

SUMMARY OF LEAHY-SMITH AMERICA INVENTS ACT (The Act)

House Bill H.R. 1249	Description
SEC. 1 – SHORT TITLE; TABLE OF CONTENTS	Title is the “Leahy-Smith America Invents Act.”
SEC. 2 – DEFINITIONS	Defines some basic terms.
SEC. 3 – FIRST INVENTOR TO FILE	<p>This section of the Act converts the U.S. patent system from a first-to-invent system to a modified first-to-file system. The current 35 U.S.C. § 102 framework for defining prior art is replaced with a new section 102 keyed upon timings for public disclosures and effective filing dates for both U.S. and foreign applications. New section 102 is broken into parts (a) and (b).</p> <p>Section 102(a)(1) defines prior art as a disclosure that was “patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention.” <i>Thus, this section expands prior art to include uses and sales anywhere, not just within the United States.</i> There are exceptions under this section that if the disclosure was made within 1 year of the effective filing date, the disclosure is not prior art if (i) the disclosure was made by the inventor or obtained from the inventor; or (ii) the subject matter had been previously disclosed by the inventor (or by another who had obtained the subject matter from the inventor) within the 1 year period.</p> <p>Section 102(a)(2) defines prior art as subject matter “described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b)” and names another inventor and “was effectively filed before the effective filing date of the claimed invention.” Thus, this section makes U.S. applications and patents prior art based upon their earliest effective filing date, which can be a foreign priority application. There are exceptions to this section. Chief exceptions include if (i) the disclosure was obtained from the inventor; (ii) the inventor publicly disclosed the subject matter beforehand (or by another who had obtained the subject matter from the inventor); (iii) the subject matter was owned by the same person or subject to an obligation of assignment to the same person (to retain the concepts from the CREATE Act).</p> <p>This section effectively retains the obviousness framework of the 1952 Patent Act.</p> <p>This section also provides for derivation proceedings to be held before the Patent Trial and Appeal Board when an inventor believes that the invention claimed by another in a patent with an earlier filing date than his patent application was derived from his work. <i>The derivation proceeding effectively eliminates the need for interference proceedings for patents obtained under this Act.</i></p> <p>The “first-to-file” framework applies to any application or patent issuing thereon that contains or contained a claim to an invention that has an effective filing date that is at least 18 months after the Act becomes law.</p>

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<p>SEC. 4 – INVENTOR'S OATH OR DECLARATION</p>	<p>The requirement of 35 U.S.C. § 115 for an inventor’s oath or declaration relating to the invention claimed in a patent application is retained. <i>However, this section lowers the burden on patent applicants to provide an oath or declaration where an inventor is deceased, legally incapacitated, cannot be found, or is under an obligation to assign the invention but refuses to provide the required oath or declaration.</i> In such instances a patent applicant may provide a substitute statement that identifies the unavailable inventor, explains the circumstance necessitating the substitute statement, and provides any additional information deemed necessary by the Director.</p> <p>This section also revises 35 U.S.C. § 118 to allow for application for a patent by anyone to whom the inventor has assigned, or is obligated to assign, the invention disclosed in the application.</p> <p>The amendments made by this section take effect 1 year after enactment and apply to any patent application filed on or after that date.</p>
<p>SEC. 5 – DEFENSE TO INFRINGEMENT BASED ON PRIOR COMMERCIAL USE</p>	<p>This section amends and expands the prior use defense to a charge of infringement currently in 35 U.S.C. § 273. Under the Act, the defense is broadened from the prior use of a business method to encompass “subject matter consisting of a process, or consisting of a machine, manufacture, or composition of matter used in a manufacturing or other commercial process.” The defense applies if the defendant “acting in good faith, commercially used the subject matter in the United States, either in connection with an internal commercial use or an actual arm’s length sale or other arm’s length commercial transfer of a useful end result of such commercial use” and that commercial use occurred at least 1 year before the earlier of (a) the effective filing date of the claimed invention; or (b) the date the invention was publicly disclosed in a manner that qualified for an exception from prior art under new section 102(b).</p> <p>The new defense is personal in nature, and can only be transferred “except as an ancillary and subordinate part of a good-faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.”</p> <p>This section also clarifies the University Exception wherein the defense cannot be used if the invention was, at the time the invention was made, owned or subject to an obligation of assignment to either an institution of higher education or a technology transfer organization whose primary purpose is to facilitate the commercialization of technologies developed by one or more such institutions of higher education. This exception does not apply in instances where non-university activity is required to reduce the invention to practice and these activities could not have been conducted using federal funding.</p> <p>The amendments made by this section shall apply to any patent issued on or after the date of enactment of this Act.</p> <p><i>Secrets can defeat patent rights. The amendment to 35 U.S.C. 273 allows secret, concealed innovations that are part of a commercial process to now be used as a defense to patent infringement beyond the business method context. The asserted patent cannot be held invalid solely due to the assertion or establishment of the prior commercial use defense.</i></p>

