

AIA CHANGES TO PATENT LAW AND PRACTICE

- “America Invents Act Practical Advice”, Seattle, Washington, December 7, 2012
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OUTLINE

I. CHANGES EFFECTIVE 9/16/2012	SLIDE NUMBERS
1. ADS: APPLICANT; DEC; POA; PRIORITY	3-31
2. THIRD PARTY SUBMISSIONS; MONITORING; SUPPLEMENTAL EXAMINATION	30-44
3. PTAB TRIALS: CASE LAW UPDATE	45-106
II. CHANGES EFFECTIVE 3/16/2013	SLIDE NUMBERS
4. FIRST INVENTOR TO FILE LAW	107-126
5. OWNERSHIP AND ASSIGNMENT	27-135
6. IMPACT ON CORPORATE RIGHTS TRANSFER AGREEMENTS	136-156
7. SHOWING PRIOR INVENTION, 130 and 131 DECLARATIONS, DERIVATIONS	157-197

I. CHANGES EFFECTIVE 9/16/2012

***1. ADS: APPLICANT;
DEC; POA;
PRIORITY (3-28)***

APPLICATION DATA SHEET

**AN ADS SHOULD
BE FILED IN ALL
APPLICATIONS!**

ADS – BENEFIT, PRIORITY, COMPANY APPLICANT

- BENEFIT CLAIMS ARE *ONLY EFFECTIVE* IF MADE IN AN ADS. 37 CFR 1.78(a)(2)(iii).
- PRIORITY CLAIMS ARE *ONLY EFFECTIVE* IF MADE IN AN ADS. 37 CFR 1.55a)(1)(i).
- COMPANY CAN *ONLY BECOME* AN APPLICANT IN AN ADS. 37 CFR 1.46(b)

ADS – PLURAL INVENTORS

“**Question IOD1:** Is the use of an application data sheet (ADS) ... mandatory?

Submission of an application data sheet (ADS) ... is required where: ... (ii) each inventor’s oath or declaration ***identifies only the inventor (or person)*** executing that particular oath or declaration and not all of the inventors”

See: http://www.uspto.gov/aia_implementation/faqs_inventors_oath.jsp#heading-1

ADS - PROVISIONALS

“**Question IOD11:** Can an assignee be the applicant for a **provisional application**? - **Yes**, 37 CFR 1.46(b) relating to assignee-applicants refers to 35 U.S.C. 111 broadly thereby covering 35 U.S.C. 111(b) provisional applications.” See: http://www.uspto.gov/aia_implementation/faqs_inventors_oath.jsp#heading-1

- **WHY SHOULD YOU MAKE THE COMPANY THE APPLICANT IN A PROVISIONAL APPLICATION? – TO REDUCE THE RISK OF LOSS OF PRIORITY OVERSEAS.**

RISK OF LOSS OF PRIORITY OVERSEAS

FOREIGN LAW CONSIDERATIONS:

- EPC Article 72 “assignment ... require[s] the signature of the ***parties***....”)
- EPO BOA – You cannot obtain ***priority***, unless you own the priority right, ***before filing***, the EP application. T62/05; T 788/05
- UK - You cannot obtain ***priority***, unless you own the priority right, ***before filing***, the PCT application. *Edwards Lifesciences AG v. Cook Biotech Inc* (Patents Court, 2009)

RISK OF LOSS OF PRIORITY OVERSEAS

- UK *Edwards* case – Foreign law issues:
- If the priority and PCT applicants differ, there may be no right of priority, *unless* that right was timely transferred.
- The priority right may be *unitary* in applicant entity. Later application by a different entity may require a pre-existing transfer of the priority right to the PCT applicant, *from all applicants of the priority application.*

➤ Attribution: Helpful discussions with attorneys from Harrison Goddard Foote, London

ADS – DESIGN, PLANT

•PTO SAYS, AIA DECLARATION PROVISIONS APPLY TO DESIGN AND PLANT APPLICATIONS.

Question IOD24 “changes to inventor’s oaths or declarations introduced by the AIA apply to plant, design, and reissue applications as these are applications considered to fall under 35 U.S.C. 111(a).”

[http://www.uspto.gov/aia_implementation/faqs_inventors_oath.jsp#heading-2;](http://www.uspto.gov/aia_implementation/faqs_inventors_oath.jsp#heading-2)

“Applicability Date: The Changes [to certain rules] ... apply only to patent applications filed under 35 U.S.C. 111(a) or 363...”

77 FR 48776

•PTO ADS FORM PROVIDES FOR IDENTIFICATION OF “TYPE” (PROVISIONAL OR NONPROVISIONAL)

•PTO ADS FORM PROVIDES FOR IDENTIFICATION OF SUBJECT MATTER (**UTILITY, DESIGN, PLANT**)

ADS – 371 FILINGS

- PRIORITY CLAIMS PRE-EXIST IN PCT PRIOR TO 371 NATIONAL STAGE ENTRY FILINGS.
- PRIORITY CLAIMS NOT REQUIRED IN ADS FOR A 371 NATIONAL STAGE ENTRY.

“For applications entering the national stage under 35 U.S.C. 371, foreign priority claims are not required to be set forth in the ADS. Foreign priority claims in these applications must have been timely made in the international phase in the PCT request form or in a notice from applicant.” http://www.uspto.gov/aia_implementation/inventors-oath-or-declaration-quick-reference-guide.pdf

ADS – SIGNATURE

- **ADS *MUST BE SIGNED*.** 37 CFR 1.76(e).
- “An unsigned application data sheet will be treated only as a transmittal letter.” 77 FR 48784; 1.76(e).
- **AN UNSIGNED ADS MAY RESULT IN:**
 - **LOSS OF PRIORITY;**
 - **FAILURE TO NAME INVENTORS;**
 - **FAILURE TO AUTHORIZE ACCESS TO PRIORITY DOC. EXCHANGE**
 - **REJECTION OF INVENTOR DECLARATIONS AND LATE FILING FEES;**
 - **DELAYED NATIONAL STAGE ENTRY AND REDUCED PATENT TERM ADJUSTMENT.**

ADS –WHO CAN SIGN

ADS CAN BE SIGNED BY EITHER:

- (1) REGISTERED PRACTITIONER OF RECORD OR ACTING IN A REPRESENTATIVE CAPACITY
- (2) OR THE APPLICANT, IF THE APPLICANT IS A REAL PERSON. 37 CFR 1.76(e).
- “3. Where the applicant is a juristic entity the ADS ***may only be signed by a patent practitioner.***”

http://www.uspto.gov/aia_implementation/inventors-oath-or-declaration-quick-reference-guide.pdf

- ***CONSEQUENCE:*** NON PRACTITIONER CORPORATE OFFICER CANNOT SIGN AN ADS.

ADS – USPTO FORMS

- **CURRENT ADS FORM:**

- Upper right: “PTO/AIA/14 (08/12)”;

- Lower left: “EFS WEB 2.2.4”

- VERSION CONFUSION - AIA AND NON AIA EXIST

- PTO/AIA/14 NON APPLICANT ASSIGNEE CANNOT BE ENTERED

- PTO/AIA/14 MAILING ADDRESS STATE/PROVINCE LIMITED TO TWO CHARACTERS (E.G., NSW, New South Wales, QLD, Queensland)

ADS – WHEN AND HOW TO FILE

- “Only ...[a fillable ADS form] that is submitted *with the application* via EFS-Web *upon filing* will automatically load into the Office’s electronic systems. Use of the fillable ADS subsequent to filing will not result in an automatic upload and will require USPTO staff to manually input the information.”

http://www.uspto.gov/aia_implementation/inventors-oath-or-declaration-quick-reference-guide.pdf

LATE ADS – WHO IS THE APPLICANT?

- FILING APPLICATION WITHOUT AN ADS *MAY* SET INVENTOR AS APPLICANT.
- CHANGING APPLICANT TO COMPANY AFTER APPLICATION FILED *WOULD* REQUIRE 3.73 AND AN ADS.

“...a delay in naming the applicant under § 1.46 in an application data sheet may cause it to appear that the applicant is the inventor and thus requiring the party to proceed under §§ 3.71 and 3.73 to become the applicant.” 77 FR 48785.

LATE ADS – WHO IS THE APPLICANT?

- OFFICE OF PATENT APPLICATION PROCESSING (OPAP) ENTERS BIBLIOGRAPHIC DATA INTO A DATABASE FOR 111(a) APPLICATIONS.
- TIMING ISSUE – ADS FILED BEFORE OPAP PROCESSING?
- CLARITY ISSUE – HOW CLEAR IS THE RECORD WHEN OPAP PROCESSES THE APPLICATION?

Private communication, Terry Maciejewski, USPTO Office of Patent Legal Administration.

BEST PRACTICE: FILE ADS WITH APPLICATION (UNLESS IT WOULD DELAY FILING).

ADS – UPDATING INFORMATION

“5. ... [file] a new ADS that contains only the sections containing changed or updated information. Changes must be shown by ***underlining for insertions and strikethrough or brackets for deletions.***”

http://www.uspto.gov/aia_implementation/inventors-oath-or-declaration-quick-reference-guide.pdf

UNMODIFIED SECTIONS OF AN ADS MAY BE INCLUDED IN THE UPDATE. 37 CFR 1.76(c)(2).

ADS – NOT AN INCORPORATION BY REFERENCE

- “**Question IOD2:** ... Will the use of an ADS for these benefit and priority claims also be considered as an incorporation by reference of the prior applications into the subject application? **No**, ... An express incorporation by reference ***must be set forth in the specification*** of the subject application ***as filed.***”
See: http://www.uspto.gov/aia_implementation/faqs_inventors_oath.jsp#heading-1

- PCT 371 CANNOT ADD INCORP BY REF.

INVENTOR DECS

- AIA REQUIRES DECLARATIONS TO STATE:
- “(1) the application was made or was authorized to be made by the affiant or declarant; and
- (2) such individual believes himself or herself to be the original inventor or an original joint inventor of a claimed invention in the application”
- ((3) AND ADDITIONAL INFORMATION AS REQUIRED BY THE DIRECTOR).

35 USC 115(a)-(c).

INVENTOR DECS IN CONTINUATIONS

- PRE 9/15/2012 APPLICATIONS DO NOT CONTAIN REQUIRED STATEMENTS
- **CONSEQUENCE:** CONTINUATIONS OF APPLICATIONS FILED BEFORE 9/16/2012 REQUIRE NEW DECLARATIONS WITH *NEW INVENTOR SIGNATURES*

INVENTOR DECS – WHEN TO GET THEM SIGNED

PRACTICE POINT: *Practitioner may “alter[]... the application” after decs are executed so long as statements in decs remain applicable. 37 CFR 1.52(c); removal of 10.23(c)(11); 77 FR 48807.*

“Section 1.52(c) is amended to provide that interlineation, erasure, cancellation, or other alteration of the application papers may be made before or after the signing of the inventor’s oath or declaration referring to those application papers, ***provided that the statements in the inventor’s oath or declaration remain applicable*** to those application papers. Thus, § 1.52(c) no longer prohibits changes after execution of the inventor’s oath or declaration.” 77 FR 48786.

“Section 10.23(c)(11) [misconduct for material alteration made in the application papers after the signing of the accompanying oath or declaration] has been removed and reserved in view of the change to § 1.52(c).” 77 FR 48807.

INVENTOR DECS – PCT APPLICATIONS

- EXECUTED BOX VIII (iv) “DECLARATION: INVENTORSHIP” IN THE PCT/RO/101 REQUEST SATISFIES THE INVENTOR DECLARATION REQUIREMENT FOR COMPLETION OF 371 NATIONAL STAGE ENTRY.
- 371 COMPLETION BENEFITS: STARTS PROSECUTION QUEUE AND PATENT TERM ADJUSTMENT ‘CLOCKS’
PRACTICE POINT: INSTRUCT NON US PCT FILERS OF BENEFIT OF EXECUTED BOX VIII (iv).

INVENTOR DECS – WHEN TO FILE APPLICATION

- DELAYS IN FILING - NEGLIGENCE AND LIABILITY CONCERNS INCREASED BY AIA FIRST TO FILE PROVISIONS.
- **TRADEOFF:** RISK OF 1.52(c) VIOLATION VERSUS NEGLIGENCE LIABILITY.

