

# The America Invents Act: Approaching the Finish Line

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# Overview

- First-inventor-to-file
- Fee setting
- Micro Entity
- Technical Corrections Legislation



# First-Inventor-to-File: Dates to Know

- Proposed rule and proposed examination guidelines published July 26, 2012
- USPTO held a First Inventor to File Roundtable on September 6, 2012
- All public comments have been considered and final rule and final examination guidelines being prepared
- Effective March 16, 2013



# Statutory Framework

| <b>Prior Art</b>  | <b>Exceptions</b>   |
|---|---|
| 102(a)(1)<br>Prior Public Disclosures   | 102(b)(1)(A)<br>-Grace Period Inventor Disclosures<br>-Grace Period Non-inventor Disclosures<br><br>102(b)(1)(B)<br>-Grace Period Intervening Disclosures |
| 102(a)(2)<br>Prior Filed Applications<br>for U.S. Patents and<br>U.S. Patents | 102(b)(2)(A)<br>-Non-inventor Disclosures<br><br>102(b)(2)(B)<br>-Intervening Disclosures<br><br>102(b)(2)(C)<br>-Commonly Owned Disclosures              |



# Impact of AIA on 35 U.S.C. 102

| Pre-AIA 35 U.S.C. 102<br>A person shall be entitled to a patent unless—  | AIA 35 U.S.C. 102          |
|--|----------------------------|
| (a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or  | 102(a)(1)                  |
| (b) The invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, or  | No corresponding provision |
| (c) He has abandoned the invention, or   |                            |
| (d) The inventor, or his legal representative, has filed an application for patent or inventor's certificate filed more than twelve months before the filing date of the application in the United States, or  | 102(a)(2)                  |
| (e) The invention was described in<br>(1) An application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or<br>(2) A patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except than an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an international application designating the United States | 101 and 115                |
| (f) He did not himself invent the subject matter sought to be patented.  | No corresponding provision |
| (g)<br>(1) during the term of the patent, the invention was made by such other inventor and not abandoned, suppressed, or concealed by him, and<br>(2) Before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it.  | No corresponding provision |

**Abandonment of invention**

**Premature foreign patenting**

**Derivation**

**Prior invention by another**



# 35 U.S.C. 102(a)(1): Prior Art

- Precludes a patent if a claimed invention was, before the effective filing date of the claimed invention:
  - Patented;
  - Described in a Printed Publication;
  - In Public Use;
  - On Sale; or
  - Otherwise Available to the Public
- Generally corresponds to the categories of prior art in pre-AIA 35 U.S.C. 102(a) and 35 U.S.C. 102(b)



# On Sale or In Public Use

- Geographic limitation removed; may occur anywhere in the world
- Input sought on whether secret sales and uses eligible to be prior art



# Proposed: Otherwise Available to the Public

- Introduced by the AIA; no corresponding language in pre-AIA 35 U.S.C. 102
- Catch-all language to account for other means of making an invention publicly available



## 35 U.S.C. 102(b)(1)(A): Grace Period Inventor & Non-inventor Disclosure Exception

- First exception for prior art under 35 U.S.C. 102(a)(1) found in 35 U.S.C. 102(b)(1)(A)
- 35 U.S.C. 102(b)(1)(A):
  - A disclosure made **one year or less** before the effective filing date of the claimed invention shall not be prior art under 35 U.S.C. 102(a)(1) if:
    - The disclosure was made by:
      - the inventor or joint inventor; or
      - another who obtained the subject matter directly or indirectly from the inventor or joint inventor



## 35 U.S.C. 102(b)(1)(B): Grace Period Intervening Disclosure Exception

- Second exception for prior art under 35 U.S.C. 102(a)(1) found in 35 U.S.C. 102(b)(1)(B)
- 35 U.S.C. 102(b)(1)(B):
  - A disclosure made **one year or less** before the effective filing date of the claimed invention shall not be prior art under 35 U.S.C. 102(a)(1) if:
    - The subject matter disclosed was, before such disclosure, publicly disclosed by:
      - the inventor or joint inventor; or
      - another who obtained the subject matter directly or indirectly from the inventor or joint inventor



# Proposed: “The Subject Matter”

- Subject matter in the prior disclosure must be the same subject matter as the subject matter publicly disclosed by the inventor for the exception to apply
- Mere insubstantial changes or trivial/obvious variations do not covered



# 35 U.S.C. 102 (a)(1) & (b)(1): Shorthand

| Provision | Function  | Language  |
|-----------|---|---|
| 102(a)(1) | <ul style="list-style-type: none"> <li>Creates prior art</li> </ul>               | Invention publicly disclosed by the inventor or other persons before the effective filing date of the claimed invention, but only if— <ul style="list-style-type: none"> <li>• It was not publicly disclosed by the inventor or other persons who obtained the subject matter directly or indirectly from the inventor or joint inventor, and only if—</li> <li>• It was not available to the public before the effective filing date of the claimed invention because—</li> <li>• It was published in a printed publication</li> <li>• It was on sale</li> <li>• It was publicly used</li> <li>• It was otherwise available to the public</li> </ul>   |
| 102(b)(1) | <ul style="list-style-type: none"> <li>Gives 2 exceptions to prior art</li> </ul> | Not prior art if the invention was first disclosed by the inventor or joint inventor, or another person who obtained the subject matter directly or indirectly from the inventor or joint inventor, and only if— <ul style="list-style-type: none"> <li>• The disclosure occurred one year or less before the effective filing date of the claimed invention</li> <li>• The disclosure was made by the inventor or joint inventor, or another person who obtained the subject matter directly or indirectly from the inventor or joint inventor, and only if—</li> <li>• The disclosure was in a written document</li> <li>• The disclosure was made to a third party who was under a duty of confidentiality to the inventor or joint inventor, or another person who obtained the subject matter directly or indirectly from the inventor or joint inventor, and only if—</li> <li>• The disclosure occurred before the effective filing date of the claimed invention</li> </ul> |

