

# America Invents Act

Banner & Witcoff offers the following content as a resource to help clients understand the Leahy-Smith America Invents Act: On March 8, 2011, the U.S. Senate voted 95 to 5 to pass the Patent Reform Act of 2011 (S. 23). It was introduced by Senator Patrick Leahy on Jan. 25, 2011. On June 23, 2011, the U.S. House of Representatives approved the America Invents Act (H.R. 1249). It was introduced by Congressman Lamar Smith on March 30, 2011, and approved by the House Judiciary Committee in a 32-to-3 vote on April 14, 2011. On Sept. 8, 2011, the U.S. Senate approved the Leahy-Smith America Invents Act (H.R. 1249), finalizing congressional acceptance of long-anticipated U.S. patent reform.

On Sept. 16, 2011, President Barack Obama signed into law the Leahy-Smith America Invents Act (AIA), which introduced the greatest overhaul of patent law since 1952, and transformed many aspects of the patent landscape in the United States.

The AIA enacted several significant provisions, including the transition from a “first-to-invent” system to a “first-inventor-to-file” system; and the establishment of new post-issuance proceedings, such as the *inter partes* review, post grant review, transitional program for covered business method patents, derivation proceeding and supplemental examination. The act also clarified rules relating to *ex parte* reexamination and made available preissuance submissions.

Please click the links below for more information on these post-issuance proceedings, which are currently available at the USPTO to third parties and patent owners:

- [Inter Partes Review](#)
- [Post Grant Review](#)
- [Transitional Program for Covered Business Method Patents](#)
- [Derivation Proceeding](#)
- [Reexamination](#)
- [Supplemental Examination Request](#)
- [Preissuance Submissions](#)

## **Inter Partes Review**

*Inter partes* review (IPR) is a new trial proceeding conducted at the Patent Trial and Appeal Board to review the patentability of one or more claims in a patent only on a ground that could be raised under 35 U.S.C. §§ 102 or 103, and only on the basis of prior art consisting of patents or printed publications.

The *inter partes* review process begins with a third party (a person who is not the owner of the patent) filing a petition after the later of either: (1) nine months after the grant of the patent or issuance of a reissue patent; or (2) if a post grant review is instituted, the termination of the post grant review. However, pursuant to H.R. 6621, the original nine-month statutory waiting period has been eliminated for all currently issued patents and

those with an effective filing date prior to March 16, 2013. Thus, *inter partes* review proceedings can be immediately filed on these patents. The patent owner may file a preliminary response to the petition.

An *inter partes* review may be instituted upon a showing that there is a reasonable likelihood that the petitioner would prevail with respect to at least one claim challenged. If the proceeding is instituted and not dismissed, a final determination by the Board will be issued within one year (extendable for good cause by six months).

The AIA authorizes the Office to set standards and procedures for the taking of discovery during an *inter partes* review, including that discovery be limited the depositions of witnesses submitting affidavits or declarations and what is otherwise necessary in the interest of justice. Routine discovery includes cited documents, cross-examination of declaration testimony and information inconsistent with positions advanced during the proceeding. The parties may agree mutually to provide additional discovery or either party may file an authorized motion seeking additional discovery. A party dissatisfied with the final written decision in an *inter partes* review may appeal to the Federal Circuit.

The procedure for conducting *inter partes* review took effect on Sept. 16, 2012, and applies to any patent issued before, on or after Sept. 16, 2012.

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#### Post Grant Review

Post grant review is a new trial proceeding conducted at the Patent Trial & Appeal Board to review the patentability of one or more claims in a patent on any ground that could be raised under 35 U.S.C. § 282(b)(2) or (3).

The post grant review process begins with a third party filing a petition on or prior to the date that is nine months after the grant of the patent or issuance of a reissue patent. The patent owner may file a preliminary response to the petition. A post grant review may be instituted upon a showing that, it is more likely than not that at least one claim challenged is unpatentable. If the proceeding is instituted and not dismissed, a final determination by the Board will be issued within one year (extendable for good cause by six months).

