America Invents Act (AIA): Overview of Key Provisions

SLA Annual Conference
June 10, 2013

Janet Gongola
Patent Reform Coordinator and Associate Commissioner for Patent Examination Policy
Janet.Gongola@uspto.gov
Direct dial: 571-272-8734
"This long-overdue reform is vital to our ongoing efforts to modernize America’s patent laws and reduce the backlog of 700,000 patent applications – which won’t just increase transparency and certainty for inventors, entrepreneurs and businesses, but help grow our economy and create good jobs."

-President Barack Obama
Intellectual Property and the Economy: Industries in Focus (Data for 2010)

• Entire U.S. economy relies on some form of IP

• 40 million jobs tied to IP-intensive industries

• $5.06 trillion, or 34.8% of U.S. gross domestic product, attributable to IP-intensive industries

• 42% higher wages in IP-intensive industries

• 60.7% of all exports, or $775 billion, from IP-intensive industries
IP-Intensive Industries by State

AIA Enactment Timeline

Day of Enactment
Sept 16, 2011

- Reexamination transition for threshold
- Tax strategies are deemed within prior art
- Best mode
- Human organism prohibition
- OED statute of limitations

10 Days
Sept 26, 2011

- Prioritized Examination
- 15% transition Surcharge

Oct 1, 2011

- Reserve Fund

60 Days
Nov 15, 2011

- Electronic filing incentive

12 Months
Sept 16, 2012

- Inventor's oath/declaration
- Preissuance submission
- Supplemental examination
- Citation of prior art in a patent file
- Inter partes review
- Post-grant review
- Covered business method review

18 Months
Mar 2013

- First-inventor-to-file
- Derivation proceedings
- Repeal of statutory invention registration
- New patent fees
- Micro entity discount

Provisions are enacted
Prioritized Examination

- Secure an expedited examination of a patent application

- Available for utility, plant, and continuing patent applications and requests for continued examination
  - Not available for international, design, reissue, or provisional applications or in reexamination proceedings

- Requirements:
  - no more than 4 independent claims, 30 total claims, and no multiple dependent claims; and
  - electronically file (utility application); and
  - pay fee ($4000 for large entity; $2000 for small entity; $1000 for micro entity)
# Prioritized Examination Statistics (through May 16, 2013)

<table>
<thead>
<tr>
<th>Petitions Filed</th>
<th>% of Decided Petitions Granted</th>
<th>Average Days from Petition grant to first Office action</th>
<th>Average Days from Petition Grant to Final Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,085</td>
<td>94%</td>
<td>59</td>
<td>176</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>First Action Completed</th>
<th>Final Dispositions</th>
<th>Allowances</th>
<th>Percent of Petitions From Small Entities</th>
<th>Number of Micro Entity Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,004</td>
<td>4,749</td>
<td>2,354</td>
<td>45%</td>
<td>18</td>
</tr>
</tbody>
</table>
Prioritized Examination Filings by Workgroup (through May 16, 2013)

Track One Filings by Workgroup

- 1620: Organic Chemistry
- 2170: Graphical User Interface
- 2440: Computer Networks
- 2650: Videophones & Telephonic Communications
- 2830: Circuits/Measuring
- 3620: Data Processing: Financial Business Practice
- 3730: Medical Instruments, Diagnostic Equipment

1770: Separation, Purification, Petroleum & Processing
Prioritized Examination Total Pendency v. Traditional Total Pendency

Track 1 Terminal Disposals FY 2012

- Prosecution Time with Office: 1.3 months
- Time Awaiting First Action: 2.9 months
- Prosecution Time with Applicant: 2.9 months

Terminal Disposals FY 2012

- Prosecution Time with Office: 2.6 months
- Time Awaiting First Action: 23.8 months
- Prosecution Time with Applicant: 6.7 months
Inventor’s Oath or Declaration

• Permits an assignee, person to whom there is an obligation to assign, or person with a sufficient proprietary interest in the claimed invention to be the applicant
  • Term “applicant” is no longer synonymous with the inventor
  • Each inventor must still be named in application

