Kluwer Patent Blog

Establishing Priority of Invention in the USA

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I. PRIORITY OF INVENTION

In accordance the United States patent statute, only the “first inventor” of the claimed invention is entitled to a patent for that invention. The “first inventor” is the person who either (1) reduced the invention to practice first or (2) reduced the invention to practice second but conceived of the invention first and exercised reasonable diligence in reducing the invention to practice from a time just prior to when the first person reduced the invention to practice.

Conception
Conception is primarily a mental operation, for example, the perception by an inventor of a new means or process for achieving a useful result. The idea must be of a specific means, not just a desirable end result and must be sufficiently complete so as to enable anyone of ordinary skill in the art to reduce the conception to practice. To be a named inventor one must have been at least partly responsible for the conception of one of the claims of a patent.

Reduction to Practice
There are two types of reduction to practice: actual and constructive. An actual reduction to practice takes place when the invention is made and successfully tested in the United States, Canada or Mexico in a manner which shows that the invention will be useful for the purpose for which it was made. A constructive reduction to practice occurs when an application for the invention is filed in the United States or, in the case of applications entitled to the benefit of foreign priority, on the date that the foreign (e.g., Japanese) application was filed.

Diligence
One who is the last to reduce the invention to practice but the first to conceive of the invention may establish priority by showing continuous and reasonable diligence (i.e., activities) towards

reduction to practice, during the critical period from just before the other person's conception until his own reduction to practice. Diligence is a stringent standard and most of the inventor's time must be spent developing the invention. Constant effort is not required and the inventor need not spend all of his time working on the invention. But the inventor must account for the entire critical period by showing either activity aimed at reduction to practice or legally adequate excuses for the inactivity (e.g. reasonable delays in receiving ordered parts, purchasing capital equipment or requesting technical services). Most excuses for gaps in the record of invention will not be accepted within the diligence standard.

GATT Amendments

At present, activity occurring in the United States, Canada or Mexico (NAFTA countries), and in WTO member countries can be relied upon for priority. Section 104 of the patent statute is amended by public laws to conform with NAFTA and GATT. In accordance with this amendment, a foreign inventor residing in a GATT country may now be provided an earlier date of invention based on activity occuring outside of the United States.

II. PROVING CONCEPTION AND REDUCTION TO PRACTICE

An inventor's own testimony regarding conception, diligence and reduction to practice has generally been suspect because the inventor is presumed to act in order to further his own interests. This presumption can only be overcome by independent corroboration of (evidence supporting) the inventor's testimony. The best type of corroborative evidence is a signed and dated statement of the inventor, written into a routinely maintained permanent record, and countersigned or witnessed by at least one person to whom the invention has been fully described and who is capable of completely understanding the proposed invention. However, the Patent Office and courts will examine all pertinent evidence which would support the inventor's testimony so that a sound determination of the credibility of the inventor's story may be reached.

As a general rule, the more independent evidence which can be provided to support the inventor's testimony, the better. It is extremely helpful that this information was witnessed by a third party.
To this end, most U.S. corporations require that inventors maintain laboratory notebooks in which inventors describe new inventions conceived by them as well as the results of tests on the invention. These records are a diary of the development of the invention. Wherever possible, the notebook entries should be witnessed by a party other than the inventor who understands the invention and signs and dates each page to indicate that the witness has understands the disclosure and witnessed any tests described on the page or pages of the notebook. If there is no witness to a breakthrough test, then the test should be repeated with a witness as soon as possible.

The company should keep a careful log of laboratory notebooks to establish that they were kept in the ordinary course of business and to ensure that the company can retrieve the notebooks when necessary. For example, notebooks should be issued by serial number to inventors, should be stored on company property, unless the inventor is currently using the notebook off-premises, and loss of a notebook should be immediately reported. A copy of the notebooks should be made and stored elsewhere. For example, an electronic, non-editable version of the document can be made by scanning the notebook into an electronically readable format, which is stored on a secure server with a disaster recovery plan. This virtual notebook will insure against a lost, stolen or destroyed bound notebook; however, we still recommend that the primary inventor's notebook be a physical, bound volume or volumes, perhaps supplemented by additional computerized record keeping.

