

Multiple Aspects of AIA Implementation



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



Scope of the AIA

Provisions of Law

Studies

Programs



Provisions of Law: Implementation Complete

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



Best Mode

(Effective September 16, 2011)

- Best mode eliminated as a defense to patent infringement and cannot be the basis to allege unpatentability in a post-grant review
- Best mode maintained as a condition for patentability in 35 U.S.C. 112
- MPEP § 2165 remains the same



Prioritized Examination (Effective September 26, 2011)

- Original utility or plant patent application 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
- 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 Statistics: Part I (Data as of 3/15/12)

Total Requests	Pending	Granted	Dismissed	Total
FY 2012	635	1103	35	1773
FY 2011	19	824	12	855

Examination Status	First Action on the Merits Mailed	Final Dispositions Mailed	Number of Allowances of Total Final Dispositions
Number of applications	1366	195	153



Prioritized Exam Statistics: Part II (Data as of 3/15/12)

Technology Center	Number of Prioritized Applications
1600: Biotechnology and Organic Chemistry	253
1700: Chemical and Materials Engineering	84
2100: Computer Architecture, Software, and Information Security	389
2400: Computer Networks, Multiplex Communication, Video Distribution, and Security	493
2600: Communications	407
2800: Semiconductors, Electrical and Optical Systems and Components	184
3600: Transportation, Construction, Electronic Commerce, Agriculture, National Security, and License and Review	328
3700: Mechanical Engineering, Manufacturing, Products	421
3900: Central Reexamination Unit	3
Other:	43
TOTAL	2605



Electronic Filing Incentive (Effective November 15, 2011)

- Establish a \$400 fee, reduced by 50% for small entities, for all original (non-reissue) applications filed by non-electronic means
- Fee does not apply to design, plant, or provisional applications
- Fee must be deposited in a general account at Treasury and is not available for the PTO to spend in appropriations account



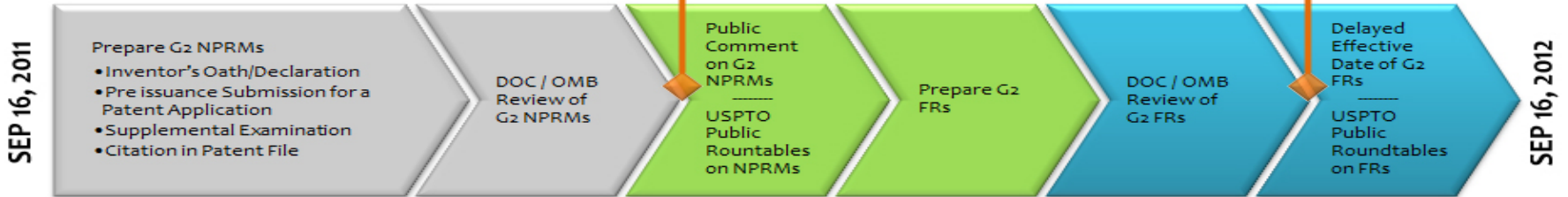
Provisions of Law: Implementation in Progress (Effective September 16, 2012)

- Inventor's oath / declaration
- Preissuance submission of prior art
- Supplemental examination
- Citation of a patent owner statement in a patent file
- Inter partes review
- Post grant review
- Transitional program for covered business methods
- Derivation (effective March 16, 2013)

