

# The Limited Monopoly™

## The America Invents Act (AIA): Some Effects on International Patent Practice Through the PCT

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### The America Invents Act and the PCT

Patent reform in the United States, known as the America Invents Act (AIA), was enacted on September 16, 2011, creating the most substantial changes to our patent laws in more than a century. These sweeping changes have sent waves that have rippled outside of the U.S. and into international patent practice. The AIA makes fundamental changes to U.S. patent law, moving from a first-to-invent system of determining who is entitled to a patent on a given invention to a first-inventor-to-file system. This brings the U.S. criterion of who is entitled to a patent on an invention close to the internationally accepted standard of first-to-file. International practice through the Patent Cooperation Treaty (PCT)<sup>1</sup>, a multilateral treaty that provides a way to initially file a single patent application that has effect in all countries that are members of the treaty, has seen changes as a result of the AIA. We expect there will be more as the full force and effect of the AIA is realized. In this article we touch on some of the recent effects of the AIA on PCT and U.S. National Stage practice.

### The Inventor Is Now Not Always the Applicant

On September 16, 2012, the requirement that the inventor(s) be the applicant(s) for a U.S. patent was removed. It is now acceptable for either the assignee, an entity to whom the inventors are obligated to assign, or a party having a proprietary interest in the invention, to be named as the applicant<sup>2</sup>.

In order for an application to be accorded a filing date under the PCT, at least one of the entities named as applicant must be a national or resident of a PCT contracting State. There are currently 146 contracting States, i.e. members of the PCT. In the most typical situation prior to September 16, 2012 a legal entity would be named as the applicant for all PCT States except the U.S. and the inventors would be named as both inventors and applicants. For the U.S., the inventors, and not the legal entity, would be indicated as applicants. While there are numerous variations on this typical pattern, the key is that the inventors had to be named as applicants for the U.S. since U.S. law at the time required the inventors to be the applicants, and not the legal entity. On September 16, 2012, this restriction on applicancy in the US was removed, and now the assignee can be named as the applicant for a U.S. patent. The inventors still must be named in the international application, but they can be listed as "inventor only" and will not be considered as applicants.

Since coming into force in 1978, the PCT Request form has included several convenient check boxes for indicating for each entity named as an applicant the countries for which they are the applicants. The four categories were: 1.) applicant for all designated states, 2.) applicant for all designated states except the U.S., 3.) applicant for the U.S. only, and 4.) applicant for the states listed in the supplemental box. The last category was to be utilized when none of the first three categories were applicable. In typical pre-September 16, 2012 fashion, the legal entity would have box #2 checked while each of the inventors/applicants would have box #3 checked. Additionally, the PCT Request form also had check boxes to indicate if the listed entity was an 1.) applicant only, 2.) inventor/applicant, or 3.) an inventor only.

With U.S. law now allowing legal entities to be the applicant for a U.S. patent, the International Bureau of the PCT concluded that these four separate categories were no longer necessary, and the Request form for use after September 16, 2012 was revised to reduce the selection to two choices: 1.) applicant for all designated states, and 2.) applicant for the states listed in the supplemental box. The rationale was that a legal entity would now be listed as the applicant for all designated states

(including the U.S.) and the new second box could be utilized for any other variations in applicancy. (The check boxes for applicant only/applicant and inventor/inventor only remain unchanged.) While this makes the process of completing the Request form easier, it has resulted in problems for some applicants.

As mentioned, in order for an application to be filed under the PCT, at least one of the named applicants must be a national or resident of a PCT contracting State.

Additionally, for a given Receiving Office to be competent to receive and process the application, at least one of the applicants must have the ability to file with that Office by reason of nationality or residence. Some U.S. practitioners wanting to file an international application with the U.S. Receiving Office relied on the U.S. nationality or residence of one of the applicant/inventors to allow the use of the U.S. Receiving Office when the primary legal entity applicant was not a U.S. corporation. With the changes to the PCT Request form resulting from the AIA, the inventors will generally not be listed as inventors and applicants (for the U.S. only), and there may no longer be a U.S. national or resident



applicant. This creates a problem since the U.S. Receiving Office in this situation will not be competent to handle the application. Additionally, a U.S. practitioner would longer be able to act as agent in the case since competency of the agent is determined by the agent's ability to practice before the competent Receiving Office. There are some workarounds for this situation, but determination of who should be listed as applicant will require both thought and understanding of these recent changes.