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<p>SEC. 6 – POST-GRANT REVIEW PROCEEDINGS</p>	<p>In general, the Act sets forth a new framework for challenging the validity of issued patents before the USPTO. Key points include: (1) post-grant review (PGR) is available only within the first 9 months after the patent issues; (2) <i>inter partes</i> review is available only 9 months after the patent issues or upon the conclusion of a PGR proceeding; (3) the creation of the Patent Trial and Appeal Board (PTAB) before which PGR and <i>inter partes</i> reviews will be heard by 3-member panels; (4) limited discovery available for both PGR and <i>inter partes</i> reviews; and (5) PGR and <i>inter partes</i> reviews are to be completed within 1 year (extendable to 18 months). The Act retains <i>ex parte</i> reviews.</p> <p>Post-Grant Review (PGR):</p> <p>When. A person, other than the patent owner, can challenge a patent within 9 months after the patent issues by instituting a PGR process.</p> <p>Basis. A request for PGR can be based on any ground that could be raised under paragraphs 2 or 3 of section 282(b) relating to invalidity of the patent or any claim (and thus includes any prior art or § 112 basis). The petition can also be based upon an alleged “novel or unsettled legal question that is important to other patents or patent applications.” The patent owner has the right to file a preliminary response to oppose the grant of the petition. The standard for granting the petition is whether it is “more likely than not” that at least 1 claim is unpatentable. A decision by the Director as to whether to institute a PGR is final and not appealable.</p> <p>Relation to other proceedings. A PGR may not be instituted if, before the date on which the petition for such a review is filed the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent. Note, however, that a counterclaim challenging the validity of a claim does not constitute a civil action challenging the validity of a claim for purposes of this subsection. If the petitioner subsequently also files a civil action challenging the validity of the patent, the civil action shall automatically be stayed unless (a) the patent owner moves to lift the stay; or (b) the patent owner files a civil action or counterclaim for infringement.</p> <p>Preliminary injunction motions. If the patent owner files a civil action within 3 months after issuance, the court may not stay its consideration of the patent owner’s request for a preliminary injunction on the basis that a PGR has been filed.</p> <p>Proceedings.</p> <p>Panel. The PGR will be conducted before a 3-member panel of the newly formed Patent Trial and Appeal Board (PTAB).</p> <p>Timing. The proceeding must be completed within 1 year; although a 6 month extension is possible for good cause. (This timing will put a strain upon the PTO).</p> <p>Discovery. Discovery will be available to the parties. (<i>It will be interesting to see how the PTAB handles discovery disputes within the time constraints</i>).</p> <p>Patent owner responses. The patent owner will be permitted one opportunity to amend the claims, and perhaps more if jointly requested by the parties to advance settlement or upon request by the patent owner for good cause shown. Any amendment may not enlarge the scope of the claims or add new matter. The patent owner may</p>