• Filing the oath/declaration may be postponed until the application is otherwise in condition for allowance, provided that a signed Application Data Sheet has been submitted:
  • identifying each inventor by his or her legal name; and
  • with a mailing address and residence for each inventor
Preissuance Submissions

- Any third party may submit printed publications for consideration and inclusion in the record of an application to aid the examiner in determining the patentability of a claimed invention

- Submission must:
  - be timely;
  - made in writing; and
  - include concise description of asserted relevance of each document, fee, and statement of compliance with statute

- May be filed in pending or abandoned utility, design, and plant applications filed before, on, or after September 16, 2012
  - May not be filed in issued patents, reissue applications, or reexamination proceedings
Preissuance Submissions Per Technology (Data from Sept 16, 2012 to May 17, 2013)

Number of Submissions Per TC

Total 3rd Party Submissions 683
# Preissuance Submissions Documents

(Data from Sept 16, 2012 to May 17, 2013)

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patents</td>
<td>739</td>
</tr>
<tr>
<td>Published US Apps</td>
<td>425</td>
</tr>
<tr>
<td>Foreign Reference</td>
<td>359</td>
</tr>
<tr>
<td>NPL</td>
<td>708</td>
</tr>
<tr>
<td>Total Documents</td>
<td>2231</td>
</tr>
</tbody>
</table>

## Total Documents Breakdown

- Patents: 739
- Published US Apps: 425
- Foreign Reference: 359
- NPL: 708
Applications w/Office Actions Generated after Receipt of Proper Third Party Submissions

- 22.4% % Relying on 3rd Party
- 77.6%

Represents 58 Total Applications
Applications having Rejections (by Statute) & Using Third Party Submissions

53.8% 23.1% 23.1%

Number of References Used (by type)

103 Rejections Based Actions
102 Rejections Based Actions
Both 102 & 103 Rejections Based Actions
Patents 7
PGPubs 3
Foreign 2
NPL 4

Represents 13 Total Applications
A company named Appsbar has obtained a US utility patent on code generation as used for creating cross-platform apps for mobile devices: US8261231. This patent was filed for on Feb 14, 2012. Since I definitely recall various solutions for this prior to mid-February of this year, I am opening up a call to collect prior art, to help anyone looking to get this patent re-examined or otherwise invalidated.

The main claim is:

1. A system for allowing users to develop mobile applications that are capable of being compiled to run on a plurality of mobile operating systems associated with various mobile devices, the system comprising:
   - a computing device having physical memory storing instructions that cause the computing device to:
   - provide a mobile application development platform adapted to assist users with the development and customization of mobile applications;
I believe Norwegian company mBricks have been developing cross-compilation tools that have existed far longer than that.

Do you have references to publications, or to products that were sold and that are likely to contain prior art? – Gilles Nov 20 at 17:15

I'm on vacation so I can't investigate further atm, but I'm sure they'll answer if you send them a mail and ask them. – hanspeide Nov 21 at 3:46
Supplemental Examination

• 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

• USPTO must decide whether the information in the request raises a “substantial new question of patentability” (SNQ) within 3 months from the filing date of the request

• Supplemental examination concludes with a supplemental certificate indicating whether any item of information raised an SNQ

• If an SNQ is raised by one or more items of information in the request, then USPTO will order ex parte reexamination
Supplemental Examination Statistics
(Data from Sept 16, 2012 to May 14, 2013)

• Supplemental Examination Filed: 21

• Supplemental Examination Completed: 11
  – Reexamination Ordered: 7
  – Reexamination Not Ordered: 4
Administrative Trials

• 3 types:
  o inter partes review;
  o post grant review; and
  o covered business method review--specialized type of post grant review for a covered business method

• Enable third party to challenge patentability of claimed invention in an issued patent before Patent Trial and Appeal Board (PTAB) at USPTO as an “alternative” to district court litigation
• Advantage of administrative trials over district court litigation:
  o faster (done in 12 months if trial instituted);
  o cheaper (discovery is limited and all filings are electronic);
  o opportunity to amend claims; and
  o expert decision-maker (panel of 3 APJs with technical training v. district court non-technical judge)
## Features of Administrative Trials

