

Recent Developments in United States Patent Law – A Prosecutor's Perspective

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America Invents Act

- US Patent Reform:
Leahy-Smith “America Invents Act”
- Enacted September 16, 2011
- Introduces various changes to U.S. patent law that will have a major effect on how anyone involved with U.S. patent prosecution and/or litigation practices.
- Most significant patent reform legislation since **PATENT ACT OF 1952**

Effective Dates

Act Signed (September 16, 2011)

§5 - Prior User Rights (35 USC 273)

- Patent issued on or after 9/16/11

§6 - Post Grant Review

- New Inter Partes reexam standard becomes effective 9/16/11 (35 USC §312)
- Ex Parte appeals under 35 USC §145 eliminated (35 USC §306)

§11 - Fees

- 15% Surcharge (9/26/11)
- Accelerated Exam fee (9/26/11)
- Paper Filing Fee (11/15/11)

§15 - Best Mode Changes

- Suit started on or after 9/16/11

§16 - Marking

- False Marking – cases pending on or started after 9/16/11
- Virtual Marking (35 USC 273)

§19 - Jurisdiction and Procedural

- Joinder of defendants restricted (35 USC §306)

§22 - PTO Funding

One Year (September 16, 2012)

§4 - Oath or Declaration (35 USC §118)

§6 - Post Grant Review Procedures

- New Opposition - limited number first 4 years
- New Inter Partes Review - limited number - 4 years

§8 - 3rd Party Submissions (35 USC §122(c))

§12 - Supplemental Exam

§18 - Business Methods Patent Review

§35 - General Effective Date

18 Months (March 16, 2013)

§3 - First Inventor to File

- New §102 and 103 applies

Overview of AIA Changes

- **First Inventor to File**
 - **New novelty** & derivation
- **Post Grant Proceedings**
 - Inter Partes Review
 - **Post Grant Review**
- **Pre-Issuance Submission**
- **Supplemental Examination**
- False Marking
- Anti-Troll Provisions

First Inventor To File

First Inventor to File

First to invent system



First inventor to file system

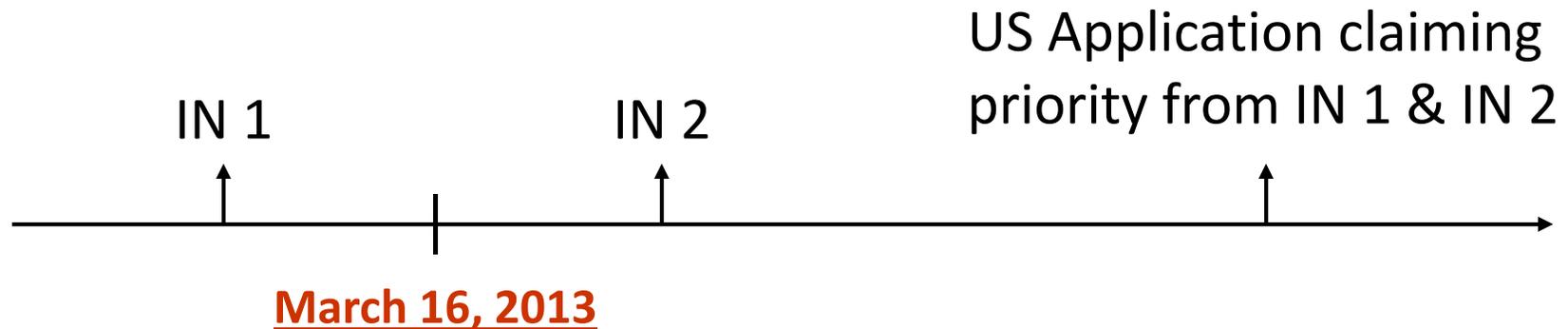
- **“effective filing date”** on/after March 16, 2013

What is “effective filing date”?

- “Effective filing date” of claimed invention is either:
 - The actual filing date, or
 - Date of priority claim (filing date of parent application that discloses the claimed invention)

Which ever is earlier.

Example: Effective Filing Date



- EFD of claim based on IN 1 is filing date of IN1
- If at least one claim of US Application has EFD based on IN 2 – new law applies to all claims
- If new law applies to parent application, then new law also applies to all continuations/divisionals

Novelty Provisions - §102

- Effective March 16, 2013
- Old §102
 1. Qualify as prior art under one of sections (a) to (g).
 2. Compare the prior art substantively with the claimed invention.
- New §102
 1. Qualify as prior art under §102(a)
 2. Determine if an exception under §102(b) removes the prior art from consideration
 3. Compare the prior art substantively with the claimed invention.

