



IP: Does your invention disclosure form send the right message?

AIA DEADLINES MAY ALREADY BE UPON YOU, EVEN THOUGH THE CHANGES DON'T TAKE EFFECT UNTIL MARCH 2013

The America Invents Act (AIA) is poised to make the most significant changes to the examination of U.S. patent applications in more than 50 years. While certain provisions of the AIA became effective in November 2011, the most significant changes to the fundamentals of patentability will not take effect until March 2013. At this point, the U.S. will change from a first-to-invent system to a first-inventor-to-file system.

In addition to changing the focus from inventorship to filing date, the AIA also makes some significant changes to the U.S. grace period, the period during which certain actions that might otherwise render an invention unpatentable or invalid are permitted. While the new grace period will be effective for applications with a filing date after March 2013, because the grace period extends back one year from the filing date, now is the time to consider whether the changes to the grace period should be altering your internal practices and policies.

Consider the following provision, typically found in

forms used to solicit internal invention disclosures for consideration:

“Is it still timely to seek patent protection?”

Statutory bar-date rules require that a U.S. patent application must be filed within one year of the earliest sale, offer for sale, public use, or printed publication of the invention. Most foreign laws require filing before such commercial activities occur (varies by country).

Please disclose all relevant activity.”

With the changes caused by the AIA, what modifications, if any, should be made to this provision? If the provision requires editing, should that editing occur now or later?

As to the substance of the provision, the middle paragraph is a roughly accurate statement of existing law. Of course, there are other considerations that could be included, such as those that relate to experimental use for example, but this statement is

a fair encapsulation of the basics of existing law.

Additionally, while the AIA limits the scope of the grace period mainly by focusing on actions of the inventor and those related to the inventor by disclosure or control, it will still be important to obtain information about any sales, uses and publications of which the inventor is aware. Consequently, the above provision would likely prompt the internal inventor for the right information, even after March 2013.

Such a provision does not simply prompt the inventor to provide the right information, however. The provision, and in particular the statement regarding U.S. and foreign grace periods, also educates the inventor as to what is considered timely disclosure relative to commercial activity. To that extent, the statement seems to suggest that if the U.S. market is of primary concern, then there is considerable flexibility relative to sales, uses and publications that occurred within the last year.

Because of the changes made to the grace period by the AIA,

the above provision may obtain the right information but send the wrong message. Instead, the company may wish to send the message that filing should be encouraged before commercial activity, even in the U.S., because the grace period no longer addresses both the inventor's and third parties' disclosures, but only the inventor's disclosure and the disclosures of others directly related to him or her by disclosure or control. The company may also wish to encourage early disclosure and filing because of a third party's public disclosure can terminate the inventor's grace period.

Still, because the AIA provides a grace period and because not every disclosure will be vetted prior to commercial activity (regardless of the company's aspirations), the company may wish to include some mention of the grace period so that disclosures are routed to a vetting committee for consideration even when pre-filing commercialization has occurred. Thus, the committee may consider keeping the provision, but editing it to emphasize the importance of speedy disclosure in all instances because of new limitations on the grace period.

But when to change? With the March 2013 effective date, there is still plenty of time, right? Well, if your company clears disclosures on a quarterly system and provides outside attorneys three months to prepare and file applications, then the deadline may already be upon you. Disclosures missing this quarter's vetting process may already be operating under the new rules because the actual filing may not occur until March 2013. Consequently, you may wish to

consider making the changes sooner rather than later, with transitional language included (to be removed after March 2013) to reflect the upcoming change in the standards.

This exercise may also provide an opportunity to consider if the normal vetting process is appropriate for the period leading up to the March 2013 implementation of the new rules on patentability. While there are no absolutes with regard to whether a particular application will benefit from being filed under existing law or the law as it will exist after March 2013, the recognition that a more frequent review of disclosures may be appropriate in this interim period and lead to fewer regrets later. Further, this consideration may also lead to a deeper discussion as to what is the appropriate rate at which to clear disclosures through the vetting process in an examination system where being first to file is, in many circumstances, outcome-determinative.

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