



AMERICA INVENTS ACT

IMPLEMENTATION

America Invents Act

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AIA Roadshows

**Alexandria, Boston, Chicago, Dallas,
Ft. Lauderdale, Salt Lake City, Sunnyvale**



February to March 2012

Overview of AIA Implementation

- Provisions of law to implement impacting USPTO
- Studies to report to Congress
- Programs to develop



Implemented Provisions

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

- Change in inter partes reexamination standard
- Tax strategies are deemed within the prior art
- Best mode
- Human organism prohibition
- Prioritized examination
- 15% transition surcharge
- Electronic filing incentive



Prioritized Examination

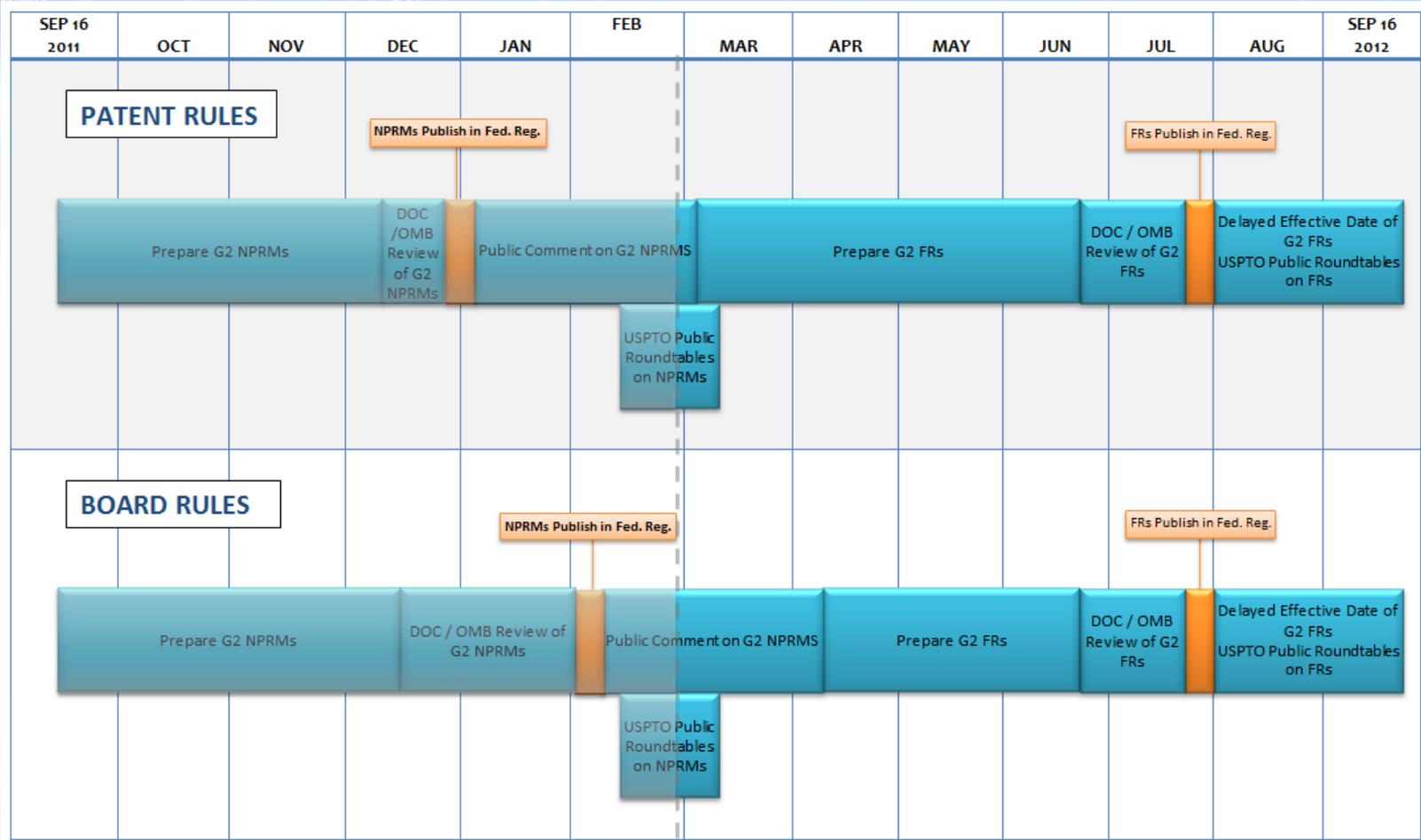
(Effective September 26, 2011)

