THE NATIONAL LAW JOURNAL
JUNE 9, 2011
Online Feature
An ALM Publication

The anti-innovation patent reform act of 2011

The pending "America Invents Act" will diminish innovation and should not be enacted.

BY DALE L. CARLSON

A patent reform bill is currently pending in Congress (Senate S. 23 and its House counterpart H.R. 1249) titled the "America Invents Act." The bill proposes radical changes to the existing patent system that would impede innovation. Moreover, the bill contains ambiguous language that tends to confuse the reader, and is likely to confuse users of the patent system.

In particular, the bill attempts to draw a line of demarcation between "inter partes review" of a patent, on the one hand, and "post-grant review" on the other. The fly-in-the-ointment is that "inter partes review" occurs after grant, and is thus "post-grant." Conversely, "post-grant review" is "inter partes" since it involves multiple parties, namely the patent owner and a third-party opponent. Accordingly, the bill is confusing since words appearing in one section are interchangeable with, and confusingly similar to, words in another.

Wiggin and Dana's Dale L. Carlson

In reality, the "post-grant review" proposal appears to be modeled after an analogous opposition procedure in place in Europe. Both procedures require the opposing party to submit a petition against the patent within a fixed number of months after the patent's grant, or lose the opportunity to oppose using those procedures.

Significantly, other countries already tried European-style oppositions. In fact, Japan, China and South Korea implemented patent oppositions more than a decade ago. Within the decade, these efforts to mimic the European protocol all failed, and the procedures were abolished.

In Europe, there are no administrative alternatives to the opposition procedure. Hence, there's no risk of redundancy in the European system, nor of confusion among users of the system. In contrast, Japan, China and South Korea have a separate administrative option, which still exists, called an "invalidation trial."

The invalidation trial is comparable to the separate administrative option already available in the U.S. Patent Office, namely inter partes re-examination. The lesson we should learn from these Asian countries' negative experiences with European-style oppositions is that introducing such a procedure is likely to confuse users of the system. Confusion among users of the patent system tends to stifle innovation.

Another provision of the bill would change our system from "first-to-invent" to "first to file." That change might suit those who believe they can win a race to the U.S. Patent and Trademark Office. However, a race is not what Article 1, Section 8, Clause 8 of the Constitution envisions, nor is it what the Patent Act of 1836 formerly required or what the Patent Act of 1952 currently requires.

To the contrary, an "inventor" is not the person who is most fleet-footed in a race to the PTO, but rather the one who actually makes the invention first, unless the first party has "abandoned, concealed or suppressed it."

A first-to-file system will demotivate inventors who believe that they do not have sufficient resources to win the race to the PTO. Demotivation of inventors tends to impede and stifle innovation. Such demotivation is the last thing that our nation needs, given the current state of the economy.

Another provision of the bill would undermine the incentive force associated with the constitutional mandate to "promote the…useful Arts" by tacitly encouraging each patent applicant to decrease the quality and quantity of disclosure of the invention in their patent applications.

Specifically, this provision would eliminate the penalty of unenforceability or invalidity that currently can be leveled against patentees in litigation for failing to disclose the best aspects of their invention in the patent application.

By virtue of this proposed change, a patentee's failure to provide "best mode disclosure" of their invention would not be usable as a defense against patent infringement.

Although the best-mode requirement would technically remain "on the books," it would have a hollow ring to it since there would be no risk of judicial penalty for failure to comply with the requirement.

Without the risk of sanctions, patent applicants may decide that it is in their best interest not to comply with the requirement, irrespective of their patent attorney's counsel to the contrary. The likely result will be a diminution in the quantity and quality of information provided.

Reduced disclosure in patent applications will impede innovation by causing the patentee's competitors to have to "reinvent the wheel" in order to piece together details about the invention that were left out of the patent application in order to keep those details a trade secret.

In conclusion, the proposed bill will diminish innovation and should not be enacted. If enacted, the resulting statute is likely to be repealed, but only after a huge waste of time, effort and taxpayers' money.

Dale L. Carlson is a partner at Wiggin and Dana in New Haven, Conn., an adjunct professor of patent law at Quinnipiac University School of Law in Hamden, Conn. and immediate past president of the New York Intellectual Property Law Association, the largest regional IP law association in the country.