

USPTO Implementation of the America Invents Act



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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



Implemented Provisions

(Group 1; Effective on September 16, 2011 or within 60 days)

	AIA Provision	Implementation Documents
1	Change in inter partes reexamination standard	Revision of Standard for Granting an Inter Partes Reexamination Request, 76 Fed. Reg. 59055 (Sept. 23, 2011)
2	Tax strategies are deemed within the prior art	Memo to Examiners, Sept. 20, 2011
3	Best mode	Memo to Examiners, Sept. 20, 2011
4	Human organism prohibition	Memo to Examiners, Sept. 20, 2011
5	Prioritized examination	Changes to Implement Prioritized Examination Track (Track I) of the Enhanced Examination Timing Control Procedures Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59050 (Sept. 23, 2011)
6	15% transition surcharge	Notice of Availability of Patent Fee Changes Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59115 (Sept. 23, 2011)
7	Electronic filing incentive	Notice of Availability of Patent Fee Changes Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59115 (Sept. 23, 2011); and Fee for Filing a Patent Application Other than by the Electronic System, 79 Fed. Reg. 70651 (Nov. 15, 2011)



Prioritized Exam Stats

(as of 1/18/12)

	Petitions Filed	Days to Petition Decision	% Petitions Granted	Days from Petition to first Office action
Total Numbers	1694	40.8	98.9	852

Examination Status	First Action on Merits mailed	Final Dispositions mailed	Number of Allowances of Final Dispositions
Number of Track 1 applications	648	3	23



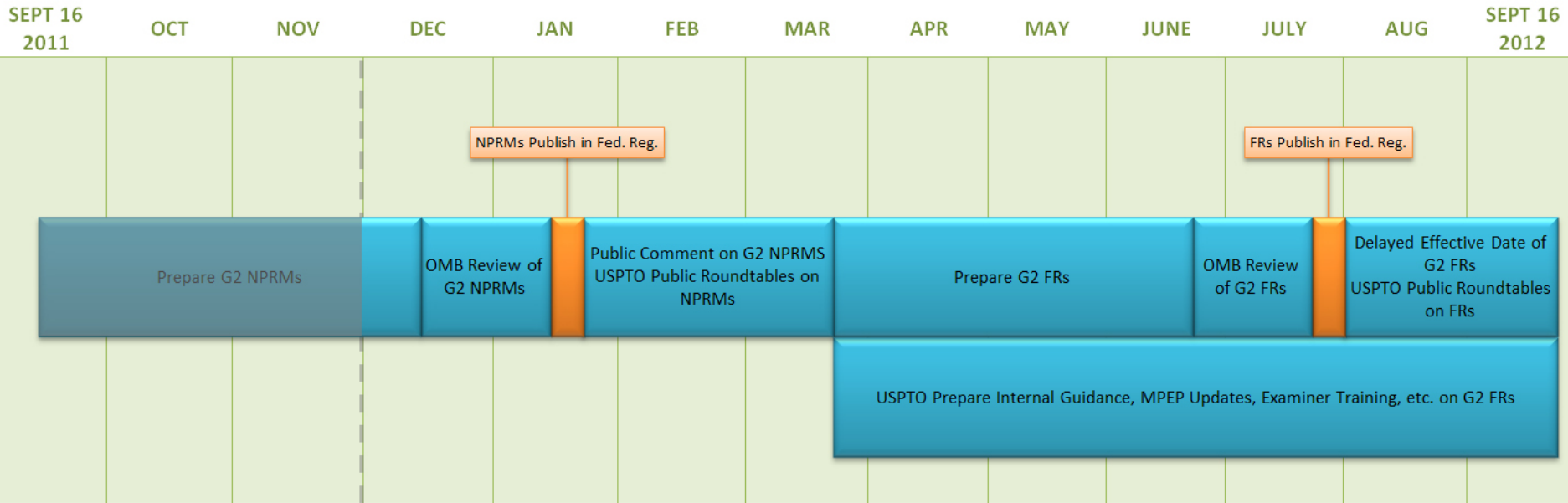
Prioritized Exam

(Effective September 26, 2011)

