented on February 1, one month before Inventor B. Inventor B could try to assert a derivation proceeding against Inventor A, but this would be ineffective because Inventor A independently invented. It is laudable that the interpretation espoused by Chisum yields a single victorious party to be awarded a patent; however, he fails to specifically cite the statute to support such a reading. Indeed, as discussed earlier, a plain language reading of the statute would not support Chisum’s view.

Moreover, Chisum’s view leads to problematic results in other situations. Importantly, a patent application filed after the trigger date with a *single claim* that can trace priority back before the trigger date would provide the applicant the ability to use an interference offensively against any other applicant on any claim whatsoever in the patent.³³ Even more troubling is that there is no requirement in the statute that the single “reach back” claim be related whatsoever to the other claims in the application. For

³⁰ *Id.*

³¹ Donald S. Chisum, *Priority Among Competing Patent Applicants Under the American Invents Act* (December 5, 2011), at 19, *available at* <http://ssrn.com/abstract=1969592>.

³² The “offensive use” label has been assigned by the author of this report and is not referenced as such by Chisum.

³³ *See supra* note 9 (noting that Section 3(n)(2) states that interference proceedings shall apply to “each claim” of an application if the application contains (A) “a claim” to a pre-trigger application or patent; or (B) a “specific reference” to any such applications or patent).

instance, an inventor may file a post-trigger date CIP application including the original disclosure of any of the inventor's inventions filed before the trigger date – and then include the disclosure of the new invention – with one claim supported by the original disclosures and the remaining claims supported by the new matter. Under Chisum's view, the new Act creates bizarre and surely unintended difference between post-trigger date filers who do ("armed party") and do not ("unarmed party") include a claim that can trace priority back before the trigger date.³⁴ Perhaps even more bizarre, Chisum assumes that while the armed party "can rely on Section 102(g)" when challenging an unarmed party,³⁵ he contends that the unarmed party does "not have the benefit of Section 102(g)" even after the armed party has asserted an interference.³⁶ Thus, the unarmed party could not assert the usual defenses of the senior filer in an interference proceeding, but would be limited solely to claims of derivation.

Chisum's perfunctory conclusion is not only an incorrect reading of Section 3(n)(2), but like the proper reading, it produces results that are nonsensical.³⁷ Moreover, even if the PTO were to adopt Chisum's view, modified to allow the "defensive" use of interferences by those subject to an interference proceeding asserted by an armed party, such a view would still allow post-trigger date filers to include "sham" claims to provide an entire application the benefit of interference proceedings. Because the statute makes no exceptions for such sham claiming, arguably any attempt by the PTO to do so would contravene the statutory language.

³⁴ See Chisum, *supra* note 26, at 19.

³⁵ *Id.*

³⁶ *Id.*

³⁷ See *supra* note 9 (noting Section 3(n)(2)).

III. Solution: A “Bidirectional” Approach

Unfortunately, other than some highly creative reading of the statute, the PTO arguably is bound to adopt the “susceptible use” interpretation. Although this interpretation does not lead to the bizarre results of Chisum’s approach, it does allow for the issuance on two patents on the same invention—surely, an unacceptable result. Thus, it appears the only viable way to remedy the problems presented by Section 3(n) is through statutory amendment.

Specifically, this Comment proposes the “bidirectional use” of interference and derivation proceedings. This system is solely governed by the actual filing date of the application at issue, and does not consider whatsoever the priority date of any claims within such application. In other words, the “reach back” provision of Section 3(n)(2)(B) will be removed from the AIA. More particularly, under such a system, a pre-trigger date filer may initiate an interference proceeding against a post-trigger date filer. Similarly, a post-trigger date filer may initiate an interference proceeding against the pre-trigger date filer. Conversely, a post-trigger date filer could only file a derivation action against another post-trigger date filer, regardless of the priority dates of the claims in a post-trigger date application. However, there would be one exception to the simple proposed rule. Because in rare situations two post-trigger date filers may both be entitled to a patent on the same invention—because one inventor’s may be subject to FTI while the other’s is subject to FTF (like the earlier hypothetical)—in this unusual situation, each inventor would be able to assert an interference against the other. Essentially, this approach recommends a phase-out of FTI law, rather than potentially significant continued use of interference proceedings.

Importantly, Congress’s policy justification for adopting a FITF system actually supports the removal of the “reach back” provision in Section 3(n)(2)(B).³⁸ This provision delays the phase-out of interference proceedings for up to twenty years.³⁹ Yet, Congress favors a United States patent system that is similar to international patent law where interference proceedings do not exist.⁴⁰ If a post-trigger date filer is not

³⁸ See *supra* note 8 (noting Section 3(n)(2)(B)).

³⁹ See Part II.B.iv.

⁴⁰ See AIA § 3(p) (noting a system of ‘FITF “will improve the United States patent system and promote harmonization of the United States patent system “ with international patent law).

permitted to reach back to a pre-trigger date application, then interference proceedings will be abolished from United States patent law at a much faster pace. In fact, other than rare situations in which two patents would be granted under the proposed approach, the phase-out time would roughly be equal to the amount of time that it takes the PTO to rule on the last patent application filed prior to March 16, 2013.

IV. Conclusion

It is commendable that Congress has attempted to harmonize U.S. patent law with international patent law by adopting a FTF standard. Unfortunately, Congress did not foresee the host of problems in fashioning its transition from interference to derivation proceedings. Therefore, it is imperative that Congress amend the AIA to remedy these concerns.

In adjudicating such disputes it is recommended that Congress default to a system whereby interference proceedings apply when there is at least one pre-trigger filer and one post-trigger filer, or when two patents on the same invention might issue—otherwise, interference proceedings should always apply between pre-trigger date filers and derivation proceedings should always apply between post-trigger date filers. In this regard, the “reach back” provision of Section 3(n)(2)(B) should be removed.⁴¹

⁴¹ See *supra* note 8 (noting Section 3(n)(2)(B)).