

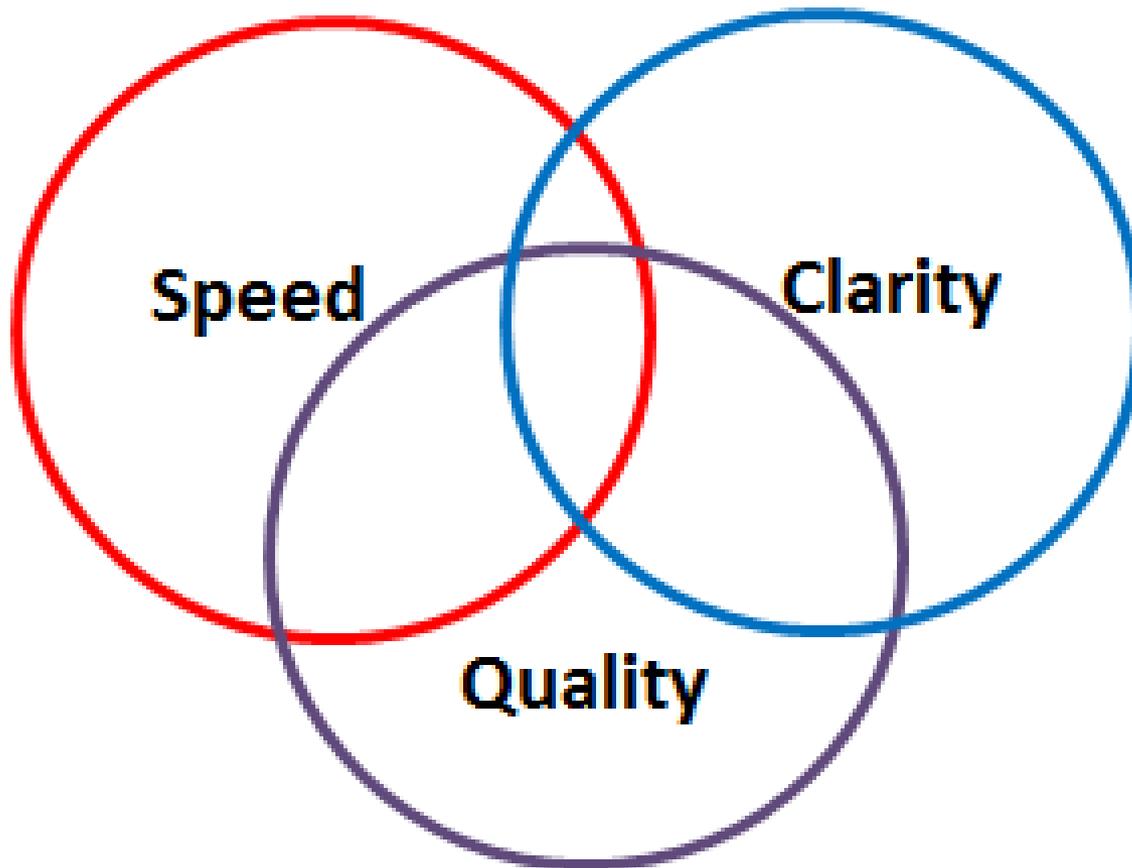
USPTO Implementation of the America Invents Act



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Three Pillars of the AIA





Speed

- Prioritized examination (a.k.a., track 1)
- Fee setting authority / micro-entity
- 15% surcharge
- Reserve fund



Prioritized Exam (a.k.a. Track 1) (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



Prioritized Exam (cont.)

- USPTO goal for final disposition (*e.g.*, mailing notice of allowance, mailing final office action) is on average 12 months from date of prioritized status
- Prioritized exam is terminated without a refund of prioritized exam fee if patent applicant:
 - petitions for an extension of time to file a reply or to suspend action; or
 - amends the application to exceed the claim restrictions



Prioritized Exam (cont.)

