

Monthly Report on AIA Implementation

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FROM: Under Secretary and Director David J. Kappos

DATE: November 16, 2011

RE: Implementation of the America Invents Act

I. Summary

The USPTO is on track in its implementation activities for the various rulemaking, studies, and programs to meet the statutorily-set effective dates. Since our last monthly report in mid-October, the agency has completed implementation of the majority of Group 1 rulemakings and is progressing on schedule in its implementation of Group 2 rulemakings. Specifically, the agency has developed its architecture for the Group 2 rulemakings and is in the process of preparing proposed rules.

Next, the agency is progressing on schedule in completing two studies with report due dates in mid-January 2012. We have hosted public hearings for both studies and the written comment periods recently closed with the agency in receipt of more than two dozen comments for each study. The agency is also on schedule in establishing the various programs required under the AIA with the Pro Bono Program running in Minneapolis and expansions under way for other cities and with investigations for satellite offices started.

Further, the agency is continuing its extensive public outreach through 38 new speaking engagements across the country and has further developed its micro-site by adding new information, garnering 1000-1500 visits per day. The public has been responsive to the agency's outreach, submitting 68 new comments in one month alone.

Finally, the agency designed and is featuring in the USPTO Madison Building lobby a special exhibit of Senator Patrick Leahy’s Signing Ceremony photos together with one of the pens that President Obama used to sign the America Invents Act into law and a red-line of the Act. The agency is proud to share a moment in patent law history with USPTO employees and the public through this exhibit.

II. AIA Provisions in Group 1

As shown in the table below, there are ten provisions in Group 1 that require action by the USPTO within 60-days of enactment. The agency has completed its implementation for all provisions, except fee setting, micro-entity, and the statute of limitations for disciplinary matters.¹ For fee setting and the micro-entity provisions, the agency may set or adjust fees pursuant to notice-and-comment rulemaking, which is currently in process and will be completed on a 12-18 month timeline. For the OED statute of limitations provision, the agency is planning for a Notice of Proposed Rulemaking.

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); and Fee for Filing a Patent Application Other than by the Electronic System, ___ Fed. Reg. ___ (Nov. 15, 2011)

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 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.

III. AIA Provisions in Group 2

As shown in the table below, there are seven provisions in Group 2 that require the agency to promulgate new rules by September 16, 2012. The agency has held several policy meetings over the past month to set the architecture for these various provisions. The agency also is in the process of reviewing the public input received to date for these provisions and, where appropriate, is fine-tuning the architecture in view thereof. We will complete Notices of Proposed Rulemaking (NPRMs) by mid-November to early December, setting forth the proposed rules with an explanation of their operation. We will then begin an internal USPTO clearance process, which includes review by all USPTO business units, the law division, and the Director's Office. After internal clearance is complete, the agency will provide the NRPMs to the Office of Management and Budget for clearance, and at the same time, share them with Commerce, the Unions, and our Patent Public Advisory Committee.

Table 2: Group 2 Rulemakings

	AIA Provision	Effective Date	Status Update
1	Inventor's oath/declaration	September 16, 2012	NPRM in progress; internal PTO clearance to begin in November 2011
2	Third party submission of prior art in a patent application	September 16, 2012	NPRM in progress; internal PTO clearance to begin in November 2011
3	Supplemental examination	September 16, 2012	NPRM in progress; internal PTO clearance to begin in November 2011
4	Citation of prior art in a patent file	September 16, 2012	NPRM in progress; internal PTO clearance to begin in November 2011
5	Inter partes review	September 16, 2012	NPRM in progress; internal PTO clearance to begin in November 2011
6	Post grant review	September 16, 2012	NPRM in progress; internal PTO clearance to begin in November 2011
7	Transitional program for covered business methods	September 16, 2012	NPRM in progress; internal PTO clearance to begin in November 2011

IV. AIA Provisions in Group 3

As shown in the table below, there are three provisions in Group 3 that require agency rulemaking or other action by March 16, 2013. Presently, the agency is collecting public feedback on these provisions and will turn attention to them after Group 2.

