

# Differences Between U.S. and European Patent Systems

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# Who am I?

- IP Attorney since 1988
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- US Patent Examiner (one year)
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- Philadelphia based business law firm with 16 offices from Boston to Florida and Chicago and Minneapolis in the western US
- Focus is on the needs of business clients: all aspects of IP, corporate issues, M&A and associated due diligence, employment, environmental, insurance, litigation

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# Overview

- Inventorship
- First to Invent/First Inventor to File
- Absolute Novelty/Grace Period
- Large/Small Entity Status
- Duty of Disclosure
- Information Disclosure Statements
- Best Mode Requirement
- Claims
- Office Actions
- Continuation Practice
- Publication/Non-Publication Request
- Practical America Invents Act (AIA) Considerations

# Inventorship

- Very important in the U.S. to get inventorship right
- Intentionally failing to name, or incorrectly identifying inventors, can result in a patent being held **invalid**
- Corrective measures can be taken, but you should take them as soon as you find out that the inventorship is incorrect

# Inventorship

- The threshold question in determining inventorship is who *conceived* the invention
- Insofar as defining an inventor is concerned, reduction to practice, *per se*, is irrelevant
- Inventorship is tied to the *claims*

# First to Invent

- U.S. was a “First to Invent” system
  - Where two (or more) people invent the same invention, the person who invented first is entitled to the patent
  - Who invented first is determined by an Interference proceeding
  - “First” means first to conceive the invention

# First to Invent

- Date of conception
  - Definite idea of a complete and operative invention
  - Subsequently reduced to practice (could be a patent application)
  - Work conducted between conception and reduction to practice without significant interruption

# First to Invent

- Interference Proceeding
  - Applies to patent applications with an effective filing date prior to 16 March 2013
  - Examine lab/engineering notebooks
  - Look at prototypes and dates of completion
  - Testimony (affidavits, declarations, depositions)

# First to Invent

- IMPORTANT
  - Keep records
  - Date records
  - Corroborate by having colleague of inventor witness (initial and date) notebook entry

# First to Inventor to File

- IMPORTANT
  - CONTINUE to keep records
  - CONTINUE to date records
  - CONTINUE to corroborate by having colleague of inventor witness (initial and date) notebook entry

WHY?

# First Inventor to File

- Derivation Proceedings
  - Created to ensure that the first person to file a patent application is actually a true inventor
  - Will allow an inventor to prove that they invented instead of derived, if accused of deriving

# First Inventor to File

- First Inventor to File only applies to patent applications and patents with an effective filing date on or after March 16, 2013
- This is important to know because the definition of prior art is different for pre-AIA and post-America Invents Act (AIA) applications
- With US continuation practice, there are still pending applications that are under pre-AIA law

# Absolute Novelty

- A pure first to file system requires absolute novelty in order to obtain a patent.
- A pure first to file system means that if there is a use, sale or publication of information relating to the invention prior to the filing of a patent application no patent can be obtained.

# 1-Year Grace Period

- **BEFORE AMERICA INVENTS ACT**, the United States grace period gave the Applicant a 12 month grace period to file a patent application when the invention was disclosed, by anyone.
- As long as the patent application was filed within the 1-year window, the disclosure could be disqualified as prior art.

# 1-Year Grace Period

- Since the passage of the America Invents Act (AIA), the one-year grace period applies only to inventor disclosures and disclosures derived from the inventors.
- If the disclosure is by someone other than the inventor and they did not obtain the invention information from the inventor it may be impossible to remove the disclosure as prior art

# Takeaway

- The current grace-period should be thought of as last resort, as a possible way to address the mistake of not having filed first
- In other words, whenever possible file quickly, using the provisional application process if necessary

# Entity Status

- Small entity status
  - Person
  - Small business concern (less than 500 employees)
  - Nonprofit Organization (includes universities or other institutes of higher learning)
- If small entity status is lost during life of the patent or patent application, USPTO must be notified (and fees due will not be discounted)

# Entity Status

- Also:
  - not assigned, granted, conveyed or licensed, and is not obligated to assign, grant, convey, or license, any rights in the invention to any person who could not be classified as an independent inventor or to any concern that would not qualify as a small business concern or a nonprofit organization.

# Entity Status

- Large entity status – anything not falling within the requirements of a small entity
- Why does it matter?

**Fees reduced by 50%**

# Entity Status

- Under America Invents Act, a new entity status was created, called a “Micro-Entity”
  - For small business and universities
  - 75% of large entity fee.

