PATENTS: MAJOR CHANGES IN THE UNITED STATES

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After more than a decade of legislative efforts, Barack Obama ratified a new law entitled the “America Invents Act” on September 16, 2011, profoundly modifying the American patent system. Some of the modifications to the system will impact Canadians who wish to protect their inventions in the United States.

Changes That Have Taken Effect

Patent fees, including fees with respect to filing, issuance, renewal and extension of time were increased by 15%.

In addition, it is now possible, as in Canada, to accelerate the examination procedure in the U.S. without having to justify the request and by paying a fee of USD 4,800 for a “large entity” or USD 2,400 for a “small entity”.

As of September 16, 2011, patentees are no longer required to identify the patent number on the article itself or on its packaging in order to notify third parties that the product is patented. Instead, it is now possible to identify an article as being patented by including the term “Patent” or the abbreviation “Pat” on the item itself or on its packaging and by providing a link to a publicly accessible website where the applicable patents are identified. In addition, the risk of being sued for false marking in the United States has significantly diminished since a plaintiff must now prove that he has suffered injury in order to claim damages.

Although the U.S. Patent Act has already been interpreted to exclude the possibility of patenting human beings, the new legislation renders this prohibition explicit. More specifically, the issuance of a patent including a claim directed to or encompassing a human organism is prohibited. This is also the case in Canada.

Upcoming Changes

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As of March 16, 2013, as in Canada and in most other countries, a patent in the United States will be granted to the first inventor who files a patent application for an invention ("first to file"), as opposed to the current practice of granting the patent to the first inventor ("first to invent"). This is the most important change resulting from the new law.

Important modifications to the definition of prior art as well as to the determination of the effective filing date were also made in conjunction with the first-to-file system. Prior to the new law, inventors had one year from the date of the first public disclosure or use of the invention in the United States to file a patent application. Consequently, uses or offers for sale of the invention in countries other than the U.S. did not constitute public disclosure. The grace period now begins with the first public disclosure or use anywhere in the world, rendering U.S. practice similar to that in Canada. It is also important to remember that Europe as well as many other countries enforce the absolute novelty criterion, which is to say that no public disclosure or use must take place before filing a first patent application.

A new category called “micro-entity” will also be added to the already existing small entity category. This category will include very small companies as well as universities, under certain conditions. Applicants who qualify as a “micro-entity” may benefit from a 75% reduction in patent fees.

It is important to note that company or university employees must be contractually obligated to assign their rights to their inventions in order for the company or university to benefit from various provisions of the new law, such as the “micro-entity” status or a provision relating to invention disclosures, among others.

Similar to the European patent system, a nine month post-grant review period will be instituted to allow third parties to challenge U.S. patents. This amendment will be effective as of March 16, 2013.

If a wilful infringement is proven in the United States, the Court may increase damages by up to three times the amount of the actual damages. As of September 16, 2012, the fact that an infringer did not acquire a legal opinion may no longer be used to demonstrate the intent or will to incite the infringement. This is excellent news for Canadians doing business in the United States.

Note: The present article summarizes the major changes implemented by the “America Invents Act”. For further information, or to evaluate the impact of these changes on your intellectual property strategy with regards to patents, we invite you to communicate with your primary contact person, or with the author of this article, who is specialized in IP.
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