COMBINED DEC AND ASSIGNMENT ALLOWED

- “An individual ... may include ... the required statements [for the inventor dec] ... in the assignment.” 35 USC 115(e).
- The “assignment may ... serve as [the] ... dec ... [if a] ... copy ... is recorded....” 37 CFR 1.63(e).

BENEFITS OF COMBINED DEC AND ASSIGNMENT

- ONLY A SINGLE FORM NEED BE PREPARED FOR INVENTORS.
- ONLY A SINGLE SIGNATURE REQUIRED OF EACH INVENTOR.
- NOTE: POWER SHOULD COME FROM COMPANY APPLICANT, NOT INVENTOR

COMBINED DEC AND ASSIGNMENT PROCEDURE

- FILING A REQUEST TO RECORD IN EPAS; AND
- “CHECKING-THE-BOX” IN EPAS
- WILL COMPLY WITH INVENTOR DEC FILING REQUIREMENT.

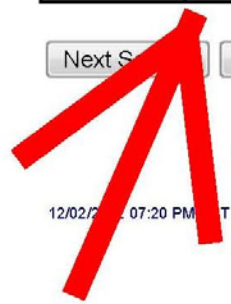
• Question IOD15, http://www.uspto.gov/aia_implementation/faqs_inventors_oath.jsp#heading-1

• 77 FR 790 (“If an applicant files the assignment-statement for recording via EPAS and utilizes the check-box, the Office will place a copy of the assignment-statement in the related application file.”)

EPAS CHECK-BOX

CORRESPONDENCE DATA	
Fax Number:	70341 50013
Phone:	7034150012
Email:	rneifeld@neifeld.com
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Correspondent Name:	NEIFELD IP LAW, PC
Address Line 1:	4813-B EISENHOWER AVENUE
Address Line 4:	ALEXANDRIA, VIRGINIA 22304
Total Attachments: 1 source=371F_ExpressRequest#page1.tif	

Signature: *	<input type="text"/>
Name: *	<input type="text"/>
Date:	12/02/2012
	<input type="checkbox"/> This document serves as an Oath/Declaration (37 CFR 1.63).



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12/02/2012 07:20 PM EST

COMBINED DEC AND ASSIGNMENT PROCEDURE

- ***BEST PRACTICE:*** DO NOT RELY UPON ASSIGNMENT RECORDATION FILING FOR INVENTOR DEC. FILING.
- APPLICATION NUMBER REQUIRED FOR EPAS ASSIGNMENT FILING.
- APPLICATION NUMBER ASSIGNED ONLY AFTER EFS FILING OF SPECIFICATION COMPLETED.
- EPAS RECORDING REQUIRED ON THE DAY OF APPLICATION FILING TO AVOID LATE FEES.
- EPAS FILING PRONE TO CLERICAL DATA ENTRY ERRORS.
- COST OF FILING DEC/ASSIGNMENT IN EFS IS NEGLIGIBLE.

COMPANY APPLICANT

- THE ASSIGNEE OR SPI (Sufficient Proprietary Interest) CAN BE THE APPLICANT. 35 USC 118.
- **BENEFITS:** CONTROL PROSECUTION; AVOID CONFLICTS; REDUCE RISK OF LOSS OF PRIORITY OVERSEAS.
- **DRAWBACKS:** IN A PCT APPLICATION, LIMITS SELECTION OF ROs (PCT ARTICLE 10; RULE 19.1), WHICH LIMITS AVAILABLE ISAs (PCT ARTICLE 16(2)).

POWERS OF ATTORNEY

POWERS MUST “Be signed by the applicant for patent (§ 1.42) or the patent owner.” 37 CFR 1.32(b)(4).

BUT, POWER FROM MERE ASSIGNEE NON APPLICANT MUST BE “in compliance with §§ 3.71 and 3.73”. 37 CFR 1.32(b)(4).

CONSEQUENCE: COMPANY APPLICANT AVOIDS REQUIREMENT FOR 3.73(b) SHOWING.

➤ **BEST PRACTICE:** COMPANY APPLICANT, AND POWER FROM COMPANY APPLICANT.

I. CHANGES EFFECTIVE 9/16/2012

2. THIRD PARTY SUBMISSIONS;
**(MONITORING; SUPPLEMENTAL
EXAMINATION)**

PATENT MONITORING

- MONITORING PATENTS IS AN ESSENTIAL PART OF DUE DILIGENCE AND CORPORATE INTELLIGENCE.
- THE ABILITY TO EASILY AND FREELY POLICE EXAMINATION OF COMPETITORS APPLICATIONS INCREASES THE VALUE OF PATENT APPLICATION MONITORING.

REASONS TO MONITOR

- **FILE THIRD PARTY SUBMISSION TO AVOID FACING QUESTIONABLE CLAIMS**
- **AVOID COST OF LITIGATION**
- **DESIGN AROUND**
- **CONCEIVE IMPROVEMENTS**
- **TIMELY COPY/CHALLENGE DERIVED AND INTERFERING CLAIMS (REGARDLESS OF LANGUAGE)**

USPTO THIRD PARTY PRE ISSUANCE SUBMISSIONS NEW 35 USC 122(e)

- AVAILABLE FOR ALL APPLICATIONS, AS OF 9/16/2012
- UNAVAILABLE TO THE PATENT APPLICANT
- THIRD PARTY CAN SUBMIT – “printed publication”
- THIRD PARTY MUST INCLUDE – “**concise description ... relevance of each ... document**”
- WHEN – Within the later of: 6 months after application publication and **first rejection** (by rule), but no later than the date of notice of allowance.
- HOW TO SUBMIT: **VIA EFS**

USPTO THIRD PARTY PRE ISSUANCE SUBMISSIONS NEW RULE 1.290

- NOT MORE THAN 3 REFERENCES; FIRST SUBMISSION; THEN NO FEE
- **PTO WILL SCREEN SUBMISSIONS, IN CAMERA, AND RELEASE THEM TO THE IFW, ONLY IF THE SUBMISSION COMPLIES WITH REGULATORY REQUIREMENTS**

EXAMPLE - PRE ISSUANCE SUBMISSION IN APPLICATION 13/208,672

TEN DAYS TO ENTRY

11-16-2012 – THIRD PARTY SUBMISSION FILED

11-16-2012 EFS ACKNOWLEDGMENT RECEIPT

11-16-2012 IDS ENTERED INTO THE IFW

11-26-2012 – NO ACTION COUNT NOTING TO THE
APPLICANT ENTRY OF THE THIRD PARTY
SUBMISSION

PRE ISSUANCE – IDENTIFICATION OF FILER

- PRE-ISSUANCE SUBMISSION MUST BE SIGNED. 37 CFR 1.290(g).
- POSSIBLE ADMISSIONS AGAINST INTEREST.
- EMPLOYEE OR ATTORNEY FILERS.
- FILED ON BEHALF OF COMPANY.
- CONSIDER STRAW MAN FILERS.**
- CONSIDER FILERS OUTSIDE OF THIRD PARTY DISCOVERY JURISDICTION (NOT A MEMBER OF HAGUE SERVICE CONVENTION).

WIPO THIRD PARTY OBSERVATIONS

- AVAILABLE FOR ALL PCT APPLICATIONS
- WHEN YOU CAN SUBMIT – Up to **28 months** from the application's priority date.
- WHAT YOU MUST INCLUDE – List of up to 10 citations and brief indication of relevance to novelty or inventive step of the claimed invention. You may include copies of the documents.
- Submissions and any patent applicant observations will be forwarded to the ISA, IPEA, and DOs.
- **IDENTITY MAY BE HIDDEN.**
- **HOW TO SUBMIT: VIA ePCT**

http://www.wipo.int/pct/en/epct/pdf/epct_observations.pdf

EPO THIRD PARTY OBSERVATIONS

- AVAILABLE FOR ALL EPO APPLICATION AS OF 8/1/2011
- WHEN YOU CAN SUBMIT – After publication during pendency of any EPO proceeding on the EP application or EP patent.
- WHAT YOU MUST INCLUDE – Observations restricted to the substantive requirements of the EPC, e.g. Articles 52-57 EPC, and prior art citations.
- **IDENTITY MAY BE HIDDEN.**

FILING – VIA online form at:

<http://tpo.epo.org/tpo/app/form/>

http://tpo.epo.org/tpo/app/form/about;jsessionid=DD680D97FAA9069B8EA97623122F1325.ThirdPartyObs_prod_1

SUPPLEMENTAL EXAMINATION LAW

- PATENT OWNER CAN REQUEST “the Office to consider, reconsider, or correct information believed to be relevant to the patent” 35 USC 257(a)
- “Within 3 months after the date a request ... the Director shall ... issu[e]... a certificate indicating whether the information ... raises a substantial new question of patentability.” 35 USC 257(a)
- IF SO, “the Director shall order reexamination of the patent.” 35 USC 257(b)
- IF NOT, THE CERTIFICATE IMMUNIZES THE PATENT AGAINST UNENFORCEABILITY. 35 USC 257(c)

SUPPLEMENTAL EXAMINATION LAW

EXCEPTIONS TO UNENFORCEABILITY IMMUNITY

- CERTIFICATE WOULD NOT IMMUNIZE AGAINST (1) CIVIL ALLEGATION PLED WITH PARTICULARITY (AKA TYPICALLY FRAUD) OR ANDA 21 U.S.C.355(j)(2)(B)(iv)(II) NOTICE PRIOR TO SE REQUEST *FILED*. 35 USC 257(c)(2)(A).
- CERTIFICATE WOULD NOT IMMUNIZE AGAINST DISTRICT COURT INFRINGEMENT OR ITC PROCEEDINGS COMMENCED BEFORE SE CERTIFICATE *ISSUED*. 35 USC 257(c)(2)(B).

SUPPLEMENTAL EXAMINATION RULES

- SE REQUEST CAN ONLY BE FILED BY PATENT OWNER. 1.601.
- EX PARTE PROCEEDING. 1.601.
- SE REQUEST LIMITED TO TWELVE ITEMS OF INFORMATION. 1.605(a).
- SE REQUEST MUST INCLUDE A “detailed explanation of the relevance and manner of applying each item of information to each claim of the patent for which supplemental examination is requested”. 1.605(b).

SUPPLEMENTAL EXAMINATION RULES

- **SE REQUEST MAY INCLUDE** “An explanation of how the claims patentably distinguish over the items of Information”. 1.605(c)(3)
- **SE REQUEST MAY INCLUDE** “An explanation of why each item of information submitted with the request does or does not raise a substantial new question of patentability.” 1.605(c)(4).
- **IF REEXAMINATION NOT ORDERS THE (LARGE) FEE FOR REEXAMINATION WILL BE REFUNDED.** 1.625(c).

I. CHANGES EFFECTIVE

9/16/2012

3. PTAB TRIALS: CASE LAW UPDATE (42-104)

PTAB TRIALS

OUTLINE:

- RESOURCES
- STRUCTURE OF LAWS AND RULES
- PRPS
- *STATUS UPDATE ON PTAB PROCEEDINGS*

PTAB TRIAL RESOURCES

- <http://groups.yahoo.com/group/PatentInterPartes> - EMAIL LIST SERVICE AND GROUP FOR PTAB PROCEEDINGS. I AM THE ADMINISTRATOR.

- <http://www.neifeld.com/advidx.html> - PTAB ARTICLES

"Overview of the Statutory and Regulatory Structure Implementing PTAB's AIA Proceedings" Rick Neifeld, November 15, 2012.

"Guidance Provided by Notices Issued in PTAB Trials as of November 26, 2012" Rick Neifeld, November 27, 2012.

"The Office Patent Trial Practice Guide and PTAB Proceedings" Rick Neifeld, December 4, 2012.

