

APRIL 1 2013

INTELLECTUAL PROPERTY

Practice Shifts After Filing Change

By **David Forster**
LAW WEEK COLORADO

UNTIL two weeks ago, in the United States the first person to invent something had the ultimate right to patent that invention.

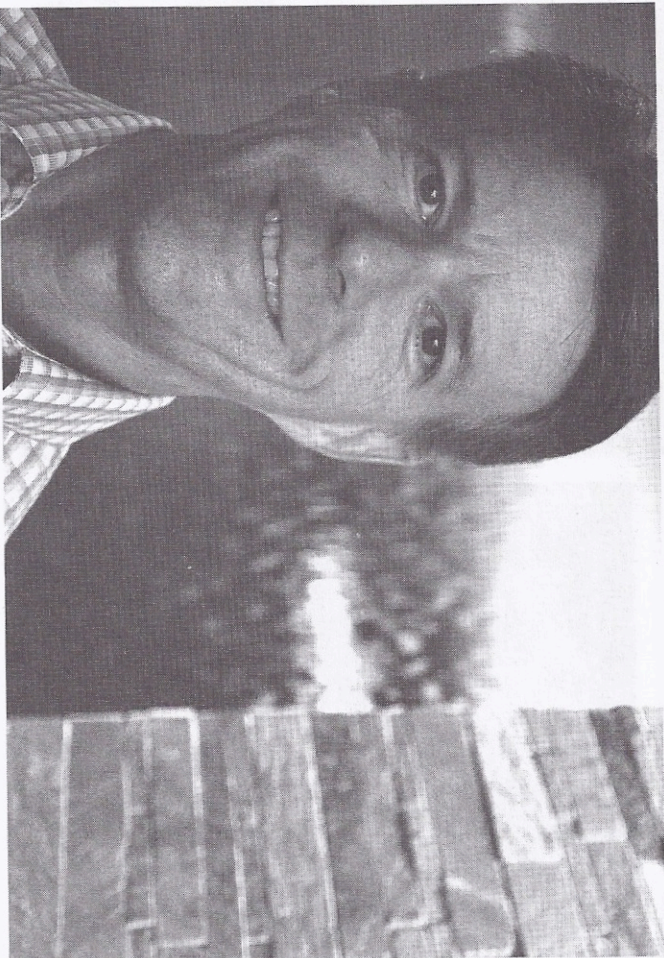
In a major shift, the U.S. on March 16 scrapped this first-to-invent regime in favor of a system in which the first inventor to file for a patent on an invention gets the patent, even if another person came up with the idea first.

Why the change? The rest of the developed world uses first-to-file, and in an increasingly global economy it no longer made sense for the U.S. to stand alone with its own system.

But the U.S. did keep two elements of the old system that might help ease the switch, especially for startups and small companies.

The first-to-file system creates a race to the patent office, which creates some tension for inventors. On the one hand, they may want to spend some time tweaking an invention to get it just right before seeking a patent. But on the other, if they wait too long, someone else could file first with the same idea.

"It's a huge paradigm shift for all of America," said Darin Gibby, a patent



DARIN GIBBY

attorney in the Denver office of Kilpatrick Townsend & Stockton. "You can't sit on an idea anymore."

One option to buy some time is to publish the invention, for example by talking about it at a conference or writing about it in a professional journal. This gives the inventor a one-year grace

while buying some time to refine it and raise money.

Patent attorneys say their advice to inventors under the first-to-file regime is to file early and file often.

Both the publishing and provisional options are unique to the U.S. In other countries, once an invention is published, it cannot be patented. This leaves foreign inventors with little breathing room to refine an idea before seeking a patent.

But even under the modified first-to-file system adopted in the U.S., securing

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period in which to file for a patent, during which no other inventor with the same idea can file.

The potential downside is that if the inventor doesn't file within a year, she can't file later. And no one else can file for a patent on the idea either, even someone else who came up with the idea independently. Once the idea's been published and more than a year goes by with no filing by the inventor who disclosed it, it becomes part of the public domain.

A second and better option, patent attorneys say, is to file a provisional patent. This also buys the inventor a year to keep tinkering with the idea, at the end of which the provisional patent must be converted into a full patent. It also allows the inventor to keep his idea under wraps while he continues to refine it.

As changes are made, the inventor can continue to file updated provisional patents and then at the end of the year consolidate all of them into a single patent filing.

Filing a provisional patent is generally simpler and much less expensive than a full patent, which makes it easier for inventors with a good idea but not a lot of money to protect their creation

a one-year grace period by publishing or filing a provisional patent will be of no help to the inventor if someone else filed first for a patent on the same idea.

And there's a good chance the inventor won't know that someone else got to the patent office first. When a patent application is filed, it remains secret for 18 months while it is being reviewed.

So, an inventor could file a provisional patent in April, not knowing that a month before another inventor filed on the same idea. And he may not learn about it until 17 months later, when the patent filed in March becomes public, all the while continuing to pour time and money into his invention.

Under the old system, the inventor who lost the race to the patent office could still argue she was the first to come up with the idea, and if she could prove it, win the patent. This was a potentially long and costly battle, but an option nonetheless for those willing to press their case.

But under the first-to-file system, it doesn't matter who came up with the idea first. The only recourse for the inventor who gets beat to the patent office is to show that the other inventor stole

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CRAIG MUELLER

her idea or derived the invention from her work. Or if she disclosed her invention before the other inventor filed — the publish option preserved from the old system — she might have a case, provided it hasn't been more than a year since she disclosed it, in which case no one gets to patent the idea.

"The fight is going to be over derivation," said Craig Mueller, a patent attorney in the Denver office of Sheridan Ross. This is akin to a first-to-invent argument, and he advises inventors to hold onto their lab notebooks in case they end up on either side of a derivation claim.

While there are tradeoffs for inventors, the first-to-file system should make life easier for patent examiners, attorneys said. In most cases, examiners will no longer get sucked into lengthy battles over who invented something first and can instead rely on filing dates or prior disclosures of inventions to resolve patent disputes.

Gibby said he prefers this. Battles over who was the first to invent were often so long and so costly it often came down to who could afford the best legal team over the long haul.

How first-to-file works in practice also will depend on how courts interpret the language of the statute implementing the system. This will take some time. It

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will be at least a year before patents now entering the pipeline under the new system come out the other end.

“This is such a groundshifting change in patent law,” said Gary Chapman, a patent attorney in the Denver office of Lathrop & Gage. “We don't know how a lot of these things are going to be interpreted by courts.” •

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