- USPTO may not accept more than 10,000 requests for prioritized exam per fiscal year, absent regulations prescribing conditions for acceptance and a limitation on the number of filings

Fiscal Year	Pending	Granted	Dismissed	Total (as of 11/17/11)
FY2011	222	628	--	850
FY2012	419	125	2	546



Fee Setting Authority

(Effective September 16, 2011)

- Sunsets 7 years after enactment
- Authorizes the USPTO to set or adjust patent and trademark fees by rule
- Patent/trademark fees may be set to recover only the aggregate estimated cost of patent/trademark operations, including administrative costs
- Small entity and micro-entity discounts apply to fees for “filing, searching, examining, issuing, appealing, and maintaining” patent applications/patents



Micro-entity

(Effective September 16, 2011)

- General definition for an “applicant” who certifies:
 1. Qualifies as a small entity;
 2. Has not been named as an inventor on more than 4 previously filed patent applications;
 - Applicants are not considered to be named on a previously filed application if he/she has assigned, or is obligated to assign, ownership as a result of previous employment



Micro-entity (cont.)

- General definition for an “applicant” who certifies:
 3. Did not have a gross income exceeding 3 times the median household income in the calendar preceding the calendar year in which the applicable fees is paid; and
 4. Has not assigned, granted, conveyed a license or other ownership interest (and is not under an obligation to do so) in the subject application to an entity that exceeds the gross income limit



Micro-entity (cont.)

- Micro-entity automatically includes an applicant who:
 - certifies that his/her employer is an institution of higher education as defined in section 101(a) of the Higher Education Act of 1965; or
 - has assigned, or is obligated to assign, ownership to that institute of higher education



Micro-entity (cont.)

- Director may impose additional limits as are “reasonably necessary to avoid an undue impact on other patent applicants or owners or are otherwise reasonably necessary and appropriate”
- Entitled to a 75% discount on fees, once the USPTO exercises its fee setting authority to set fees



Quality

- Electronic filing incentive
- Citation of prior art in a patent application
- Supplemental examination
- Inter partes reexamination threshold change
- Inter partes review
- Post grant review
- Transitional program for covered business method patents



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; and
 - must pay the associated fees



Citation of Prior Art in Patent Application (cont.)

- Submission must be made before the earlier of:
 - the date a notice of allowance under 35 U.S.C. 151 is given or mailed in the application; or
 - the later of
 - 6 months after the date on which the application is first published; or
 - the date of the first rejection of any claim in the application



Supplemental Exam

(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
- “Information” that forms the basis of the request is not limited to patents and printed publications
- USPTO must decide whether the information in the request raises a “substantial new question of patentability” within 3 months from the request
- If yes, then the Director must order an ex parte reexamination



Supplemental Exam (cont.)

- *Ex parte* reexamination conducted under 35 U.S.C. chapter 30 and 37 CFR 1.510 et seq. (the *ex parte* reexamination statute and rules), except:
 - Patent owner does not have the right to file a statement; and
 - USPTO will address each SNQ without regard to whether it is raised by a patent or printed publication



Supplemental Exam (cont.)

- Inequitable conduct immunization
 - Information considered, reconsidered, or corrected during supplemental examination cannot be the basis for rendering a patent unenforceable so long as the supplemental exam and any ordered ex parte reexamination are finished before the civil action is brought
 - But does not apply to information raised in a civil action brought before supplemental exam sought



Supplemental Exam (cont.)

- If Director learns of fraud committed in connection with the patent subject to supplemental exam, the Director:
 - must confidentially refer the matter to the Attorney General; and
 - May take other action



IP Reexam Threshold

(Effective September 16, 2011)

- Elevate standard for triggering an inter partes reexamination
 - from “substantial new question” of patentability (“SNQ”)
 - to “reasonable likelihood that the requester will prevail with respect to at least one of the challenged claims” (“reasonable likelihood”)
- Standard for ex parte reexamination remains as SNQ



IP Reexam Termination

(Effective September 16, 2012)

- Inter partes reexamination termination on September 16, 2012
- Establishes inter partes review to replace inter partes reexamination
- Inter partes review effective on September 16, 2012



Contest 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-inventor-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 or after September 16, 2012	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



