

# The America Invents Act

State of Patent Law in the US and Europe



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## *The Need to Modernize Outdated Patent Laws*

- National patent laws are generally stuck in the last century
- Global markets require global patent protection
- The world needs a 21<sup>st</sup> century patent system



## *Goals of US Patent Reform Legislation*

- Encourage innovation and job creation
- Support USPTO's efforts to improve patent quality and reduce backlog
- Establish secure funding mechanism
- Provide greater clarity around patent rights
- Provide less costly, time-limited administrative alternatives to litigation



## Patent Reform Legislation – “America Invents Act”

- September 16, 2011, U.S. President Barack Obama signed into law (P.L. 112-29) the Leahy-Smith America Invents Act



President Barack Obama signs the America Invents Act September 16, 2011, at Thomas Jefferson High School for Science and Technology in Alexandria, Va.



## *Key Provisions of AIA*

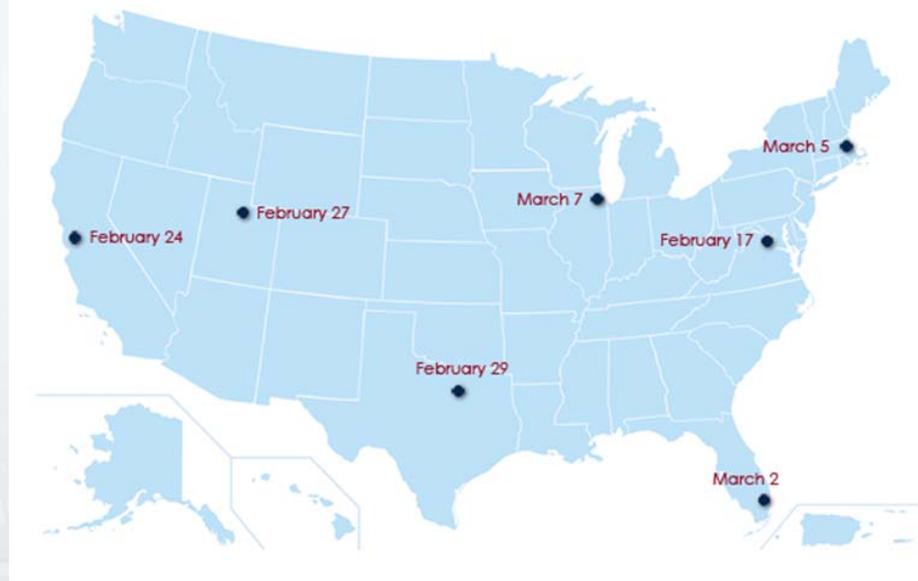
- First-to-File
- USPTO Fee-Setting Authority
- Post-Grant and *Inter Partes* Review Procedures
- Post-Grant Review of Business Method Patents
- Supplemental Examination
- 3<sup>rd</sup> Party Submissions of Prior Art
- Priority Examination for Important Technologies
- Limits False Marking Litigation
- Expansion of Prior User Defense



## AIA Micro-Site

### USPTO's website devoted to America Invents Act

- One-stop for all America Invents Act information
- Full text of bill and summary documents, including legislative history
- Implementation plans
- Announcements
- Points of contact



<http://www.uspto.gov/AmericaInventsAct>



# *Challenges In Implementation*

- Numerous provisions to implement simultaneously
  - Challenge: Ensure that regulations and/or guidance are complementary.
  
- Short time periods for implementation
  - Date of enactment, 10 days, 12 months, 18 months.
  
- Coordination within USPTO and with other governmental agencies:
  - Including: U.S. Small Business Association, U.S. Trade Representative, Department of State, Department of Justice, and Department of Commerce.
  
- Effectively addressing new operational challenges (for example, IT updates, training, hiring personnel).