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	<p>submit factual evidence and expert opinions.</p> <p>Petitioner comment. Petitioner will be permitted at least 1 opportunity to file written comments.</p> <p>Evidentiary standard. The petitioner has the burden to prove unpatentability by a preponderance of the evidence.</p> <p>Oral hearing. Both parties will have the right to request an oral hearing.</p> <p>Appeal. Appeal will be to the Federal Circuit.</p> <p>Estoppel. Estoppel will apply such that the challenger is precluded from challenging the validity in another proceeding before the PTO or in a civil action on any ground that was raised or reasonably could have been raised during the PGR.</p> <p>Inter Partes Review:</p> <p>When. A person, other than the patent owner, can challenge a patent 9 months after the patent issues by instituting an <i>inter partes</i> review process.</p> <p>Basis. Unlike PGR, an <i>inter partes</i> review can be based only on a prior art basis under §§ 102 and 103 and only on prior art consisting of patents and printed publications. The patent owner has the right to file a preliminary response to oppose the grant of the petition. The standard for granting the petition is whether “there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.” A decision by the Director as to whether to institute the <i>inter partes</i> review is final and not appealable. Note – the new standard for instituting an <i>inter partes</i> proceeding will take effect immediately upon enactment.</p> <p>Relation to other proceedings. An <i>inter partes</i> review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent. Note, however, that a counterclaim challenging the validity of a claim does not constitute a civil action challenging the validity of a claim for purposes of this subsection. If the petitioner subsequently also files a civil action challenging the validity of the patent, the civil action shall automatically be stayed unless (a) the patent owner moves to lift the stay; or (b) the patent owner files a civil action or counterclaim for infringement.</p> <p>Patent owner’s action. If the patent owner files a civil action, an <i>inter partes</i> review may not be instituted if the petition is filed more than 1 year after the date when the complaint was served.</p> <p>Proceedings.</p> <p>Panel. The <i>inter partes</i> review will be conducted before a 3-member panel of the newly formed Patent Trial and Appeal Board (PTAB).</p> <p>Timing. The proceeding must be completed within 1 year; although a 6 month extension is possible for good cause. (<i>This timing will put a strain upon the PTO.</i>)</p> <p>Discovery. Limited discovery will be available to the parties, primarily for deposing declarants. (<i>It will be interesting to see how the PTAB handles discovery disputes within the time constraints.</i>)</p> <p>Patent owner responses. The patent owner will be permitted 1 opportunity to amend the claims (additional</p>

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	<p>amendments may be had by joint request to advance settlement or as permitted by regulations yet to be set). Any amendment may not enlarge the scope of the claims or add new matter. The patent owner may submit factual evidence and expert opinions.</p> <p>Petitioner comment. Petitioner will be permitted at least 1 opportunity to file written comments.</p> <p>Evidentiary standard. The petitioner has the burden to prove unpatentability by a preponderance of the evidence.</p> <p>Oral hearing. Both parties will have the right to request an oral hearing.</p> <p>Appeal. Appeal will be to the Federal Circuit.</p> <p>Estoppel. Estoppel will apply such that the challenger is precluded from challenging the validity in another proceeding before the PTO or in a civil action on any ground that was raised or reasonably could have been raised during the proceedings.</p> <p>Ex Parte Reexamination: The Act leaves intact the <i>ex parte</i> reexamination procedure provided under 35 U.S.C. § 301, however, upon enactment, appeals arising from <i>ex parte</i> reexamination proceedings may no longer be filed in district court. Also, the scope of review will be broadened to allow for submission of relevant statements made by the patent owner in civil actions or before the USPTO.</p> <p>The amendments made by this subsection, by and large, will take effect 1 year after enactment and will apply to patents issued before, on, or after the effective date.</p> <p>An overview comparison chart comparing PGR, <i>inter-partes</i> review, and <i>ex-parte</i> examination can be found at the bottom of this chart.</p>
<p>SEC. 7 – PATENT TRIAL AND APPEAL BOARD</p>	<p>This section of the Act establishes the Patent Trial and Appeal Board (PTAB) Board, which will include the Director, the Deputy Director, the Commissioners for Patents and Trademarks and the administrative patent judges. The PTAB replaces the Board of Patent Appeals and Interferences. Appeals, derivation proceedings, post-grant reviews, and inter partes reviews will be heard by at least 3 members of the Board. The PTAB will have jurisdiction over <i>ex parte</i> appeals from adverse actions of patent examiners in non-provisional applications and reexamination proceedings. In addition, this section proposes that the Board will conduct the new derivation proceedings. Derivation proceedings are in lieu of current interference practice and reflect the change that will be made from the first to invent to the first to file system. Inter partes review is in lieu of existing inter partes reexamination and post-grant review is a new proceeding. A party dissatisfied with the PTAB’s decision in a derivation proceeding may appeal that decision to the Court of Appeals for the Federal Circuit or file a civil action under 35 U.S.C. § 146. A party dissatisfied with the PTAB’s decision in a reexamination proceeding, inter partes review, or post-grant review can seek review only from the Court of Appeals for the Federal Circuit. This section of the Act does not change the current right of an appellant to seek review of an adverse decision from the PTAB in a non-provisional application either from</p>