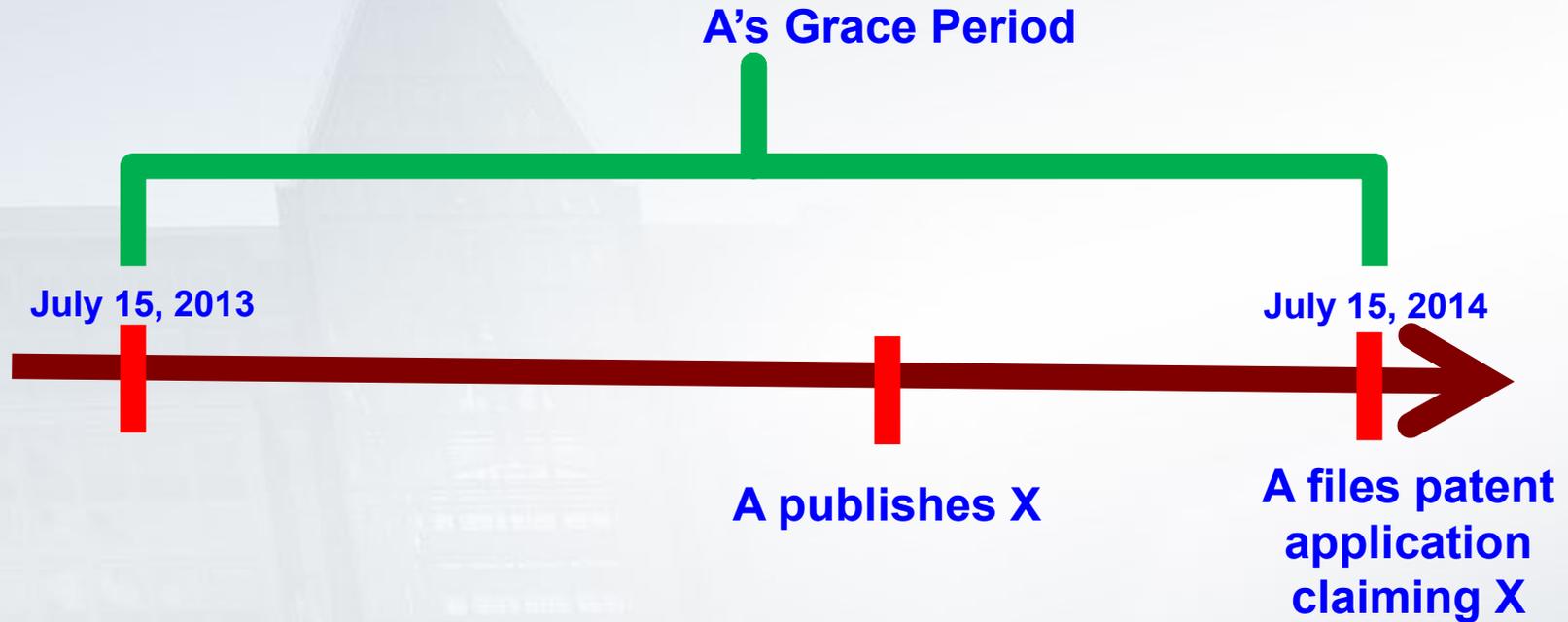
**Public Disclosure of Invention**

**Grace Period Inventor and Non-inventor Disclosures**

**Grace Period Intervening Disclosures**



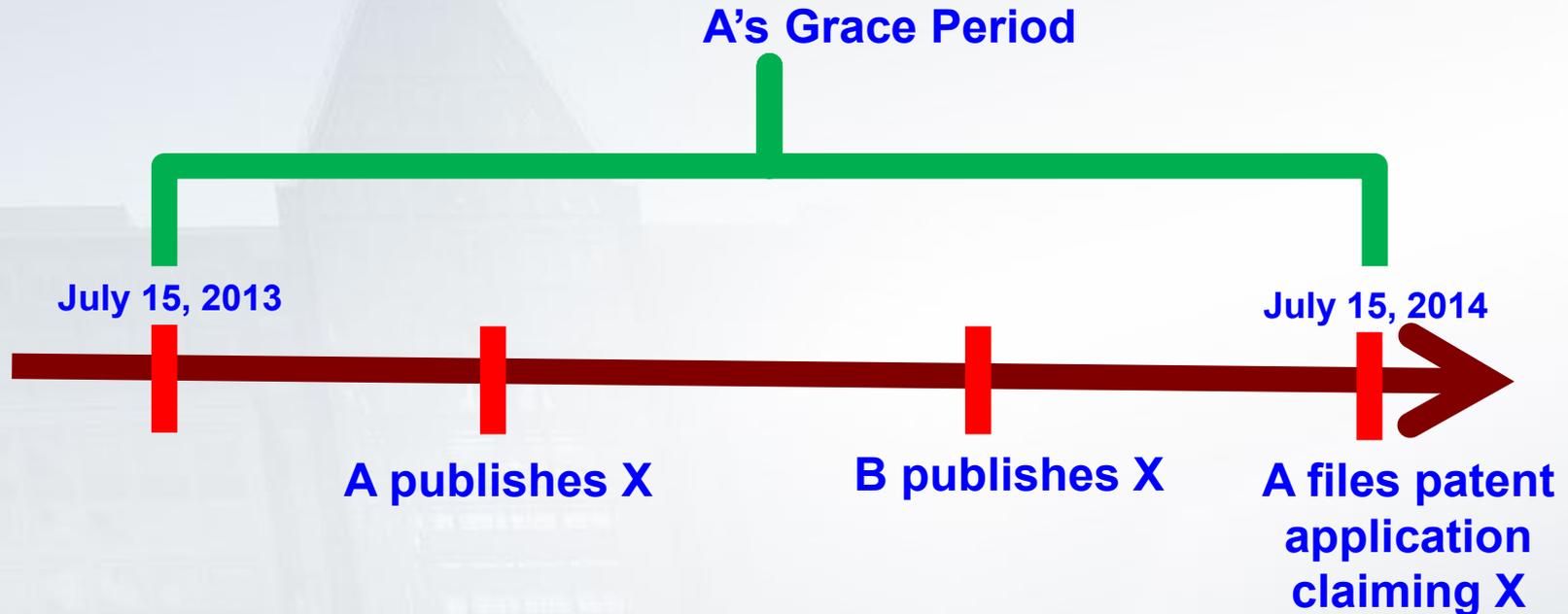
# Example 1



- A's publication is prior art under 102 (a)(1), but knocked out by the exception in 102(b)(1) as a grace period inventor disclosure