	Petitions Filed	Days to Petition Decision	% Petitions Granted	Days from Petition to first Office action
Number of Track I Applications	2,439	45.2	98%	39.8

Examination Status	First Action on Merits mailed	Final Dispositions mailed	Allowances Mailed
Number of Track I applications	1,251	20	99



Patent and Board Rules 12 Month Implementation Timeline



Fee Setting Authority

(Effective September 16, 2011)

- Authorizes the USPTO to set or adjust fees by rule for a period of 7 years
- Fees may be set to recover only the aggregate estimated cost of operations, including administrative costs



USPTO Fee Setting Materials

- USPTO delivered its proposed patent fee structure to PPAC and posted on AIA micro-site
 - USPTO Transmittal Letter to PPAC for Patent Fee Proposal
 - USPTO Executive Summary: Patent Fee Proposal
 - USPTO Detailed Appendices: Patent Fee Proposal
 - USPTO Table of Patent Fee Changes
 - USPTO Aggregate Revenue Calculations
 - Aggregate Revenue Calculations (Excel version)
- PPAC posted questions on PPAC website about USPTO's proposed fee structure. See PPAC website:
<http://www.uspto.gov/about/advisory/ppac/index.jsp>
- Written comments due by **February 29, 2012**



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
- Request for Comments and Notice of Public Hearings on Genetic Diagnostic Testing, 77 Fed. Reg. 3748 (Jan. 25, 2012)
 - Hearings:
 - February 16, 2012 @ USPTO
 - **March 9, 2012 @ San Diego**
 - Written comments due by **March 26, 2012**
- Report due by **June 16, 2012**



Satellite Offices

- USPTO required to open 3 satellite offices in 3 years
- Initial office planned for Detroit; opening Summer 2012
- USPTO issued Federal Register Notice seeking public comments on the locations of the 2 other satellite offices
 - 626 comments received





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Patents Rules

- **Preissuance Submissions**
- **Inventor's Oath/Declaration**
- **Citation of Patent Owner Statement in a Patent File**
- **Supplemental Examination**

Goals of Preissuance Submissions

- Statutory provision aims to improve quality of examination and issued patents
- Proposed rule is designed to:
 - Promote efficient processing of submissions;
 - Promote focused submissions of most relevant documents



Preissuance Submissions

35 U.S.C. 122(e)

- Allows a third party to submit for consideration and inclusion in the record of a patent application, any patent, published patent application, or other printed publication of potential relevance to the examination of the application
- Preissuance submission must be timely made in writing and include:
 - Concise description of the asserted relevance of each document;
 - Fee prescribed by the Director; and
 - Statement that submission is in compliance with 35 U.S.C. 122(e)



Preissuance Submissions

Concise Description

- Explain why document has been submitted and how document is of potential relevance to examination:
 - Notice of Proposed Rulemaking identifies best practices related to the concise description
- Must be more than a bare statement that document is relevant



Goals for Inventor's Oath/Declaration Rules

- Simplify the current rules while assuring efficient examination and minimizing pendency
- Obtain inventive entity prior to examination on the merits



Requirements Inventor Execution

- 35 U.S.C. 115(a) states in-part: Except as otherwise provided in this section, each individual who is the inventor or a joint inventor * * * shall execute an oath or declaration
- 35 U.S.C. 115(b)(1) requires the oath/declaration must state the application was made or authorized to be made by affiant or declarant



