

# MANAGING THE CHANGES TO THE OATH OR DECLARATION REQUIREMENT: THE EFFECT OF THE LEAHY-SMITH AMERICA INVENTS ACT OATH OR DECLARATION CHANGE ON CORPORATIONS

*Adam Thompson* \*

## INTRODUCTION

On March 16, 2013, the requirements for an inventor's oath or declaration filed with a U.S. patent application changed.<sup>1</sup> Unlike non-continuing applications filed after March 16, 2013, these changes to the oath or declaration require assignees to contact inventors of previously-filed applications and ask them to execute a new oath or declaration that meets the new requirements when filing essentially all continuing applications for applications filed prior to March 16, 2013.<sup>2</sup> This Article examines the impact of this change on patent applications assigned to corporations.

The Leahy-Smith America Invents Act (AIA) became law on September 16, 2011.<sup>3</sup> This statute has introduced many substantial changes to patent law. The most widely recognized change was the United States switching from a first-to-invent system over to a first-inventor-to-file system,<sup>4</sup> thereby more closely aligning with the first-to-file system followed by the rest of the world (note that the United States still allows a limited grace period for some early disclosures prior to filing that are not allowed in first-to-file jurisdictions).<sup>5</sup> Under the first-inventor-to-file system, all new applications filed after March 16,

---

\* Copyright © 2014 Adam Thompson. Adam James Thompson is an associate at Thomas Horstemeyer, LLP and practices all areas of intellectual property law including patents, trademarks, trade secrets, and copyrights. The author would like to thank Professor Marketa Trimble, the editorial staff of the *Chicago-Kent Journal of Intellectual Property*, Miriam Thompson, and James and Mary Lou Thompson for their support.

<sup>1</sup> Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 48776 (Aug. 14, 2012) (to be codified at 37 C.F.R. pts. 1, 3, 5, et al.).

<sup>2</sup> Compare 35 U.S.C. § 115 (2006) (Pre-AIA) with 35 U.S.C. § 115(b) (2006 & Supp. V 2012) (AIA).

<sup>3</sup> Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (codified as amended in scattered sections of 35 U.S.C.).

<sup>4</sup> *Id.*

<sup>5</sup> Masaaki Kotabe, *Evolving Intellectual Property Protection in the World: Promises and Limitations*, 1 U. PUERTO RICO BUS. L.J. 1, 7 (2010).

2013 apply the filing date of an invention as the priority date. In contrast, prior to the AIA's enactment, if an examiner cited to prior art having a date prior to the filing date but after the conception date, an inventor could swear behind<sup>6</sup> the reference by establishing an earlier date of conception and showing diligence from that date of conception to the filing date or to actual reduction to practice of the invention.

Further, the statute also changed the long-established novelty and obviousness standards.<sup>7</sup> The AIA expanded the one-year grace period for a disclosure by an inventor to include other people who received the material from the inventor or disclosed the material after the inventor disclosed the material.<sup>8</sup> Effective September 16, 2012, the AIA also abolished interferences and replaced them with a limited version called a derivation proceeding.<sup>9</sup> These changes, along with many other changes, affect many aspects of post-AIA patent prosecution.

The AIA enactment has numerous consequences for corporations involved in the patent application process. This Article focuses on the new requirements of the oath or declaration<sup>10</sup> filed for each inventor with each patent application and how these modifications cause disproportionate and presumably unintended consequences for corporations. Until all pre-AIA applications are abandoned or issued, the changes to the oath or declaration standard require corporations to search for past inventors when filing almost any continuing application with a parent application filed prior to March 16, 2013. Corporations that actively prosecute patent applications will need to disclose certain applications to former employees<sup>11</sup> named as inventors in continuing applications, including those who now work for competitors, those who have moved out of state, or inventors who are represented by counsel before the corporation is eligible to file a substitute statement in place of an inventor's oath

---

<sup>6</sup> MPEP § 715 (8th ed., 9th rev. 2014), available at <http://mpep.uspto.gov/RDMS/detail/manual/MPEP/current/d0e18.xml#/manual/MPEP/e8r9/d0e89737.xml> Swearing back is a term of art that means an inventor can execute an oath or declaration under 37 C.F.R. § 1.131 (2000) to move the Pre-AIA 35 U.S.C. § 102(e) (2006 & Supp. V 2011) date back to conception of the invention, but there must be diligent effort under MPEP § 715.07(a) from conception through until the application files the application at the USPTO.

<sup>7</sup> Compare 35 U.S.C. § 102 (2006) (Pre-AIA) with 35 U.S.C. § 102 (2006 & Supp. V 2011) (AIA); compare 35 U.S.C. § 103 (2006) (Pre-AIA) with 35 U.S.C. § 103 (2006 & Supp. V 2011) (AIA).

<sup>8</sup> 35 U.S.C. § 102(b) (2006 & Supp. V 2011).

<sup>9</sup> 35 U.S.C. § 135 (2006 & Supp. V 2011).

<sup>10</sup> Compare 35 U.S.C. § 115 (2006) (Pre-AIA) with 35 U.S.C. § 115 (2006 & Supp. V 2011) (AIA).

<sup>11</sup> See *infra* Part IV.

or declaration.<sup>12</sup> Fortunately, the AIA mitigates this problem by broadly expanding the rights of assignees to file on behalf of the inventor.<sup>13</sup>

This Article proceeds in four parts. First, Part I examines the oath or declaration changes of the AIA and determines their effect on large corporations that actively prosecute patent applications. Part II provides an overview of pre-AIA and post-AIA patent law related to oaths or declarations. Part III evaluates the impact of the AIA oath or declaration changes on corporations. Lastly, Part IV proposes a set of best practices for corporations to manage the effects of the AIA in the form of a multilayer solution.

## I. HISTORY OF THE OATH OR DECLARATION REQUIREMENT CHANGE

One of Congress's goals in changing the oath or declaration provisions when enacting the AIA was to correct some of the known fallacies in the patent system. Congress drafted the 1952 Patent Act assuming the persons identified by the terms "inventor" and "applicant" were identical.<sup>14</sup> Assignees had a difficult process to complete before they could prosecute a patent application without the assistance of the inventor.<sup>15</sup> Additionally, the text of the pre-AIA law assumed that inventors filed patent applications and later assigned the application to an assignee; however, in practice, assignees often draft and file patent applications themselves.<sup>16</sup> The AIA added broader patent filing rights for assignees by correcting this assumption.<sup>17</sup> Congress changed the title of 35 U.S.C. § 115 applicable to pre-AIA applications from "Oath of Applicant" to "Inventor's Oath or Declaration" in the version of 35 U.S.C. § 115 applicable to post-AIA applications, which evidences the shift from inventor-filed applications (where the inventor is the applicant) to assignee-filed applications (where the inventor may not be the applicant).