# Entity Status

- Micro-Entity Applicant Must Be:
  - be a regular small entity; **and** EITHER
  - (a) have not been named as an inventor on more than 4 previously filed patent applications; be below a certain level of wealth (income not exceeding 3 times median household income as reported by the Census Bureau; **and** have not assigned to an entity at that income level, **OR**
  - (b) certify that they work for an institute of higher education, or have has assigned or are obligated to assign to an institute of higher education

# Entity Status

- **CAUTION!**

- Entity status should be investigated whenever a payment is made – status can change (e.g., by assignment of rights)
- Claiming small entity status improperly can affect validity and enforceability of patent and can result in finding of inequitable conduct

# Duty of Disclosure

- EVERYONE involved in an application has duty to disclose to the USPTO prior art relevant to the patentability assessment
- Ongoing – throughout prosecution and up to issuance
- Inventor, assignee, U.S counsel, non-U.S. counsel, business partners

# Duty of Disclosure

- Rule: Whenever Office Action is issued by a non-US patent office, send the office action and the references cited to U.S. counsel and ask them to submit the appropriate information to the USPTO

# Information Disclosure Statements

- Should be filed within the later of:
  - three months of the filing date of the application;
  - three months of the date of entry of the national stage;
  - **before the mailing of a first Office Action on the merits**; or
  - before mailing of a first Office Action after the filing of a Request for Continued Examination (RCE)

# Information Disclosure Statements

- The IDS will be considered if filed after the time periods specified, typically with payment of fees and submission of statements about when the art was identified
- In certain cases, may be appropriate to withdraw a case from issue to submit prior art for consideration

# Best Mode

- Unlike UK and European practice, US patent law requires the inventor to disclose the best mode of practicing the invention
  - Can't disclose “second best” mode and keep best mode secret
  - Best mode known to the inventor at the time application is filed – not an ongoing duty to disclose better modes subsequently discovered

# Best mode

- Somewhat subjective analysis
  - To one inventor, best mode may be cheapest way of accomplishing goal
  - To another, might be fastest way of accomplishing goal
  - Main thing to remember is to consider the issue and be able to explain why the disclosed mode was considered “best”

# Best mode

- BUT

- Under the AIA, the failure to disclose the best mode is **no longer** a basis, in patent validity or infringement proceedings, on which any claim of a patent may be canceled or held invalid or otherwise unenforceable
- SO – the Best Mode requirement, while still a requirement, is, from a practical perspective, meaningless

# Claims

- Avoid multiple dependent claims
  - Expensive
  - Examiners HATE them

# Claims

- European/UK “two-part” claims vs. US “one-part” claims
- Remove “Characterized in that” language
- Can be considered an admission of prior art, and if novel feature is before the “characterized” language when filed, may not be able to remove presumption that it is prior art

# Office Actions

- First and subsequent non-final Office Actions
  - Initial period for response – three months from mailing date of the Action
  - Extensions of Time - three additional months are available, on a monthly basis, upon payment of extension fees
    - first month - \$220 US;
    - second month - \$640 US;
    - third month - \$1,480 US
    - Small and micro-entities less

# Office Actions

- Consider interview with Examiner
- Can be done in-person, by telephone, or by Webex/video
- Examiners encouraged to conduct interviews as a way to streamline prosecution of the application

# Final Office Action

- Options for Response
  - File a Request for Reconsideration
  - File an Amendment that results in an allowance
  - File a response under the After Final Consideration Pilot Program (AFCP)
  - File a Request for Continued Examination (RCE)
  - File a Notice of Appeal
  - Give up (abandon the application)

# Final Office Action

- A response under the AFCP program must:
  - respond to final office action;
  - amend at least one independent claim without broadening the scope of the claim in any way; and
  - include a request and statement signifying applicant is willing to participate in an examiner interview.

# Final Office Action

- Under the AFCP program, you file a response and the examiner:
  - determines that the response requires more than 3 hours of additional search and issues an advisory action (keeping the response simple avoids this outcome);
  - issues a notice of allowance; **or**
  - schedules an interview to discuss the response.

# Final Office Action

- Initial period for Response – three months from mailing date of the Action
- Extensions of Time - three additional months are available, on a monthly basis, upon payment of extension fees (same as for non-final); **BUT....**

# Final Office Action

- Benefit of filing response by **two-month date**
  - an Advisory Action MAY be issued in response to applicant's reply to the final Office Action. If applicant's reply to the final Office Action was filed by the SECOND month reply deadline, the third-month deadline for filing a subsequent response may be calculated differently

# Final Office Action

- The third-month deadline (after which extension fees are required) will be the later of:
  - the third-month deadline based upon the mailing date of the final Action; **or**
  - the mailing date of the Advisory Action
  - In other words, if the Examiner delays responding until after the third-month deadline, the third month deadline is pushed out by the amount of the delay

# WARNING!!!!

- UNDER NO CIRCUMSTANCES CAN THE RESPONSE BE FILED BEYOND THE 6-MONTH PERIOD ALLOWED BY LAW. SO EVEN THOUGH THE 3<sup>RD</sup> MONTH IS DEEMED TO HAVE ENDED ON THE DATE OF THE ADVISORY ACTION, IF SOME ACTION IS NOT TAKEN BY THE 6-MONTH DEADLINE, THE APPLICATION IS ABANDONED!
- Doesn't extend the response period – it just reduces the extension fees due within the 6-month period

# Continuing Applications

- Continuation
- Continuation-in-part
- Divisional
- Request for Continued Examination (RCE)

# Continuation Application

- A continuation is a second application for the same invention claimed in a prior nonprovisional application and filed before the original prior application becomes abandoned or patented
- The disclosure presented in the continuation must be the same as that of the original application; i.e., the continuation should not include anything which would constitute **new matter** if inserted in the original application.
- The continuation application must claim the benefit of the prior nonprovisional application and must have a common inventor with the parent application

