Challenges of Implementation

• Numerous provisions to implement simultaneously
  – Ensure that regulations and/or guidance is complementary and not at odds

• Short time periods
  – Date of enactment, 12 months, 18 months

• Coordination required among various USPTO business units as well as other governmental entities
  – Patents, Board of Patent Appeals and Interferences, Finance
  – Small Business Administration, U.S. Trade Representative, Secretary of State, Attorney General, and Secretary of Commerce

• Operational matters, for example, IT updates, training, hiring personnel
### Group 1 Rulemakings and Other Actions
**60-Day and Under Effective Dates** (a.k.a. G1 Rulemakings)

<table>
<thead>
<tr>
<th>Date of Enactment</th>
<th>10 Days After Date of Enactment</th>
<th>October 1, 2011</th>
<th>60 Days After Date of Enactment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(September 16, 2011)</td>
<td>(September 26, 2011)</td>
<td>Reserve fund</td>
<td>Electronic filing incentive</td>
</tr>
</tbody>
</table>

- Inter partes reexamination threshold and termination
- Tax strategies are deemed within the prior art
- Best mode
- Human organism prohibition
- Venue change from DDC to EDVA for suits brought under 35 U.S.C. §§ 32, 145, 146, 154 (b)(4)(A), and 293
- OED Statute of Limitations
- Fee Setting Authority (effective after rulemaking)
- Establishment of micro-entity (effective after rulemaking)
- Prioritized examination
- 15% transition surcharge

10/24/2011
• Elevate standard for triggering an inter partes reexamination
  – from “substantial new question” of patentability (“SNQ”)
  – to “reasonable likelihood that the requester will prevail with respect to at least one of the challenged claims” (“reasonable likelihood”)

• Standard for ex parte reexamination remains as SNQ
• Inter partes reexamination termination on September 16, 2012

• Establishes inter partes review to replace inter partes reexamination

• Inter partes review effective on September 16, 2012
• Revision of Standard for Granting an Inter Partes Reexamination Request, 76 Fed. Reg. 59055 (Sept. 23, 2011)

• Impacts 37 C.F.R. §§ 1.913, 1.915, 1.923, 1.927
• 35 U.S.C. § 282 amended to eliminate best mode as a defense to patent infringement

• 35 U.S.C. § 112, first paragraph, maintains best mode as a condition for patentability

• Best mode unavailable to challenge patentability in a post-grant review proceeding

• MPEP § 2165 remains the same

• Memo to Examiners, Sept. 20, 2011
Fee Setting Authority
(Effective September 16, 2011)

• Sunsets 7 years after enactment

• Authorizes the USPTO to set or adjust patent and trademark fees by rule

• Patent/trademark fees may be set to recover only the aggregate estimated cost of patent/trademark operations, including administrative costs

• Small entity and micro-entity discounts apply to fees for “filing, searching, examining, issuing, appealing, and maintaining” patent applications/patents
Micro-entity
(Effective September 16, 2011)

- 4 part definition:
  - Qualifies as a small entity;
  - Has not been named as an inventor on more than 4 previously filed patent applications;
  - Did not have a gross income exceeding 3 times the median household income in the calendar year preceding the calendar year in which the applicable fees is paid; and
  - Has not assigned, granted, conveyed a license or other ownership interest (and is not under an obligation to do so) in the subject application to an entity that exceeds the gross income limit
Micro-entity (cont.)

• Entitled to a 75% discount on fees, once the USPTO exercises its fee setting authority to set fees

• Applicants are not considered to be named on a previously filed application if he/she has assigned, or is obligated to assign, ownership as a result of previous employment

• Includes applicants who are employed by an institute of higher education and has assigned, or is obligated to assign, ownership to that institute of higher education
Prioritized Exam (a.k.a. Track 1)  
(Effective September 26, 2011)

- Original utility or plant patent application accorded special status 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 is terminated without a refund of prioritized exam fee if patent applicant:
  – petitions for an extension of time to file a reply or to suspend action; or
  – amends the application to exceed the claim restrictions
Prioritized Exam (cont.)

• USPTO may not accept more than 10,000 requests for prioritized exam per fiscal year, absent regulations to prescribe for conditions for acceptance and limitation on the number of filings

• Prioritized examination fee deposited into USPTO appropriations account

• Prioritized examination fee of $4800/$2400 terminates when USPTO exercises fee setting authority
• 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)

• Impacts 37 C.F.R. §§ 1.17 and 1.102
## Prioritized Exam Statistics
(As of October 13, 2011)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Pending</th>
<th>Granted</th>
<th>Dismissed</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2011</td>
<td>842</td>
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</tr>
<tr>
<td>FY2012</td>
<td>92</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>
15% Surcharge
(Effective September 26, 2011)

• 15% surcharge on all fee charged or authorized under 35 U.S.C. § 41 (a), (b), and (d)(1)

• 15% surcharge does not apply to international stage PCT fees, certain petition fees, and enrollment fees