Generally, corporations have a methodology for employees to submit invention disclosures,<sup>18</sup> which are internally reviewed for patentability, novelty, and obviousness by the corporation, and then, if approved, they are drafted and filed by the corporation or its outside counsel. After approval, the inventor will typically review the application for accuracy, sign an oath or declaration, and

---

<sup>12</sup> 35 U.S.C. § 118 (2006 & Supp. V 2011); 37 C.F.R. §§ 1.63, 1.64 (2012); MPEP § 602.01(a)(I)(C).

<sup>13</sup> 35 U.S.C. § 118 (2006 & Supp. V 2011).

<sup>14</sup> Patent Act of 1952, Pub. L. No. 593, § 101, 66 Stat. 792, 797–99 (1952); *see also* Robert A. Armitage, *Understanding the America Invents Act and Its Implications for Patenting*, 40 AIPLA Q.J. 1, 94 (2012).

<sup>15</sup> Armitage, *supra* note 14, at 95.

<sup>16</sup> Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 FED. CIR. B.J. 435, 492 (2011).

<sup>17</sup> *Id.*

<sup>18</sup> *See, e.g.*, INVENTION DISCLOSURE AND RECORD OF INVENTION, *available at* [http://www.intellectual.com/record\\_of\\_invention.pdf](http://www.intellectual.com/record_of_invention.pdf).

sign an assignment of the patent application, thus ending the inventor's involvement in the filing or prosecution process.<sup>19</sup> In applications not assigned to a third party, which occurs more frequently in small businesses or micro entities,<sup>20</sup> the inventor plays a more active role as both inventor and applicant in the filing and prosecution process.<sup>21</sup>

## II. OVERVIEW OF THE LAW IMPLICATED BY THE AIA OATH OR DECLARATION CHANGE

Many of the changes to the oath or declaration requirements enacted by the AIA affect large corporations. This Article first focuses on the changes to the oath or declaration under the AIA, and then examines the effect of those changes on corporations. Section A explains the changes to requirements for an oath or declaration. Section B reviews the new alternative to an oath or declaration, the substitute statement. Section C analyzes the procedural and substantive aspects of continuing applications. Finally, section D provides an overview of the professional ethics rules regarding contacting individuals. Although these ethics rules are not part of the AIA changes, they are important in this context because of the requirement to contact past inventors when filing continuing applications. The in-house counsel at the corporation must be mindful of these ethical rules when dealing with continuing applications that require former employees to execute a new oath or declaration.

### A. Oath or Declaration

Although Robert A. Armitage<sup>22</sup> advocates for eliminating the inventor oath requirement altogether,<sup>23</sup> the requirement of an oath or declaration to obtain a patent is a long-standing tradition.<sup>24</sup> The statutory requirements for an oath or declaration are codified in 35 U.S.C. § 115. Under this section, the U.S. Patent and Trademark Office (USPTO) enacted rules and regulations in 37 C.F.R.

---

<sup>19</sup> An inventor may be involved in the process if the inventor is the business owner, the inventor is a patent practitioner, or the corporation does not have an in-house patent practitioner.

<sup>20</sup> 35 U.S.C. § 123 (2006 & Supp. V 2011) (defining micro entities).

<sup>21</sup> *Am I Entitled to Small Entity or Micro Entity Fee Status?*, BROWN & MICHAELS, P.C., <http://www.bpmlegal.com/howsmall.html> (last visited May 28, 2014).

<sup>22</sup> Robert A. Armitage is the former Senior Vice President and General Counsel for Eli Lilly and Co. and previously held the office of Chair of the American Bar Association's Intellectual Property Law Section.

<sup>23</sup> Robert A. Armitage, *The Remaining "To Do" List on Patent Reform Consolidation and Optimization*, LANDSLIDE, May/June 2012, at 1, 1.

<sup>24</sup> *Hartford Empire Co. v. Obear Nester Glass Co.*, 51 F.2d 85, 97 (E.D. Mo. 1931), *aff'd*, 71 F.2d 539, 542 (8th Cir. 1934).

§ 1.63, and explained the rules and regulations for the oath requirement in the Manual of Patent Examining Procedure (MPEP).

The AIA changed the requirements of the content of an oath used in applications after September 16, 2012. Prior to September 16, 2012, an oath required a statement that the inventor believes himself to be the original inventor, a statement providing the citizenship of the inventor, a statement that the application is made without deceptive intent, and a statement acknowledging the inventor's duty of disclosure.<sup>25</sup> Under the AIA, an oath no longer requires those four statements.<sup>26</sup> Instead, after September 16, 2012, an oath must now contain a statement that the application was made or authorized to be made by the inventor and an acknowledgement of the penalties for making a false statement, specifically imprisonment of up to five years and a fine under 18 U.S.C. § 1001.<sup>27</sup> These new requirements will not be in any pre-AIA oath or declarations and, therefore, the pre-AIA oath or declarations must be replaced in any newly-filed continuing applications claiming priority to pre-AIA parent applications that contain noncompliant oath or declarations.

When an applicant files an oath or declaration that properly meets all requirements under the post-AIA 35 U.S.C. § 115, any continuing applications thereafter do not require a new oath or declaration.<sup>28</sup> However, the USPTO insisted the legislature add that the Director may require the applicant to submit a copy of the previously filed 35 U.S.C. § 115-compliant oath or declaration from the parent application for all continuing applications going forward regardless of when the parent application was filed.<sup>29</sup> When a corporation obtains a new oath or declaration or properly follows the requirements for an exception to the oath or declaration requirement for a post-AIA continuing application that has a declaration not in compliance with the post-AIA requirements (referred to as a substitute statement), any future continuing applications can use the new oath, declaration, or substitute statement.<sup>30</sup> This prevents the corporation from having to approach the same inventor more than once for each parent application.

The AIA also changed the timing requirements of the oath or declaration. Prior to September 16, 2012, if an inventor failed to file an oath or declaration with an application, the USPTO sent a Notice to File Missing Parts, typically with a reply period of two months to file an oath or declaration to avoid

---

<sup>25</sup> 35 U.S.C. § 115 (2006).

<sup>26</sup> Compare 35 U.S.C. § 115 (2006) (Pre-AIA) with 35 U.S.C. § 115 (2006 & Supp. V 2011) (AIA).

<sup>27</sup> 35 U.S.C. § 115(i) (2006 & Supp. V 2011).

<sup>28</sup> 37 C.F.R. § 1.63(d) (2013).

<sup>29</sup> 35 U.S.C. § 115(g)(2) (2006 & Supp. V 2011); see Armitage, *supra* note 14, at 105 n.406.

