

THE COALITION FOR 21ST CENTURY PATENT REFORM

Protecting Innovation to Enhance American Competitiveness

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Create Jobs – Enact Patent Reform

We support patent reform that improves, clarifies and updates patent law in a balanced, thoughtful manner and will have a major, positive impact on investment in R&D, bring new products to consumers, and create new high-wage jobs. Patent reform should give the USPTO the tools and funding it needs to serve all inventors. The America Invents Act, H.R. 1249, as reported, would accomplish this by improving the functioning of the patent system in the following ways:

- Awards patents to the first inventor to file an application and bases patentability on transparent, objective criteria - information made available to the public - removing the criteria in current law, such as secret commercial use or sales, that increases cost of obtaining patents and decreases certainty and predictability.
- Improves the quality of patents by allowing the public to participate by submitting relevant information to patent examiners during the examination process which results in the grant of more reliable patents.
- Creates a robust new post-grant review procedure to provide an early quality control check on newly issued patents on all issues of patentability with a number of safeguards, including a one-year time limit for completion, estoppels to deter serial challenges, assurance that a post-grant review will not preclude consideration of a preliminary injunctions requested by patent owners who promptly file suit, and assigning the procedure to Administrative Patent Judges.
- Strengthens and improves existing inter partes reexamination for later challenges on the basis of prior patents and printed publications on the grounds of novelty and nonobviousness, and allows written statements of the patent owner concerning the scope of the patent to be considered. Several new features – a higher threshold to initiate proceedings, a one-year time limit for completion, and assigning the procedure to be conducted by Administrative Patent Judges rather than examiners – have been added, and existing safeguards against serial challenges have been retained.
- Authorizes the USPTO to establish, with public input, the fees needed to improve quality, speed the processing of applications, and make sorely needed upgrades in its IT systems. Importantly, this authorization is coupled with a USPTO revolving fund into which the fee revenues would be placed to ensure that the Office can receive, retain, and use all of these fee revenues to provide the services for which they were paid.
- Creates a “supplemental examination” procedure for requesting a review of any omitted or inaccurate information on the scope and validity of a patent before litigation

that, if appropriately amended, would allow patentees to avoid unnecessary expense and use of judicial resources.

- Removes, as a basis for challenging a patent's validity, the subjective requirement to disclose the "best mode" an inventor contemplates for carrying out the invention – a requirement that is used to make costly, time-consuming attacks on patents that fully satisfy the requirement to provide a disclosure of the invention that fully enables its use by the public.
- Limits *qui tam* actions for false marking to those persons who have suffered actual competitive injury, ending the growing plague of the now more than 800 *qui tam* actions filed since the beginning of last year by opportunistic plaintiffs who have found the prospect for windfall profits from such actions to be irresistible.