

Status Report: USPTO Implementation of the America Invents Act



Janet Gongola
Patent Reform Coordinator
Janet.Gongola@uspto.gov
Direct dial: 571-272-8734



Progress Report: Rulemakings

- 19 provisions related to USPTO operations to implement
- 7 Group 1 provisions implemented
- 7 Group 2 provisions addressed in Notices of Proposed Rulemaking (NPRMs) to issue in mid- to late January 2012 on 12 Month Timeline
- 2 Group 1 provisions in progress on 17 Month Timeline
- 3 Group 3 provisions to begin work on 18 Month Timeline*



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 (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)	Notice of Allowance Issued
FY2011	222	628	--	850	8
FY2012	419	125	2	546	0



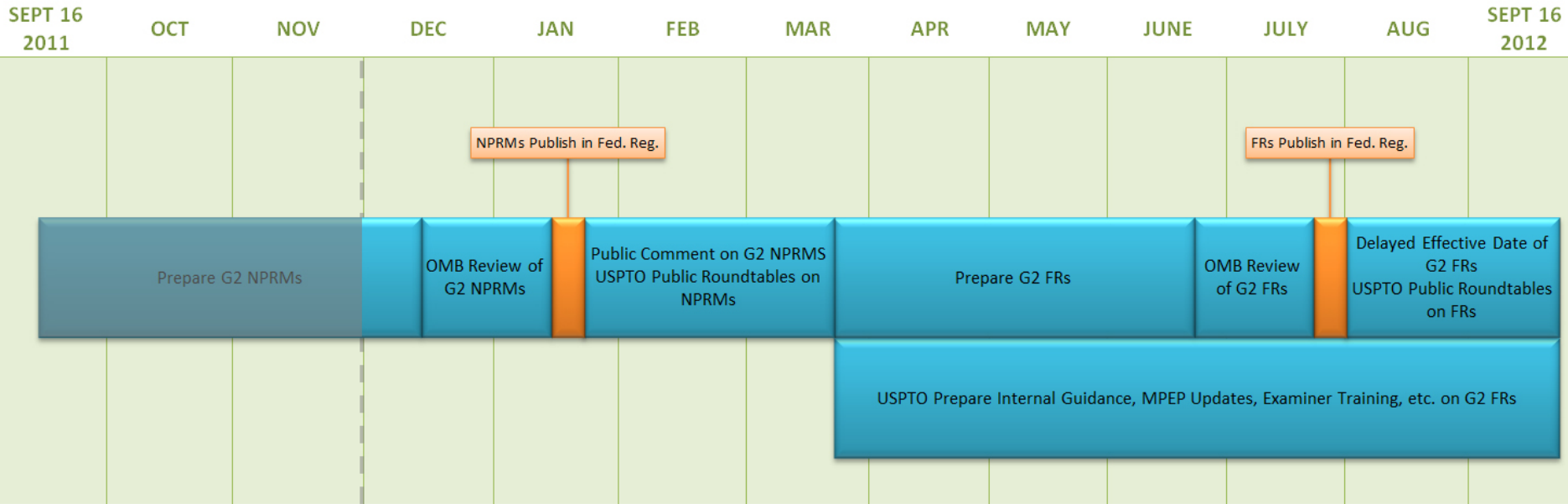
Implementation Ongoing: 12 Month Timeline

(Group 2; Effective on September 16, 2012)

1. Inventor's oath/declaration
2. Third party submission of prior art in a patent application
3. Supplemental examination
4. Citation of prior art in a patent file
5. Inter partes review
6. Post-grant review
7. Transitional program for covered business method patents



12 Month Timeline





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



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



Implementation Ongoing: 17 Month Timeline (Group 1)

- Fee Setting Authority
 - Authority effective on September 16, 2011
 - Authority to be exercised by rulemaking
- Micro-entity
 - Status effective on September 16, 2011
 - 75% discount is not available until USPTO exercises fee setting authority



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.)