Assignment as Oath or Declaration

- 35 U.S.C. 115(e) provides for making statements required in an oath or declaration in an assignment
- The requirement can be met by an assignment, § 1.63(c)(1), if:
 - It includes the statements required by § 1.63(a)-(b);
 - Copy of the assignment is filed in the application; and
 - Assignment is recorded against the application



Exceptions to Inventor Execution

- 35 U.S.C. 115(d)(2) provides for a substitute statement where an inventor is:
 - Deceased; Legally incapacitated; Unable to be found or reached after diligent effort; or Refuses to sign
- Oath/declaration for a deceased or incapacitated inventor may now be made by:
 - Legal representative; Assignee; A party to whom the inventor is under an obligation to assign; or A party who otherwise shows sufficient proprietary interest



Office Goals for Miscellaneous Post Patent Provisions

- Statutory provision permits the public to submit certain patent owner statements and “additional information” which bear on the scope of a claim of a particular patent
- Proposed rules are designed to:
 - Facilitate the filing of these statements;
 - Preserve the integrity of patent files;
 - Promote efficient processing of submissions;
 - Prevent improper consideration of submissions; and
 - Conserve USPTO resources



Goals of Supplemental Examination

- Provide patentees with an alternative to litigating inequitable conduct allegations
- Create a process that allows completion within the 3-month statutory time frame, and prompt resolution of any *ex parte* reexamination
- Avoid a post-patent process involving large submissions of unexplained documents (like IDS practice)



Supplemental Examination

- New 35 U.S.C. 257 provides that a patent owner may request supplemental examination of a patent to “consider, reconsider, or correct information” believed to be relevant to the patent
- Within 3 months from the filing date of the request, the Office must decide whether any of the items of information filed with the request raises a substantial new question of patentability



Supplemental Examination Inequitable Conduct Immunization

- Information considered, reconsidered, or corrected during supplemental examination cannot be the basis for rendering a patent unenforceable, except that this immunity does not apply
 - To allegations pled in a civil action or notice to the patentee before the date of the request for supplemental examination, and
 - Unless the supplemental examination and any resulting *ex parte* reexamination is completed before the civil action is brought



Supplemental Examination Conduct of Proceeding

- No amendment to any aspect of the patent may be filed in the supplemental examination proceeding
- If *ex parte* reexamination is ordered, an amendment may be filed after the issuance of the initial Office action in the *ex parte* reexamination proceeding





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Patent Trial and Appeal Board Rules

- ***Inter Partes* Review (IPR)**
- **Post-Grant Review (PGR)**
- **Transitional Program for Covered Business Method Patents (CBM)**
- **Derivation**

Considerations in Formulating Proposed Rules

- **AIA provides the Office consider the effect of regulations on the economy, the integrity of the patent system, the efficient operation of the Office, and the ability to timely complete the proceedings. 35 U.S.C. 316(b), 326(b).**
- Legislative history provides that proceedings reflect a quick, effective and efficient alternative to often costly and protracted district court litigation.



Board AIA Proceeding Structure

- AIA provides for same basic structure for all the AIA Board proceedings.
- Proceedings begin with petition.
- The Board may institute a trial on Director's behalf where a petition satisfies statutory thresholds.
- Trial is conducted on the merits. An amendment and response to petition may be filed during trial.
- Trial concludes in a final written decision unless otherwise terminated, *e.g.*, settlement.



Inter Partes Review

- IPR statutes effective 9/16/2012. § 6(c) of AIA.
- All patents are eligible for an IPR – both first to invent and first inventor to file. § 6(c)(2)(A) of AIA.
- A person who is not the patent owner and has not previously filed a civil action challenging the validity of a claim of the patent may file an IPR. 35 U.S.C. 315(a)(1); [§ 42.101](#).