- Original utility or plant patent application accorded special status for expedited examination if:
 - \$4,800 fee, reduced by 50% for small entity;
 - no more than 4 independent claims, 30 total claims, and no multiple dependent claims; and
 - must file application electronically (utility application)
- Does not apply to international, design, reissue, or provisional applications or in reexamination proceedings
- May be requested for a continuing application when filed, now also available for RCEs



12 Month Timeline





Proposed Rules in Progress (12 Month timeline)

NPRMs Published Ahead of Schedule	NPRMs Awaiting OMB Clearance*
Inventor's oath/declaration	Supplemental examination
Third party submission of prior art in a patent application	Inter partes review
Citation of prior art in a patent file	Post-grant review
OED Statute of Limitations	Transitional program for covered business method patents
	Derivation

* USPTO submitted the proposed rules to OMB on schedule in mid-December 2011 and is expecting OMB clearance by January 18, 2012, per an USPTO-OMB agreement for a 30-day review.



Inventor's Oath/ Declaration

(Effective September 16, 2012)

- Patent granted on application filed by assignee must be to the real party in interest
- Individual under an obligation of assignment may include required statements in executed assignment and need not file a separate oath/declaration
- Applicant's citizenship no longer required
- Deceptive intent eliminated from 35 U.S.C. §§ 116, 251, 253, and 256



Citation of Prior Art in a Patent Application (Effective September 16, 2012)

- Allows third parties to submit printed publications of potential relevance to examination if certain conditions are met:
 - must provide, in writing, an explanation of the relevance of the submitted documents;
 - must pay the associated fees; and
 - must include a statement by the third party making the submission affirming that the submission is being made in compliance with new 35 U.S.C. 122(e)



Supplemental Examination

(Effective September 16, 2012)

- Patent owner may request **supplemental examination** of a patent to “*consider, reconsider, or correct information*” believed to be relevant to the patent; if a validity issue is raised within 3 months from the request, the USPTO will reexamine the patent.
- Prompt elimination of invalid patent claims.
- **No inequitable conduct allegations** can be based upon the information **considered, reconsidered, or corrected** during a supplemental examination.
- Provides an alternative to having a court consider misconduct and validity issues in a later patent infringement litigation.



Contested Case Proceedings

(Effective September 16, 2012)

- *Inter partes* reexamination
 - Modified by AIA
 - Phasing out
- *Inter partes* review
 - Will replace *inter partes* reexams, but there will be overlap for years
- Post-grant review (PGR)
- Transitional program for business method patents



Inter Partes Review

- Effective September 16, 2012
- New threshold
 - “Reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the request”
- New estoppel – 35 USC §315(e)
 - “Raised or reasonably could have raised” estoppel applies to:
 - Other USPTO proceedings/ District Court / ITC Action
 - Estoppel attaches only upon final written decision



Post-Grant Review Proceedings

- Creates a nine-month window in which the patentability of a patent can be reviewed.
- Requires a threshold showing that it is “**more likely than not**” that at least one of the claims challenged is unpatentable.
- Petitioner may raise invalidity of the patent or any claim.
- Generally limited to patents for which the first-to-file provisions apply.



Post-Grant Review (cont.)