### Oath/Declaration Practice Has Changed

September 16, 2012 also brought changes to inventor's oath/declaration practice under U.S. law. These changes also impact practice under the Patent Cooperation Treaty (PCT) for all applicants.

In the U.S., a legal entity can now be the applicant for a patent in the U.S. This change prompted changes to the inventor's oath/declaration practice. Some applicants utilize the ability to file the inventor's U.S. declaration with their PCT applications under PCT Rule 4.17(iv). Filing the U.S. declaration with the PCT (international) application has advantages for applicants, particularly for applicants from outside the U.S. For cases being filed in the U.S. Receiving Office, it is easy to simply have the proper U.S. declaration signed and then hold the declaration until U.S. national stage entry. But, for foreign applicants it is oftentimes more efficient to have the inventor's declaration signed at the time of the PCT filing and submitted with the PCT Request form to completely satisfy this requirement under U.S. law.

For international applications (and U.S. domestic filings) filed before September 16, 2012, both domestic and PCT U.S. inventor's declaration practice remains unchanged. A single declaration naming and signed by each of the inventors is required. Submitting multiple copies of the declaration, each containing some of the required signatures, is acceptable provided that each copy names all of the inventors. BUT post-September 16, 2012 declaration practice has changed. Under the AIA, the wording of the inventor's declaration has been simplified and applicants now have several choices on how to file the required documents. One can still follow the older practice of having all of the inventors sign a single declaration that names all inventors. Alternatively, the inventors can sign separate declarations, each naming only the signing inventor. To be acceptable, the individually signed declarations must be filed in conjunction with a signed Application Data Sheet (ADS) naming all inventors. It is now also possible to include the necessary declaration language in an assignment executed by the inventors in favor of the applicant to fulfill the requirement for the inventor's declaration. For the assignment to fulfill this purpose, however, it must be recorded in the USPTO.

If the applicant chooses to utilize PCT Rule 4.17 to submit a U.S. inventor's declaration with the Request form or within the post-filing time limit, the use of individual declarations, each naming only one inventor, is not acceptable in this case, since there is no way to submit the required Application Data Sheet (ADS) naming all of the inventors. The U.S. declaration can still be filed with the Request under Rule 4.17, but all of the inventors must be named in the document. Multiple copies may be used to submit the signatures, but all inventors must be named on each copy. If the applicant waits to submit the U.S. declaration until entry into the U.S. national stage, then any of the various ways to file the declaration are acceptable. It is important to remember that the proper declaration practice to use is determined by the international filing date and not the date of entry into the US national stage. International filing dates before September 16, 2012 must use the former procedure; filings after that date must use the new AIA compliant procedure. Therefore,

PCT filings before September 16 entering the U.S. national stage under 35 USC §371 after September 16 are still under the pre-AIA practice. If one chooses to continue prosecution of a U.S. PCT designation by the so-called "bypass route" by filing a continuation or continuation in part of the PCT U.S. designation, that domestic filing under 35 USC §111(a) will be filed after 16 September 2012 and the new AIA compliant practice must be used, including the new declaration form.

Under the AIA, changes in inventorship at national stage entry can easily be made via a signed Application Data Sheet (ADS). When entering the U.S. national stage, the Office will take the inventorship listed on a signed ADS as being the correct listing of inventors. If no ADS is submitted with the 35 USC § 371 entry, the listing of inventors on the PCT Request form, or as changed during the international phase under PCT Rule 92bis, will be taken as the correct listing.

The AIA ushers in a new set of U.S. practice rules that have a direct effect on PCT applications. The applicability of the old vs. the new rules is based on the international filing date. It is important to understand the PCT requirements as well as the changes that affect both the PCT filing procedures as well as the U.S. national stage procedures before taking action on any given application.

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1. See also ["The Limited Monopoly"™ November 2007- Filing International Patent Applications- Tuning in to the Patent Cooperation Treaty](#)
  2. New Section 35 U.S.C. §118

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Note: This short article is intended only to provide cursory background information, and is not intended to be legal advice. No client relationship with the authors is in any way established by this article.

PHOTO CREDIT: T. David Reed.- Shangri-La In The Snow. A rare October snowfall in Beijing made for an outstanding photo opportunity in 2009. Snow in Beijing is very unusual in October, and the amount of snow that fell was unheard of. The local news reported later that in their effort to alleviate a drought that had been gripping Beijing, the Chinese government had seeded some moisture laden clouds with silver iodide to provoke some rain. Unexpectedly, the desired rain fell as snow in October.