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America Invents Act

Congress: 112 (2011–2013, Ended)

Chamber: Senate

Policy Area: Commerce

Introduced: Jan 25, 2011

Current Status: Held at the desk.

Latest Action: Held at the desk. (Mar 9, 2011)

Official Text: <https://www.congress.gov/bill/112th-congress/senate-bill/23>

Sponsor

Name: Sen. Leahy, Patrick J. [D-VT]

Party: Democratic • **State:** VT • **Chamber:** Senate

Cosponsors (14 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Coons, Christopher A. [D-DE]	D · DE		Jan 25, 2011
Sen. Grassley, Chuck [R-IA]	R · IA		Jan 25, 2011
Sen. Hatch, Orrin G. [R-UT]	R · UT		Jan 25, 2011
Sen. Klobuchar, Amy [D-MN]	D · MN		Jan 25, 2011
Sen. Kyl, Jon [R-AZ]	R · AZ		Jan 25, 2011
Sen. Lieberman, Joseph I. [ID-CT]	ID · CT		Jan 25, 2011
Sen. Sessions, Jeff [R-AL]	R · AL		Jan 25, 2011
Sen. Franken, Al [D-MN]	D · MN		Jan 27, 2011
Sen. Blumenthal, Richard [D-CT]	D · CT		Feb 15, 2011
Sen. Gillibrand, Kirsten E. [D-NY]	D · NY		Feb 17, 2011
Sen. Kohl, Herb [D-WI]	D · WI		Feb 17, 2011
Sen. Harkin, Tom [D-IA]	D · IA		Feb 28, 2011
Sen. Schumer, Charles E. [D-NY]	D · NY		Mar 1, 2011
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Mar 1, 2011

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	Senate	Reported By	Feb 3, 2011

Subjects & Policy Tags

Policy Area:

Commerce

Related Bills

Bill	Relationship	Last Action
112 HR 1249	Related bill	Sep 16, 2011: Became Public Law No: 112-29.
112 HR 243	Related bill	Feb 7, 2011: Referred to the Subcommittee on Intellectual Property, Competition and the Internet.
112 S 139	Related bill	Jan 25, 2011: Read twice and referred to the Committee on the Judiciary.

America Invents Act - (Sec. 2) Amends federal patent law to define the "effective filing date" of a claimed invention as the actual filing date of the patent or the application for patent containing a claim to the invention (thus replacing the current first-to-invent system), except as specified. Requires the effective filing date for a claimed invention in an application for reissue or reissued patent to be determined by deeming the claim to the invention to have been contained in the patent for which reissue was sought.

Establishes a one-year grace period (a prior art exception) for inventors to file an application after certain disclosures of the claimed invention by the inventor or another who obtained the subject matter from the inventor. Revises provisions concerning novelty and nonobvious subject matter (commonly referred to as conditions for patentability).

Repeals provisions relating to inventions made abroad and statutory invention registration.

Permits a civil action by a patent owner against another patent owner claiming to have the same invention and who has an earlier effective filing date if the invention claimed by the earlier patent owner was derived from the inventor claimed in the patent owned by the person seeking relief. Requires such an action to be filed within a specified one-year period.

Replaces: (1) interference proceedings with derivation proceedings, and (2) the Board of Patent Appeals and Interferences with the Patent Trial and Appeal Board (the Board).

Requires reports from: (1) the Small Business Administration (SBA) on the effects of eliminating the use of dates of invention in the patent application process, particularly on small businesses; and (2) the U.S. Patent and Trademark Office (USPTO) on the operation of prior user rights in selected countries in the industrialized world.

(Sec. 3) Modifies requirements regarding the oath or declaration required of an inventor.

Allows a person to whom an inventor has assigned (or is under an obligation to assign) an invention to make an application for patent.

(Sec. 4) Allows virtual markings (markings that direct the public to a freely-accessible Internet address where a patented article is associated with its patent number) to provide public notice that an article is patented. Revises specified defenses and evidentiary requirements, including a bar on using an accused infringer's failure to obtain the advice of counsel to prove that any infringement was willful or induced.

(Sec. 5) Allows a person who is not the patent owner to request to cancel as unpatentable one or more claims of patent by filing a petition with the USPTO to institute: (1) post-grant review on any ground that could be raised under specified provisions relating to invalidity of the patent or any claim, and (2) inter partes review (replaces inter partes reexamination procedures) on specified novelty and nonobvious subject matter grounds based on prior art consisting of patents and printed publications. Limits the filing of petitions for post-grant review to the nine-month period beginning after the grant of patent or issuance of a reissue patent. Requires any petition for inter partes review to be filed after the later of: (1) nine months after the grant or reissue, or (2) the date of termination of a post-grant review.