Novelty Provisions - §102

- New law eliminates the following concepts:
 - § 102(c) - inventor abandoned
 - § 102(d) - patented in foreign country before filed in US and missed foreign priority date
 - § 102(g) - interference

AIA 35 USC 102 (a)

“§ 102. Conditions for patentability; novelty

“(a) NOVELTY; PRIOR ART.—A person shall be entitled to a patent unless—

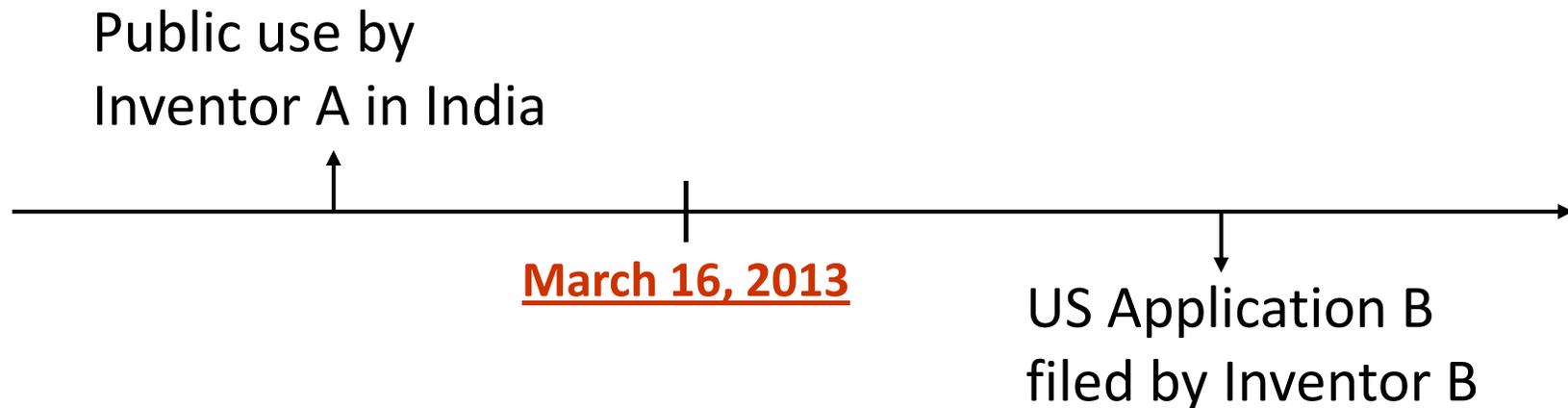
“(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or

“(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

What is prior art?

- Under §102(a)(1):
 - Patent, printed publication, public use, on sale, or “otherwise available to the public” before effective filing date of the invention
 - anywhere in the world
 - Current law limits prior art to “known or used” in the U.S. or “in public use or on sale” in the U.S.

Example §102(a)(1)



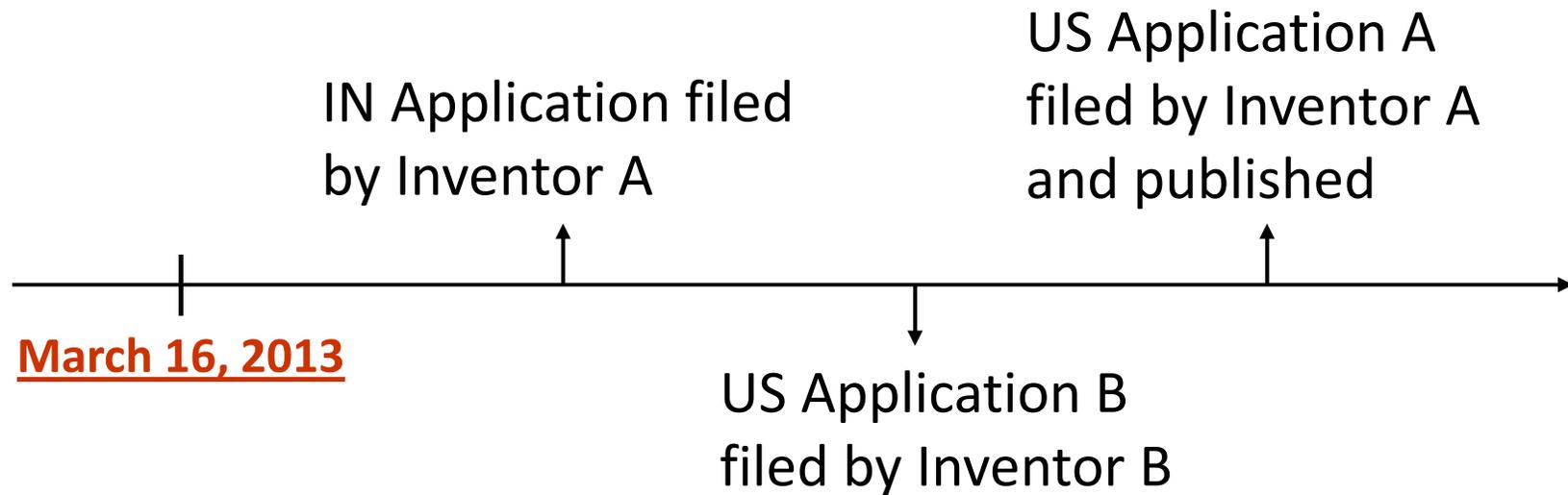
Inventor A's public use is prior art to Application B under §102(a)(1) – public use before effective filing date of Application B

What is prior art? (cont.)