- Institution of higher education under the Higher Education Act of 1965 means an educational institution, among other things, that:
 - Is located in any State (i.e., no foreign universities);
 - Admits persons having a certificate of graduation from a secondary education school;
 - Awards a bachelor's degree; and
 - Is public or non-profit



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”



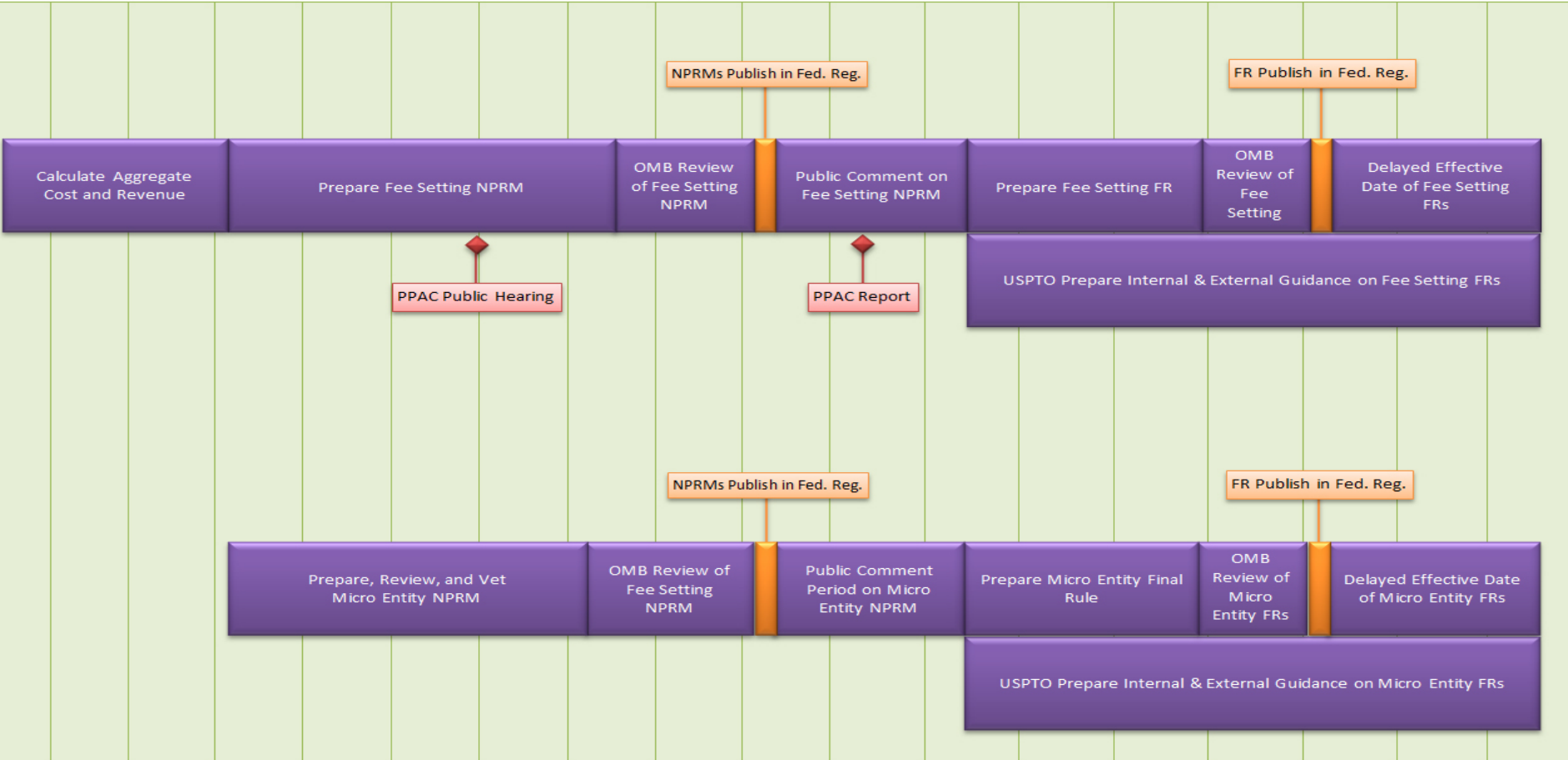
17 Month Timeline

SEPT 16, 2011

JAN 2012

JAN 2013

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



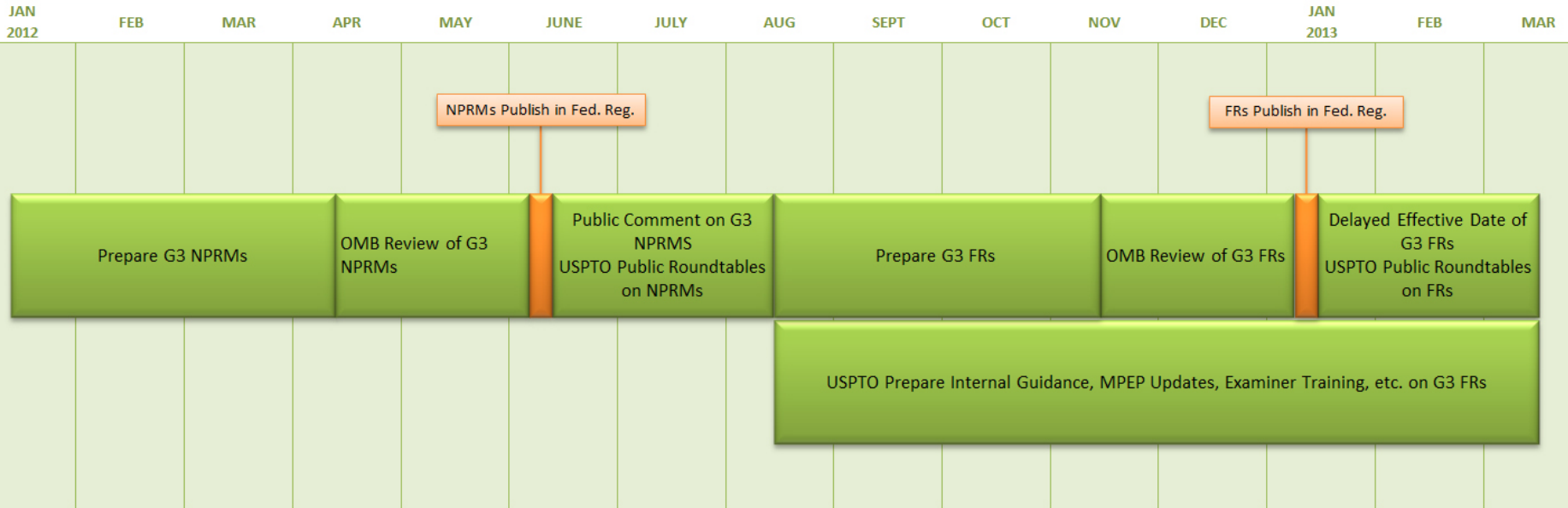


Implementation in Future: 18 Month Timeline* (Group 3; Effective on March 16, 2013)

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



18 Month Timeline*





Technical Amendments

(Food for Thought)

- Clarify the definition of micro-entity, for example:
 - Available immediately and not after USPTO fee setting
 - Who is an applicant? Single inventor? Inventive entity?
 - General definition and/or university automatic qualification?
- Remove best mode entirely from Section 112 as a condition for patentability
- Government exception for electronic filing incentive for inventions directed to national security
- Clarifying effective dates, for example,
 - Patent term extension provision (Section 37)
 - Travel expenses and payment of administrative judges (Section 21)



Progress Report: Studies

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

Topic	Due Date from Enactment
International Patent Protection for Small Businesses	4 months
Prior User Rights	4 months
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 directed to study how the USPTO and other federal agencies can best financially help small businesses with patent protection overseas
- USPTO consulting with the Department of Commerce and the Small Business Administration

