

SPECIAL REPORT

Presented by the Intellectual Property Law Team of Whyte Hirschboeck Dudek S.C.

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U.S. PATENT REFORM ACT TO BECOME LAW, SOME CHANGES IMMEDIATE

by *Ted J. Barthel*

On September 8, 2011, the U.S. Senate passed HR1249, the Leahy-Smith America Invents Act (AIA). The bill now goes to the President, who is expected to sign the AIA into law. President Obama's signature will bring 6+ years of legislation on U.S. patent reform to an end. Many in the patent community view the new law as the most far-reaching change to patent law in over a century.

The new patent law is complex. Some changes take effect immediately while other changes will be phased-in over time, generally in 12-18 months. Whyte Hirschboeck Dudek S.C. will be providing further updates as provisions of the new patent law are promulgated into the U.S. Code and the Federal Regulations.

This special report addresses two points:

1. Fundamental changes in the new patent law
2. Changes effective immediately

Fundamental Changes in the New Patent Law

The new patent law has two key changes. First, under the new law, the U.S. patent system will become a "first inventor to file" system, replacing the former "first to invent" system. This will harmonize the United States with most other countries in the world which generally operate under a "first to file" patent principle. The new U.S. "first inventor to file" provision will carry significant changes to what constitutes prior art and the pre-filing

grace period. This change will be phased-in over time.

Second, the new law provides an additional new procedure whereby a third party can challenge a patent once it is granted. This change will also be phased-in over time.

Changes Effective Immediately

Following is a list of some of the changes that will take effect immediately upon the President's signature to the AIA (enactment).

1. Patent Fees

- 15% surcharge will be imposed on most patent office fees (effective 10 days after enactment)
- 75% reduction in most fees for a new category of "micro entities"
- \$4,800 (\$2,400 small entity) fee for filing a prioritized patent application (effective 10 days after enactment)
- \$400 fee for non-electronic filing (effective 60 days after enactment)

2. Patent Office Procedures

- Ban on human organism patents (will not apply to issued patents)
- Ban on tax strategy patents (applies to applications pending on/after enactment and patents issued on/after enactment)
- More stringent standard for filing *inter*



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- partes* reexamination requests
- New: “reasonable likelihood requester with prevail”
 - Old: “substantial new question of patentability”
 - Elimination of district court review for USPTO reexamination decisions (Reexamination appeals limited to CAFC only)

- Prior user defense available with respect to patents issued on/after enactment
- Joinder of unrelated accused infringers will be limited for actions filed on/after enactment
- Elimination of best mode infringement defense for actions filed on/after enactment

3. Patent Litigation

- False marking (effective upon enactment and including pending cases)
 - Virtual marking, via a website, will constitute effective marking
 - Standing limited to (i) the United States in seeking a penalty for false marking or (ii) a party that has suffered a competitive injury and the party’s relief will be limited to damages from that injury
 - Product marked with an expired patent will no longer constitute false marking

This is only a summary of the new patent law. Many other important provisions are not presented here. We will address the entirety of the new changes in future special reports.

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