Under §102(a)(2):

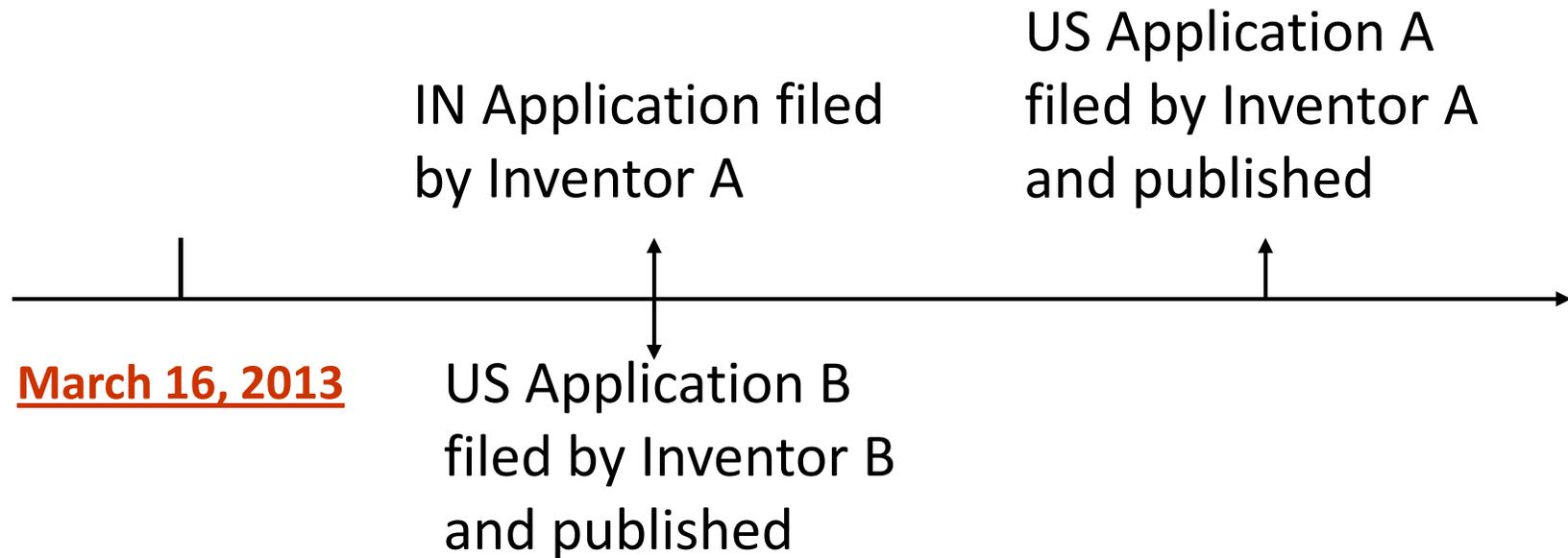
- Issued US Patent
- Published US patent publication
- PCT Application designating the US
- with earlier “effective filing date” and
- names different inventive entity
 - similar to current law §102(e)

Example §102(a)(2)



Application A is prior art to Application B under §102(a)(2) – effective filing date before Application B’s effective filing date

Unanswered question §102(a)(2)



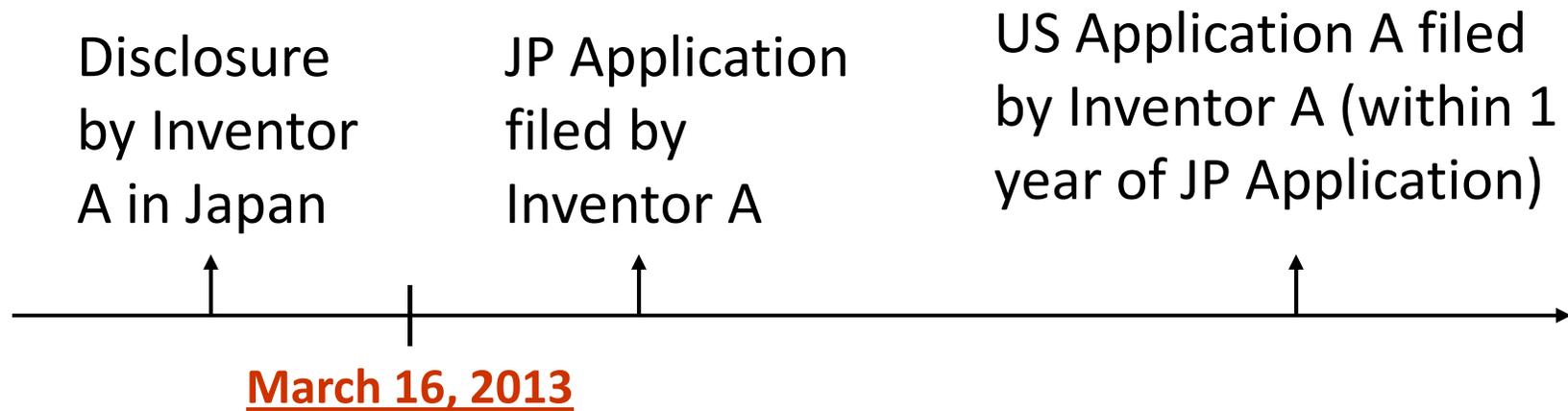
Applications A and B have the same effective filing date, and therefore neither application is prior art to the other

Exception to §102(a)(1)

§102(b)(1)(A)

- Disclosure *by inventor* (or by another who obtained invention from inventor) is not prior art if 1 year or less before effective filing date

Example: Exception to §102(a)(1)

