



Title: AIA’s Failure to Conform the Right to Claim Priority (35 U.S.C. §§ 119 and 120) with Assignee-Filing Authority (35 U.S.C § 118) May Jeopardize Thousands of Patents’ Priority Dates

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This paper is directed to Phoenix Issue I, which asks in part, “Do some of the AIA provisions need to be scrapped or modified?” The answer is yes: Congress should immediately fix 35 U.S.C. §§ 119(e) and 120, so that the pre-AIA “filed by an inventor” language lingering in those provisions do not jeopardize the right to claim priority for the many thousands of patents that have issued from applications filed *by an assignee* (rather than by an inventor) under post-AIA 35 U.S.C. § 118.

Problem with 35 USC §119(e)

To this day, Section 119(e) of the Patent Act allows a patent application to claim the benefit of an earlier provisional application if the later application was “filed ... *by an inventor or inventors* named in the provisional application.”^[1] This language reflects the historical fact that, prior to the AIA, patent applications in the United States were required to be filed by the inventor, even if the inventor had assigned her rights to a corporate entity.^[2] After the AIA, patent applications filed on or after September 16, 2012 can be filed by the assignee.^[3] Congress, however, failed to make a conforming change to Section 119(e), which continues to refer to the application being “filed ... by an inventor or inventors.” After the AIA was enacted, the House Judiciary Committee acknowledged in 2013 and again in 2015 that the AIA’s failure to conform Section 119(e) to assignee filings was an “oversight” that may result in patent owners being “unable to claim the benefit of a parent application’s priority date.”^[4]

Problem with 35 USC §120

In contrast to Section 119(e), the AIA did amend Section 120 to delete the inventor-filing requirement (at least for first-to-file applications). Section 120 governs the benefit of priority to an earlier-filed nonprovisional application. Prior to the AIA, Section 120 required the later application to be “*filed by an inventor or inventors* named in the previously filed application.”^[5] The AIA rewrote this language to require simply that the later-filed application “*names an inventor or joint inventor* in the previously filed application.”^[6] Although this change removed the discrimination against assignee filers in Section 120, it did so only for first-to-file applications. Unfortunately, the effective date of this change to Section 120 does not apply to



first-to-invent applications.^[7] Recognizing this error in the wake of the AIA, the House Judiciary Committee in 2013 and again in 2015 warned that “a substantial number of first-to-invent patents filed by assignees after September 16, 2012 [may be] unable to claim the benefit of a parent application’s priority date.”^[8]

USPTO’s View

The USPTO is aware of Congress’ mistakes in both sections. In the USPTO’s four-year AIA implementation report published in 2015, the USPTO said it “recommends that the benefit provisions in 35 USC §119(e) and 35 USC §120 be amended to state that the application must name an inventor in common rather than that they must be filed by a common inventor.”^[9] The USPTO, however, continues to permit assignee-filed applications to claim the benefit of earlier applications, but believes “[a] statutory change is needed to avoid confusion as to whether an assignee-filed nonprovisional application may claim the benefit of a prior-filed provisional or nonprovisional application.”^[10] Each week, however, the USPTO grants more patents whose priority dates under §119(e) and §120 may be in jeopardy if challenged in court.

Scope of the Problem

Despite the USPTO’s acquiescence to priority claims made by assignee filers, courts may not be so lenient. For example, the Federal Circuit has already shown that it will not defer to the USPTO’s interpretation of the AIA’s on-sale bar in *Helsinn v. Teva*, by rejecting the USPTO position that “secret sales” are not prior art under the AIA (and thus potentially endangering the many first-to-file patents issued by the USPTO since the AIA).^[11]

So too with §119(e) and §120, a court may hold that Congress’ decision to delete the “filed by an inventor” language in §120 (at least for first-to-file applications) shows that Congress knew how to eliminate the inventor-filing requirement for some applications. Indeed, in §119 itself, Congress has long permitted non-inventor applicants to claim priority to foreign-filed applications under § 119(a), expressly recognizing that many foreign countries allow applications to be filed by the inventors’ “assigns” rather than by the inventors themselves.^[12] A court might also observe that the USPTO had long interpreted both §119(e) and §120, prior to the AIA, as requiring “applications claiming benefit of the earlier filing date under 35 U.S.C. 119(e) or 120 be *filed by an inventor or inventors* named in the previously filed application or provisional application.”^[13]



THE NAPLES ROUNDTABLE

Exploring Ways to Strengthen & Improve the Patent System

The scope of Congress’ mistake is potentially huge. A search of U.S. patents issued to assignee-applicants containing the terms “Corporation” or “Corp.” or “LLC” in the applicant’s name reveals over 270,000 patents issued since the AIA first authorized assignee-filings on September 16, 2012. The word “University” in the applicant’s name reveals over 26,000 patents issued since that date. Most universities routinely file provisional applications and then, within 1 year, file a regular application claiming priority to the provisional application under §119(e). These priority claims are potentially at risk because of Congress’ mistake. Examples of patents from each of the Big Ten universities are shown in the table below. Each of these patents names the university (not the inventors) as the applicant and claims priority to a provisional application.