PTAB TRIALS LAWS

DERs - 35 USC 135, AS AMENDED

IPRs - 35 USC 311-318, AS AMENDED,
AND NEW 319

PGRs - 35 USC 321-329

CBMs - AIA SEC. 18 (UNCODIFIED)

(35 USC 135, PRE AIA, STILL GOVERNS INTERFERENCE
PROCEEDINGS)

PTAB TRIALS RULES

- TRIALS GOVERNED BY *NEW PART 42* OF 37 CFR
- PART 42 CONTAINS PROCEEDING **SPECIFIC** RULES
- PART 42 CONTAINS **GENERIC** RULES AND **GUIDANCE**
- (PART 41 CONTINUES TO GOVERN INTERFERENCES)

PART 42 PROCEEDING SPECIFIC RULES

- IPRs - Subpart B; 42.100 to 42.123.
- PGRs - Subpart C; 42.200 to 42.224.
- CBMs - Subpart D; 42.300 to 42.304.
- DERs - Subpart E; 42.400 to 42.412.
- CBMs ALSO SUBJECT TO Subpart C RULES (PGR RULES). 42.300(a).

- EXCEPTIONS – CBMs NOT SUBJECT TO THE PGR SPECIFIC REQUIREMENTS (STANDING, NINE MONTH FILING WINDOW; PETITION DETAILS; 42.201; 42.202; 42.204).

TRIAL SCHEDULE

- GENERIC RULES - Subpart A; 42.1 to 42.80.
- GUIDE – “OFFICE PATENT TRIAL PRACTICE GUIDE”, RULE
- CERTAIN RULES INCORPORATE BY REFERENCE SECTIONS OF THE GUIDE
- THE GUIDE INCLUDES INFORMATION NOT IN THE RULES AND ORDERS OF GENERAL APPLICABILITY

PART 42 GENERIC RULES

- THE GUIDE CONTAINS A (ACTUALLY TWO) SCHEDULING ORDER
- GUIDE, SCHEDULING ORDER, RULES AND STATUTE LEAD TO 49 DOCKETABLE AND CONTINGENTLY DOCKETABLE ITEMS

•For docket items, see “PTAB Trials Time Line and Docketing Assistant” on <http://www.neifeld.com/advidx.html>.

PATENT REVIEW PROCESSING SYSTEM - PRPS

- PRPS WENT LIVE 9/16/2012
- PROVIDES REGISTRATION; FILING; SEARCH; SORT;
AND DISPLAY FUNCTIONS FOR PTAB TRIAL
PROCEEDINGS
- PARTIES MUST REGISTER IN PRPS TO FILE PAPERS.
- ANYONE CAN SEARCH PRPS AND VIEW ALL UNSEALED
DOCUMENTS

- (INTERFERENCE FILINGS STILL EFFECTED VIA THE
INTERFERENCE WEB PORTAL)

PTAB PROCEEDINGS TO DATE

- 8 CBMS IN FY 2012
- 7 CBMS IN FY 2013 AS OF 12/3/2012
- 17 IPRs IN FY 2012
- 49 IPRS IN FY 2013 AS OF 12/3/2012
- (NO PGRs or DERs TILL FIRST TO FILE KICKS IN)

PTAB PROCEEDINGS TO DATE

- FIRST FILING WAS 9/16/2012
- NO PRELIMINARY STATEMENT DUE UNTIL 12/16/2012
- NO PRELIMINARY STATEMENT FILED AS OF 11/29/2012
- ONE PRELIMINARY STATEMENT *WAIVER* AS OF 11/29/2012

PTAB PROCEEDINGS TO DATE

- FIRST FILING WAS 9/16/2012
- NO PRELIMINARY STATEMENT DUE UNTIL 12/6/2012
- NO PRELIMINARY STATEMENT FILED AS OF 11/29/2012
- ONE PRELIMINARY STATEMENT *WAIVER* AS OF 11/29/2012

PTAB PROCEEDINGS TO DATE

- **II. SUBSTANTIVE ISSUES**

- **III. PROCEDURAL ISSUES**

- **IV. SIGNIFICANT PETITION FORMAL DEFECT ISSUES**

II.A. RELEVANCE AND REDUNDANCY IN A PETITION

- 35 USC 312(A)(3); 322(A)(3); 37 CFR 42.22(A)(2); 42.204(B)(4) REQUIRE SPECIFICITY OF GROUND ON WHICH EACH CHALLENGE TO A CLAIM IS BASED.

II.A. RELEVANCE AND REDUNDANCY IN A PETITION

- Liberty Mutual Insurance Company v. Progressive Casualty Insurance Company, CBM2012-00003, notice 7, (PTAB 2012)(Opinion by Lee, APJ, with an expanded panel consisting of: Smith, Chief APJ, Moore, Vice Chief APJ, Tierney, Lead APJ, and APJs Lee; Lane; Medley; Chang; Zecher; and Mcnamara).

II.A. RELEVANCE AND REDUNDANCY IN A PETITION

- CBM2012-00003, NOTICE 7 - REDUNDANT GROUNDS (WITH NO EXPLANATION WHY EVIDENCE SUPPORTING ONE GROUND IS BETTER THAN EVIDENCE SUPPORTING ANOTHER GROUND) WILL NOT BE ALLOWED.
- HORIZONTAL REDUNDANCY – DIFFERENT REFERENCES FOR THE SAME TEACHING.
- VERTICAL REDUNDANCY – ADDITIONAL REFERENCE FOR THE SAME GROUND OF OBVIOUSNESS REJECTION.

II.A. RELEVANCE AND REDUNDANCY IN A PETITION

- CBM2012-00003, NOTICE 7 – “Here, we discuss only redundancy. Two types of redundancy are common in the instant petition. The first involves a plurality of prior art references applied not in combination to complement each other but as distinct and separate alternatives. All of the myriad references relied on provide essentially the same teaching to meet the same claim limitation, and the associated **arguments do not explain why one reference more closely satisfies the claim limitation at issue in some respects than another reference, and vice versa.** Because the references are not identical, each reference has to be better in some respect or else the references are collectively horizontally redundant.”

II.A. RELEVANCE AND REDUNDANCY IN A PETITION

- CBM2012-00003, NOTICE 7 – “The second type of redundancy involves a plurality of prior art applied both in partial combination and in full combination. In the former case, fewer references than the entire combination are sufficient to render a claim obvious, and in the latter case the entire combination is relied on to render the same claim obvious. **There must be an explanation of why the reliance in part may be the stronger assertion as applied in certain instances and why the reliance in whole may also be the stronger assertion in other instances.** Without a bi-directional explanation, the assertions are vertically redundant.”

II.A. RELEVANCE AND REDUNDANCY IN A PETITION

- CBM2012-00003, NOTICE 7 – THE BOARD GRANTED THE PETITIONER SEVEN DAYS TO SELECT NON REDUNDANT GROUNDS TO BE CONSIDERED IN THE PETITION, AND NOTED THAT "grounds that are not selected by Petitioner will not be considered."

II.A. RELEVANCE AND REDUNDANCY IN A PETITION

- CBM2012-00003, NOTICE 7 – ***LESSONS***
- PETITION SHOULD SPECIFY HOW EACH GROUND OF REJECTION DIFFERS FROM OTHERS.
- STATE UNDERLYING ALTERNATIVE CLAIM CONSTRUCTIONS.
- STATE UNDERLYING ALTERNATIVE FINDINGS OF FACT.

II.B. BURDEN OF PERSUASION

- **THRESHOLD BURDEN:** is "more likely than not" FOR CBMS AND PGRS (35 USC 324(A); AIA SEC. 18(A)) AND A "reasonable likelihood" FOR AN IPR (35 USC 314(A)) THAT THE PETITIONER WILL PREVAIL FOR AT LEAST ONE CHALLENGED CLAIM.
- **ULTIMATE BURDEN:** OF PROVING A PROPOSITION IS "preponderance of the evidence." 35 USC 316(E); 326(E); AIA SEC. 18(A); 37 CFR 42.20(C).

II.B. BURDEN OF PERSUASION

- CBM2012-00003, notice 7: PETITIONER DID NOT IDENTIFY THE DIFFERENCES BETWEEN A CLAIM AND A PRIOR ART.

II.B. BURDEN OF PERSUASION

• CBM-2012-00003, notice 7: “A petitioner has the burden of proof to establish that it is entitled to the requested relief. 37 C.F.R. § 42.20(c). Differences between the claimed invention and the prior art are a critically important underlying factual inquiry for any obviousness analysis. Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 17 (1966). A petitioner who does not state the differences between a challenged claim and the prior art, **and relies instead on the Patent Owner and the Board to determine those differences based on the rest of the submission in the petition risks having the corresponding ground of obviousness not included for trial** for failing to adequately state a claim for relief.”

II.B. BURDEN OF PERSUASION

- CBM2012-00003, notice 7:
- ***PRACTICE POINT.*** PETITIONER MUST TAKE A (OR AT LEAST ONE ALTERNATIVE) POSITION AS TO CLAIM CONSTRUCTION AND PRIOR ART CORRESPONDENCE TO MEET THE THRESHOLD BURDEN.

II.B. BURDEN OF PERSUASION - TIMING ISSUE

- RULE 42.208(b) “At ***any time*** prior to institution of post-grant review, the Board may deny some or all grounds for unpatentability for some or all of the challenged claims. Denial of a ground is a Board decision not to institute post-grant review on that ground.”
- RULE 42.207(b); 42.107(b) – PRELIMINARY RESPONSE DUE 3 MONTHS (FROM DATE OF NOTICE OF FILING DATE).

II.B. BURDEN OF PERSUASION - TIMING ISSUE

- CBM2012-00003, notice 8
- PTAB ***DENIED*** CERTAIN GROUNDS.
- DENIAL WAS ***PRIOR TO*** ANY PATENT OWNER PRELIMINARY RESPONSE.

II.B. BURDEN OF PERSUASION - TIMING ISSUE

- BOARD OPINION PRIOR TO PRELIMINARY RESPONSE GREATLY BENEFITS PATENT OWNER/RESPONDENT.
- ***BEST PRACTICE:*** DEFER FILING PRELIMINARY RESPONSE TO THE THREE MONTH DATE.

II.B. BURDEN OF PERSUASION

- CBM2012-00003, notice 8
- PETITIONER FAILED TO IDENTIFY CLAIM LIMITATIONS NOT MET BY THE PRIMARY REFERENCE IN A COMBINATION GROUND.
- THE BOARD WILL RESOLVE ALL VAGUENESS AND AMBIGUITIES IN THE PETITION AGAINST THE PETITIONER.

II.B. BURDEN OF PERSUASION

CBM2012-00003, notice 8: “ANALYSIS When promulgating the regulations of Part 42, Code of Federal Regulations, Title 35, the Board considered “the effect of the regulations on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings” as mandated by 35 U.S.C. § 326(b). It is provided in 37 C.F.R. § 42.1(b) that: “[t]his part shall be construed to secure the just, speedy, and inexpensive resolution of every proceeding.”

Furthermore, the Petitioner has the burden of proof to establish that it is entitled to the requested relief. 37 C.F.R. § 42.20(c). Thus, we will *address only the basis, rationale, and reasoning put forth by the Petitioner in the petition, and resolve all vagueness and ambiguity in Petitioner’s arguments against the Petitioner.*”

II.B. BURDEN OF PERSUASION

CBM2012-00003, notice 8: “We recommend that all petitioners clearly express and explain their positions, especially on precisely how the teachings of multiple references are used in combination to meet a claim feature. We also recommend that all petitioners clearly state what the differences are between the subject matter claimed in a claim alleged as obvious over prior art, and the prior art. Here, Petitioner *has not clearly identified the differences between claim 1 and Kosaka, and the Petitioner’s reasoning on adding Scapinakis, Eisenmann, or Stanifer to the basic combination of Kosaka or Kosaka and Bouchard is vague and ambiguous at best.*”

III. PROCEDURAL ISSUES

- III.A **Stays**
- III.B **Enlarging Petition Page Limits**
- III.C **Mandatory Notices; Counsel**
- III.D ***Pro Hac Vice Admissions***
- III.E **Protective Orders**
- III.F **Preliminary Responses**
- III.G **Motions Practice**

III.A Stays

The Director has the statutory authority to "stay, transfer, consolidat[e]..., or terminat[e] ... any... matter or proceeding" in the USPTO involving a patent subject to an IPR; PGR; or CBM. 35 USC 315(d); 325(d); AIA section 18(a). The Director delegated that authority to the Board. 37 CFR 42.122(a); 42.222(a).

III.A Stays

IPR2013-00033, notice 15: BOARD STAYED AN INTER PARTES REEXAMINATION IN FAVOR OF AN IPR.

