SMITH-LEAHY
AMERICA INVENTS ACT

Overture

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THE AMERICA INVENTS ACT

- Enacted September 16, 2011
- Six years in the making; bipartisan support
- First Major Renovation in US Patent Laws since 1952

-- only 59 pages long!
WHY IS THIS ACT IMPORTANT TO YOU?

• An effective patent system is a significant engine of progress.
  • It enables those who innovate to find rewards for their innovations.
  • It creates a system for public disclosures of inventions on which others can make improvements.
  • It costs nothing but stimulates economic growth.
GREAT THEMES OF THE AIA

- INCREASING INTERNATIONAL HARMONIZATION
- TAMING PATENT LITIGATION
- IMPROVING PATENT OUTCOMES
THE LONG ROAD TOWARD HARMONIZATION

- Paris Convention – 1883
- (Patent Act of 1952)
- American Inventors Protection Act – 1999
- America Invents Act – 2011
- And BEYOND....
[W]ith the adoption of the AIA, the U.S. is now able to pursue a 21st century globally harmonized patent system – one that international negotiations have anticipated for more than 25 years.”
• “Congress has enabled the USPTO to not only act, but to lead in realizing a vision of an IP world in which national and regional patent systems are coordinated to create an optimal environment for technological innovation and diffusion...that will help U.S. businesses succeed in the global business environment.”
“U.S. patent reform has set the scene for further harmonization to simplify the process of seeking international patent protection, reduce the cost and time it takes to obtain patent rights, and speed the deployment of innovative goods and services to the marketplace – thus promoting growth and creating jobs.”
Harmonizes US law with that of the rest of the world...almost

Eliminates legal issues over who invented first

Decreases uncertainty of patent owners about the existence of prior invention by another
First filer must still be an inventor (or believe himself/herself to be an inventor)

“Effective Filing Date” is date of filing of the first application disclosing the claimed invention anywhere in the world and is the priority date for determining who has patent rights
AIA CLARIFIES PATENTABILITY

• Significant changes to three requirements for patentability
  • novelty,
  • non-obviousness,
  • “patent eligibility”
• Novelty is measured against the teachings of “prior art”
• Prior art is now art publically accessible information in any form, anywhere in the world, in any language, before the Effective Filing Date, except
  • The applicant’s own publication within one year prior to the Effective Filing Date
  • Publications, applications and patents filed by another within the year before the Effective Filing Date who derived the invention from the Applicant
NON-OBVIOUSNESS

• An invention, in view of the prior art, must be non-obvious to those of ordinary skill in the art
  • No longer “at the time the invention was made”
  • Now “before the Effective Filing Date”
PATENT “ELIGIBILITY”

- Tax strategies – no!
- Human organisms – no!
- Business methods?...
BUSINESS METHODS

• Special review period of 8 years for those who have been sued for infringing a covered business method to challenge the patent in the USPTO

• PTO charged with developing definition of technological invention....harmonization?
• US applications must (still) describe the best mode of practicing the claimed invention
• Elsewhere in the world, best mode is not required
• Under AIA, failure to teach the best mode is no longer a defense to patent infringement
• State Court jurisdiction over patent issues - gone
• False Patent Marking – no more *qui tam* litigation
• Joining large numbers of defendants in patent infringement suits with nothing in common but the allegation they have infringed the same patent - gone
• Defenses to patent infringement that are avoidable: inequitable conduct, misjoinder/non-joinder of inventors

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FIXING YOUR OWN PATENT

- Correcting inventorship
- Supplemental examination to review prior art that was not reviewed during examination
- (Ex Parte Reexamination)
- (Reissue)
FIXING SOMEONE ELSE’S PATENTS & APPLICATIONS

- Third party submission of Prior Art
  - during prosecution
- (Ex parte Reexamination)
- Post Grant Review
  - Within 9 months after issuance
  - On any basis (sections 101, 102, 103, 112)
- *Inter Partes* Review
  - After 9 months
  - Limited basis (sections 102, 103)
• Failure to obtain advice of counsel or to disclose such advice may no longer be used to prove willful infringement
PRIOR COMMERCIAL USE DEFENSE

• Available to those who can show they were using an invention commercially for at least one year prior to the filing date of a patent application
• Expanded by AIA from just business methods to all technology, BUT...
• Defense is not licensable, assignable or transferable other than as part of the whole business;
• Limited to geographical areas of prior use;
• Not available as defense to infringement of university patents
PATENT OFFICE FUNDING

• USPTO is allowed to set its own fees and may keep the fees it collects
• To be used for upgrading capabilities, speeding up prosecution
• Fees raised to recover aggregate costs
• Maintenance fees may be used to subsidize examination costs
• 50% reduction in fees for small entities; 75% for micro-entities (inventors of limited means, MIT, Cal Tech)
SPEEDING UP EXAMINATION

• Track 1 -- Give the USPTO a TIP (“To Insure Promptness”) to get faster service ($4800 for large entities/$2400 for small entities)
• Priority Examination for Important Technologies
• (Accelerated Examination)
BRANCH OFFICES

• Easier access to “Patent Office”...hmmmm!
• Greater access to potential new examiners who live in other parts of the country
• The ability to keep an examiner whose spouse is transferred from northern Virginia
• First office is in .... Detroit