

A Guide to the Legislative History of the America Invents Act: Part I of II

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Introduction

This Article is neither a philosophical meditation on patent law, nor an inquiry into how it ought to be changed. It is, instead, simply a description of the recently-enacted Leahy-Smith America Invents Act (“AIA”)¹ and, in particular, a guide to legislative materials that may be useful to practitioners who are required to understand and construe the new law.

The AIA was signed into law on September 16, 2011.² It adopted the first-to-file system of determining a patent’s priority date, redefined what constitutes prior art against a patent, created several new post-issuance proceedings for patents and revised existing proceedings, and made many other important changes to the patent code.³ The AIA is the first comprehensive patent bill to be enacted since the Patent Act of 1952 (“1952 Act”),⁴ and it arguably makes the most substantial changes to the law since those imposed by the Patent Act of 1836 (“1836 Act”), which created the system of patent examination.⁵

This Article grew out of efforts to monitor the Senate and House of Representatives (“House”) debates on the AIA while it was before Congress, several presentations given to trade associations after it was enacted, and requests from practitioners for information about legislative history relevant to particular

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¹ Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011).

² *See id.*

³ *See id.* secs. 3(a)(2), 6(d), 6(g), §§ 100(i)(1)(B), 301, 321, 125 Stat. at 285, 306, 312; *see also* 157 CONG. REC. S951–52 (daily ed. Feb. 28, 2011) (statement of Sen. Hatch).

⁴ *See* Press Release, The White House, President Obama Signs America Invents Act, Overhauling the Patent System to Stimulate Economic Growth, and Announces New Steps to Help Entrepreneurs Create Jobs (Sept. 16, 2011), *available at* <http://www.whitehouse.gov/the-press-office/2011/09/16/president-obama-signs-america-invents-act-overhauling-patent-system-stim> [hereinafter AIA White House Press Release].

⁵ Stephen M. Hankins & D. Christopher Ohly, *The America Invents Act: An Overview*, THE RECORDER (Oct. 4, 2011), <http://www.law.com/isd/lawtechnologynews/PubArticleLTN>.

sections of the bill. In many cases, it would be difficult for a practitioner to find the legislative history that addressed a particular provision of the AIA. While all the material is publicly available,⁶ it is voluminous and is scattered across the Congressional Record and the committee reports of several Congresses—and, of course, it is not organized by topic.

This is the first of what will be two Articles. This Article addresses the parts of the AIA that are relevant to an application before a patent has issued; the next will examine those parts of the AIA that are relevant only after a patent has been granted. This Article's scope, thus, includes the AIA's revisions to §§ 102 and 103 and its creation of derivation proceedings, the changes to the inventor's oath, the authorization for a third party to submit prior art and explain its relevance to an application, the bans on tax-strategy and human-cloning patents, and several minor provisions and studies.

This Article begins with an account of the six years of legislative activity leading up to enactment of the AIA. The remainder is organized by the sections of the U.S. Code that were amended by the AIA, then by sections of the AIA that are uncodified. For each section, the Article identifies the location and provides a description of any relevant legislative materials. Because courts generally place committee reports at the apex of their hierarchy of legislative history,⁷ any discussion of a bill section that appears in the final

⁶ All of the legislative materials cited in this Article are available on the Library of Congress's THOMAS website. THOMAS, LIBR. OF CONG., <http://thomas.loc.gov/home/thomas.php> (last visited Jan. 27, 2012). Additionally, the United States Patent and Trademark Office ("USPTO") has created a page on its website that includes links to most of the legislative materials that are relevant to the AIA. *Leahy-Smith America Invents Act Implementation*, USPTO, http://www.uspto.gov/aia_implementation/index.jsp (last modified Jan. 26, 2012). Finally, the material on the USPTO website, past committee reports, and all of the hearings on patent reform that were held during the ten-year period leading up to enactment of the AIA are available on the website PatentReform.info. *Leahy-Smith America Invents Act: A Website for Supplying Information on the Act*, PATENTREFORM.INFO, <http://patentreform.info/> (last visited Jan. 27, 2012) [hereinafter *Act Information Website*].