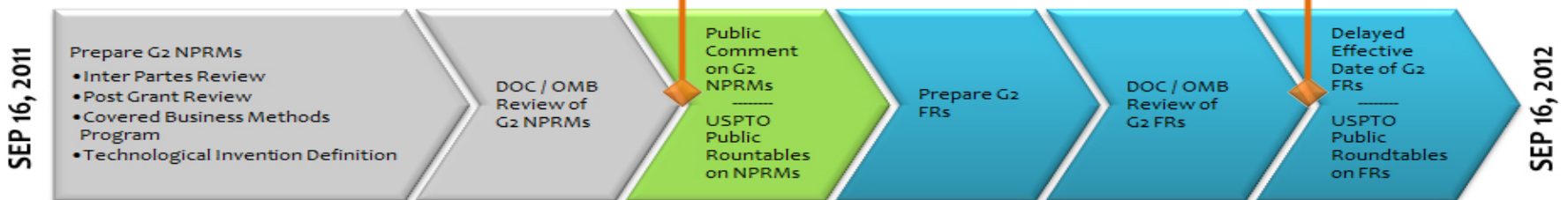


Rulemaking Process

PATENT RULES



BOARD RULES



Completed
 In Progress
 Not Started



Inventor's Oath/Declaration: Contents

- Must include statements that:
 - affiant/declarant believes himself to be the **original** inventor
 - application was made or authorized to be made by the affiant/declarant; and
- No longer has to include statements that:
 - affiant/declarant believes himself to be the **first** inventor;
 - citizenship of the inventor;
 - statement that the application is made without deceptive intent



Inventor's Oath/Declaration: Substitute Statement

- Substitute statement permitted in lieu of a inventor's oath/declaration where an inventor is:
 - Deceased;
 - Legally incapacitated;
 - Unable to be found or reached after diligent effort; or
 - Refuses to sign
- Substitute statement can be made by:
 - Legal representative;
 - Assignee;
 - Party to whom the inventor is under an obligation to assign;
or
 - Party who otherwise shows sufficient proprietary interest



Inventor's Oath/Declaration: Use of Assignment and Timing

- Assignment may include the statements required in an oath/declaration
- Notice of Allowance may be issued only if
 - inventor's oath/declaration filed;
 - substitute statement filed; or
 - assignment containing the inventor's oath/declaration recorded



Inventor's Oath/Declaration: Proposed Rules

- Oath/declaration accepted in an assignment if:
 - Assignment includes required statements of original inventorship and authorization;
 - Copy of the assignment is filed in the application; and
 - Assignment is recorded against the application
- Oath/declaration must be submitted on filing or shortly thereafter and must identify each inventor



Preissuance Submissions: Contents

- 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;
 - must pay the fee set by the Director;
 - must include a statement by the third party making the submission affirming that the submission is compliant with statutory requirements; and
 - must meet timing requirements

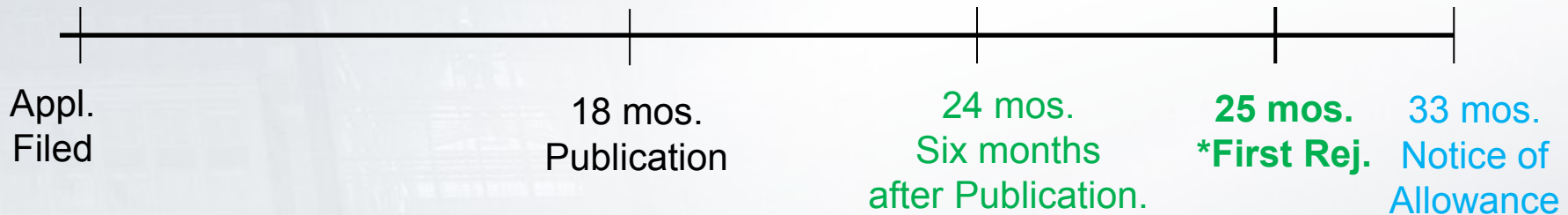


Preissuance Submissions: Timing

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



Preissuance Submissions: Timing Example



* Preissuance submission must be filed before this date



Preissuance Submission: Proposed Rules

- Submission is filed as of its date of receipt by the Office; cannot use certificate of mailing or transmission
- Third party:
 - can be anonymous; and
 - not required to serve submission on applicant
- No duty on applicant to reply to submission, absent a request by Office



Preissuance Submission: Proposed Rules

- Examiner will consider submissions in the same manner as information in an IDS
- Third party is not permitted to respond to an examiner's treatment of a submission



Preissuance Submission: Proposed Fees

Service	Cost
First submission of 3 or fewer documents with “first and only” statement	\$0
Submission of 10 documents or fraction thereof	\$180



Citation of Patent Owner Statement

- Allows patent owner or third party to submit written statements made by the patent owner before a Federal court or the Office regarding the scope of any claim of the patent
- Submission may be made anonymously
- Corroboration required
- Limits the Office's use of such written statements to determining the meaning of a patent claim in:
 - *ex parte* reexamination proceedings that have already been ordered; and
 - *inter partes* review and post grant review proceedings that have been instituted