FACTORS:

SIMILAR BUT NOT IDENTICAL GROUNDS.

SIMILAR BUT NOT IDENTICAL PARTIES.

PRACTICE POINT: - THINK TWICE BEFORE FILING A PETITION FOR AN IPR ON THE SAME OR SIMILAR GROUNDS AS YOUR REEXAMINATION.

III.B Enlarging Petition Page Limits

- 37 CFR 42.24(a)(2) “Petitions to institute a trial must comply with the stated page limits but may be accompanied by a motion to waive the page limits. The petitioner must show in the motion how a waiver of the page limits ***is in the interests of justice***”;
- Estoppel: 315(e)(2); 318(A)(statutory estoppel applies to a final decision of a Board trial); 77 FR 48703-04 (PTO interpretation of statutory estoppel inapplicable to dismissal of petition); but see Meritor Transmission Corp. v. Eaton Corp., 2007 U.S. Dist. LEXIS 13166 (W.D.N.C 2007)(judicial estoppel as to Board determination claim is not invalid).

III.B Enlarging Petition Page Limits

IPR2012-00006, notice 12:

MOTION DENIED. DID NOT ADDRESS:

- WHY ADDITIONAL GROUNDS NOT CUMULATIVE
- DISCUSSION OF RELEVANT TEACHINGS OF ADDITIONAL REFERENCES
- WHY LENGTH AND NUMBER OF CLAIMS REQUIRE ADDITIONAL PAGES.

III.B Enlarging Petition Page Limits

IPR2012-00006, notice 12: “Thus Illumina asserts, without supporting evidence or explanation, that the additional grounds it alleges in the proposed petition are not cumulative and that length and number (12) of the claims challenged would prohibit it from addressing patentability sufficiently within the sixty pages allowed by Rule 42(a)(1)(I). ***Illumina does not show that the additional references relied upon in the proposed petition are not cumulative to references already relied upon in the petition. Nor does Illumina show why additional pages were needed in view of the “length and number” of claims challenged.***”

III.B Enlarging Petition Page Limits

IPR2012-00006, notice 12: “For example within the motion there is no meaningful discussion of relevant teachings found in the additional references cited in the proposed petition that are not found in the references relied upon in the petition. Further there is ***no meaningful discussion of the limitations of the challenged claims that could not be addressed sufficiently within the sixty pages allowed because the challenged claims are too numerous and too lengthy.***”

III.B Enlarging Petition Page Limits

- ***COMMENTS:***

- IT MAY NOT BE POSSIBLE TO SHOW AN ENLARGED PAGE LIMIT IS IN THE INTERESTS OF JUSTICE
- ESTOPPEL PROVISIONS ARE A BASIS FOR MOVING TO ENLARGE AN IPR OR A PGR PETITION, AND A BASIS NOT TO MOVE TO ENLARGE A PETITION FOR A CBM. (SEE PAPER FOR DETAILS)

III.C Mandatory Notices; Counsel

- 37 CFR 42.8(b): 21 DAYS OF SERVICE OF THE PETITION TO IDENTIFY LEAD AND BACKUP COUNSEL

IPR2012-00026, notice 12: TWO WEEK EXTENSION GRANTED WHEN PATENT OWNER ALLEGED THEY WERE DILIGENTLY SEEKING COUNSEL.

III.D *Pro Hac Vice Admissions*

- 37 CFR 42.10(c) “The Board may recognize counsel *pro hac vice* during a proceeding upon a showing of good cause,”
- SPECIFIC GOOD CAUSE CRITERIA FOR GRANT OF PRO HAC VICE NOT DEFINED BY THE RULE.

III.D *Pro Hac Vice Admissions*

Motorola Mobility LLC v. Michael Arnouse, IPR2013-00010, notice 8, internally identified as paper 6, (PTAB 10/15/2012)(opinion by Lead APJ Tierney, expanded panel consisting of CAPJ Smith; Vice CAPJ Moore; lead APJ Tierney; and APJs Lee; Lane; Medley; Chang; Giannetti; and McNamara) ("informative opinion").

III.D *Pro Hac Vice Admissions*

- IPR2013-00010, notice 8, SPECIFIES REQUIRED SHOWING FOR GRANT OF PRO HAC VICE MOTION AND TIMING OF MOTION AND OPPOSITION.
- NEWLY DECLARED PROCEEDINGS INCLUDE A COPY OF IPR2013-00010, notice 8 WITH NOTICE GRANTING FILING DATE TO THE PETITION

III.D *Pro Hac Vice Admissions*

- IPR2013-00010, notice 8:
- AUTHORIZES FILING OF A *PRO HAC VICE MOTION ONLY SUBSEQUENT TO 21 DAYS AFTER SERVICE OF THE PETITION;*
- *AUTHORIZES FILING OF AN OPPOSITION ONLY WITHIN ONE WEEK; AND*
- *DOES NOT AUTHORIZE ANY REPLY.*

III.D *Pro Hac Vice Admissions*

- IPR2013-00010, notice 8:
- MOTION MUST "contain a statement of facts showing there is good cause for the Board to recognize counsel pro hac vice during the proceeding"
- MOTION MUST "[b]e accompanied by an affidavit or declaration of the individual seeking to appear attesting to" A LIST OF SPECIFIED FACTORS INDICATIVE OF COMPETENCE AND GOOD STANDING.

III.D *Pro Hac Vice Admissions*

CBM2012-00001, notice 21:

- GOOD CAUSE LACKING; MOTION DENIED.
- "Versata's motion and Mr. Cole's declaration do not address or mention the district court's finding of a pattern of protective order violations in the related litigation for which Mr. Cole was lead counsel."

III.D *Pro Hac Vice Admissions*

CBM2013-00005, notice 13:

- GOOD CAUSE FOUND; MOTION GRANTED.

- " Ms. Pruetz had "sufficient legal and technical qualifications to represent Markets-Alert in the instant proceeding" and the Board "recognize[d] that there ...[was] a need for Markets-Alert to have its lead counsel in the related litigations involved in this proceeding."

III.D *Pro Hac Vice Admissions*

CBM2013-00005, notice 13:

- WILL THE BOARD ALWAYS PRESUME THERE IS “a *need* for... [THE PATENT OWNER] to have its lead counsel in the related litigations” BE INVOLVED IN THE PTAB PROCEEDING?
- ***PRACTICE POINT: PRO HAC VICE MOTION SHOULD INCLUDE SHOWING OF THE “NEED.”***

III.E Protective Orders

42.54(a) “A party may file a motion to seal where the motion to seal contains a proposed protective order, such as the default protective order set forth in the Office Patent Trial Practice Guide.”

DEFAULT PROTECTIVE ORDER:

- CONTAINS NO PATENT PROSECUTION BAR
- CONTAINS NO IN-HOUSE CONSEL BAR
- CONTAINS NO LITIGATION EXPERT WITNESS BAR

III.E Protective Orders

CBM2012-00001, notice 16: “SAP states that Mr. Cole, as trial counsel in the related litigation, gained ***access to highly confidential and proprietary information*** about SAP and its products. The use of this information is said to be governed by a protective order from the district court. ... he could affect the scope of the claims of the '350 patent while knowing how SAP's products operate beyond that publically known. ... Versata also seeks to employ expert witnesses in this proceeding that had access to SAP's confidential information in the related litigation. SAP again sought to oppose this reliance representing that the protective order in the related litigation precluded the use of experts and consultants that received information under the district court protective order in proceedings before the Office.”

III.E Protective Orders

CBM2012-00001, Exhibit 2004, Notice 27:

- PARTIES STIPULATED TO A PROTECTIVE ORDER.
- THAT PROTECTIVE ORDER INCLUDING SUITABLE SAFEGUARDS AGAINST DISCLOSURE OF CONFIDENTIAL INFORMATION.
- PTAB AUTHORIZED THE REVISED PROTECTIVE ORDER.

III.F Preliminary Responses

- 35 US 313, AS AMENDED, NEW 35 USC 323; 42.107 and 42.207 GOVERN PRELIMINARY RESPONSES.
- 107(c); 207(c): “The preliminary response shall not present new testimony evidence beyond that already of record, except as authorized by the Board.”
- NEW TESTIMONIAL EVIDENCE ONLY “in the interests of justice”. GUIDE, I.C, at 77 FR 48764.
- 42.65(a) – PATENT LAW TESTIMONY “will not be admitted.”

III.F Preliminary Responses

- CBM2012-00001, notice 18: REQUEST TO PRESENT TESTIMONY INTERPRETING CBM; DENIED. NO PATENT LAW TESTIMONY PERMITTED.
- IPR2012-00022, notice 14: REQUEST TO PRESENT MOTION TO CHALLENGE STANDING, SEPARATE FROM PRELIMINARY RESPONSE; DENIED. STANDING IS PURVUE OF PRELIMINARY RESPONSE.

III.F Preliminary Responses

IPR2012-0035, notice 13: REQUEST FOR TESTIMONY ATTACKING PETITION WITNESS CREDIBILITY; DENIED. APPARENTLY NOT IN THE INTERESTS OF JUSTICE.

IPR2012-00022, NOTICE 14: REQUEST TO STRIKE PORTION OF PETITION DISCUSSING MAYO (101 ISSUES UNAVAILABLE IN AN IPR); DENIED. CHALLENGE TO PETITION CAN ONLY BE IN PRELIMINARY RESPONSE.

III.F Preliminary Responses

Rule 42.24(b)(1) "The page limits for a patent owner preliminary response to petition are the same as the page limits for the petition."

IPR2012-00022, notice 14: PAGE LIMIT FOR A PRELIMINARY RESPONSE WAS THE NUMBER OF PAGES AUTHORIZED BY RULE FOR THE PETITION, NOT THE ACTUAL NUMBER OF PAGES IN THE PETITION.

III.G Motions Practice

- Rule 42.29(b) "Prior authorization. A motion will not be entered without Board authorization. Authorization may be provided in an order of general applicability or during the proceeding."
- IPR2012-00006; IPR2012-00007 FIASCO.***
- 9/16/12: TWO PETITIONS FILED. TWO MOTIONS TO ENLARGE FILED, BUT WITH THE WRONG PETITIONS.
- 9/17/12: TWO MOTIONS TO EXPUNGE THE TWO MOTIONS TO ENLARGE.
- SHORTLY THEREAFTER, PATENTEE FILED OPPOSITIONS TO THE MOTIONS

III.G Motions Practice

- IPR2012-00007, notice 18:
 - "Further the Motion to waive page limit filed by Illumina (Paper 4) is not relevant to the present case and therefore is not authorized by 37 CFR 42.24(a)(2)." – MOTION WIAVE, EXPUNGED.
 - "Illumina has not pointed to a basis for authorization of the filing of the Motion to expunge." - MOTION TO EXPUNGE, EXPUNGED.
- IPR2012-00007, notice 19: OPPOSITIONS NOT AUTHORIZED. OPPOSITIONS EXPUNGED.

III.G Motions Practice

- IPR2012-00007, notice 18:
 - "Further the Motion to waive page limit filed by Illumina (Paper 4) is not relevant to the present case and therefore is not authorized by 37 CFR 42.24(a)(2)." – MOTION WIAVE, EXPUNGED.
 - "Illumina has not pointed to a basis for authorization of the filing of the Motion to expunge." - MOTION TO EXPUNGE, EXPUNGED.
- IPR2012-00007, notice 19: OPPOSITIONS NOT AUTHORIZED. OPPOSITIONS EXPUNGED.

III.G Motions Practice

TAKE AWAYS FROM IPR2012-00006;

IPR2012-00007 FIASCO:

- MINISTRIAL ACTS OF FILING DOCUMENTS IN BOARD PROCEEDINGS ARE JUST AS IMPORTANT AS THE ACTS OF PREPARING DOCUMENT.
- IN A BOARD PROCEEDING, WHEN YOU HAVE A PROCEDURAL PROBLEM, *CONTACT THE BOARD. (BOARD HAD THE DISCRETION TO SWAP THE MOTIONSTO ENLARGE TO THE CORRECT FILES.)*

IV. SIGNIFICANT PETITION FORMAL DEFECT ISSUES

- **IV.A PETITION PAGE LIMIT RELATED ISSUES**
- **IV.B EXHIBIT NUMBERING RELATED ISSUES**

IV.A PETITION PAGE LIMIT RELATED ISSUES

- 42.6(a)(2)(iii) "***Double spacing*** must be used except in claim charts, headings, tables of contents, tables of authorities, indices, signature blocks, and certificates of service."
- The USPTO response to comments at 77 FR 48617 regarding rule 42.6(a) note that "[p]arties should not use line spacing, font size, or margins to evade page limits."