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	<p>the Court of Appeals for the Federal Circuit or under 35 U.S.C. § 145.</p> <p><i>This section allows the Director to limit the number of inter partes reviews and post-grant reviews to be declared in the first four years after enactment, thus providing time for the PTAB to devise and seek comments on proposed rules governing the conduct of the new proceedings and to hire the additional personnel needed so that the reviews are conducted in a timely manner.</i></p>
<p>SEC. 8 – PREISSUANCE SUBMISSIONS BY THIRD PARTIES</p>	<p>The Act codifies a process allowing third parties to submit printed publications of potential relevance to examination to the patent office in order to challenge a patent application prior to issuance. The submission must be made before the earlier of (1) the date of a notice of allowance or (2) the later of six months from the date of publication of the application or the date of first rejection under § 132 of any claim by the examiner. This provision will become effective one year from the date of enactment and will apply to any then-pending or subsequently filed application for patent.</p> <p><i>Given the limited submission period provided by this section, it may be advantageous to monitor published PCT applications filed by applicants of interest, since they may publish before their corresponding U.S. patent applications. In addition, because this provision provides an avenue for challenging a patent claim prior to issuance, challengers of potential patent claims may wish to closely monitor the prosecution of applications of relevance to their fields and conduct prior art searches for documents for submission prior to issuance of those claims. Third party submission of a document prior to grant, however, should be carefully considered since pre-issuance submission of a document may prejudice its later use as grounds for a post-grant review or inter partes reexamination in view of the standards for initiating those proceedings. At the same time, an applicant for patent can take advantage of those same standards in the event of a third party submission during prosecution of its application by providing a persuasive explanation of the lack of relevance of the document.</i></p>
<p>SEC. 9 – VENUE</p>	<p>This section of the Act changes venue for certain suits. Cases formerly having jurisdiction in the United States District Court for the District of Columbia will now have jurisdiction in the United States District Court for the Eastern District of Virginia. The sections affected by this change are:</p> <ul style="list-style-type: none"> 35 USC 32 – Suspension or exclusion from practice 35 USC 145 Civil action to obtain patent (appeals from decision of PTAB) 35 USC 146 Civil action in case on interference (appeals from PTAB) 35 USC 154(b)(4)(A) – Appeal of patent term adjustment determination 35 USC 293 Nonresident patentee; service and notice 15 USC 1071(b)(4) Trademark civil actions <p>This section applies to any civil action commenced on or after the date of enactment.</p>

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<p>SEC. 10 – FEE SETTING AUTHORITY</p>	<p>This section of the Act provides authority for the Director to set or adjust, by rule, any fee established, authorized, or charged under title 35 and the Trademark Act, so that the fees, in the aggregate, are set to recover estimated operating and administrative costs. Authority is subject to 7-year sunset and is available only as long as USPTO remains an agency with Department of Commerce.</p> <p>This section also provides for a 50% reduction in fees for small entities and 75% reduction in fees for micro entities. A micro entity is applicant who has not been named as an inventor on more than 4 previously-filed patent applications, other than those filed in another country, provisionals, or via the PCT. A microentity cannot have a gross income greater than 3 times the median household income for that preceding calendar year. A microentity cannot have assigned, granted, or conveyed to an entity having a gross income exceeding 3 times the median household income for that preceding calendar year.</p> <p>An incentive is provided for e-filing by levying a \$400 surcharge for applications (excluding design, plant, or provisional applications) not e-filed.</p> <p>The amendments made by this section take effect upon enactment of the Act.</p>
<p>SEC. 11 – FEES FOR PATENT SERVICES</p>	<p>This section codifies the current fee schedule. This provision takes effect upon enactment of the Act.</p> <p>This section also provides for a 15% surcharge to be imposed on general fees (including filing fees), maintenance fees, and patent search fees. This provision of the Act will take effect 10 days after enactment.</p> <p><i>Thus, consider paying any fees due, such as maintenance fees, or filing applications before the effective date of this section.</i></p>
<p>SEC. 12 – SUPPLEMENTAL EXAMINATION</p>	<p>This provision of the Act provides a post-issuance mechanism to cure acts or omissions during prosecution, which could be construed as inequitable conduct. The Act states that a patent shall not be held unenforceable in litigation on the basis of conduct relating to information considered in a supplemental examination if it is concluded before the litigation is brought. Supplemental examination cannot be used to cure a material fraud committed during prosecution. This provision of the Act will take effect 1 year after enactment and will apply to patents issued before, on, or after the effective date.</p> <p><i>Patent holders contemplating enforcement of a patent, may want to consider using this procedure well in advance of asserting the patent.</i></p>
<p>SEC. 13 – FUNDING AGREEMENTS</p>	<p>This section increases share of royalties retained by universities under the Bayh-Dole Act for federally funded inventions. This provision of the Act will take upon enactment and will apply to patents issued before, on, or after that date.</p>

