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LEAHY-SMITH AMERICA INVENTS ACT: WILL IT BE NATION'S MOST SIGNIFICANT PATENT ACT SINCE 1790?

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On September 16, 2011, the 150-page “Leahy-Smith America Invents Act,” H.R. 1249, became law. It is, without question, significant, even record-setting, patent legislation.

H.R. 1249 becomes – by far – the *lengthiest* patent act in our nation’s history. The new patent act is more than double the size of the bill creating 1952 Patent Act, which re-codified the entirety of U.S. patent law from scratch.

The new act’s legislative gestation consumed over six years. Only once before, in enacting the American Inventors Protection Act of 1999, did Congress take so long to bring a new patent act into being.

Being the lengthiest patent act of all time – and the slowest to transit Congress – constitute at best uninspiring superlatives. They hardly suggest that this new congressional work product might one day be acknowledged not just as a *significant* advance in U.S. patent law, but as *the most significant* since the First Congress crafted the first patent act in 1790.

To make good on such a brash and bold aspiration would be to fulfill a very tall order. It would require that the new law surpass in its implications and impact both the Patent Act of 1836 (creating the patent office and the modern system of patent examination) and the 1952 Patent Act (providing a complete and cogent, ground-up restatement of all U.S. patent law under a full statutory recodification). In other words, the America Invents Act needs to achieve nothing short of extraordinary credentials to top the significance of these two great patent acts of the Nineteenth and Twentieth centuries.

Just why might the America Invents Act someday realize such an outsized potential? For the proponents of the new law, it holds the promise of accomplishing two things, each of which is potentially profound.

The first possible accomplishment would be to work a revolution in the criteria by which a new invention can be judged to have been validly patented in the United States. The new act both limits and then reshapes patenting rules to those that, both individually and collectively, are *transparent, objective, predictable, and simple*. It also successfully retains and even enhances the historic *inventor-friendly* and *collaboration-friendly* features that have long set U.S. patent law apart from patent systems globally.

The second potential impact is even more ambitious – that our new patent law will serve as a beacon to guide future changes in foreign patent laws so that in the decades ahead, foreign patent laws would come to be built around the very same principles Congress enshrined in our new law. Should this potential be realized, greater harmonization of the world’s patent laws may come to mean nothing more than foreign

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patent laws adopting the mold and model of H.R. 1249's provisions.

HOW DOMESTIC PATENT LAW PRINCIPLES WILL BE REVOLUTIONIZED UNDER THE ACT

U.S. Patentability Law Becomes TOPS: Transparent, Objective, Predictable, and Simple. The proponents of the America Invents Act sought a new patent law – and a reformed patent system – operating with greater transparency, objectivity, predictability, and simplicity in the determination of whether a valid patent could be granted on an invention. To a quite stunning degree, they got what they were seeking with the enactment of H.R. 1249:

- *Transparency.* Once the America Invents Act takes full effect, only information that has become *available to the public* before an inventor seeks a patent for an invention – or had become publicly available from an earlier patent filing by someone else – will be used to determine whether the invention to be patented is *sufficiently different* from pre-existing knowledge to merit a patent. To achieve this result, H.R. 1249 erases from U.S. patent law an array of archaic principles and practices that resulted in secret knowledge or secret activities – sometimes secret activities undertaken by the inventor and other times secret work done by third parties – being cited to prevent a patent from issuing or to destroy its validity once granted.
- *Objectiveness.* In a similar manner, the new act removes from existing patent law subjective tests that have historically been considered in the assessment of whether a patent is valid. When did the inventor first think of the invention in its completed form? On the day of the patent filing, what did the inventor contemplate would be the best mode for practicing the invention? These types of subjective inquires have no relevance under the new patent law. This full objectivity in patenting principles will be particularly relevant in assessing whether the inventor's patent filing *sufficiently disclosed* the new invention. Henceforth, a sufficient disclosure rests on two objective standards – were the actual embodiments of the claimed invention properly identified in the patent, and could those embodiments be put to a practical and substantial use based on the information provided by the inventor in the patent?
- *Predictability.* To a remarkable extent, the new law secures greater predictability in the assessment of a patent's validity by removing unneeded patent law concepts that were fact-intensive and required much discovery during lawsuits to resolve. What remains is a patent law focused on *legal standards* in preference to extensive *factual inquires*. Predictability is further enhanced for inventors through a set of new remedial and “safe harbor” provisions – aimed at permitting an inventor to address and rectify errors and omissions in the information provided to the United States Patent and Trademark Office prior to the grant of the patent. If an inventor was incorrectly named in the patent, the naming of the inventor can be more readily corrected. If the inventor supplied a deficient oath as to inventorship, a corrected substitute can be more readily provided and accepted. If other information was missing or incorrect during the original examination of the patent, the missing or corrected information can now be provided and considered in a new procedure that is specifically tailored for this purpose. In each of these respects, patents will become more predictably valid and predictably enforceable.
- *Simplicity.* What the new act has in essence done is to boil the entirety of U.S. patent law down to a set of four largely legal questions and standards that, while they fully protect the public from overly broad or overly vague patents, require little discovery and minimal fact-finding. In a sentence, once H.R. 1249 fully takes hold, the validity for a patent will require no more than that an inventor's claimed invention be confined to subject matter that is *sufficiently different* from what was already available to the public (or previously disclosed in a publicly available patent filing made by someone else) as of the date that the inventor's patent was sought, *sufficiently disclosed* so that the actual embodiments of the invention are identified and can be put to a substantial and practical use, *sufficiently definite* so a skilled person reading the patent knows what is and is not being patented, and *sufficiently concrete* so that whatever is claimed in the patent is not excessively conceptual or otherwise abstract in character.

