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Patent Reform for the U.S. Patent and Trademark Office

September 11, 2011

Re:

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Dear Colleagues:

The United States Senate officially passed the America Invents Act, also known as the Patent Reform Bill, on September, 8, 2011. President Obama has already stated that he intends to sign the Bill, which should happen within approximately a week. When the President signs the Bill it will be enacted into law.

*Member of a bar other than D.G., practice is limited to matters and proceedings before Federal Courts and Agencies.

There are many significant changes that will occur as a result of this Act, some of which will affect our clients almost immediately. Below we highlight the main points of the Act.

Fees

The first effects of this Act will be in the form of an estimated 15% surcharge on fees paid to the U.S. Patent and Trademark Office (PTO). This fee increase will take effect ten days after the President signs the Bill. It would be financially advantageous to pay as many PTO fees as possible prior to this significant fee increase.

Additionally, new provisions have been put in place for micro entities to further reduce fees due to the PTO.

First-to-Invent vs. First-to-File

The United States Patent system has long been structured to grant patents based on the first individual to invent. After the Act takes effect, patents will be granted to the first inventor to file an application. This first-to-file structure is very similar to that used in the patent systems of most other countries today. This shift in structure will take effect for cases with priority claims 18 months or later after the date of enactment.

Expedited Examination

The Act will offer a new provision --effective ten days after enactment-- for obtaining expedited examination by paying a fee of \$4800.



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Patentable Subject Matter

Effective immediately, patents will *not* be granted on tax strategies or human organisms. This is applicable to any currently pending applications.

Post Grant Review

The Act provides a means for a third party initiated Post Grant Review. These provisions will be effective for cases with priority claims 18 months or later after the date of enactment with the exception of some business method patents which will be effective sooner.

Reexamination Process

The standard that must be satisfied for granting of a Request for Reexamination will change from a "substantial new question of patentability" to "a reasonable likelihood that the requestor would prevail" in connection with at least one of the claims in question. Additionally, any *ex parte* Reexamination cases appealing a Board decision may now only appeal before the Federal Circuit.

Litigation Provisions

The act includes new provisions relating to False Marking, "best mode" and prior commercial use defenses.

Virtual Marking

This new provision allows for virtual marking of products that are difficult to mark based on the nature of the product or timing of distribution.

The above points represent a very brief overview of changes to come. We expect to provide additional information in the near future. In the meantime, please do not hesitate to contact us with any questions.

Yours very truly,

WENDEROTH, LIND & PONACK, L.L.P.