<sup>30</sup> 35 U.S.C. § 115(g)(1) (2006 & Supp. V 2011).

abandonment.<sup>31</sup> After September 16, 2012, an applicant may file either an Application Data Sheet (ADS) containing the information required in 37 C.F.R. § 1.53(f)(3)(i), an oath or declaration, or a substitute statement within that period for reply.<sup>32</sup> When an application is allowable and contains an oath, declaration, or substitute statement, an examiner sends both a Notice of Allowability and a Notice of Allowance.<sup>33</sup> However, if an oath, declaration, or substitute statement is not on file when the application is otherwise allowable, the examiner will send only a Notice of Allowability.<sup>34</sup> The applicant has a three-month period to submit the oath, declaration, or substitute statement and this period can only be extended for cause.<sup>35</sup> Upon receiving the oath, declaration, or substitute statement, the examiner will send a Notice of Allowance.<sup>36</sup>

### *B. Substitute Statements*

A substitute statement allows an assignee to file a statement replacing the need for an oath or declaration in certain circumstances.<sup>37</sup> The pre-AIA 35 U.S.C. § 118 allowed an assignee to file a patent application as an agent for the inventor if the inventor had assigned or agreed in writing to assign the patent rights.<sup>38</sup> If the inventor refused to sign or was unavailable, to file the application § 118 required that the assignee file an affidavit stating pertinent facts of the refusal and assignment.<sup>39</sup> The process also required the assignee to show that allowing him to act as the inventor's agent was necessary to preserve his rights as the assignee or to prevent irreparable harm.<sup>40</sup> After this burden of proof was met, the assignee could prosecute the patent application on the inventor's behalf until the USPTO sent a Notice of Allowance and the patent issued to the inventor.<sup>41</sup>

Congress changed the 35 U.S.C. § 118 language to reflect the assignee's control of the prosecution and payment of fees in most applications. Under the AIA, an assignee can file the patent application if the inventor "assigned or is

---

<sup>31</sup> Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 48776, 48787 (Aug. 14, 2012) (to be codified at 37 C.F.R. pts. 1, 3, 5, et al.).

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

<sup>35</sup> 37 C.F.R. § 1.36(c)(3).

<sup>36</sup> Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 48776, 48787 (Aug. 14, 2012) (to be codified at 37 C.F.R. pts. 1, 3, 5, et al.).

<sup>37</sup> *Id.* § 118.

<sup>38</sup> 35 U.S.C. § 118 (2006).

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

under an obligation to assign the invention.<sup>42</sup> The statute further states, unlike the pre-AIA 35 U.S.C. § 118, that when the USPTO grants a patent under this section, it grants the patent to the assignee and not the inventor.<sup>43</sup> However, the assignee must still attempt to follow the requirements for executing the oath or declaration under 35 U.S.C. § 115 before starting the substitute statement process.<sup>44</sup>

As of September 16, 2012, an assignee can file a substitute statement instead of an inventor's oath or declaration when an inventor refuses to sign an oath or declaration.<sup>45</sup> This alternative to the oath or declaration overcomes some of the difficulties assignees experienced when inventors refused to cooperate under the pre-AIA statute. An assignee can file a substitute statement if an inventor is deceased, an inventor is legally incapacitated, the assignee cannot find the inventor after diligent effort, or an inventor refuses to sign an oath while under an obligation to do so.<sup>46</sup> The substitute statement must identify the inventor and explain the circumstances that permit the filing of a substitute statement.<sup>47</sup>

Under the AIA, when an inventor cannot be located or refuses to sign an oath or declaration, an assignee must present proof of diligent effort to locate the inventor.<sup>48</sup> Under pre-AIA law, the assignee could not withhold the application from the inventor if the inventor was willing to receive the application, even if the application contained proprietary information.<sup>49</sup> Post-AIA, the inventor is still required to review and understand the contents of the application before signing the declaration or oath under 37 C.F.R. § 1.63.<sup>50</sup> However, if the inventor has assigned his interest in the application, the assignee may petition the USPTO to exclude the inventor from access to the application during prosecution.<sup>51</sup>

If the unavailable inventor is a joint inventor on the continuing application and at least one inventor on the application is available, the regulations allow the available inventor to sign a petition on behalf of the other inventor as part of a substitute statement.<sup>52</sup> However, when there are no

---

<sup>42</sup> 35 U.S.C. § 118 (2006 & Supp. V 2011).

<sup>43</sup> *Id.*

<sup>44</sup> *Id.* § 115(d)(2).

<sup>45</sup> *Id.* § 115(d).

<sup>46</sup> *Id.* § 115(d)(2).

<sup>47</sup> *Id.* § 115(d)(3); see INSTRUCTIONS FOR FORM AIA/O2, SUBSTITUTE STATEMENT IN LIEU OF AN OATH OR DECLARATION FOR UTILITY OR DESIGN PATENT APPLICATION (35 U.S.C. 115(D) AND 37 C.F.R. 1.64), available at [http://www.uspto.gov/forms/Oath\\_Decl\\_Form\\_Instructions\\_AIA02\\_19dec2012.pdf](http://www.uspto.gov/forms/Oath_Decl_Form_Instructions_AIA02_19dec2012.pdf).

<sup>48</sup> 37 C.F.R. § 1.64(a) (2013); MPEP § 604 (8th ed., 9th rev. 2014).

<sup>49</sup> MPEP § 409.03(d)(II); 37 C.F.R. § 1.47(a).

<sup>50</sup> MPEP § 602.01(a)(I)(C).

<sup>51</sup> MPEP § 106.

<sup>52</sup> 37 C.F.R. § 1.45(a) (2013).

inventors available, an assignee must sign the substitute statement for the application.

### *C. Continuing Applications*

A continuing application is a patent application entitled to priority for all subject matter disclosed in an earlier-filed parent application.<sup>53</sup> The claims of a continuing application typically claim subject matter existing in the specification that was not claimed in the original disclosure. A parent application must be copending,<sup>54</sup> meaning that the application cannot issue as a U.S. patent or become abandoned prior to the applicant filing the continuing application. Patent applications become abandoned when an applicant does not properly respond to an office action of the patent office within six months.<sup>55</sup> The qualifying parent application of a continuing application cannot be a provisional application, although the continuing application may also claim priority to a provisional application.<sup>56</sup> Provisional applications<sup>57</sup> allow an applicant to receive priority in the United States for up to twelve months<sup>58</sup> (extendable two additional months if unintentional)<sup>59</sup> without completing all the requirements of a nonprovisional application—only a fee and a specification are necessary.<sup>60</sup> In contrast, a nonprovisional application must include a specification, claims,<sup>61</sup> drawings, a fee, an oath or declaration, and a translation where appropriate. Only the specification is required to receive a filing date for the nonprovisional patent application.<sup>62</sup>

There are three different types of continuing applications: a continuation,<sup>63</sup> a divisional,<sup>64</sup> and a continuation-in-part (CIP).<sup>65</sup> A continuation allows an applicant to claim material embodied in the parent application's specification and drawings but not previously claimed.<sup>66</sup> Corporations often use continuation applications as a means to keep a patent application pending while they “wait and see” what products competitors create and then draft the claims

---

<sup>53</sup> MPEP § 201.04.