Directs the USPTO to make public data available on the length of time between the commencement and conclusion of each post-grant and inter partes review.

Disallows: (1) post-grant review and inter partes review if the petitioner (or real party in interest) has filed a related civil action, and (2) inter partes review if the petition is filed more than six months after the petitioner (real party in interest, or

privy) is served with a complaint alleging infringement. Prohibits the petitioner from asserting claims in certain proceedings before the USPTO and International Trade Commission (ITC) and in specified civil actions if such claims were raised or reasonably could have been raised in the respective reviews (in the case of post-grant review, prohibits only raised claims from ITC proceedings and civil actions) that resulted in a final Board decision.

Prohibits the USPTO Director (Director) from authorizing: (1) inter partes review unless information in the petition and any response shows a reasonable likelihood that the petitioner would prevail on at least one of the challenged claims; or (2) post-grant review unless information in the petition, if not rebutted, would demonstrate that it is more likely than not that at least one of the challenged claims is unpatentable, or unless such petition raises a novel or unsettled legal question important to other patents or applications. Sets forth a deadline for the Director to make such determinations, which are deemed final and nonappealable.

Requires the Director to prescribe related regulations.

Authorizes the Director to determine whether a substantial new question of patentability is raised by patents and publications discovered by the Director or cited under provisions related to the citation of prior art or reexamination requests.

Allows any person, at any time, to cite to the USPTO: (1) prior art bearing on the patentability of a claim, and (2) statements of the patent owner filed in a proceeding before a federal court or the USPTO in which the patent owner took a position on the scope of any claim of a particular patent. Requires, on written request of the person citing prior art or written statements, that that person's identity be kept confidential.

(Sec. 6) Sets forth the Board's required composition and duties. Allows appeals to the U.S. Court of Appeals for the Federal Circuit (CAFC) from specified Board decisions, including examinations, reexaminations, post-grant and inter partes reviews, and derivation proceedings.

(Sec. 7) Allows any third party to submit any publication of potential relevance to a patent application.

(Sec. 8) Amends a variety of patent provisions plus the Act commonly known as the Trademark Act of 1946 or the Lanham Act to substitute references to the U.S. District Court for the Eastern District of Virginia for the current references to the U.S. District Court for the District of Columbia.

(Sec. 9) Authorizes the Director to set or adjust by rule any fee established, authorized, or charged by the USPTO under specified code provisions. Establishes a \$400 fee for original patent applications filed non-electronically.

Reduces certain fees to qualified small entities (including fees for prioritized examination of utility and plant applications) and any micro entity.

(Sec. 10) Establishes supplemental examinations to consider, reconsider, and correct information. Requires the Director to order reexamination if a substantial new question of patentability is raised by at least one item of information in the request.

(Sec. 11) Eliminates the requirement that certain CAFC judges must reside within 50 miles of the District of Columbia.

(Sec. 12) Defines the term "micro entity" as a certifying applicant who: (1) qualifies as a small entity as defined in regulations issued by the Director, (2) has not been named on five or more previously filed patent applications, as specified; and (3) has gross income below a designated level without having transferred ownership interest in the

application to an entity (other than a higher education entity) with gross income exceeding such limit. Authorizes the Director to impose income, annual filing, and other micro entity qualification limits under provisions related to state public institutions of higher education.

(Sec. 13) Decreases the percentage of certain invention-related royalties and income that must be paid to the federal government and correspondingly increases the percentage that must be given to small business firms when a nonprofit organization has a funding agreement with the government for the operation of a government owned, contractor operated facility. (An existing provision defines the term "funding agreement" as a contract, grant, or cooperative agreement entered into between a federal agency and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the federal government.)

(Sec. 14) Deems any strategy for reducing, avoiding, or deferring tax liability insufficient to differentiate a claimed invention from the prior art when evaluating specified conditions of patentability.

(Sec. 15) Prohibits using a failure to disclose the best mode as a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable.

(Sec. 17) Intellectual Property Jurisdiction Clarification Act of 2011 - Amends the federal judicial code to deny to state courts jurisdiction over legal actions relating to patents, plant variety protection, or copyrights.

Grants the CAFC exclusive jurisdiction of appeals relating to patents or plant variety protection.

