

Client Alert.

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Patent Reform Heads to the House Floor

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On April 14, 2011, the House Judiciary Committee voted 32-3 to send an amended version of H.R. 1249 ("The America Invents Act") to the House floor for debate. The amended version of H.R. 1249 retains the core elements of the bill as introduced on March 30, 2011, and in many ways brings the bill closer to S.23, the Senate's version of patent reform, which passed March 8, 2011.

The amended version of H.R. 1249 retained the provisions that would transition the United States patent system from a "first to invent" system into a "first to file" system, create a new post-grant opposition system for third parties to challenge issued patents, and allow the PTO greater power to set its own funding. The amended version of H.R. 1249, however, also includes amendments that bring it closer to S.23. These changes include: increasing the standard that is applied to requests for inter partes reexamination, conforming reexamination timelines to those in S.23, and scaling back the broad prior use defense introduced in H.R. 1249 to one in line with S.23.

The amended version of H.R. 1249 also contains some new departures from S. 23. For example, the amended bill now includes a "sunset" provision in the PTO's fee-setting authority so that the authority would revert back to Congress six years after the enactment of the bill. The amended bill also contains provisions ordering two studies. The first requires the Comptroller General of the United States to study patent litigation by non-practicing entities. The second requires the PTO to study the implementation of the Act and the impact on innovation by other aspects of patent policies and practices by the federal government. The study on patent litigation by non-practicing entities aims to assess many of the areas of concern initially raised in the 2004 National Academy of Sciences report that ignited the public debate about patent reform. For more on the 2004 report, please see our prior client alert.

WHAT'S NEXT FOR PATENT REFORM

The debate of H.R. 1249 now heads to the floor of the House for a full debate. If H.R. 1249 is passed by the House in its current form, it will need to be reconciled with S. 23 before patent reform can be presented to President Obama to be signed into law.

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