

Monthly Report on AIA Implementation

TO: Acting Secretary Rebecca Blank

FROM: Under Secretary and Director David Kappos

DATE: October 16, 2011

RE: Implementation of the America Invents Act by the USPTO

I. Summary

On September 16, 2011, President Obama signed the America Invents Act (AIA) into law. The USPTO is engaged in implementing those provisions of the AIA that impact agency operations. This report provides an update on the USPTO's efforts to that end. In short, our implementation efforts are on track at this time to meet the statutorily-set effective dates for the various provisions.

More specifically, the agency is implementing most provisions via rule making. To do so, the USPTO has divided the provisions into three groups based upon effective dates. The first group includes those provisions that become effective within 60-days after enactment; the second group covers provisions with an effective date 12 months from the date of enactment; and the third group captures those provisions effective 18-months from enactment. In addition to promulgating rules over three time windows, Congress required the USPTO to conduct studies into certain IP topics as well as to establish various programs by certain dates. Together, the rule makings, studies, and programs will be challenging for the agency to accomplish given the tight time windows for completion, but the agency is equipped to meet the challenge, as further discussed here.

II. AIA Provisions in Group 1

There are ten provisions in Group 1 that require action by the USPTO within 60-days of enactment. The agency has completed, or is on track to complete, its implementation efforts for all provisions. The agency has implemented the Group 1 provisions either by a rule change or guidance to examiners. The following table tracks the agency's implementation actions for the ten provisions in Group 1.¹

¹ The USPTO will use the following color coding scheme as a quick reference to show the status of the agency's implementation efforts: (i) green to signify that implementation is on schedule; (ii) yellow to indicate a

Table 1: Group 1 Rulemaking and Other Activities

	AIA Provision	Effective Date	Status Update
1	Change in inter partes reexamination standard	September 16, 2011	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	September 16, 2011	Memo to Examiners, Sept. 20, 2011
3	Best mode	September 16, 2011	Memo to Examiners, Sept. 20, 2011
4	Human organism prohibition	September 16, 2011	Memo to Examiners, Sept. 20, 2011
5	Micro-entity	September 16, 2011	Definition is in effect, but the 75% micro-entity discount is not available until the USPTO exercises its fee setting authority
6	Fee Setting Authority	September 16, 2011	Authority to set fees exists, but USPTO must engage in notice-and-comment rulemaking to set or adjust fees
7	OED Statute of Limitations (SOL) Change	September 16, 2011	USPTO planning for final rule to define certain terms used in SOL provision
8	Prioritized examination	September 26, 2011	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)
9	15% transition surcharge	September 26, 2011	Notice of Availability of Patent Fee Changes Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59115 (Sept. 23, 2011)
10	Electronic filing incentive	November 15, 2011	Notice of Availability of Patent Fee Changes Under the Leahy-Smith America Invents Act, 76 Fed. Reg. 59115 (Sept. 23, 2011)

III. AIA Provisions in Groups 2 and 3

There are ten provisions in Groups 2 and 3 that require the agency to promulgate new rules by 12- and 18-months from the date of enactment, i.e., September 16, 2012 or March 16, 2013, respectively. These provisions are identified in the following table.

For the provisions in Group 2, which become effective on September 16, 2012, the USPTO has developed an implementation timeline featured in Appendix A. Consistent with that timeline, the agency is presently preparing separate Notices of Proposed Rulemaking for all of the provisions. We are on track to complete the Group 2 notices by November 15, 2011, and then place them into circulation for Union, Commerce, and OMB review before releasing them to the public for comment. We anticipate publishing them in the Federal Register roughly by January 30, 2012. The agency will turn to the provisions in Group 3 in due course after the Group 2 provisions are more finalized.

potential issue with implementation; (iii) red to represent that the agency failed to meet an implementation deadline; and (iv) gray to reflect provisions for which the agency has minimal involvement.

Table 2: Groups 2 and 3 Rulemaking and Other Activities

	AIA Provision	Effective Date	Status Update
1	Inventor's oath/declaration	September 16, 2012	NPRM in progress
2	Third party submission of prior art in a patent application	September 16, 2012	NPRM in progress
3	Supplemental examination	September 16, 2012	NPRM in progress
4	Citation of prior art in a patent file	September 16, 2012	NPRM in progress
5	Inter partes review	September 16, 2012	NPRM in progress
6	Post grant review	September 16, 2012	NPRM in progress
7	Transitional program for covered business methods	September 16, 2012	NPRM in progress
8	First-inventor-to-file	March 16, 2013	Attention forthcoming
9	Derivation proceeding	March 16, 2013	Attention forthcoming
10	Elimination of statutory invention registration	March 16, 2013	Attention forthcoming

IV. Congressionally-Mandated Studies

Congress requires the USPTO, often in consultation with other government entities, to conduct nine studies over the course of the next four years. Three of those studies are due within the first year of enactment, and the remaining ones are required at various times thereafter. Congress also requires the USPTO to serve as a consult for other governmental agencies (the Small Business Administration and General Accountability Office) on two studies. The table to follow shows the complete list of required studies.

