

PATENT PROSECUTION STRATEGIES UNDER THE SMITH-LEAHY AMERICA INVENTS ACT

By Joan T. Kluger

The Smith-Leahy America Invents Act (Smith-Leahy Act) was passed by the Senate on September 8, 2011 and is expected to be signed into law by President Obama. Invention protection strategies and procedures should be evaluated in light of the new laws.

First-to-File

The most notable change to existing United States patent law is the implementation of a “first-to-file” rule, which grants patent protection to an inventor who files a patent application in the United States Patent Office before any other application is filed claiming the same technology. This is a significant change from the United States’ previous “first-to-invent” rule wherein patent protection was available to those who invented first, even if another inventor filed a patent application first. An exception to the new “first-to-file” rule addresses the potential conflict that would arise when the inventor of an earlier-filed application derived the claimed invention from an inventor claiming the same invention in a later-filed application. In such a situation, a derivation proceeding may be initiated by the second applicant within a limited time period. Upon review of evidence, the Patent Trial and Appeal Board (PTAB) will determine whether an inventor named in the earlier application derived the claimed invention from an inventor named in the petitioner’s application, and if so, the PTAB may correct the inventorship of the application or patent. The aforementioned derivation proceeding replaces previous interference proceedings.

The “first-to-file” rule makes it imperative that all inventors are aware of the importance of filing patent applications early, and are diligent in doing so. An invention does not need to be reduced to practice before an application for patent is filed; consider using a

preliminary “short-form” invention disclosure document to encourage and allow inventors to quickly put decision makers on notice of the development of innovative technology.

Applicant Designation

The Smith-Leahy Act allows “a person to whom the inventor has assigned or is under an obligation to assign the invention” to make an application for patent. If a patent is granted on an application filed by a person other than the inventor, the patent will be granted to the real party in interest. This may alleviate difficulties that sometimes occur when an inventor leaves the employ of an entity to which he/she has an invention-assignment obligation, prior to the filing of a patent application. To benefit from this provision, businesses should have assignment obligations of employees clearly defined in written agreements.

Priority Examination

Expedited patent application examination is authorized under the Smith-Leahy Act pursuant to the “Priority Examination” provision. An additional fee of \$4,800 is required for filing a Priority Examination request, separate and apart from any filing, search and examination fees, and other claims or page fees that may be incurred. A fee reduction of 50 percent is available for small entities. To be eligible for prioritized examination, a patent must have no more than four independent claims and no more than thirty total claims. The applicant is not required to submit burdensome prior art search reports and analyses as was necessary in earlier expedited procedures. Because the 20-year patent term begins at filing but the enforceable period in most cases starts only after the

(continued on page 2)

(continued from page 1)

patent issues, expediting the examination process can lead to a longer enforceable patent term. Priority examination should be considered for inventions that will be brought to market quickly.

Post-Grant Review

The Smith-Leahy Act creates a post-grant review procedure. Within nine months after the grant of a patent, a person other than the owner of a patent may file a petition to institute a post-grant review of the patent, in essence opposing the patent grant. The petition must identify all real parties in interest. The Patent Office will only authorize a post-grant review if the information presented in the petition, taking into consideration any rebuttal filed, “would demonstrate that it is more likely than not that at least one of the claims challenged in the petition is unpatentable.” A post-grant review may also be authorized if there is a “showing that the petition raises a novel and unsettled legal question that is important to other patents or patent applications.” The decision by the Patent Office regarding whether to institute a post-grant review is final and non-appealable.

Businesses should implement procedures to timely identify and review patents issuing to competitors to determine if post-grant reviews should be requested.

Patent Office Fees

Fees for patent application filing and prosecution are increased under the Smith-Leahy Act.

How Schnader Can Help

Schnader’s patent attorneys can assist in reviewing company procedures and providing suggestions relevant to provisions of the Smith-Leahy America Invents Act. ◆

This document is a basic summary of legal issues. It should not be relied upon as an authoritative statement of the law. You should obtain detailed legal advice before taking legal action.

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