

America Invents Act, Ten Years After Enactment

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The Leahy-Smith “America Invents Act” (hereinafter, “AIA”) was signed into law ten years ago, on September 16, 2011. We have learned extensively from the enactment and this article is part of a series of lessons learned.

The AIA is significant legislation in many ways. For one, it was the result of a multi-year bi-partisan process that ultimately ended in the successful passage. Further, the AIA represents the most substantial change in US patent law since the Patent Act of 1952 (the “1952 Act”).

Ten years ago, the US patent laws were long overdue for a realignment to conform to modern standards and International trends. For perspective, the 1952 Act was enacted only a few years after the transistor was invented (1947). In 1954 (and just in time for Christmas), the first transistor pocket radio with four transistors went on sale for \$50 (in 1952 dollars). “Smart” phones, even way back in 2011, already had *billions* of transistors. Furthermore, new tools for programming computers, namely software tools, that arose in the 1960’s, were playing a dominant role in facilitating progress in many fields by the 1990s.

Changes in the US patent law were not only needed because of advances in technology since 1952, but also because the international landscape for patents had changed. Starting in 1971, the US and many other countries ratified the international Patent Cooperation Treaty (“PCT”). The PCT set up a simplified system for filing patent applications in many different foreign countries and provided an opportunity to postpone the examination of these foreign national patent applications for up to 30 months after the US filing date without losing the right to file in designated PCT member countries. That delay enabled the applicant ample time (a) to determine the market for its invention both here and abroad, (b) to be certain in which countries it wanted patent protection before committing the funds for examination, and (c) to manage the costs of doing so by staggering the individual “national phase” filings.

But that was not all the AIA addressed. The AIA sought to improve the process of getting US patent applications examined – a process that had gotten interminably long. In 2008, one of the present authors had a chance conversation with a US Senator from Illinois, then serving on the US Senate’s Commerce Committee. The Senator was aware of the inordinate time it was taking to examine patents and understood that slow examination delayed commercial progress. He said, “we need to do something to shorten the process.” In 2011, he signed the AIA into law.

The AIA made a number of changes to US patent law that harmonized it with the laws of other nations, such as changing the US law from “first to invent” to “first inventor to file” and providing an additional way to challenge an issued patent, and many more.

Although the AIA resulted in significant changes to patent law, such as changes that affected the requirements for patentability, the AIA also enabled the US Patent Office to focus on patent quality – by improving the examination of applications, funded by making the US Patent and Trademark Office (“USPTO”) a fee-funded agency. The Patent Office was thus permitted under the AIA to keep the revenue it generated from fees. Prior to the AIA, it received only that funding allocated to it in the federal government’s budget process. Until the AIA was enacted, a portion of the fees routinely received by the USPTO went to balance the federal budget, thus the USPTO was only as efficient as the OMB would allow.

The USPTO has been a fully fee-funded agency since the AIA was enacted, and has used those funds to enhance its operations and patent quality. The USPTO’s top goal, according to its 2018-2022 Strategic plan, is “to optimize patent quality and timeliness.” This goal is to be achieved by “optimizing patent application pendency, issuing highly reliable patents, fostering innovation through business effectiveness and enhancing operations of the Patent Trial and Appeal Board.”

Another USPTO goal is to “provide domestic and global leadership to improve intellectual property policy, enforcement, and protection worldwide.”

The USPTO also has a “Mission Support Goal” that includes enhancing human capital and fostering employee engagement; optimizing information technology delivery to achieve business value, ensuring financial sustainability, and enhancing interactions with internal and external stakeholders and the public at large.

There are other changes made by the AIA, some of them are made for reasons of practicality, others to clarify important concepts, and still others to eliminate issues in the original act that just need to be removed. This article is the first in a series that will address these other issues in the coming weeks.