⁷ See, e.g., *Zuber v. Allen*, 396 U.S. 168, 186 (1969) ("A committee report represents the considered and collective understanding of those Congressman involved in drafting and studying the proposed legislation."); *Bingham & Taylor Div., Va. Indus., Inc. v. United States*, 815 F.2d 1482, 1485 (Fed. Cir. 1987) ("Although not decisive, the intent of the legislature as revealed by a committee report is highly persuasive.").

Floor statements are not given the same weight as some other types of legislative history, such as committee reports, because they generally represent only the view of the speaker and not necessarily that of the entire body. However, floor statements by the sponsors of the legislation are given considerably more weight than floor statements by other members

Committee Report⁸ is quoted or described, unless that passage simply repeats the statutory text.

I. The Role of Legislative History

In *Piper v. Chris-Craft Industries, Inc.*,⁹ the Supreme Court noted that “[r]eliance on legislative history in divining the intent of Congress is . . . a step to be taken cautiously.”¹⁰ Congress’s “authoritative statement is the statutory text, not the legislative history.”¹¹ And the Supreme Court has warned against relying on interpretations advanced in legislative statements that are not “anchored in the text of the statute.”¹²

Courts have suggested that remarks made “by persons responsible for the preparation and drafting of a bill” should be weighed most heavily,¹³ but there often is no reliable or readily available way to determine who drafted which part of a bill—a particularly acute problem for a bill with as long a history and as many provisions as the AIA. And more fundamentally, “[t]he Constitution gives the force of law only to what is actually passed by both houses of Congress and signed by the President.”¹⁴ Even a committee report is controlled only by the chairman—there is no consent or vote required in order for a chairman to issue a report.

On the other hand, legislative history, when cabined to its properly subordinate role, can serve a useful purpose. It can identify particular language that was borrowed from other laws or from administrative or judicial decisions—a connection that would sometimes be difficult to make were it not identified in the record. Many provisions of the AIA give the United States Patent and Trademark Office (“USPTO” or “Office”) new authority and were drafted in close consultation with the Office, and legislative statements disclose how

⁸ Only one committee report, H.R. REP. NO. 112-98 (2011), was issued by a committee during the Congress in which the AIA was enacted. Three other reports were issued during earlier Congresses—one in 2009, and two in 2007. S. REP. NO. 111-18 (2009); H.R. REP. NO. 110-314 (2007); S. REP. NO. 110-259 (2007). House Report 112-98 is identified in this Article as the “2011” or “final” Committee Report. The other Reports are always identified by the year in which they were issued.

⁹ 430 U.S. 1 (1977).

¹⁰ *Id.* at 26.

¹¹ *Exxon Mobil Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 568 (2005).

¹² *Shannon v. United States*, 512 U.S. 573, 583 (1994). “[C]ourts have no authority to enforce [a] principl[e] gleaned solely from legislative history that has no statutory reference point.” *Id.* at 584 (second and third alterations in original) (quoting *Int’l Bd. of Elec. Workers, Local Union No. 474, AFL-CIO v. NLRB*, 814 F.2d 697, 712 (1987)).

¹³ *See Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 204 n.24 (1976).

¹⁴ *Owner-Operator Indep. Drivers Ass’n v. Mavflower Transit, LLC*, 615 F.3d 790, 792

the Office anticipated that it would use that authority once it was enacted into law.¹⁵ Reports and speeches often explain various provisions and how they are designed to work—they do not add to or change the law, but simply elucidate what is already there.¹⁶ And in any event, courts frequently rely on the legislative record to interpret a statute.¹⁷ Litigants at least need to know what is in that record.

Finally, the Leahy-Smith America Invents Act is a landmark bill, which makes fundamental changes to American patent law. Its creation and development, through a long and often difficult legislative process, was an important event and a great adventure—it is a story that is worth telling for its own sake.