Citation of Patent Owner: Proposed Rules

- Third party must:
 - explain the pertinence and manner of applying any submission; and
 - serve submission on patent owner or demonstrate a bona fide attempt at service
- Patent owner may include an explanation how the claims differ from patent owner claim scope statement



Supplemental Exam: Availability

- 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



Supplemental Exam: Inequitable Conduct Immunization

- Purpose is to immunize the patent against an allegation of inequitable conduct for the information considered, reconsidered, or corrected during supplemental examination
- But 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



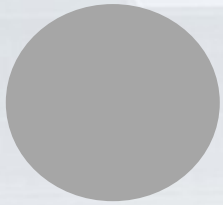
Supplemental Exam: Process

- USPTO must decide whether the information in the request raises a “substantial new question of patentability” within 3 months from the request
- Supplemental examination concludes with a supplemental reexamination certificate indicating whether any item of information raised an SNQ
- If an SNQ is raised by one or more items of information, then *ex parte* reexamination will be ordered



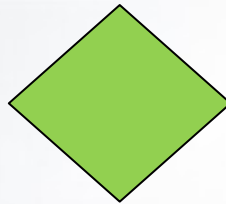
Supplemental Exam: Flowchart

Patent Owner
Request



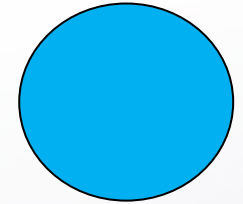
3 months

Decision on Patent
Owner Request:
Standard Triggered?



YES

Ex Parte
Reexamination



NO

Supplemental
Examination
Complete



Supplemental Exam: Material Fraud

- If the Office becomes aware of a material fraud on the Office in connection with the patent under supplemental examination, then USPTO:
 - must confidentially refer the matter to the U.S. Attorney General; and
 - may take other action as set forth in 35 U.S.C. 257(e), e.g., cancellation of any claims found to be invalid as a result of a reexamination



Supplemental Examination: Proposed Rules

- Request limited to ten items of information
- But more than one request for supplemental examination of the same patent may be filed at any time



Supplemental Examination: Proposed Rules

- Request must include:
 - Identification of the patent and each aspect of the patent for which supplemental examination is sought; and
 - Identification of each item of information that raises an issue with respect to that aspect of the patent



Supplemental Examination: Proposed Rules

- No amendment to any aspect of the patent may be filed in the supplemental examination
- But if *ex parte* reexamination is ordered, an amendment may be filed after the issuance of the initial Office action
- Supplemental examination certificate will be in electronic form



Supplemental Exam: Proposed Fees

Service	Cost
Filing fee (for processing and treating a request for supplemental examination)	\$ 5180
Reexamination fee (ordered as a result of supplemental examination)	\$16,120
Document size fees for processing and treating a non-patent document over 20 sheets in length	
TOTAL	\$21,300+
Refund if the Office decides not to order an ex parte reexamination proceeding	\$16,120