- Effective September 16, 2012
- Threshold
 - 35 USC §324
 - “More likely than not at least 1 of the claims challenged in the petition is unpatentable”
- Estoppel – 35 USC §325(e)
 - “Raised or reasonably could have raised” estoppel applies to:
 - Other USPTO proceedings/ District Court / ITC Action
 - Estoppel attaches only upon final written decision



Quality: Contested Case Proceedings

(Effective September 16, 2012)

Proceeding	Petitioner	Available	Standard	Basis	Applicable	Estoppel	Timing
Post Grant Review (PGR)	Must identify real party in interest	Patent grant to 9 months from patent grant	More likely than not OR Novel or unsettled legal question important to other patents/applications	101, 102, 103, 112, double patenting but not best mode	Patent issued under first-to-file	Raised or reasonably could have raised Applied to subsequent USPTO/district court/ITC action	Must complete within 12 months from institution, with 6 months good cause exception possible
Inter Partes Review (IPR)	Must identify real party in interest	10 months from patent grant for life of patent or termination of a PGR; Director may limit number during first 4 years	Reasonable likelihood	102 and 103	Any patent pending on September 16, 2012	Raised or reasonable could have raised Applied to subsequent USPTO/district court/ITC action	Must complete within 12 months from institution, with 6 months good cause exception possible



Contested Cases

Petition Phase

- Initiated by third party petition
- Patentee file preliminary response to petition
- USPTO must decide petition within 3 months from the patentee's response, if any

Review Phase

- Patentee may file response with evidence
- Patentee has 1 motion to amend claims
- Petitioner may file written comments and supplemental information at least 1 time



Contested Cases: Review Phase (cont.)

- Discovery available to both parties
 - IPR: USPTO to set standards for discovery of relevant evidence limited to:
 - Depositions of witnesses submitting affidavits or declarations; and
 - Otherwise necessary in the interest of justice
 - PGR: evidence directly related to factual assertions advanced by either party



Contested Cases: Review Phase (cont.)

- Protective orders possible
- Oral hearing as a right
- Director may join petitioners and consolidate
- May be settled

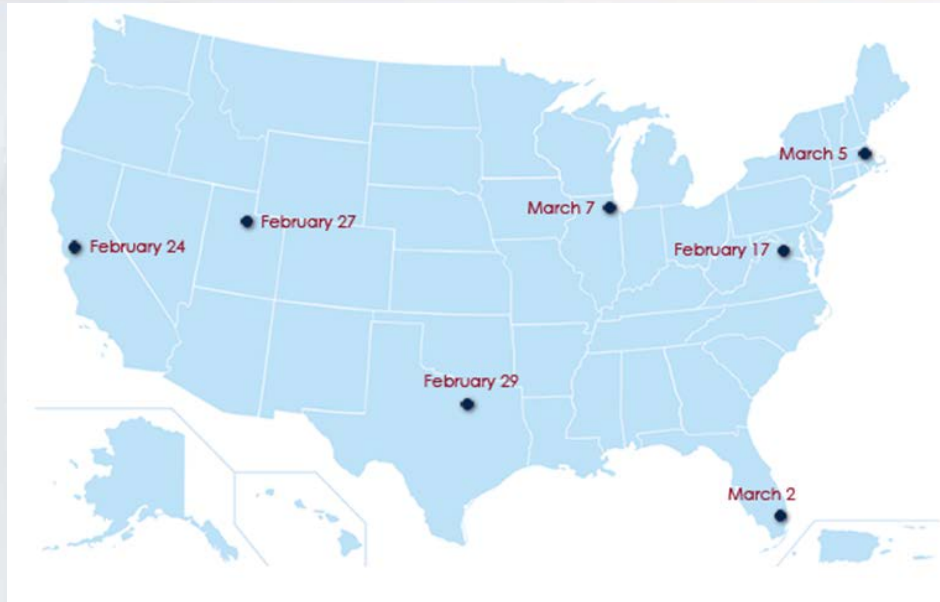


Contested Cases: Relationship to Parallel Litigation

- If petitioner files a declaratory judgment action:
 - Before PGR/IPR, then no PGR/IPR
 - After PGR/IPR, then automatic stay of litigation
- If patentee sues for patent infringement within 3 months of patent grant, then court may not stay a preliminary injunction motion in view of the PGR
- If petitioner seeks an IPR more than 1 year after being sued for patent infringement, then no IPR