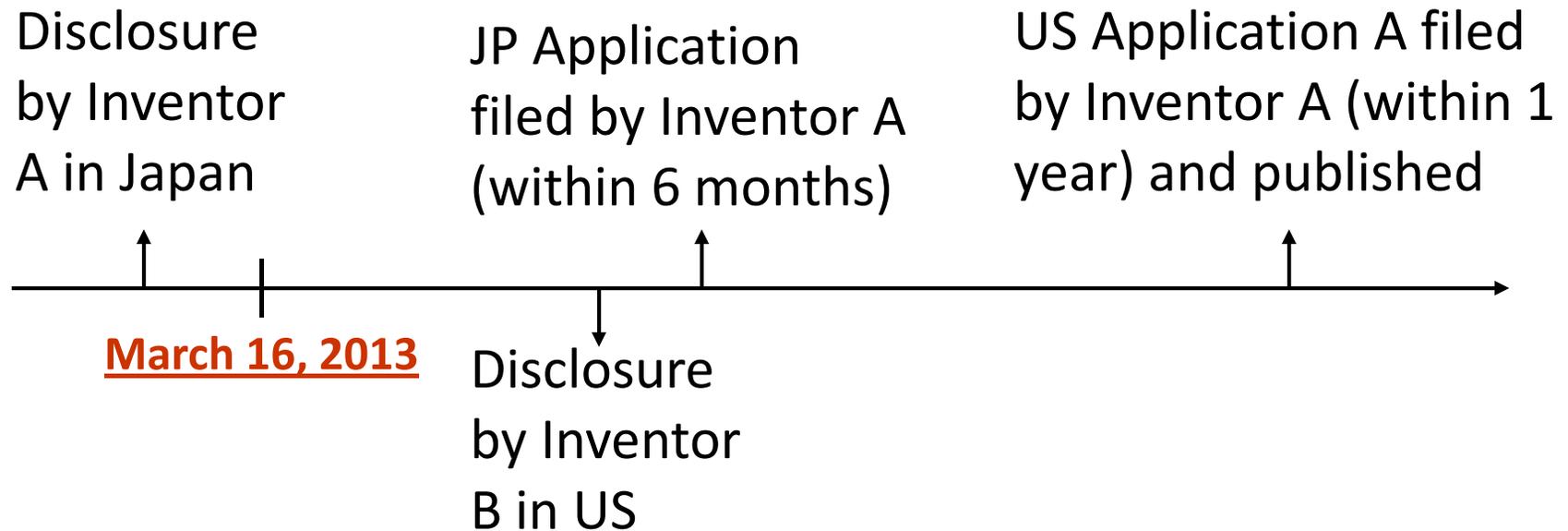


Another Exception to §102(a)(1)

§102(b)(1)(B)

- Disclosure by another is not prior art if inventor (or someone who obtained invention from inventor) disclosed first and 1 year or less before effective filing date
 - Inventor’s disclosure protects like a filing date– it is both a sword and a shield
 - Based on legislative history, it seems that “disclosure” should include patents, printed publications, public use, on sale, or otherwise available to the public

Example: Exception to §102(a)(1)

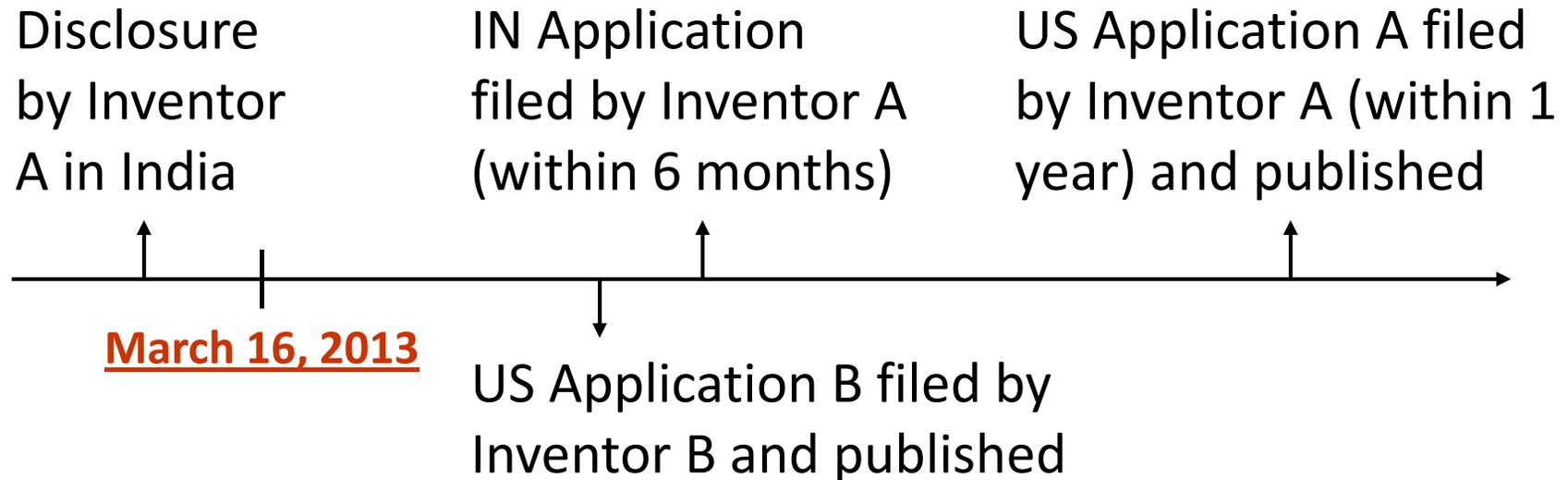


Disclosure by Inventor B is not prior art to US Application A because Inventor A's disclosure was before Inventor B's disclosure— exception §102(b)(1)(B)

