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First to Invent vs. First to File: Racing to the Lab - or to the Patent Office?

by John Hammond PE and Robert Gunderman PE

FTI vs. FTF – the difference

Here in the United States, the process of obtaining a patent is a legal proceeding conducted between the patent applicant and the U.S. Patent and Trademark Office. One key criterion in the determination of the right to a patent is whether there is "prior art" that demonstrates that the invention was already known, used, or published before the inventor's efforts.

What "efforts?" Currently, under U.S. law, a "first to invent" criterion (FTI) is used in making the determination. This means that when an inventor conceives of an invention, and then works diligently to reduce it to practice, the date of conception is the "date of invention," which of course precedes the date of filing a patent application for the invention. Therefore, a reference, such as a printed publication that was published between the date of conception and the date of filing the patent application, does not qualify as prior art and cannot be used to deny a patent for the invention. (One exception is when the publication occurred more than one year before the date of the patent application filing.[1])

Additionally, if an inventor discovers that another party has filed a patent application for the same invention prior to his own application filing, the inventor can pursue an "interference proceeding"[2] before the Board of Patent Appeals and Interferences if he believes that he can prove that he was the first inventor. The BPAI considers evidence and arguments by the two parties, and determines who was the first inventor, and therefore who is entitled to a patent grant.

The U.S. is unique in this regard. Other countries operate under a "first to file" criterion (FTF). Under such a system, the right to a patent for an invention is accorded to the first person to file a patent application for the invention. The "inventor's effort" that determines patentability is simply the application filing date; the date of conception of the invention and the inventor's diligent effort to reduce the invention to practice are not considered.

Why Does It Matter?

The 111th Congress currently has patent reform on its legislative agenda. Senate bill S.515[3], also known as the "Patent Reform Act of 2009," was introduced in March of 2009. If enacted, this legislation would amend Section 102 of 35 U.S.C. to make the United States a "first to file" country. There are numerous other provisions in the bill that are directed to patent infringement litigation, post-grant review of patents, and third party submissions of prior art during prosecution. The House version of the bill, H.R. 1260, and a competing Senate bill, S.610, contain substantially the same FTF language.

We like the constitutional argument raised in favor of "first-to-invent." The Constitution doesn't say "to secure for limited times to the first to file…"

The first-to-file provision is one of the more controversial aspects of S.515. Proponents argue that FTF will simplify the patent system, improve fairness, and reduce legal costs, including the costs of global patent procurement. They also endorse "harmonization" of U.S. patent statutes with the rest of the world. Support of FTF is primarily from large corporations, particularly in the software, IT, and financial sectors, as well as from organizations such as the Coalition for Patent Fairness and the Business Software Alliance.

Opponents of FTF assert that it unfairly favors large corporations, shifting cost and uncertainty risks in patenting to small firms. The opposition includes a broad spectrum of businesses, as well as various independent inventor organizations, small business associations, universities, and professional and labor associations such as the IEEE, the National Association of Patent Practitioners, and the AFL-CIO.

As of this writing, according to the web site Govtrack.us, the status of S.515 is "Reported by Committee" as of April 2009. A full Senate vote has not been scheduled, but could occur in 2010.

Editorial Comment – Our View

To summarize using Patent Examiner lingo, we find the arguments in favor of first-to-file "not persuasive," and we are opposed to this proposed change. Given the track record of innovation in this country, we are not convinced of the need or the value of "harmonizing" our patent laws with the rest of the world.

The supposed FTF benefit of elimination of interference proceedings in the Patent Office would likely be negligible, since less than a few tenths of a percent of patent applications are subject to interference anyhow. Moreover, the "derivation proceedings" that might be necessary under FTF could make any such tradeoff a wash.

We also believe that FTF would unfairly bias our patent system in favor of large corporations, to the detriment of independent inventors and small technology companies in particular, which drive economic growth. FTF will likely cause an ongoing "race to the Patent Office" to be the first filer. In this race, the smart money will be on Mega Corp., with its thorough invention disclosure program, patent review boards, and staff of in-house patent practitioners.

Moreover, a likely unintended consequence of FTF will be that the severe backlog of unexamined patent applications in the Patent Office will get even worse, and the quality of the applications will decline. Applicants will rush to file far earlier in the R&D process, with much less reduction to practice and a less than enabling disclosure of an invention. This will result in more abandonments, weaker patents, and less revenue for the Patent Office relative to resources expended in patent prosecution.

Finally, we like the constitutional argument raised in favor of first-to-invent. Article I, Section 8 of the U.S. Constitution grants to Congress the power to establish our patent system, and in particular, to secure for limited times to *inventors* the exclusive right to their discoveries. The Constitution doesn't say "to secure for limited times to the first to file…"

1. 35 USC 102(b).
2. 35 USC 135.
3. PDF available at http://tinyurl.com/yj7j9ke
4. A detailed summary of arguments and data in favor of "first-to-invent" is available from the Small Business Coalition on Patent Legislation; see http://tinyurl.com/ycskwws

Authors John M. Hammond P.E. (Patent Innovations, LLC www.patent-innovations.com) and Robert D. Gunderman P.E. (Patent Technologies, LLC www.patentechnologies.com) are both registered patent agents and licensed professional engineers. They offer several courses that qualify for PDH credits. More information can be found at www.patenteducation.com.

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