

## The America Invents Act is Coming: Three IP Management Capabilities You Need Before March 2013

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When managed properly, a company's intellectual property (IP) can be a key driver of growth; providing a foundation for smart product innovation, extending revenue potential, limiting competition, and maximizing profitability. Leading companies strategically manage IP and understand the value of utilizing IP assets to generate significant revenue streams. But the rules in the US for protecting your IP are about to change. Now more than ever, companies need to critically access their IP processes and strategy because the America Invents Act is coming.

The America Invents Act (AIA), signed into a law on September 16, 2011, switches the U.S. patent system from "first to invent" to "first to file" harmonizing it with the European Patent Convention of 1973. AIA is arguably the most significant change to the patent system since the U.S. Patent Act of 1952 and becomes effective March 16, 2013. To navigate this and other changes in the AIA, companies will need to make quick, informed decisions on which patents to pursue to support their IP and innovation strategies. To do this, they'll need to develop specific IP management capabilities, including:

- Aligning IP strategy with existing innovation strategy
- Establishing proactive competitive and infringement monitoring capabilities
- Developing an IP management system to tie it all together

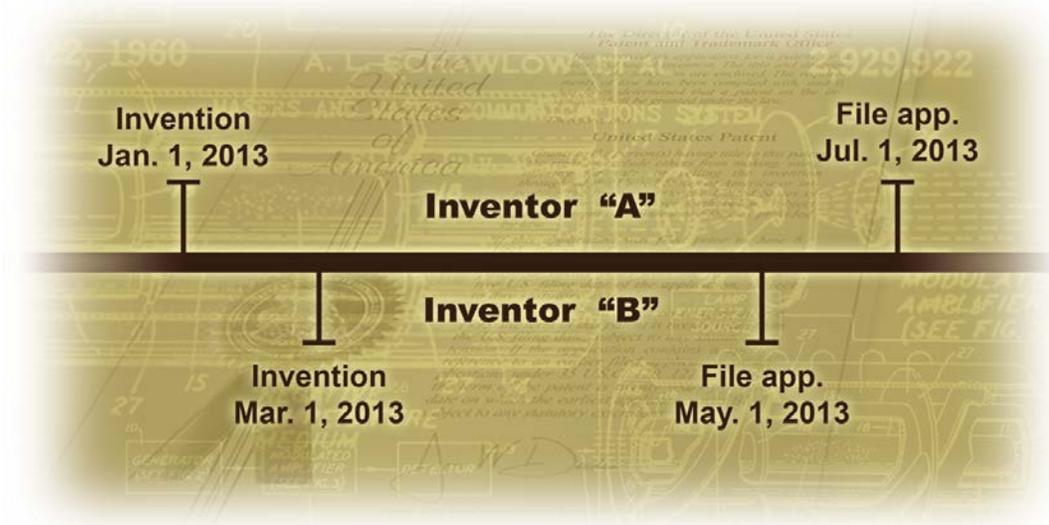
### **Align IP Strategy with Your Existing Innovation Strategy**

The shift to "first to file" is undoubtedly the most noticeable component of AIA. With this shift, the first party to file the patent is entitled to it and is presumed to be the true inventor. Under the current "first to invent" model in the United States, individuals are given patent protection if they can prove that they invented a product or process through prior art even if someone else filed for the patent first (See Figure 1). AIA essentially changes the game from an exercise in documenting design and art files to a time-critical race to the United States Patents and Trademarks Office (USPTO). Maintaining documentation on hundreds of ideas and concepts won't protect you anymore, and patenting all of those ideas will be expensive and time-consuming, demanding that new IP protection efforts be more focused.



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companies need to  
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and fast... the America  
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# VIEWPOINT



**Figure 1 – In the current “first to invent” system, Inventor A is entitled to the patent. In the new “first to file” system proposed by AIA Inventor B is entitled to the patent.**

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Companies with a clear IP strategy, aligned with both business and innovation strategy, will be best positioned to adapt to this aspect of AIA. Once IP strategy is either reviewed or defined, an efficient internal IP pipeline that is synchronized to portfolio management and new product development processes will ensure that your company is driving the right ideas to the finish line, avoiding a costly and risky shotgun approach to patenting.

## **Establish Proactive Competitive & Infringement Monitoring Capabilities**

Along with the switch to “first to file,” AIA revamps the patent appeal process. Under this new legislation, there are two methods for contesting patents; Post Grant Reviews (for all patents with some exceptions) and Inter Partes Reviews (for all patents) both of which will require shifts in IP management practices.

Post Grant Reviews provide third parties with a nine month time frame from the date a patent is granted to file a petition to the Patent Trial and Appeal Board. With this tight time constraint, companies that actively monitor patent issuances for infringements and competitive analyses as part of their IP management practices will have significant competitive advantage over those who don’t.

## **Develop an IP Management System Solution to Tie it All Together**

Once the nine month window has passed, companies can still contest competitively granted patents through an Inter Partes Review, but only using prior art consisting of either patents or printed publications<sup>1</sup>. An IP management system can help maintain these critical prior art publications. For companies that currently practice prior art development, maintain an IP portfolio cataloging process, and oversee license and maintenance strategies that are aligned with current legislation, AIA presents an opportunity to upgrade the IP management system, resulting in cost-saving opportunities for streamlining publication development and storage.

# VIEWPOINT

For executives focused on R&D and innovation, there's a clear need for a strong IP management system to help monitor, categorize and manage publications, internal documentations, filings and claims. Effective IP management systems not only provide these capabilities but also create a closed loop process for monitoring, accounting and filing the right claims that run in parallel with new product development pipelines.

Visibility to the patent landscape and existing IP assets enhances the ideation process and allows leadership to make informed decisions regarding projects in all stages of development. This integration and increased visibility of the NPD pipeline and the IP portfolio will help ensure that innovation efforts result in top- and bottom-line growth.

## The America Invents Act is Coming

To adapt to "first to file" and the revamped appeals process, companies must focus on IP that is truly critical to the business and represents core differentiators and uniqueness that set them apart. Innovation leaders across R&D, engineering and legal/IP departments need to harmonize their efforts and unite around these decisions, aligning the IP strategy with the larger product development portfolio. Companies that start now to prepare and establish appropriate IP management capabilities will be step ahead of their competition.



Companies that get a jump-start now to prepare and establish appropriate IP management capabilities will be step ahead of their competition.

### References:

<sup>1</sup> USPTO. (2012, February 28). *Inter partes disputes*. Retrieved from [http://www.uspto.gov/aia\\_implementation/bpai.jsp](http://www.uspto.gov/aia_implementation/bpai.jsp)



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