Provides for the removal to a U.S. district court of legal actions involving patents, plant variety protection, or copyrights, and for the remand of unrelated matters.

Requires the CAFC to transfer any appeal dealing with designs and unfair competition to the court of appeals for the regional circuit embracing the district from which the appeal has been taken.

(Sec. 18) Requires the Director to establish, with specified standards and procedures, a four-year transitional post-grant review proceeding for reviewing the validity of covered business-method patents (claiming a method or corresponding apparatus for performing data processing operations utilized in the practice, administration, or management of a financial product or service, except technological inventions).

(Sec. 19) Permits the USPTO to pay subsistence and travel-related expenses of non-federal employees attending certain USPTO-conducted intellectual property programs. Authorizes the Director to fix a basic pay rate below a certain level for administrative patent and trademark judges appointed under specified provisions.

(Sec. 20) Establishes the USPTO Public Enterprise Fund (replaces the Appropriation Account) as a revolving fund available to the Director without fiscal year limitation. Requires all fees paid to the Director and all appropriations for defraying the costs of USPTO activities to be credited to the Fund. Requires fees charged or established by the Director to be collected by the Director and available to carry out USPTO activities until expended. Directs fees from specified sources to be deposited in the Fund to cover appropriate expenses.

Requires the Director to submit an annual report to Congress including: (1) the USPTO's operating plan, expenses, and staff levels; (2) long term modernization plans and related progress updates; and (3) the results of an annual independent audit of the USPTO's financial statements required by this section. Requires the Director to annually notify Congress of its spending plan.

Directs the Fund to submit to the President a business-type budget as prescribed by regulation for the budget program.

(Sec. 21) Provides, within a three-year period, for the establishment of at least three U.S. satellite offices for the USPTO using specified criteria. Requires the Director to submit an annual related report to Congress.

(Sec. 22) Allows the Director, subject to available resources, to establish a Patent Ombudsman Program.

(Sec. 23) Authorizes the USPTO to establish regulations providing, at the request of the applicant, prioritized examination of applications for products, processes, or technologies important to the national economy or competitiveness without recovering the aggregate extra cost of providing such prioritization.

(Sec. 24) Designates the satellite office to be located in Detroit, Michigan, as the "Elijah J. McCoy United States Patent and Trademark Office."

Actions Timeline

- **Mar 9, 2011:** Received in the House.
- **Mar 9, 2011:** Message on Senate action sent to the House.
- **Mar 9, 2011:** Held at the desk.
- **Mar 8, 2011:** Considered by Senate. (consideration: CR S1348-1352, S1360-1394)
- **Mar 8, 2011:** Passed/agreed to in Senate: Passed Senate with amendments by Yea-Nay. 95 - 5. Record Vote Number: 35.(text: CR S1381-1393)
- **Mar 8, 2011:** Passed Senate with amendments by Yea-Nay. 95 - 5. Record Vote Number: 35. (text: CR S1381-1393)
- **Mar 7, 2011:** Cloture invoked in Senate by Yea-Nay Vote. 87 - 3. Record Vote Number: 34. (consideration: CR S1323; text: CR S1323-1324)
- **Mar 7, 2011:** Considered by Senate. (consideration: CR S1323-1326)
- **Mar 3, 2011:** Considered by Senate. (consideration: CR S1175-1185, S1204-1213)
- **Mar 3, 2011:** Cloture motion on the bill presented in Senate. (consideration: CR S1213; text: CR S1213)
- **Mar 2, 2011:** Considered by Senate. (consideration: CR S1089-1099, S1104-1106, S1107-1113)
- **Mar 1, 2011:** Considered by Senate. (consideration: CR S1030-1034, S1034-1051, S1052-1053)
- **Feb 28, 2011:** Measure laid before Senate by unanimous consent. (consideration: CR S936-953, S956-957; text of measure as reported in Senate: CR S936-948)
- **Feb 28, 2011:** The committee reported amendments were agreed to by Unanimous Consent.
- **Feb 3, 2011:** Committee on the Judiciary. Ordered to be reported with amendments favorably.
- **Feb 3, 2011:** Committee on the Judiciary. Reported by Senator Leahy with amendments. Without written report.
- **Feb 3, 2011:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 6.
- **Jan 25, 2011:** Introduced in Senate
- **Jan 25, 2011:** Sponsor introductory remarks on measure. (CR S130-131)
- **Jan 25, 2011:** Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S131-142)