Inter Partes Review

- Petition must:
 - Be accompanied by a fee. 35 U.S.C. 312(a)(1); § 42.15; 42.103.
 - Identify all real parties in interest. 35 U.S.C. 312(a)(2); § 42.8.
 - Identify all claims challenged and grounds on which the challenge to each claim is based. 35 U.S.C. 312(a)(3); § 42.104(b).
 - Provide a claim construction and show how the construed claim is unpatentable based on the grounds alleged. § 42.104(b).
 - Identify the exhibit number of the supporting evidence relied upon to support the challenge and state the relevance of the evidence. § 42.104(b)(5).
 - Provide copies of evidence relied upon. 35 U.S.C. 312(a)(5); § 42.6(c).



Inter Partes Review

- A patent owner may file a preliminary response to petition to provide reasons why no IPR should be instituted. 35 U.S.C. 313; § 42.107(a).
- An IPR Petition must demonstrate a reasonable likelihood petitioner would prevail as to at least one of the claims challenged. 35 U.S.C. 314(a); § 42.108(c).
- Where IPR standards are met, the Board will institute trial on: 1) claim-by-claim basis; and 2) ground-by-ground basis. § 42.108(a) and (b).
- An IPR trial will be completed within one year from institution, except time may be extended up to six months for good cause. 35 U.S.C. 316(a)(11); § 42.100(c).



Inter Partes Review

- A patent owner may file one motion to amend a patent subject to the standards and procedures set by the Office.
35 U.S.C.316 (a) (9), (b); § 42.121(a).
 - Amendments may cancel any challenged claim and/or propose a reasonable number of substitute claims.
35 U.S.C.316 (a) (9), (d); § 42.121(a).
 - Additional motions may be filed if authorized.
35 U.S.C.316 (d) (2); § 42.121(a).
- Upon conferring with the Board, a patent owner may file a motion to amend. A motion to amend may be limited to prevent abuse and to aid in efficient administration and timely completion of the proceeding. 35 U.S.C. 316(b); § 42.121(a).



Post Grant Review

- Most aspects of PGR and IPR are effectively the same.
 - For example,
 - Petition – the requirements for a petition are essentially the same.
 - Preliminary Patent Owner Response – requirements are essentially the same.
 - Patent Owner Response (after institution) - requirements are essentially the same.
 - Amendments – requirements are essentially the same.



Post-Grant Review

- There are some differences between a post-grant review and an *inter partes* review. For example,
 - With limited exceptions, only those patents issuing from applications subject to first-inventor-to-file provisions of the AIA (effective 3/16/2013). § 6(f)(2) of AIA.
 - PGR allows challenges based on §§ 101, 102, 103 and 112, except best mode. 35 U.S.C. 321(b); § 42.204(b)(2).
 - PGR may only be requested on or prior to the date that is 9 months after the grant of a patent or issuance of a reissue patent. 35 U.S.C. 321(c); § 42.202(a).
 - Petition must demonstrate that it is more likely than not (*i.e.*, a higher threshold than IPR) that at least one of the claims challenged in the petition is unpatentable. 35 U.S.C. 324(a); § 42.208(c).



Covered Business Methods

- **Generally, employs PGR Procedures and Standards.**
- Section 18(a)(1) of the AIA provides that CBM reviews will employ the standards and procedures of a PGR subject to certain exceptions. [§ 42.300\(a\)](#).



Covered Business Methods

- Differences between a covered business method review and a post grant review include:
 - Cannot file CBM during time a PGR could be filed, *i.e.*, 9 months after issuance of a patent. § 18(a)(2) of AIA; § 42.303.
 - Petitioner must be sued or charged with infringement. § 18(a)(1)(B) of AIA; § 42.302(a).
 - Petitioner has burden of establishing that patent is eligible for CBM review. § 42.304(a).
 - Petitioner must certify that it is not estopped from proceeding. § 42.304(a).



