

Congress Passes Major Patent Reform Bill

The *America Invents Act*, the most comprehensive and significant patent reform bill in decades, was passed by a Senate vote of 89-9 on September 8, 2011. The bill, which had been approved by the House of Representatives earlier this year, now heads to the White House where President Obama has indicated that he will sign it into law.

The *Act* will effect far-reaching changes to the current patent system. In addition to several major changes, the *America Invents Act* will result in many smaller modifications, including limiting fee diversion from the Patent and Trademark Office and the creation of three new satellite offices. Below is a brief overview of some of the most significant changes to current patent law.

1. “First-to-File” System

The United States patent system is the only system in the world to currently function under a “first-to-invent” system, meaning that under certain circumstances the first person to invent can be awarded a patent over a second person to invent. With enactment of the *America Invents Act*, the United States will switch to a “first-to-file” system, in which a patent will be awarded to the first inventor to file an application for that invention. Also, interference proceedings, which are currently used to determine who invented the subject of the application first, will be replaced by derivation proceedings, which would ensure that the applicant is actually the inventor and did not derive the invention from someone else.

To enable a “first-to-file” regime, the *Act* will also modify the definition of “prior art.” Public use, sales, publications, and other disclosures to the public before the filing date will be considered “prior art” and can bar a patent from issuing, although the inventor will have a one-year grace period for pre-filing activities, limited to “disclosures” by the applicant (for example, publications by the applicant).

The “First-to-File” system will go into effect 18 months after the *America Invents Act* is signed into law.

2. Post-Grant Opposition and Preissuance Submissions

The *America Invents Act* will create several new administrative post-grant review procedures at the Patent and Trademark Office. While *ex parte* reexamination procedures are largely unchanged, *inter partes* reexamination will be replaced by *inter partes* review, which allows a third party to challenge the validity of a patent after the first year following issuance. A new proceeding called a “post-grant review” will allow challenges to a patent within the first nine months following grant or reissue of the patent.

In addition to *inter partes* review following issuance of a patent, third parties will be allowed to submit “preissuance submissions” – a patent, published patent application, or other printed publication – to the Patent and Trademark Office for consideration before the earlier of two events: (i) issuance of a notice of allowance; or (ii) the later of six months after publication or the date of first rejection of any claim by the examiner.

The post-grant review and preissuance submission process will go into effect 12 months after the *America Invents Act* is signed into law.

3. False Patent Marking

Immediately upon enactment, the *America Invents Act* will amend the false patent marking statute such that only (i) U.S. Government or (ii) a competitor who has sustained provable competitive injury can sue for a penalty for false marking. The amendment will apply to any lawsuit currently pending as of the date of enactment. Also significant, the amended section states that legitimate marking with patents that have expired is not a false marking violation.

4. Best Mode Defense Eliminated

The new law will eliminate the “best mode” requirement as a means to invalidate a patent, and will be retroactive for all pending applications and issued patents, except those currently involved in litigation. However, patent applicants will still be required to disclose the best mode in their applications.

Additional Information

The Intellectual Property Group at Bond, Schoeneck & King is currently planning a number of CLEs and presentations to help inventors, companies, and universities understand and facilitate the many changes to patent law resulting from enactment of the *America Invents Act*.

About Bond, Schoeneck & King, PLLC

Bond, Schoeneck & King, PLLC, founded in 1897, is a full service law firm comprised of more than 200 attorneys. For more than a century, Bond has provided legal services to clients who use innovation and technology to gain a competitive advantage. Bond’s Intellectual Property Practice Group provides a full range of legal services, from patent and trademark prosecution to licensing and litigation, and has substantial experience and knowledge in the protection, enforcement and commercial exploitation of all types of intellectual property.

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