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America Invents Act

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Summary: America Invents Act (AIA)

- Changes to 35 USC 102 and 103
 - “First to File” System
 - Derivation Proceedings
- Review & Opposition of Patents.
 - Post-Grant Review
 - Inter Partes review
 - Program for Financial Service Business Method Patents
- PTO Fees and Funding
- Other Changes
 - Prioritized Examination
 - 3rd party Prior Art Submissions
 - Willful Infringement

Summary: America Invents Act (AIA)

- Supplemental Examination
 - Change in Subject Matter
 - Oath & Assignment Changes
 - Best Mode
 - Declaration & Assignments
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- Timing
 - Prior User Rights (Sally Brown)
 - False Marking (Jill Powlick)
 - Joinder of Defendants (James Larson)

Changes to 35 USC 102 & 103: First to File

- The US will grant a patent to the first inventor to file an application, not the first individual to invent the subject matter.
- Prior public use of the invention will be a complete bar, whereas before it created only a potential bar, to patentability.
- Maintains a one-year grace period for disclosures, but only by the inventor.

Changes to 35 USC 102 & 103: Derivation

- Derivation proceedings will replace interferences.
- Basis: the inventor named in an another application derived the claimed invention from the actual inventor.
- Petition must be filed within one year of publication.
- Patent Trial & Appeal Board (replaces BPAI) makes derivation determination; appealable to Federal Circuit.
- Civil Action for Derivation Proceeding can be filed within one year after issuance of the patent.

Review & Opposition of Patents: Post-Grant Review

- Requestor: Any Party
- Scope: any ground relating to invalidity of the patent or any claim, e.g., 101, 102, 103, 112, ...
- Must be filed within 9 months of grant of the patent
- Standard for granting: that information presented in the petition, if not rebutted, would demonstrate that it is more likely than not that at least 1 of the challenged claims is unpatentable.
- Estoppel can apply in civil action.

Review & Opposition of Patents: Inter Partes Review

- Replaces inter partes reexamination.
- Requestor: any party that is not the Patentee, but identity must be revealed.
- Reviewed only on a ground that could be raised under section 102 or 103 and only on the basis of patents or printed publications.
- May be filed after the later of 9 months after grant or the termination of any post grant review.
- Granted based on “reasonable likelihood” standard and unpatentability proven by “preponderance of the evidence.”
- Estoppel can apply in civil action.

Review & Opposition of Patents: Business Methods

- Transitional post-grant review proceeding can address validity of business method patents.
- To use this proceeding, a party must have been sued for infringement or charged with infringement under the patent(s).
- Prior art not limited to patents and printed publications.
- Regulations defining which patents are “covered” business method patents” (and can enter the program) v. which patents are “technological invention” (and can’t enter the program) not yet written.
- Transitional program for business method patents expires on September 16, 2020.

PTO Fees and Funding

- New “micro entity” (fees at 25% of large entity fees):
 - Must qualify as small entity;
 - Named as inventor in <5 other US applications; and
 - Did not have gross income >3x median US household income and did not assign to any entity that exceeds such.
- New PTO fees (15% increase) effective already.
- PTO budget:
 - If fees collected by PTO exceed those appropriated by Congress, excess fees go into a reserve fund; and
 - Expenditure of reserve funds limited to certain activities.
- Electronic filing incentive: additional \$400 filing fee if utility application not filed electronically.

Other Changes: Prioritized Examination

- Patent applications may receive prioritized (expedited) examination by paying a \$4,800 fee.
- Adds to the list of tools for expedited examination (Patent Prosecution Highway, Green Tech Pilot Program, Petition to Make Special, 1st Action Interview Program, etc.)

Other Changes: 3rd Party Prior Art Submissions

- 3rd Party may submit prior art for consideration and inclusion in the record.
- Limited to patents, published applications, or other printed publication of potential relevance to examination.
- Prior art accompanied by a statement of relevance.
- Filed by the earlier of:
 - Notice of Allowance, or
 - Later of 6 months after publication or date of 1st substantive rejection.
 - No requirement to identify requesting party

Other Changes: Willful Infringement

- Failure to obtain an opinion of counsel, or to present the opinion to the court or jury, no longer can be used as evidence of intent to induce infringement or willful infringement.
- Reverses *Broadcom v. Qualcomm* (Fed. Cir. 2008), and codifies *Knorr-Bremse*.

Other Changes: Supplemental Examination

- Only patent owner can request.
- No deadline specified.
- If “substantial new question” observed, Director can grant reexamination.
- Patent cannot be held unenforceable in court even if information not considered during the original examination provided it was considered during the supplemental examination.

