Patent Public Advisory Committee Meeting
USPTO Legislative Challenges:
Patent Reform Legislation
“Leahy-Smith America Invents Act”

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Patent Reform Legislation – “America Invents Act”

- S. 23 Passed Senate March 8, 2011 (95-5 vote)
- H.R. 1249 Passed House June 23, 2011 (304-117 vote)

Key Provisions of Both Bills:
- Transition to First-Inventor-to-File
- Establish Post-Grant and Inter Partes Review Procedures
- Provide USPTO Fee-Setting Authority
- 3rd Party Submissions of Prior Art
- Priority Examination for Important Technologies
- Post-Grant Review of Business Method Patents
- Supplemental Examination Procedure
- Limit False Marking Litigation
H.R. 1249 is based on S.23 but differs in a few ways.

Significant issues:

**USPTO Funding**
- Creates a “Patent and Trademark Fee Reserve Fund” (Not Revolving Fund)
- Fees collected in excess of appropriated amount deposited in Fund
- Fees in Fund available only for USPTO operations
- Fees in Fund made available “to the extent and in the amounts provided in appropriations Acts”
- Effective October 1, 2011
- “Compromise” brokered by House Leadership proposes language for future appropriations bills to “appropriate” excess fee collections to the Fund, available upon notification to appropriations committees

**Patent Fees**
- Prioritized Examination fee $4,800 (50% reduction for small entities); 10 days after enactment
- 15% Surcharge; Effective 10 days after enactment
- Both fees credited to USPTO’s Appropriation Account and available until expended

**Prior User Defense**
- Expands defense to all technologies (beyond current restriction to business methods)
- Requires showing of both reduction to practice and commercial use at least 1 year before filing
- Includes exemption for patents owned by universities or their technology transfer organizations
Other Provisions in H.R. 1249:

- Pro Bono and Ombudsman Programs
- Study on Patent Litigation by Non-Practicing Entities (within 1 year)
- Study on Effective way to provide Independent Genetic Testing (within 9 months)

- Additional studies on:
  - Implementation of Bill (within 4 years)
  - Diversity of Patent Applicants (within 6 months)
  - International Patent Protection for Small Business (within 120 Days)

- Codification of “Weldon Amendment” to prohibit issuance of a patent on “a claim directed to or encompassing a human organism.”

- Calculation of 60-Day Period for Patent Term extensions under Hatch-Waxman (MedCo Provision)
**Outlook:**

- Senate approves House-passed bill on unanimous consent (*perhaps after overcoming “Hold” with cloture vote*)
  
- Senate passes House bill with amendments (*would require further action by House*)
  
- Formal or informal conference

(**To be revised pending Senate activity during the first 2 weeks of July**)
Thank you.

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