<sup>54</sup> *Id.* § 201.11(II)(B).

<sup>55</sup> 35 U.S.C. § 111(3)(c)(5) (2006 & Supp. V 2011).

<sup>56</sup> MPEP § 201.04.

<sup>57</sup> *Id.* § 201.04(b).

<sup>58</sup> 35 U.S.C. § 111(b)(5) (2006 & Supp. V 2011).

<sup>59</sup> 35 U.S.C. § 119(a)(ii) (2006 & Supp. V 2011).

<sup>60</sup> *Id.* §§ 111 (b)(1)–(2).

<sup>61</sup> *Id.*

<sup>62</sup> 37 C.F.R. § 1.53(b) (2013).

<sup>63</sup> MPEP § 201.07 (8th ed., 9th rev. 2014).

<sup>64</sup> 35 U.S.C. § 121 (2006 & Supp. V 2011).

<sup>65</sup> MPEP § 201.08.

<sup>66</sup> MPEP § 201.03(E).

of the continuation to cover those products.<sup>67</sup> This type of activity is most appropriate when competitors attempt to design around the existing patent claims by using engineering combined with claim construction principles to avoid infringement. A divisional is a specialized form of a continuing application used when an examiner requires an election between one of several inventions because two or more distinct inventions are claimed in the parent application.<sup>68</sup> After the election, the applicant can file a divisional application to claim any invention withdrawn during the required election.<sup>69</sup>

Lastly, a CIP is a continuing application in which an applicant adds new matter to material previously included in an existing application. Any new matter added in the CIP application is assigned a priority date of the filing of the CIP application,<sup>70</sup> whereas previously disclosed information maintains the priority date of the parent application. Of the different types of continuing applications, CIP applications contain the most sensitive information because the new subject matter does not exist in any prior application, whether published or not. These applications add new matter to the existing parent application, which would not be included in any prior publication. Therefore, an inventor of the parent application may not have any knowledge of the new matter in the CIP application.

An applicant has broad discretion to decide when to file for a continuing application from a pending application. The applicant can file the continuing application any time between when the parent application is filed and when it issues as a patent.<sup>71</sup> One best practices guide states that patent attorneys or agents (“patent practitioners”) should file continuing applications after the pending parent application receives a Notice of Allowance, but before the issue

---

<sup>67</sup> Dennis Crouch, *Patent Reform: Changes to Continuation and Claiming Practice*, PATENTLY-O (June 20, 2007), [http://www.patentlyo.com/patent/2007/06/patent\\_reform\\_c.html](http://www.patentlyo.com/patent/2007/06/patent_reform_c.html). The proposed changes in this article to prevent this activity were never adopted by Congress.

<sup>68</sup> MPEP § 804.

<sup>69</sup> MPEP § 803.03.

<sup>70</sup> Continuing applications must be distinguished from a Request for Continuing Examination (RCE). An RCE is not a continuing application because it inherits all of the parent application’s information and documents, called a file wrapper, and the application number. 37 C.F.R. § 1.114(d) (2012); see *Continuing Patent Applications - What Are They & When Are They Appropriate*, GALLAGHER & DAWSEY (Sept. 2002), [http://www.invention-protection.com/ip/publications/docs/Continuing\\_Patent\\_Applications.html](http://www.invention-protection.com/ip/publications/docs/Continuing_Patent_Applications.html). An applicant files an RCE after the USPTO makes a rejection for the second time for the same reason, called a Final Rejection. After filing an RCE, the applicant receives two more attempts at adjusting the claims or arguing for patentability. MPEP § 706.07(h).

<sup>71</sup> 35 U.S.C. § 111 (2006 & Supp. V 2011); see *Changes To Implement the Inventor’s Oath or Declaration Provisions of the Leahy-Smith America Invents Act*, 77 Fed. Reg. 48776 (to be codified at 37 C.F.R. pts. 1, 3, 5, et al.).

fee is paid.<sup>72</sup> By waiting, the applicant maximizes the breadth of the continuing application, while minimizing the costs because of the way examiners reject claims during prosecution. When examining a parent application, an examiner cites to law or regulations when making a rejection. Most commonly, an examiner will reject an application by stating the application is incomplete,<sup>73</sup> reject it as claiming non-patentable subject matter,<sup>74</sup> or reject it by citing prior art to establish a lack of novelty<sup>75</sup> or obviousness.<sup>76</sup> A patent practitioner must submit a response to the examiner containing amendments or arguments to overcome these rejections within six months in order to avoid abandonment.<sup>77</sup> In most cases, overcoming the examiner's rejections involves narrowing the claimed invention or differentiating the current claimed invention from the cited art. After the USPTO issues a Notice of Allowance, the applicant knows that the examiner has not found any more material prior art upon which to base a rejection of the claimed invention. When drafting and later prosecuting a continuing application claiming the benefit of the parent application, a patent practitioner can selectively broaden areas of the claims for which the examiner did not cite prior art while leaving in claim language that was required to overcome prior rejections. If the continuing application is filed prior to a Notice of Allowance, the patent practitioner will need to write responses to both the parent application and the continuing application whenever the examiner discovers relevant prior art.

An applicant for a continuing application must also have an oath or declaration compliant with 35 U.S.C. § 115. To help applicants deal with the changes to the oath or declaration requirements, the Director of the USPTO revised the rules when an ADS is properly on file<sup>78</sup> to allow an assignee to file the oath or declaration at any time between when the assignee files the continuing application and when the USPTO issues the Notice of Allowability

---

<sup>72</sup> George Wheeler, Continuation and RCE Practice 8–9 (unpublished manuscript), available at <http://www.aipla.org/learningcenter/library/papers/bootcamps/08patentbootcamp/Documents/Wheeler-paper.pdf> (last visited June 16, 2014).

<sup>73</sup> 35 U.S.C. § 112 (2006 & Supp. V 2011).

<sup>74</sup> *Id.* § 101.

<sup>75</sup> *Id.* § 102.

<sup>76</sup> *Id.* § 103.

<sup>77</sup> *Id.* § 133; see MPEP § 710.01 (8th ed., 9th rev. 2014). The period for filing a response can be shortened by MPEP § 710.02(b), but the applicant can pay a monthly fee and extend the time to the maximum six months. Examiners shorten the period for response for most responses to two or three months as a basic USPTO practice. The applicant must file a petition to extend the time and pay the fee when the response is filed under 37 C.F.R. § 1.136(a)(1) (2012).