Derivation

- AIA derivation petition requirements differ from IPR, PGR and CBM.
 - 1) Only an applicant for patent may file a petition to institute a derivation proceeding. [§ 42.402](#).
 - 2) The petition must set forth with particularity the basis for finding that an inventor named in an earlier application or patent derived the claimed invention. [§ 42.405\(b\)\(2\)](#).
 - 3) The petition must be filed within 1 year of the date of the first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention. 35 U.S.C. 135(a), as amended. [§ 42.403](#).



Derivation

- Derivation not likely to be instituted, even where Director thinks standard for instituting a derivation proceeding is met, until a patent with claimed invention issues.
- Unlike IPR/PGR/CBM, the parties to a derivation proceeding may resort to binding arbitration but the Office is not bound by, and may independently determine, any question of patentability. 35 U.S.C. 135(f); [§ 42.410](#).



Umbrella Rules for Board Proceedings

- Per statutory requirements, real parties in interest will have to be provided. *See, e.g.,* 35 U.S.C. 312(a)(2), 322(a)(2); § 42.8(b)(1).
- Practice Guide (Section I. D) provides factors that may be considered in determining whether a party constitutes a real party in interest or privy.
- Additionally, both petitioner and patent owner will be required to provide certain level of information necessary to conduct the proceeding including related proceedings, lead and backup counsel, and contact information (email addresses and phone numbers). § 42.8(b).



Umbrella Rules for Board Proceedings

- Practice Before the Office in the New Board Proceedings
 - Board may recognize counsel **pro hac vice** during a proceeding upon showing of good cause, subject to such conditions as Board may impose, such as agreeing to be bound by Office's Code of Professional Responsibility.
 - Similarly, Board may take action to revoke **pro hac vice** status, taking into account various factors, including incompetence, unwillingness to abide by the Office's Code of Professional Responsibility, and incivility. § 42.10.



Umbrella Rules for Board Proceedings

- Time frame for completing a trial
 - Final written determination to be made no more than 1 year after an IPR, PGR, or CBM trial has been instituted, except the time may be extended up to six months for good cause. *See, e.g., 35 U.S.C. 316(a)(11); § 42.100(c).*
 - Board expects to enter a Scheduling Order concurrent with a decision to institute trial and to conduct a conference call about one month from institution.



Umbrella Rules for Board Proceedings

- Testimony and document production is permitted
 - AIA authorizes the Office to set standards and procedures for the taking of discovery. *See, e.g.*, 35 U.S.C. 316(a)(5), 326(a)(5).
 - The proposed rules allow for two types of discovery: routine discovery and additional discovery. § 42.51(b), (c).
- Oral hearings
 - AIA permits a party to request an oral hearing as part of the proceeding. 35 U.S.C. 316(a)(10), 326(a)(10); § 42.70.
 - The length of the hearing will be set on a case-by-case basis taking into account the complexity of the case.



Umbrella Rules for Board Proceedings

- **Settlement**

- AIA encourages settlement in IPR/PGR/CBM/ Derivation by allowing the parties to settle.
- Settlement in IPR/PGR/CMB terminates proceeding with respect to petitioner and Board may terminate proceeding or issue a final written decision. 35 U.S.C. 317, 327; § 42.73, 42.74.
- Settlement in derivation will be accepted by the Board unless it is inconsistent with the evidence of record. 35 U.S.C. 135(e); § 42.73, 42.74.



Umbrella Rules for Board Proceedings

- Final decision where the case is not dismissed due to settlement
 - AIA provides that where an IPR/PGR/CBM trial is instituted, and not dismissed, Board shall issue a ***final written decision***. Decision shall address patentability of any claim challenged and any new claim added. 35 U.S.C. 318(a), 328(a); § 42.73.
 - For derivation, Board shall issue a written decision that states whether an inventor named in an earlier application derived the claimed invention from an inventor named in the petitioner's application without authorization. 35 U.S.C. 135(b); § 42.73.



