

Full Senate Today Passes Patent Reform (“America Invents Act”)

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The U.S. Senate today passed the patent reform bill, S. 23, now named the “America Invents Act.” As we reported in our February 2011 Client Alert, the bill contains several important provisions impacting U.S. patent law, including adding a “supplemental examination procedure” that can be used to cure potential inequitable conduct, moving to a “first to file” system, and adding post-grant review procedures.

We mentioned in our previous alert that several amendments to S. 23 had been circulating in the Judiciary Committee, including one that would have eliminated S. 23’s provisions regarding supplemental examination. We understand that several proposed amendments were again circulating during the full Senate’s consideration.

A few of the most significant amendments that were accepted to the introduced bill are listed below:

- Senator Leahy’s amendment changing the Act’s name to the “America Invents Act” and stripping the bill’s judicial gatekeeper provisions for damages. Senator Leahy’s amendment also grants the Director certain authority with respect to PTO fees and funding, and adds transitional post-grant review procedures for business method patents.
- Senator Bennet’s amendment establishing satellite offices to carry out the PTO’s responsibilities and Senator Stabenow’s amendment establishing the first one in Detroit, Michigan.
- Senator Menendez’s amendment establishing priority review for technologies important to American competitiveness

We understand that a circulating amendment by Senator Schumer would have eliminated the supplemental examination provisions, but that amendment was not offered.

The complete text of the bill can be found [here](#) and the various accepted and rejected amendments to S. 23 can be found [here](#). We understand that a revised version of the bill reflecting the amendments is being prepared and will be available within the next few days.

As discussed in our previous alert, the supplemental examination provisions in S. 23 create a mechanism for patentees to potentially eliminate inequitable conduct allegations by requesting that the Patent Office consider, reconsider, or correct information believed to be relevant to the patent. Upon such a request, the Patent Office must promptly (within 3 months) address it and decide whether the information presented raises a substantial new question of patentability. If a substantial new question of patentability is raised, the Patent Office will place the patent into reexamination. And, regardless of whether a substantial new question of patentability is found, if such a disclosure of information is made, then the bill provides that this information cannot be a basis for an inequitable conduct defense in litigation. The bill also provides that the availability of supplemental examination cannot be a factor for a finding of inequitable conduct.

However, the bill requires patentees to be proactive because it contains certain exceptions on the ability to avoid inequitable conduct using supplemental examination. For example, supplemental examination must be requested before the inequitable conduct defense is pled with particularity in a litigation or in a Hatch-Waxman Act ANDA notice letter. Also, the protection does not apply to a defense of inequitable conduct raised in a patent infringement action unless the supplemental examination and reexamination are concluded before the action for patent infringement is filed.

If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings New York lawyers:

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