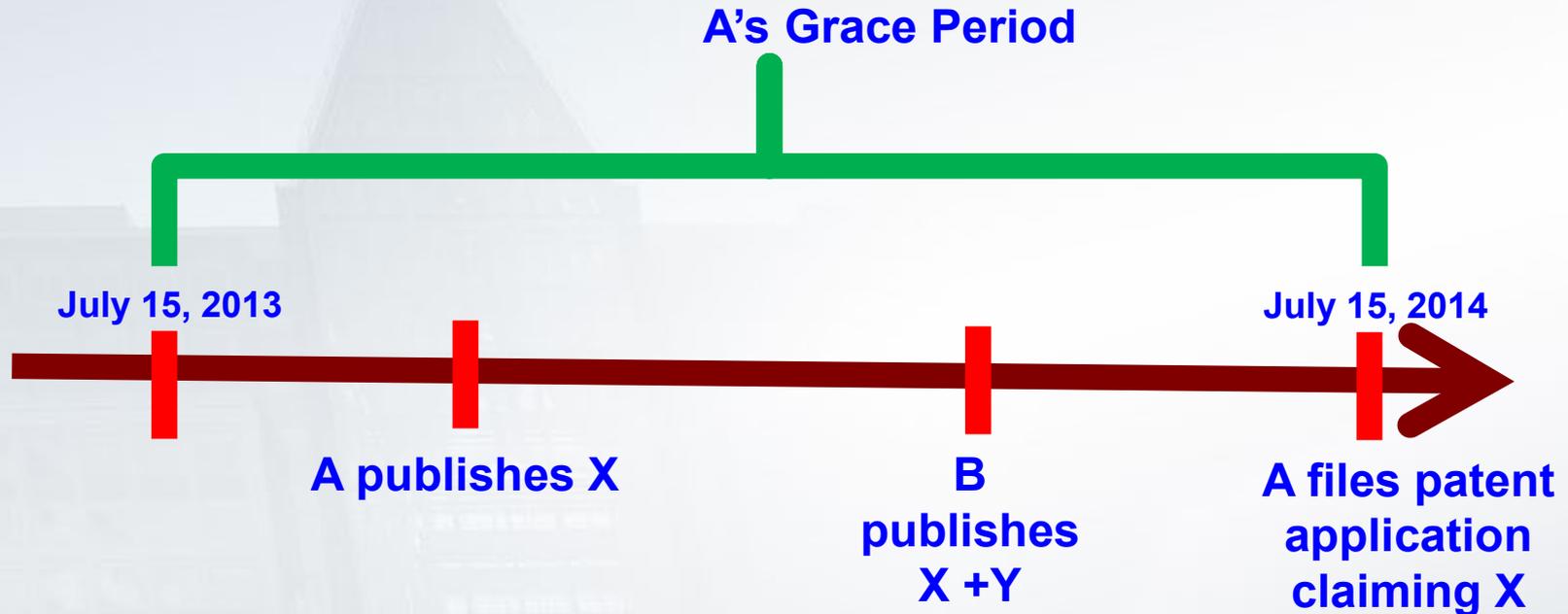
## Example 2



- A's publication is prior art under 102 (a)(1), but knocked out by the exception in 102(a)(2)(A) as a grace period inventor disclosure
- B's publication is prior art under 102(a)(1), but knocked out by the exception in 102(a)(2)(B) as a grace period intervening disclosure



## Example 3



- A's publication is prior art under 102 (a)(1), but knocked out by the exception in 102(a)(2)(A) as grace period inventor disclosure
- B's publication is prior art under 102(a)(1), but knocked out by the exception in 102(a)(2)(B) as grace period intervening disclosure as to subject matter X only; B's publication is prior art as to subject matter Y



# 35 U.S.C. 102(a)(2): Prior Art

- Precludes a patent to a different inventive entity if a claimed invention was described in a:
  - U.S. Patent;
  - U.S. Patent Application Publication; or
  - WIPO PCT Application Publicationthat was effectively filed before the effective filing date of the claimed invention
- Generally corresponds to the categories of prior art in pre-AIA 35 U.S.C. 102(e)



# Effective Prior Art Date

- Effective prior art date of subject matter in patents and published applications under AIA 35 U.S.C. 102(a)(2) is:
  - actual filing date of the patent or published application, or
  - date to which the patent or published application is entitled to claim a right of priority or benefit under 35 U.S.C. 119, 120, 121, or 365 which describes the subject matter



# 35 U.S.C. 102(b)(2)(A): Non-inventor Disclosure Exception

- Exceptions under 35 U.S.C. 102(b)(2) for prior art under 35 U.S.C. 102(a)(2)
- 35 U.S.C. 102(b)(2)(A):
  - A disclosure in an application or patent shall not be prior art under 35 U.S.C. 102(a)(2) if:
    - the disclosure was made by another who obtained the subject matter directly or indirectly from the inventor or joint inventor



## 35 U.S.C. 102(b)(2)(B): Intervening Disclosures Exception

- Exceptions under 35 U.S.C. 102(b)(2) for prior art under 35 U.S.C. 102(a)(2)
- Exception 2 (35 U.S.C. 102(b)(2)(B)):
  - A disclosure in an application or patent shall not be prior art under 35 U.S.C. 102(a)(2) if:
    - the subject matter disclosed was, before such subject matter was effectively filed, publicly disclosed by:
      - the inventor or joint inventor; or
      - another who obtained the subject matter directly or indirectly from the inventor or joint inventor



## 35 U.S.C. 102(b)(2)(C): Commonly Owned Disclosure Exception

- Exceptions under 35 U.S.C. 102(b)(2) for prior art under 35 U.S.C. 102(a)(2)
- 35 U.S.C. 102(b)(2)(C):
  - A disclosure made in an application or patent shall not be prior art under 35 U.S.C. 102(a)(2) if:
    - the subject matter and the claimed invention were commonly owned or subject to an obligation of assignment to the same person not later than the effective filing date of the claimed invention