<table>
<thead>
<tr>
<th>Proceeding</th>
<th>Petitioner</th>
<th>Available</th>
<th>Standard</th>
<th>Basis</th>
</tr>
</thead>
</table>
| **Post Grant Review (PGR)** | • Person who is not the patent owner and has not previously filed a civil action challenging the validity of a claim of the patent  
  • Must identify real party in interest | From patent grant to 9 months from patent grant or reissue | More likely than not  
  OR  
  Novel or unsettled legal question important to other patents/applications | 101, 102, 103, 112, double patenting but not best mode |
| **Inter Partes Review (IPR)** | For a first-to-invent patent, from the later of: (i) any time after patent grant, or (ii) the date of termination of any post grant review of the patent  
  For a first-inventor-to-file patent, from the later of: (i) 9 months after patent grant; or (ii) the date of termination of any post grant review of the patent | Reasonable likelihood | 102 and 103 based on patents and printed publications |
### Features of Administrative Trials (cont.)

<table>
<thead>
<tr>
<th>Proceeding</th>
<th>Applicable</th>
<th>Estoppel</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post Grant Review (PGR)</td>
<td>Patent issued under first-inventor-to-file</td>
<td>• Raised or reasonably could have raised</td>
<td>Must be completed within 12 months from institution, with 6 months good cause exception possible</td>
</tr>
<tr>
<td>Inter Partes Review (IPR)</td>
<td>Patent issued under first-to-invent or first-inventor-to-file</td>
<td>• Applied to subsequent USPTO/district court/ITC action</td>
<td></td>
</tr>
</tbody>
</table>
Administrative Trial Process

Petition Phase:
- Third Party Petition Filed
  - 3 months
- Patent Owner Preliminary Response
- PTAB Decision on Petition

Trial Phase:
- Patent Owner Response
  - 3 months
- Third Party Reply
  - 1 month
- Patent Owner Reply
  - 2 months
- Oral Hearing
  - 3 months
- PTAB Final Written Decision

No more than 12 months
## Petitions Per Month
(Data from Sept 16, 2012 to May 29, 2013)

<table>
<thead>
<tr>
<th>Month</th>
<th>IPR</th>
<th>PGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2012</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>October 2012</td>
<td>24</td>
<td>5</td>
</tr>
<tr>
<td>November 2012</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>December 2012</td>
<td>32</td>
<td>0</td>
</tr>
<tr>
<td>January 2013</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>February 2013</td>
<td>30</td>
<td>0</td>
</tr>
<tr>
<td>March 2013</td>
<td>38</td>
<td>2</td>
</tr>
<tr>
<td>April 2013</td>
<td>27</td>
<td>4</td>
</tr>
<tr>
<td>May 2013</td>
<td>41</td>
<td>6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>258</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>
## Petitions Per Technology
(Data from Sept 16, 2012 to May 29, 2013)

<table>
<thead>
<tr>
<th>Technology</th>
<th>Number of Petitions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical/Computer</td>
<td>199</td>
<td>69.8%</td>
</tr>
<tr>
<td>Mechanical</td>
<td>32</td>
<td>11.2%</td>
</tr>
<tr>
<td>Chemical</td>
<td>36</td>
<td>12.7%</td>
</tr>
<tr>
<td>Bio/Pharma</td>
<td>16</td>
<td>5.6%</td>
</tr>
<tr>
<td>Design</td>
<td>2</td>
<td>0.7%</td>
</tr>
</tbody>
</table>
## Trial Institution and Settlement
(Data from Sept 16, 2012 to May 29, 2013)

