

INTELLECTUAL PROPERTY NEWS - PATENT REFORM DIGEST

EXPANDED DEFENSE TO PATENT INFRINGEMENT UNDER THE AMERICA INVENTS ACT

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The recently signed Leahy-Smith Patent Reform Act, better known as the America Invents Act, significantly expands the defense to patent infringement based on prior commercial use and applies to any patent issued on or after September 16, 2011.

Previously, that defense was limited to actions involving business method patents. Now, it includes prior commercial use of any process or machine, manufacture, or composition of matter used in a manufacturing or other commercial process. To rely on this defense, an accused infringer must have, acting in good faith, commercially used the subject matter in the United States. The use must have been either in connection with an internal (inter-company) commercial use or a bona fide sale or other commercial transfer. Finally, the commercial use must have occurred at least one year before the earlier of the effective filing date of the asserted invention or a public disclosure of the asserted invention. The defense must be proved by clear and convincing evidence.

Furthermore, the America Invents Act also expands the scope of those eligible to assert the defense to include an entity that controls, is controlled by, or is under common control with a person that performed or directed the performance of the commercial use.

The defense is not absolute. It is not available against patents owned by universities or technical transfer organizations whose primary purpose is to facilitate commercialization of technologies developed by universities.

Nevertheless, the America Invents Act provides an important potential safe harbor from patent infringement for commercial uses occurring more than one year prior to the filing date of or public disclosure relating to the asserted invention.

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