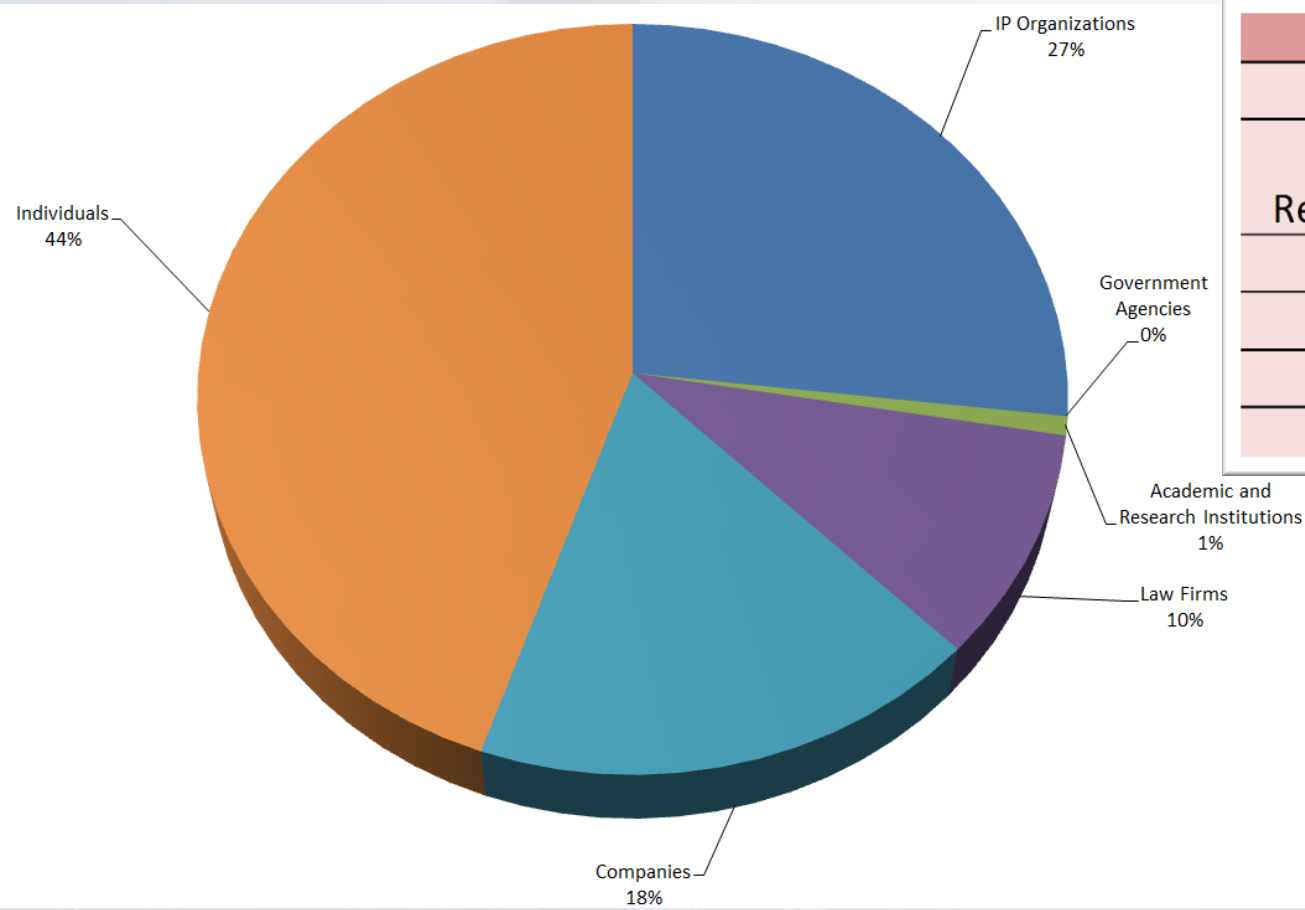


Patent Related Notices of Proposed Rulemaking

	AIA Provision	Comment Period End	Comments Received
1	Preissuance Submissions	March 5, 2012	36
2	Citation of Patent Owner Statement in a Patent File		17
3	OED Statute of Limitations		5
4	Inventor's Oath/Declaration	March 6, 2012	30
5	Supplemental Examination	March 25, 2012	35
	TOTAL	--	123



Comments on Patent Rulemaking



Entity	Comments
IP Organizations	33
Academic and Research Institutions	1
Law Firms	12
Companies	22
Individuals	55
TOTAL	123



Provisions of Law: Implementation Forthcoming

- First-inventor-to-file (effective March 16, 2013)
- Fee setting authority (effective September 16, 2011)
- Micro-entity (effective September 16, 2011)



First-inventor-to-file: Grace Period

- Transitions the U.S. to a first-inventor-to-file patent system from first-to-invent system
- Maintains 1-year grace period for inventor disclosures
 - If an inventor makes a disclosure during the 1-year period before its U.S. filing date, then that disclosure is excepted from being patent defeating prior art



First-inventor-to-file: Prior Art

- Broadens prior art:
 - Prior public use or prior sale anywhere qualifies as prior art
 - 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



First-inventor-to-file: Process

- 18 month timeline
- Few proposed rules; to issue in late June 2012
- Mainly implemented by agency guidance and revisions to the Manual of Patent Examining Procedure, also to issue in late June 2012



Fee Setting Authority

- Authorizes the USPTO to set or adjust patent and trademark fees by rule for 7 years
- Patent/trademark fees may be set to recover only the aggregate estimated cost of patent/trademark operations, including administrative costs





USPTO Fee Setting Principles

- Accelerate USPTO's progress in reducing the backlog of unexamined patent applications and reducing patent application pendency;
- Realign the fee structure to add processing options during patent application prosecution; and
- Put USPTO on a path to financial sustainability



USPTO Fee Setting Status

- 17 month timeline
- USPTO released preliminary proposed patent fees
- Patent Public Advisory Committee (PPAC) conducted two hearings and collected written comments in February 2012
- PPAC will issue report to USPTO tentatively by early June 2012



Fee Setting Status (cont.)