The AIA authorizes the Office to set standards and procedures for the taking of discovery during a post grant review, including that discovery be limited to evidence directly related to factual assertions advanced by either party in the proceeding. Routine discovery includes cited documents, cross-examination of declaration testimony and information inconsistent with positions advanced during the proceeding. The parties may agree mutually to provide additional discovery or either party may file an authorized motion seeking additional discovery. A party dissatisfied with the final written decision in a post grant review may appeal to the Federal Circuit.

The procedure for conducting post grant review took effect on Sept. 16, 2012, and generally applies to patents issuing from applications subject to first-inventor-to-file provisions of the AIA.

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#### Transitional Program for Covered Business Method Patents

The transitional program for covered business method patents (TPCBM) is a new trial proceeding conducted at the Patent Trial & Appeal Board to review the patentability of one

or more claims in a covered business method patent.

A covered business method review is available for all patents issuing from applications subject to first-inventor-to-file provisions of the AIA, as well as those patents issuing from applications subject to the first-to-invent provisions in current Title 35, provided that the patent is drawn to a covered business method. The AIA specifies that a covered business method patent is a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration or management of a financial product or service, except that the term does not include patents for technological inventions. The petitioner bears the burden to demonstrate that the challenged patent is a covered business method patent and that at least one claim of the challenged patent is not directed to a technological invention to show that the petitioner has standing to proceed. The showing for both covered business method patent and technological invention is based on what is claimed.

The AIA does not specify what a patent for a technological invention covers, and therefore, the Office has promulgated a rule for technological inventions. In determining whether a patent is for a technological invention, the following will be considered on a case-by-case basis: whether the claimed subject matter as a whole recites a technological feature that is novel and unobvious over the prior art; and solves a technical problem using a technical solution.

TPCBM proceedings employ the standards and procedures of a post grant review (including discovery), with certain exceptions. For example, for first-to-invent patents, only a subset of prior art is available to support the petition. Further, a person may not file a petition for a TPCBM proceeding unless the person or the person's real party in interest or privy has been sued for infringement of the patent or charged with infringement under the patent. A party dissatisfied with the final written decision in a covered business method review may appeal to the Federal Circuit. A covered business method review is statutorily required to be completed within one year of institution, except that the time may be extended up to six months for good cause.

The procedure for conducting TPCBM review took effect on Sept. 16, 2012, but only applies to covered business method patents. The program will sunset for new TPCBM petitions on Sept. 16, 2020.

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### Derivation Proceedings

A derivation proceeding is a new trial proceeding conducted at the Board to determine whether (i) an inventor named in an earlier application derived the claimed invention from an inventor named in the petitioner's application, and (ii) the earlier application claiming such invention was filed without authorization.

An applicant subject to the first-inventor-to-file provisions may file a petition to institute a derivation proceeding only within one year of the first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention. The petition must be supported by substantial evidence that the claimed invention was derived from an inventor named in the petitioner's application. The AIA provides that where a derivation proceeding is instituted and not dismissed, the Board shall issue a written decision that states whether an inventor named in an earlier application derived the

claimed invention from an inventor named in the petitioner's application without authorization. With respect to derivation proceedings, 35 U.S.C. § 135 was amended to eliminate patent interference proceedings except to the extent that they are limited to the issue of derivation. It appears that the "interest of justice" standard will be used by the Board in deciding requests for additional discovery in derivation proceedings. A party dissatisfied with a final decision in a derivation proceeding may appeal to district court or the Federal Circuit.

The procedure for derivation took effect on March 16, 2013.