While a physical notebook system is the traditional method for maintaining corroborative evidence of conception, diligence and reduction to practice, any routine and verifiable computerized system providing a permanent, unalterable record of the inventor's activities should be acceptable. If a solely computer-based system or record keeping is contemplated, it is important that the same type of information should be entered into the computer as would be entered into a laboratory notebook, including sketches and witness signatures (electronic or otherwise). Additionally, the company should establish a procedure for safeguarding virtual records, including regularly review, backup and archival of computerized inventor records. For example, it would be advisable to have the computer records periodically reviewed by non-inventor(s), who then place an entry into the computer records indicating that they have reviewed and understood the information set forth in the computer records or actually witnessed the tests described, for example by use of a check box. Permanence of the records is also a concern for computer-based record keeping. The records must be maintained secured and unaltered for the life of the patent. Access to the records must be limited and recorded. The possibility of any alterations to the records must be reliably prevented.

III. SAMPLE LABORATORY NOTEBOOK FOR EMPLOYEES

1. Companies having patent applications assigned to them should use a Laboratory Notebook similar to one produced by the Scientific Notebook Company, 2831 Lawrence Ave., Stevensville, Michigan 49127, http://www.snco.com, Catalog No. 2001, Notebook 192.
2. The information given below should either be printed or placed by an adhesive sticker on the cover of all Notebooks:

(a) Printed COMPANY NAME and LOGO.
(b) The following statement:
"This document is the property of COMPANY NAME and contains proprietary information which must not be duplicated, used or disclosed other than as expressly authorized by COMPANY NAME in writing."
(c) Preprinted serial number of the Notebook.

3. Instructions for use of the Notebook (attached hereto) by COMPANY employees should be added to the inside cover. As shown in this attachment, the Scientific Notebook Company product includes instructions for completing the Notebook.
4. The preprinted serial number should also be on each page of the Notebook.
5. A careful inventory should be maintained of all Laboratory Notebooks. The form for the inventory and instructions for maintaining the inventory are set forth in Section IV.

IV. INSTRUCTIONS FOR MAINTAINING ENGINEERING NOTEBOOK RECORDS

Introduction

The Laboratory Notebook is, as the original record, ordinarily the only authentic record of invention and laboratory experimental work. Such a record is useful in noting various projects undertaken, different approaches taken in designing a product or solving a problem and also provides proof of invention when it is necessary to secure patent protection.
Patent rights in the United States are granted only to the first and original inventor(s). Priority and originality in contested cases are determined by establishment of the priority of dates of:

1. Conception of invention;
2. Reduction to practice (making and testing) of the invention;

3. Application filing date;

Conception of Invention

The formation in the mind of the inventor of a definite idea of the complete and operative invention as it is thereafter to be applied in practice constitutes “conception of invention”.

Proving “conception of invention” is difficult. The best corroborative evidence is a signed and dated statement of the inventor, written into a routinely maintained permanent record, and countersigned or witnessed at least by one person to whom the invention has been fully described and who is capable of completely understanding the proposed invention. This general rule for the “best corroborative evidence” is, however, not the only way to corroborate the testimony of the invention. Any independent evidence which supports the inventor’s testimony will be considered.

Reduction to Practice of Invention

The successful demonstration (i.e., testing), usually at a company, of an invention is known as “actual reduction to practice”. The date of the first actual reduction to practice is generally the most important date in establishing priority and originality of an invention, especially in an interference proceeding (Patent Office priority of invention contest).

An inventor cannot by his own uncorroborated testimony prove his date of reduction to practice, nor can that date be corroborated by a co-inventor of the invention. The dates must be corroborated by independent evidence such as the testimony of a non-inventor witness (for example, another company employee) or contemporary business records (e.g., laboratory notebooks) which are sufficiently believable to convince the court that the inventor’s testimony is true. A “rule of reason” test is applied by U.S. courts in evaluating the corroborative evidence.