At four months from the date of enactment, i.e., in mid-January 2012, the USPTO is required to report on the results of two studies: (i) Prior User Rights (in consultation with the United States Trade Representative, the Secretary of State, and the Attorney General); and (ii) International Patent Protection for Small Businesses (in consultation with Commerce and the Small Business Administration). To meet this due date, the USPTO published notices seeking written comments and announcing public hearings in the Federal Register on October 7, 2011. The hearings are scheduled as follows:

- International Patent Protection: October 27, 2011, 1 to 4 pm at the USPTO and November 1, 2011, 9 am to noon at the University of Southern California Gould School of Law in Los Angeles
- Prior User Rights: October 25, 2011, 8:30 to 11:30 am at the USPTO

At six months from the date of enactment, i.e., on March 16, 2012, the USPTO is required to report on the results of a third study focused on the feasibility of offering second opinion genetic testing. The agency will follow the same protocol as for the Prior User Rights and International Patent Protection for Small Businesses studies and issue a Federal Register notice

soliciting comments and setting forth a public hearing. The agency is scheduled to publish the Genetic Testing Federal Register Notice in early January 2012. The agency will turn to the Genetic Testing Study in due course once the reports for the International Patent Protection for Small Businesses and Prior User Rights Studies are close to finalization.

Table 3: AIA Required Studies

	AIA Required Study	Due Date	Status Update
1	International Patent Protection for Small Businesses	January 14, 2012	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)
2	Prior User Rights	January 16, 2012	Notice of Public Hearing and Request for Comments on the Study of Prior User Rights, 76 Fed. Reg. 62388 (Oct. 7, 2011)
3	Genetic Testing	June 16, 2012	Attention forthcoming
4	Misconduct Before the Office	September 16, 2013	Attention forthcoming
5	Satellite Offices	September 30, 2014	Attention forthcoming
6	Virtual Marking	September 16, 2014	Attention forthcoming
7	Implementation of AIA	September 16, 2015	Attention forthcoming
8	Effects of First-Inventor-to-File on Small Businesses	September 16, 2012	USPTO as consultation only
9	Patent Litigation	September 16, 2012	USPTO as consultation only

V. Congressionally-Mandated Programs

The AIA required the USPTO to set up four programs, two of which specifically are designed to benefit independent inventors and small businesses, over the next 12-months. The table to follow captures those programs.

The first program—called Pro Bono—required the USPTO, upon the date of enactment, to initiate interactions with IP organizations to establish a pro bono program for independent inventors and small business. The USPTO has one such program in place in Minnesota and is currently in discussions with IP organizations in other cities to establish programs there. Under the Minnesota program, an independent inventor or small business is connected to a patent attorney to aid them with patent filings through a non-profit organization. The independent inventor or small business pays a one-time \$1,000 administrative fee to the non-profit, but thereafter does incur any attorney fees for the attorney services. To extend the Minnesota program to other cities, the USPTO has established a Task Force, which will have its first meeting on October 21, 2011.

The second program—termed Diversity of Applicants—required the USPTO to establish a methodology to collect diversity information on patent applicants, such as gender, race, and veterans status, within 6-months from the date of enactment. But the program specified that

the USPTO may not use collected diversity information against applicants during the patent examination process. The USPTO is currently in negotiations with the Census Bureau to tap census records for past and pending patent applicants.

The USPTO will turn to the third and fourth programs in due course.

Table 4: AIA Required Program

	AIA Required Program	Due Date	Status Update
1	Pro Bono	September 16, 2011	Minnesota Pro Bono program running; expansion planned
2	Diversity of Applicants	March 16, 2012	Discussion ongoing with Census
3	Patent Ombudsman	September 16, 2012	Attention forthcoming
4	Satellite Offices	September 16, 2014	Attention forthcoming