- USPTO will publish proposed fees in Federal Register in June 2012
 - 60-day public comment period triggered
- USPTO will implement final fees in February 2013



Preliminary Proposed Basic Filing, Search, and Exam Fees

Description	Historical Cost (2010)	Current Large Entity Fee	Preliminary Proposed Large Entity Fee	Dollar Change	Percent Change
Utility Basic Filing Fee	\$240	\$380	\$400	+ \$20	+5%
Utility Search Fee	\$1,690	\$620	\$660	+ \$40	+6%
Utility Examination Fee	\$1,970	\$250	\$780	+ \$530	+212%
TOTAL	\$3,900	\$1,250	\$1,840	+ \$590	+47%



Preliminary Proposed RCE Fees

Description	Historical Cost (2010)	Current Large Entity Fee	Proposed Large Entity Fee	Dollar Change	Percent Change
Request for Continued Examination Fee	\$1,696	\$930	\$1,700	+ \$770	+83%



Preliminary Proposed Pre-grant Publication and Issue Fees

Description ¹	Historical Cost (2010)	Current Large Entity Fee	Proposed Large Entity Fee	Dollar Change	Percent Change
Utility Issue Fee	\$231	\$1,740	*	N/A	N/A
Publication Fee for Early, Voluntary, or Normal Publication (PGPub)	\$158	\$300	*	N/A	N/A
PGPub and Issue Fee	\$389	\$2,040	\$960	- \$1,080	-53%



Preliminary Proposed Maintenance Fees

Description	Historical Cost (2010)	Current Large Entity Fee	Proposed Large Entity Fee	Dollar Change	Percent Change
Due at 3.5 years	\$1	\$1,130	\$1,600	\$470	+42%
Due at 7.5 years	\$1	\$2,850	\$3,600	\$750	+26%
Due at 11.5 years	\$1	\$4,730	\$7,600	\$2,870	+61%



Preliminary Proposed Appeals Fees

Description	Historical Cost (2010)	Current Large Entity Fee	Proposed Large Entity Fee	Dollar Change	Percent Change
Notice of Appeal (NOA)	\$4,960	\$620	\$1,500	\$880	142%
Filing a Brief in Support of an Appeal		\$620	\$0	-\$620	-100%
Appeal Fee		\$0	\$2,500	\$2,500	
Appeal Fee Changes - Subtotal	\$4,960	\$1,240	\$4,000	\$2,760	223%
Request for Oral Hearing	\$361	\$1,240	\$1,300	\$60	5%



