

**Patent Public Advisory Committee Meeting**  
**USPTO Legislative Challenges:**  
**Patent Reform Legislation**  
*“Leahy-Smith America Invents Act”*



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## Patent Reform Legislation – “America Invents Act”

- **S. 23 Passed Senate March 8, 2011 (95-5 vote)**
- **H.R. 1249 Passed House June 23, 2011 (304-117 vote)**
- **Key Provisions of Both Bills:**
  - Transition to First-Inventor-to-File
  - Establish Post-Grant and *Inter Partes* Review Procedures
  - Provide USPTO Fee-Setting Authority
  - 3<sup>rd</sup> Party Submissions of Prior Art
  - Priority Examination for Important Technologies
  - Post-Grant Review of Business Method Patents
  - Supplemental Examination Procedure
  - Limit False Marking Litigation



## Patent Reform Legislation – “America Invents Act”

*H.R. 1249 is based on S.23 but differs in a few ways.*

### Significant issues:

#### USPTO Funding

- Creates a “Patent and Trademark Fee Reserve Fund” (Not Revolving Fund)
- Fees collected in excess of appropriated amount deposited in Fund
- Fees in Fund available only for USPTO operations
- Fees in Fund made available “to the extent and in the amounts provided in appropriations Acts”
- Effective October 1, 2011
- “Compromise” brokered by House Leadership proposes language for future appropriations bills to “appropriate” excess fee collections to the Fund, available upon notification to appropriations committees

#### Patent Fees

- Prioritized Examination fee \$4,800 (50% reduction for small entities); 10 days after enactment
- 15% Surcharge; Effective 10 days after enactment
- Both fees credited to USPTO’s Appropriation Account and available until expended

#### Prior User Defense

- Expands defense to all technologies (beyond current restriction to business methods)
- Requires showing of both reduction to practice and commercial use at least 1 year before filing
- Includes exemption for patents owned by universities or their technology transfer organizations



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### Other Provisions in H.R. 1249:

- Pro Bono and Ombudsman Programs
- Study on Patent Litigation by Non-Practicing Entities (*within 1 year*)
- Study on Effective way to provide Independent Genetic Testing (*within 9 months*)
- Additional studies on:
  - Implementation of Bill (*within 4 years*)
  - Diversity of Patent Applicants (*within 6 months*)
  - International Patent Protection for Small Business (*within 120 Days*)
- Codification of “Weldon Amendment” to prohibit issuance of a patent on “a claim directed to or encompassing a human organism.”
- Calculation of 60-Day Period for Patent Term extensions under Hatch-Waxman (MedCo Provision)



# FY 2011 Appropriations

## Outlook:

- Senate approves House-passed bill on unanimous consent (*perhaps after overcoming "Hold" with cloture vote*)
- Senate passes House bill with amendments (*would require further action by House*)
- Formal or informal conference

*(\*\*\* To be revised pending Senate activity during the first 2 weeks of July)*



*Thank you.*

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