• 15% surcharge deposited into USPTO appropriations account

• Terminates when USPTO exercises fee setting authority

• Fee table at http://www.uspto.gov/about/offices/cfo/finance/fees.jsp

Reserve Fund
(Effective October 1, 2011)

- Account for all patent and trademark fees collected in excess of the annual appropriation amount
  - USPTO may spend fees in the Reserve Fund to the extent and in amounts authorized in annual appropriations

- Reaffirms Trademark “Fence”

- Establishes Patent “Fence”
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
Group 2 Rulemakings
(12-Month Effective Date, i.e., September 16, 2012) (a.k.a. G2 Rulemakings)

- 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 program for covered business method patents
• First-Inventor-to-File

• Derivation proceedings

• Repeal of Statutory Invention Registration
## Studies: USPTO as Lead Agency

<table>
<thead>
<tr>
<th>Topic</th>
<th>Due Date from Enactment</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Patent Protection for Small Businesses</td>
<td>4 months</td>
</tr>
<tr>
<td>Prior User Rights</td>
<td>4 months</td>
</tr>
<tr>
<td>Genetic Testing</td>
<td>9 months</td>
</tr>
<tr>
<td>Misconduct Before the Office</td>
<td>Every 2 years</td>
</tr>
<tr>
<td>Satellite Offices</td>
<td>3 years</td>
</tr>
<tr>
<td>Virtual Marking</td>
<td>3 years</td>
</tr>
<tr>
<td>Implementation of AIA</td>
<td>4 years</td>
</tr>
</tbody>
</table>
• USPTO directed to study international patent protection for small businesses
  – how USPTO and other federal agencies can best help small businesses with patent protection overseas, including whether a loan or grant program should be established to help small businesses cover the costs of application, maintenance, and enforcement fees or related technical assistance

• USPTO will consult with the Department of Commerce and the Small Business Administration
• Public input via:
  – Written comments (30 day window); and/or
  – Public hearings
    • October 27, 2011, 1 to 4 pm @ USPTO
    • November 1, 2011, 9 am to noon @ University of Southern California Gould School of Law

• Report due by January 14, 2012

Prior User Rights Study

• USPTO directed to study the operation of prior user rights in other industrialized countries, including:
  – a comparison of patent laws between the United States and members of the European Union, Japan, Canada, and Australia;
  – the effects of prior user rights on innovation, startups, and venture capital;
  – any legal issues that arise with trade secret law; and
  – the impact of switching to a first-to-file patent system

• USPTO will consult with the United States Trade Representative, the Secretary of State, and the Attorney General
• Public input via:
  – Written comments (30 day window); and/or
  – Public hearing
    • October 25, 2011, 8:30 to 11:30 am @ USPTO

• Report due by January 16, 2012

### Programs: USPTO to Establish

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Pro Bono</td>
<td>Immediately</td>
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<tr>
<td>Diversity of Applicants</td>
<td>6 months</td>
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<tr>
<td>Patent Ombudsman for Small Businesses</td>
<td>12 months</td>
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Pro Bono Program
(Effective September 16, 2011)

• Minnesota piloted a program to connect under-resourced independent inventors and small businesses with patent counsel

• Task Force forming to expand the program to other cities

• First meeting October 21, 2011, 9:30-11:30 am @ Dolley Madison House, DC
AIA Micro-Site
http://www.uspto.gov/americainventsact

- One-stop shopping for info about AIA implementation
- Regularly updated
- Subscription center to receive email alerts when info is added
Comments
Thank you for visiting the Comments area for AIA Implementation. The agency welcomes, encourages, and will consider all comments received about AIA implementation. We also will post all comments received to foster a dialogue among stakeholders about AIA implementation.

To Submit Comments
Comments may be submitted to the USPTO via email (preferred) or postal mail to the following addresses:

Please click on the respective Rulemaking to provide comments:

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Postal Mail: U.S. Patent and Trademark Office
Mail Stop Comments—Patents
Commissioner of Patents
P.O. Box 1450
Alexandria, VA 22313-1450
**Public Comments**  
(As of October 19, 2010)

<table>
<thead>
<tr>
<th>Submitter</th>
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<td>Government Agency</td>
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<td>Academic</td>
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<tr>
<td>Law Firm</td>
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<tr>
<td>Company</td>
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</tr>
<tr>
<td>Practitioner</td>
<td>17</td>
</tr>
<tr>
<td>Other</td>
<td>46</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>68</strong></td>
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</table>
USPTO Outreach on AIA

Region

- Great Lakes: 21%
- Mid-Atlantic: 39%
- Southeast: 4%
- Southwest: 4%
- Pacific: 7%
- Northeast: 7%
- Caribbean Island: 7%
- International: 4%
- All: 7%

Audience

- Bar Association: 64%
- Law School: 25%
- Government: 4%
- Technology Transfer: 7%
Thank You

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