<sup>78</sup> Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 48776, 48787 (Aug. 14, 2012) (to be codified at 37 C.F.R. pts. 1, 3, 5, et al.).

in the continuing application.<sup>79</sup> The post-AIA law empowers the Director of the USPTO to set the point in time at which an applicant must file an oath or declaration after a continuing application is filed that does not have a post-AIA compliant oath or declaration on file.<sup>80</sup> This problem did not exist when new subject matter was not added to a continuing application under pre-AIA law so an oath or declaration that was valid for the parent application would also be valid for a continuing application that did not add new material. Once an examiner issues a Notice of Allowability in the continuing application, the applicant has a limited time to ensure the application is ready for issue.<sup>81</sup> This statutory time window cannot be extended because the application is missing a compliant oath or declaration.<sup>82</sup> Once the examiner issues a Notice of Allowance, the applicant must pay the issue fee or file a Request for Continued Examination within a period of three months or the patent is abandoned.<sup>83</sup> The applicant may also file a continuing application claiming priority to the allowed application in order to maintain the priority date and patent rights associated with the subject matter of the allowed application in another application before the allowed application either issues or becomes abandoned.<sup>84</sup>

There is a risk that if a past inventor no longer works at the corporation when the corporation files a continuing application and is approached to execute a new oath or declaration, the inventor might disclose the contents of the application before publication or draw attention from a competitor to a specific published application. This risk is greater if the inventor is not bound by a nondisclosure agreement (NDA) with the corporation associated with his prior employment. If a competitor views a recently-filed continuing application, he will know what areas of technology the corporation feels are important for its future. The competitor can also ensure its products do not implement the new claims of the pending application to minimize future potential royalty obligations.

These recently-filed applications are usually unavailable to a competitor until the application publishes, and even then the competitor must monitor the corporation's publications to know what claims the corporation is seeking. The USPTO preserves unpublished patent applications in confidence.<sup>85</sup> Applications are published by default after eighteen months unless the applicant files a

---

<sup>79</sup> Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 48776 (to be codified at 37 C.F.R. pts. 1, 3, 5, et al.).

<sup>80</sup> 35 U.S.C. § 111 (2006 & Supp. V 2011).

<sup>81</sup> 37 C.F.R. § 1.136(c).

<sup>82</sup> *Id.*

<sup>83</sup> Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 48776 (to be codified at 37 C.F.R. pts. 1, 3, 5, et al.).

<sup>84</sup> MPEP § 211.01(b).

<sup>85</sup> 37 C.F.R. § 1.14 (2000).

nonpublication request in compliance with 37 C.F.R. § 1.213(a), the application is expressly abandoned, the application issues in less than eighteen months, or the application is national security classified.<sup>86</sup> For an unpublished utility patent application or continuing application, the USPTO allows any named inventor of the application to ask for and receive a copy of the current prosecution files in the File Wrapper at any time, unless the applicant has expressly filed a petition to revoke the inventor's access, which is granted at the USPTO's discretion.<sup>87</sup> Upon granting a petition to revoke access by an assignee under 37 C.F.R. § 1.4(c), the USPTO will notify the inventor that he will only have the right to view the application if the inventor is able to show that viewing the application is necessary to preserve his rights.<sup>88</sup> When the rights are revoked, the inventor cannot access the patent application documents until the patent publishes.<sup>89</sup> If an inventor granted power of attorney to his or her attorney, the corporation can revoke access for the inventor's attorney at the same time.<sup>90</sup>

Due to the growing size of specifications, a competitor cannot easily predict the claims of a possible continuing application before publication. Even after publication, the original published claims may not accurately reflect any claims that would ultimately issue in the patent. The average length of a patent specification has been rising and with good reason. The average length of a specification in 2004 was just under 40,000 characters and has risen to just under 50,000 characters in 2010.<sup>91</sup> A good explanation for the continued rise in length of a specification requires only a look at the likelihood a patent issues within four years based on the length of the specification. Considering applications that published between 2005 and 2007, the likelihood the USPTO issued a patent within four years strongly correlated to the length of the specification.<sup>92</sup> Specifications at or above the present average issued at a rate over sixty percent, whereas specifications below 20,000 characters saw a quick depreciation in allowance rate.

The corporation should not dismiss the value or capability it has to keep the content and direction of its continuing application confidential based on the fact the full text of specification published years ago. The corporation will likely select which applications to file based on which pending applications are most in line with their current product direction. Disclosing the continuing applications

---

<sup>86</sup> MPEP §§ 1120, 1122, 1125.

<sup>87</sup> MPEP § 104 grants rights to the inventor to view the application, and MPEP § 106 states the assignee must file a separate petition to the Office of Petitions.

<sup>88</sup> MPEP § 106.

<sup>89</sup> *Id.*

<sup>90</sup> MPEP § 402.07.

<sup>91</sup> Dennis Crouch, *Patent Specifications Continue to Rise in Size*, PATENTLY-O (Apr. 23, 2012), <http://www.patentlyo.com/patent/2012/04/patent-specifications-continue-to-rise-in-size.html>.

<sup>92</sup> *Id.*

to competitors through former employees could give competitors information about product direction that would not otherwise be available by reading just the specifications of currently pending applications.

#### *D. Professional Ethics Issues Arising from Contacting Past Inventors*

Corporate legal departments must be careful to avoid ethical violations when contacting inventors to execute a new oath or declaration for a continuing application. The law on professional responsibility has long established that attorneys cannot communicate with an individual represented by counsel on legal matters unless the attorney has permission from the individual's counsel.<sup>93</sup> Once an inventor is represented by counsel in a matter, only the representing counsel can authorize the attorney to speak directly to the inventor regarding that matter.<sup>94</sup> In a corporate setting, failure to follow these rules can result in sanctions against one of the corporation's in-house attorneys.<sup>95</sup> An attorney must have actual knowledge that the individual is represented by counsel pertaining to the patent application for the communication to be deemed inappropriate contact.<sup>96</sup>

Even if an inventor is not represented by counsel, if an attorney speaks to the inventor directly at any time and the attorney should know that inventor misunderstands the role of the attorney regarding the patent application, the attorney has a duty to explain to the inventor that the attorney represents the corporation.<sup>97</sup> While procuring a new oath or declaration, corporate attorneys must take precautionary measures<sup>98</sup> during contact with the inventors to avoid risk to their licenses. The corporation should develop standard operating procedures that protect against this risk.

### III. IMPACT OF THE AIA OATH OR DECLARATION CHANGES ON CORPORATIONS

The corporation will need to adopt new procedures to secure oaths or declarations for continuing applications. When the underlying parent application contains an oath or declaration that does not comply with the post-AIA requirements, the application will require a new oath or declaration for each inventor. Essentially, every oath or declaration filed in an application prior to the

---

<sup>93</sup> MODEL RULES OF PROF'L CONDUCT R. 4.2 (2000).

<sup>94</sup> Expressly disallowed in both MODEL CODE OF PROF'L CONDUCT R. 4.2 (2000) and MODEL CODE OF PROF'L RESPONSIBILITY DR 7-104(A)(1) (2000).

