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# Lame-Duck Patent Reform Goes Almost Entirely Unnoticed

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With most lawmakers focused on the so called "fiscal cliff" during the current lame duck session of Congress, Representative Lamar Smith (R-TX) has quietly once again proposed legislation to reform the United States patent system. This time, few seem to have noticed. Perhaps this is due to the larger looming fiscal issues before Congress or perhaps because the bill seeks mostly minor changes to the America Invents Act (AIA) and does not address the industry's more pressing concerns regarding the AIA's new first-inventor-to-file system. Nevertheless, some of the proposed amendments raise a host of difficult questions that, if debated, might make the bill's passage difficult. If the bill does reach the President's desk, it may be because few people noticed.

Although Representative Smith introduced H.R. 6621 (a bill titled "To Correct and Improve Certain Provisions of the Leahy-Smith American Invents Act and Title 35, United States Code") on November 30, 2012, the United States Patent and Trademark Office, industry organizations, inventors, and attorneys have hardly noticed. A year ago, the mere mention of "patent reform" would have drawn droves of commentary. Now that the public is focused on the country's financial woes, only a handful of bloggers and two trade associations (the Innovation Alliance and the Intellectual Property Owners Association (IPO)) are discussing the bill. Tellingly, their comments fit neatly onto just a few pages. The IPO spends a mere five sentences on the bill, the Innovation Alliance—only four. And the public seems equally disinterested; H.R. 6621 does not even make it into the top-ten list of popular legislative items searched for on ***Thomas***—the Library of Congress's popular legislative website.

Perhaps that is for the best. H.R. 6621 brings to light multiple issues with the AIA, including a "dead zone" created by the new post-grant and *inter partes* review procedures. Many years from now—when every patent is filed under the new AIA regime—a third party will be able to challenge an issued patent immediately using a post-grant review, and then, using an *inter partes* review once a patent has been issued for at least nine months. For the next several years, however, the patent office will continue to consider and issue patents that were filed under the pre-AIA system. As the AIA currently stands, the post-grant review procedure is only available for patents filed on or after March 16, 2013. So, for patents filed before this date, there is no mechanisms for third-party review during the first nine months of issuance. Representative Smith's legislation would fix this "dead zone."

HR. 6621's other provisions focus on issues of limited concern to much of the industry, such as certain patents that have been pending at the USPTO for almost two decades. H.R. 6621

threatens to cut short the long-understood term of patents issued prior to the General Agreement on Tariffs and Trade (GATT). Patent applications filed prior to GATT (June 8, 1995 to be precise) enjoy a term of 17 years from the issuance date, while patents filed after GATT enjoy a patent term of 20 years from the earliest priority filing date. There are approximately 200 pre-GATT patent applications that still are pending at the patent office. H.R. 6621 would alter the patent term of any of these applications that remain pending 1-year from the bill's implementation date to match the term of post-GATT patents. In effect, this would mean that almost all of these pending applications would be expired the moment they issue. This is troubling given that many of these applicants had little, if any, control over their patents' lengthy prosecution. At the very least, this provision raises serious concerns that should be the subject of a full legislative debate.

In addition to these major provisions, H.R. 6621 also contemplates the following changes to the AIA:

- **Pushing Back the Deadline for the Inventor's Oath**: Under the AIA, an inventor's oath, substitute statement, or sufficient assignment must be submitted prior to the notice of allowance of a patent application. The proposed amendment would delay this deadline until "no later than the date on which the issue fee for the patent is paid."

- **Changing Patent-Term Adjustments**: H.R. 6621's proposed amendment to the AIA would (1) require the patent office to calculate patent term adjustments at the issuance of a patent rather than at the notice of allowance, (2) provide that patent term adjustment challenges can only be brought in the Eastern District of Virginia, and (3) specify that such patent term adjustment calculations begin with the "commencement of the national stage under Section 371 in an international application" not as of the date on which an international application fulfills the requirements of 35 U.S.C. § 371(c).

- **Facilitating the Sharing of Fees Between the Patent Office and the Trademark Office**: The AIA currently requires that fees collected for patents be used to cover "administrative costs of the Office relating to patents" and that fees collected for trademarks be used to cover "administrative costs of the Office relating to trademarks." The proposed amendments would eliminate this restriction and allow the USPTO to use patent fees to cover trademark operations and trademark fees to cover patent operations.

- **Establishing the United States as an International PCT Office**: The AIA now requires that at least one of the inventors (or the assignee) be a resident or national of the United States in order to file an international PCT application at the USPTO. The proposed amendments would eliminate this restriction, thereby allowing foreign inventors and entities to file international PCT applications in the United States.

- **Changing the AIA's Derivation Proceedings**: H.R. 6621 proposes significant amendments to the AIA's derivation proceedings—most of which appear to clean-up or clarify existing language rather than change the scope or intent of the proceedings.

Despite the breadth of these proposed amendments, H.R. 6621 avoids further addressing the AIA's most major change to the United States patent system—namely the transition to a first-inventor to file system.

If you wish to read H.R. 6621, you can do so ***here***. In addition, if you would like to make your voice heard, please contact your Bracewell attorney or visit ***popvox.com*** to register your support or opposition to the bill. With your help, maybe someone will notice H.R. 6621.