## What we have implemented:

## What remains to be implemented:

### (60-Day and Under Effective Dates)

- Reexamination transition for threshold
- Tax strategies are deemed within the prior art
- Best Mode
- Human organism prohibition
- Patent term extension for drugs
- Virtual and false marking
- Venue change from DDC to EDVA for certain suits
- OED Statute of Limitations
- Fee Setting Authority (Sec. 10)
- Establishment of micro-entity (effective after Sec. 10 rulemaking completed)
- Prioritized examination
- 15% transition surcharge
- Electronic filing incentive
- Reserve fund

### (12-Month Effective Date)

- Inventor's oath/declaration
- Third party submission of prior art for patent application
- Supplemental examination
- Citation of prior art in a patent file
- Priority examination for important technologies
- *Inter partes* review
- Post-grant review
- Transitional post-grant review program for covered business method patents

### (18-Month Effective Date)

- First-to-File
- Derivation proceedings
- Repeal of Statutory Invention Registration



## Track One Statistics

	<b>Petitions Filed</b>	<b>Days to Petition Decision</b>	<b>% of Decided Petitions Granted</b>	<b>Days from Petition to first Office action</b>
Number of Track One Applications	2,711	46.3	98%	41.6
<b>Examination Status</b>	<b>First Action on Merits mailed</b>		<b>Final Dispositions mailed</b>	<b>Allowances Mailed</b>
Number of Track One applications	1,481		39	153

Average Days to Notice of Allowance or Final Action from Grant of Request **78.3 days.**



## Studies: USPTO as Lead Agency

Topic	Objective	Due from Enactment	Status
International Protection for Small Businesses	Report on how to help small businesses with international patent protection, including a revolving fund loan or grant program to defray costs	4 months	Submitted to Congress 1/14/12
Prior User Rights	Report on the operation of prior user rights in other industrialized countries	4 months	Submitted to Congress 1/14/12
Genetic Testing	Report on providing second opinion genetic diagnostic testing	9 months	2 public hearings held; comment closed last week
Misconduct Before the Office	Report on impact of new statute of limitations provisions barring disciplinary action in response to substantial evidence of misconduct before the Office	Every 2 years	----
Satellite Offices	Report on the rationale for selecting the location of satellite offices, progress in establishment, and achieving identified purposes	3 years	----
Virtual Marking	Report on the effectiveness of the virtual marking as an alternative to physical marking articles	3 years	----
Implementation of AIA	Report on how AIA is being implemented by the USPTO and its effect on innovation, competitiveness, and small business access to capital	4 years	----



## Programs: USPTO to Establish

Topic	Objective	Due Date from Enactment	Status
Pro Bono	Directs USPTO to work with IP law associations to establish pro bono programs to assist financially under-resourced independent inventors and small businesses	Immediately	<ul style="list-style-type: none"> <li>-One program is up and running with 12 clients.</li> <li>-5 more programs are projected by the end of 2012 and 10-11 more by the end of 2013.</li> </ul>
Diversity of Applicants	Requires USPTO to establish methods for studying diversity of patent applicants	6 months	<ul style="list-style-type: none"> <li>-The USPTO is establishing a process that includes sharing USPTO data with Census and the reporting of diversity information by Census to the USPTO.</li> <li>-Soon a proposed process will be available for public comment.</li> </ul>
Patent Ombudsman for Small Businesses	Requires USPTO to establish and maintain a Patent Ombudsman Program to provide support and services to small business concerns and independent inventors	12 months	<ul style="list-style-type: none"> <li>-The Program has been made permanent.</li> <li>-Goal: to ensure that the Office serves both independent inventors and small business owners as they navigate the patent process.</li> </ul>
Satellite Offices	Requires USPTO to establish 3 or more satellite offices in the U.S.	3 years	<ul style="list-style-type: none"> <li>-Currently gathering and analyzing data to evaluate criteria identified in the AIA.</li> <li>-Team will provide a set of recommendations this summer.</li> </ul>



## *Global Impacts of AIA*

- AIA adopts international norms related to:
  - First-to-file
  - Prior user rights
  - Broadening the definition of prior art
  - Eliminating the *Hilmer* doctrine
  - Virtually eliminating the best mode requirement
- US Patent Reform:
  - Facilitates worksharing with international patent offices
  - Provides renewed opportunities to harmonize the international patent system

# Thank You!



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