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Several AIA Provisions Are Now In Effect As Of September 16, 2012

September 24, 2012

On September 16, 2011, President Obama signed into law the Leahy-Smith America Invents Act (commonly referred to as "the AIA"), which implements some of the most fundamental revisions to the nation's patent system ever. Some of the AIA's provisions have already gone into effect and some of the most significant provisions, such as the AIA's "first-inventor-to-file" provisions, will go into effect on March 16, 2013. Meanwhile, as of the one-year anniversary of the signing of the AIA (on September 16, 2012), additional provisions are now in effect. They include:

1. Changes to inventor's oath and declaration requirements. The AIA still requires a patent application to list all of the inventors of the invention claimed in that application and still requires, with certain exceptions, that each inventor submit an oath averring that the inventor "believes himself or herself to be the original inventor or a joint inventor," *i.e.*, that the inventor did not derive the invention from someone else. However, the AIA no longer requires that the inventor declare that he believes himself to be "the first" inventor and—most significantly—now allows the inventors' assignee, as opposed to the inventors themselves, to apply for the patent as a default matter. Before the AIA, an assignee was only allowed to apply for a patent when an inventor refused to execute an application for patent or could not be found.
2. Pre-issuance submissions by third parties. The AIA now allows third parties to submit publications for consideration in the examination of a pending patent application. Such a submission must be made before a notice of allowance is issued for the application and must also be made within 6 months after the application is published or before the first rejection in the application, whichever comes later.
3. Inter-partes review. The AIA eliminated the patent office proceeding known as "inter partes reexamination" and replaced it with a proceeding called "inter partes review." Like inter partes reexamination, inter partes review allows a challenger to request cancellation of claims in an issued patent (albeit only on the basis of prior art patents and publications) and to continue to participate in the proceeding. However, unlike inter partes reexamination, inter partes review can only be requested after the patent has been in force for 9 months, involves discovery (including production

of documents and deposition of relevant witnesses), and must be concluded within one year after a petition to initiate the proceeding is granted (or within 18 months if there is "good cause"). This means that inter partes review will take less than two years from petition to decision, although there may be an appeal to the federal courts. During the proceeding, the patent owner is allowed propose amendments to his claims, and after a final decision, the petitioner is estopped from later arguing in court that any claims upheld are invalid on any ground that the petitioner "raised or reasonably could have raised" during the inter partes review. The AIA also establishes a similar proceeding called "post-grant review" to challenge patents based on *any* ground and based on prior art of other types. That proceeding is only available for the 9 months immediately after a patent's issuance, but it will only be applicable to patents issued on applications filed after March 16, 2013.

4. Covered business method review. The AIA establishes a transitional post-grant review proceeding for review of "covered business method patents." This proceeding can be used to challenge a patent on a variety of grounds but is only available to a party who has been sued for infringement of the patent or who has been "charged with infringement" of the patent. It is also only available to challenge "a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service." This proceeding will be phased out beginning in 2020.
5. Supplemental examination. The AIA establishes a "supplemental examination" proceeding to allow a patent owner to have the Patent Office "consider, reconsider, or correct information believed to be relevant to the patent." Within three months after a request, the Patent Office concludes whether the information presented by the patent owner "raises a substantial new question of patentability." If so, the Patent Office orders a reexamination of the patent. The AIA declares that a patent cannot be held unenforceable "on the basis of conduct relating to information that…was considered, reconsidered, or corrected" during a supplemental examination. There are exceptions where an allegation of unenforceability based on that conduct was raised in court or in an FDA filing before the supplemental examination was requested and where unenforceability is raised as a defense in an infringement action or ITC proceeding initiated by the patent owner before the supplemental examination was concluded.

It is important to be aware of the changes that have and will be made under the AIA. As these and other provisions take effect, they will present both challenges and opportunities for businesses of all kinds. Therefore, strategic thinking regarding intellectual property must carefully take the AIA and its provisions into account.