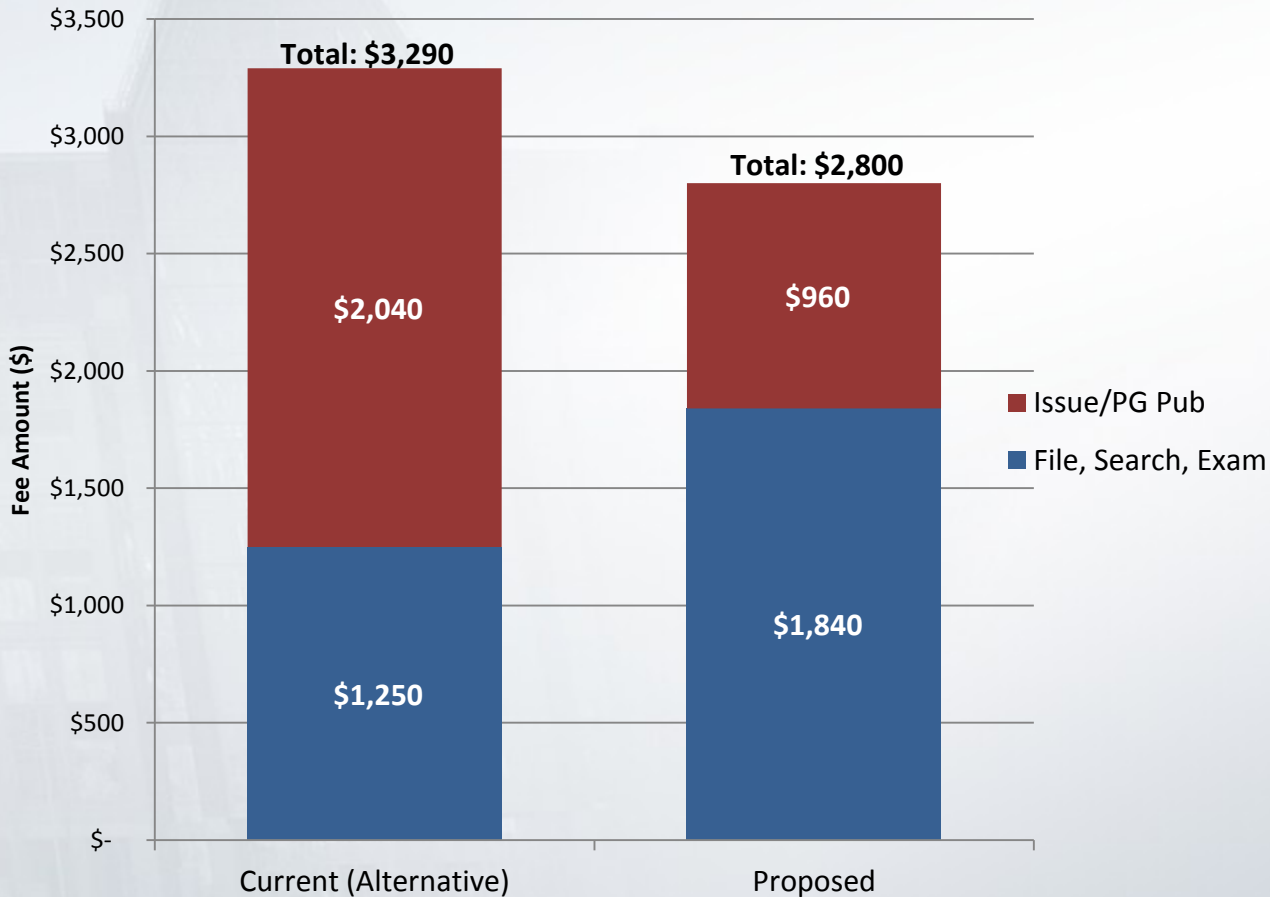
Preliminary Proposed Supplemental Examination Fees

Description	Cost	Fee Proposed in RIN 0651-AC69	Proposed Large Entity Fee	Dollar Change	Percent Change
Request for Supplemental Examination	\$5,180	\$5,180	\$7,000	+ \$1,820	+35%
Ex Parte Reexamination flowing from a Supplemental Examination	\$16,120	\$16,120	\$20,000	+ \$3,880	+24%