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<p>SEC. 14 – TAX STRATEGIES DEEMED WITHIN THE PRIOR ART</p>	<p>This section of the Act provides that any strategy for reducing, avoiding, or deferring tax liability, whether known or unknown at the time of the invention or application for patent, is deemed insufficient to differentiate an invention from the prior art. This does not apply to a method, apparatus, technology, computer program product, or system, used solely for preparing a tax return or other tax filing. Further, it does not apply to a product “used solely for financial management, to the extent that it is severable from any tax strategy or does not limit the use of any tax strategy by any taxpayer or tax advisor.” <i>Thus, a patent claim whose only point of novelty is a tax strategy (a strategy for reducing, avoiding, or deferring tax liability) would not be patentable.</i> This section will be effective on the date of enactment and will apply to any patent application pending on or filed after that date as well as any patent issuing on or after that date.</p>
<p>SEC. 15 – BEST MODE REQUIREMENT</p>	<p>Under 35 U.S.C. § 112, a patent specification is required to “set forth the best mode contemplated by the inventor of carrying out his invention.” This provision states that the failure to disclose the best mode of carrying out an invention in a patent shall not provide a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable. <i>It is important to note that this section does not remove the requirement of § 112 to set forth the best mode in the specification; rather, this section states that the failure to do so shall not be a basis for invalidity or unenforceability.</i></p> <p>This section applies to all cases commenced on or after the date of enactment.</p>
<p>SEC. 16 – MARKING</p>	<p>This section provides for virtual marking by posting patent information on the Internet. In particular, the Act allows patent holders to provide notice to the public by fixing the word “patent” or “pat” onto an article or, in some instances, the packaging along with a web address that associates the patented article with the patent number(s) corresponding to the patented article. The provision requires that the website be accessible to the public free of charge. The listing of patent numbers corresponding to the patented article should be updated both as new patents are issued and as existing patents expire.</p> <p>This section also requires the USPTO to report to Congress within 3 years on the effectiveness of the virtual marking alternative.</p> <p>Further, this section proposes that only the U.S. may sue for the penalty authorized by the false marking statute. Civil suits with regard to false marking are limited to persons who suffer a competitive injury; damages adequate to compensate for the injury may be recovered. <i>This provision of the Act will likely cause the vast majority of pending false marking cases to be dismissed for lack of standing.</i></p> <p>In addition, marking a product covered by an expired patent is not a violation.</p> <p>This section applies to all cases pending on, or commenced on or after, the date of enactment.</p>

