

President Signs Patent Reform Into Law

At 1135 AM on September 16, President Obama signed into law H.R. 1249, the "Leahy-Smith America Invents Act."

The signing ceremony was held at Thomas Jefferson High School for Science and Technology ("TJ"), an elite science and technology school in Alexandria that attracts the most outstanding math and science students from the Northern Virginia area. The President was introduced by Rebecca Heinemann, a TJ senior who to the delight of the patent savvy crowd in attendance, described how in 2008 at age 14 she applied for a patent and, after a first rejection, sought an examiner interview and was able to overcome the objection and obtain her patent in 2010. President Obama, who had earlier viewed an exhibition of the students' scientific projects and creations commented, "As a freshman none of my work was patent worthy."

In his remarks prior to signing the bill, President Obama noted that improvements by the new law will include shorter pendency and enhanced patent quality. He noted that Thomas Edison obtained his patent for the telephone just seven weeks after application, that pendency now averages three years, and that the America Invents Act could result in processing of applications "three times faster."

The overall effective date of the Act is one year from enactment, which means September 16, 2012. However, many of the provisions have their own effective date, with many provisions going into effect immediately, and others phased in over the next 18 months. The first-inventor-to-file provisions have the latest effective date, eighteen months from enactment.

Provisions that went into effect on signing of the bill include--

*Authority of the Director to set or adjust fees. Although the provisions authorizing the Director to set fees went into effect yesterday, procedural steps required by the law to implement this authority are such any changes will take at least six months.

*Ban on Tax Strategy Patents. (Applies to pending and future applications.)

*Ban on Patenting Human Organism. (Makes permanent a ban that has existed year-to-year for a number of years as a result of riders in appropriations Acts.)

*False Marking of Patents. Bans bounty-hunter suits against false marking and limits private actions for false marking to suits by persons who can show competitive injury. The ban also terminates any existing suits that are still pending.

*Virtual Marking.

*Changes to Best Mode. Applies to proceeding commenced on or after September 16, 2011.

*Changes to Prior User Defense. Applies to patents issued on or after September 16, 2011.

*Standard for Ex Parte Reexamination. Although the revised procedures for ex parte reexamination do not go into effect until one year after enactment, the change in the standard to be applied is changed immediately, from "substantial new question of patentability" to "a reasonable likelihood that the requestor would prevail with respect to at least 1 of the claims challenged".

*Change in Venue from D.C. District Court to E.D. Virginia for Various Patent and Trademark Actions.

*Clarification of Filing Deadline for Applications for Hatch-Waxman Patent Term Extensions.

*Exclusive Jurisdiction of Federal Circuit of Appeals in Cases with Compulsory Counterclaims

*Limitations on Joinder of Infringement Defendants

*Changes in Statute of Limitations for USPTO Disciplinary Actions

Provisions that will Go Into Effect 10 Days After Enactment (September 26):

*15% Surcharge on All Major Patent Fees. This surcharge will terminate for each such fee effective on the date that the Director sets or adjusts that fee pursuant to his authority to do so under the America Invents Act.

*A \$4800 (\$2400 for Small Entities) Fee on an Application for Prioritized Examination of a Patent Application.

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