Preliminary Proposed Fee Structure for a Basic Patent

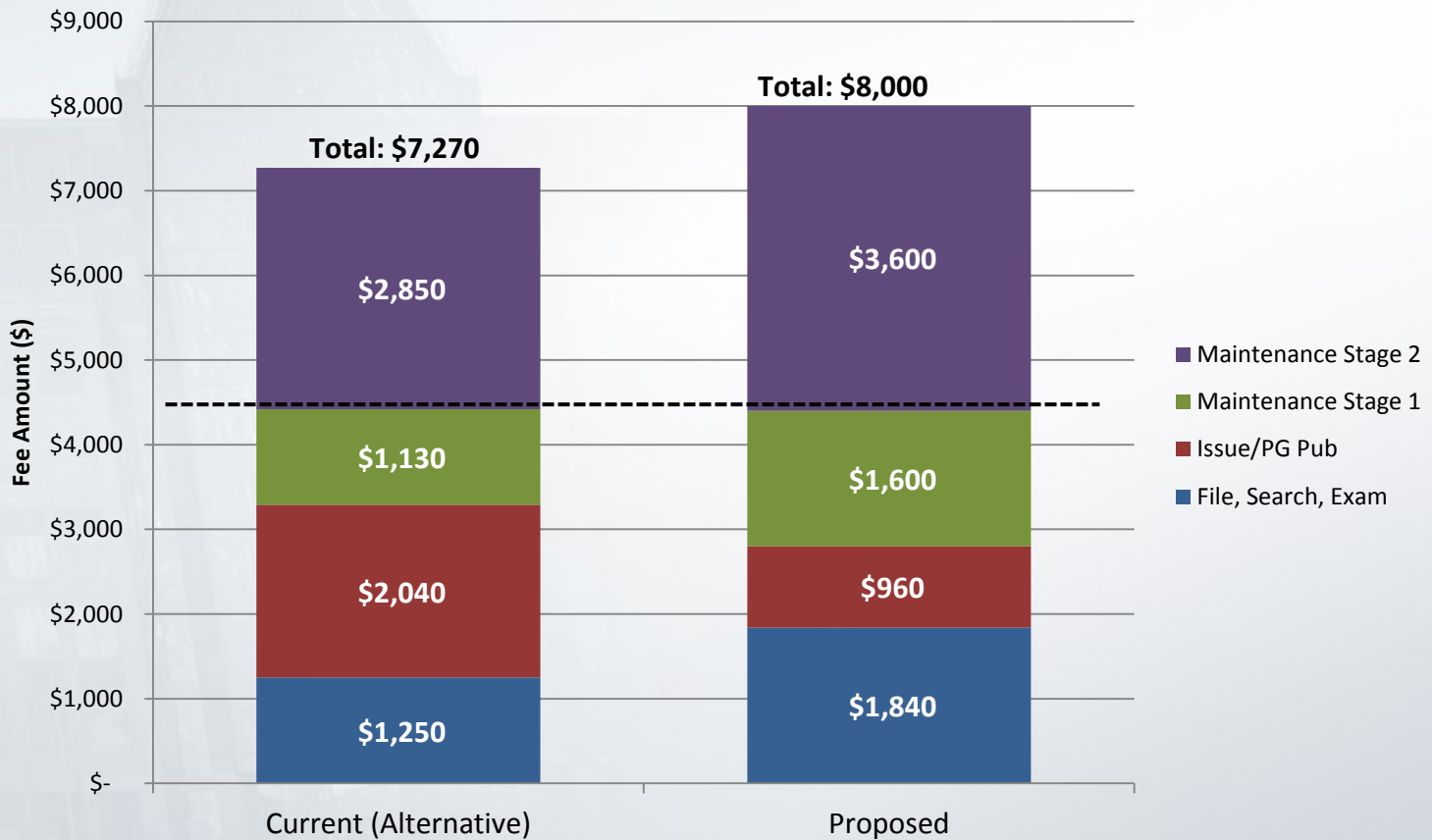
Current (Alternative) vs. Preliminary Proposed
F/S/E & Issue/PG Pub





Preliminary Proposed Fee Structure for a Basic Patent

Current (Alternative) vs. Proposed Fees through Maintenance Stage 2





Micro-entity

- New size-based entity status
- Entitled to a 75% discount on fees for “filing, searching, examining, issuing, appealing, and maintaining” patent applications/patents, once the USPTO exercises its fee setting authority
- Discount not available until USPTO exercises fee setting authority
- 2 alternative definitions



Micro-entity: General Definition

- 4 part general definition for “applicant” who certifies that he/she/it:
 1. qualifies as a small entity;
 2. has not been named as an inventor on more than 4 previously filed patent applications;
 3. did not have a gross income exceeding 3 times the median household income in the calendar before the applicable fees is paid; and
 4. has not assigned, granted, conveyed a license or other ownership interest (and is not obligated to do so) in the subject application to an entity that exceeds the gross income limit



Micro-entity: Alternate Definition

- Alternative definition for “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



Studies

	Topic	Due Date from Enactment	Status
1	International Patent Protection for Small Businesses	4 months	Complete
2	Prior User Rights	4 months	Complete
3	Genetic Testing	9 months	Ongoing
4	Misconduct Before the Office	Every 2 years	Future
5	Satellite Offices	3 years	Future
6	Virtual Marking	3 years	Future
7	Implementation of AIA	4 years	Future



