

IPO 101 proposal

- 101(b) entitled "Sole Exception to Subject Matter Patentability"
- "a claimed invention is ineligible under subsection (a) if and only if the claimed invention as a whole, as understood by a person having ordinary skill in the art to which the claimed invention pertains, exists in nature independently of and prior to any human activity, or exists solely in the human mind."
- Other changes are also proposed.

AIPLA 101 Proposal

- Adds 101(b) "a claimed invention is ineligible under subsection (a) only if the claimed invention as a whole exists in nature independent of and prior to any human activity, or can be performed solely in the human mind."
- Very similar approach to IPO

ABA 101 Proposal

- Adds 101(b): "may be denied eligibility...on the ground that the scope of the exclusive rights under such a claim would preempt the use by others of all practical applications of a law of nature, natural phenomenon, or abstract idea. Patent eligibility under this section shall not be negated when a practical application of a law of nature, natural phenomenon, or abstract idea is the subject matter of the claims upon consideration of those claims as a whole, whereby each and every limitation of the claims shall be fully considered and none ignored."

S.812 "PARTS Act"

S.812 "PARTS Act"

- Introduced by Sen. Orrin Hatch and Rep. Darrell Issa
- What it does:
 - It would not be an act of infringement for an alternative parts supplier to sell an aftermarket collision repair part once 2.5 years have elapsed from the date of a design patent.
 - The Act would also allow alternative parts suppliers to research, develop, make, and test such parts on a not-for-sale basis during the 2.5-year patent period.

S.812 "PARTS Act"

- Why:
 - Used car parts are too expensive.
 - Resulting in expensive auto insurance.
 - Proponents claim the bill will save consumers \$1.5 billion/yr.
 - According to Quality Parts Coalition manufactures receive a 60% premium per part because of design patent protection.
 - Car companies have significantly increased design patent filings starting in 2004.

S.812 "PARTS Act"

Section 271 of title 35, United States Code:

- Status: In Committee - Originally Introduced in 2015
- "(2) With respect to a design patent that claims a component part of a motor vehicle as originally manufactured—
- "(A) it shall not be an act of infringement of the design patent to make or offer to sell within the United States, or import into the United States, any article of manufacture that is similar or the same in appearance to the component part that is claimed in the design patent if the purpose of the article of manufacture is for the repair of a motor vehicle so as to restore the motor vehicle to the appearance of the motor vehicle as originally manufactured; and

S.812 "PARTS Act"

- "(B) after the expiration of a period of 30 months beginning on the first day on which any such component part is first offered to the public for sale as part of a motor vehicle in any country, it shall not be an act of infringement of the design patent to use or sell within the United States any article of manufacture that is similar or the same in appearance to the component part that is claimed in the design patent if the purpose of the article of manufacture is for the repair of a motor vehicle so as to restore the motor vehicle to the appearance of the motor vehicle as originally manufactured."

H.R.2189 - Trade Protection Not Troll Protection Act

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- Rep. Cardenas, Tony [D-CA-29]
- What: To amend section 337 of the Tariff Act of 1930 with respect to requirements for domestic industries, and for other purposes.
- Why: Prevent non-practicing entities (i.e., trolls) from filing suit in the International Trade Commission (ITC) by establishing new domestic industry requirements.

H.R.2189 - Trade Protection Not Troll Protection Act

- Since 2014 decisions, an approach to showing domestic industry:
 - Trolls license a patent to a single company under threat of litigation. A single license can be sufficient to meet the DI requirement by relying on the economic activity of the third party.
 - The single company is often issued a subpoena to appear and testify to the license agreement, since they were often unwilling to appear voluntarily given nature of the relationship between the NPE and the single company.

H.R.2189 - Trade Protection Not Troll Protection Act

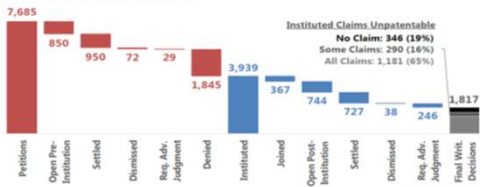
- Modifying the domestic industry requirement
 - "engineering, research and development, or licensing." and
 - substantial investment in licensing activities that leads to the adoption and development of articles that incorporate the patent, copyright, trademark, mask work, or design.
- Also, early decision on dispositive issues, like qualified industry.
- All parties (e.g., relied upon licensees) must join voluntarily.

