

The Leahy-Smith America Invents Act: *The Challenge of Implementation*

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The Leahy-Smith America Invents Act, Pub. Law 112-29

- Most significant change in patent law since 1836.
- Provisions discussed over the course of five congresses while:
 - Active discussion in the courts and in industry throughout on what needs to be addressed in real patent reform
 - Significant efforts to address backlog at the agency
 - Uncertain funding levels
- Now, challenge is implementing effectively.



Congressional History of Patent Reform Legislation

108th Congress (2003-2004)

- Federal Trade Commission (FTC) and National Academies of Sciences (NAS) Reports issued
- House holds hearings on “Committee Print” (Rep. Smith, April 2004)

109th Congress (2005-2006)

- Senate introduces S.3818 (Sen. Hatch); hearings held
- House introduces H.R.2795 (Rep. Smith); hearings held
- H.R.5096, PDQ Act introduced (Rep. Berman) – *inc. Post Grant, Willfulness, Venue and Injunctions*

110th Congress (2007-2008)

- Senate holds hearings on S.1145; Committee adopts bill but it is never considered on the Floor
- House passes H.R. 1908 (Rep. Berman) on 9/7/2007 by a vote of 220 – 175

111th Congress (2009-2010)

- S.515 and H.R.1260 introduced at Joint Press Conference (March 2009)
- Senate Judiciary Committee Amends and Reports out S.515 (April 2009)
- Administration submits “views letter” supporting much of S.515 (Oct. 2010)

112th Congress (2011-2012)

- S.23 passes the Senate March 8, by a vote of 95-5
- H.R.1249 passes the House June 23 by a vote of 304-117; passes the Senate September 8.
- ***H.R. 1249 Signed into law, September 16, 2011 as Public Law 112-29.***



Patent Reform Legislation – “America Invents Act”

Goals of Patent Reform Legislation:

- Encourage innovation and job creation
- Support USPTO's efforts to improve patent quality and reduce backlog
- Establish secure funding mechanism
- Provide greater certainty for patent rights
- Provide less costly, time-limited administrative alternatives to litigation



Patent Reform Legislation – “America Invents Act”

The Leahy-Smith America Invents Act, signed by the President on September 16, 2011 as Pub. Law 112-29 (H.R.1249)



President Barack Obama signs the America Invents Act September 16, 2011, at Thomas Jefferson High School for Science and Technology in Alexandria, Va.



Patent Reform Legislation – “America Invents Act”

Key Provisions of the Act:

- Transition to First-Inventor-to-File
- Provide USPTO Fee-Setting Authority
- Establish Post-Grant and *Inter Partes* Review Procedures
- Post-Grant Review of Business Method Patents
- Supplemental Examination Procedure
- 3rd Party Submissions of Prior Art
- Priority Examination for Important Technologies
- Limits False Marking Litigation
- Expansion of the Existing Prior User Defense



The Challenge of Implementation
..and getting most of it done in the first year!
The “Leahy-Smith America Invents Act”



Patent Reform Legislation – “America Invents Act”

Implementation of AIA

Step 1: A website: aia_implementation@uspto.gov

- Details/Updates USPTO actions to implement AIA provisions
- Lists outreach/educational events conducted by USPTO staff
- Receives preliminary input and comments from stakeholders and also facilitates formal rule making process



www.uspto.gov/AmericaInventsAct

Leahy-Smith America Invents Act Implementation - Windows Internet Explorer provided by USPTO

http://www.uspto.gov/aia_implementation/index.jsp

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Implementation Information

- Patent Examination
- Inter Partes Disputes
- Fees and Budgetary Issues
- AIA Studies and Reports
- Programs
- Miscellaneous

AIA Resources

AIA Informational Videos

AIA Press Releases and Speeches

AIA Frequently Asked Questions


AIA Comments

AIA Blog

Announcements and Upcoming AIA Events

Wednesday, September 28, 2011 @ 7:30 PM:
John Calvert

Leahy-Smith America Invents Act Implementation



President Barack Obama signs the America Invents Act September 16, 2011, at Thomas Jefferson High School for Science and Technology in Alexandria, Va.

Message from Director David Kappos

On September 16, 2011, President Barack Obama signed into law the Leahy-Smith America Invents Act, which will foster

Local intranet | Protected Mode: Off 125%



Challenges of Implementation

Step 2: The Challenge of implementation...

- Numerous provisions to implement simultaneously
 - Challenge: Ensure that regulations and/or guidance are complementary.
- Short time periods for implementation
 - Date of enactment, 10 days after, 12 months, 18 months.
- Coordination within USPTO and with other governmental agencies:
 - Including: U.S. Small Business Association, U.S. Trade Representative, Secretary of State, Attorney General, and Secretary of Commerce.
- Effectively addressing new operational challenges (for example, IT updates, training, hiring personnel).
- Funding uncertainty during the balance of FY12.