Exceptions to §102(a)(2)

- Disclosure in earlier US Patent or Patent Publication by someone who obtained invention from inventor is not prior art
 - Represents inventor's own work-102(b)(2)(A)
- Disclosure in earlier filed US Patent or Patent Publication by another is not prior art if inventor (or someone who obtained invention from inventor) publicly disclosed first -§102(b)(2)(B)

Example: Exception to §102(a)(2)

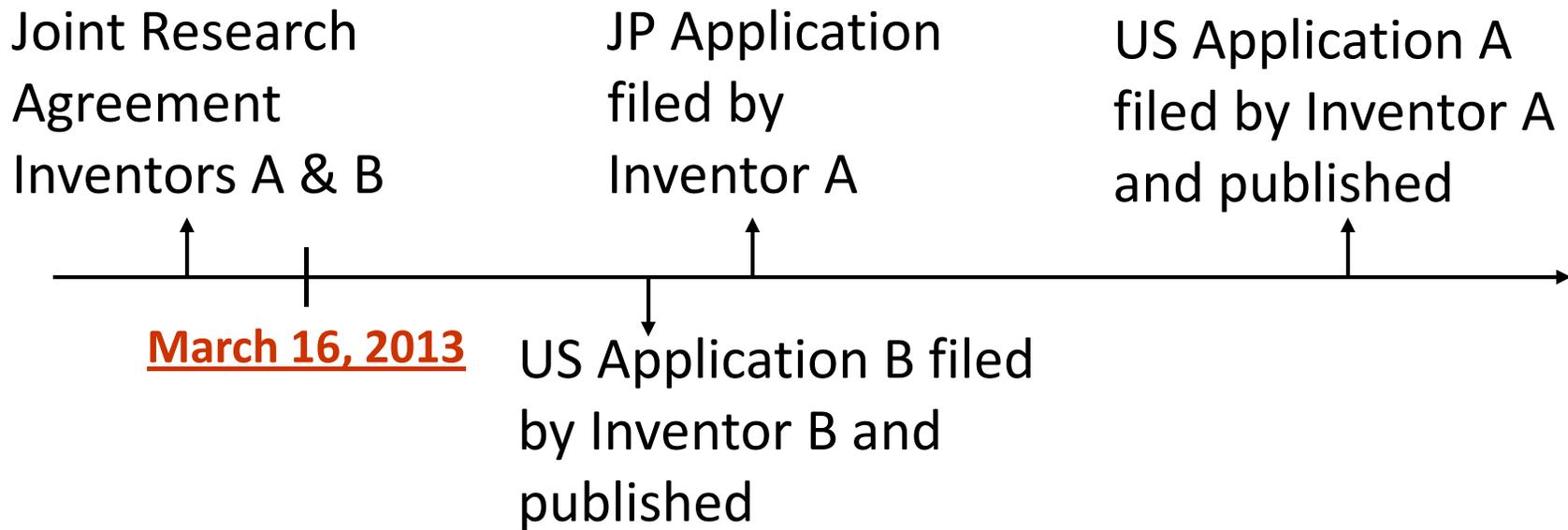


- 1) Application B is not prior art to Application A because disclosure by Inventor A is before Application B's effective filing date – exception § 102(b)(2)(B)
- 2) Disclosure by Inventor A is prior art to Application B under § 102(a)(1)

More Exceptions to §102(a)(2)

- Disclosure in US Patent or Patent Publication that is commonly owned on or before the effective filing date of invention is not prior art- §102(b)(2)(C)
- Disclosure in US patent or US patent publication subject to a joint research agreement in effect on or before the effective filing date of invention is not prior art - §102(c)
- Common ownership and joint research agreement overcome both §102 and §103 rejections under the new law (unlike current law)

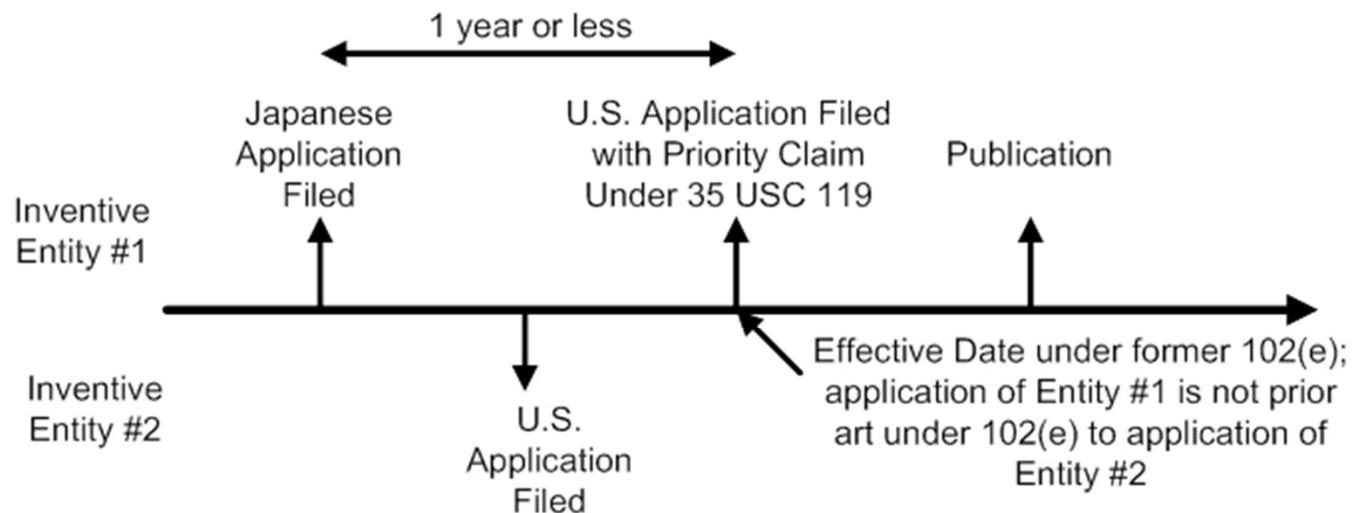
Example: Exception to §102(a)(2)