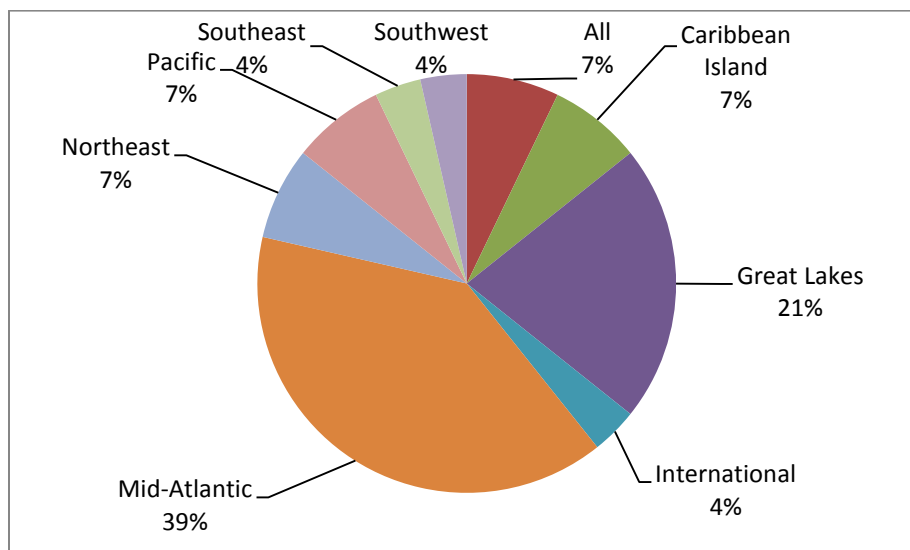
VI. Public Outreach for AIA

The USPTO is playing a key role in educating the public—both in the United States and abroad—about the provisions of AIA as well as the agency’s implementation activities. The agency is participating in numerous speaking engagements, panel discussions, and other public forums each week. On average, the USPTO engages with the public at well-attended events seven times per week. The USPTO also has provided AIA implementation documents and/or presentations to 40 overseas patent offices and organizations ranging from Australia to Iceland to Vietnam. Lastly, the agency has established a special section on its website—called a micro-site—devoted to information about the AIA. Through both avenues, which are discussed in further detail in the sub-sections herein, the agency aims to achieve a transparent, well-informed, and thorough implementation of the AIA as well as to encourage suggestions and ideas from the public about our implementation efforts.

A. Speaking Engagements

In August 2011, even before enactment of the AIA, the USPTO hosted two public meetings—one with large IP law organization and another with independent inventors, universities, and small businesses—to solicit comments about the provisions of AIA and recommendations for how the agency should implement those provisions (assuming enactment into law). In the one month since enactment, the USPTO executives and non-executives have given 28 presentations about the AIA and the agency’s implementation to various external groups across the country. The vast majority were in person (82%) with a hand-full via webinar (18%). The following graphs capture the USPTO’s outreach activities.

Graph 1: Speaking Engagements by Geographic Region



B. AIA Microsite: www.uspto.gov/americaninventsact

The USPTO micro-site features all of the USPTO’s implementation documents like Federal Register Notice and Memos to Examiners. It likewise contains a blog, Frequently Asked Questions, press releases, legislative history documents, and timeline for implementation activities. Additionally, there is an Announcement and Upcoming Events section as well as a Subscription center for users to subscribe to receive notices whenever the site is updated. The agency updates the micro-site weekly at a minimum and uses it to communicate with the public about the agency’s implementation efforts on an ongoing basis. To follow is an overview of the information currently available on the microsite:

- 23 executive summaries of AIA provisions
- 65 FAQs covering all Group 1 provisions and select Groups 2 and 3 provisions
- 4 Blog reports covering (i) an overview of the agency’s implementation process; (ii) a review of all financial provisions in the AIA, e.g., fee setting authority, micro- entity, 15% surcharge, and reserve fund; and (iii) a discussion of the Prior User Rights Study; and (iv) a discussion of the International Patent Protection Study
- 3 press releases
- 8 speeches
- 1 information videos
- 18 legislative history documents

VII. Public Comments Received by USPTO

To encourage the public to submit comments to the agency as early as possible in the AIA implementation process, the USPTO has a specialized Comments section on the AIA micro-site through which a member of the public can immediately submit a comment on any topic. To date, the agency has received a total of 68 comments with the graph below showing the identity of submitters. The agency posts all comments received for public viewing. Additionally, the agency maintains a database to track and distribute all comments to the relevant USPTO staff for consideration in the development on NPRMs.

Table 7: Overview of Public Comments on AIA

Submitter	Informal (pre-NPRM)	Formal (post-NPRM)	TOTAL
Intellectual Property Organization	0	--	0
Government Agency	0	--	0
Academic and Research Institution	1	--	1
Law Firm	0	--	0
Company	4	--	4
Practitioner	17	--	17
Other	46	--	46
TOTAL	68	--	68

Appendix A: AIA Implementation Timeline