AIA Roadshows on Proposed Rules



Date	Venue	Location
Friday, February 17	USPTO Campus	Alexandria, VA
Friday, February 24	Sunnyvale Public Library	Sunnyvale, CA
Monday, February 27	Marriott Library, University of Utah	Salt Lake City, UT
Wednesday, February 29	Dallas Public Library	Dallas, TX
Friday, March 2	Broward County Main Library	Ft. Lauderdale, FL
Monday, March 5	Boston Public Library	Boston, MA
Wednesday, March 7	Chicago Public Library	Chicago, IL



Fee Setting Implementation

- Fee Setting Authority
 - Authority to set or adjust fees became effective on September 16, 2011
 - Authority to be exercised by rulemaking under 17 month timeline
 - Step 1 of rulemaking involves PPAC fee setting hearings
 - February 15, 2012 @ USPTO
 - February 23, 2012 @ Sunnyvale, CA



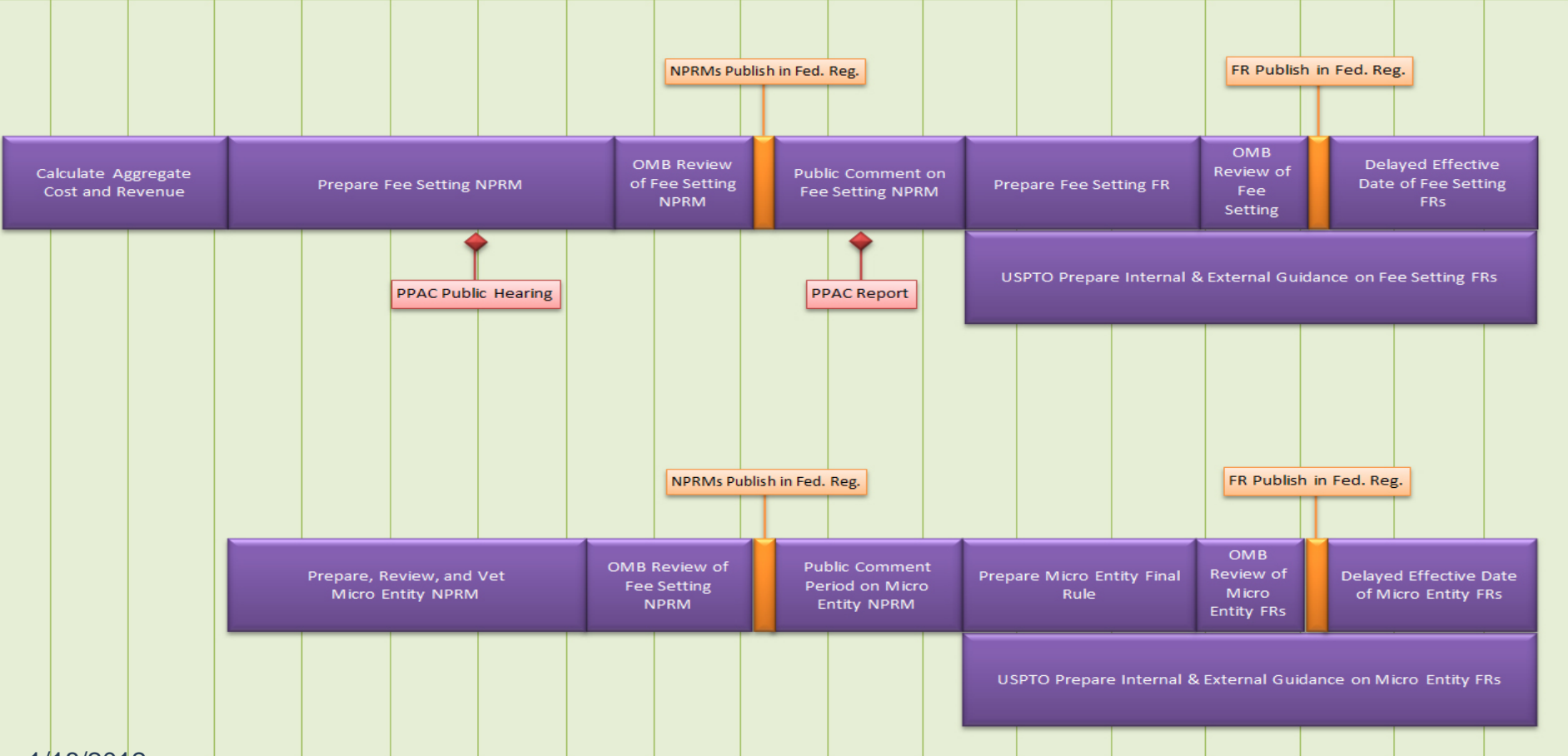
17 Month Timeline

SEPT 16, 2011

JAN 2012

JAN 2013

OCT NOV DEC FEB MAR APR MAY JUNE JULY AUG SEPT OCT NOV DEC FEB



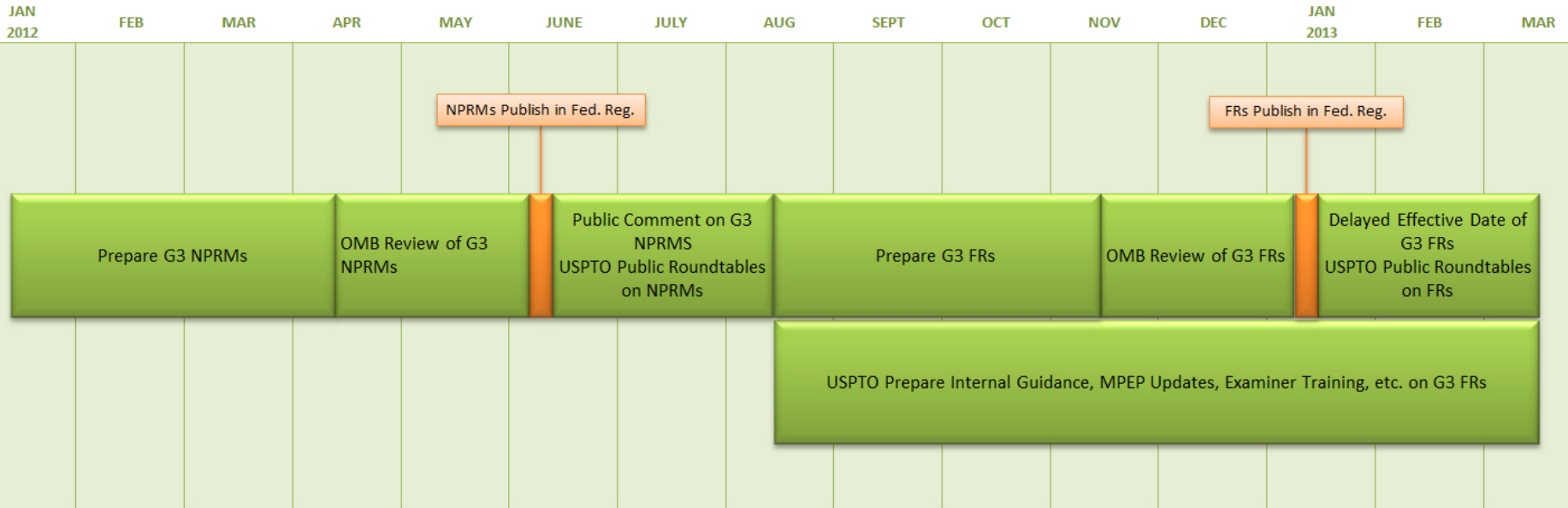


Implementation in Future: 18 Month Timeline* (Group 3; Effective on March 16, 2013)

1. First-Inventor-to-File
2. Derivation proceedings
3. Repeal of Statutory Invention Registration



18 Month Timeline*





First-to-file

(Effective March 16, 2013)

