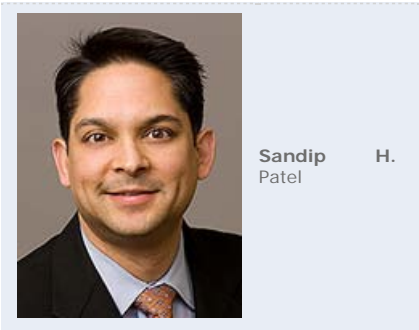


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Patent office gets face-lift over the weekend with new rules, prices



Sandip H. Patel

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Attorneys shopping at the U.S. Patent and Trademark Office (PTO) received a bevy of new menu options on Sunday to challenge patents and their clients will need a bigger wallet to pay for some of the changes.

On the one-year anniversary of the Leahy-Smith America Invents Act (AIA), the PTO took major steps toward "streamlining the patent application process" and "ensuring patent quality" when it launched seven reforms, its release says.

The act also allowed the PTO to reset prices for the patent challenges in line with their costs, resulting in one type of challenge, known as "ex-parte reexamination," jumping in price to \$17,750 from \$2,520.

Local lawyers said the reforms should move legal disputes out of the courtroom and into the PTO.

Despite the significant price hike, challenging a patent at the PTO still proves cheaper than in litigation, lawyers said.

And the spike in fees coupled with a new way for companies to assist patent examiners lets the PTO address a funding problem that many say plagues its ability to best critique each patent request.

"These alternatives to district court litigation are less expensive, of course, than district court litigation, and as far as the patent office is concerned, they may be more experienced at determining patentability" than a jury or a federal judge, said [Sandip H. Patel](#), a partner at Marshall, Gerstein & Borun LLP.

AIA allowed the PTO to reset fees for the challenges — something the rules did not allow in the past. Previously the PTO could not change the fees it charges. The change brings the fees more in line with the costs the PTO faces with each challenge.

Challenges commonly occur in patent litigation to make sure a patent meets the requirements, Patel said.

Reforms introduced on Sunday affect the PTO's procedures known as "ex-parte re-examination" and "inter partes review," two ways third parties can challenge a patent after it issues. One main difference between the two involves the third party's role in the challenge. For instance, in inter partes review, the third party takes a more active role, whereas a third party requests an ex-parte re-examination and then backs out of the process.

Patel said the reforms will result in patent lawyers putting these types of challenges to use more often.

One reason for the potential increased use: Speed, said [Scott P. McBride](#), a partner at McAndrews, Held & Malloy Ltd.

The changes to inter partes review, for instance, will make the process take about 2½ years, "shorter on the order of years" than a process that could take up to seven years under its old rules, he said.

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"In order to do all the other things you'd have to do in similar litigation, inter partes review will be significantly less expensive," McBride said, noting one caveat exists in the comparison because the review typically takes place in conjunction with litigation.

Sunday's reforms also provide a more proactive way for lawyers to nip litigation in the bud: challenging a patent before it ever gets issued.


Companies can now more easily and directly persuade patent examiners to scrap a competitor's patent request by submitting "prior art" or information that shows the patent request should get rejected because it already exists, said [Thomas C. McDonough](#), a partner at Neal, Gerber & Eisenberg LLP.

"It's an effort to weed out patents that cover things that were already known."

McDonough said he compares the new rule to "crowd-sourcing" the patent examiner's job.


"Given that (examiners) don't necessarily have enough time to do the full study (of prior art) that's necessary, I think the thought behind the new rule was that the industry and competitors will be the ones that have this information or they will have the incentive to go look for it," he said.

Sunday represented the second large-scale roll out of new provisions under AIA, which will get fully implemented on March 13.

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