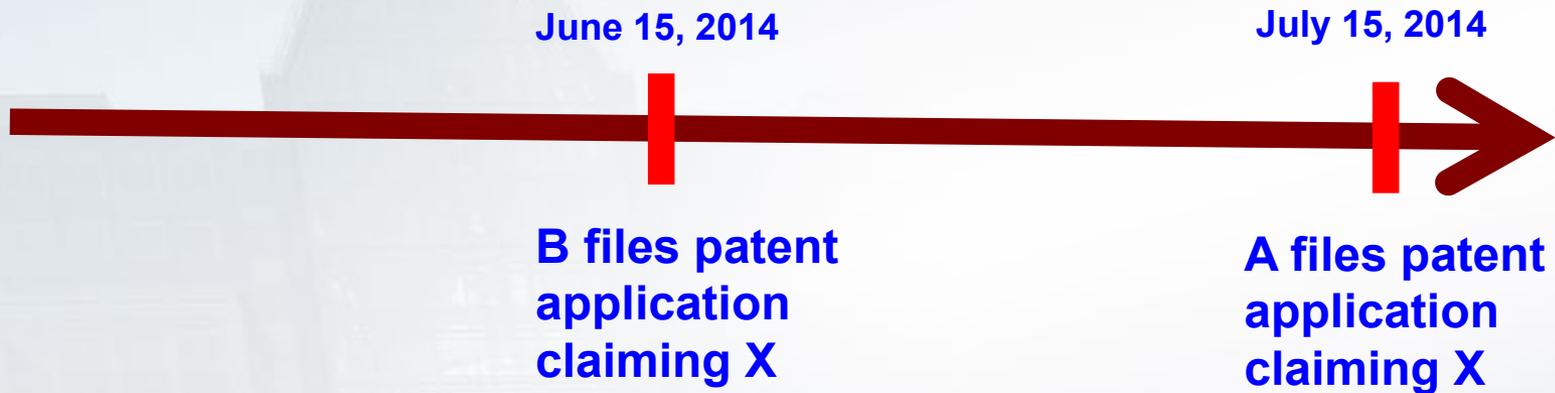


# 35 U.S.C. 102 (a)(2) & (b)(2): Shorthand

| Provision | Function   | Language  |
|-----------|--|---|
| 102(a)(2) | <ul style="list-style-type: none"> <li>Creates prior art</li> </ul>            | <p>Invention was effectively first made available to the public by a third party before the effective filing date of the claimed invention:</p> <ul style="list-style-type: none"> <li>• <b>Prior Filed Applications for U.S. Patents</b></li> <li>• WIPO PCT</li> </ul>  |
| 102(b)(2) | <ul style="list-style-type: none"> <li>Gives 3 exceptions prior art</li> </ul> | <p>Not prior art if disclosure made by third party who obtained the information directly or indirectly from either the inventor or a joint inventor:</p> <ul style="list-style-type: none"> <li>• <b>Non-inventor Disclosures</b></li> <li>• <b>Intervening Disclosures</b></li> <li>• <b>Commonly Owned Disclosures</b></li> </ul> <p>Not prior art if subject matter disclosed in another effective filing date of the claimed invention before the effective filing date of the claimed invention.</p> <p>Not prior art if subject matter disclosed in a publication, or otherwise made available to the public, and the claimed invention were commonly owned by the inventor or joint inventor, or by a predecessor in title to the inventor or joint inventor, if the disclosure was made by the inventor or joint inventor, or by a predecessor in title to the inventor or joint inventor, before the effective filing date of the claimed invention.</p> |



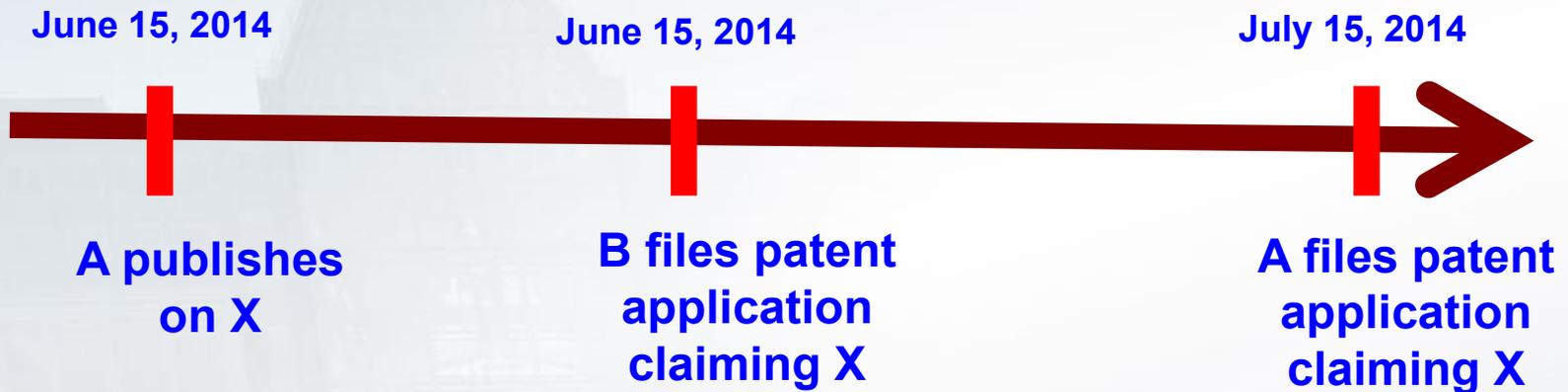
## Example 4



- B's patent application is prior art under 102 (a)(2), but knocked out by the exception in 102(a)(2)(A) as a non-inventor disclosure



