

USPTO Legislative Challenges: *Patent Reform Legislation - “America Invents Act”*

Patent Public Advisory Meeting (PPAC)



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Patent Reform Legislation – “America Invents Act”

- **S. 23 Passed Senate March 8 2011, on 95-5 Vote**
- **H.R. 1249 – Scheduled for Full Judiciary Committee Markup April 14, 2011**
- **Key Provisions of Both Bills:**
 - Transition to First-Inventor-to-File
 - Establish Post-Grant and *Inter Partes* Review Procedures
 - Provide USPTO Fee-Setting Authority and Revolving Fund
 - Enable 3rd Party Submissions of Prior Art
 - Prioritization of Applications Important to Economy/Competiveness
 - 4-Year Post-Grant Review of Business Method Patents
 - Establish Supplemental Examination Procedure
 - Limit False Marking Litigation



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H.R. 1249 Differs from S. 23:

Two significant area:

- Expands Prior User Defense to All Technologies
(not addressed in S.23; provides an exemption for university patents)
- Lowers Threshold for Institution of *Inter Partes* Review
(maintains current “substantial new question of patentability” standard)



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Amendments that May be Considered at House Judiciary Markup:

Chairman Smith’s Manager’s Amendment

- Strengthens Grace Period Protection
- Limits Expansion of Prior User Rights
- Retains Higher Threshold for *Inter Partes* Review Procedures
- Further Limits Liability for False Marking
- Sunsets Fee-Setting Authority after 4 Years
- Requires Study of Patent Infringement Litigation

Over 30 Amendments Possible to:

- Strike First-Inventor-to-File
- Strike Prior User Rights
- Strike or Adjust Supplemental Examination Procedure
- Strike or Adjust Business Method Patent Review
- Establish Pro Bono Program to Assist Independent Inventors
- Adjust Timelines and Stay Provision for *Inter Parte* Review
- Provide Safe Harbor for Genetic Diagnostic Tests



FY 2011 Appropriations

USPTO Funding:

- Current CR Expires April 15, 2011; USPTO Held to FY 2010 Spending Levels
- CR for Remainder of FY 2011 is H.R. 1473 – the “Department of Defense and Full-Year Appropriations Act, 2011”
- Bill is the Result of Negotiations Concluded Last Friday Night Between House and Senate Leaders and the White House
- House and Senate Passage Expected this Week (House and Senate are Scheduled for 2-Week Recess Thereafter)
- Bill Funds USPTO to \$2.09 Billion: No USPTO Anomaly/USPTO projected collections exceed this amount by approx. \$100 million



Thank you.

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