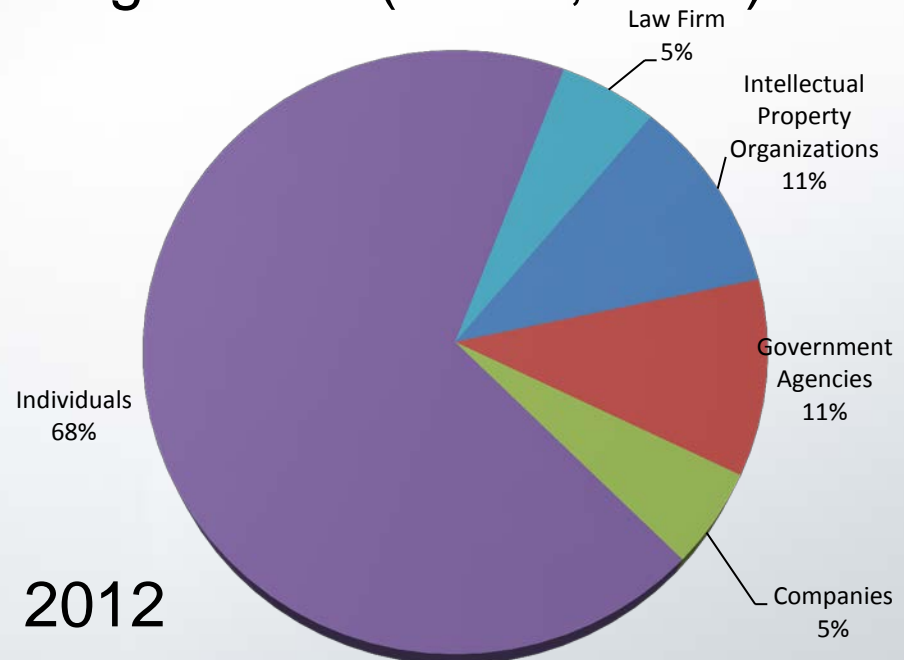


Int'l Protection Study (cont.)

- Request for Comments and Notice of Public Hearings on the Study of International Patent Protection for Small Businesses, 76 Fed. Reg. 62389 (Oct. 7, 2011)

- Public input:
 - 19 written comments
 - 2 public hearings;
12 witnesses

- Report due by January 14, 2012





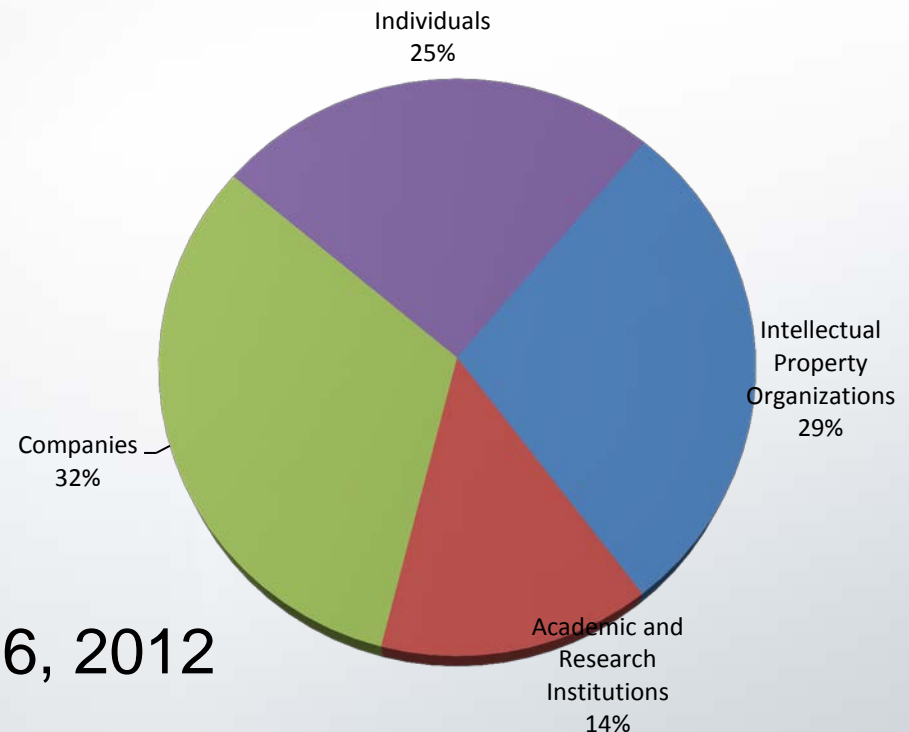
Prior User Rights Study

- USPTO directed to study the operation of prior user rights in other industrialized countries
- USPTO consulting with the United States Trade Representative, the Secretary of State, and the Attorney General



Prior User Rights Study (cont.)

