

AIA Ho! - US Patents Act Amendments

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Something long overdue in the patent regime of the USA, the ‘‘America Invents Act’’ (AIA) has been passed by the US Congress amending the 35USC, American Patents Act and Procedures thereof. The major objectives as well as the benefits have been summarized officially as follows:

A fast track option for patent processing within 12 months

Instead of an average wait time of almost three years, the Patent and Trademark Office will be able to offer startups growing companies an opportunity to have important patents reviewed in one-third the time – with a new fast track option that has a guaranteed 12 months turnaround. Patent ownership is a critical factor venture capital companies consider when investing in entrepreneurs hoping to grow their business.

Reducing the current patent backlog

Under the Obama Administration, the patent backlog has already been reduced from over 750,000 patent applications to 680,000, despite a 4 per cent increase in filings. The additional resources provided in the law will allow the Patent and Trademark Office to continue to combat the backlog of nearly 700,000 patent applications and will significantly reduce wait times.

Reducing litigation

The Patent and Trademark Office will offer entrepreneurs new ways to avoid litigation regarding patent validity, at costs significantly less expensive than going to court.

Increasing patent quality

The Patent and Trademark Office has re-engineered its quality management processes to increase the quality of the examinations and has issued guidelines that clarify and tighten its standards for the issuance of patents. The legislation gives the USPTO additional tools and resources to further improve patent quality, and allows patent challenges to be resolved in-house through expedited post-grant processes.

Increasing the ability of American inventors to protect their IP abroad

The new law will harmonize the American patent process with the rest of the world to make it more efficient and predictable, and make it easier for entrepreneurs to simultaneously market products in the US and for exporting abroad. The Patent and Trademark Office has also expanded work-sharing with other patent offices around the world to increase efficiency and speed patent processing for applicants seeking protection in multiple jurisdictions.

The above enactment has also been associated with other initiatives to fund and motivate universities and innovators as well as to help small businesses.

Additional salient features of AIA are:

- New definitions for ‘inventor’, ‘joint inventor’, ‘co-inventor’, ‘joint research agreement’.
- ‘Effective Filing Date’ – ‘First to File’, claiming priority in harmony with the provisions of TRIPs as against earlier ‘First to Invent’, is a major amendment to the AIA.
- Conditions of patentability, such as novelty, non-obviousness subject matter has been reviewed and specifically interpreted.
- Specific linkage to ‘CREATE’ (Cooperative Research and Technology Enhancement) Act, 2004 under continuity of intent has been provided for.
- Derivation (equivalent of wrongful obtaining under the Indian Patents Act, 1970) has been clarified and defined.
- Provisions for appeal to Patent Trial and Appeal Board including settlement between parties and arbitration proceedings have been recognised.
- Special consideration / treatment for small business have been incorporated.
- Special requirement of oath have been explained.

- The hitherto requirement of having only the inventor to file the application has been amended. Consequently, now patent applications can be filed by an assignee or an agent of the inventor as well.
- Post AIA, a US patent can be granted to an applicant who is a corporate or the assignee of the inventor.
- The specification under section 112 of 35USC has also been amended exclusively.
- Inter-parte re-examination (somewhat equivalent to post-grant opposition in EU & India) has been introduced. A new Patent Trial and Appeal Board will hear such inter-parte petition. However, for admitting such a request, a reasonable likelihood of success will need to be *prima facie* demonstrated.
- Similar to the provisions of the Indian Patents Act, for transferring pending patent cases from the High Court to the IPAB was constituted, AIA appears to provide for transferring pending disputes on claim validity or invalidity to new Patent Trial and Appeal Board from the Federal Circuit and other courts. This may result in reduction of costs during patent litigations in USA.

For the purpose of smooth transition, AIA which received President Obama's assent on 16th September, 2011 will come into effect one year from the date of enactment, i.e. 16th September, 2012.

However, an increase in fees has come into effect from 26th September, 2011. The Silver lining is that, micro entity will get a 50-75 per cent reduction in fees, effective September, 2012.

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