Table 3: Group 3 Rulemaking and Other Activities

	AIA Provision	Effective Date	Status Update
1	First-inventor-to-file	March 16, 2013	Attention forthcoming
2	Derivation proceeding	March 16, 2013	Attention forthcoming
3	Elimination of statutory invention registration	March 16, 2013	Attention forthcoming

V. Congressionally-Mandated Studies

As shown in the table below, the USPTO must conduct nine studies over the course of the next four years with three of those study reports due to Congress by September 16, 2012. Specifically, by mid-January 2012, the USPTO must complete the (i) Prior User Rights Study (in consultation with the United States Trade Representative, the Secretary of State, and the Attorney General); and (ii) International Patent Protection for Small Businesses Study (in consultation with Commerce and the Small Business Administration). And by mid-June 2012, the USPTO must complete the Genetic Testing Study.

For the Prior User Rights Study, the agency published a Federal Register Notice on October 7, 2011, seeking written comments and announcing a public hearing to be held on October 25, 2011, at the USPTO. Six witnesses testified at the public hearing, which lasted approximately 1.5 hours, and the agency has received 29 written comments. We will be compiling the public input as well as our own research over the next two months into a report for Congress. Meanwhile, we are in the process of posting a transcription of the hearing and all of the written comments on the AIA micro-site.

For the International Patent Protection Study, the agency similarly published a Federal Register Notice on October 7, 2011, seeking written comments and announcing two public hearings to be held on October 27, 2011, at the USPTO and on November 1, 2011, at the University of Southern California Gould School of Law in Los Angeles. Twelve witnesses testified at the two hearings, which lasted a total of roughly 6 hours. We have received 25 written comments. Like for the Prior User Rights Study, we are currently posting a transcription of the hearings and all of the written comments on the AIA micro-site and will be spending the next two months generating our report based on the public feedback and our independent research.

For the Genetic Testing Study, the agency will follow the same protocol as for the Prior User Rights and International Patent Protection for Small Businesses Studies. We will publish a Federal Register Notice in mid-January 2012, seeking written comments and announcing hearings. Dates and locations are presently under consideration.

Table 4: 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); hearings held on October 27 and November 1, 2011; approximately 25 written comments received
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); hearing held on October 25, 2011; approximately 29 written comments received
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

VI. Congressionally-Mandated Programs

As shown in the table below, the USPTO must establish three specific programs by September 16, 2012, and three satellite offices by September 16, 2014.

For the Pro Bono Program, the agency is participating in a Task Force with Chief Judge Randall Rader of the U.S. Court of Appeals for the Federal Circuit along with members of the patent bar to expand the existing program in Minnesota to other cities. The Task Force held its first meeting on October 21, 2011, to plan for the expansion in five additional areas of the country (e.g., Denver and Austin) with the goal of setting up programs in these areas in 2012.

For the Diversity of Applicants Program, discussions with the Census Bureau are ongoing to utilize Census data as a source for patent applicant diversity information.

For the Satellite Offices, we are preparing a Federal Register Notice for publication next week to solicit written comments and recommendations on the location of additional offices, subject of course to adequate funding from Congress to open them.

Table 5: AIA Required Program

	AIA Required Program	Due Date	Status Update
1	Pro Bono	September 16, 2011	Minnesota Pro Bono program running; Task Force convened to investigate expansion
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	Federal Register Notice in progress

