

NEWSSTAND

USPTO Update - Spring 2009

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USPTO Delays New Rules for Patent Appeals

On December 10, 2008, the U.S. Patent and Trademark Office (USPTO) announced that new rules for patent appeals would not become effective until a later date.

The new rules, if implemented, would add new substantive and procedural requirements for appeal briefs and reply briefs that are expected to increase the time and effort required for preparation of these documents. However, until further notice, appeal briefs and reply briefs will be accepted under the old format.

2009 Patent Reform Bills Include Some Changes

On March 3, 2009, H.R. 1260 and S. 515 were introduced in Congress. These bills are similar to patent reform legislation introduced, but not enacted, in prior years. Both bills include provisions for transition from a "first to invent" to a "first to file" system.

Importantly, each bill includes a post-grant review procedure, similar to past legislation, but which is limited to review within 12 months of the issue date of a patent. In other words, no "second window" of review would be available when an accused infringer is notified of potential infringement after one year has passed.

Other provisions include changes to the manner in which courts calculate damages in patent infringement cases, thus requiring in most circumstances that a reasonable royalty be calculated based on a value attributed to the claimed invention's specific contribution over the prior art, instead of considering the entire market value. Also, a willfulness determination would be required to satisfy specific criteria and could be defeated based on a defendant's good faith belief that a patent was invalid, unenforceable, or not infringed. Additional provisions include changes to venue requirements and interlocutory appeals.

Administration and Legislators Agree on Fee Retention

On February 26, 2009, it was announced that the Obama Administration's budget includes language permitting the USPTO to retain all of its collected fee revenue for operational expenditures. Also, the U.S. House of Representatives separately passed an appropriations bill which allows the USPTO to retain its collected fees with no diversion.

The issue of fee diversion has been controversial in recent years. Previously, the government had diverted user fees collected by the USPTO for other governmental purposes. In recent years, it has been recognized that for the USPTO to operate more efficiently, it must be permitted to utilize fee revenue to improve operations. This year's agreement on fee diversion is a positive development; however, since fee revenue is considered on an annual basis by Congress, it is possible that a change in political climate could result in reinstatement of fee diversion in future years.

An explanatory statement in the appropriations bill directs the USPTO to take action to reduce duplication of work performed by other patent offices, thus seemingly endorsing the multi-jurisdictional work-sharing arrangements that have been pursued by the USPTO recently.

Korea and Singapore Participating in Patent Prosecution Highway

In two separate announcements in January 2009, the USPTO indicated that the Korean Intellectual Property Office (KIPO) will participate in the Patent Prosecution Highway (PPH) on a full-time basis, and the Intellectual Property Office of Singapore (IPOS) will participate in a trial initiative of the PPH.

Under the Patent Prosecution Highway (PPH), applicants who receive a ruling that at least one claim of an application is patentable, in the U.S. or Korea, for example, can request that the corresponding application in the other office receive expedited treatment.