America Invents Act

ACI’s 13th Annual Maximizing Pharmaceuticals Patent Life Cycles Conference

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October 11, 2012
• Inventor’s Oath or Declaration
  – Applicability: Applications filed on or after September 16, 2012

• Preissuance Submission
  – Applicability: Pending or abandoned application filed before, on, or after September 16, 2012

• Citation of Patent Owner Claim Scope Statement
  – Applicability: Any patent on or after September 16, 2012

• Supplemental Examination
  – Applicability: Patent enforceable on or after September 16, 2012
Goals

• Statutory provision and final rules aim to:

  – streamline patent application filing;

  – simplify the content requirements for an oath/declaration; and

  – offer flexibility on the timing for filing an oath/declaration
Oath/Declaration and Application Data Sheet

• Inventor may be named by:
  – signed application data sheet (ADS) filed before or with an executed inventor’s oath/declaration; or
  – executed inventor’s oath/declaration

• Use of an ADS permits each oath/declaration to identify only the inventor executing the oath/declaration and not the entire inventive entity
Timing of Submission

• Oath/declaration may be postponed until the application is otherwise in condition for allowance provided that a signed ADS has been submitted:
  – identifying each inventor by his or her legal name; and
  – with a mailing address and residence for each inventor

• Oath/declaration must still be provided for a reissue application prior to examination

• Current surcharge is still required when the oath/declaration is not present on filing
Preissuance Submissions: Goals

• Statutory provision aims to improve the quality of examination and issued patents

• Final rule is designed to promote:
  – efficient processing of submissions; and
  – focused submissions of the most relevant documents
Preissuance Submissions

- Any third party may submit printed publications of potential relevance to the examination of an application for consideration and inclusion in the record of the application, per 35 U.S.C. 122(e)
  - Submissions will be considered by Examiner in the same manner as documents cited on an IDS

- Must be made before the later of:
  - 6 months after the date on which the application is first published by the Office; or
  - date of first rejection of any claim by the examiner

AND

- before the date a notice of allowance is given or mailed
• Statutory provision aims to prevent the patent owner from presenting different positions on claim scope for the same claims in the same patent in different proceedings

• Final rule designed to:
  – facilitate the filing and review of these statements;
  – prevent improper consideration of submissions; and
  – preserve the integrity of patent files
35 U.S.C. 301 expands the scope of information that may be submitted in a patent beyond prior art to include written statements about the scope of the patent claims filed by the patent owner in a federal court or USPTO proceeding.

Governed Office Usage

USPTO will not use a patent owner claim scope statement in deciding whether to order an *ex parte* or *inter partes* reexamination or institute an administrative trial.

After ordering, USPTO may take a patent owner claim scope statement into account to determine the proper meaning of the patent claims.
Supplemental Examination: Goals

• Statutory provision aims to provide patentees with a mechanism to immunize a patent from allegations of inequitable conduct

• Final rules designed to:
  – create a process that allows for completion of the supplemental examination within the 3-month statutory time frame and for prompt resolution of any ex parte reexamination; and
  – avoid a post-patent process involving large submissions of unexplained documents (like IDS practice)
Supplemental Examination: Request

- Request for supplemental examination may be filed only by the patent owner.
- Request may be filed at any time during the period of enforceability of the patent, e.g., generally 6 years after expiration of the patent.
- Third party may not request supplemental examination or participate in a supplemental examination.
Supplemental Examination: Contents of Request

• Identification of the patent and of each claim for which supplemental examination is requested;

• List of the items of information requested to be considered, reconsidered, or corrected;

• Separate, detailed explanation of the relevance and manner of applying each item of information to each identified patent claim;

• Summary of the relevant portions of any submitted document, other than the request, that is over fifty pages in length; and

• Fees
Supplemental Examination: Request Processing

Patent Owner Request

Decision on Patent Owner Request: substantial new question of patentability (SNQ) Standard Triggered?

