



# *AMERICA INVENTS ACT PATENT ENFORCEMENT BEFORE AND AFTER*

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## INTRODUCTION

- Leahy-Smith America Invents Act, enacted on September 16, 2011, is a major overhaul of the U.S. Patent Law.
- Takes effect in Three Stages:
  - September 16, 2011
  - September 16, 2012
  - March 16, 2013

## *PATENT OWNER BENEFITS*

- **Supplemental Examination**
- **Filing by Other than Inventor**

## ATTACKING PATENTS & APPLICATIONS

- Applications
  - **Prior Art Submission by Third Parties**
- Issued Patents
  - **Post-Issue Review**
  - ***Inter Partes Review***

## **ACCUSED INFRINGER RIGHTS**

- **Prior User Rights**
- **Advice of Counsel**

## **LITIGATION PROCEDURE CHANGE**

- **Patent Owner Has to Sue Multiple Infringers Separately**

## *PATENT OWNER BENEFITS*

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## SUPPLEMENTAL EXAMINATION

### CURRENT

- Inequitable Conduct cannot be cured through a Post-Grant Procedure.

### SEPTEMBER 16, 2012

- **A patent shall not be held unenforceable** on the basis of conduct relating to information that had not been considered, was inadequately considered, or was incorrect in a prior examination of the patent if the information was considered, reconsidered, or corrected during a supplemental examination.
- PTO Director is to refer cases of “material fraud” to the Attorney General.
- Ordered if there is a substantial new question of patentability.



## SUPPLEMENTAL EXAMINATION

- Procedure will be similar to *Ex Parte* Reexamination.
- Prior art is *not limited* to patents and printed publications. Can cite non-publication information, including section 112 issues.
- Patent owner should consider supplemental examination prior to commencing any infringement action.



## FILING BY OTHER THAN INVENTOR

### CURRENT

- Only inventor(s) can file for a patent.
- A petition is required under 37 C.F.R. 1.47 if one or more of the inventors refuse to execute an application for patent.

### SEPTEMBER 16, 2012

- By an assignee or other person with sufficient proprietary interest.
- No petition required.
- Patent granted to the real party in interest with notice to the inventors.

## EMPLOYEE PATENT ASSIGNMENT AGREEMENTS

### CALIFORNIA LABOR CODE § 2870

- Don't Touch This!
  - “Developed entirely on his or her own time”
  - “without using the employer's equipment, supplies, facilities, or trade secret information”
- EXCEPT either:
  - “Relate[s] at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer
  - “Result[s] from any work performed by the employee for the employer”

## EMPLOYEE PATENT ASSIGNMENT AGREEMENTS

### CALIFORNIA LABOR CODE § 2870 (cont.)

- BIG TRAP !
  - MUST disclose employee's rights IN WRITING at time of agreement that assigns ANY patent rights to employer, even if agreement doesn't violate § 2870

## ATTACKING PATENTS & APPLICATIONS

- Applications
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## THIRD PARTY PRIOR ART SUBMISSION

### CURRENT

- Within **2 months** of first publication (by WIPO or USPTO).
- Up to 10 references.
- Cannot submit any explanation or any other information.

### SEPTEMBER 16, 2012

- Before earlier of:
  - Notice of Allowance; and
  - later of:
    - 6 months after USPTO publication; and
    - first rejection of any claim
- Can comment on references cited by the applicant.
- Must set forth a concise description of relevance of each document.
- Applies to any application filed before, on, or after the Effective Date.

## POST-GRANT REVIEW

### CURRENT

- No Post-Grant Review.

### MARCH 16, 2013

- Any ground related to the invalidity of a patent or any claim.
- “preponderance of evidence”
- Right to an oral hearing.
- Within **9 Months** of the patent grant.
- Requisite Standard:
  - it is more likely than not that at least one of the claims challenged in the petition is unpatentable; or
  - the petition raises an important novel or unsettled legal question.
- *Inter Partes* – “mini trial”



## **INTER PARTES REVIEW**

### **CURRENT**

- *Inter Partes* Reexamination, which will be replaced by *Inter Partes* Review, Effective September 16, 2012.
- Applies *only* to cases filed on or after November 29, 1999.
- During transition, the requisite **threshold** will change from “a substantial new question of patentability” to “a reasonable likelihood.”

