

BCBR Article

New patent law brings U.S. in line with world

By David Wilson

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After six years of efforts to reform our nation's patent law, Congress and President Obama enacted the America Invents Act in September. The new patent law provides several substantial changes to existing U.S. patent law that many businesses need to consider when protecting their intellectual property.

Significantly, the new law will transform the U.S. patent system from a first-to-invent system to a first-to-file system. Under first-to-invent, someone who first conceived an invention could receive patent protection, even if someone else actually filed a patent application first. This prioritization system led to expensive, though infrequent, interference proceedings, where patent applicants provided evidence to argue who invented first.

First-to-file gives priority to the first inventor to file for a patent application, regardless of when the inventor conceived the invention. This change brings U.S. patent law into line with the rest of the world, where first-to-file has long been the norm.

Under first-to-file, businesses should consider filing their patent applications earlier than they might have in the past at the U.S. Patent and Trademark Office. They no longer can rely on evidence besides a filed application to assert an early priority date. Some businesses may consider filing an informal, provisional patent first to gain an earlier filing date, followed with more formal nonprovisional patent applications within one year of filing a provisional application.

The new first-to-file system goes into effect March 16, 2013, giving businesses 18 months to figure out their new strategies for filing patents under the new priority system.

The new law also provides an expanded defense for charges of patent infringement for businesses that may have utilized trade secrets as part of their intellectual property.

Prior to the passage of the new law, only business methods that were practiced at least one year prior to the filing date of an issued patent had a clear defense against charges on patent infringement. Now, regardless of the type of trade secret, businesses may assert a prior use defense if they used their trade secret methods as part of some commercial process at least one year prior to the filing of the patent application.

Along with providing additional defenses to patent infringement, the new law includes procedures for challenging issued patents. A post-grant review procedure allows someone to challenge a patent within nine months of issue. If the party provides arguments that "more likely than not" would invalidate the patent, the patent office would conduct a review.

Care should be taken regarding when and how this post-grant review procedure is utilized. For

example, filing a civil action to challenge a patent's validity may preclude the post-grant review procedure. If the patent office does not invalidate the patent during a post-grant review one may be precluded from arguing in a subsequent action that a “claim is invalid on any ground that the petitioner raised or reasonably could have raised during the post-grant review.”

The new law also has revised its patent re-examination procedures, which allow anyone to challenge a patent beyond the nine-month window for post-grant review.

The new law also includes several provisions that businesses may consider to accelerate the patent process. Since 2006, the patent office has provided an Accelerated Examination program for those who wanted to see quick action with regard to their patent applications. While some inventors and businesses have taken advantage of the AE program, some have avoided the program because of burdensome paperwork and disclosure requirements.

Under the new Prioritized Examination program, the patent office merely requires additional petition fees — \$4,800 for large companies and \$2,400 for small companies. Much of the administrative burden is eliminated. Under the PE program, the time between filing and final disposition of the case would be less than one year.

Finally, the new law calls for the creation of satellite patent offices beyond the main offices in Alexandria, Virginia. The first satellite office will open in Detroit. Denver is high on the priority list for a subsequent office.

A satellite office in Denver could bring hundreds of new, good paying jobs to the Front Range, along with giving local businesses greater access to the patent office. Discussing a patent application in person with a patent examiner often proves the difference between getting a patent or not.

Some additional changes that have occurred under the new law are not covered here. Businesses are strongly advised to talk with a patent lawyer to better determine how the new law may affect them.

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