Thus, as the Supreme Court stated in *Piper v. Chris-Craft*, “[w]ith th[ese] caveat[s], we turn to the legislative history of the” America Invents Act.¹⁸

II. The Path to Enactment of the AIA

A. The 109th Congress (2005–2006)

The first version of what became the AIA was introduced on June 8, 2005 by Representative Lamar Smith, then-Chairman of the House Judiciary Committee’s Intellectual Property Subcommittee.¹⁹ Many elements of the AIA trace their origins directly to Representative Smith’s original bill, including the following ideas and proposals that were ultimately enacted in the AIA: (1) moving the United States to the first-to-file system of determining a patent’s priority date, redefining what constitutes prior art, and authorizing derivation proceedings; (2) enacting a Chapter 32 that authorizes post-grant review of a patent by a panel of Administrative Patent Judges on any validity ground; (3) reforming the inventor’s oath requirement and expanding the rights of assignees to seek patents; (4) allowing third parties to submit prior art and explain its relevance with respect to an application; and (5) reforming the inequitable conduct doctrine and repealing the deceptive intent restrictions in the patent code.²⁰

¹⁵ See, e.g., 157 CONG. REC. E1198, E1206 (daily ed. June 24, 2011) (statements of Reps. Blumenauer and Van Hollen); 157 CONG. REC. S957 (daily ed. Feb. 28, 2011) (statement of Sen. Bennet).

¹⁶ See, e.g., 157 CONG. REC. S951–52 (daily ed. Feb. 28, 2011) (statement of Sen. Hatch).

¹⁷ *Deluxe Corp. v. United States*, 885 F.2d 848, 850 (Fed. Cir. 1989) (“[W]here the text itself does not clearly exclude alternate interpretations, we look first to the legislative history for illumination of the intent of Congress.”).

¹⁸ 430 U.S. 1, 26 (1977).

¹⁹ Patent Reform Act of 2005, H.R. 2795, 109th Cong. Representative Lamar Smith is, of course, the “Smith” whose name appears in the full title of the AIA, the “Leahy-Smith America Invents Act.” See *id.*

Senators Orrin Hatch and Patrick Leahy introduced a similar bill in 2006.²¹ Neither piece of legislation was marked up or reported during that Congress, but each committee held a series of hearings on the bills and the issues that they addressed.²²

B. The 110th Congress (2007–2008)

The effort to enact comprehensive patent-reform legislation began in earnest early in the 110th Congress. On April 18, 2007, parallel bills were introduced in the Senate and House.²³ However, because Republicans had lost control of both houses in November 2006, the lead sponsors of the bills became Senator Leahy, the new Chairman of the Senate Judiciary Committee, and Representative Howard Berman, the new Chairman of the House Judiciary Committee's Intellectual Property Subcommittee.²⁴

The Leahy and Berman bills were substantially identical.²⁵ Their significant features were: (1) adoption of the first-to-file system and a new definition of “prior art”; (2) reform of the inventor's oath requirement; (3) a requirement that reasonable-royalty damages be based on a patent's “specific contribution over the prior art” and new substantive and procedural barriers to awards of enhanced damages; (4) enactment of a broad prior-user right; (5) creation of a post-grant review in which a patent's validity could be challenged on any ground during either the year after its issuance, or later during its life if the patent was asserted against the petitioner or caused him “significant economic harm”; (6) authorization for third parties to submit patents and printed publications of potential relevance to an application and a concise description of the materials' relevance; (7) restrictions on the venue where a civil action for infringement of a patent may be brought; (8) authorization for immediate interlocutory appeal of a district court's construction of the

²¹ Patent Reform Act of 2006, S. 3818, 109th Cong.; *see also* 152 CONG. REC. S8829–32 (daily ed. Aug. 3, 2006) (Sens. Hatch and Leahy's remarks introducing this bill).

²² From 2001 through the end of the 109th Congress, the House Judiciary Committee's Intellectual Property Subcommittee held numerous hearings on patent reform and related issues. *See* H.R. REP. NO. 110-314, at 46–49 (2007). From 2005 through 2007, the Senate Judiciary Committee held six hearings on patent reform. *See* S. REP. NO. 110-259, at 36–38 (2008). Subsequent hearings are noted at House Report 112-98, at 57 (2011), and Senate Report 111-18, at 27–30 (2009). All these hearings are available on the website PatentReform.info. *See Act Information Website, supra* note 6.

²³ Compare S. 1145, 110th Cong. (2007), with H.R. 1908, 110th Cong. (2007).

²⁴ *See* S. 1145; H.R. 1908.

²⁵ Senator Leahy noted this fact in his speech introducing Senate Bill 1145. *See* 153

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