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COUNSEL COMMENTARY

IP: We passed the America Invents Act—now what?

FIVE TIPS TO HELP COMPANIES PREPARE FOR THE IMPENDING IMPLEMENTATION OF THE AIA'S PROVISIONS

This article is the first in a series on the America Invents Act

Like the brave voyagers of Star Trek's Starship Enterprise, we are about to boldly go where no one has gone before. While based loosely on patent systems around the globe, the America Invents Act (AIA) and rules to be promulgated to affect its implementation, raise myriad new issues of statutory and regulatory interpretation for which existing patent systems offer little guidance. We've embarked on a continuing mission to predict and react to the federal courts' and the U.S. Patent & Trademark Office's (USPTO) resolution of these issues, and to devise effective prosecution and litigation strategies accordingly.

Some of AIA's provisions commenced immediately upon its Sept. 16, 2011 enactment, like changes to patent marking laws that nullified a large number of false marking suits and a change to joinder requirements in new infringement suits. A 15 percent increase in most USPTO fees kicked-in Sept. 26. The momentous change from "first-to-invent" to "first-to-file" launches March 16, 2013. Will your company be ready?

This series of articles offers practical, concrete steps companies can take in the coming months to prepare for March 16, 2013 and for the implementation of AIA's other provisions.

1. www.21stCenturyPatentMarking.com

Companies can already take advantage of AIA's new constructive notice provisions by marking products with the word "patented" or "pat.", and the web address of a freely accessible Internet webpage associating an image of a product with applicable patent numbers. Patent numbers on the webpage could be hyperlinked to copies of corresponding patents.

Companies that routinely include patent numbers and website information on products might opt to utilize this new virtual marking. To be effective, markings should be applied directly on the product itself, as opposed to the packaging, if possible. This may require modifications to molds or engraving processes. An insufficient patent marking can result in loss of damages from an infringer prior to actual notice to the infringer. Companies' patent marking compliance review policies may also be simplified, as it is no longer necessary to discontinue marking upon a patent's expiration.

2. Warp-speed examination? Okay, but it'll cost you

What would a 21st Century patent system be without the ability to fly through the patent office at warp speed? AIA permits up to 10,000 applicants per fiscal year to request no-cause expedited examination of utility patent applications. Petition fees are $4,800, plus the usual fees for filing, search, examination and excess claims. Eligible applications are limited to four independent claims and 30 total claims. Effective Sept. 16, 2012, AIA gives the USPTO director authority to prioritize examination of applications on inventions likely to be considered important to the national economy or national competitiveness without the hefty petition fees.

3. E-File or pay a snail's tax

To encourage use of the USPTO's electronic filing system, as of Nov. 15, 2011, those who still choose to file patent applications by express mail or other non-electronic means must pay a surcharge of $400 ($200 for small entities).

4. New Year's resolution: Prepare for AIA by updating employment contracts

Start the new year running by updating employment agreements to include an express assignment to the company of inventions an employee may invent during the course of employment, or an acknowledgement by the employee of an obligation to assign to the company all patent rights, title and interest, including the right to claim priority to any patent applications that may be filed directed to such inventions. Trade-offs between language assigning future inventions versus agreeing to assign future inventions are beyond the scope of this article, but should be considered. Similarly, consult state laws to ensure employment agreements contain any applicable notice and other invention-related provisions as may be required in states governing the agreements.

Employment agreements and assignments for specific patent applications also should be updated to indicate each signing inventor authorized the assigned application(s) to be made, and that each signing inventor believes himself or herself to be the original inventor or an original joint inventor of a claimed invention in the application(s). AIA indicates having this language in an assignment will satisfy new requirements for patent declarations, effective Sept. 16, 2012. AIA will permit entities to which there is an obligation to assign to file an application even if an inventor refuses to sign a declaration. Including assignment language in employment agreements can avoid costly petitions in these situations.

5. Is it safe to let the cat out of the bag?

As we'll see in next month's installment, publications and commercial activities will become increasingly important under AIA. Companies should consider what trade shows or conferences they are likely to attend in 2012, identify any projects under development they intend to unveil at those events, and prepare and file patent applications prior to the events.

If not practical to file even a provisional patent application before the event, so long as foreign rights (which may be jeopardized by any pre-filing disclosure) are not important, a company should verify procedures are in place to meticulously document what, when, where and to whom any pre-filing disclosures are made.

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