

AIA PATENT LAW REFORM IS EFFECTIVE



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On September 16, 2011, President Barack Obama signed into law the Leahy-Smith America Invents Act (AIA). This law amends Title 35 of the US Code, and represents the most significant change to the US patent system in more than half a century.

There are several controversial provisions of the AIA. Perhaps the most significant is the law's change, effective March 16, 2013, from a 'first-to-invent' system in awarding patents to a 'first inventor-to-file' system. This article focuses upon specific provisions in the AIA which took effect on September 16, 2012, the one-year anniversary of the AIA's being signed into law.

Pre-issuance submissions

The AIA provides an opportunity for third parties to influence the prosecution of pending patent applications. Until now, such influence was very limited and the *ex parte* nature of patent prosecution was one of its hallowed characteristics. Third parties are now allowed, prior to the issuance of a patent, to submit one or more publications with an impact on patentability. Such a submission must be filed prior to the date of a notice of allowance, or within six months of the application's publication, whichever is earlier, and must be accompanied by a concise, narrative statement indicating its relevance.

An interesting by-product of this change in the law resides in the fact that, since such submissions will be able to be filed solely through attorneys, the real party in interest will be able to be shielded from identification. The result will be that filings may be authorised by competitors, for example, who wish to remain anonymous.

Supplemental examination

A patent owner may request supplemental examination by the US Patent and Trademark Office (USPTO) of a granted patent, to consider, reconsider, or correct information believed to be relevant to the patent. This will enable patent owners to correct the record in order to eliminate or minimise the effect of another party's claim of inequitable conduct. Within three months of such a request, the USPTO will conduct a supplemental examination of the merits of the request, and then issue a certificate indicating its ultimate patentability conclusion. A re-examination will be ordered, if warranted.

Post-grant review (PGR)

In a procedure that is far less costly and less complex than patent civil litigation, a third party other than the owner of a patent, and who has not already initiated a civil action in district court, may file with the USPTO a petition asking the US Patent Trial and Appeal Board (PTAB) to institute an *inter partes* patentability review of the patent. The petition may be filed within nine months of the patent's grant and will be based upon patent and printed publication prior art supporting a position that the claim(s) are unpatentable.

On September 24, 2012, USPTO director David Kappos added the additional basis of a challenge brought under 35 USC 101, the section of the US patent laws that defines what constitutes patentable subject matter. The controversy under Section 101 regarding business method patents was resolved in favour of their being patentable by the US Supreme Court in *Bilski v Kappos*.

Significantly, the AIA provides that a challenger using PGR will be estopped from asserting the same grounds in later patent actions before district courts and the International Trade Commission. The patent owner has a right to file a preliminary response, contesting an *inter partes* review. The ultimate determination by the PTAB as to whether to institute a review shall be final and non-appealable.

PGR or litigation?

The decision of whether to challenge the validity of a patent in district court or via PGR will be influenced by a number of factors. Factors of estoppel and the ability to appeal favour civil litigation. Factors that favour PGR include:

- Unlike the 'clear and convincing evidence' burden of proof required to invalidate a patent in district court, the PTAB's decision may rest upon 'a preponderance of the evidence'—a far lower standard.
- A unanimous jury verdict need not be obtained.
- Lay jury unpredictability is avoided.
- The expense in time and money is far less.
- A quicker outcome will be obtained.

Finally, there will be no substitute for retaining a seasoned patent practitioner to guide one making such decisions. Conflicting timelines in likely simultaneous PGR and civil litigation proceedings will pit Markman and PGR hearings outcomes against one another. ■

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