Application B is not prior art to Application A because of Joint Research Agreement between Inventors A & B before Application A's effective filing date – exception § 102(c)

Hilmer Doctrine Abolished

- Under the *Hilmer* doctrine, for example, the 102(e) date of an application claiming priority to a foreign national application is its U.S. filing date



Post Grant Proceedings

Current Post-Grant Proceedings

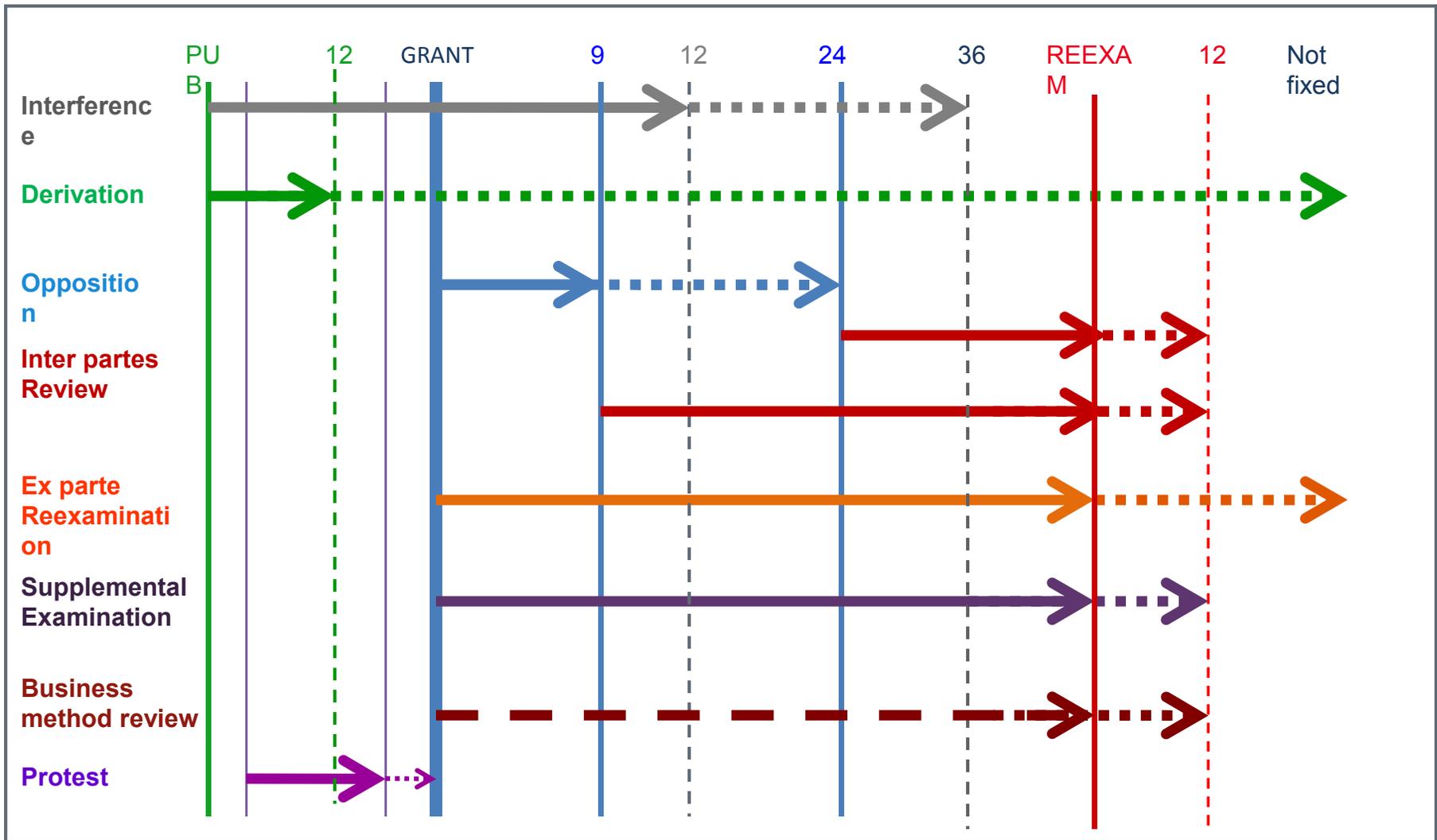
Current (soon to be old) post-grant proceedings:

- ex parte Reexamination § § 301-307
- inter partes Reexamination § § 311-318
- Interference § § 135, 291
- Reissue § § 251-252

2011 Act Post-Grant Proceedings

New post-grant proceedings:

- **Post-grant review (opposition)** § § 321-329
- Derivation (replaces interference) § 135
- Inter partes review (replaces inter partes reexamination) § § 311-319
- **Supplemental examination** § 257
- **Business method opposition** Act § 18



2011 Act Effective Dates

Effective dates:

- Inter partes Review 9/16/2012
- Post-grant review (opposition) 9/16/2012
- Derivation, novelty 3/16/2013
- Supplemental examination 9/16/2012
- Business method opposition 9/16/2012

Inter Partes PTO Proceedings

- 4 new *inter partes* proceedings for challenging patents:
 - Opposition
 - Derivation
 - Inter partes review
 - Business method opposition

Inter Partes PTO Proceedings

- Different from current “*inter partes* reexamination”
- Administrative litigation with
 - Trial conducted by an APJ
 - Active management by APJ
 - Motions practice
 - Discovery
 - Depositions

Post Grant Review (Opposition)

New 35 U.S.C. §§ 321-329

Effective Date Sept. 16, 2012

Post Grant Review

- Not limited to publications and patents
- 9-month window for filing
- Like litigation trial
 - Discovery
 - Motions practice
 - Settlement

Post-Grant Review

Scope, 35 USC § § 321(b), 325(f)

Petition may be based

- On any ground of invalidity that could be raised under § 282(b)(2) or (3)
- Petition may not request cancellation of a claim in a reissue patent
 - If the claim is identical to or narrower than a claim in the original patent, and
 - the petition is filed more than 9 months after the date of the original patent

Post-Grant Review

Invalidity under § 282(b)(2)-(3) may be based on

- § 102(a)(1) expanded prior art
- § 102(a)(2) expanded prior patent art
- § 112 ¶ 1
 - Non-enablement
 - Lack of written description
 - but not failure to disclose best mode
- § 112 ¶ 2 indefiniteness
- § 101 patent eligible subject matter
- § 251 Invalid reissue oath

Post-grant Review

Filing deadlines, 35 USC § 321(c)

- Petition must be filed within 9 months of patent issuance

Post-grant Review

Institution, 35 USC § § 323-324

- Patent owner has the right to file a preliminary response to the petition
- USPTO must determine whether to institute review within 3 months of
 - receiving the patent owner's response or
 - the last date on which the response may be filed (if there is no response)
- Final decision within 1 year

Post-grant Review

Standard, 35 USC § 324

- Whether the information presented in the petition, “would demonstrate that it is more likely than not that at least 1 of the claims challenged” is unpatentable

or

- Whether the petition “raises a novel or unsettled legal question that is important to other patents or patent applications”

Post-grant Review

Stay, 35 USC § 325(a)

- Post-grant review is barred by an earlier declaratory judgment action filed by the petitioner
- Declaratory judgment action filed by petitioner after the petition is automatically stayed, until
 - Patent owner files an infringement counterclaim
 - Petitioner moves to dismiss the DJ action
 - Patent owner moves court to lift the stay

Post-grant Review

Preliminary injunction, 35 USC § 325(b)

- If an infringement action is filed within 3 months of the date on which a patent is granted,
- a court may not stay consideration of a motion for preliminary injunction on the basis that
 - a petition for post-grant review has been filed or
 - Post-grant review has been instituted

Post-grant Review

Procedure, 35 USC § 326

- Patent owner may file 1 motion to amend
 - To cancel any challenged claim or
 - To propose a reasonable number of substitute claims for each challenged claim
- Additional motions on joint request to advance settlement
- Amendment may not enlarge claim scope
- Petitioner has “at least one” opportunity to file written comments in response

Post-grant Review

Trial Procedure, 35 USC § 326

USPTO rules governing:

- Discovery of relevant evidence
 - Deposition of witnesses submitting declarations
 - “limited to evidence directly related to factual assertions advanced by either party”
- Sanctions for abuse of discovery or abuse of process
- Protective orders governing confidential information
- Right to oral hearing

Post-grant Review

Intervening rights, 35 USC § 328(c)

- Any amended or new claim that is incorporated into a patent is subject to intervening rights of
 - Any person who made, purchased, or used within the US, or imported into the US, or
 - Made substantial preparation therefor
- Of anything patented by the new claim

Post-grant Review

Estoppel, 35 USC § 325(e)

- If there is a final written decision by the USPTO with respect to a claim, the petitioner—
 - May not request a USPTO proceeding with respect to that claim, and
 - May not assert a defense in district court litigation that the claim is invalid
- “on any ground that the petitioner raised or reasonably could have raised” during that post-grant review

Business Method Opposition

Act § 18 – transitional post-grant review for business method patents

- only after being sued for infringement
- opposition standards and procedures apply
- any defense under §282(b)(2) or (3)
 - Patent eligibility under §101
- limited estoppel – only issues raised in proceeding