Other Changes: Subject Matter

- Additional categories of non-patentable subject matter:
 - Tax reduction, avoidance or deferral strategies;
 - A claim directed to or encompassing a human organism

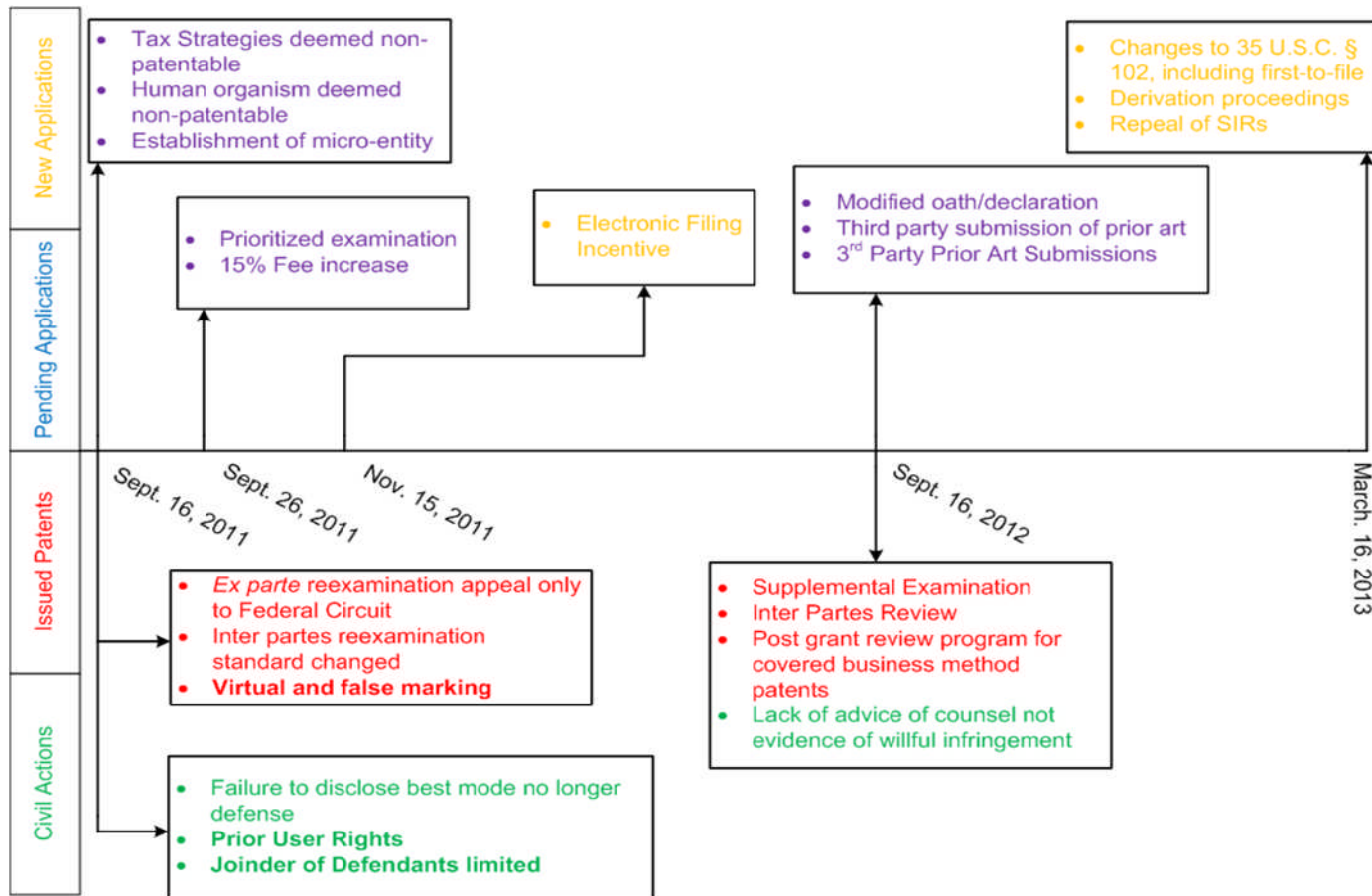
Other Changes: Best Mode

- Statute still requires an inventor to disclose the best mode of practicing the claimed invention.
- Failure to disclose the best mode is no longer grounds for invalidating the patent in litigation.
- Deliberately concealing the best mode still grounds for rendering the patent unenforceable due to inequitable conduct.

Other Notable Changes: Changes to Oath / Assignment Procedure

- Provides easier standard for Assignee filing an application when the inventor is unable or unwilling to do so.
- A substitute statement, in lieu of executing an oath/declaration, is permitted when:
 - Inventor is unable to sign due to death, legal incapacity, or unreachable after diligent effort; or
 - Obligation to assign the invention but refuses to sign.
- An entity with sufficient proprietary interest may apply for a patent on behalf of—and as agent for—the inventor on proof of pertinent facts and a showing that such an action is appropriate to preserve the rights of the parties.

IMPLEMENTATION



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