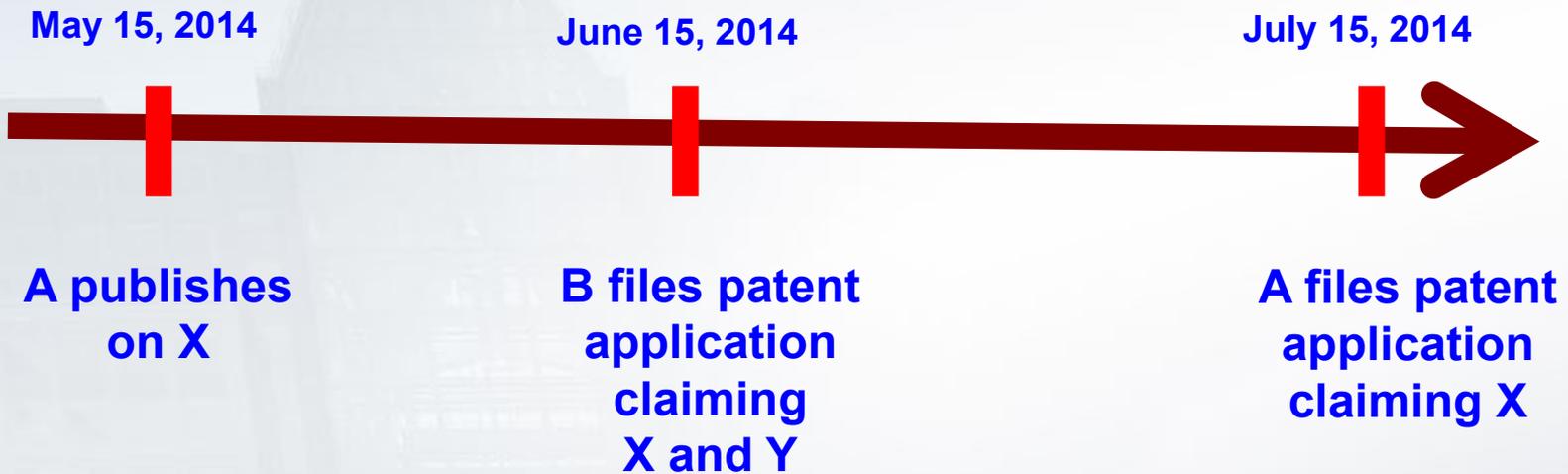
## Example 5



- B's patent application is prior art under 102 (a)(2), but knocked out by the exception in 102(b)(2)(B) as an intervening disclosure



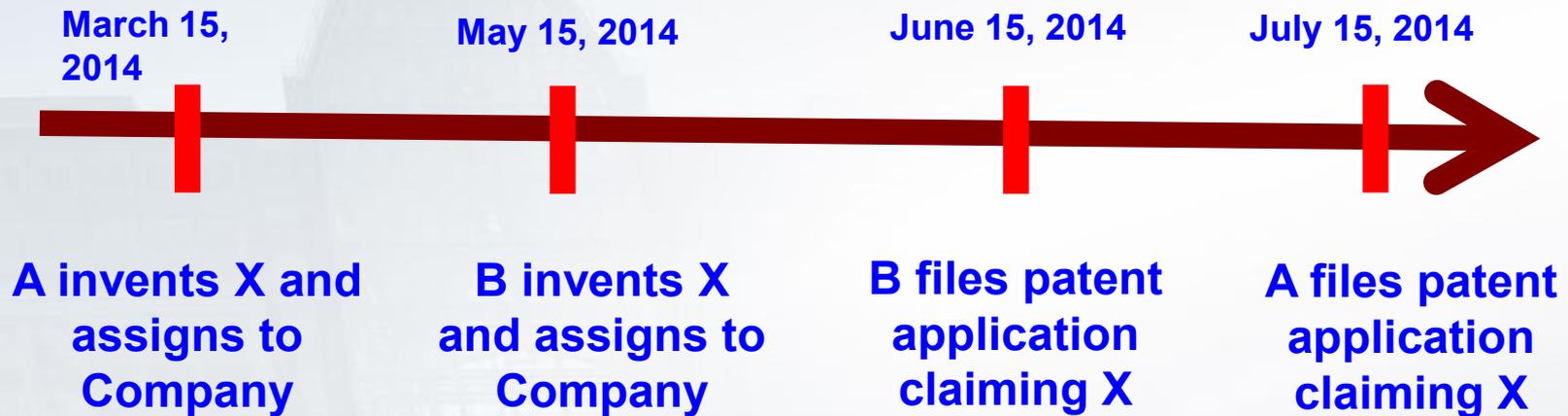
## Example 6



- B's patent application is prior art under 102 (a)(2), but knocked out by the exception in 102(b)(2)(B) as an intervening disclosure for subject matter X; B's patent application is prior art as to subject matter Y
-



# Example 7



- B's patent application is prior art under 102 (a)(2), but knocked out by the exception in 102(b)(2)(C) as a commonly owned disclosure



# Applicability of New 102

- AIA 35 U.S.C. 102 and 103 will apply to an application or patent that contains or contained at any time:
  - a claim having an effective filing date that is on or after March 16, 2013; or
  - a benefit claim under 35 U.S.C. 120 (continuation), 121 (divisional), or 365(c) (U.S. national or international) to an application that contains or contained at any time a claim having an effective filing date on or after March 16, 2013



# Applicability of Old and New 102 and 103

- Pre-AIA 35 U.S.C. 102(g) and AIA 35 U.S.C. 102 and 103 will apply to an application that contains, or contained at any time:
  - a claim having an effective filing date before March 16, 2013, and
  - a claim having an effective filing date that is on or after March 16, 2013



# Proposed: AIA Statement

- For nonprovisional applications filed on or after March 16, 2013 and claim priority/benefit of a foreign, provisional, or nonprovisional application filed before March 16, 2013,
  - applicant must indicate if the application contains, or contained at any time, a claim having an effective filing date on or after March 16, 2013
- Applicant is not required to identify how many or which claims have an effective filing date on or after March 16, 2013
- AIA statement must be filed for an application within specific time window



# Fee Setting: Dates to Know

- Preliminary proposed rule published February 9, 2012
- PPAC held a Fee Setting Hearings
  - February 15, 2012 in Alexandria, VA
  - February 23, 2012 in Sunnyvale, CA
- Proposed rule published September 6, 2012
- Final Rule published January 18, 2013
- Effective March 19, 2013