Int'l Patent Protection for Small Businesses Study

- Focus = how USPTO and other federal agencies can best financially help small businesses with patent protection overseas
- USPTO consulted with the Department of Commerce and the Small Business Administration
- Report (33 pages) timely submitted to Congress on January 13, 2012



Int'l Patent Protection Report Recommendations

- Engage in diplomacy and harmonization to reduce the costs associated with filing foreign patent applications (e.g., via small entity discounts);
- Expand IP education and training for U.S. small businesses;
- Engage industry regarding how to best support U.S. small business efforts to patent internationally (e.g., corporate venture capital); and
- Collect more information and conduct further study regarding governmental financial assistance to U.S. small businesses (e.g., loan versus grant)



Prior User Rights Study

- Focus = operation of prior user rights (PUR) in other industrialized countries
- USPTO consulted with the United States Trade Representative, Secretary of State, and Attorney General
- Report (60-pages) timely submitted to Congress on January 13, 2012



Prior User Rights Report Recommendations

- PUR defense is consistent with that offered by major trading partners;
- No substantial evidence that PUR defense will have a negative impact on innovation, venture funding, small businesses, universities, or independent inventors;
- U.S. should re-evaluate economic impact of PUR defense in “Implementation of AIA” report due to Congress in 2015;
- PUR defense is appropriate balance between trade secret protection and patent law; and
- U.S. patent law should provide for a PUR defense to address inequity inherent in a first-inventor-to-file system



Genetic Testing Study

- Focus = effective ways to provide “second opinion” genetic diagnostic tests where:
 - gene patents; and
 - exclusive licensing for primary genetic diagnostic tests
- 2 hearings held where 20 witnesses testified
- 23 public written comments received; deadline extended to April 4 in view of *Prometheus* decision
- Report due by June 16, 2012



Programs

	Topic	Due Date from Enactment	Status
1	Pro Bono	Immediately	Complete
2	Diversity of Applicants	6 months	Complete
3	Patent Ombudsman for Small Businesses	12 months	Ongoing
4	Satellite Offices	3 years	Ongoing



Pro Bono Program

- Provides pro bono legal assistance to financially under-resource independent inventors and small businesses to file and prosecute patent applications
- Minnesota program running
- Task Force formed to expand the program to other cities; USPTO participating



Diversity of Applicant

- USPTO to establish methods for studying the diversity of patent applicants
- 2 fold approach:
 - For past U.S. applicants, partner with the U.S. Census Bureau to match diversity information in the aggregate;
 - For future U.S. applicants and non-U.S. applicants, publish a Request for Information in the Federal Register inviting public comment



Patent Ombudsman

- Pilot program commenced in April 2010; to be made permanent and announced in Federal Register Notice in June-July 2012
- Ombudsman facilitates complaint-handling when applications become stalled in examination process
- Complaints addressed within 10 business days
- Use of ombudsman does not circumvent normal examination process



Patent Ombudsman: Process

- Applicant/Attorney files complaint through www.uspto.gov/patents/ombudsman.jsp
- Ombudsman calls within one business day to obtain details
- Complaint is routed to the person who can address it (e.g., SPE, TC Director)
- Ombudsman will address the complaint directly when appropriate (e.g., status inquiry)



Satellite Offices

- USPTO required to open 3 satellite offices in 3 years
- Initial office planned for Detroit; opening July 2012
- USPTO issued Federal Register Notice seeking public comments on the locations of the 2 other satellite offices
 - 626 comments received
 - >100 localities recommended





Recap: Upcoming Activities

June 16, 2012

Genetic Testing Study Report
Due

June-July 2012

Micro entity
and Fee Setting
NPRMs to publish

June-July 2012

Patent Ombudsman Program
Commences



Recap: Upcoming Activities (cont.)

June-July 2012

First-inventor-to-file NPRM and
Guidance to publish

**By August
16, 2012**

Patent
Related and
Board Final
Rules Publish

July 2012

Detroit Satellite Office to Open



Bibliography

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- Joe Matal, A Guide to the Legislative History of the America Invents Act: Part I of II, 21 Fed. Cir. Bar Journal 435 (Spring 2012)

Thank You



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