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THE AMERICA INVENTS ACT AND THE FUTURE OF PATENT PROSECUTION IN THE UNITED STATES

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The America Invents Act refers to two similar bills originating from the House of Representatives (H.R. 1249: America Invents Act) and the Senate (S. 23: Patent Reform Act) of the U.S. Congress. The America Invents Act is the fourth attempt by the U.S. policy makers to replace the present first-to-invention patent prosecution system and transition into a first-to-file system.

On June 23, 2011, the House of Representatives passed H.R. 1249, raising the possibility that the America Invents Act may soon be enacted in the United States. S. 23 has already been passed by the Senate in March of this year. If enacted, the America Invents Act will bring a drastic change to U.S. patent practice.

Major Changes

"First-to-File" System:

The America Invents Act proposes to transition the U.S. patent prosecution system from a "first-to-invent" system to a "first-to-file" system. Some experts predict that a large number of applications may be filed prior to the Act becoming effective because the Act will eliminate the practice of swearing-behind to overcome prior art references based on a prior invention date.

It is noted that, should the America Invents Act be enacted in its present form, patent practitioners will have 18 months from the date of enactment to file their applications and still receive the benefits of the old system.

In addition, the Act will eliminate the interference proceedings as we know it. Interference proceedings are U.S. Patent and Trademark Office *inter partes* proceedings in which multiple applicants can contest the priority of their applications based on invention dates. After the Act goes into effect, the priority will be determined by the filing date. Thus, the present form of interference proceeding will become obsolete.

One important new administrative proceeding that will be created with the Act is the "derivation proceeding," which will ensure that the applicant is the original inventor and not a copier who derived the invention from another.

Changes to the U.S.PTO:

Currently, the Patent and Trademark Office gathers the fees from applicants and submits the fees to Congress, which in turn determines its budget. Based on the America Invents Act, the Patent and Trademark Office will be able to keep the fees collected beyond its budget.

In addition, while the Patent and Trademark Office is currently entirely located near Washington D.C., the Act provides for the establishment of a few satellite offices. The establishment of satellite Patent and Trademark offices will likely result in the hiring of additional examiners and hopefully alleviate the current backlog of unexamined patent applications.

Strategies to Keep Patents Out of Court:

The America Invents Act hopes to reduce the burden of patent litigation on patentees, which are considered to be, in large part, unnecessary transaction costs.

In its current form, the Act will eliminate false marking lawsuits by private parties. False marking lawsuits can still be filed by the U.S. government or by a competitor who can prove real injury.

In addition, the best-mode-requirement to the validity of a patent during litigation will be eliminated.

Further, after a patent issues, challengers will be able to file a post-grant review within 9 months of the issuance. Any challenge to the patent filed thereafter will be considered an *inter partes* review. During an *inter partes* reexamination, the burden would be on the challenger to prove the claim of invalidity by a preponderance of evidence. The Act will also eliminate a *de novo* review of the Patent and Trademark Office decisions in *inter partes* reexaminations in the District Court. The parties will have to appeal to the U.S. Court of Appeals for the Federal Circuit.

Administrative Ease:

The Act also intends to make it easier to prosecute patent applications. In its present form, the Act will make it easier for corporations to submit applications without the cooperation of the inventor once the invention has been properly assigned. For example, a patent application can be filed without an inventor's oath if the inventor is out of reach.

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