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



Contested Cases: 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



Clarity

- Human organism prohibition
- Tax strategies deemed in prior art
- Inventor's oath/declaration
- First-inventor-to-file and derivation



Human Organism Prohibition (Effective September 16, 2011)

- Patent may not issue on a claim directed to or encompassing a human organism itself
- But does not preclude patent drawn to methods of treating a human organism or DNA patents
- USPTO policy already captures a human organism prohibition. See *Animals – Patentability*, 1077 Off. Gaz. Pat. Off., 24 (Apr. 21, 1987)



Inventor's Oath/Declaration

(Effective September 16, 2012)

- Permits patent application to be filed by assignee
- 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



First-inventor-to-file (Effective March 16, 2013)

- Transitions the U.S. to a first-inventor-to-file patent system
- Maintains 1-year grace period for inventor disclosures



First-inventor-to-file (Effective March 16, 2013)

- Broadens prior art:
 - 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 “effective filing date,” provided that the subject matter relied upon is disclosed in the priority application
 - Effective filing date = (i) actual filing date; or (ii) filing date of the earliest application for which a right of priority is sought
- Applicants can now rely on common ownership or joint research agreement provisions to overcome rejections under 35 U.S.C. § 102



First-inventor-to-file (Effective March 16, 2013)

Provision	Applicability
Old 102 and 103	<ul style="list-style-type: none">- Applications filed before March 16, 2013; and- Continuations and divisionals of applications filed before March 16, 2013
New 102 and 103	<ul style="list-style-type: none">- Applications filed on or after March 16, 2013; and- Any application that ever contains a claim that has an effective filed date on or after March 16, 2013
Old 102(g)	<ul style="list-style-type: none">- Applications that ever contain a claim that has an effective filing date before March 16, 2013



Derivation

(Effective March 16, 2013)

- Procedure to resolve theft of an invention
- Species of current interference



Progress Report: Rulemakings

- 20 total provisions related to USPTO operations to implement over next 12 to 18 months
- 8 provisions implemented to date
- 9 Notices of Proposed Rulemaking (NPRMs) to issue in mid- to late January 2012



NPRMs for January 2012 Release

	Subject	Section of AIA
1	Inventor's oath / declaration	4
2	Third party submission of prior art for a patent application	8
3	Supplemental examination	12
4	Third party citation of prior art in a patent file	6
5	Umbrella set of rules for contested case procedure	N/A
6	Inter partes review	6
7	Post grant review	6
8	Transitional program for covered business methods	18
9	Definition of technological invention	18



Additional Rulemakings

1. Fee setting – 12 to 18 months
2. Micro-entity – 12 to 18 months
3. First-inventor-to-file – 18 months
4. Derivation – 18 months
5. Repeal of Statutory Invention Registration – 18 months



Progress Report: Studies

- 7 studies for USPTO to conduct as lead
- 2 studies in progress

Study	Federal Register Notice	Hearings	Witnesses	Written Comments Due	Report
International Patent Protection	October 7, 2011	2	12	November 8, 2011	January 14, 2012
Prior User Rights	October 7, 2011	1	5	November 8, 2011	January 16, 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



Genetic Testing Study (cont.)

- Congress directed the USPTO to study:
 - Impact on the current lack of independent second opinion testing has had on the ability to provide the highest level of medical care to patients and recipients of genetic diagnostic testing;
 - Effect of providing independent second opinion genetic diagnostic testing on existing patent and license holders of an exclusive genetic test;
 - Impact that current exclusive licensing and patents on genetic testing activity has had on the practice of medicine; and
 - Role that cost and insurance coverage have on access to and provision of genetic diagnostic tests



Genetic Testing Study (cont.)