Supplemental Examination

35 USC § 257

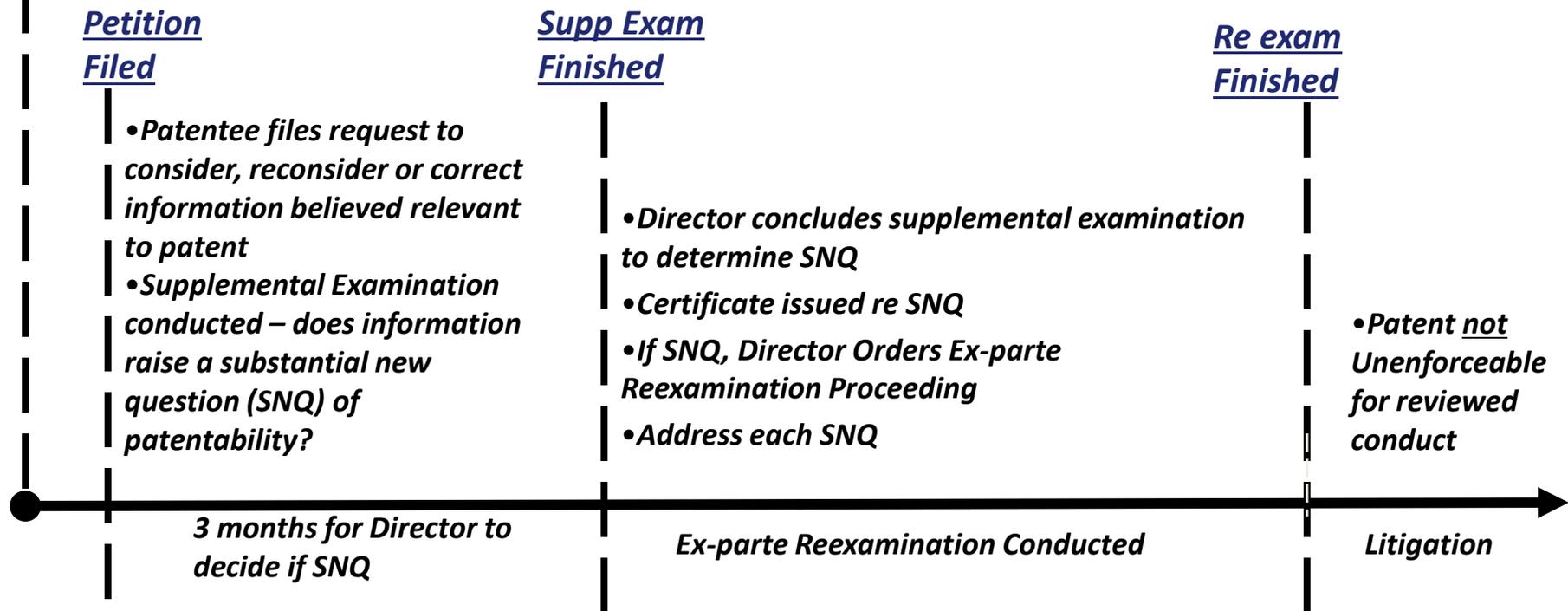
To “consider, reconsider, or correct information” withheld during prosecution” (intentionally or not)

“A patent shall not be held unenforceable on the basis of conduct relating to information that had not been considered, was inadequately considered, or was incorrect in a prior examination” if considered during supplemental examination

Material fraud on PTO bars patent

Time Line for Supplemental Examination

- Issued Patent is being considered for enforcement
- Review of file history or negotiations raise concern about omissions or errors in submitted art, declarations or argument
- Suit has not yet been filed



Pre-Issuance Submissions

35 U.S.C. § 122

Effective Date Sept. 16, 2012

Pre-Issuance Submissions

- 35 U.S.C. § 122 now permits third parties to submit published materials relevant to the USPTO's Examination.
- Specifically, any third party will be permitted to submit for consideration and inclusion in the patent file wrapper:
 - Any patent,
 - Any published patent application, or
 - Other printed publication of potential relevance to the examination.

Fees

Director Sets Fees (Section 10)

- General Power to set fees
- New Procedures Provide for the Director to Set Fees
 - Fees may determine degree of use
 - Fees reasonably related to services provided
- Surcharge of 15%
- Prioritized Examination Fee - \$4800

Fees

- Electronic Filing Incentive - \$400 if paper
- Reduced Fees:
 - Small Entity – 50%
 - Micro Entity – 75% (includes universities)

Section 10. Fee Setting Authority

- a1) The Director may set or adjust, by rule, any fee.
- 2) Fees may be set or adjusted only to recover the aggregated estimated cost to the Office.

35 U.S.C. Section 123

- **Institutions Of Higher Learning.** A micro entity shall include the situation where it is certified that the applicants' employer is an institute of higher education, or the applicant has assigned a license or other ownership interests in the application to an institute of higher education.

35 U.S.C. 123(h)

Electronic Filing Incentive

- Notwithstanding any other provisions in this section, an additional fee of \$400.00 shall be established for each application for an application for patent, except for a design, plant or provisional application that is not filed by electronic means.

Prioritized Examination Fee

- A fee of \$4,800.00 shall be established for filing a request for prioritized examination of a non-provisional application for an original utility or plant patent.
- The Director may not accept in any single year more than 10,000 request for prioritization, until regulations are prescribed under this subparagraph setting another limit.
- This subsection shall take effect 10 days after the date of enactment.

Prioritized Examination Fee

- Surcharge. There shall be a surcharge of 15%.
- The surcharge shall take effect 10 days after the date of enactment.

THANK YOU

QUESTIONS AND/OR COMMENTS?