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SEC. 17 – ADVICE OF COUNSEL	This section provides that failure of an infringer to obtain advice of counsel cannot be used to prove willfulness or induced infringement.
SEC. 18 – TRANSITIONAL PROGRAM FOR COVERED BUSINESS METHOD PATENTS	<p>This section establishes an 8-year transitional post-grant review proceeding for certain business method patents. Covered patents include those that claim a method or corresponding apparatus for performing data processing operations utilized in the practice, administration, or management of a financial product or service, but not patents for technological inventions. Unlike the general post-grant review procedure discussed above, which must be requested within nine months of the patent grant, this procedure may be requested any time; however, to make use of this procedure a petitioner must have been sued for, or charged with, infringement of the patent in question. <i>It should be noted that this is a transitional program and, unless extended, will be repealed 8 years after PTO regulations establishing the program take effect.</i></p> <p>This section includes a provision entitled “Request for Stay,” which allows a party to seek stay of a patent infringement action. The district court decides whether to stay a lawsuit based on following four factors: (1) whether a stay would simplify issues and streamline trial; (2) whether discovery is complete; (3) whether a stay would unduly prejudice the nonmoving party or provide a clear tactical advantage to the moving party; and (4) whether a stay would reduce the burden of litigation on the parties and the court.</p> <p>The stay provision also allows immediate interlocutory appeal from the district court’s decision.</p> <p>The section also has a venue clause which specifies that mere presence of an automatic teller machine shall not be considered as a mechanism to determine whether a case can be brought in a particular judicial district. <i>A defendant may use this section to challenge the plaintiff’s venue choice.</i></p> <p>This provision of the Act will take effect 1 year after enactment and will apply to patents issued before, on, or after the effective date.</p>
SEC. 19 – JURISDICTION AND PROCEDURAL MATTERS	<p>This section clarifies federal court jurisdiction over patent and copyright cases. It establishes requirements for joinder of accused infringers in patent cases. This section amends the federal judicial code to deny to state courts jurisdiction over legal actions relating to patents, plant variety protection, or copyrights. The section grants exclusive jurisdiction to the CAFC for appeals relating to patents or plant variety protection.</p> <p>The section also provides for the removal of legal actions involving patents, plant variety protection, or copyrights to a U.S. district court, and for the remand of unrelated matters.</p> <p>Additionally, this section limits joinder of accused infringers in patent cases. Accused infringers may be joined in one action</p>

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	as defendants or counterclaim defendants, or have their actions consolidated for trial only if any right to relief is asserted against the parties jointly, severally, or in the alternative with respect to or arising out of the same transaction, occurrence, or series of transactions or occurrences relating to the making, using, importing into the United States, offering for sale, or selling of the same accused product or process; and questions of fact common to all defendants or counterclaim defendants will arise in the action. Simply alleging that multiple accused infringers each have infringed the patent(s) is insufficient for joinder. This provision applies to any civil action commenced on or after the date the Act becomes law.
SEC. 20 – TECHNICAL AMENDMENTS	This section modifies the text of Title 35 U.S.C. as needed to accommodate amendments made in other section or to otherwise clarify the statute.
SEC. 21 – TRAVEL EXPENSES AND PAYMENT OF ADMINISTRATIVE JUDGES	This section permits the USPTO to pay travel and related expenses of non-federal employees attending training programs conducted by the USPTO. It also allows the Director to fix the basic pay rate of administrative patent and trademark judges.
SEC. 22 – PATENT AND TRADEMARK OFFICE FUNDING	This section establishes in the Treasury a “Patent and Trademark Fee Reserve Fund” effective October 1, 2011. Fees collected in excess of the appropriated amount in any given fiscal year are to be deposited in the Reserve Fund and made available until expended only for USPTO operations “to the extent and in the amounts provided in appropriations Acts.”
SEC. 23 – SATELLITE OFFICES	Under this section, the Director shall, subject to available resources, establish 3 or more satellite offices within 3 years. This section specifies various factors for consideration in the selection process. It requires a report to Congress on selection rationale, progress and performance no later than the end of the first 3 fiscal years that begin after the date of enactment.
SEC. 24 – DESIGNATION OF DETROIT SATELLITE OFFICE	The Detroit satellite office is to be named for Elijah J. McCoy.
SEC. 25 – PRIORITY EXAMINATION FOR IMPORTANT TECHNOLOGIES	This section authorizes the Director to provide for prioritization of examination of patent applications for products, processes, or technologies that are important to the national economy or national competitiveness without recovering the aggregate extra cost of providing such prioritization. This provision of the Act takes effect 1 year after enactment.
SEC. 26 – STUDY ON IMPLEMENTATION	This section requires a study and report to the Judiciary Committees of the House of Representatives and the Senate on implementation of the Leahy-Smith America Invents Act and related issues and recommendations considered appropriate by the Director. The study must be provided to Congress within 4 years of enactment.

