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IP Legislation Updates: What's the Latest from the Hill?

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Overview

- Recent IP Legislation
- Legislation in Process
- What's Next?

Recent Legislation

- USPTO Emergency Funding
- FY2010 Appropriation Bill
- Satellite Home Viewers Act

USPTO Financial News

Use of Trademark Funds/USPTO Emergency Funding

- Public Law 111-45 (enacted Aug. 7, 2009)
 - Patent Office authorized to borrow \$70 M from Trademark Office
 - Intended to avoid reductions-in-force
 - Money repaid by Sept. 30, 2014
 - USPTO has not exercised this authority
 - Expires June 30, 2010

USPTO Financial News

Kappos' "New Year's" Letter/Appropriations

- FY2010 estimated fees collections
 - Sept. 2009 estimate: \$1,887.0 M
 - Jan. 2010 revised estimate: \$2,003.0 M
 - \$116 M increase
- FY2010 appropriations
 - \$1,887.0 M based on Sept. estimate
 - \$100 M "buffer" removed from Omnibus Spending Bill
 - All fees over \$1,887.0 M diverted w/o Congressional action
- Sept. estimate assumed attrition > hiring for examiners

USPTO Financial News

Kappos' "New Year's" Letter

Three Congressional action points:

1. Ending fee diversion
2. Enacting temporary fee increase
3. Giving USPTO fee-setting authority

Legislation in Process

- Patent Reform Act (still)
- Reverse Payments
- Biosimilars
- Customs and Border Patrol Reauthorization

Patent Reform Legislation

- Background
- Patent Reform Acts of 2009
- What's At Issue?
- What's Not At Issue?
- Intangibles/Open Issues

Patent Reform Legislation: Background

- 108th Congress through 111th (current) Congress
- Seven years , eight reform bills, no success. . . yet.
- Federal Trade Commission and National Academies of Sciences Reports

Patent Reform Legislation: Patent Reform Acts of 2009

- House (H.R. 1260) and Senate (S. 515, also S. 610)
- H.R. 1260 still in Committee
- S. 515 reported to full Senate

Patent Reform Legislation: What's in?

- First-to-file
 - rewrites §§ 102 and 103
 - prior art not territorially limited, includes anything “publicly available”
- Post-grant review
- Fee-setting Authority for USPTO
- Inter partes reexamination
 - “could have raised” estoppel eliminated
 - heard by APJ

Patent Reform Legislation: What's in?

- Venue
 - S.515 codifies *TS Tech*
 - H.R. 1260 creates complex rules
- Willfulness
 - S.515 codifies *Seagate*
 - H.R. 1260 adds substantive and procedural limits
- Best Mode eliminated as a defense (S.515 only)
- Reasonable Royalty
 - S.515 gives procedural guidelines
 - H.R.1260 creates substantive rules
- Interlocutory appeals of claim construction orders

Patent Reform Legislation: What's out?

- Inequitable Conduct
- End to Fee Diversion
- Universal 18-month Publication

The Healthcare Debate

Reverse Payments

- What are Reverse Payments?
 - Generic Drug Co. challenges pioneer patent and patentee sues
 - Patentee pays Generic Co. to withdraw from market
 - Anti-trust challenges mostly unsuccessful

The Healthcare Debate

Reverse Payments

- H.R.1706 prohibits Generic Co. from receiving value in settlement, except:
 - Early market entry (e.g., during patent term)
 - Waiver of claim for patent damages
- S.369 presumes settlement anti-competitive when Generic Co. receives value other than:
 - Early market entry
 - Waiver of any patent claim
 - Up to \$7.5 M in reasonable litigation expenses
- House bill – private right of action
- Senate bill – only enforceable by FTC

The Healthcare Debate

Biosimilars – Pathway to Licensure

- Pending legislation
 - H.R.1427 (Waxman) & S.726
 - H.R. 1548 (Eshoo)
- Corollary of Hatch-Waxman Act
 - Therapeutic biologics produced from cell lines, no identical products
 - Provides shortcut for ‘biosimilar’ products
- Commonalities between Biosimilars bills
 - Filing with FDA
 - Information Exchange; no ‘Orange Book’
 - Pre-launch infringement litigation

The Healthcare Debate

Biosimilars – Pathway to Licensure

- Eshoo House bill
 - Follow-on application *and* product/process information provided to reference product holder & patent owner
 - If patentee does not sue, applicant may (with limits)
 - Later suit possible
- Waxman and Senate bills
 - Follow-on application provided to reference product holder
 - Complex tight-rope of patent list exchanges with harsh forfeiture penalties

Customs & Border Patrol Reauthorization

- Section 237 – Copyright Piracy
 - Customs may enforce pending copyright registrations at owner’s request
 - Applies to “recordings, motion pictures, or similar works”
- Section 238 – Rights owner inspection
 - Customs may provide samples of potentially infringing merchandise to copyright or trademark owner
 - May provide sample of circumvention device to “any person who may be injured”

What's Next?

- Performance Right Act
- H.R. 2584
 - Prohibits Patents on Tax Planning Methods
- Access to Repair Parts Act
- Trademark Technical Corrections Bill
- Judicial Vacancies