Why Enact S. 23's Provisions on Patentability, Including First-Inventor-to-File?

1. Today's U.S. patent system imposes unique burdens on inventors seeking patents.

- Because as a practical matter, U.S. patents are almost never granted to anyone other than the first inventor to file for a patent, the strategies that inventors use today for seeking patents, both in terms of the number of patent applications filed and the timing of their patent filings, are identical to the patent-filing strategies that will be used under S. 23's first-inventor-to-file principle. Thus, any burdens on inventors, in terms of the number and timing of patent filings that will be required under S. 23, are already borne by inventors today under existing U.S. patent. As was the case in Canada when the first-inventor-to-file rule was adopted, enacting the first-inventor-to-file principle into U.S. law will make no change in the timing or number of patent filings needed to execute an optimal patenting strategy.
- While being the first inventor to file for a patent represents a practical necessity for securing a patent, it (sadly) is not sufficient under U.S. patent law to be assured of the right to secure a patent. If another inventor files for a patent, a patent interference can result, forcing the rival inventors into an expensive and complicated "patent interference" battle over proofs of their respective invention dates. In other words, inventors today bear the burden of making patent filings so that they can be the first inventor to file, but also bear the burden—whenever challenged—to demonstrate that they were the first to invent.
- The need to keep complete—and independently and contemporaneously corroborated—records of the activities that document the date of invention is far from trivial. Needed documentation may not exist or may be lost; individuals able to independently corroborate the contemporaneous work may be unavailable or unpersuasive. For these reasons, under existing U.S. patent law, an inventor may be the first with the idea for an invention, first to actually make the invention itself, first to disclose the invention to the public and first to seek a patent for the invention, but nonetheless see the patent for the invention awarded to a competitor because of the inability to meet the exacting standards for proof—or the inability to finance a patent interference in order to make the needed proofs.

2. S. 23 provides patenting rules that are remarkably transparent, objective, predictable and simple.

- Inventions, to be validly patentable, must be both novel and nonobvious when compared to "prior art." S. 23 defines prior art in a transparent, objective, and simple manner, by limiting prior art only what was publicly disclosed before a patent was sought, or was described in an earlier-filed patent application that was subsequently published. In addition, it contains inventor- and collaboration-friendly features:
  - It maintains the existing "grace period" that disregards as prior art the inventor's own disclosures made within a year of the patent filing.
  - It similarly disregards the inventor's own earlier patent applications as prior art.
  - It enlarges the protections in current law that eliminate the earlier patent filings of coworkers and other collaborators as prior art, which currently do not protect against a coworker's or other collaborator's patents from being used to destroy the novelty of a later-sought patent.
  - It improves the "grace period" compared to existing law, by providing that an inventor who makes the first public disclosure of an invention, before any patent on the invention has been sought, has the categorical right to patent the invention. Under existing law, such a public disclosure can spur a competitor to file for and obtain a patent for the disclosed invention—which can prevent the disclosing inventor from continuing to practice the invention it disclosed!
- Under S. 23, a person knowledgeable in the invention's area of technology, can pick up a patent application or patent, review its contents, reference only sources of information available to the public, and make a complete, highly reliable determination of whether a claimed invention is validly patentable.

“First-Inventor-to-File” Better Protects Inventors Compared to Today’s Patent Law

Allegation: ***“Small entities,” especially independent inventors, will suffer most under a first-to-file rule.***
FACT: The “small entities,” especially independent inventors, will have the most to gain—*and will lose nothing*—under the first-inventor-to-file rule. A carefully documented study of the two systems indicates, for example, that independent inventors have in fact received fewer patents under the first-to-invent rule than they would have received had the first-inventor-to-file principle been in operation—and large entities received correspondingly more patents than a first-inventor-to-file rule would have produced for them. Thus, the first-to-invent principle not only costs independent inventors patents, but they pay a huge price tag for the privilege of suffering this net loss of patents under existing U.S. patent law.

Allegation: ***The USPTO will be “flooded” with patent applications so inventors can be the first to file.***
FACT: S. 23’s provisions will make no change whatsoever in either the number or the timing of patent application filing in order to execute an optimal patent strategy. Today, in actual practice, essentially all patents are awarded to the first inventor to file for a patent. More importantly, an inventor failing to achieve first-inventor-to-file status today cannot secure a patent without having access to invention date records that are adequate to overcome the invention date of any earlier-filing inventor—and bearing the burden of proof on the invention-date question. The costs and unpredictability of meeting this burden of proof actually make it no more critical for “small entities” to be the first to file under S. 23 than is already the case under existing law! Thus, no change in patenting strategies will result—meaning no flooding of the USPTO with patent applications will result—which was exactly the experience in Canada when it adopted the first-to-file system.

Allegation: ***Adopting S. 23’s first-inventor-to-file principle hurts inventors by undermining the “grace period.”***
FACT: S. 23’s “first-inventor-to-file” provisions provide for a more expansive “grace period” that better protects inventors, especially the “small entity” inventor community, compared to existing U.S. patent law. It is notably superior for inventors who may need to disclose their inventions before seeking a patent. Moreover, it eliminates the risk a U.S.-based inventor being cheated out of a patent by someone offering fraudulent proof of an invention date, particularly evidence based on foreign-origin activities. In short, S. 23 represents a far better patent law for all inventors, but most especially U.S.-based inventors.