<sup>95</sup> SUSAN J. BECKER, DISCOVERY FROM CURRENT AND FORMER EMPLOYEES 79 (2005).

<sup>96</sup> MODEL RULES OF PROF'L CONDUCT R. 4.2, cmt. 8 (2013).

<sup>97</sup> *Id.* at R. 4.3; *see also* MODEL RULES OF PROF'L CONDUCT R. 4.2 cmt. 9 (2000) ("In the event the person with whom the lawyer communicates is not known to be represented by counsel in the matter, the lawyer's communications are subject to Rule 4.3.").

<sup>98</sup> *See infra* Part IV.B.

passage of the AIA is non-compliant. The legal department will separately need to contact each inventor on the application at some time between the filing of the continuing application and the issuance of a Notice of Allowability on the continuing application. The corporation must present each inventor with the continuing application and ask the inventor to sign an oath or declaration. The oath or declaration must state that the inventor acknowledges the potential penalty of going to prison for up to five years if the inventor makes a willful false statement.<sup>99</sup>

As explained in Part II.C, continuing applications typically are filed long after the initial invention is filed because the continuing application is usually filed after the USPTO issues a Notice of Allowance in the pending parent application.<sup>100</sup> Currently, the total time between when an application is filed and when the USPTO issues the patent or the patent goes abandoned averages 28.1 months.<sup>101</sup> The USPTO calls this window of time the “Traditional Total Pendency,” but the statistic does not include applications that involve a Request for Continued Examination (RCE).<sup>102</sup> When those applications in which an RCE has been filed are included, the number rises to 37.9 months.<sup>103</sup> The time can be much longer for some technology centers, which are organizations within the USPTO that examine patent applications in specified categories of technologies.<sup>104</sup> For example, Technology Center 2400 (Networks, Multiplexing, Cable & Security) had an average total pendency of 34.2 months in fiscal year 2013, while Technology Center 2800 (Semiconductor, Electrical, Optical Systems & Components) had an average total pendency of 27.2 months in that same period.<sup>105</sup>

The patenting process takes several years to complete and involves the conception of the invention, the drafting and filing of an application, the prosecution of the application, and finally the issuance of a U.S. Patent. Typically, the process starts with the inventor drafting an invention disclosure and filing it with his employer for review by the corporation. After approval by the corporation, a patent practitioner must draft the patent application and review the application with the inventor. Large corporations employ in-house

---

<sup>99</sup> 35 U.S.C. § 115(i) (2006 & Supp. V 2011).

<sup>100</sup> See *supra* Part II.C for an explanation of why continuing applications are typically filed after a Notice of Allowance is issued.

<sup>101</sup> *Data Visualization Center*, UNITED STATES PATENT AND TRADEMARK OFFICE, <http://www.uspto.gov/dashboards/patents> (last visited Mar. 29, 2014) (data is an average for all applications meeting the stated criteria which are disposed over a three month period as of Feb., 2014).

<sup>102</sup> *Id.*

<sup>103</sup> *Id.*

<sup>104</sup> UNITED STATES PATENT AND TRADEMARK OFFICE PERFORMANCE & ACCOUNTABILITY REPORT FISCAL YEAR 2013 190 (2013), *available at* <http://www.uspto.gov/about/stratplan/ar/USPTOFY2013PAR.pdf>.

<sup>105</sup> *Id.*

patent practitioners to manage the application-drafting process, but the actual drafting is usually performed by outside firms. Next, the corporation must obtain the necessary oath or declarations and file the application. Several years typically pass before the USPTO grants the patent. If a continuing application is not filed until after the corporation receives a Notice of Allowance, the average time between an inventor executing an oath or declaration in the parent application and the corporation contacting the inventor for a new oath or declaration for the continuing application may be as long as 37.9 months, on average. The steps of the patent process including conception, invention harvesting, patent drafting, and patent prosecution through Notice of Allowance create a substantial time delay between when an inventor conceived the invention and when he or she later must sign a new oath or declaration for a continuing application under the post-AIA changes.

Substantial employee turnover may occur during the three-year average period that occurs between conception and patent issuance. The actual turnover rate for employees in the professional and business services industry in December 2013 and January 2014 were 2.9% and 2.6%, respectively.<sup>106</sup> Extrapolating this rate over the average time before a parent application issues of 38.2 months, with an average of 2.7 inventors per patent application,<sup>107</sup> this may become a significant problem for corporations that file a lot of continuing applications.

If one of the former employees named as an inventor in a continuing application asserts he is represented by counsel in the matter of the continuing application, the rules provide that the corporation must send the application and oath or declaration to be executed to the inventor's attorney and ensure no corporate attorneys communicate with that inventor directly, although most courts have concluded that the ethical rules do not prohibit ex parte communications with former employees so long as the attorney does not inquire into privileged matters.<sup>108</sup> This adds yet another level of procedure for corporate legal departments to follow. Failure to follow this requirement may result in a bar complaint for a corporate attorney if the request to execute an oath or

---

<sup>106</sup> *Job Openings and Labor Turnover – January 2014*, BUREAU OF LABOR STATISTICS U.S. DEPARTMENT OF LABOR NEWS RELEASE USDL-14-0389, at Table 4 (Mar. 11, 2014), available at [http://www.bls.gov/news.release/archives/jolts\\_03112014.pdf](http://www.bls.gov/news.release/archives/jolts_03112014.pdf).

<sup>107</sup> Dennis Crouch, *Cross Border Inventors*, PATENTLY-O (Nov. 21, 2010), <http://www.patentlyo.com/patent/2010/11/cross-border-inventors.html>.

<sup>108</sup> See MODEL RULES OF PROFESSIONAL CONDUCT R. 4.2 (2013). *But see* Benjamin J. Vernia, Annotation, *Right of Attorney to Conduct Ex Parte Interviews with Former Corporate Employees*, 57 A.L.R. 5th 633 (“While cases in a number of jurisdictions have restricted ex parte communications with former employees, most courts have concluded that the ethical rules do not prohibit such contact so long as the interviewing attorney does not inquire into privileged matters.”).

declaration is considered to be an inquiry into a privileged matter, or the jurisdiction involved does not recognize this exception.<sup>109</sup>

If an inventor works for a competitor, and the corporation sends the full continuing application to the inventor without an NDA in place, there is a risk that the inventor may show the unfiled continuing application to their legal department. When filing a continuing application, a competitor typically cannot view the application until after eighteen months from the filing date when the application publishes.<sup>110</sup> Even after the eighteen-month publication window passes and the application publishes, viewing the application requires a proactive legal team to monitor competitor applications including continuing applications in order to identify and analyze each competitor filing. Sending the application to an inventor employed by a competitor draws unnecessary competitor attention to the continuing application. The corporation can mitigate this unnecessary competitor attention by asking the inventor to sign an NDA. However, if an NDA was not executed during the inventor's employment with the company, nothing in the law requires the inventor to execute an NDA before viewing the application.