IV.A PETITION PAGE LIMIT RELATED ISSUES

IPR2013-00034, notice 4: “Placing one's argument and claim construction in a claim chart to circumvent the double spacing requirement is not permitted.” SAME ISSUE IN SEVERAL OTHER CASES.

CBM2012-00001, notice 4: “margins on the pages of the petition containing claim charts were less than 1 inch as required under 37 C.F.R. § 42.06. ...future submissions are required to comply....”

IPR2013-00008, notice 3: “claim charts within the Petition are formatted in landscape orientation and should be formatted in portrait orientation. ... the Board will enforce the requirements in the near future.”

IV.B EXHIBIT NUMBERING

- 42.63(a): ALL EVIDENCE MUST BE AN EXHIBIT
- 42.63(c): PETITIONER EXHIBITS IN RANGE
1001-1999
- IPR2012-00004, notice 3: “Exhibits ... alphabetical throughout....” 5 DAYS TO CORRECT PETITION.

II. CHANGES EFFECTIVE 3/16/2013

4. *FIRST INVENTOR TO FILE LAW*

FIRST INVENTOR TO FILE OR DISCLOSE NOVELTY

- 102(a) AND (d) - PRIOR ART
- 102(b) AND (c) - *EXCEPTIONS*
- EFFECTIVE DATE: Applies to any patent/application that claims priority to an application or is an application that ever contained an invention claim with an effective filing date on or after March 16, 2013.

AIA PRIOR ART

➤ 102(a) (1) - PUBLIC DISCLOSURE (PATENTED, PRINTED PUBLICATION, IN PUBLIC USE, ON SALE, OR “*OTHERWISE AVIALABLE TO THE PUBLIC*”), BEFORE INVENTOR FILED

➤ 102(a) (2) AND (d) - ANOTHER’S U.S. (AND PCT) PATENT PUBLICATION AS OF ITS 119/120 DATE, BEFORE INVENTOR FILED

102(b)(1) (GRACE PERIOD) *EXCEPTIONS FROM* **PRIOR ART**

FOR A 102(a)(1) DISCLOSURE WITHIN 1
YEAR OF INVENTOR'S FILING DATE:

- 102(b)(1)(A) – ***INVENTOR ORIGINATED DISCLOSURE***
- 102(b)(1)(B) - INVENTOR ORIGINATED ***PUBLIC*** DISCLOSURE OCCURRED BEFORE THIRD PARTY DISCLOSURE

102(b)(2) (EARLIER FILED PATENT) *EXCEPTIONS* FROM PRIOR ART

FOR A 102(a)(2) U.S. PATENT PUBLICATION:

- 102(b)(2)(A) – ***INVENTOR ORIGINATED***
DISCLOSURE
- 102(b)(2)(B) - INVENTOR ORIGINATED
PUBLIC DISCLOSURE OCCURRED
BEFORE U.S. PATENT PUBLICATION'S
119/120 DATE

INTERPRETATIONS OF 102(a)(1) PRIOR ART PROVISIONS

*102(a)(1) “the claimed invention was patented, described in a printed publication, or in **public use, on sale, or otherwise available to the public** before the effective filing date of the claimed invention;”*

102(b)(2)(C) (EARLIER FILED PATENT) *EXCEPTIONS* FROM PRIOR ART

FOR A 102(a)(2) U.S. PATENT PUBLICATION:

➤ 102(b)(2)(C) – CLAIMED INVENTION, ***AS OF ITS EFFECTIVE FILING DATE***, CO-OWNED WITH THE U.S. PATENT PUBLICATION

102(c) (JRA) *EXCEPTIONS* FROM PRIOR ART

JRA – JOINT RESEARCH AGREEMENT
If a JRA was “in effect on or before the effective filing date of the claimed invention” then patent applications of the JRA parties (in the field of the JRA) will not be prior art as of their 119/120 priority or actual filing dates.

102(a)(1) “or otherwise available to the public”

- PTO COMMENT: “*The legislative history of the AIA indicates that the inclusion of this clause in AIA 35 U.S.C. 102(a)(1) should be viewed as indicating that AIA 35 U.S.C. 102(a)(1) **does not cover non-public uses or nonpublic offers for sale.** See 157 Cong. Rec. S.1370 (Mar. 8, 2011)” 77 FR 43765 (proposed examination guidelines concerning the first-inventor-to-file)*
- *OPEN LEGAL ISSUE, AWAITING CASE LAW*

INTERPRETATIONS OF 102(b) EXCEPTIONS TO PRIOR ART PROVISIONS

- 102(b)(1)(A) THE DISCLOSURE IS NOT 102 PRIOR ART IF “***the disclosure*** was made by the inventor or joint inventor or by another who obtained ***the subject matter disclosed*** directly or indirectly from the inventor or a joint inventor”
- (and 1 year filing time limit met)

INTERPRETATIONS OF 102(b) EXCEPTIONS TO PRIOR ART PROVISIONS

PTO COMMENT: “Even if the only differences between the subject matter in the prior art disclosure that is relied upon under 35 U.S.C. 102(a) and the subject matter publicly disclosed by the inventor before such prior art disclosure are *mere insubstantial changes, or only trivial or obvious variations, the exception under 35 U.S.C. 102(b)(1)(B) does not apply.*” 77 FR 43767

INTERPRETATIONS OF 102(b) EXCEPTIONS TO PRIOR ART PROVISIONS

- AIPLA COMMENT *IN RESPONSE TO* PTO COMMENT: PTO POSITION “would completely undermine the intent of Congress,”
- AIPLA SUGGESTION: “AIPLA suggests that the Office resolve these issues by interpreting the phrase “subject matter” to mean that material from the third-party disclosure which the Office has identified to justify the rejection.”

SIMILAR ISSUES WERE DECIDE BY CASE LAW LONG AGO

➤ CCPA ON 131 DECLARATIONS: “The question, then, is whether the rule of *Stryker* ought to be extended to a situation where the Rule 131 showing is not fully commensurate with the reference but renders the claimed invention obvious. We think *Stryker* is controlling in this situation as well,” *In re Spiller* (CCPA 1974).

INTERPRETATIONS OF 102(b) EXCEPTIONS TO PRIOR ART PROVISIONS

- CONCLUSION: UNDER PTO INTERPRETATION, ANY PUBLIC DISCLOSURE BEFORE APPLICATION FILING HAS A SIGNIFICANT RISK OF DEFEATING PATENT CLAIMS
- PRE FILING DISCLOSURE: ***BAD IDEA***

102(g)/135/291 – EFFECTIVE FILING DATE CARVE OUT FOR INTERFERENCES

- 102(g) DEFINES ACTUAL FIRST TO INVENT ACTS TO BE PRIOR ART
- THE AIA MAKES OLD 102(g)/135/291 ALSO APPLY TO ANY POST AIA APPLICATION HAVING A PRE AIA EFFECTIVE FILING DATE CLAIM

102(g)/135/291 – CARVE OUT FOR INTERFERENCES

THIS CARVE OUT ALLOWS THE PTO AND COURTS TO CONTINUE TO APPLY FIRST TO INVENT LAW TO INVALIDATE CLAIMS IN A POST AIA APPLICATION OR PATENT THAT HAVE A CLAIM SUPPORTED BY A PRE AIA APPLICATION

35 USC 103 OBVIOUSNESS ESSENTIALLY UNCHANGED

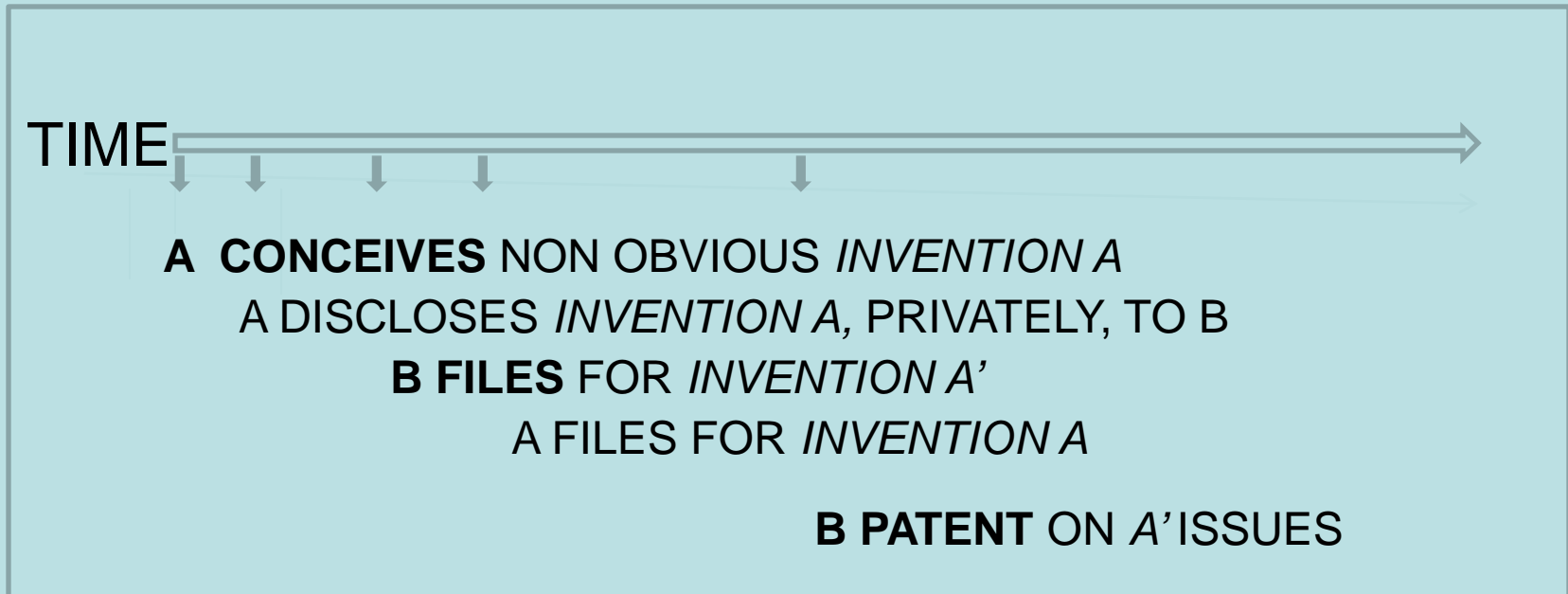
➤ 35 USC 103: whether “claimed invention as a whole would have been obvious before the *effective filing date* of the claimed invention”

➤ RESETS OBVIOUSNESS
DETERMINATION TO ***EFFECTIVE FILING
DATE*** OF CLAIMED INVENTION

102(f) (YES, IT'S GONE, UNDER THE AIA)

“DERIVATION PATENTS” - PATENTING
OBVIOUS VARIATIONS OF NON PUBLIC
INVENTIONS, WITHOUT AUTHORIZATION
FROM THE INVENTOR

DERIVATION PATENT EXAMPLE - TIME LINE



DERIVATION PATENT ISSUES

- B'S PATENT MAY BLOCK A FROM PRACTICING *INVENTION A*
- B'S PATENT MAY PRECLUDE A FROM PATENTING *INVENTION A*
- SUFFICIENCY OF PROOFS, TIMING, 130 DECLARATIONS, DERIVATION PETITIONS
- CORRESPONDING FOREIGN LAW ISSUES

II. CHANGES EFFECTIVE 3/16/2013

5. OWNERSHIP AND ASSIGNMENT

WHAT ARE THE BEST PRACTICES TO DEAL WITH THE POTENTIAL FOR DERIVATION RIGHTS?

