

Office of the President

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Dear Member of AIPPI-US:

As you are no doubt aware by now, President Obama signed into law the America Invents Act of 2011 on September 16, 2011 ("the Act"). This new law represents the first major reform to the US patent laws since at least the American Inventor's Protection Act of 1999. Many of the changes implemented by the act will be effective immediately, while others will go into effect one year after enactment, namely on September 16, 2012, or later. A brief summary of the provisions of the Act that have gone into effect immediately is as follows:

- Provides the Director of the USPTO with fee and service setting authority
- Establishes "micro entities" who will be entitled to a 75% fee reduction
- Adds a new 15% surcharge to certain fees to go directly to the USPTO starting 10 days after enactment
- Expands the ways in which a patent may be marked to include making reference to a public website address
- Provides that marking a product with an expired patent is not a violation of 35 USC 292, and limits those who have standing to bring a suit for false patent marking
- Eliminates the "failure to disclose the best mode" as "a basis upon which any claim of a patent may be canceled or held invalid or otherwise unenforceable"
- Changes the standard for *Inter Partes* Reexamination of a patent from "a substantial new question of patentability" to "a reasonable likelihood that the requestor would prevail" with respect to at least one challenged claim, until *Inter Partes* Reexamination is phased out after one year
- Expands the "prior user" defense to patent infringement for any patent issued on or after the date of enactment of the Act
- Modifies the validity analysis for inventions relating to strategies for reducing, avoiding, or deferring tax liability
- Specifically provides that "no patent may issue on a claim directed to or encompassing a human organism"
- Modifies the rules of joinder of parties in patent infringement actions
- Explicitly states that no state court shall have jurisdiction over federal patent, plant variety protection, or copyright issues
- Changes the venue for actions involving the USPTO and service upon non-resident patentees from the District of Columbia to the Eastern District of Virginia

The provisions of the Act which go into effect after one year or more are as follows:

- Changes the US from a "First-to-Invent" to a "First-to-File" system
- Adds a procedure for third parties to submit prior art references to the USPTO before issuance of another party's patent
- Adds a new Post-Grant Review Procedure as a method for third parties to challenge an issued patent on any ground that could render a patent or any claim therein invalid

- Expands *Ex Parte* Reexamination to allow third parties to request reexamination based on "statements of the patent owner filed in a proceeding before a Federal Court or the Office in which the patent owner took a position on the scope of any claim of a particular patent"
- Adds a new *Inter Partes* Review procedure for third parties to challenge an issued patent based on prior art, as a replacement to the current *Inter Partes* Reexamination
- Provides for a supplemental examination procedure under which a patent owner may request the USPTO to "consider, reconsider, or correct information believed to be relevant to the patent"
- Calls for the institution of a transitional post-grant review proceeding for business method patents within one year of the enactment of the Act
- Expands the procedures for submitting "oaths" and "declarations" to provide for more detailed declarations that may be submitted by an assignee, rather than an inventor
- Codifies that the failure of an alleged infringer to obtain the advice of counsel with respect to an allegedly infringed patent may not be used to prove willful infringement
- Gives the USPTO authority to prioritize the examination of applications for products, processes, or technologies important to the national economy or national competitiveness
- Provides that the USPTO is to set up at least three new Satellite Offices within three years of enactment of the Act, including one in Detroit, Michigan

As you may not be aware, the USPTO is already well underway with their internal rulemaking procedures for the implementation of all these new provisions. We fully expect that this rulemaking process will now be accelerated with the enactment of the Act. In view of implications of many of these provisions for foreign nationals and foreign associates, the AIPPI-US ExCo has already discussed its intent to provide comments to any new proposed USPTO rules, particularly from an international, comparative perspective. A new AIPPI-US Rulemaking Committee has already been formed for this purpose. As members of AIPPI-US, your input and participation in this process would be very valuable and useful to help develop our strategies for communicating with the USPTO. Please let the USPTO Rulemaking Committee Chairman, Josh Goldberg (jgoldberg@nathlaw.com), or myself know if you would like to help us get started!

I also wanted to alert you to the fact that registration for the AIPPI-US Group Annual Meeting is now open. Registration and program information is available at www.aippi-us.org/2011AnnualMeeting.html. Watch your email box for an Annual Meeting Announcement.

Thanks again for all you do.

With best regards,

Richard P. Beem
President, AIPPI-US