S.1390 - STRONGER Patents Act of 2017

- Purpose:
 - Decrease IPR invalidity decisions.
 - Expand scope of patent coverage in litigation to cover induced infringement and divided infringement.

S.1390 - STRONGER Patents Act of 2017 - IPR

Status of Petitions
(All Time: 9/16/12 to 10/31/17)



These figures reflect the latest status of each petition. The outcomes of decisions on institution responsive to requests for rehearing are incorporated. Once joined to a base case, a petition remains in the Joined category regardless of subsequent outcomes.

Source: USPTO October 2017 Patent Trial and Appeal Board Statistics

S.1390 - STRONGER Patents Act of 2017 –IPR Changes

- Single Jeopardy: If a patent claim has ever been target of an IPR, no one else can ever file an IPR against it again.
- The Patent Office can never revisit a patent once a federal court has found it valid.
- Patent owners can appeal institution of an IPR before the final written decision, but petitioners can't appeal denial of institution.

S.1390 - STRONGER Patents Act of 2017 - IPR

- Standing: Only people who have actually been sued can file an IPR.
 - In contrast, right now anyone can file an IPR.
- Alignment with Article III court:
 - Claim construction the same as in 282(b) action for invalidity
 - Presumption of validity- under section 282(a) shall apply to a previously issued claim that is challenged during an *inter partes* review under this chapter.
 - Clear and convincing standard.

S.1390 - STRONGER Patents Act of 2017 - IPR

- Patent owners are effectively entitled to amend their claims.
- Patent owners can, instead of going through IPR, ask to go through an "expedited reexamination," allowing them to change their claims and have their patent treated as if it was a fresh application. The petitioner isn't involved in the reexamination, so it's just the patent owner and the Patent Office.

S.1390 - STRONGER Patents Act of 2017 -IPR

- Administrative patent judges (APJs) sitting on panels which decide to institute an IPR or PGR proceeding would not be permitted to sit on the panel which decides the outcome of that petition under.

S.1390 - STRONGER Patents Act of 2017 – Litigation Changes

- Provide injunctive relief.
 - “restores the presumption of injunctive relief upon a finding that a patent is valid and infringed.”
- Inducement
 - “proving inducement only requires showing that the alleged infringer intended to cause the acts that constitute infringement.” In contrast, current standard requires intent to infringe.
 - Divided Infringement: The statute would eliminate the single-entity rule, allowing for allegations of divided infringement.

S.1390 - STRONGER Patents Act of 2017

- Targeting Rogue and Opaque Letters (TROL). The act empowers the [Federal Trade Commission](#) (FTC) to sanction demand letters issued in bad faith. The FTC could prosecute sending the letter as an unfair or deceptive act.

S.1948 - A bill to abrogate the sovereign immunity of Indian tribes as a defense in *inter partes* review of patents.

- Sen. Claire McCaskill, [D-MO]
- Introduced to Committee on Indian Affairs.
- This is in response to Allergen selling patents to the St. Regis Mohawk tribe. The St. Regis Mohawk tribe asserts that sovereign immunity prevents the patents from being challenged in an IPR, but does not object to a validity challenge in court.
- The St. Regis Mohawk tribe will get paid \$15 million annually as long as the Restasis patents are valid.
- Allergen makes \$1.5 billion annually from the Restasis patents.

S.927 - Patents for Humanity Program Improvement Act

- This bill allows the holder or successor of an acceleration certificate issued pursuant to the Patents for Humanity Program (a pilot awards program established by the U.S. Patent and Trademark Office [USPTO] entitling awardees to accelerate certain USPTO proceedings for patented technologies addressing humanitarian needs among an impoverished population or for further research on humanitarian technologies) to transfer, including by sale, the entitlement to such certificate to another person.
- Status: In Committee