There is no one formula for corroborating the inventor’s testimony; however, we recommend that inventors use physical notebooks containing explicit, dated, signed and witnessed permanent records of invention conception, reduction to practice and each of the steps taken or that could be taken by one of ordinary skill in the art to reduce the invention to practice. Thus, company engineers should maintain their Notebooks according to the following system:

Entries

1. All entries made in a Laboratory Notebook should be original and handwritten. Original notes should not be made on note paper and later entered in the book, unless an unusual situation requires it.
2. All entries should be made in ink. Pencil should not be used and erasures should not be made. If a change or correction is to be made, a line should be drawn through the deleted material leaving the original non-deleted entry legible.
3. At the start of each project or experiment, an entry should be made concisely stating the object of the project or experiment and the procedures expected to be employed.
4. A full day-by-day chronological account of the work is important. References should be made to evolving ideas, models made and tests performed. The notebook should show and/or refer to sketches, drawings and specific models. As a general rule, it is better to record too much rather than too little. Each inventor should make a routine habit of recording progress on each invention each day.
5. Each entry for each step should be made contemporaneously at the time of the actual event or immediately afterwards.
6. All entries should be chronologically consecutive. No blank pages, blank lines or blank spaced should be left on any of the pages. Laboratory Notebooks should be used even for informal calculations and notes, which should be entered in their proper chronological order.
7. Coined or shorthand names not generally recognized should be avoided.

8. Unexplained or unjustified delays in a project may prejudice important rights. Whenever applicable, the nature of any delay that has prevented carrying the program forward should be explained by an entry in the Notebook. For example, awaiting receipt of specific material, apparatus, or skilled help, or assignment to a more urgent project.
9. When ancillary papers (e.g., photographs, prints of oscilloscope screens, computer or other recording instrument printouts, etc.) are attached to Notebook pages, they should be permanently attached, i.e., by tape or stapling. The Laboratory Notebook number and page number should be written on the ancillary paper, and the face or margin of each paper signed before attaching it to the Notebook page. If it is undesirable to place ancillary records (e.g., computer disks) in the Laboratory Notebook, they may be kept in a separate book; but, a clear indication of the location of the ancillary record and a description (e.g., file number and file name and date of computer disk) should be made on the page in the Laboratory Notebook on which details of the pertinent experiment are recorded. All ancillary records should be independently dated and signed by the person performing the work and should be dated and signed again by the person keeping the Notebook upon receiving them.

Signing and Dating by the Person Conducting the Experiment
1. Each page of the Laboratory Notebook should be signed and dated by the person keeping the Notebook when the page is completed.
2. Each day’s entries must be separately signed and dated at the conclusion of the day, even if the page has not been completed.
3. If more than one person is making an entry in a single Laboratory Notebook (which is not desirable), each person making an entry should sign and date his entry when it is completed and before any other person makes an entry, even if the page has not been completed.
4. If a page has not been filled, a single line should be drawn through the blank portion.

Witnessing
1. Each experiment should be witnessed by a co-worker or supervisor other than a co-inventor, who understands the work. After completing the description of the experiment in the notebook, the witness should read, sign and date the notebook under the handwritten legend “Read and Understood” or “Verified” attesting to the truth of the written description. It is important that the witness is someone who cannot claim to be a co-originator of any invention involved with respect to any of the entries witnessed and is able to understand what has been done.
2. At the end of every quarter, the person in charge of maintaining the inventory of Laboratory Notebooks, should review all active notebooks to be certain that all entries since the last audit have been properly signed and witnessed.

Idea Records
It is a good idea to make a written record of any novel idea such as a product, process, improvement, change, apparatus, design, flow sheet, etc. at the time it occurs. To be of value, this record should be sufficiently complete to explain the idea to a comprehending co-worker so that he could implement it. The record of the idea should be made in the Laboratory Notebook of the person who conceived it. Immediately after being written out, the pages containing the idea or disclosure should be read by someone who will understand the idea, and who cannot claim to be a co-originator of the idea. This other person should witness the disclosure by his signature and date under the handwritten legend “Read and Understood”.

V. INSTRUCTIONS FOR MAINTAINING INVENTORY OF LABORATORY NOTEBOOKS

An inventory of Laboratory Notebooks should be maintained utilizing the attached Notebook inventory form. Each Notebook should be serially numbered and should be issued in numerical order.

The name of the inventor to whom the Notebook is issued should be listed next to the serial number along with the date on which the Notebook is issued. When the Notebook is returned (when it has been fully completed by the inventor, the project is completed or the inventor leaves the company), the date returned should be entered along with the storage box number (or other archive reference number) in which the returned Notebook is stored. Each Notebook should be given to a single inventor. If the inventor leaves before the Notebook is completed or the project is completed, then the Notebook should be returned and be closed out. No other inventor should write into the Notebook.

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