# **Intellectual Property Practice Group**

**September 16, 2011** 

If you have questions regarding the information in this alert or any other related issue, please contact one of our IP professionals listed below, by clicking their name.

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# Leahy-Smith America Invents Act (2011)

President Obama signed the Leahy-Smith America Invents Act (AIA) into law today (September 16, 2011), bringing into effect some significant and far-reaching changes to U.S. patent law. Although some changes will not become effective for at least one year after enactment of the Act, other changes, such as increased filing fees, will become effective September 26, 2011. If you have any questions about how this new law may affect your company, please contact your Honigman attorney.

# **Highlights of Changes**

- "First-To-File" System
  - U.S. patent law will be switching from a "first-to-invent" to a "first-to-file" system.
  - Certain aspects of the one-year grace period will remain, but only for the inventor's own disclosures (disclosures derived from the inventor).
  - The "first-to-file" system will become effective 18 months after enactment of the Act.

### Derivation Proceedings

- A "derivation proceeding" will replace interference proceedings for ensuring that a first person to file the application is actually an original inventor and that the application was not derived from another inventor.
- Non-disclosure of the invention before filing (thus not relying on the grace period) would eliminate first-filers of "derived" inventions and avoid derivation proceedings.

## • Filing By Other Than The Inventor

 An entity will be able to file an application on behalf of a non-cooperative inventor who assigned, or is under an obligation to assign, the invention rights to the entity.

# • Third-Party Challenges to Patent Rights

- Third-Party Submissions:
  - Third parties will be allowed to submit to the USPTO any printed publication believed to have a bearing on the patentability of any claim of a pending patent application.

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- Inter Partes Review Proceedings:
  - A petition for inter partes review will be limited to consideration of novelty and obviousness issues based on prior art patents and printed publications that create a "substantial new question" of patentability, and can be filed after the later of either nine months after patent grant or reissuance or the termination date of any post-grant review.
- Post-Grant Review:
  - Any party may initiate a post-grant review.
  - The request for review must be filed within nine months of issuance or reissuance of the patent and would allow a third party to present essentially any legal challenge to the validity of at least one claim.

# USPTO Fee Setting Authority

- The Director may adjust and/or set fees for the Office. Filing fees will increase by 15% on Monday, September 26, 2011. Please let us know if you are contemplating any filings soon, so that we can arrange to have them filed on or before **September 23, 2011** to avoid the higher fees.
- "Micro" entities will receive a 75% reduction in fees.
- Three or more satellite offices will be opened across the country, with the first satellite office being in **Detroit**, **Michigan**.

## Prioritized Examination

- A non-provisional utility or plant application can be filed with "prioritized examination" for a fee of \$4,800. (Limited to first 10,000 applications per year.)
- The application must contain no more than four independent claims and 30 claims total.

## • Litigation Defenses

- Failure to disclose a best mode will not be an acceptable basis for invalidating an issued patent.
- Failure by an accused infringer to obtain advice of counsel with respect to any allegedly infringed patent cannot be used to prove willful infringement or inducement of infringement (codifying the Knorr-Bremse decision).

### Supplemental Examinations

- A patent owner may request supplemental examination of a patent to consider, reconsider or correct information believed to be relevant to the patent.
- Tax Strategies Not Patentable
- False Marking Claims Curtailed to Only Competitors Suffering a "Competitive Injury"