Organizing and Prioritizing the Work

The work to be done:

- Three Groupings of Rulemakings and Other Actions
- Studies and other Requirements

How we'll do it:

- Stick to a schedule
- Effectively engage / solicit public comment
- Continue doing all the things we know are already working to reduce the backlog and pendency
- Ensure we have the resources to get it done



Patent Reform Legislation – “America Invents Act”

Major Milestones thus far:

- ✓ ***September 26, 2011 - two provisions implemented:***
 - Began accepting applications for our “Track 1” accelerated examination
 - Began collecting a 15% surcharge on patent fees to support backlog reduction efforts

- ✓ ***January 6, 2012, published first 4 Notices of Proposed Rule Making (NPRMs)***
 - Inventor’s oath and declaration
 - Third party submission of prior art in a patent application
 - Citation of prior art in a patent file
 - OED Statute of Limitations

- ✓ ***January 13, 2012 – Delivered first 2 studies required under the AIA to Congress***
 - Global Patenting for Small Business
 - Prior User Rights Defense (Comparison and Impact Study)



Group 1 Rulemakings and Other Actions

(60-Day and Under Effective Dates)

Date of Enactment (Sept. 16, 2011)	10 Days After Date of Enactment (Sept. 26, 2011)	60 Days After Date of Enactment (Nov. 16, 2011)	October 1, 2011 (beginning of the new Fiscal Year)
<ul style="list-style-type: none"> • Reexamination transition for threshold • Tax strategies are deemed within the prior art • Best mode • Human organism prohibition • Patent term extension for drugs • Virtual and false marking • Venue change from DDC to EDVA for suits brought under 35 U.S.C. §§ 32, 145, 146, 154 (b)(4)(A), and 293 • OED Statute of Limitations • Fee Setting Authority (Sec. 10) • Establishment of micro-entity (effective after Sec. 10 rulemaking completed) 	<ul style="list-style-type: none"> • Prioritized examination • 15% transition surcharge 	<p>Electronic filing incentive</p>	<p>Reserve fund</p>



Group 2 Rulemakings

(12-Month Effective Date)

- Inventor's oath/declaration
- Third party submission of prior art for patent application
- Supplemental examination
- Citation of prior art in a patent file
- Priority examination for important technologies
- *Inter partes* review
- Post-grant review
- Transitional post-grant review program for covered business method patents



Group 3 Rulemakings and Other Actions

(18-Month Effective Date)

- First-Inventor-to-File
- Derivation proceedings
- Repeal of Statutory Invention Registration



Studies: USPTO as Lead Agency

Topic	Objective	Due Date from Enactment
International Protection for Small Businesses	Report on how to help small businesses with international patent protection, including a revolving fund loan or grant program to defray costs	4 months <u>Completed</u>
Prior User Rights	Report on the operation of prior user rights in other industrialized countries	4 months <u>Completed</u>
Genetic Testing	Report on providing second opinion genetic diagnostic testing	9 months
Misconduct Before the Office	Report on impact of new statute of limitations provisions barring disciplinary action in response to substantial evidence of misconduct before the Office	Every 2 years
Satellite Offices	Report on the rationale for selecting the location of satellite offices, progress in establishment, and achieving identified purposes	3 years
Virtual Marking	Report on the effectiveness of the virtual marking as an alternative to physical marking articles	3 years
Implementation of AIA	Report on how AIA is being implemented by the USPTO and its effect on innovation, competitiveness, and small business access to capital	4 years



Studies: USPTO as Consultant

Topic	Lead Agency	Objective	Due Date from Enactment
Effects of First-Inventor-to-File on Small Business	Small Business Administration	Report on effects of switching to a first-inventor-to-file system on small business concerns	1 year
Patent Litigation	General Accountability Office	Report on impact of patent infringement litigation by non-practicing entities	1 year



Programs: USPTO to Establish

Topic	Objective	Due Date from Enactment
Pro Bono	Directs USPTO to work with IP law associations to establish pro bono programs to assist financially under-resourced independent inventors and small businesses	Immediately
Diversity of Applicants	Requires USPTO to establish methods for studying diversity of patent applicants	6 months
Patent Ombudsman for Small Businesses	Requires USPTO to establish and maintain a Patent Ombudsman Program to provide support and services to small business concerns and independent inventors	12 months
Satellite Offices	Requires USPTO to establish 3 or more satellite offices in the U.S.	3 years



Thank you.

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