- Request for Comments and Notice of Public Hearings on the Study of Prior User Rights, 76 Fed. Reg. 62388 (Oct. 7, 2011)
- Public input:
 - 28 written comments
 - 1 public hearing;
5 witnesses
- Report due by 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
- Federal Register to issue in late January seeking public comments and announcing hearing dates
 - Hearings: late February/early March
 - Written comments: late January to late March
- Report due by June 16, 2012



Progress Report: Programs

Topic	Due Date from Enactment
Pro Bono	Immediately
Diversity of Applicants	6 months
Patent Ombudsman for Small Businesses	12 months
Satellite Offices	3 years



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



Satellite Offices

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



AIA Micro-Site: New Features

www.uspto.gov/americaninventsact

- Executive summaries for provisions
- Progress reports (n=2; update monthly)
- Federal Register Notices and Memos for Group 1 implemented provisions
- Webcast and transcript of hearings and written comments for International Patent Protection and Prior User Rights hearings
- Blog (n=7)
- FAQ (n>60)
- Videos (n=3)
- Speeches (n=10)
- Press releases (n=8)
- Legislative history (complete)
- Announcements and Upcoming Events (updated weekly)
- Subscription Center



AIA Subscription Center

<http://enews.usptoenews.gov/lists/?p=subscribe&id=1>



AMERICA INVENTS ACT IMPLEMENTATION

Dear AIA Subscribers:

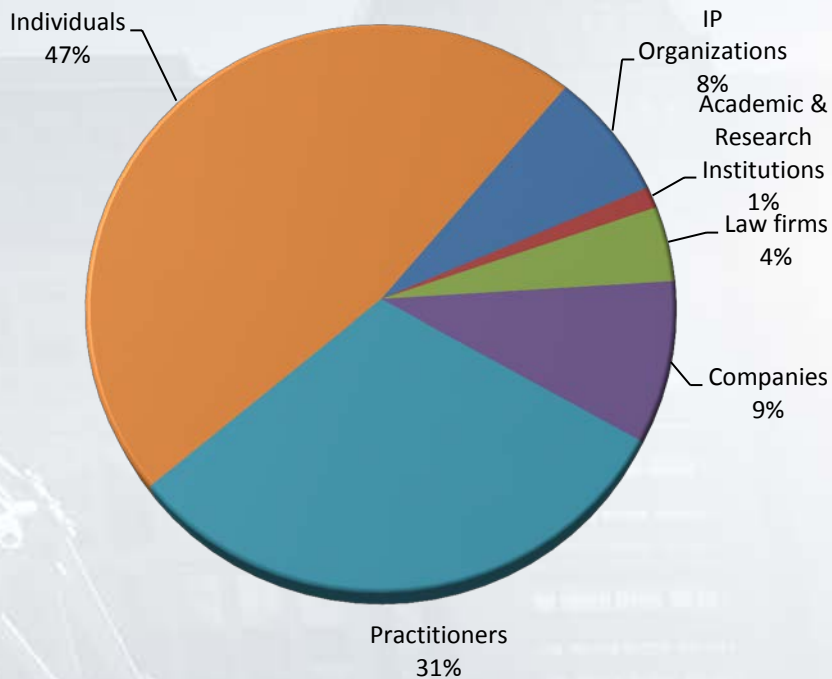
Thank you for registering to receive regular updates about new features added to the AIA micro-site. We are delighted to have 3,057 subscribers to date and look forward to others joining as our implementation activities continue over the next several months. This is our first subscription center update since we launched our micro-site on September 16, 2011 – the date that President Obama signed the America Invents Act into law. Going forward, we plan to send additional email alerts to you on a monthly basis.



