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Important Provisions of The America Invents Act Take Effect in September

Intellectual Property Client Alert

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The Leahy-Smith American Invents Act (AIA), which became law last fall, presents the most significant changes to patent law in more than 50 years. The AIA was enacted with the goals of harmonization with international laws, addressing patent quality concerns, and reducing litigation expenses. Many provisions of the AIA are already in place and implemented in the U.S. Patent and Trademark Office (USPTO), and on September 16, 2012, additional provisions will become effective. The key provisions that will become effective include the following:

- 1. Supplemental Examination.** Patent owners will be able to request supplemental examination of an issued patent and possibly inoculate the patent against certain inequitable conduct allegations. If a request for supplemental examination is accepted, the USPTO will institute an ex parte reexamination. The threshold for acceptance is whether a substantial new question of patentability has been raised. Because this new process may be used by a patent owner to “clean up” a patent for litigation, clients may want to monitor any competitor patents going into supplemental examination.
- 2. Pre-Issuance Submission of Prior Art.** Third parties will be able to submit published documents and an explanation of how the documents are relevant in any pending application after publication. These submissions may be made anonymously.
- 3. Inter Partes Review.** *Inter partes* reexamination of patents will be replaced by *inter partes* review. *Inter partes* review (IPR) is similar to the *inter partes* reexamination that it replaces but has some notable differences. A third-party—not patentee—may file an IPR after nine months from grant of any patent (regardless of filing date) or after a post grant review (PGR) is terminated. The IPR request must establish a “reasonable likelihood that the requester would prevail with respect to at least one of the claims challenged.” This standard is higher than the predecessor reexamination standard. The request for IPR is limited to attacks based on 35 U.S.C. §102 (anticipation) and 35 U.S.C. §103 (obviousness), with the IPR proceeding being conducted by the Patent Trial and Appeal Board (PTAB). Any appeal from the PTAB’s final decision will be to the Federal Circuit. Once instituted, the IPR is to be completed within one year (extendable by six months for good cause). Limited discovery will be allowed in an IPR.
- 4. Applicant/Inventor Oath.** Requirements related to the oath taken by applicants/inventors will become more flexible. In particular, the changes aid in streamlining patent prosecution by an assignee or person to whom the inventor is obligated to assign, but has not yet assigned.
- 5. Transitional Post-grant Review of Certain Business Method Patents.** Certain business method patents will be eligible to be challenged under a transitional post-grant review process. The patents covered in the transitional period are patents that claim “a method or corresponding approach for performing data processing or other operations used in the practice, administration or management of a financial product or service,” except that “[it] does not include patents for technological inventions.” Those requesting review under this provision must have been sued or charged with infringement under the patent.

6. Advice of Counsel. Evidence that an infringer 1) failed to obtain “advice of counsel” regarding any allegedly infringed patent, or 2) failed to present such advice in court, may not be relied upon by the patentee/patent owner in proving the infringer’s willful infringement or intended inducement of infringement. This provision applies to all patents issued on or after September 16, 2012.

Additional changes will be implemented on March 16, 2013, and will be described in a future Client Alert.

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