Umbrella Rules for Board Proceedings

- **Petitioner Estoppels After Final Written Decision**
 - Petitioner in an IPR/PGR/CBM may not request or maintain a proceeding before the Office with respect to any claim on any ground raised or reasonably could have been raised. 35 U.S.C. 315(e)(1), 325(e)(1); [§ 42.73\(d\)\(1\)](#).
 - A petitioner in an IPR/PGR/CBM may not assert in district court or the ITC that a claim is invalid on any ground petitioner raised, and in IPR/PGR, any ground that reasonably could have been raised. 35 U.S.C. 315(e)(2), 325(e)(2); § 18(a)(1)(D) of AIA.



Umbrella Rules for Board Proceedings

- Rehearing and Appealing Board Decisions
 - Party dissatisfied with a non-final or final decision may file a request for rehearing with the Board. The request must specifically identify all matters the party believes the Board misapprehended or overlooked. § 42.71(c).
 - Party dissatisfied with final written decision in an IPR/PGR/CBM may appeal to Federal Circuit. 35 U.S.C. 319, 329. A party dissatisfied with a final decision in a derivation may appeal to the Federal Circuit, 35 U.S.C. 141(d), or have remedy by a civil action, 35 U.S.C. 146. § 90.2.



Patent Related Notices of Proposed Rulemaking

(Effective September 26, 2011)

AIA Provision	Federal Register Notice	Comment Email	Period Ends
Inventor's Oath/ Declaration	Changes to Implement the Inventor's Oath or Declaration Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 982 (Jan. 6, 2012)	Oath_declaration@uspto.gov	March 6, 2012
Preissuance Submissions	Changes to Implement the Preissuance Submissions by Third Parties Provision of the Leahy-Smith America Invents Act, 77 Fed. Reg. 448 (Jan. 5, 2012)	preissuance_submissions@uspto.gov	March 5, 2012
Citation of Patent Owner Statement in a Patent File	Changes to Implement Miscellaneous Post Patent Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 442, (Jan. 5, 2012)	Post_patent_provisions@uspto.gov	March 5, 2012
Supplemental Examination	Changes to Implement the Supplemental Examination Provisions of the Leahy-Smith America Invents Act and to Revise Reexamination Fees, 77 Fed. Reg. 3666 (Jan. 25, 2012)	Supplemental_examination@uspto.gov	March 25, 2012



Board Related Notices of Proposed Rulemaking

(Effective September 26, 2011, except Derivation)

AIA Provision	Federal Register Notice	Comment Email	Period Ends
Inter partes review	Changes to Implement Inter Partes Review Proceedings, 77 Fed. Reg. 7041 (Feb. 12, 2012)	post_grant_review@uspto.gov	April 10, 2012
Post-grant review	Changes to Implement Post Grant Review Proceedings, 77 Fed. Reg. 7060 (Feb. 12, 2012)	inter_partes_review@uspto.gov	April 10, 2012
Transitional program for covered business method patents	Changes to Implement Transitional Program for Covered Business Method Patents, 77 Fed. Reg. 7080 (Feb. 12, 2012)	TPCBMP@uspto.gov	April 10, 2012
	Transitional Program for Covered Business Method Patents—Definition of Technological Invention, 77 Fed. Reg. 7095 (Feb. 12, 2012)	TPCBMP_Definition@uspto.gov	April 10, 2012
Derivation	Changes to Implement Derivation Proceedings, 77 Fed. Reg. 7028 (Feb. 12, 2012)	derivation@uspto.gov	April 10, 2012
	Rules of Practice for Trials Before Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions, 77 Fed. Reg. 6879 (Feb. 11, 2012)	patent_trial_rules@uspto.gov	April 9, 2012
	Practice Guide for Proposed Trial Rules, 77 Fed. Reg. 6868 (Feb. 11, 2012)	patent_trial_rules@uspto.gov	April 9, 2012





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Thank You!