- THIS IS AN OWNERSHIP AND RIGHTS TRANSFER LEGAL ISSUE
- REQUIRES AN UNDERSTANDING OF OWNERSHIP AND ASSIGNMENT LAW
- AND CORPORATE PRACTICES

PATENT OWNERSHIP AND ASSIGNMENT SUMMARY

- In the U.S. an inventor owns “the product of [his] original thought” *United States v. Dubilier Condenser Corp.* (1933).
- Interests in patents are assignable, but an assignment must be in writing. 35 USC 261; *Sky Technologies LLC v. SAP AG* (Fed. Cir. 2009)

PATENT OWNERSHIP AND ASSIGNMENT SUMMARY

- An “inventor must expressly grant his rights in an invention to his employer if the employer is to obtain those rights” via assignment. *Stanford Univ. v. Roche* (2011).
- A mere agreement or promise to assign before “an invention [comes] into being,” is not an automatic assignment; does not convey legal title. *DDB Technologies, L.L.C. v. Mlb Advanced Media, L.P.* (Fed. Cir. 2008).

PATENT OWNERSHIP AND ASSIGNMENT SUMMARY

- Post start date employment agreements may fail, for lack of consideration. Cf. *Preston v. Marathon Oil* (Fed. Cir. 2012) (looking to state law to determine if continued at will employment is sufficient consideration).
- There is also an “implied-in-fact contract to assign patent rights” legal theory. *Teets v. Chromalloy Gas Turbine Corp* (Fed. Cir. 1996)

PATENT OWNERSHIP AND ASSIGNMENT SUMMARY

- “If the [employment] contract expressly grants rights in future inventions [sic; ***automatic assignment***], ‘no further act [is] required once an invention [comes] into being’” *DDB, supra, quoting FilmTec (Fed. Cir. 1991)*.
- State law (U.S. and non U.S.) generally governs ownership and construction of assignments. *Akazawa v. Link New Technology* (Fed. Cir. 2008); *Euclid Chem. Co. v. Vector Corrosion Techs* (Fed. Cir. 2009).

PATENT OWNERSHIP AND ASSIGNMENT SUMMARY

- However, “automatic assignment is ... treated as a matter of federal law” *DDB, supra*.
- You cannot assign what you do not own [legal title to]. *Abraxis Bioscience v. Navinta LLC*, (Fed. Cir. 2011)(en banc)
- "recording ... assignment [in the USPTO] creates a presumption of validity” *SIRF Technology v. ITC and Broadcom*, (Fed. Cir. 2010)

PATENT OWNERSHIP AND ASSIGNMENT SUMMARY

FOREIGN LAW CONSIDERATIONS:

- EPC Article 72 “assignment ... require[s] the signature of the **parties**....”)
- EPO BOA – You cannot obtain **priority**, unless you own the priority right, **before filing**, the EP application. T62/05; T 788/05
- UK - You cannot obtain **priority**, unless you own the priority right, **before filing**, the PCT application. *Edwards Lifesciences AG v. Cook Biotech Inc* (Patents Court, 2009)

PATENT OWNERSHIP AND ASSIGNMENT SUMMARY

- UK *Edwards* case – Foreign law issues:
- If the priority and PCT applicants differ, there may be no right of priority, *unless* that right was timely transferred.
- The priority right may be *unitary* in applicant entity. Later application by a different entity may require a pre-existing transfer of the priority right to the PCT applicant, *from all applicants of the priority application*.

➤ Attribution: Helpful discussions with attorneys from Harrison Goddard Foote, London

II. CHANGES EFFECTIVE 3/16/2013

6. IMPACT ON CORPORATE RIGHTS TRANSFER AGREEMENTS

CORPORATE PRACTICE

AGREEMENTS AFFECTING IP RIGHTS

- EMPLOYMENT OFFER LETTERS
- FORM EMPLOYMENT AGREEMENTS
- FORM INVENTION DISCLOSURES
- FORM PATENT ASSIGNMENTS
- FORM NON DISCLOSURE AGREEMENTS (NDAs)
- FORM JOINT RESEARCH AGREEMENTS (JRAs)

EMPLOYMENT OFFERS

- DO NOT WAIT UNTIL AFTER AN EMPLOYEE AGREES TO, OR ACTUAL BEGINS, EMPLOYMENT, TO CLARIFY YOUR OFFER
- LACK OF CONSIDERATION
- PUT YOUR TERMS OF EMPLOYMENT, IP TERMS IN PARTICULAR, IN A FORM EMPLOYMENT OFFER

EMPLOYMENT AGREEMENT ASSIGNMENT CLAUSES

- INCLUDE *AUTOMATIC ASSIGNMENT* CLAUSE FOR INVENTIONS
- INCLUDE ALL OTHER PATENT ASSIGNMENT FORM CLAUSES (RIGHTS AND DUTIES, TO ASSIGNEE AND ITS SUCCESSORS IN INTEREST)
- DUAL SIGNATURES (FOREIGN RIGHTS)
- AFTER EMPLOYMENT BEGINS, ADDITIONAL CONSIDERATION OR “AS A CONDITION OF CONTINUED EMPLOYMENT”

EMPLOYMENT AGREEMENT DERIVATION CLAUSE

- THE GOAL IS TO AVOID PATENT DEFEATING PRIOR ART WHILE CAPTURING RIGHTS TO ALL INVENTIONS OBVIOUS IN VIEW OF CORPORATE INVENTIONS
- INCLUDE AUTOMATIC ASSIGNMENT OF DERIVATION RIGHTS

EMPLOYMENT AGREEMENT DERIVATION CLAUSE

- CAUTION – NO CASE LAW UNDER AIA ON AUTOMATIC ASSIGNMENT OF DERIVATION RIGHTS
- SEVERABILITY PROVISION – SEPARATE CLAUSE
- EXPLANATION OF PROVISION (AKA PROMPTED BY THE AIA)
- CHOICE OF LAW PROVISION

EMPLOYMENT AGREEMENT DERIVATION CLAUSE

- DEFINE DERIVATION RIGHTS IN THE CLAUSE
- EXAMPLE: “ALL INVENTIONS THAT WOULD HAVE BEEN OBVIOUS IN VIEW OF ALL INVENTIONS CONCEIVED BY ME AND DISCLOSED TO ME DURING THE COURSE OF MY EMPLOYMENT, NOT KNOWN PUBLICLY AT THE TIME MY EMPLOYMENT TERMINATES, WHEREIN OBVIOUSNESS IS EVALUATED AT THE TIME MY EMPLOYMENT TERMINATES.”

AUTOMATIC ASSIGNMENT OF *PATENT DISCLOSURE* CLAUSE

- THE GOAL OF THIS KIND OF PROVISION IS TO AVOID PATENT DEFEATING PATENT PRIOR ART DISCLOSURES
- A PATENT THAT IS PRIOR ART TO YOUR FILED APPLICATION BASED UPON ITS FILING DATE, MAY MAKE YOUR CLAIMS UNPATENTABLE
- BUT IF YOU OWN IT, THEN IT IS NOT PRIOR ART BASED UPON ITS FILING DATE
- MAY BE INEFFECTIVE WHEN YOU ACQUIRE ONLY A PARTIAL INTEREST (E.G., MULTIPLE INVENTORS)

INVENTION DISCLOSURE FORMS

- INCLUDE ASSIGNMENT OF DISCLOSED INVENTION
- INCLUDE ASSIGNMENT OF OBVIOUS VARIATIONS OF DISCLOSED INVENTION (DERIVATION CLAUSE)

EFFECT OF NDA

- DO NDAs HAVE THE SAME EFFECT UNDER THE AIA, AS UNDER PRIOR LAW?
- OLD LAW, 35 USC 102(a) “know or used by others”
- CASE LAW: By “known or used by others ...the legislature meant knowledge and use existing in a *manner accessible to the public.*” *Gayler v. Wilder*, (1850); see also *In re Schlittler*, (CCPA 1956).
- NEW LAW, 35 USC 102(a)(1) “otherwise available to the public...”

EFFECT OF NDA

- NDA IS CONTRACT THAT MAKES NDA DISCLOSURE **NOT** “AVAILABLE TO THE PUBLIC”
- NDA DISCLOSURES APPEAR TO NOT QUALIFY AS PRIOR ART UNDER NEW 102(a)

NDA DERIVATION ISSUES

- SAME ISSUES AS FOR EMPLOYMENT AGREEMENTS
- ALL OF ANOTHER'S PATENT DISCLOSURE MAY NOT HAVE ORIGINATED FROM YOU (ORIGINAL INVENTOR)
- ALL RIGHTS IN A PATENT APPLICATION NAMING THE PERSON TO WHOM YOU DISCLOSED MAY NOT BE IN THAT PERSON

DERIVATION CLAUSE LIMITS

- NDA including agreement of manufacturer to not "duplicate, produce, manufacture or otherwise commercially exploit . . . product[s] ***derived from*** or based on" designer's designs, insufficient to prevent manufacturer from competing with designer using a design around. *Contour Design, Inc. v. Chance Mold Steel Company Ltd.*, (1st Cir. 2012).
- NDA'S *DERIVATION CLAUSE* WAS INEFFECTIVE TO PROTECT AGAINST *COMPETITION*

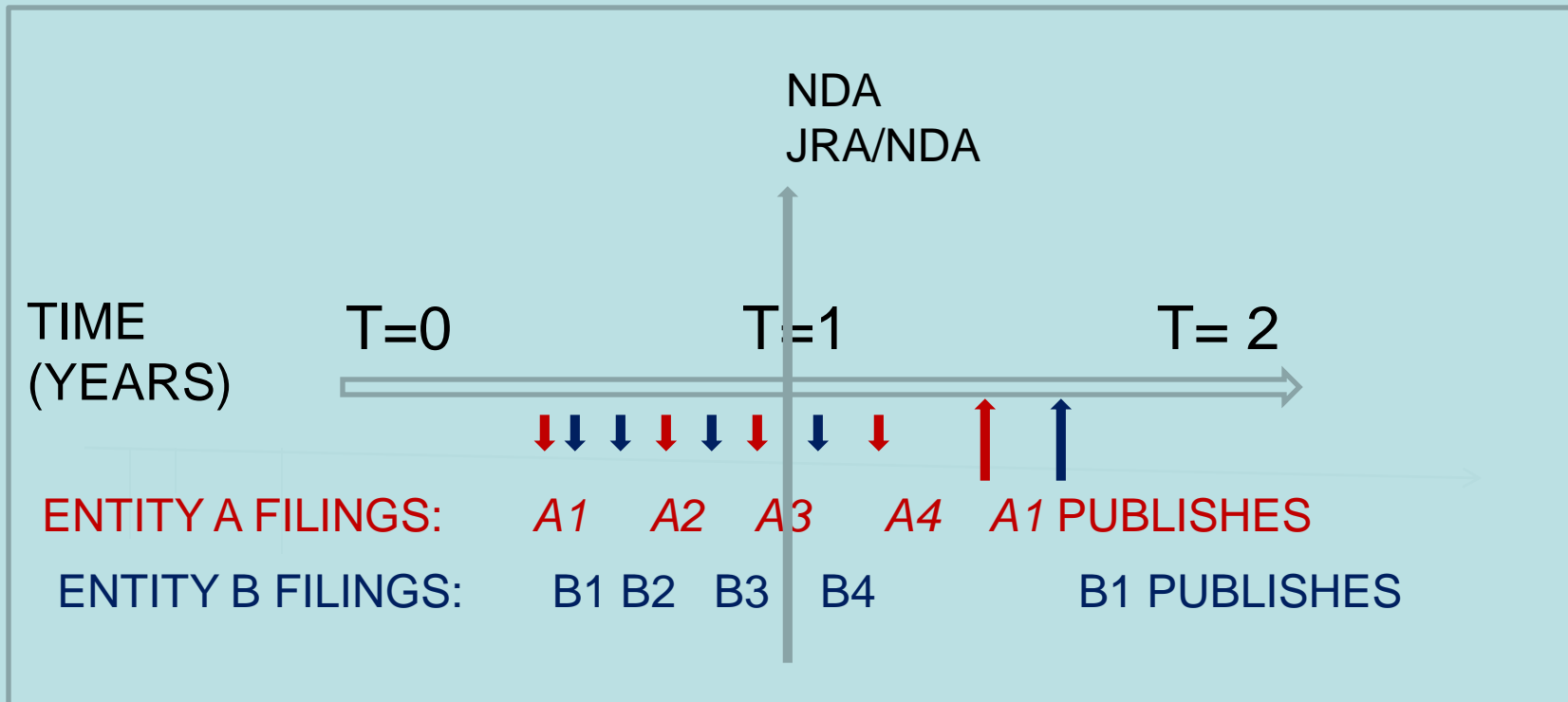
JOINT RESEARCH AGREEMENTS

- JRA DISCLOSURES, UNDER 102(c), TREATED AS IF COMMONLY OWNED (EXCEPTS UNPUBLISHED PATENT ART OF THE PARTIES)
- AIA CHANGES THE JRA EXCLUSION FROM DATE THE INVENTION MADE TO DATE THE CLAIMED INVENTION IS FILED
- CONCEIVED BUT UNFILED INVENTIONS EXISTING BEFORE THE JRA BENEFIT FROM JRA EXCLUSIONS FROM PRIOR ART, EVEN THOUGH FILED AFTER THE JRA EXISTS

JRA/NDA AGREEMENTS

- AFTER A JRA IS IN EFFECT, UNPUBLISHED PATENT APPLICATIONS OF THE PARTIES TO THE AGREEMENT WILL NOT BE PRIOR ART TO LATER FILED INVENTIONS
- ASSUMING THE JRA INCLUDES NDA PROVISIONS, DISCLOSURE UNDER THE JRA/NDA IS NOT “AVAILABLE TO THE PUBLIC” – NOT 102(a)(1) PRIOR ART.

