

# THE AMERICA INVENTS ACT

## ***PROMOTING AMERICAN INNOVATION, CREATING AMERICAN JOBS, GROWING AMERICA'S ECONOMY***

A well functioning, efficient patent system is critical to American invention and innovation. The America Invents Act is the product of six years of consideration in Congress, and would make the first significant reforms to the nation's patent system in nearly 60 years. Enacting the America Invents Act will help bolster economic development, sustain American innovation, and protect American jobs. The America Invents Act (H.R.1249) will be debated in the House today and includes many provisions adopted by the Senate in March when the Senate passed S. 23 by a vote of 95-5.

- ✓ **First-Inventor-To-File Transition** – Both S. 23 and H.R. 1249 ***will increase U.S. competitiveness*** by transitioning to a first-inventor-to-file system.
- ✓ **Improve Patent Quality** – Both S. 23 and H.R. 1249 will ***improve patent quality*** by establishing a first-window post-grant review and allow third parties to submit information related to pending applications.
- ✓ **Encourage American Manufacturing** – Both S. 23 and H.R. 1249 will ***encourage American manufacturing*** by expanding prior user rights, subject to necessary protections for university inventors.
- ✓ **More Certainty for Patent Owners** – Both S. 23 and H.R. 1249 will ***provide more certainty to patent owners*** by reducing harassing administrative challenges to a patent, while making the administrative proceeding more efficient for legitimate challenges.
- ✓ **Bans Tax Patents** – Both S. 23 and H.R. 1249 will ***stop the practice of granting patents on tax strategies.***
- ✓ **Incentivize Patent Owners** – Both S. 23 and H.R. 1249 will create a supplemental examination process to ***incentivize patent owners to commercialize their inventions*** despite potential flaws in the application process.
- ✓ **Ensure Patent and Trademark Office Funding** – Both S. 23 and H.R. 1249 provide fee setting authority for the PTO Director to ***ensure the PTO is properly funded*** and can reduce the backlog of patent applications, but mandates a reduction of fees by 50 percent for small entities and 75 percent for micro-entities, which includes applicants employed by universities, and ***both bills will lead to the end of fee diversion.***
- ✓ **Reduce Harassing Litigation of Patent Holders** – Both S. 23 and H.R. 1249 will ***reduce harassing litigation against patent holders*** by reducing “false marking” litigation and limiting the joinder of parties to situations in which there are questions of fact common to all defendants.
- ✓ **Satellite Offices** – Both S. 23 and H.R. 1249 will ***expedite the establishment of satellite offices*** of the U.S. Patent and Trademark Office.
- ✓ **Weed Out Business Method Patents** – Both S. 23 and H.R. 1249 will create a transitional proceeding to ***weed out invalid but existing patents on methods of conducting business.***

**H.R. 1249 also encourages American manufacturing and helps small businesses.**

**Encourage American Manufacturing** – H.R. 1249 will ***encourage American manufacturing*** by expanding prior user rights, subject to necessary protections for university inventors.

**Help Small Businesses** – H.R. 1249 will ***help small businesses*** by creating an ombudsman program and a pro bono program, in conjunction with intellectual property law associations throughout the country, to support small businesses and independent inventors.

## **The Obama Administration Supports The America Invents Act, Both S. 23 And H.R. 1249**

“The Administration supports House passage of H.R. 1249 as modified by the Manager’s Amendment... The bill’s much-needed reforms to the Nation’s patent system will speed deployment of innovative products to market and promote job creation, economic growth, and U.S. economic competitiveness – all at no cost to American taxpayers. The bill represents a balanced and well-crafted effort to enhance the services to patent applicants and America’s innovators provided by the United States Patent and Trademark Office (USPTO).” – Statement of Administration Policy, H.R. 1249, June 21, 2011

“The Administration supports Senate passage of S. 23. As a whole, this bill represents a fair, balanced, and necessary effort to improve patent quality, enable greater work sharing between the United States Patent and Trademark Office (USPTO) and other countries, improve service to patent applicants and the public at the USPTO, and offer productive alternatives to costly and complex litigation.” – Statement of Administration Policy, S. 23, February 28, 2011