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SEC. 27 – STUDY ON GENETIC TESTING	This section requires the Director to conduct a study on effective ways to provide independent, confirming genetic diagnostic test activity where gene patents and exclusive licensing for primary genetic diagnostic tests exist. A report to the Judiciary Committees of the House of Representatives and the Senate, with appropriate findings and recommendations, is required within 9 months of enactment.
SEC. 28 – PATENT OMBUDSMAN PROGRAM FOR SMALL BUSINESS CONCERNS	In accordance with this section, using available resources, the Director shall establish and maintain a Patent Ombudsman Program to, in part, provide support and services to small business concerns and independent inventors. This section becomes effective 1 year after enactment.
SEC. 29 – ESTABLISHMENT OF METHODS FOR STUDYING THE DIVERSITY OF APPLICANTS	This section requires the Director to establish methods for studying the diversity of patent applicants within 6 months of enactment.
SEC. 30 – SENSE OF CONGRESS	This section states that the patent system should promote economic growth while protecting the rights of small businesses and inventors from predatory behavior.
SEC. 31 – USPTO STUDY ON INTERNATIONAL PATENT PROTECTIONS FOR SMALL BUSINESSES	In accordance with this section, the Director, in consultation with the Secretary of Commerce and the Small Business Administration, shall study and report to Congress, within 120 days after enactment, on ways Federal agencies can help small businesses with international patent protection.
SEC. 32 – PRO BONO PROGRAM	In accordance with this section, the Director shall work with intellectual property law associations to establish pro bono programs designed to provide financial assistance to under-resourced independent inventors and small businesses. This provision takes effect on the date of enactment.
SEC. 33 – LIMITATION ON ISSUANCE OF PATENTS	This section prohibits issuance of a patent on a claim directed to or encompassing a human organism. The section becomes effective on the date of enactment and will apply to any then pending or subsequently filed patent application; it will not affect the validity of any previously issued patent.
SEC. 34 – STUDY OF PATENT LITIGATION	This section requires the Comptroller General to conduct a study on patent litigation by non-practicing entities or patent assertion entities and report the finding to the Judiciary Committees of the House of Representatives and the Senate, within 1 year of enactment.

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SEC. 35 – EFFECTIVE DATE	The effective date of the Act, if not provided otherwise, is generally 1 year after the date of enactment and shall apply to any patent issued on or after that effective date.
SEC. 36 – BUDGETARY EFFECTS	This section relates to budgetary compliance with the Pay-As-You-Go-Act of 2010.
SEC. 37 – CALCULATION OF 60-DAY PERIOD FOR APPLICATION OF PATENT TERM EXTENSION	This section clarifies the date of marketing approval of a product, which begins the 60-day period to apply for patent term extension, is the next business day if the time of transmission of approval is after 4:30 P.M., Eastern Time. This provision takes effect on the date of enactment and applies to any application that is pending, filed after, or under judicial review on the date of enactment.

Overview Comparison of Post-Grant Review, Inter-Partes Review, and Ex-Parte Reexamination

	Post-Grant Review	Inter Partes Review	Ex Parte Reexamination
Requesting party	Anyone except the patent owner	Anyone except the patent owner	Anyone (including the Director)
Patents subject to review	Any patent that contains or contained a claim to an invention that has an effective filing date that is on or after March 16, 2013 (18 months after enactment).	Any active patent	Any active patent
Timeframe for request	Prior to 9 months after issuance, but before requesting party files a declaratory judgment action	The earlier of: 9 months after issuance, or following the conclusion of a post-grant review proceeding. Requests denied for a petitioner served with an infringement complaint more than 1 year prior, or who has filed a declaratory judgment action	None
Bases for request	Broadly any basis for patentability, but generally based on §§ 102, 103, or 112.	Novelty or obviousness based on patents and printed publications	Novelty or obviousness based on patents and printed publications
Applicable standard to initiate review	The petition, if not rebutted, makes it more likely than not that at least one claim is unpatentable	Reasonable likelihood that petitioner will prevail with respect to at least one challenged claim	Substantial new question of patentability
Reviewing body	Patent Trial and Appeal Board	Patent Trial and Appeal Board	Reexamination Unit
Appealable to	Federal Circuit	Federal Circuit	Patent owner entitled to appeal to the Patent Trial and Appeal Board and then to the Federal Circuit
Estoppel	Estoppel for claims that were raised or reasonably could have been raised by petitioner	Estoppel for claims that were raised or reasonably could have been raised by petitioner	None