



Patent Reform Passes Both Houses of Congress

June 24, 2011

On June 23, 2011, the U.S. House of Representatives passed H.R. 1249, the patent reform bill, titled the America Invents Act. Earlier, in March 2011, the Senate passed its version of the bill, S. 23. President Obama has indicated he will sign the legislation.

The America Invents Act will make profound changes to U.S. patent practice. Perhaps one of the most significant changes will be to move from a so-called “first to invent” system, where the first person to invent has the right to patent the invention, to a “first to file” system as in other parts of the world, where the first person to file a patent application will have the right to patent the invention.

There are some differences between H.R. 1249 and S. 23. These include patent funding and prior use rights. The two bills will now go to a Congressional committee to resolve the differences between the two bills.

Some of the more note worthy provisions in both the House and Senate versions include:

- Replaces the current “first to invent” system with a new “first to file” system to “harmonize” the U.S. patent system with other countries (the transition to a “first to file” system will occur 18 months after the date the America Invents Act is enacted);
- Establishes a four year transitional program for enhanced post-grant review of so-called business method patents;
- Eliminates the failure to comply with the “best mode” requirement of 35 U.S.C. 112 as a defense to patent infringement;
- Permits third parties to submit prior art, along with a statement of relevance, to the USPTO for its consideration during examination of a pending patent application;
- Creates a new third-party post-grant review procedure to permit a third party to request cancellation of a patent for invalidity during the first year following issuance or reissuance of a patent;
- Establishes supplemental examination procedures for issued patents to cure potential inequitable conduct occurring during the original prosecution;
- Changes the false marking statute, 35 U.S.C. 292, by modifying the *qui tam* provisions of that statute (which currently permits *any* person to sue on behalf of the United States) and protecting patentees from false marking actions during the three year period following patent expiration.

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