- Federal Register to issue in mid-January seeking public comments and announcing hearing dates
 - Hearings: mid-February
 - Written comments: mid-January to mid-March
- Report due by June 16, 2012



Progress Report: Programs

- 4 programs for USPTO to establish
- Satellite offices (effective September 16, 2014)
 - 3 offices
 - Detroit to open in 2012
 - Request for Comments on Additional USPTO Satellite Offices for the Nationwide Workforce Program, ___ Fed. Reg. ___ (Nov. 29, 2011)



AIA Micro-Site

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

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

Tuesday, September 20, 2011 @ 2:10pm:
Commissioner Robert L. Stoll
The 21st AI Ohio Annual Institute on
Intellectual Property
Cleveland, OH

Wednesday, September 21, 2011 @ 2:10pm:
Commissioner Robert L. Stoll
The 21st AI Ohio Annual Institute on
Intellectual Property
Cincinnati, OH

Friday, September 23, 2011 @ 1:00pm:
Commissioner Robert L. Stoll
Virginia State Bar IP Law Section
Arlington, VA

Tuesday, September 27, 2011 @ 1:00pm:
Commissioner Robert L. Stoll
American Conference Institute
America Invents Act Webinar
<https://www2.gotomeeting.com/register/1275-01938>
Registration is complimentary

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 innovation and spur job creation in the United States. This Act sets into motion the most comprehensive overhaul to our nation's patent system since 1836.

The new law will afford more certainty for patent applicants and owners, and provide the USPTO the resources needed to operate efficiently and issue high-quality patents. Implementation of the new law will occur over a period of months, and our USPTO team will seek input and provide updates all along the way. I strongly encourage you to use this site to regularly track progress pertaining to the agency's implementation efforts.

All of us at USPTO look forward to working together with the innovation community to tackle the exciting challenges of rolling-out this historic law. Here are a few documents to get started:

- [America Invents Act Signing Ceremony](#)
- [White House chat on the America Invents Act](#)
- [Press Release: President Obama signs America Invents Act](#)
- [Leahy-Smith America Invents Act](#)
- [America Invents Act Effective Dates](#)
- [USPTO Fee Schedule](#)

Timeline: Major Milestones

Thank You



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Supplemental Materials





First-inventor-to-file Hypo 1

March	April	May	June
A invents	B invents	A files patent application	B files patent application

- Old law: A gets the patent
- New law: A gets the patent



First-inventor-to-file Hypo 2

March	April	May	June
A invents	B invents	B files patent application	A files patent application

- Old law: A gets the patent
- New law: B gets the patent



First-inventor-to-file Hypo 3

March	April	May	June
A invents	B invents	A files patent application	B discloses

- Old law: A gets the patent
- New law: A gets the patent



First-inventor-to-file Hypo 4

		A's Grace Period		
March	April	May	June	July
A invents	B invents	A publishes	B files patent application	A files patent application

- Old law: A gets the patent
- New law: A gets the patent



First-inventor-to-file Hypo 5

		A's Grace Period		
April 2013	June 2013	July 2013 to June 2014		July 2014
A invents	A publishes			A files

- Old law: A does **NOT** get the patent
- New law: A does **NOT** get the patent



First-inventor-to-file Hypo 6

		A's Grace Period		
April 2013	June 2013	July 2013 to June 2014		July 2014
A invents		A publishes		A files

- Old law: A gets the patent
- New law: A gets the patent



First-inventor-to-file Hypo 7

			A's Grace Period	
April 2013	June 15, 2013	June 25, 2013	July 2013 to June 2014	July 2014
A invents	B invents	B publishes		A files

- Old law: A does **NOT** get the patent
- New law: A does **NOT** get the patent



First-inventor-to-file Hypo 8

		A's Grace Period		
April 2013	June 15, 2013	July 2013 to June 2014		July 2014
A invents	B invents	B publishes		A files

- Old law: A gets the patent
- New law: A does **NOT** get the patent



First-inventor-to-file Hypo 9

		A's Grace Period		
April 2013	June 15, 2013	July 2013 to June 2014		July 2014
A invents	B invents	A publishes	B publishes	A files

- Old law: A gets the patent
- New law: A gets the patent



First-inventor-to-file Hypo 10

		A's Grace Period		
April 2013	June 15, 2013	July 2013 to June 2014		July 2014
A invents	B invents	B publishes	A publishes	A files

- Old law: A gets the patent
- New law: A does **NOT** get the patent