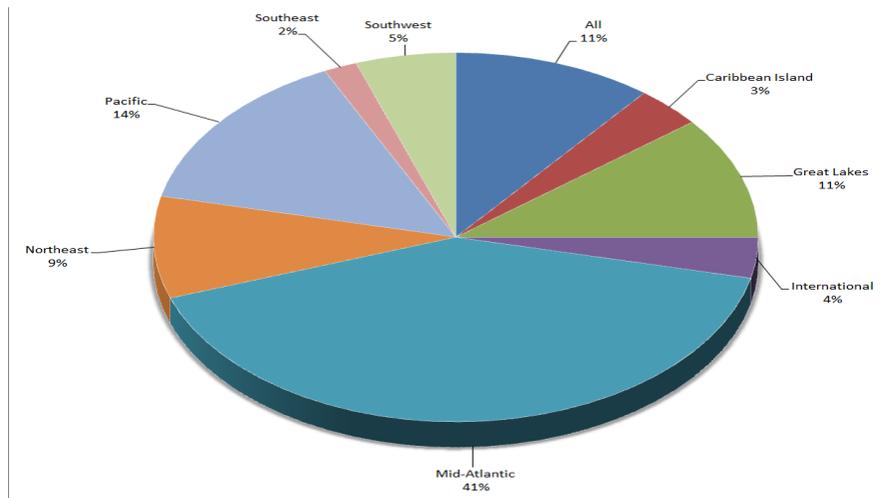
VII. Public Outreach for AIA

The USPTO is continuing its efforts to achieve a transparent implementation of the AIA and to encourage public input about our implementation activities. In particular, we have continued our participation in various speaking engagements and have regularly updated our micro-site with new features on a weekly basis.

A. Speaking Engagements

Since mid-October, the USPTO has given 38 additional presentations about the AIA and the agency's implementation to various external groups (i.e., 66 total since September 16, 2011, averaging over one per day). The majority were again in person (83%) with only a hand-full via webinar (17%). And we have continued our efforts to reach all regions of the country, as shown in the pie chart below. One of these presentations in particular was a webinar hosted by the USPTO and featuring a conversation with USPTO executives (Director David J. Kappos, Deputy Director Teresa Stanek Rea, Commissioner of Patents Robert Stoll, and General Counsel Bernie Knight) about the Act; this webinar was the first in a series planned by the agency to enable the public to directly pose questions to the agency.

Graph 1: Speaking Engagements by Geographic Region



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

Since mid-October, we have added a variety of features to our micro-site as listed below:

- 2 messages from the Director related to the (i) Prior User Rights and International Patent Protection Studies; and (ii) Leahy Photo Exhibit
- 1 Blog report covering the need and timing for public comments
- 2 press releases related to the (i) Prior User Rights and International Patent Protection Studies; and (ii) USPTO webinar with executives
- 1 new speech
- All Senate and House debate and vote documents forming the legislative history

In addition, to determine the usefulness of our AIA micro-site, we tracked the public's access from the date of enactment on September 16, 2011, until the end of October 2011. The micro-site has been viewed 60,727 times total, representing 44,630 unique views and 16,367 repeats views. Additionally, as shown in the graph below, there was a natural viewing peak that occurred immediately after the AIA was enacted, and there remains a steady pattern of about 1000-1500 page views per day.

Graph 2: AIA Micro-site Access



C. Leahy Photo Exhibit

The agency organized an exhibit of photographs taken by Senator Patrick Leahy at the Signing Ceremony in consultation with Senator Leahy's staff. The exhibit also includes one of the pens that President Obama used in signing the America Invents Act into law along with a red-line of the Act. The exhibit is prominently located in the USPTO Madison Building lobby, and the agency unveiled the exhibit on November 3, 2011, at a joint meeting of the Giles S. Rich and Pauline Newman Inns of Court with approximately 200 people in attendance.

VIII. Public Comments Received by USPTO

As of mid-October, the agency had only received 68 total comments. To encourage more comments, the agency revamped its comments page to specify the subject matter areas where comments were needed. Additionally, the agency wrote a blog entry on its micro-site requesting comments, and USPTO speakers pressed for public comments in all speaking engagements. As a result of these efforts, the number of comments doubled to 132 total comments.

Table 6: Overview of Public Comments on AIA

Submitter	As of October 16, 2011	As of November 12, 2011
Intellectual Property Organization	0	4
Government Agency	0	0
Academic and Research Institution	1	2
Law Firm	0	6
Company	4	8
Practitioner	17	39
Other	46	73
TOTAL	68	132