Allegation: ***The aspect of the “grace period” that excludes third-party publications as prior art will disappear.***
FACT: There is no such blanket exclusion in current U.S. patent law and, thus, it cannot disappear. Nothing in the patent law today simply excludes third-party public disclosures (whether published or otherwise), as prior art, even when they are made during the 1-year period before the inventor’s patent filing. Moreover, current U.S. patent law recognizes as patent-killing “prior art” not only a third party’s public disclosures, but it also dictates that the third party’s invention of the publicly disclosed subject matter can be prior art. Thus, under current U.S. law, to avoid the patent-killing work of a third party, an inventor first must be able to marshal invention-date proofs that precede the third-party’s public disclosure and then may need to marshal even earlier invention-day proofs that precede the third party’s invention date for the publicly disclosed subject matter. Today, therefore, third-party disclosures typically impose a triple whammy on an inventor who subsequently seeks a patent—the inventor has the expense and effort of keeping and producing evidence of invention dates, the invention-date proofs must amount to a-rock-solid showing of a completed invention before the third party’s disclosure date, and, to sustain a valid patent, the inventor may need to assemble even earlier invention-date proofs that precede the third-party invention date of the disclosed subject matter. The current law simply bedevils all inventors with huge expenses and unavoidable unpredictability.

CONCLUSION: All inventors, but most especially U.S.-based inventors and “small entity” inventors, have much to gain and nothing to lose from adoption of the first-inventor-to-file principle into U.S. patent law.

Advantages of Current Law:

- None relative to first-inventor-to-file.

Disadvantages of Current Law:

- Failing to be first-inventor-to-file all but destroys the prospect of gaining a patent for an invention.
- Being the first inventor to file is no guarantee of gaining a patent—only a ticket to a patent interference where proofs of invention may be needed.
- Opens the U.S.-based inventor to the specter of fraudulent invention date proofs, especially of foreign origin.
- Inventors bear all of the risks, costs, and other burdens of the first-to-invent system, while being required to seek patents as though the first-to-file principle dictated the number and timing of their patent filings.

Disadvantages of First-Inventor-to-File:

- None relative to current law.

Advantages of First-Inventor-to-File:

- More transparent, objective, predictable and simple – TOPS!
- Novelty and nonobviousness tested based solely on public disclosures.
- Non-public (secret) activities no longer bear on the right to patent.
- Better protects collaborators.
- Improved "grace period" for inventors who publicly disclose their inventions before seeking patents—once an inventor makes the first public disclosure, no other person may seek a patent on the disclosed invention, or any obvious variation of what was publicly disclosed.

Risks If **NOT** the "First-Inventor-to-File"

Under Current Law, If 2 Inventors File:

- **Must have independently corroborated invention date records, meticulously maintained to contest the right to a patent.**
- **Must wait years, at a minimum, for the right to patent to be resolved.**
- **Must be able of beating any earlier invention date of the first to file.**
- **Must sustain the cost of a patent interference—a six- or seven-figure expense for expert patent counsel.**
- **Miniscule prospect of gaining a patent—and the costs involved in losing the patent right are massive!**

Under S. 23:

- **A second-to-file inventor will learn quickly, inexpensively, and with certainty if a patent can be secured.**

Risks **EVEN If** the "First-Inventor-to-File"

Under Current Law:

- **No guarantee of a patent.**
- **If another inventor files for a patent, then must bear all the burdens of the patent interference system.**
- **Even if no other inventor seeks a patent, patent of the first to file can be invalidated based on "prior invention" proofs offered in court.**
- **Other types of secret, non-public activities can destroy the validity of a patent issued to the first to invent.**
- **Even the first inventor to file is forced to contend with a *non-transparent, subjective, and unpredictable patent law.***

Under S. 23:

- **None. Prior art = public disclosures.**

Grace Period Under Current Law

Inventor's Own Public Disclosures:

- **Not prior art.**

Public Disclosure By Another Inventor:

- **Can be "double prior art"—both as of date of the disclosure and as of any earlier date of invention—unless the non-discloser can document an invention date that is earlier than the earliest applicable "prior art" date of the disclosing inventor.**

Protection If First-Disclosing Inventor Elects Not to Seek a Patent:

- **Interloper can file and obtain a patent and stop the disclosing inventor from using the invention!**

Protection Against Collaborator's Work Being Used As "Prior Art":

- **Limited protection; co-worker's work can defeat the required "novelty."**

Grace Period Under "First-Inventor-to-File"

Inventor's Own Public Disclosures:

- **Not prior art.**

Public Disclosures By Another Inventor:

- **Guarantees that the inventor making the first public disclosure of an invention can seek a patent during the 1-year grace period and that no rival inventor can interfere with this right to patent of the inventor making the first public disclosure.**

Protection If First-Disclosing Inventor Elects Not to Seek a Patent:

- **Full protection against interloping—first public disclosure bars all but the disclosing inventor from patenting.**

Protection Against Collaborator's Work Being Used As "Prior Art":

- **Complete protection—a co-worker's work cannot be used as "prior art."**

Inventor/Collaborator-Friendly S. 23

Grace Period:

- **Full protection for an inventor making a public disclosure during the 1-year before seeking a patent.**

Co-Worker Protection:

- **Full protection against a co-workers' earlier-filed patents being cited as "prior art."**

Collaborator Protection:

- **CREATE Act continues and extends protection against collaborator's work becoming "prior art."**

Should Congress Model Europe?

- **No way. S. 23 has been carefully crafted to keep the best inventor- and collaboration-friendly features of current U.S. patent law—and actually Improve the "grace period"!**

European "Self-Collision" System

Grace Period:

- **No protection for an inventor making a public disclosure before seeking a patent.**

Co-Worker Protection:

- **None. Co-workers' earlier-filed patents can destroy the novelty of a another co-worker's later patents.**

Collaborator Protection:

- **None. Same treatment for collaborators and for co-workers—earlier patents can destroy novelty.**

Better Than S. 23?

- **Not at all. European patent law is neither inventor-friendly nor collaboration-friendly and does not represent a "best practice" for a first-inventor-to-file patent law.**