Bruzga & Associates

INTELLECTUAL PROPERTY LAW

America Invents Act

The America Invents Act (AIA) was passed on September 16, 2011 and is the most significant patent reform act in decades. The Act introduces a number of significant reforms. We will go through a number of important points.

First to File

Effective March 16, 2013, the America Invents Act (AIA) implements a version of the first to file system, which replaces the first to invent system, with significant consequences. Historically, under previous U.S. patent law, the USPTO has granted priority to the inventor who is able to show that he or she was the first to invent. Instead, the AIA implements a version of the "first to file" system, used by patent offices in most of the rest of the world. However, the AIA provisions differ from a pure "first to file" system, where generally, an inventor's own disclosure is an "absolute novelty bar" to the filing of a patent application. Instead, an inventor's own disclosure, is not prior art against the claimed invention if the disclosure was made one year or less before the effective filing date of the claimed invention.[1] Thus, this exception contrasts with a "pure" first to file system.

As a consequence, applicants cannot "swear behind" against an applied reference via a Rule 131 affidavit for demonstrating prior inventorship. Thus, no interference proceedings are available. Instead, effective March 16, 2013, a derivation proceeding will be utilized. In such a proceeding, one must show that the claimed invention was derived from the prior inventor.

Prioritized Examination

Effective September 26, 2011, the AIA allows for a fast-track prioritized examination of a patent application, with expedited allowance of a patent application within one year of filing. Applicants will have to pay extra for this privilege. Currently, the total fees, including the Track I

[1] The effective filing date is the actual filing date of the patent application, or an earlier date, when the patent application claims priority to an earlier patent application.

prioritized examination fee, are $3630 for small entities and $6480, for large entities. In addition, applicants must present no more than 4 independent claims and a total of 30 claims.

Ombudsman Program

Effective September 16, 2012, the AIA implements an ombudsman program to provide support and service to individual inventors and small entities, with respect to issues in patent prosecution.

New provisions available for corporations

The AIA allows a number of important provisions for corporate entities. Effective September 16, 2012, a company will able to file applications without inventor input. Also, in a situation where an inventor cannot be found after diligent effort or is uncooperative in the execution of an oath or declaration, a company can file a substitute statement setting forth the circumstances. Furthermore, some entities, such as universities, will be classified as "microentities," and qualify for a 75% reduction of fees. The microentity status is effective as of the date of the Act, i.e., September 16, 2011.

Patent Review

The AIA sets in place a number of procedures for review of a patent, during prosecution and after allowance. Effective September 16, 2012, third parties can submit printed publications relevant for examination of a patent application. Third parties can also request review of a patent within nine months of issuance, for possible cancellation of claim. Under such a review, third parties should set forth evidence that supports the grounds for challenging the claim. Besides third parties, patent owners themselves can request supplemental examination of their own patents.

Strategies for Patent Lawsuits

The AIA includes provisions which impact strategies for patent lawsuits. First, the AIA has eliminated the use of the failure to disclose the best mode for an invention as a manner of invalidating a patent. The best mode requirement requires the inventor to disclose the best mode (e.g., an optimal manner of using or carrying out the invention) in the specification. The AIA still requires disclosure of the best mode; however, failure to do so will no longer be enough, by itself, to invalidate an issued patent. In another example, the AIA has established prior commercial use of the claimed invention as a defense to patent infringement. Such

commercial use must have occurred at least one year before the earlier of (1) the effective filing date of the patent application, or (2) the date on which the claimed invention was disclosed to the public, subject to the prior art exception for inventor's own disclosure, as discussed earlier.

Periodic Review

Although designed to harmonize US patent law and remove frivolous patent litigation, the AIA is not without its detractors. Some commentators have suggested that a first-to-file system gives an advantage to larger entities that have the capital to afford over-filing, at the expense of individual inventors who may labor for years on an invention only to see it patented elsewhere. Possibly for this reason, the AIA mandates a series of reviews, with the first report regarding impact on small businesses, due on September 16, 2012, and an overall AIA implementation report due on September 16, 2015. It remains to be seen as to what impact that the AIA has on inventors and companies alike.

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