Examples of BIG TEN University Patents Potentially At Risk of Losing Provisional Filing Date Because of Congress’ Mistake		
Name of Applicant on Face of Patent	U.S. Patent	Provisional Application
The Board of Trustees of the University of Illinois	9,543,462	62/135920
Indiana University Research and Technology Corporation	9,538,075	61/921868
University of Iowa Research Foundation	9,540,659	61/668839
University of Maryland	9,538,040	61/576586
The Regents of the University of Michigan	8,939,555	61/211002
Board of Trustees of Michigan State University	9,500,468	62/041415
Regents of the University of Minnesota	9,534,236	61/774857
Board of Regents of the University of Nebraska	9,517,230	61/436342
Northwestern University	9,535,025	61/607384
Ohio State Innovation Foundation	9,540,337	61/693137
The Penn State Research Foundation	9,540,415	61/861109
Purdue Research Foundation	9,544,136	61/618203
Rutgers, the State University of New Jersey	9,517,994	61/583444
Wisconsin Alumni Research Foundation	9,540,613	61/817061

Legislative Solution

Congress knows how to fix the assignee-filer problem in §119(e) and §120. A fix was included in both H.R. 9 (Innovation Act) and S. 1137 (PATENT Act), introduced in the 114th Congress, neither of which became law. The following legislative language would solve the assignee-filer problems in §119(e) and §120:



Assignee Filers.—

(A) BENEFIT OF EARLIER FILING DATE; RIGHT OF PRIORITY.— Section 119(e)(1) of title 35, United States Code, is amended, in the first sentence, by striking “by an inventor or inventors named” and inserting “that names the inventor or a joint inventor”.

(B) BENEFIT OF EARLIER FILING DATE IN THE UNITED STATES.— Section 120 of title 35, United States Code, is amended, in the first sentence, by striking “names an inventor or joint inventor” and inserting “names the inventor or a joint inventor”.

(C) EFFECTIVE DATE.— The amendments made by this paragraph shall take effect on the date of the enactment of this Act and shall apply to any patent application, and any patent issuing from such application, that is filed on or after September 16, 2012.

Conclusion

There is a chance that district courts, the PTAB, the Federal Circuit, and (years from now) the Supreme Court, will all construe the longstanding “filed by an inventor” language in §119(e) and §120 in a charitable way that covers applications filed by an assignee.^[14] But perhaps they won’t. In that case, many thousands of assignee-filed patents would risk losing their priority benefit to an earlier filing date, which in turn would jeopardize the validity of these patents in view of intervening prior art. Congress should immediately fix this mistake so we avoid this potential mess.

¹ 35 USC §119(e)(1) (pre-AIA and post-AIA).

² *Vogel v. Jones*, 486 F.2d 1068, 1072 (CCPA 1973) (“[U]nder United States law an application for patent must be made by the inventor....”).

³ 35 U.S.C. §118 (“A person to whom the inventor has assigned or is under an obligation to assign the invention may make an application for patent.”).

⁴ H. Rept. No. 113-279, at 69-70 (Dec. 2, 2013); H. Rept. No. 114-235, at 77-78 (July 29, 2015).

⁵ 35 USC §120 (pre-AIA).

⁶ 35 USC §120 (post-AIA).

⁷ AIA Sec. 3(f) (amendment to §120), Sec. 3(n) (effective date of amendment).

⁸ H. Rept. No. 113-279, at 70; H. Rept. 114-235, at 78.

⁹ USPTO Study and Report on the Implementation of the Leahy-Smith America Invents Act, at 28 (Sept. 2015).

¹⁰ *Id.*

¹¹ *Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc.*, 855 F.3d 1356 (Fed. Cir. May 1, 2017).



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¹² 35 USC 119(a) (pre-AIA and post-AIA) (“An application for patent for an invention *filed in this country by any person who has, or whose legal representatives or assigns have, previously regularly filed an application for a patent for the same invention in a foreign country....*”); *Vogel*, 486 F.2d at 1072 (explaining that the practice under §119(a) arose because “it was recognized that in many foreign countries, unlike in the United States, the actual applicant for a patent can be other than the inventor, e.g., an assignee”).

¹³ Compare MPEP 201.11 (rev. 5, Aug. 2006) (“The statute also requires that the applications claiming benefit of the earlier filing date under 35 U.S.C. 119(e) or 120 be *filed by an inventor or inventors* named in the previously filed application or provisional application.”), with MPEP 211.01 (rev. 7.2015, Oct. 2015) (“The statute requires that applications claiming benefit of the earlier filing date under 35 U.S.C. 119(e) or 120 *name the inventor or at least one joint inventor* named in the previously filed application or provisional application.”).

¹⁴ For example, §117 and §118 of the Patent Act of 1952 provided limited exceptions to inventor filings in the event of death or incapacity of the inventor or if the inventor refused to execute the application or could not be found after diligent effort.