

LAW WEEK

COLORADO

America Invents Act: Next Elements Ready To Take Effect

By **Craig Mueller**
SHERIDAN ROSS

DENVER — It was just a year ago, in September 2011, that the America Invents Act was signed into law. While some portions of the act went into effect immediately, other portions that will change U.S. patent practice to the greatest degree will be effective later this year and early in 2013.

For those of us in practice, counseling clients, as well as for innovators and entrepreneurs, there are important provisions of the act, implementation dates of those provisions, and the act's affect on the patent practice that are fast approaching.

SAVE ON FILING FEES. The act establishes "micro entities" that will receive a 75 percent reduction in some U.S. Patent and Trademark Office fees. To qualify as a micro entity the inventor(s) must have an income of no more than three times the national average or have assigned or be under an obligation to assign the invention to an institution of higher education, for example. The micro entity program should be implemented March 16, 2013, when the office implements the fee structure.

EXPEDITE REVIEW OF YOUR APPLICATIONS. The act offers applicants the opportunity, upon request and payment of a fee, to fast track a utility application or a request for continued examination. The fee for the request is \$4,800 for large entities and \$2,400 for small entities.

The request must be made when the application is filed and the application can have only 40 claims, of which four can be independent. The office will limit requests to 10,000 applications each fiscal year. If you have an interest in expediting a currently pending application, a continuation application with a request can be filed.

DON'T DELAY FILING APPLICATIONS. The act moves the U.S. from a first-to-invent to a first-inventor-to-file system where, generally, any public disclosure of an invention before the effective filing date of the application



CRAIG MUELLER

will constitute prior art. Conversely, the current law allows applicants to "swear behind" some prior art references if they can prove a date of invention before the effective prior art date of the reference.

This method of disqualifying prior art will no longer be available for patent applications filed on or after March 16, 2013. Applications filed before the effective date and some applications filed after that claiming the benefit of applications filed before the effective date will be prosecuted under the current rules. Related changes in the rules also render foreign sales and disclosures that were not previously considered to be prior art to be so.

DISCLOSURES OF YOUR INVENTION MAY HURT YOU. The act maintains the one-year grace period currently provided by U.S. patent law. More specifically, an applicant's disclosure of their invention will not qualify as prior art so long as the disclosure was less than one year before the filing date of an application directed to the disclosed invention. However, unlike the current rules, a third-party public disclosure occurring in the one-year window, which was not derived from the inventor, will affect patentability. The disclosure rules will also be effective on applications filed on or after March 16, 2013.

MONITOR YOUR COMPETITOR'S PATENT ACTIVITY. The act changes the way third parties can submit prior art to the office for consideration. As in the current rules, a third party can submit prior art for consideration against pending patent applications so long as the disclosures are made within a predefined time period, which the act has extended. However, prior art submissions must now include a concise explanation of the relevance of the prior art as it relates to the claims, which is not currently required. The effective date of this portion of the act is Sept. 16.

CHALLENGE YOUR COMPETITOR'S RECENTLY ISSUED PATENTS. The act will allow challenges to newly issued patents. Effective Sept. 16, but only applicable for patent applications filed on or after March 16, 2013, a third party can request a post-grant review of the patent for nine months after issuance. If the request is accepted, the office will re-review the patent in light of most forms of prior art, not just patents and printed publications.

REPLACING INTER PARTES RE-EXAMINATIONS WITH INTER PARTES REVIEWS. The act will replace inter partes re-examinations with inter partes reviews on Sept. 16. A request for inter partes review can only be made after the nine-month post-grant review period.

Further, inter partes review will be conducted under a stricter standard wherein a requestor must show that it is more than likely that at least one of the claims being challenged will be unpatentable in view of the prior art submitted.

Other important features of inter partes review is that the parties can settle before a final disposition by the office, which is not possible under the current rules. Further, any patent can be reviewed under the inter partes review system, not those filed after Nov. 29, 1999, as the current inter partes re-examination rules state.

As the proposed minimum fees for requesting an inter partes review are to increase from \$8,800 to about \$27,200 (large entity), filing any contemplated

inter partes re-examination requests before Sept. 16 would be best.

INCREASED MINIMUM FEES FOR EX PARTE RE-EXAMINATION. The act does not substantially change ex parte re-examination process, but the proposed minimum fees for ex parte re-examination requests will be increased from approximately \$2,500 to about \$18,000 (large entity).

SUPPLEMENTAL EXAMINATION. The act will also allow for patent owners to request supplemental examination wherein the office will review the issued claims in light of previously nondisclosed prior art to correct inequitable conduct or other enforceability issues.

CHANGES IN ENFORCEMENT. The act also changes how patents are enforced. For example, the "best mode" defense has been abolished. Further, failure to obtain advice of counsel regarding possible infringement cannot be used to prove willful infringement. False marking litigations have been limited and joinder of multiple defendants in a lawsuit has been restricted.

This article only touches on a handful of the important points of the act. Again, Sept. 16 and March 16, 2013, are very important implementation dates. For a copy of a USPTO table showing the act's effective dates, visit http://www.uspto.gov/aia_implementation/resources.jsp. You may also visit the office information site at http://www.uspto.gov/aia_implementation/index.jsp.

— Craig Mueller is a shareholder at Sheridan Ross, CMueller@SheridanRoss.com.

SHERIDAN ROSS attorneys at innovation
pc

patent / trademark / copyright

Denver / 1560 Broadway, Suite 1200
Denver, CO 80202 / 303-863-9700
Colorado Springs / 24 S. Weber St., Suite 205
Colorado Springs, CO 80903 / 719-749-6013