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**Important Business News  
from  
Stubbs Alderton & Markiles, LLP**

**Congress Enacts Major Changes to U.S. Patent Laws**

*America Invents Act Affects How Every Company Protects Inventions*

On September 16, 2011, President Barack Obama signed into law the most sweeping changes to U.S. patent laws in nearly 50 years. These changes include:

- Giving patent ownership to inventors who are the first to file a patent application instead of those who were the first to invent the same invention (beginning March 13, 2013).
- Recognizing a defense to patent infringement based upon having manufactured or sold the patented invention in the U.S. at least one year prior to the patent application filing date.
- Implementing new procedures within the U.S. Patent and Trademark Office (USPTO) for third parties to challenge pending patent applications and granted patents.
- Allowing patent holders to satisfy patent marking requirements by marking patented products with the Internet address where information about their patents can be found.
- Limiting the ability of patent owners to bring industry-wide infringement actions against multiple unrelated companies in a single lawsuit.
- Requiring the USPTO to implement a process for reviewing business method patents when requested by parties charged with infringing these patents.
- Enabling assignees of inventions to file patent applications if the inventor refuses to cooperate.

A copy of the America Invents Act can be found at <http://www.gpo.gov/fdsys/pkg/BILLS-112hr1249enr/pdf/BILLS-112hr1249enr.pdf>.

**Why are these new laws important?** Companies will need to adopt procedures to avoid losing patents on their inventions to competitors. Until now, U.S. law awarded patents to first inventors of novel, useful and non-obvious inventions. This will change in 18 months – the inventor who is the first to file a patent application will be entitled to the patent for an invention that somebody else invented earlier, leading to a race to the patent office. Those who are not first will need to employ new USPTO proceedings to try to win patents for their inventions or invalidate those awarded to competitors.

**What should businesses do?** Any business that creates inventions will need to update its intellectual property protection procedures to reflect these recent changes in U.S. patent law. Companies should consult experienced intellectual property counsel to:

- Devise and implement an internal IP strategy and procedures for identifying patentable inventions and minimizing infringement risk, including liability risk of *willful infringement*.
- Update employee, independent contractor and joint development agreements to reflect the “first-to-file” patent ownership rule.
- Understand the USPTO’s new procedures for challenging competitors’ patent applications and issued patents.

**How Stubbs Alderton & Markiles, LLP can help.** We are a business law firm with particular expertise in intellectual property law. Our attorneys have extensive experience in developing intellectual property protection strategies to enable businesses to maximize the value of their inventions. We inform our clients how to best update their IP strategies, patent filing procedures and invention assignment agreements and how to use today’s U.S. patent laws to their competitive advantage.