<table>
<thead>
<tr>
<th>Proceeding Type</th>
<th>Instituted Trial</th>
<th>Denial</th>
<th>Joinders</th>
<th>Total Number of Decisions</th>
<th>Settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>IPR</em></td>
<td>84</td>
<td>7</td>
<td>1</td>
<td>92</td>
<td>7</td>
</tr>
<tr>
<td><em>CBM</em></td>
<td>11</td>
<td>3</td>
<td>0</td>
<td>14</td>
<td>0</td>
</tr>
</tbody>
</table>
First-Inventor-to-File v. First-to-Invent

• First-inventor-to-file: awards patent to the first inventor to file a patent application, regardless of the date of invention

• First-to-invent: awards patent to the first to invent, regardless of the filing date of the patent application
First-Inventor-to-File

- Harmonizes the U.S. patent law with other industrialized countries:
  - Critical date = effective filing date of the claimed invention
  - Eliminates the geographic restriction on sales and uses
  - Eliminates the use of secret sales as prior art
  - Treats a U.S. patent or published patent application as prior art as early as the filing date of the foreign priority application
• Retains—and even expands—the grace period

  o Inventor’s public disclosure of his work in the one year period before the inventor files for a patent application will not be available as prior art

  o Third party’s disclosure of the claimed invention during the grace period will not be available as prior art if the third party obtained the claimed invention directly or indirectly from the inventor
Derivation

- Proceeding before Patent Trial and Appeal Board to determine whether an earlier filer “derived” the claimed invention from a later filer and thus is not the first inventor to file
Fee Setting

• Ensure patent fee schedule generates sufficient aggregate revenue to recover aggregate costs of USPTO operations

• Individual fees set using agency discretion

• Goals:
  • Optimize patent timeliness and quality;
  • Implement a sustainable funding model for operations;
  • Encourage innovation;
  • Facilitate administration of patent system; and
  • Offer prosecution options to applicants
Comparison of Current Fees to Fees Prior to March 19, 2013: Filing through Issue

Note: In each of the following summary pages, the fees paid will also increase (a) for each independent claim in excess of 3; (b) for total claims in excess of 20; and (c) for each multiple dependent claim.
Comparison of Current Fees to Fees Prior to March 19, 2013: Filing through 3rd Stage Maintenance

<table>
<thead>
<tr>
<th>Fees Prior to March 19th</th>
<th>Final Rule</th>
<th>Average Historical Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,260</td>
<td>$1,600</td>
<td>$4,147</td>
</tr>
<tr>
<td>$1,150</td>
<td>$1,600</td>
<td>$3,713</td>
</tr>
<tr>
<td>$2,900</td>
<td>$3,600</td>
<td></td>
</tr>
<tr>
<td>$4,810</td>
<td>$7,400</td>
<td></td>
</tr>
<tr>
<td>$12,190</td>
<td>$15,160</td>
<td>Increased by $2,970 (24%)</td>
</tr>
</tbody>
</table>

Note: The cost for 1st, 2nd, and 3rd Stage Maintenance Fees is $1 each.
Micro Entity Discount

• Entitled to a 75% discount on fees for “filing, searching, examining, issuing, appealing, and maintaining” patent applications/patents

• 2 ways to be eligible:
  o Limited income and limited number of patent filings; or
  o Employment or assignment to institution of higher education

• Must certify micro entity eligibility before paying a fee in the micro entity amount

• 1,485 UPR applications have claimed micro entity status as of May 24, 2013
Satellite Offices

Dallas-Fort Worth
- Temporary Space Open
- 4 PTAB Judges

Denver
- Byron G. Rogers Building
- Temporary space Open
- 5 PTAB Judges

Detroit
- 74 patent examiners
- 10 PTAB Judges

Silicon Valley
- Temporary Space Open
- Michelle Lee, Director
- 4 PTAB Judges
AIA Help

- 1-855-HELP-AIA (1-855-435-7242)
- HELP@uspto.gov
- www.uspto.gov/AmericaInventsAct
  - FAQs
  - Videos
  - Reference guide for final rules
Thank You

Janet Gongola
Patent Reform Coordinator and Associate Commissioner for Patent Examination Policy
Janet.Gongola@uspto.gov
Direct dial: 571-272-8734