

The America Invents Act—Your Survival Guide

by Bill Loginov D'85



See the survival checklist at the bottom of this article.

Many months ago, I began to write an article about the Leahy-Smith *America Invents Act* (AIA), which significantly “reforms” the U.S. patent system. The act was signed into law on September 16, 2011. [It promised to be the most sweeping reform to the U.S. patent system in over half a century](#) in how it would reshape the way innovative companies and individuals seek protection for their inventive concepts.

Those many months ago, I quickly realized that my voice as a legal scholar would be no louder than that of my esteemed colleagues who were eager to opine on the Act’s new rules and provisions, and what they *might* do to transform the U.S. patent system—as well as transforming the behaviors of those who participate in it. So I waited and watched as the provisions of the act slowly took effect in a series of transition periods provided-for in the Act. I eventually decided that my article should strive to provide [practical advice to innovators and entrepreneurs](#), rather than a scholarly review, based on what I have experienced thus far, and what many of my colleagues now consider to be the new “best practices” under AIA. Thus, I present what I hope will be an AIA survival guide to the entrepreneurial community.

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While there are [few positive changes](#) as a result of AIA, I will focus on the negatives as those are what could kill your patent rights. One of the biggest changes is that after March 16, 2013 the inventor who is *first to file* a patent application on an invention in the U.S. Patent Office now receives the patent right. Before AIA, an inventor could carefully document their discovery, conduct important technical and market research and, within reason, casually proceed with a patent filing when the product was ready and, more importantly, funds were available from investors and others to proceed with the costly act

of patenting a product. As long as the inventor could prove he or she invented first, even an earlier patent filed by mighty GM or Microsoft would lose to our diligent inventor. Now, if your competitor is working on the same concept and has a faster R & D team, or better yet, a well-funded IP legal staff, then he or she will likely beat you to the Patent Office and win the right to put you out of business in the very product you worked so hard (and unfortunately, *long*) to develop. The old “[race to the Patent Office](#)” is back with a vengeance. Ever heard of Elisha Gray? Probably not. He lost the race to Alexander Graham Bell, even though most commentators agree he invented the telephone first.

Another [CRITICAL](#) change after March 16, 2013 is the [loss of the 1-year grace period](#). This allowed the inventor’s product to be sold, used or displayed in public for up to a year before the inventor actually needed to file a patent on it. Now all that sympathetic forgiveness in the U.S. patent system will be gone. If you publicly show/use a product, or offer to sell it after March 16, then you will not be able to claim a patent on it **unless** your patent application was filed beforehand. There’s a small exception for publications by the inventor, but best to consult your patent attorney before trying to use it. I cannot count how many times an inventor or start-up (or sometimes a larger company) has come to me with a new invention noting the product was already shown or on sale for a few months. I could rely on the grace period to save our U.S. patent rights. Not anymore.

So as an innovative (probably smaller) entrepreneurial business what do you do to prepare? First, if you are [considering filing a patent](#) on an innovative concept try to gather the details as soon as possible. Consider consulting a patent attorney early in the process. If you are new to the process, most attorneys will offer some amount of free consultation time to set you on the right path. If you are a seasoned patent filer, realize that your competitors may have larger legal staff and in-house patent resources. They will be filing more quickly.

[Also, consider using provisional patents](#), which are slightly less formal (and less expensive), and which provide a year of protection before a more formal patent is required. You can file multiple provisional applications as the developments mature, and fold them all into a single regular patent filing within a year of the first provisional. The key of this new patent landscape is to file *sooner*, which may also mean filing *often*. A chain of continually improving provisionals is a way to accomplish both in a cost-effective manner.

You should consider trying to stack multiple concepts in a single provisional application to preserve as much of a new innovation if possible. In other words, if you have recently developed a new engine with several unique components, like pistons, fuel pumps, ignition circuits, etc. you may wish to combine the separate components in one application to begin with. In the old days, it often made sense to space out your patent application filings, and cover each component separately. Not now. It is still likely these different concepts will be divided out into separate patents later, as the Patent Office abhors examining multiple inventions for a single filing fee. But in filing such a big “omnibus” patent application the immediate concern for you is to file early and preserve

as many patent rights *versus* your competitors, and just as important, to keep your patent filings ahead of your own public activities (shows, sales, etc.) with the concept.

[So what can you do if a competitor beats you to Patent Office?](#) Part of the Act also allows more opportunities for a competitor to challenge a patent by submitting *prior art* (earlier technology) to the Patent Office, both during examination of a patent and some time after it is allowed. If you are aware that the Patent Office did not consider some earlier technology in allowing your competitor's patent, then you can submit it to the Patent Office, and persuade it to revoke or rewrite the troublesome competing patent without the extreme time and cost of a Federal Court case. But of course there's a catch, to paraphrase an old vet I know, these new review procedures, like tracer bullets, work *both ways*. [Expect that well-funded competitors will be on the lookout for your new innovative patents](#), and ready to challenge them in the Patent Office. While I cannot assure you that your patent will survive such a challenge, the best defense is to ask your patent counsel to conduct patentability searches for prior art early in the process. With this information you will have a much better idea of what a competitor may use against you later, and your counsel will be able to craft a stronger patent—more able to survive any challenge by a competitor.

The bottom line, [to survive AIA](#) you should be prepared to spend more time and money, sooner, to protect your innovative concepts.

[See next page for the survival checklist.](#)

About the Author: With over 20 years of experience as registered US Patent Attorney, Bill Loginov is the Principal Attorney of Loginov & Associates, PLLC in Concord, NH. Having served as managing partner of a Boston IP Specialty Firm, Bill has worked with clients of all sizes in a wide range of technologies, providing counseling in the securing and enforcement of Intellectual Property (IP) rights including Patents, Trademarks, Copyrights and Trade Secrets. He has co-authored several books dealing and numerous articles related to IP issues. He has a guest lectured frequently of Dartmouth College, University of New Hampshire Law School, Boston University and the Rhode Island School of Design.

Your AIA Survival Guide Checklist

I present this quick list of key points to help you survive this savage jungle of U.S. patent reform.

- Did you perform a patent search of your concept? This can streamline the filing process and avoid surprises later, especially if the patent is challenged by a competitor in “post-grant” proceedings.
- Did you consult a patent attorney early in the process? A patent can be filed as long as the basic concepts are workable. Waiting for actual “reduction to practice” is no longer a good idea in the race to file.
- Did you consider a provisional filing? Make sure it’s well-drafted as there is no grace period to fall back on if the provisional is ruled defective.
- Did you make sure to avoid any offers for sale, public displays, publications or public use of the concept before consulting your patent attorney and/or filing a patent application? Otherwise you may be kissing your rights goodbye!
- Did you get a non-disclosure agreement (NDA) for any needed discussions with third parties like vendors, suppliers, beta-testers, manufacturers, etc? An NDA (usually) makes these activities non-public, avoiding AIA. Remember, these third parties cannot do anything public with the concept—for example—any beta testing must be *strictly* internal and not for the purpose of serving paying customers.
- Are all your inventors and key employees under an NDA or similar agreement? Anyone with access to the concept should be under secrecy.
- As the project progresses are you contacting the patent attorney at key development stages to update the patent coverage if needed? Remember this is now a *race*!