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The America Invents Act

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The United States Senate passed Senate Bill S. 23 entitled “The America Invents Act” on March 8, 2011. This bill must still be passed by the US House of Representatives and represents a major reform of US patent laws since the 1952 US Patent Act. The bill was passed by an overwhelming, bi-partisan majority of 95 to 5 and includes 26 sections, with the following important aspects:

Conversion to A First to File System: (a) gets rid of the current patent eligibility based on “first to invent” and would harmonize US patent practice with the rest of the world; (b) expands the on-sale bar and public use bars to worldwide and not just US activity; and (c) makes the effective filing date of prior art U.S. patents and pre-grant applications claiming foreign priority the foreign filing date.

Post-Grant Review Proceedings: (a) adds a substantially broader post grant review process as compared to the current reexamination proceedings, which are limited to issues of patentability relating to prior art patents or printed publications that establish a substantial new question of patentability.

Pre-Issuance Submissions By Third Parties: (a) expands the current US Patent and Trademark Office third party prior submission procedure, wherein prior art patents and publications must be filed within two months of the publication date of an application or prior to the mailing of a notice of allowance, whichever is earlier, so that a third party may submit any patent or publication of potential relevance to the examination of the application, if the submission is made in writing before the earlier of (i) the date the notice of allowance is mailed to applicant, or (ii) the later of six months after the date of first publishing of an

application or the date of a first rejection of any claim during the examination of an application.

Fee Setting Authority: (a) removes the current practice of Congress diverting fees collected by the PTO for Government operations.

Supplemental Examination: (a) allows a patent owner to request supplemental examination of a patent to consider, reconsider or correct information believed to be relevant to the patent.

Best Mode Requirement: (a) will remain a condition for patentability under 35 U.S.C. §112, but will not be a basis from which any claims for patenting can be canceled, held invalid or otherwise held to be unenforceable.

Transitional Program for Covered Business-Method Patents:

(a) will provide for the implementation of a transitional post-grant review of the validity of covered business-method patents, wherein a person cannot file a petition for such transitional proceeding unless the real party in interest has been sued for patent infringement or has been charged with patent infringement, and with such transitional procedure to be repealed effective 4 years from the date that the PTO issues regulations relating to this section.

Priority Examination for Technologies Important to American Competitiveness:

(a) will provide for high examination priority for applications related to products, processes or technology that are important to the national economy or national competitiveness, and without recovery of such prioritization costs.

False Marking: (a) will change the current law allowing anyone to sue for false marking to limiting such parties to the U.S. government or a person who has suffered competitive injury.

Derivation proceedings: (a) will allow an applicant to file a petition to institute a derivation proceeding to allow for cancellation of any claim that (i) an inventor named in an earlier application derived from the inventor named in the petitioner’s application, and (ii) was filed without authorization, wherein such petition must be filed within one year after the first publication of a claim to an invention that is the same or substantially the same as the earlier application’s claim.

A factor to consider with respect to patent lawyers is the expertise that the patent attorney provides. It is important to find a patent attorney that understands current developments in the patent laws and with respect to a company’s technology, revenue model, and work processes, to make sure that an IP strategy is executed in a focused and efficient manner.

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