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The *America Invents Act*: A Useful Tool For The Energy Industry?

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Just over a year ago, President Obama signed the *America Invents Act* (AIA), signalling one of the most significant revisions to U.S. patent law since 1952. As intellectual property in general, and patents in particular, are critical assets to companies involved in the energy industry, it is important to understand how this legislation may affect your business. The main revisions this article will discuss relate to a change to a "first-to-file" regime and the addition of ways to challenge patent applications.

First-to-File Regime:

The first major change implemented by the AIA converts U.S. patent law from a "first-to-invent" regime to a "first-to-file" regime. This change is intended to harmonize the U.S. patent system with most other worldwide jurisdictions, including Canada. While this revision does not take effect until March 2013, it will change filing strategies for many companies, and encourage more frequent and earlier filing of patent applications. Under the current legislation, an applicant could successfully obtain a patent, even if someone else had previously filed a patent application for substantially the same invention. However, they would have to provide evidence that they were the first inventor. In just a few months' time, this strategy will no longer be available and it will be critical to be the first to file.

Companies should consider how to effectively deal with what will soon become a "race to the patent office". Provisional patent applications will take on greater significance in the overall management of patent portfolios, especially for

start-up companies or companies with products or processes in early stages of development.

Voluntary Disclosure:

While the AIA allows for voluntary disclosure of an invention up to a year prior to the filing date of a patent application, reliance on this one year "grace period" is risky and does not apply in all jurisdictions, most notably Europe. Therefore, the most prudent course of action is to file an application before any public disclosure is made.

Prior User Rights:

New "prior user" rights may also affect how energy companies manage their intellectual property assets. Whether to keep a new technology protected by keeping it confidential (i.e. a trade secret), or to disclose it to the public by filing for patent protection, has always been a difficult decision. Under the AIA, there is now a "prior use" defence to patent infringement claims for any manufacturing or commercial process, as well as any business methods. Basically, if a company has used such a process or method but has kept it secret, it can rely on use its prior use as a defence to a later infringement claim.

Challenging Patents:

Finally, the AIA introduces new ways for a company to challenge a patent that has been filed at the U.S. Patent Office. Any third party may submit prior art during the application process, and may provide a detailed explanation of the relevance of the documents submitted. These "pre-issuance" submissions must be received before the later of the first office action, or six months after the patent application is published. The identity of the petitioner need not be disclosed, meaning that a company can anonymously challenge the applications of a competitor. A patent may also be challenged after it has issued. A "post-grant review" must be filed within nine months of the grant of a patent, and the identity of the petitioner must be disclosed. The petitioner must establish that it is more likely than not that at least one of the challenged claims is unpatentable. This may be a more effective strategy than a civil action for invalidity, as the onus of proof on the petitioner is lower in post-grant proceedings.

These challenge provisions can be important to your business from both points of view. As a patent owner, you should be aware of what your competitors can do to interfere with your applications, but you should also understand the opportunities available to you to limit the scope of your competitor's patent portfolio.

The *America Invents Act* creates both opportunities and threats for businesses in the energy industry seeking to protect their valuable intellectual property assets. In light of these revisions, it may be prudent to conduct a review of your patent portfolio, and perhaps even the patent portfolios of your competitors.

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