- Transitions the U.S. to a first-to-file patent system while maintaining a 1-year grace period for inventor disclosures
- Prior public use or prior sale anywhere qualifies as prior art (prior public use and sale is no longer limited to the U.S.)
- U.S. patents and patent application publications are effective as prior art as of their priority date (no longer limited to U.S. priority date), provided that the subject matter relied upon is disclosed in the priority application
- Applies to:
 - Claim with an effective filing date on or after March 16, 2013; and
 - Claim for benefit to an application that ever had a claim with an effective filing date on or after March 16, 2013



Derivation Proceedings

- Effective 18 months after enactment
- Apply where another “derived” the invention from an inventor
- Petition requirements
 - Petition must be supported by substantial evidence that the claimed invention was derived from petitioner
 - Petition must be filed within one year of first publication of a claim to an invention that is the same or substantially the same invention as earlier application’s claim to the invention, § 135(a)



Progress Report: Studies

- 7 studies for USPTO to conduct as lead
- 2 studies completed

Topic	Due Date from Enactment
International Patent Protection for Small Businesses	January 16
Prior User Rights	January 16
Genetic Testing	9 months
Misconduct Before the Office	Every 2 years
Satellite Offices	3 years
Virtual Marking	3 years
Implementation of AIA	4 years



Int'l Patent Protection for Small Businesses Study

- USPTO studied how the USPTO and other federal agencies can best financially help small businesses with patent protection overseas
- USPTO consulted with the Department of Commerce and the Small Business Administration
- Report (33 pages) timely submitted to Congress on January 13, 2012



Int'l Patent Protection Report Recommendations

- Engage in diplomacy and harmonization to reduce the costs associated with filing foreign patent applications (e.g., via small entity discounts);
- Expand IP education and training for U.S. small businesses;
- Engage industry regarding how to best support U.S. small business efforts to patent internationally (e.g., corporate venture capital); and
- Collect more information and conduct further study regarding governmental financial assistance to U.S. small businesses (e.g., loan versus grant)



Prior User Rights Study

- USPTO studied the operation of prior user rights (PUR) in other industrialized countries
- USPTO consulted with the United States Trade Representative, Secretary of State, and Attorney General
- Report (60-pages) timely submitted to Congress on January 13, 2012



Prior User Rights Report Recommendations

- PUR defense in the AIA is consistent with that offered by major trading partners;
- No substantial evidence that PUR defense in the AIA will have a negative impact on innovation, venture funding, small businesses, universities, or independent inventors;
- U.S. should re-evaluate economic impact of PUR defense in “Implementation of AIA” report due to Congress in 2015;
- PUR defense is appropriate balance between trade secret protection and patent law; and
- U.S. patent law should provide for a PUR defense to address inequity inherent in a first-inventor-to-file system



Genetic Testing Study

- USPTO to report on effective ways to provide independent, confirming genetic diagnostic tests where:
 - gene patents; and
 - exclusive licensing for primary genetic diagnostic tests
- Federal Register RFI to issue next week
 - Hearings:
 - February 16, 2012 @ USPTO
 - March 9, 2012 @ University of San Diego School of Law
 - Written comments: late January to late March
- Report due by June 16, 2012



Satellite Offices

- USPTO required to open 3 satellite offices in three years
- Initial office planned for Detroit; location secured and opening in Summer 2012
- Request for Comments on Additional USPTO Satellite Offices for the Nationwide Workforce Program, 76 Fed. Reg, 73601 (Nov. 29, 2011)
 - Written comments due by January 30, 2012



Pro Bono Program

- Minnesota program running
- Task Force formed to expand the program to other cities; USPTO participating
- First meeting held on October 21, 2011



AIA Micro-Site

The USPTO website devoted to America Invents Act legislation

One-stop shopping for all America Invents Act information.

The full text of the bill and summary documents, including all the legislative history

Implementation plans

Announcements

Contact Information



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

<http://www.uspto.gov/AmericaInventsAct>

Thank You