#### IV. METHODS FOR CORPORATIONS TO MANAGE THE AIA OATH OR DECLARATION CHANGES

Although the AIA creates new challenges for corporate legal departments, with proper procedures in place these changes are manageable. If a corporation develops Standard Operating Procedures (SOP), it can prevent problems when dealing with inventors. The oath or declaration requirements present three distinct concerns for a corporation. First, the corporation cannot protect the secrecy of a pending application if it discloses it to a former employee who is not bound by an NDA to obtain an oath or declaration. Second, the former employee may be represented by his own counsel on the matter and prevent in-house attorneys from communicating directly with the inventor or risk violating professional ethics rules. Lastly, on a more personal level, inventors tend to have a close relationship to each other and expect to be treated equally; this is especially the case for joint inventors on the same patent application.

Legal departments should first look to their Information Technology (IT) systems to assist in managing the new rules. Linking an invention disclosure management system<sup>111</sup> or patent docketing system<sup>112</sup> to the human resources

---

<sup>109</sup> *Id.*

<sup>110</sup> 35 U.S.C. § 122(b)(1)(A) (2006); *see* MPEP § 1120 (8th ed., 9th rev. 2014).

<sup>111</sup> *See* *Invention Disclosure Management*, LECORPIO, [http://www.lecorpio.com/invention\\_disclosure\\_management/](http://www.lecorpio.com/invention_disclosure_management/) (last visited May 28, 2014).

employee database can provide the patent administrative staff with the current employment status of inventors on patent applications where continuing applications are filed. Additionally, because employees may leave and return during the course of prosecuting a continuing application, administrative efficiency can be improved by implementing a method to detect changes in employment status for an inventor and alert the administrative staff while a continuing application is pending. For example, if a former employee inventor returns to the corporation while a continuing application is pending, the administrative staff can promptly contact the inventor and follow the SOP for current employees. Investing in these IT resources may reduce the number of inventors the administrative staff must track down.

When filing a continuing application, a corporation should identify which inventors are currently employed within the corporation and which are not. For those currently employed, the patent administration staff should contact those inventors immediately and ask them to sign the new oath or declaration conforming to the standards under the AIA for the present continuing application. Obtaining the signatures for inventors currently employed with the corporation when the corporation files the continuing application prevents administrators from following more complicated and time-consuming procedures later if the employee leaves the corporation during prosecution. Fortunately, the AIA does not require all inventors to sign the oath or declaration at the same time; it only requires that the oath or declarations be signed by all inventors before receiving the Notice of Allowability from the examiner.

For inventors not currently employed by the corporation, the corporation needs to decide when to contact the inventor by balancing the strategic value of keeping the application confidential as long as possible against the need to execute the oath or declaration prior to the Notice of Allowability. Some factors to consider when making this determination include the current employment status of the inventor, the inventor's current work status including whether the inventor retired, the reason for filing the continuation, the past dealings with the inventor, and the number of the corporation's pending patent applications that name the individual as an inventor. While considering these factors, the practitioner filing the continuing application and the administrative staff need to decide when to reach out to each inventor to obtain a newly executed oath or declaration, and whether to petition the USPTO to exclude the inventor from

---

<sup>112</sup> See *Patent Management*, LECORPIO, [http://www.lecorprio.com/patent\\_management/](http://www.lecorprio.com/patent_management/) (last visited May 28, 2014); *IP Management Made Easier*, IPFOLIO, <http://www.ipfolio.com/ip-management-software/> (last visited May 28, 2014); *Patent Management System*, COMPUTERPACKAGES INC, [http://www.computerpackages.com/patent\\_system.asp](http://www.computerpackages.com/patent_system.asp) (last visited May 28, 2014); *Anaqua Patent Management Software*, ANAQUA, <http://info.anaqua.com/patent-management-software.html> (last visited May 28, 2014).

access to the application. Putting guidelines in place can help expedite the process of determining when to reach out. The guidelines should outline a three-step process, first, determining when to contact an inventor, then how to contact the inventor, and lastly how to handle inventors when they are unavailable or unwilling to execute the oath or declaration.

*A. Primary Factors Involved in Determining When to Contact the Inventor*

The current employment status of an inventor creates a variety of challenges for corporations. To determine the employment status of a former employee, the administrative staff can ask co-inventors that are currently employed with the corporation or search on social media websites like LinkedIn, Facebook, or Google Plus. If these inquiries do not yield results, the next steps should be to search licensing databases relative to the company's industry or obtain a copy of the inventor's credit report.<sup>113</sup> If the inventor's current employment information is unavailable, the administration staff should categorize it as such and proceed to the next step.

For inventors employed by competitors, the corporation should wait to approach the inventor. Because full disclosure of the application is required to obtain an executed oath or declaration,<sup>114</sup> there is a risk that the inventor may show his present employer the application prior to its normal publishing date unless the inventor is bound by an NDA. If the corporation delays until after the eighteen-month publication window, it can avoid disclosing the application to a competitor earlier than the competitor could access it in the public domain. The corporation should look to other factors discussed in this section below when deciding whether or not to delay initial inventor contact beyond the eighteen-month window of publication.

The corporation will need to determine how to handle approaching former employees named as inventors on continuing applications when the former employee is employed in an unrelated industry, the former employee's current employment is unknown, or the former employee retired. These scenarios present an equally low risk of disclosure to companies creating products within the scope of the invention or to potential future infringing parties. The corporation can either delay contacting the former employee until the continuing application publishes or promptly contact the former employee after filing. The corporation will also need to establish a policy on handling inventors that ask for additional compensation. The corporation should look to the costs and rules involved in filing a substitute statement before setting this policy.

---

<sup>113</sup> Owen Pearson, *How to Look Up Someone's Employment Status*, HOUSTON CHRONICLE, <http://smallbusiness.chron.com/look-up-someones-employment-status-30473.html> (last visited June 6, 2014).

<sup>114</sup> MPEP § 602.01(a)(I)(C).

The type of application the corporation decided to file also affects the policy on when to approach an inventor for a new oath or declaration. For example, a divisional application typically has the base claims that existed when the examiner required the corporation to elect between multiple inventions in the parent application. Prior to filing the divisional, the patent practitioners will adjust the claims to overcome any prior art cited in the parent application after the examiner required the election. Because the likely claims in a divisional application may be public knowledge before the application is submitted if the parent application published, keeping the application hidden from competitors is less valuable. In contrast, a continuation application can include any claims enabled in the specification and drawings, which make anticipating what claims might be filed by an applicant more difficult.

