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America Invents Act – Already Making its Mark

AUTHORS

Clifton E. McCann

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Enacted into law September 16, 2011, the America Invents Act (“AIA”), makes dramatic changes to many substantive areas of U.S. patent law. Five important provisions became effective upon enactment, and five more will take effect September 16, 2012. The federal courts have started to issue decisions based on the AIA, and the U.S. Patent and Trademark Office (“USPTO”) is busy promulgating rules to implement new AIA procedures. Here is a brief update:

False patent marking. “False marking” refers to the marking of a product as being protected by a patent when in fact, it is not. The AIA makes it considerably more difficult for a party to benefit from bringing a lawsuit for false patent marking, since the AIA requires that claimants show that the false marking caused a competitive injury. The AIA also prohibits claims for false marking based solely on marking with an expired patent. Since September 16, several courts have rejected false marking claims because of the claimants’ failures to show a direct competitive injury. See, e.g., *Fisher-Price, Inc. v. Kids II, Inc.*, No. 10-cv-00988 A(F), 2011 WL 6409665 (W.D.N.Y. Dec. 21, 2011); *Advanced Cartridge Techs., LLC v. Lexmark Int’l, Inc.*, No. 8:10-cv-486-T-23TGW, 2011 WL 6719725 (M.D. Fla. Dec. 21, 2011).

One court acknowledged that the claimant had demonstrated competitive injury, but dismissed the false marking claim to the extent it depended on false marking with an expired patent number. *Fasteners for Retail, Inc. v. Andersen*, No. 11 C 2164, 2011 WL 5130445 (N.D. Ill. Oct. 28, 2011). Another court has ruled that enactment of the AIA does not preclude claimants from continuing to assert that false patent marking violates state consumer protection laws, such as state laws of false advertising and unfair competition. *Sukumar v. Nautilus, Inc.*, No. 7:11-cv-00218, 2011 WL 6325854 (W.D. Va. Dec. 19, 2011). A challenge to the constitutionality of the new false marking provision has been rejected. *Seirus Innovative Accessories, Inc. v. Cabela’s Inc.*, No. 09-cv-102 H(WMC), 2011 WL 6400630 (S.D. Cal. Oct. 19, 2011).

Multiple-defendant lawsuits. In response to a series of lawsuits, each naming large numbers of multiple defendants, the AIA imposed a new requirement that, in order to name multiple defendants, a plaintiff must show not only that the defendants infringed the same patent, but additionally, that the defendants were involved in some common infringing conduct. In a multiple-defendant lawsuit brought in Illinois, the court cited the AIA in support of its decision to grant a motion to sever the claims against one of the defendants and transfer them to Maine. *Pinpoint Inc. v. Groupon, Inc.*, No. 11 C 5597, 2011 WL 6097738 (N.D. Ill. Dec. 5, 2011).

Enhanced ability of third parties to cite prior art. Meanwhile, on January 5, 2012, the USPTO gave notice of its proposed rules to implement the third-party prior art submission provision of the AIA. This provision provides an enhanced mechanism for competitors and other third parties to submit prior art to the USPTO against any pending U.S. patent application. Under this provision, to become effective September 16, 2012, third parties will have the right to argue the relevance of each prior art document to the U.S. examiner in charge of reviewing the application. The proposed rules appear in the *Federal Register*, Vol. 77, No. 3, at page 448 (www.uspto.gov/aia_implementation/77fr448.pdf), and public comments can be submitted on or before **March 5, 2012**.

For additional information about the America Invents Act, please see the October 2011 edition of Venable’s IP Buzz (**IP Buzz - October 2011**) and December 6, 2011 webinar **Why Do I Need to Know About the New Patent Law**.