# Continuation Applications

- Strategies
  - To keep an application pending on an invention that is likely to be “designed around”
  - To pursue a different (usually broader) set of claims while allowing a narrower set of claims in the parent to issue
  - **Prior to issue, consideration should always be given to filing a continuation application**

# Continuation-in-part (CIP) Applications

- A continuation-in-part is an application filed during the lifetime of an earlier nonprovisional application, repeating some substantial portion or all of the earlier nonprovisional application and *adding matter not disclosed* in the earlier nonprovisional application

# Continuation-in-part (CIP) Applications

- The first application and the continuation-in-part application must be filed with at least one common inventor;
- The continuation-in-part application must be "filed before the patenting or abandonment of or termination of proceedings on the first application or an application similarly entitled to the benefit of the filing date of the first application"; and
- The continuation-in-part application must contain or be amended to contain a specific reference to the earlier filed application

# Divisional Application

- Differs from a Continuation Application in that a divisional application claims a distinct or independent invention based upon pertinent parts "carved out" of the parent application's specification.
- Does not need to have a common inventor with the parent
- Often (usually) the result of a "restriction requirement" by an examiner, because a patent can only claim a single invention

# Request for Continued Examination (RCE)

- An RCE is a request to continue prosecuting an application after it has been finally rejected
- Basically, it allows you to pay for another opportunity to argue your case.
- Must submit an RCE “Submission” with the RCE

# Request for Continued Examination (RCE)

- Frequently used when examiner refuses to enter an amendment after a final rejection, arguing that the amendment will require a “new search”
- RCE forces the examiner to conduct that new search.

# Request for Continued Examination (RCE)

- Benefits
  - Quicker examination. Case keeps same serial number and RCE goes right to the Examiner (typically RCE's are examined within a couple of weeks).
  - More likely to advance the case to allowance – case is before the same examiner and fresh in the examiner's mind.

# Publication of Application

- Publication “promptly” after expiration of 18 months from earliest filing date
- All U.S. applications are published UNLESS a **non-publication request** is filed
  - (actually, if an application is “national security classified” it will not be published)

# Non-publication Request

- To remain unpublished, Applicant must certify that the invention disclosed has not been and will not be the subject of application in another country that requires publication at 18 months.
- Concession to small inventors who did not want to disclose their invention before patent granted.

# Practical AIA Considerations

- Prior Art

- The America Invents Act expanded the scope of available prior art that can be used to reject patent applications and invalidate patents.

- PRE-AIA, location mattered. An offer for sale, sale, or public use in a foreign country could not be used as prior art unless it appeared in a publication, patent, or patent application.
- POST AIA – location doesn't matter. The distinction between U.S. and foreign disclosures abolished by removing geographic limitations from what constitutes prior art

# Practical AIA Considerations

- Prior Art

- Under the AIA, prior art patents and published applications can be used for **both novelty and obviousness** analyses. This includes published PCT applications as long as the U.S. has been designated. **This is true whether or not the application has entered the U.S. national phase.**
- In Europe the prior art is available only if the application has validly entered the EPO regional phase, and only for novelty.

# Practical AIA Considerations

- Claim Amendments
  - If a case is currently considered a “Pre-AIA” (effective filing date before March 16, 2013) case, use care in amending the claims.
  - A new claim or amendment that is not supported in the application will not be examined under the “new” first-to-file rules. Instead, the USPTO will issue a new matter rejection and examine the application under the current first-to-invent rules.
  - Amending the claim to remove the unsupported language will NOT revert it back to AIA status.

# OTHER

- Inherent disclosure
- Drawings – must show all claimed subject matter
- Reexamination
- Post-Grant procedures (e.g., IPR's)
- Patent Eligibility (Section 101)

# USPTO Guidelines

<http://www.uspto.gov/patent/laws-and-regulations/examination-policy/examination-guidance-and-training-materials>

- [October 2019 Patent Eligibility Guidance Update](#) (issued October 17, 2019) **NEW**
  - [Appendix 1: October 2019 Examples 43-46](#) (issued October 17, 2019) **NEW**
  - [Appendix 2: Index of Examples](#) (issued October 17, 2019) **NEW**
  - [Appendix 3: Chart of Subject Matter Eligibility Court Decisions](#) (updated October 17, 2019) **NEW**
- [The 2019 Revised Patent Subject Matter Eligibility Guidance](#)  (issued January 7, 2019)
- [Memorandum - Revising 101 Eligibility Procedure in view of \*Berkheimer v. HP, Inc.\*](#) (issued April 19, 2018)
- [October 2019 Examples 43-46](#) (issued October 17, 2019) **NEW**
- [2019 PEG Examples 37 through 42](#) (issued January 7, 2019)
- [Examples 1-36](#) (issued between December 16, 2014 through December 15, 2016)

The [index of examples](#) **NEW** has been updated to provide an overview of the relevance of Examples 1-46 under the 2019 PEG.

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# QUESTIONS?

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