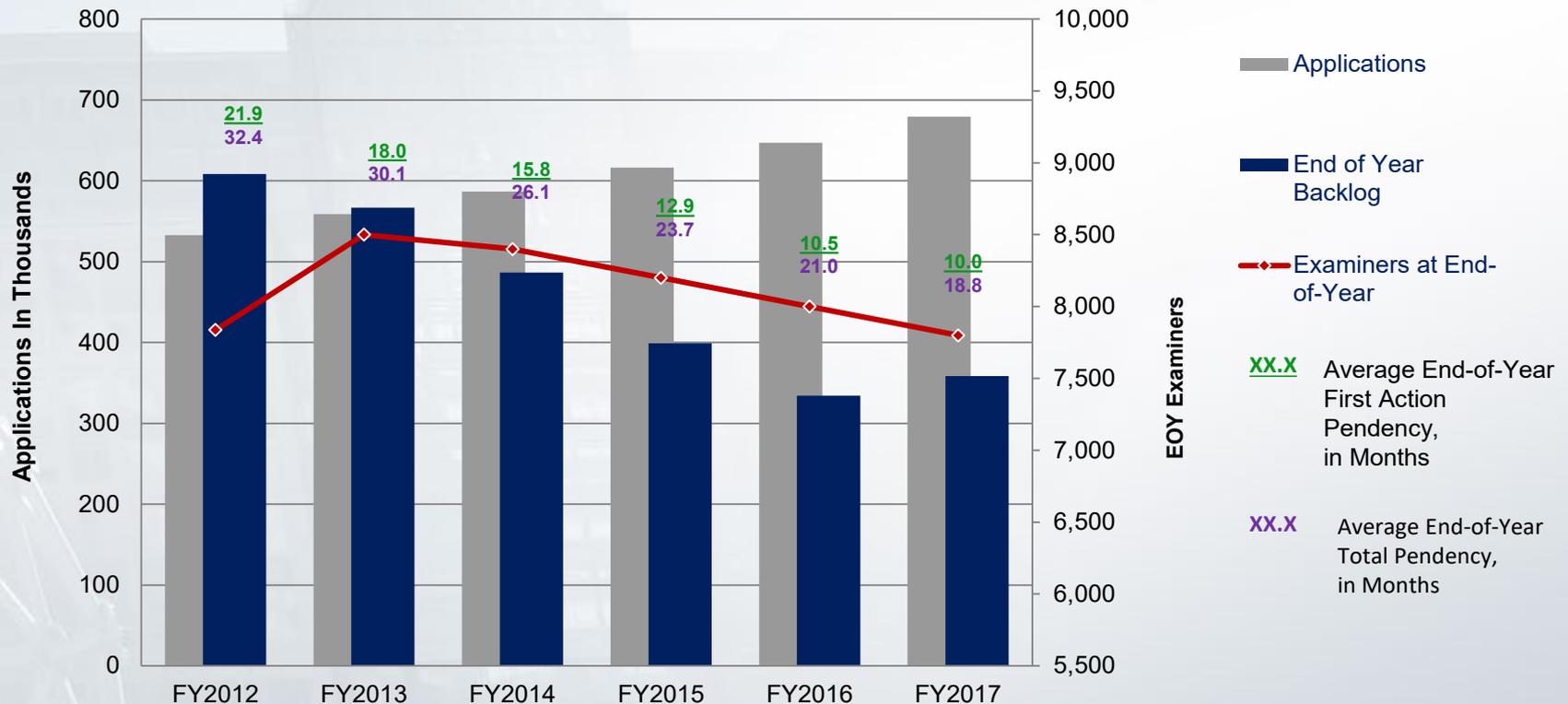
# Fee Setting Goals and Strategies

- Ensure the patent fee schedule generates sufficient aggregate revenue to recover the aggregate cost to:
  - Optimize patent timeliness and quality; and
  - Implement a sustainable funding model for operations
- Set individual fees to further key policy considerations:
  - Fostering innovation;
  - Facilitating the effective administration of the patent system; and
  - Offering patent prosecution options to applicants



# Optimize Patent Timeliness

- Reduce total pendency by more than 11 months during a five-year period (FY 2013 to FY 2017)





# Optimize Patent Quality

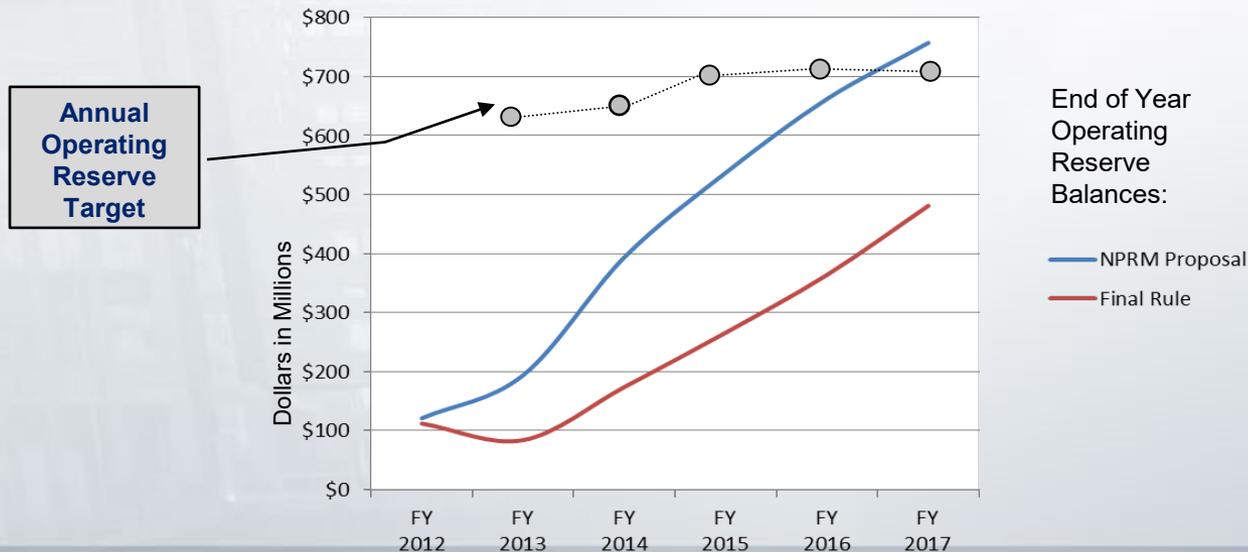
- Permit the Office to continue improving patent quality through:
  - Comprehensive training for examiners;
  - Expanded and enhanced Ombudsman program;
  - Reengineering the examination process;
  - Guidelines for examiners to address clarity in patent applications; and
  - Encouraging and facilitating examiner-applicant interviews