When a corporation uses a continuing application to write claims targeted directly to a competitor's products, the corporation might want to delay approaching an inventor employed at a competitor until receipt of the Notice of Allowability. This is especially important if the inventor works for or may be seeking work from the corporation whose product the continuation is intended to cover. Even still, some industries are small and tight-knit enough that patent documents handed to any competitor currently employing a past inventor during the process or obtaining an oath or declaration may travel from one competitor to another. Like the inventor, the competitor may have no duty to keep the application secret.

The corporation must also consider both the past dealings with the inventor and the number of pending patent applications containing this inventor's name. If an inventor is named on numerous applications, the corporation will likely have to deal with the inventor more than once to obtain an oath or declaration. Building a good relationship with this inventor is advisable. However, for inventors named on only a single application, the corporation can take a more direct approach by asking promptly for a new oath or declaration as opposed to building a relationship. The corporation must determine how to communicate with each inventor based on the number of inventions the corporation has pending naming that inventor on a case-by-case basis.

#### *B. How to Contact an Inventor*

When reaching out to an inventor, the corporation must ensure it takes actions to satisfy the contact requirements for a substitute statement in case the inventor refuses to sign. To satisfy these requirements, the corporation will need to send the application to the last known address of the inventor. Prior to sending the application, the corporation should take some precautionary steps to prepare the inventor before the documentation shows up in their mailbox. The inventor could perceive the legal documents arriving from the corporation as scary, cold, and inconsiderate.

To prepare the inventor, the corporation should initiate contact in a manner less formal than sending the application and oath or declaration to the last known address. Acquiring a signature on the oath or declaration from an inventor, who may have no obligation to the corporation, is a form of negotiation. The corporation should take small initial steps to build rapport with the inventor before sending the documents. If the corporation has a phone number on file for the inventor, an administrative staff member should call to verify the inventor's address, and inform the inventor that the corporation intends to file a continuing application on his invention that requires the inventor to execute a new oath or declaration. As an alternative or supplement, if an email address is known, the corporation should summarize the details that would typically be disclosed in a phone conversation and send it to the inventor.

When contacting the inventor, the corporation must also determine who will be contacting the inventor, and the chosen person should not be an attorney. In any initial communication, the chosen staff member should ask if the inventor is represented by counsel pertaining to this patent application, and if so, who the representing counsel is. When an inventor has representation, all further communication should be directed to the inventor's attorney.

When the corporation contacts the former employee, the former employee may request the corporation pay additional compensation in exchange for executing the oath or declaration. Given the corporation's need to provide the inventor with the documents, and the possible expenses the inventor may incur—time spent reviewing the documents, locating and traveling to a notary to execute an oath, paying the notary, and mailing the documents back—some compensation for executing the oath or declaration is reasonable, but it is at the discretion of the corporation. Additionally, the corporation may convince a former employee to execute an NDA, even though he is not obligated to execute one, by providing compensation contingent on the former employee's agreement to sign the NDA. In cases of strategic continuing applications or in CIP applications with new subject matter, if the corporation has an existing monetary incentive to current employees for filing patent applications, the corporation should offer to provide the same compensation to former employees willing to execute an NDA. The substitute statement rules do not require the corporation to provide any compensation, no matter how reasonable, in order to file a substitute statement. The corporation should develop the procedures for whether it will compensate an inventor seeking such compensation or pursue the substitute statement alternative before contacting any former employees to ensure the process is handled uniformly.

### *C. How to Handle Inventors Unwilling or Unavailable to Sign*

Ideally, every inventor the corporation contacts will be available and agree to sign the oath or declaration, but inevitably, some inventors will be unable or refuse to sign. Under the AIA, assignees can follow the new simplified procedures for handling problems related to executing the oath or declaration.

Similar to pre-AIA law, post-AIA law includes two layers to the analysis. First, the corporation needs a legal basis to file the initial invention, and second, the corporation needs a legal basis to circumvent the inventor's oath or declaration requirement. The AIA streamlined both of these steps for an assignee.

Filing the application without the consent of an inventor requires the corporation to satisfy the requirements of 35 U.S.C. § 118. This section requires that the inventor "assigned or is under an obligation to assign the invention" to the corporation or the corporation "otherwise shows sufficient proprietary interest in the matter" in order for the corporation to file an application without the inventor's consent.<sup>115</sup> In the case of a continuing application, the parent application's assignment document can satisfy this requirement.<sup>116</sup> The corporation must file a request for recordation that complies with 37 C.F.R. § 3.28 as well as pay a fee required by 37 C.F.R. § 3.41 in order for the USPTO assignment records to reflect the ownership.<sup>117</sup>

The addition of the substitute statement reduces the negotiating power of an inventor because of the lower costs to file a substitute statement when an inventor refuses to sign a new oath or declaration or is unavailable. If the proper procedure is followed for contacting the inventor as suggested in Section B above, a corporation can resolve the dispute with a disgruntled inventor by paying a small fee and filing a substitute statement.

#### *D. Restricting Access by Inventors on Strategic Continuing Applications*

The USPTO grants inventors broad rights to view their assigned unpublished applications. In cases where the continuing application is strategically important to the corporation's business, a corporation can remove access rights to the application for one or more inventors. When filing a continuing application, the corporation should consider the importance of the application and the relationship with the inventor before deciding whether or not to restrict access to the application. The corporation should restrict access to applications of greater significance including continuing applications covering core technology. Additionally, the corporation may consider restricting access if the inventor has left under bad terms, has left for a competitor, has left to start his own competing business.

When an application to restrict access for an inventor is filed, the USPTO sends a notification to the inventor of the inventor's inability to access the pending application. Because the notification will likely cause further damage to an already difficult relationship, these restrictions should not be filed without serious consideration. Maintaining a good relationship could result in long-term

---

<sup>115</sup> 35 U.S.C. § 118 (2006 & Supp. V 2011).

<sup>116</sup> MPEP § 306.

<sup>117</sup> *Id.*

business advantages. Additionally, if an inventor challenges the restriction, the corporation will incur additional costs.

#### CONCLUSION

The Leahy-Smith America Invents Act changed the daily lives of patent practitioners the most, but these changes also have substantial effects on businesses. Without proper planning, the new oath or declaration requirement may negatively affect businesses. Most importantly, former inventors must file new oaths or declarations in continuing applications, even if they no longer work for the company. Corporations should establish a standard operating procedure that details when and how to contact inventors based on each inventor's individual circumstances. By being creative and following a detailed standard operating procedure, corporations can minimize or prevent the potential negative effects of the new oath or declaration requirements. Once a corporation proactively implements the procedures detailed in this Article, it is free to enjoy the multitude of other positive AIA changes. After all, the "Leahy-Smith America Invents Act represents the most substantial change to American patent law since the Patent Act of 1952."<sup>118</sup>

---

<sup>118</sup>N. Scott Pierce, *The Effect of the Leahy-Smith America Invents Act on Collaborative Research*, 94 J. PAT. & TRADEMARK OFF. SOC'Y 133, 133 (2012).