NDA/JRA COMPARISON



NDA AT T=1: A1, A2, A3 EVENTUALLY PRIOR ART TO B4

JRA/NDA AT T=1: A1, A2, A3 WILL NOT BE PRIOR ART TO B4

NDA/JRA PRACTICES

- NDA DISCLOSURES MAY MOTIVATE A FOLLOW ON JRA/NDA
- PARTIES UNPUBLISHED APPLICATIONS DISCLOSE CLOSELY RELATED INVENTIONS
- NDA/JRA WILL “EXCEPT” THOSE EXISTING UNPUBLISHED APPLICATIONS FOR AFTER FILED INVENTIONS

NDA/JRA PRACTICES

- REMEMBER THE JRA SUBSTANTIVE REQUIREMENTS:
- 35 USC 100(h) (“written contract, grant, or cooperative agreement entered into by 2 or more persons or entities ***for the performance of experimental, developmental, or research work in the field of the claimed invention***”)

NDA/JRA PRACTICES

- JRA UNPUBLISHED PATENT EXEMPTION MAY ALLOW ONE JRA PARTNER TO “BOX IN” THE DISCLOSED IP OF THE OTHER JRA PARTNER
- DEGRADING THE VALUE OF THE PARTNER’S IP
- OUTSTANDING ISSUES OF DERIVATION LAW

JRA/NDA “BOX IN”

- SMALL STARTUP SIGNS JRA WITH BIG MANUFACTURER
- SMALL DISCLOSES INVENTIONS
- BIG FILES A LARGE NUMBER OF APPLICATIONS FOR INVENTION SIMILAR TO SMALL'S
- BIG THERE AFTER LOSES INTEREST IN JOINT RESEARCH AND GENERALLY IGNORES SMALL

NDA/JRA PRACTICES

- CONSIDER CLAUSES TO PROTECT RIGHTS OF DISCLOSER
- SPECIFYING OWNERSHIP OF DERIVED INVENTIONS
- COMMERCIALIZATION RIGHTS/LIMITATIONS
- MAINTAIN AN ACCURATE DISCLOSURE LOG

II. CHANGES EFFECTIVE 3/16/2013

7. SHOWING PRIOR INVENTION,
130 and 131 DECLARATIONS,
DERIVATIONS

SHOWING PRIOR INVENTION – 130 AND 131 DECLARATIONS

- SEE 77 FR 43742 (2012) – PROPOSED RULES TO IMPLEMENT AIA FIRST INVENTOR TO FILE PROVISIONS
- RULE 1.130 – APPLICABLE TO POST AIA
- RULE 1.131 APPLICABLE TO PRE AIA

131 DECLARATIONS SHOWING PRIOR DATE OF INVENTION

- RULE 1.131(e) - TRANSITIONAL PROCEDURE FOR PRE AIA EFFECTIVE FILING DATE CLAIMS IN POST AIA APPLICATIONS
- RULE 1.131(e) LIMITS APPLICABILITY OF ANTEDATING FOR SUCH A CLAIM TO ONLY 102(g) REJECTIONS

130(a)-(e) DECLARATIONS SHOWING PRIOR DISCLOSURE BY INVENTOR

- **RULE 1.130 – PROVING PRE-FILING DATE DISCLOSURE UPON WHICH A REJECTION IS BASED, IS AN EXCEPTION UNDER 102**
- **PRIOR PUBLIC DISCLOSURE BY THE INVENTOR**
- **DISCLOSURE ORIGINATED FROM THE INVENTOR**

130(a)-(e) SHOWINGS TRACK REQUIREMENTS FOR EXCEPTIONS IN 102

- inventor “is in fact the inventor of the subject matter of the disclosure”
- Communication “of the disclosure to the [disclosing] party”
- “date of the [the inventor’s] earlier disclosure of the subject matter” and proof of the disclosed subject matter “with sufficient detail and particularity”

130(a)-(e) BURDEN OF PROOF AND PERSUASION

- "satisfactory showing" – PTO GUIDANCE IN THE FR
- WHERE DISCLOSURE IS A MULTI AUTHOR PUBLICATION - MPEP § 2132.01; *See In re Katz (CCPA 1982); In re DeBaun (CCPA 1982)*.
- UNEQUIVOCAL ASSERTION FROM INVENTOR
- REASONABLE EXPLANTION WHY PUBLICATION NAMES NON INVENTOR AUTHORS

130(a)-(e) BURDEN OF PROOF AND PERSUASION

- RULE 130 DOES NOT REQUIRE CORROBORATION. HOWEVER, A PETITION TO INSTITUTE A DERIVATION PROCEEDING, **DOES REQUIRE CORROBORATION**. 37 CFR 42.405(c).
- CONSEQUENTLY, CORPORATED RECORDS OF DISCLOSURES SHOULD BE MAINTAINED AND CORROBORATED BY A NON INVENTOR

RULE 1.77(b)(6) - MOOTING 130(a)-(e) DECLARATIONS

- **PROPOSED 1.77(b)(6):**
- “The specification should include the following sections in order: ... (6) Statement regarding prior disclosures by the inventor or a joint inventor.”
- **AVOID REJECTIONS, COST, AND DELAY**

PTO COMMENTS ON PROPOSED RULE 1.77(b)(6)

➤ 77 FR 43746: “If the information provided by the applicant in this section of the specification is sufficient to comply with what is required in a § 1.130 affidavit or declaration regarding a prior disclosure (discussed below), ***then applicant would not need to provide anything further.***”

➤ AVOID REJECTION AND REQUIREMENT FOR A DECLARATION IN RESPONSE THERETO

1.130(a)-(e) - OPEN LEGAL QUESTION OF SUBSTANTIVE LAW

- HOW CLOSE DOES THE INVENTOR'S PRE FILING DISCLOSURE, THE RESULTING PUBLIC DISCLOSURE APPLIED AS PRIOR ART, AND THE CLAIMED INVENTION, HAVE TO BE, FOR THE PUBLIC DISCLOSURE TO BE EXCEPTED FROM PRIOR ART?
- CCPA ADDRESSED THE CORRESPONDING SITUATION FOR 131 DECLARATIONS

1.130(a)-(e) - OPEN LEGAL QUESTION OF SUBSTANTIVE LAW

➤ CCPA ON 131 DECLARATIONS: “The question, then, is whether the rule of *Stryker* ought to be extended to a situation where the Rule 131 showing is not fully commensurate with the reference but renders the claimed invention obvious. We think *Stryker* is controlling in this situation as well,” *In re Spiller* (CCPA 1974).

1.130(a)-(e) - OPEN LEGAL QUESTION OF SUBSTANTIVE LAW

PTO COMMENT: EXACT CORRESPONDENCE
REQUIRED: “Even if the only differences between
the subject matter in the prior art disclosure that is
relied upon under 35 U.S.C. 102(a) and the subject
matter publicly disclosed by the inventor before
such prior art disclosure are mere insubstantial
changes, or only trivial or obvious variations, the
exception under 35 U.S.C. 102(b)(1)(B) [and (2)(B)]
does not apply.” 77 FR 43767, 69

1.130(f) – WHEN A DERIVATION PETITION WILL BE REQUIRED

“The Office may require the applicant to file a petition for a derivation proceeding pursuant to § 42.401 *et seq.* of this title if the rejection is based upon a U.S. patent or U.S. patent application publication of a patented or pending application naming another inventor and the patent or pending application claims an invention *that is the same or substantially the same as the applicant’s claimed invention.*”

LEGAL BASIS FOR PTO TO REQUIRE A DERIVATION PETITION IS UNCLEAR

- 102(f) -DERIVED PATENT PRECLUSION WAS REMOVED
- OBVIOUSNESS-TYPE DOUBLE PATENTING IS LIMITED TO COMMON OWNERSHIP
- 101 – “Whoever invents ... may obtain a patent therefor”

LEGAL BASIS FOR PTO TO REQUIRE A DERIVATION PETITION IS UNCLEAR

➤ IF THE INVENTOR EXCEPTS FROM 102 THE APPLIED PATENT DISCLOSURE, WITH A 1.130 DECLARATION, AND THE CLAIMS ARE NOT IDENTICAL, WHY *REQUIRE* A DERIVATION PETITION?

➤ IF A PATENT IS NOT A STATUTORY IMPEDIMENT TO ISSUANCE OF AN APPLICATION, WHY SHOULD THE PTO CARE?

RESPONSE TO A REQUIREMENT TO FILE A DERIVATION PETITION

- FILE THE PETITION
- TRAVERSE THE REQUIREMENT
- AMENDING THE CLAIMS TO AVOID THE REJECTION
- FILE BACKUP APPLICATIONS WITH CLAIMS THAT DO NOT DEFINE THE “*SAME OR SUBSTANTIALLY THE SAME*” INVENTION

WHETHER TO FILE A DERIVATION PETITION

- WHETHER TO FILE A PETITION FOR A DERIVATION PROCEEDING REQUIRES KNOWING THE NEW LAW OF DERIVATION EMBODIED IN NEW 35 USC 135 AND APPLYING THE LAW TO THE FACTS
- NEW 135 BUILDS ON PRE-EXISTING LAW OF DERIVATION AND BORROWS TERMS FROM THE PRE AIA 135(b) BARS TO INTERFERENCES

THE NEW INVENTION DERIVATION LAW

- 135 – DERIVATION PROCEEDINGS - USPTO
- 291 – DERIVED PATENTS – CIVIL ACTION
- NEW 135/291 FOR DERIVATIONS “REPLACE”
OLD 135/291 FOR INTERFERENCES

MEANING OF DERIVED

- 102(f) was a loss of rights provision, not a prior art provision, until *OddzOn Products, Inc. v. Just Toys, Inc.*, (Fed. Cir. 1997)
- *In OddzOn*, court was forced to conclude that a “resulting obvious invention” of “subject matter *derived* from another” was unpatentable to the deriver, based upon 102(f).
- Because 102(f) is repealed, *OddzOn*’s conclusion that obviousness applies to derivation, is uncertain.

ELEMENTS OF DERIVATION

➤ "To show derivation, the party asserting invalidity must prove both *prior conception of the invention* by another and *communication of that conception* to the patentee." *Gambro Lundia AB v. Baxter Healthcare Corp.* (Fed. Cir. 1997)(quoting from *Price v. Symsek* (Fed. Cir. 1993))

ELEMENTS OF DERIVATION

- The conception must be a “*prior, complete conception of the claimed subject matter.*” *Hedgewick v. Akers* (CCPA 1974) and cases cited therein.
- “Communication of a *complete conception* must be sufficient to *enable one of ordinary skill in the art* to construct and successfully operate the invention.” *Hedgewick, supra.*

BURDEN OF PROOF TWEAKED BY STATUTE

- New 135(b) requires “parties to provide sufficient evidence to prove *and rebut* a claim of derivation.”
- Legislative history suggests that addition of “and rebut” requires respondent to submit proof of conception, or the like.