# Sustainable Funding Model

- Continue building an operating reserve of three months of operating expenses by FY 2018

| Description  | FY 2013   | FY 2014   | FY 2015   | FY 2016   | FY 2017   |
|--|-----------|-----------|-----------|-----------|-----------|
| 3 Months Operating Expense                             | \$633 M   | \$685 M   | \$701 M   | \$713 M   | \$704 M   |
| Estimated End of Year Balance                          | \$84 M    | \$174 M   | \$266 M   | \$364 M   | \$481 M   |
| Over/(Under) Target Balance                            | (\$549 M) | (\$511 M) | (\$435 M) | (\$349 M) | (\$223 M) |
| Annual Cost: Deposit to/(Use of) the Operating Reserve | (\$28 M)  | \$90 M    | \$ 92 M   | \$98 M    | \$117 M   |



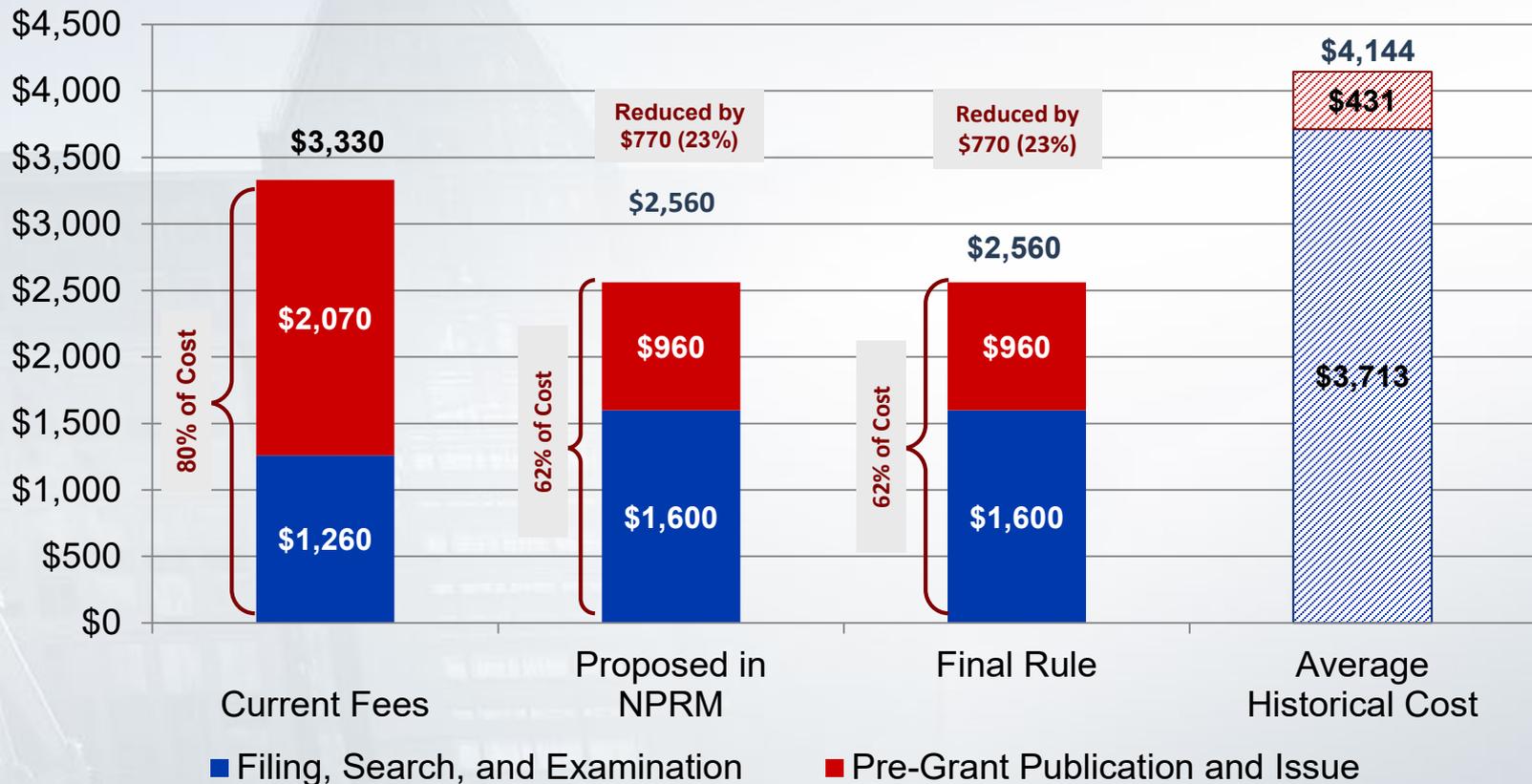


# Key Policy Considerations

- Fostering innovation and ease access to patent system
  - Keeping front-end fees below cost
  - New 75% micro entity discount
  - Higher back-end fees
- Facilitate effective administration of the patent system and help reduce pendency
  - Application size fees, extension of time fees, and excess claims fees all increased
- Increase patent prosecution options
  - Multipart fees for appeals, and contested cases
  - Staged fees for requests for continued examination (RCEs)