YES

Supplemental Examination Concluded and Ex Parte Reexamination Initiated

NO

Supplemental Examination Concluded - Electronic Issuance of certificate

3 months
• *Inter Partes* reexamination is modified by AIA and is phasing out

• *Inter Partes* Review will replace *Inter Partes* reexamination, but overlap will occur

• Extraordinary numbers of both *Inter Partes* Reexamination filings and *Ex Parte* Reexamination filings were received in September 2012

  – Filings in first three weeks of September represented over half of all last year’s filings (300 EP, 350 IP)

  – *Inter partes* reexamination filings through September 21 were equivalent to 96% of all IP filings last year
• *Inter Partes* Review

• Post-Grant Review

• Covered Business Methods Review

• Derivation Proceedings
Considerations in Formulating Final Rules

• AIA provides that the Office consider:
  – effect of the regulations on the economy;
  – integrity of the patent system;
  – efficient operation of the Office; and
  – ability to timely complete the proceedings

• Legislative history provides that proceedings reflect a quick, effective, and efficient alternative to often costly and protracted district court litigation
## Trial Rules

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<tr>
<th>Inter Partes Review</th>
<th>Post-Grant Review</th>
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<td>§§ 42.100 – 42.123</td>
<td>§§ 42.200 – 42.224</td>
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### Umbrella Trial Rules

<table>
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<tr>
<th>Covered Business Method Patent Review</th>
<th>Derivation Proceeding Proposed</th>
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<tr>
<td>§§ 42.300 – 42.304</td>
<td>§§ 42.400 – 42.412</td>
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Trial Proceedings

Petition Filed -> PO Preliminary Response -> Decision on Petition -> PO Response & Motion to Amend Claims -> Petitioner Reply to PO Response & Opposition to Amendment -> PO Reply to Opposition to Amendment -> Oral Hearing -> Final Written Decision

3 months -> No more than 3 months -> 3 months -> 3 months -> 1 month -> Hearing Set on Request

PO Discovery Period -> Petitioner Discovery Period -> PO Discovery Period -> Period for Observations & Motions to Exclude Evidence

No more than 12 months

PO = Patent Owner
### Major Differences between IPR, PGR, and CBM

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<tr>
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<th>IPR</th>
<th>PGR</th>
<th>CBM</th>
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</thead>
<tbody>
<tr>
<td><strong>All patents are eligible</strong></td>
<td><strong>Only FITF patents are eligible</strong></td>
<td><strong>Only §§ 101, 102, 103, and 112, except best mode</strong></td>
<td><strong>Both FTI &amp; FITF patents are eligible, but must be a covered business method patent</strong></td>
</tr>
<tr>
<td><strong>Petitioner has not filed an invalidity action and petition is filed no more than one year after service of infringement complaint for the patent</strong></td>
<td><strong>Petitioner has not filed an invalidity action</strong></td>
<td></td>
<td><strong>Petitioner must be sued or charged w/ infringement</strong></td>
</tr>
<tr>
<td><strong>Only §§ 102 and 103 grounds based on patents or printed publication</strong></td>
<td><strong>Only §§ 101, 102, 103, and 112, except best mode</strong></td>
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**FTI = First to Invent**  **FITF = First Inventor to File**
Threshold Standards for Institution

IPR
Petition must demonstrate a *reasonable likelihood* that petitioner would prevail as to at least one of the claims challenged

PGR/CBM
Petition must demonstrate that it is *more likely than not* that at least one of the claims challenged is unpatentable

PGR/CBM: Greater than 50% chance
IPR: May encompass a 50/50 chance
Time Windows to File
IPR/PGR/CMB Petition

First-to-Invent Patents

CBM After issuance

IPR > 9 months from issue date

First-Inventor-to-File Patents

PGR < 9 months from issue date

IPR or CBM > 9 months from issue date
Inter Partes Review: Features

• All patents are eligible

• Third party who has not previously filed a civil action challenging the validity of a claim