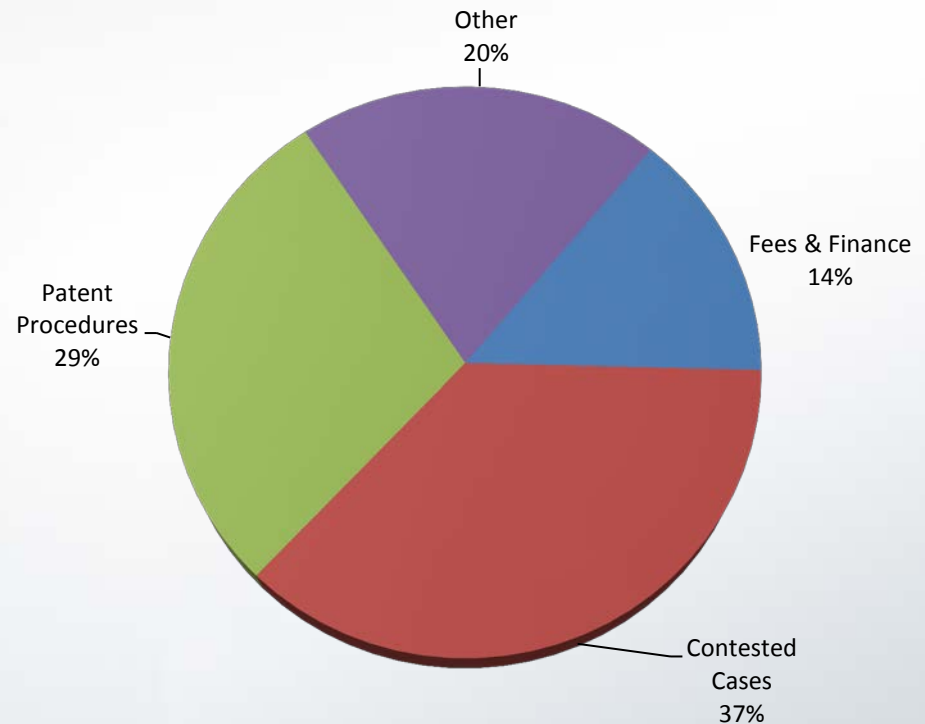
Public Comments

aia_implementation@uspto.gov

Comments by Organization



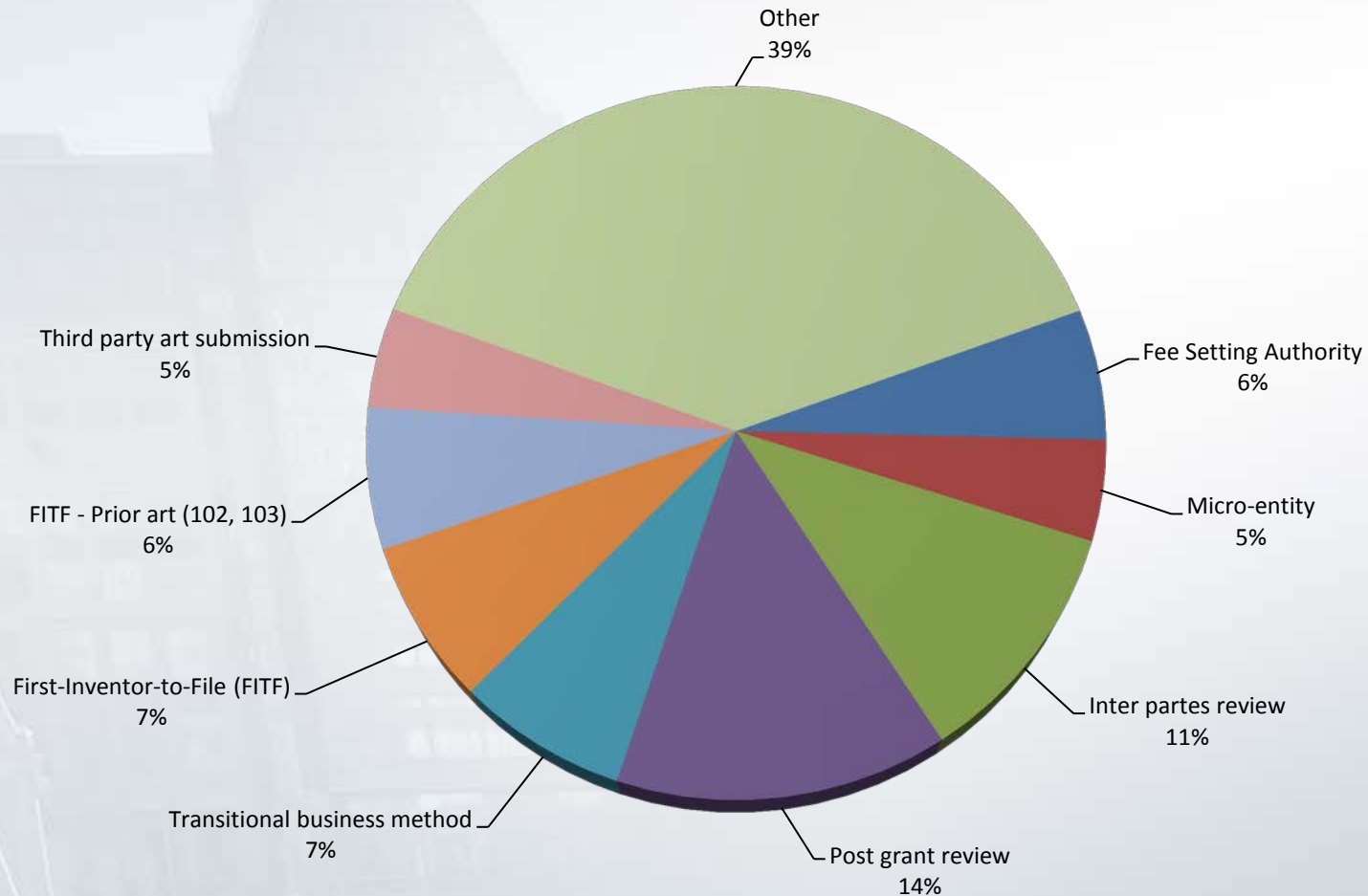
Comments by Subject Area





Public Comments (cont.)

Comments by Specific Subject





Group 1 Public Comment Windows

Provision	Before Proposed Rules	Response to Proposed Rules	Response to Final Rules/Guidance
Inter parte reexam threshold	N/A	N/A	Open
Tax strategies deemed within prior art	N/A	N/A	Open
Best mode	N/A	N/A	Open
Human organism prohibition	N/A	N/A	Open
Prioritized exam	N/A	N/A	Open
15% Surcharge	N/A	N/A	Open
Electronic filing incentive	N/A	N/A	Open
Fee Setting	Open until late February 2012	Mid-June 2012 to mid-August 2012	TBD
Micro-entity	Open until late February 2012	Mid-June 2012 to mid-August 2012	TBD



Group 2 Public Comment Windows

Provision	Before Proposed Rules	Response to Proposed Rules	Response to Final Rules/Guidance
Inventor's Oath/declaration	Closed	Mid/late January 2012 to mid/late March 2012	TBD
Third party submission of prior art in a patent application	Closed	Mid/late January 2012 to mid/late March 2012	TBD
Supplemental exam	Closed	Mid/late January 2012 to mid/late March 2012	TBD
Citation of prior art in a patent file	Closed	Mid/late January 2012 to mid/late March 2012	TBD
Post grant review	Closed	Mid/late January 2012 to mid/late March 2012	TBD
Inter partes review	Closed	Mid/late January 2012 to mid/late March 2012	TBD
Transitional program for covered business methods	Closed	Mid/late January 2012 to mid/late March 2012	TBD



Group 3 Public Comment Windows

Provision	Before Proposed Rules	Response to Proposed Rules	Response to Final Rules/Guidance
First-inventor-to-file	Open until mid-March 2012	Mid-June 2012 to mid-August 2012	TBD
Derivation	Open until mid-March 2012	Mid-June 2012 to mid-August 2012	TBD
Repeal of Statutory Invention Registration	Open until mid-March 2012	Mid-June 2012 to mid-August 2012	TBD

Thank You



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