



Change is coming Speak Now

New Patent Reform Hurts Small
Entities, Universities and Not-for-
Profit Institutions

Patent Reform

- Key issues affecting Small Entities, Universities and Not-for-Profit Institutions
 - Adoption of a first-to-file system
 - Publication of all applications within 18 months
 - Limits on continuation practice
 - Modifications of rules for injunctions

Patent Reform

- Adoption of first-to-file system – Race to the PTO
 - Lower quality of patent applications – substantial incentive to rush a filing;
 - Larger corporations can hire more patent attorneys or agents to file their applications faster;
 - Cannot remove references through 37 CFR 1.131;
 - Denies inventors their property right simply because someone else files first;
 - Increases a chance of malpractice claim at patent attorney

Patent Reform



- Publication of all applications within 18 months of filing date
 - Coupled with the restrictions placed on filing CONs, no incentive to disclose all inventive concepts in first filed application;
 - Removes the ability to use trade secret protections as a business strategy without assurances of patent protection

Patent Reform

- Limits on Continuation Practice
 - Require that a second or subsequent CON, CIP or RCE be supported by a showing as to why the amendment, argument or evidence presented could not have been submitted earlier.

Patent Reform

- Limits on Continuation Practice
 - Proposed rules create a presumption that multiple applications with same effective filing date, a common inventor, and overlapping disclosures are patentably indistinct
 - Rebut presumption by showing application contains only patentably distinct claims;
 - File a Terminal Disclaimer
 - Interview the Examiner

Patent Reform



- Limits on Continuation Practice
 - May prevent Small Entities, Universities and Not-for-Profit Institutions from obtaining patent coverage on full scope of invention
 - Lack of resources to invest up front \$\$\$ to file multiple applications;
 - Scope coverage is often a result of the PTO interactions – usually 1 amendment before final OA;
 - Product development cycles – applications filed early in product development cycle to get stake in the ground;
 - Funding Cycles – applications filed early to attract VC funding;

Patent Reform

- Modifications of rules for injunctions
 - Finding of “irreparable harm” is required, it can’t be presumed;
 - Without the threat of injunctions, large entities will never settle a case;
 - Large entities know that this is a game of economics – small entities, universities and not-for-profits lack “war chests” to try a case in court.