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## **Reexamination**

### ***Ex parte*** reexamination

The reexamination statute and rules permit any person to file a request for an *ex parte* reexamination containing certain elements and the fee required under [37 CFR § 1.20\(c\)\(1\)](#). The Office initially determines if "a substantial new question of patentability" ([35 U.S.C. § 303\(a\)](#)) is presented. If such a new question has been presented, reexamination will be ordered. The reexamination proceedings that follow the order for reexamination are very similar to regular examination procedures in patent applications. The Rules relating to *ex parte* reexamination were effectively unchanged by the AIA. The AIA did clarify, however, that the patent owner can appeal only a negative decision of the PTAB or BPAI to the CAFC.

### ***Inter partes*** reexamination

*Inter partes* review replaces *inter partes* reexamination as an avenue for a third party's patentability challenge and the provision in the AIA for *inter partes* review became effective on Sept. 16, 2012. Pending *inter partes* reexaminations will not be converted into *inter partes* review proceedings. Proceedings for *inter partes* reexamination filed prior to Sept. 16, 2012, will proceed to conclusion even if the proceedings last beyond Sept. 16, 2012. Any request for *inter partes* reexamination filed on or after Sept. 16, 2012, will not be granted.

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## **Supplemental Examination Request**

The patent owner may request a supplemental examination for a patent so that the Office can consider, reconsider or correct information believed to be relevant to the patent. A third party is not permitted to seek a supplemental examination. The patent owner may present any information believed to be relevant to the patent. The information is not limited to patents or printed publications, but instead may include information concerning any ground of patentability, such as patent eligible subject matter, anticipation, obviousness, written description, enablement, best mode and indefiniteness.

A patent owner may request supplemental examination of any patent during the period of enforceability of the patent. Within three months from the filing date of a request for supplemental examination from a patent owner, the Office will determine whether any of the items of information filed with the request raises a substantial new question of patentability. An item of information includes a document containing information, believed to be relevant to the patent, that the patent owner requests the Office to consider, reconsider or correct. An item of information is not limited to patents and printed

publications and may include, for example, a sales receipt or invoice. If the information is not, at least in part, contained within or based on any document filed as part of the request, the discussion within the body of the request relative to the information will be considered to be an “item of information.” For example, if a discussion of a potential application of 35 U.S.C. § 101 to patent claim 1 is wholly contained within the body of the request and is not based, at least in part, on any supporting document, then the discussion in the request will be considered to be an item of information. A request for supplemental examination may include up to 12 items of information.

If a substantial new question of patentability is found for any item of information, then the Office will order an *ex parte* reexamination of the patent. An *ex parte* reexamination ordered as a result of a supplemental examination request will be conducted in accordance with the existing rules governing *ex parte* reexamination, except that: (i) the patent owner will not have the right to file a patent owner statement; and (ii) the Office will address each substantial new question of patentability without regard to whether it is raised by a patent or printed publication.

The effective date for the supplemental examination provision in the AIA was Sept. 16, 2012.

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#### Preissuance Submissions

A third party may file a submission in any non-provisional utility, design or plant application, as well as in any continuing application, even if the application to which the submission is directed has been abandoned or has not been published. Third-party submissions may not be filed in any issued patent, reissue application or reexamination proceeding. Any member of the public may file a third-party submission, including private persons and corporate entities. However, the third party may not be the applicant or any individual who has a duty to disclose information with respect to the application under 37 C.F.R. § 1.56. A third party may file any patents, published patent applications or other printed publications of potential relevance to the examination of a patent application.

The effective date for the preissuance submission provision in the AIA was Sept. 16, 2012.

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#### LEGISLATION

- [S. 23: Patent Reform Act of 2011](#)
- [H.R. 1249: America Invents Act](#)

#### OTHER DOCUMENTS

- [Request for Comments on Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board \(June 2014\)](#)
- [Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board \(May 2015\)](#)
- [Amendments to the Rules of Practice for Trials Before the Patent Trial and Appeal Board \(August 2015\)](#)

#### MEDIA

Banner & Witcoff attorneys are available to answer questions and discuss patent reform. Media inquiries should be directed to Amanda Robert at (312) 463-5465 or [arobert@bannerwitcoff.com](mailto:arobert@bannerwitcoff.com).