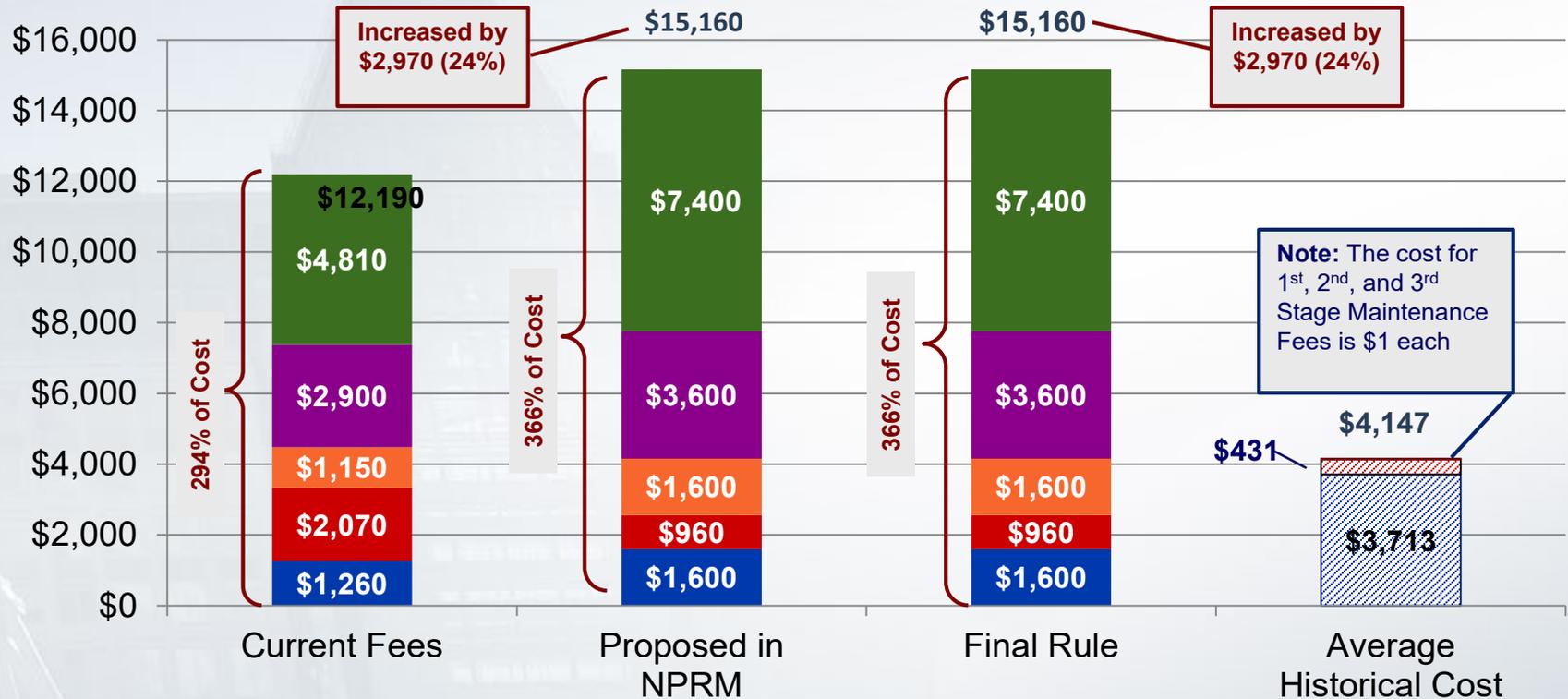
# Comparison of Current to Final Fees: Filing through Issue



**Note:** In each of the following summary pages, from the Current to the Final Rule fee structures, the fees paid could also increase by (a) \$170 for each independent claim in excess of 3; (b) \$18 for total claims in excess of 20; and (c) \$320 for each multiple dependent claim.



# Comparison of Current to Final Fees: Filing through 3<sup>rd</sup> Stage Maintenance



- Filing, Search, and Examination
- 1st Stage Maintenance – 3.5 years
- 3rd Stage Maintenance – 11.5 years
- Pre-Grant Publication and Issue
- 2nd Stage Maintenance – 7.5 years



# Comparison of Current to Final Fees: Other Fees

| <b>Fee</b>                                   | <b>Current</b> | <b>Final</b> |
|--|----------------|--------------|
| <b>Request for Continued Examination</b>     | \$930          | \$1,200      |
| <b>Prioritized Examination</b>               | \$4,800        | \$4,000      |
| <b><i>Ex Parte</i> Reexamination</b>         | \$17,750       | \$12,000     |
| <b>Supplemental Examination</b>              | \$21,260       | \$16,500     |
| <b><i>Inter Partes</i> Review</b>            | \$27,200       | \$23,000     |
| <b><i>Post Grant</i> Review</b>              | \$35,800       | \$30,000     |
| <b>Assignment (submitted electronically)</b> | \$40           | \$0          |



# Comparison of Current to Final Fees: Other Fees

| <b>Fee</b>                    | <b>Current</b> | <b>Final</b>   |
|-------------------------------|----------------|----------------|
| <b>Notice of Appeal</b>       | \$630          | \$800          |
| <b>Filing an Appeal Brief</b> | \$630          | N/A            |
| <b>Appeal Forwarding</b>      | N/A            | \$2000         |
| <b>Total Appeal Fees</b>      | <b>\$1,260</b> | <b>\$2,800</b> |



# Micro Entity: Dates to Know

- Status effective September 16, 2012
- Proposed rule published May 30, 2012
- Final Rule published December 19, 2012
- Fee reduction effective March 19, 2013



# Micro-entity: Benefits

- Entitled to a 75% discount on fees for “filing, searching, examining, issuing, appealing, and maintaining” patent applications/patents, but not for fees associated with administrative trials
- Discount not available until USPTO exercises fee setting authority



# Establishing Micro-entity Status: Option #1

An applicant must certify that he/she:

- Qualifies as a small entity;
- Has not been named as an inventor on more than 4 previously filed patent applications;
  - Excluding foreign applications, provisionals, or international applications where the filing fee not paid
  - Excluding those assigned or obligated to assign as a result of previous employment
- Did not have a gross income exceeding 3 times the median household income in the calendar before the applicable fees is paid; **AND**
- 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



# Establishing Micro-entity Status: Option #2

An applicant must certify that he/she:

- Qualifies as a small entity;

**AND**

- 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



# Micro Entity Certification

- Filed in writing in an application
- Does not carry over from one application to another
- Fee may be paid in micro entity amount only if submitted with or after micro entity certification



# H.R. 6621: AIA Technical Corrections Legislation

- Signed in law on January 14, 2013
- Inventor's oath/declaration must be filed by payment of issue fee
- “Dead zones” eliminated for first-to-invent and reissue patents
- Derivation petition must be filed on the earlier of:
  - (i) within one year after grant of the derived claim; or
  - (ii) within one year after publication of the earlier application containing such claim
- Patent term adjustments starts for national stage applications upon commencement of the national stage



# AIA Help

- 1-855-HELP-AIA (1-855-435-7242)
- HELPAIA@uspto.gov
- [www.uspto.gov/AmericaInventsAct](http://www.uspto.gov/AmericaInventsAct)

# Thank You



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# Appendix

- Changes to Implement the First Inventor to File Provisions of the Leahy-Smith America Invents Act, 77 Fed. Reg. 43742 (July 26, 2012)
- Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act , 77 Fed. Reg. 43759 (July 26, 2012)
- Setting and Adjusting Patent Fees, 78 Fed. Reg. 4212 (January 18, 2013)
- Changes to Implement Micro Entity Status for Paying Patent Fees, 77 Fed. Reg. 75019 (December 19, 2012)