Once the new patent law is fully implemented, patents granted under it will be valid or invalid based on whether these four legal criteria are met, producing a patent law its proponents contend is TOPS – transparent, objective, predictable, and simple. Indeed, by being TOPS, basing patenting on information available to the public and largely restricting the law to legally rather than factually grounded tests for patenting, it becomes possible that in much patent litigation, little – perhaps no – discovery from the inventor may be of any relevance to the validity of a patent. This, of course, would represent a profound reversal of the situation that applies under existing U.S. patent law.

U.S. Patent Law Becomes Even More Inventor-Friendly and Collaboration-Friendly. Making the substantive patent law simpler and more transparent was, however, only the beginning of the benefits that supporters of the new act now tout. The United States has long recognized a “grace period” during which inventors who disclosed their inventions during the year before seeking patents were not subject to their own disclosures being used against them to destroy the validity of their patents. The new act not only continues these protections for inventors, but further enhances them with a guarantee to the first inventor to publicly disclose an invention of the right either to patent the invention, provided a patent filing is made during the one-year grace period after the disclosure, or to dedicate the invention to the public, in the event the inventor elects not to seek a patent.

The same can be said for the so-called “collaboration-friendly” features of U.S. patent law. In 1999, and again in 2004, Congress amended U.S. patent law initially to protect co-workers, and later to protect all individuals working collaboratively under joint research agreements from having their respective patent filings cited against one another as “prior art.” Prior to these changes in U.S. law, an earlier-filed patent application of one such co-worker or collaborator could be cited as a ground for holding the later patent filings of any others unpatentable, even if the earlier patent filing had not become public at the time the later patent filing was made.

The new act reinforces these unique collaboration-friendly features of U.S. patent law by providing that such earlier patent filings cannot be cited to show either lack of novelty or obviousness in the later patent filing of another co-worker or collaborator. The ironclad protections of this type now found in U.S. patent law are unprecedented; foreign patent systems typically hamper collaborative work by allowing all of the earlier patent filings of inventors, co-workers and other collaborators to be cited as prior art to destroy the novelty of later-filed patents within the same organization or joint-research group.

Looking globally across patent systems today, it becomes clear that one and only one patent system now exists that fully recognizes the realities of invention in the twenty-first century. In an era of cooperation and collaboration among research organizations, it is essential that patenting principles reflect that reality. The United States patent law now embodies the international “gold standard” for protecting the fruits of collaborative research – and can be credibly monikered as the world’s first truly twenty-first century patent law.

HOW U.S. LAW WILL SET THE STANDARD FOR THE PUBLIC’S ROLE IN THE PATENTING PROCESS

As early as 1980, Congress recognized that the 1836 model of patent examination was deficient in failing to provide any formalized means for public participation in the patenting process. In that year, Congress passed a bill providing for the *ex parte* reexamination of previously issued patents, on the limited ground of whether a patent or other publication raised a substantial new question of patentability. These provisions were subsequently broadened in 1999 under the AIPA to add an *inter partes* reexamination procedure.

The new act phases out the 1999 *inter partes* procedure and instead offers what could prove to be the world’s best provisions for public participation in the patenting process. First, the new law provides effective public participation *early* in the patenting process – before a decision to issue a patent is made by a patent examiner. It does so by providing a formal mechanism for submitting information relevant to whether the subject matter for which a patent is being sought is new and nonobvious – sufficiently different from the prior art to merit issuing a patent.

In a more sweeping set of statutory changes, the replacement for the 1999 reexamination law provides that both the patent owner and someone challenging a patent's validity can receive a prompt and fair adjudication of each significant validity issue raised by the challenger. The new procedures are termed "post-grant review" and "*inter partes* review," with the first available only during the period immediately after a patent issues and the latter available thereafter throughout the life of the patent.

These replacement procedures are to be conducted by legally-trained, technically-competent administrative patent judges, not (as under current law) patent examiners. They can only be initiated through a request that provides all the legal arguments and factual support for moving ahead with the proceeding at the time the request to challenge the patent is initially lodged with the patent office. They are to be confined to addressing only issues where a serious question of validity has been established, an issue that is more likely than not to invalidate the patent or for which there is at least a reasonable likelihood of invalidation.

As a result of being "front loaded" with the relevant evidence and arguments of the challenger and limited to truly serious questions of patent validity, each of these new proceedings is subject to a one-year statutory deadline to reach a final decision. Because of the legal nature of the patent validity issues under the new act – and the limited nature of the factual matters that will underlie those legal determinations – the new procedures provide for limited discovery, assuring fairness while tightly controlling the time and costs required to get to a final resolution.

Again, the promise of the new law is nothing short of revolutionary. By moving away from the so-called "opposition" procedures used in Europe since the 1970s, where the European Patent Office typically takes five times – even ten times – as long to resolve a "patent opposition" as the new U.S. law will permit, the new U.S. post-grant regime, if effectively implemented, may well earn the status of international gold standard for defining the mechanisms for public participation in the patenting process.

WHAT THE NEW ACT MEANS FOR EFFORTS AT GLOBAL PATENT COOPERATION AND HARMONIZATION

The Leahy-Smith America Invents Act, the world's first truly twenty-first century patent act, contains all the elements needed for a patent system to operate effectively, efficiently, economically, and equitably. If the decade ahead yields greater international patent cooperation and harmonization among patent systems around the world, the starting point for that effort should lie in the incorporation of its provisions into patent laws across the globe.

Should that promise be realized, then the act will have realized its full potential as the most significant patent act since 1790, not only for the United States, but for inventors and creators everywhere, *as well as those who invest in the creation of new inventions, those who are employed producing and selling them, and, of course, those who are then able to benefit from them as consumers.*