135(a) SUBSTANTIVE BASIS FOR DERIVATION PETITION

- "inventor named in an earlier application *derived the claimed invention* from an inventor named in the petitioner's application"
- "*without authorization*, the earlier application claiming such invention was filed."

135(a) DERIVATION PETITION REQUIREMENTS

- Must be "set forth with particularity the basis for finding" derivation; "supported by substantial evidence"; "made under oath"
- Rule 42.405 also requires the petition to include a claim construction, and showings which "if unrebutted, would support a determination of derivation")

135(a) DERIVATION PETITION REQUIREMENTS

- Must be "filed only within the **1-year period** beginning on the date of the **first publication of a claim** *to an invention that is the same or substantially the same* as the earlier application's claim to the invention"

135(a) INTERPRETATION

“same or substantially the same”

➤ Petitioner’s claim must be “***the same or substantially the same*** as the earlier application’s claim to the invention” [sic]

➤ ***“the same or substantially the same”***
APPEARS IN THE PRE AIA 135(b) LATE
COPYING BAR TO INTERFERENCES

135(a) INTERPRETATION

“same or substantially the same”

➤ *Ryan v. Young* (BPAI 2008)(non precedential informative opinion)(panel consisting of McKelvey, Torczon, and Lane)

➤ RYAN ADDRESSED WHETHER 135(b) BARRED COPIED CLAIMS BASED UPON AN APPLICATION PUBLICATION OF DIFFERENT CLAIMS. THE COPIED CLAIMS WERE IDENTICAL TO *AMENDED VERSIONS* OF THE PUBLISHED CLAIMS.

135(a) INTERPRETATION

“*same or substantially the same*”

➤ *Ryan*: “Between the extremes of (1) no amendment to the published claims prior [sic; to] issuance of a patent and (2) amendments that all would agree are major and substantial (e.g., to avoid the prior art), there are other possible amendments. How should we treat those amendments? In our view, an ***amendment which adds a non-material limitation to a published claim should keep the § 135(b)(2) bar alive, whereas an amendment which is material should not.*** We therefore interpret § 135(b)(2) to bar a claim only if the “the claim of an application [which is] published” ultimately (1) issues as published or (2) issues with no material changes.”

135(a) INTERPRETATION

“*same or substantially the same*”

- RULE 42.401 – “*Same or substantially the same means* patentably indistinct.”
- PTO COMMENT: “The final rule makes clear that in determining whether a petitioner has at least one claim that is the same or substantially the same as a respondent’s claimed invention (§ 42.405), **the petitioner must show that *the respondent’s claim is anticipated by or obvious over the petitioner’s claim.***” [sic] 77 FR 56072

135(a) INTERPRETATION

“the first publication”

- MUST BE "filed only within the 1-year period beginning on the date of *the first publication*"
- PTO COMMENT: “the first publication of a claim may be the publication by the USPTO of an application for patent, a U.S. patent, *or a WIPO publication* of an international application designating the United States” **REGARDLESS OF PUBLICATION LANGUAGE.** 77 FR 56073

135(a) INTERPRETATION

“the first publication of a claim”

➤ EXCLUDES PUBLICATION OF PETITIONER’S CLAIMS

➤ PTO COMMENT: “While the statute’s use of the phrase “a claim” is ambiguous inasmuch as it could include the petitioner’s claim as a trigger, such a broad construction could violate due process.” 77 FR 56070

135(a) INTERPRETATION

“the 1-year period”

PTO COMMENTS: “The time period for filing a derivation petition includes the one year anniversary date of the date of publication. ... If the one-year period expires on a Saturday, Sunday, or Federal holiday within the District of Columbia, the petition may be filed on the next succeeding business day. 35 U.S.C. 21(b).” 77 FR 56073

REGULATORY REQUIREMENT TO SHOW DERIVATION

PTO RULE REQUIREMENT: “Section 42.405(b)(3)(i) requires a petitioner to show, for each of the respondent’s claims, why the claimed invention is the same or substantially the same as (*i.e.*, patentably indistinct from) the **invention disclosed to the respondent.**”

77 FR 56072

PTO ACTION ON A 135(a) DERIVATION PETITION

- IF YOUR PETITION MEETS THE PTO REQUIREMENTS THE DIRECTOR OR THE PTAB “MAY” DECLARE A DERIVATION PROCEEDING
- DIRECTOR OR THE PTAB WILL GENERALLY NOT DECLARE A DERIVATION PROCEEDING IF YOUR CLAIMS ARE NOT OTHERWISE ALLOWABLE. 77 FR 56069, CITING *BRENNER V. MANSON, N.12 (1966)*

PTO ACTION ON A 135(a) DERIVATION PETITION

- IF YOUR PETITION MEETS THE PTO REQUIREMENTS THE DIRECTOR OR THE PTAB “MAY” ALSO:
- DEFER ACTION ON THE PETITION OR GRANT PETITION AND STAY THE PROCEEDING
- ALLOW THE TARGET APPLICATION TO ISSUE AND OTHER PTO PROCEEDINGS INVOLVING THE TARGET PATENT TO CONCLUDE

291 - DERIVED PATENTS

- 35 USC 291 PROVIDES FOR A CIVIL ACTION FOR A PATENTEE TO CHALLENGE ANOTHER PATENTEE'S RIGHT TO ALLEGEDLY DERIVED CLAIMS
- HOWEVER, THE CONDITIONS REQUIRED FOR THE RIGHT TO A CIVIL ACTION ARE SO STRINGENT THAT THIS PROVISION WILL RARELY BE AVAILABLE

291(a) - SUBSTANTIVE CONDITIONS

➤ “The owner of a patent may have relief by civil action against the owner of another patent that claims the same invention and has an earlier effective filing date, if the invention claimed in such other patent was derived from the inventor of the invention claimed in the patent owned by the person seeking relief under this section.”

291(b) – TIME BAR

➤ 291(b) “An action under this section may be filed only before the end of the *1-year period* beginning on the date of the issuance of the first patent containing a claim to the allegedly derived invention and naming an individual alleged to have derived such invention as the inventor or joint inventor.”

291 –LIMITATIONS ON AVAILABILITY

- THE PATENTS MUST CLAIM ***THE SAME INVENTION***
- THE DERIVER'S PATENT MUST HAVE AN EARLIER EFFECTIVE FILING DATE
- CIVIL ACTION MUST BE FILED ***WITHIN 1 YEAR OF ISSUANCE OF DERIVER'S PATENT***
- CONCLUSION: 291 NOT LIKELY TO BE AVAILABLE

ALTERNATIVE REMEDY TO A 291 CIVIL ACTION

➤ REISSUE APPLICATION + DERIVATION PETITION IS AN EFFECTIVE ALTERNATIVE

“Consistent with 35 U.S.C. 135(a), as amended, § 42.403 provides that an applicant for patent may file a petition to institute a derivation proceeding in the Office. Further, as provided in § 42.401, the definition of ‘applicant’ includes a reissue applicant.” 77 FR 56079

BEST PRACTICES IN VIEW OF DERIVATION LAW

MAINTAIN CORPORATE DISCLOSURE RECORDS

- **UPDATE INVENTION DISCLOSURES WITH INVENTOR PRE FILING DISCLOSURES**
- **HAVE A NON INVENTOR CORROBORATE AND MAINTAIN CUSTODY OF CORPORATE CONCEPTION AND DISCLOSURES RECORDS**

THE END THANK YOU!

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APPENDIX I – MODEL DERIVATION ASSIGNMENT CLAUSES

➤ **AUTOMATIC ASSIGNMENT OF *DERIVED RIGHTS* CLAUSE:** I HEREBY ASSIGN TO [COMPANY] ALL MY RIGHTS TO ANY INVENTIONS THAT WOULD HAVE BEEN ANTICIPATED UNDER 35 USC 102 OR LEGALLY OBVIOUS UNDER 35 USC 103, AT THE TIME MY EMPLOYMENT WITH [COMPANY] TERMINATED, WHEREIN, FOR PURPOSES OF DETERMINING LEGAL OBVIOUSNESS UNDER 35 USC 103 OF SAID ANY INVENTIONS, ALL INVENTIONS CONCEIVED BY ME AND DISCLOSED TO ME BY ANYONE, UNDER CONFIDENCE DUE TO MY EMPLOYMENT BY [COMPANY], DURING THE TERM OF MY EMPLOYMENT WITH [COMPANY], IN ADDITION TO ALL PRIOR ART AVAILABLE UNDER 35 USC 102 AT THE TIME MY EMPLOYMENT WITH [COMPANY] TERMINATED, ARE DEEMED TO BE PRIOR ART AVAILABLE UNDER 35 USC 102.

➤ **AUTOMATIC ASSIGNMENT OF *PATENT DISCLOSURE* CLAUSE:** I HEREBY ASSIGN TO [COMPANY] ALL MY RIGHTS TO ANY PATENT AND ANY PUBLISHED PATENT APPLICATION CONTAINING DISCLOSURE OF ANY INVENTION (1) THAT WAS NOT PUBLICLY KNOWN AT THE TIME MY EMPLOYMENT WITH [COMPANY] TERMINATED AND THAT (2) WOULD MAKE AN INVENTION CONCEIVED BY ME OR DISCLOSED TO ME, UNDER CONFIDENCE, DURING THE TERM OF MY EMPLOYMENT WITH [COMPANY], ANTICIPATED UNDER 35 USC 102 OR LEGALLY OBVIOUS UNDER 35 USC 103, WHEREIN, FOR PURPOSES OF DETERMINING LEGAL OBVIOUSNESS UNDER 35 USC 103 OF SAID ANY PATENT AND ANY PUBLISHED PATENT APPLICATION, ALL INVENTIONS CONCEIVED BY ME AND DISCLOSED TO ME, UNDER CONFIDENCE DUE TO MY EMPLOYMENT BY [COMPANY], BY ANYONE DURING THE TERM OF MY EMPLOYMENT WITH [COMPANY], IN ADDITION TO ALL PRIOR ART AVAILABLE UNDER 35 USC 102 AT THE TIME MY EMPLOYMENT WITH [COMPANY] TERMINATED, ARE DEEMED TO BE PRIOR ART AVAILABLE UNDER 35 USC 102.

APPENDIX II – LIST OF SELECTED AUTHORITIES

- PUBLIC LAW 112–29—SEPT. 16, 2011 "LEAHY–SMITH AMERICA INVENTS ACT", 125 STAT. 284 (9/16/2012) referred to as the "AIA"
- 37 CFR Part 42, Changes to Implement Derivation Proceedings; Final Rule 77 FR 56068 (9/11/2012)
- 37 CFR Part 42, Office Patent Trial Practice Guide; Rule 77 FR 48756 (8/14/2012)
- 37 CFR Part 42, Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents; Final Rule 77 FR 48680 (8/14/2012)
- Changes To Implement Miscellaneous Post Patent Provisions of the Leahy-Smith America Invents Act, ACTION: Final rule. 77 FR 46615 (8/6/2012)
- 37 CFR Parts 1 and 41, Changes To Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act; Final Rule 77 FR 42150 (7/17/2012)
- 37 CFR Part 1, Changes To Implement the First Inventor To File Provisions of the Leahy-Smith America Invents Act, ACTION: Notice of proposed rulemaking 77 FR 43742 (7/26/2012)
- 37 CFR Part 1, Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act, ACTION: Request for comments 77 FR 43759 (7/26/2012)
- Matal, "A Guide to the Legislative History of the America Invents Act:" Parts I and II, 21 Federal Circuit Bar Journal 436 (2012); electronic copy at: <http://ssrn.com/abstract=2088887>
- AIPLA response to the USPTO Notice of Proposed Rulemaking entitled "Changes To Implement the First Inventor to File Provisions of the Leahy-Smith American Invents Act," 77 Fed. Reg. 43742, published on July 26, 2012 and in response to the Request for Comments on the "Examination Guidelines for Implementing the First Inventor to File Provisions of the Leahy-Smith America Invents Act," 77 Fed. Reg. 43759, published on July 26, 2012, posted by the USPTO at: http://www.uspto.gov/patents/law/comments/aipla_20121005.pdf