• Request to cancel as unpatentable based only on patents or printed publications under § 102 or § 103

• Filed after the later of:
  – 9 months after the grant of a patent or issuance of a reissue of a patent; or
  – date of termination of any post grant review of the patent
Post-Grant Review

- Most aspects of PGR and IPR are effectively the same
- Some differences as compared with IPR:
  - With limited exceptions, only those patents issuing from applications subject to first-inventor-to-file provisions are eligible
  - Challenges may be based on §§ 101, 102, 103, and 112, except best mode
  - 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
  - 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
Patent is not for a technological invention

Petitioner must be sued or charged with infringement

Patent must be a covered business method patent

CBM Review
Derivation

- Only a patent applicant may file
- 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.

“The first publication” means either a patent or an application publication under 35 U.S.C. 122(b), including a publication of an international application designating the U.S. as provided by 35 U.S.C. 374.

- Must have a claim that is the same or substantially the same as a respondent’s claim, and the same or substantially the same as the invention disclosed to the respondent.

“Same or substantially the same” means patentably indistinct.
Derivation

- Must set forth basis for finding that an inventor named in an earlier application or patent derived the claimed invention

- **Must certify that the inventor from whom the invention was derived did not authorize the filing of the earliest application claiming such invention**

- Must provide substantial evidence, including one affidavit, in support of the petition to show how the invention was communicated to the respondent

- Not likely to be instituted, even if standard is met, until a patent with the claimed invention issues
• PRPS Telephone Help Line: 571-272-PTAB

• E-mail: Trials@USPTO.gov

• Website: http://www.uspto.gov/ptab
First Inventor to File

- Effective Date: March 16, 2013
- Comments Due: November 5, 2012 (reopened)
First Inventor to File: Goals

• Provide guidance to examiners and the public on changes to examination practice in light of the AIA

• Address examination issues raised by the AIA

• Provide the Office with information to readily determine whether the application is subject to the AIA’s changes to 35 U.S.C. 102 and 103
• Transitions the U.S. to a first-inventor-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
<table>
<thead>
<tr>
<th>Prior Art</th>
<th>Exceptions</th>
<th>Label</th>
</tr>
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<tbody>
<tr>
<td>102(a)(1)</td>
<td>102(b)(1)(A)</td>
<td>Grace Period Inventor Disclosures &amp; Grace Period Non-inventor Disclosures</td>
</tr>
<tr>
<td></td>
<td>102(b)(1)(B)</td>
<td>Grace Period Intervening Disclosures</td>
</tr>
<tr>
<td>102(a)(2)</td>
<td>102(b)(2)(A)</td>
<td>Non-inventor Disclosures</td>
</tr>
<tr>
<td></td>
<td>102(b)(2)(B)</td>
<td>Intervening Disclosures</td>
</tr>
<tr>
<td></td>
<td>102(b)(2)(C)</td>
<td>Commonly Owned Disclosures</td>
</tr>
</tbody>
</table>
Fee Setting: Proposed Rule

- Fee Setting

- Comments due: November 5, 2012
Fee Setting: Goals and Strategies

- Ensure the patent fee schedule generates sufficient aggregate revenue to recover the aggregate cost to achieve two significant USPTO Goals:
  - Optimize patent timeliness and quality; and
  - Implement a sustainable funding model for operations
- Set individual fees to further key policy considerations:
  - Fostering innovation;
  - Facilitating the effective administration of the patent system; and
  - Offering patent prosecution options to applicants
- Comments are due November 5, 2012.
AIA Help

• AIA Telephone Help Line: 1-855-HELP-AIA

• E-mail: HELPAIA@uspto.gov

• USPTO Microsite (consistently updated): http://www.uspto.gov/aia_implementation/index.jsp

• Website for the full 166 page AIA slide set: http://www.uspto.gov/aia_implementation/120910-aia-roadshow-slides.pdf
Appendix


Appendix

• Changes to Implement the First Inventor to File Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 43742 (July 26, 2012)

Thank You