### **AMERICA INVENTS ACT**

#### **(Effective 9/16/12 to all patents in force)**

- Only on §§ 102 or 103 grounds, and only on the basis of prior art consisting of patents or printed publications.
- After Post-Grant Review terminates, or **9 months** after the Patent Grant.
- Requisite Standard to Start: Reasonable likelihood that the petitioner would prevail with respect to at least one of the claims challenged.



## **INTER PARTES REVIEW**

### **CURRENT**

- Burden of Proof: preponderance of the evidence.
- Estoppel after Final Decision (by CAFC). May take many years.
- For reasons raised or could have been raised.
- Estoppel effect in U.S. District Court only.

### **AMERICA INVENTS ACT** **(Effective 9/16/12 to all patents in force)**

- Burden of Proof: preponderance of evidence.
- Right to an oral hearing
- **Estoppel** after final written decision of Patent Trial and Appeal Board (PTAB). 12 to 18 months [Statutory Requirement].
  - For reasons raised or *reasonably* could have been raised.
- Estoppel effect in U.S. District Court and International Trade Commission (ITC).

## **INTER PARTES REVIEW**

### **CURRENT**

- A party is estopped from asserting invalidity for reasons raised or that could have been raised during a prior civil action (before U.S. District Court)
- When U.S. District Court finds validity in a parallel proceeding, *inter partes* reexamination is **vacated**.

### **AMERICA INVENTS ACT** **(Effective 9/16/12 to all patents in force)**

- No estoppel effect of a prior civil action decision of validity on PTAB. However, there is a 12 month limit after an infringement lawsuit is filed.
- Can raise arguments in third party submissions dismissed by Examiner.
- In a parallel proceeding (with U.S. District Court or ITC), *inter partes* review **continues** even after the Court or ITC does not find invalidity.

## **INTER PARTES REVIEW**

### **CURRENT**

- *Inter Partes* Reexamination starts with the **Examiner**.
- No settlement provision.
- No deposition provision.
- Patent Owner may propose amendments (can't enlarge scope of claims) and new claims.

### **AMERICA INVENTS ACT** **(Effective 9/16/12 to all patents in force)**

- *Inter Partes* Review bypasses Examiner and starts with the **PTAB**.
- Can settle and terminate proceeding if no decision on merits (agreement must be filed in the Office).
- Discovery - deposition of witnesses, submission of **affidavits** and **declarations**, and "what is otherwise necessary in the interest of justice."
- Various "stay" provisions.

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## PRIOR USER RIGHTS DEFENSE

### CURRENT

- 35 U.S.C. 273 is limited to methods of doing or conducting **business** reduced to practice a year prior to, and commercially used in the U.S. prior to, the filing date of the patent.

### AMERICA INVENTS ACT

- 35 U.S.C. 273 expanded to cover **commercial use** of the subject matter of a patent in the United States.
- Effective against patents issued on or after September 16, 2011.
- Defense Cannot Be Licensed – Only applies to party with prior use

## PRIOR USER RIGHTS DEFENSE (cont.)

- Accused infringer must prove prior use by “clear and convincing evidence.”
  - **CRITICAL**: Maintain evidence of prior use in the United States.
- Exception: Defense does not apply to subject matter developed by an Institution of Higher Education (or tech transfer organization).
  - Exception to Exception: Reduction to practice invention must be fundable by the Federal Government.



## ADVICE OF COUNSEL

- Codifies an Appeals Court decision.
- The failure of an infringer to obtain the advice of counsel may no longer be used to prove that the accused infringer willfully infringed the patent or intended to induce infringement of the patent.
- *Any ramifications for the lack of an opinion of counsel during considerations for enhanced damages or sanctions motions and award of attorney fees during litigation?*



## PATENT OWNER HAS TO SUE MULTIPLE INFRINGERS SEPARATELY

- Joinder of defendants or counterclaim defendants is proper only if:
  - any right to relief is asserted against the parties jointly, severally, or with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences; and
  - questions of fact common to all defendants or counterclaim defendants will arise in the action.
- accused infringers may not be joined, and may not have their actions consolidated for trial, if based *solely* on allegations that they each have infringed the patent or patents in suit.

**THANK YOU!  
QUESTIONS?**

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