

ClientAlert

Intellectual Property

August 2012

USPTO Unveils Final Rules for the America Invents Act

Following several months of public comment, on August 14, 2012, the US Patent and Trademark Office ("USPTO") published the remaining final rules in the Federal Register to implement major provisions of the Leahy-Smith America Invents Act ("AIA") that include:

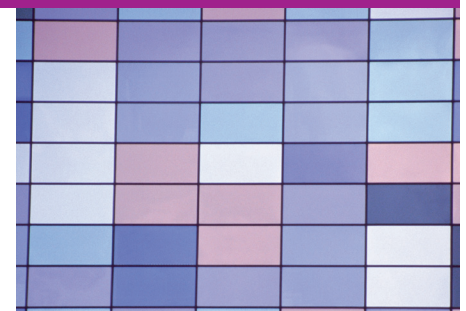
- *Inter partes* review proceedings, post-grant review proceedings and a transitional program for covered business method patents
- Trial before Patent Trial and Appeal Board ("PTAB")
- Supplemental examination
- Third-party pre-issuance submissions of prior art
- Inventor's oath or declaration
- Changes to the statute of limitations for beginning disciplinary proceedings

These rules and the applicable provisions of the AIA will become effective on September 16, 2012.

Inter Partes Review Proceedings, Post-Grant Review Proceedings and a Transitional Program for Covered Business Method Patents

The final rules for *inter partes* review, post-grant review and the program for covered business method patents are not significantly different from the USPTO's proposed rules. Some notable provisions in the final rules include:

- In response to the public comments that the initially proposed fees are excessive, the final rules modify the structure of how some fees will be assessed but does not reduce the proposed initial fees. As such, the USPTO will require an initial fee of US\$27,200 for *inter partes* review and US\$35,800 for post-grant and business method reviews. However, the final rules establish flat fees per each challenged claim in excess of 20.
- For the newly created transitional program for covered business method patents, the final rules allow review of some business method patents, excluding those that are "technological inventions." The final rules state that whether a patent is a "technological invention" will be addressed on a case-by-case basis by looking at whether the claimed subject matter as a whole recites a technological feature that is novel and nonobvious over the prior art and solves a technical problem using a technical solution.
- In order to quell fears of expansive discovery, the final rules clarify that the document requests and subpoenas that produce extensive discovery in district court litigation will not be available.



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- The final rules limit the scope of the estoppel provision. For instances, estoppel will not apply to issues raised in a request for *inter partes* review that is denied by the patent office. Furthermore, the estoppel will not apply to issues in a proceeding that is settled before the entry of a final written decision.
- While the AIA sets a one-year period (extendable by six months) for the completion of *inter partes* review and post-grant review, the period may be adjusted by the Board in the case of joinder.

The complete rule for Changes to Implement *Inter Partes* Review Proceedings, Post-Grant Review Proceedings and Transitional Program for Covered Business Method Patents may be found [here](#).

The complete rule for The Transitional Program for Covered Business Method Patents—Definitions of Covered Business Method Patent and Technological Invention may be found [here](#).

Trial Before Patent Trial and Appeal Board (“PTAB”)

The trial before PTAB covers *inter partes* review, post-grant review and covered business method patent review proceedings commencing on or after September 16, 2012, as well as derivation proceedings commencing on or after March 16, 2013. Some notable differences in the final rules include:

- Only the parties and individuals involved in the proceeding, as opposed to those merely “associated with the parties,” have a duty of candor and good faith to the USPTO during the course of a proceeding.
- The final rules do not include any requirement to explain the relevance of the information that is inconsistent with a position previously advanced by the party.
- Parties may agree, without prior authorization of the Board, to video recording testimony and taking uncompelled deposition testimony outside the United States.
- While decisions on whether to institute a trial are final and non-appealable to the Federal courts, a party may request a rehearing before the Board. Additionally, the final rules clarify that a judgment, except in the case of a termination, disposes all issues that were, or by motion reasonably could have been, raised and decided.

The complete Office Patent Trial Practice Guide may be found [here](#).

The Rules of Practice may be found [here](#).

Supplemental Examination

Supplemental examination is available to any patent issued before, on, or after September 16, 2012. The final rules simplify the process initially proposed by the USPTO. For example, the final rules do not require an explanation why reconsideration of each item is being requested, an identification of the issue raised by each item, and an explanation of the support in the specification for each limitation of each claim identified for examination. Moreover, instead of limiting the number of items of information for which a patent owner could seek supplemental examination to ten as initially proposed, the final rules raise the limit to 12 to accommodate the vast majority of patent owners.

The complete rule may be found [here](#).

Inventor’s Oath or Declaration Provisions

Under the final rules, any person to whom the inventor has assigned the invention, or who otherwise shows sufficient proprietary interest in the matter, may file an application for a patent. The most significant change in the final rules is who can be considered an applicant. The initial rules proposed that a person to whom the inventor had assigned an invention could file and prosecute an application. In response to the public comments, the final rules state that people other than the inventor can be considered applicants if they file and prosecute a patent application. For an assignee or obligated assignee filing the application as the applicant, the final rules provide that the documentary evidence of ownership should be recorded no later than the date the issue fee is paid in the application. Notwithstanding, the inventors must execute an oath or declaration in the application.

The complete rule may be found [here](#).

Third-Party Pre-Issuance Submissions of Prior Art

The AIA permits the pre-issuance third-party submission of prior art in any non-provisional utility, design or plant patent application, as well as any continuing application regardless of the filing date. Third-party submissions are not permitted in reissue applications, reexamination proceedings and issued patents. A submission must include (1) a document list identifying all documents submitted; (2) a concise description of the asserted relevance of each item in the document list; (3) a legible copy of each item in the document list (except US patents and US patent applications); (4) an English translation of any non-English language item in the document list; and (5) a statement by the submitting party that the party is not under a duty to disclose and that the submission complies with all of the above-listed requirements.

The cost of a third-party submission is US\$180 for every ten items. There is no fee if the submission includes three or fewer total items and is accompanied by a statement that the submission is the first and only third-party submission. A third-party submission must be filed before the date of a notice of allowance. A submission must also be filed before the later of (1) six months after the publication date or (2) the date of the first rejection of any claim.

The complete rule may be found [here](#).

Changes to the Statute of Limitations for Beginning Disciplinary Proceedings

According to the AIA, any disciplinary proceeding before the USPTO must be commenced not later than the earlier of either the date that is ten years after the date on which the misconduct forming the basis for the proceeding occurred, or one year after the date on which the misconduct forming the basis for the proceeding is made known to an officer or employee of the Office.

- The final rules clarify two key points:
 - The one-year statute of limitations is triggered once the Office of Enrollment and Discipline (OED) Director receives a grievance forming the basis of the complaint.
 - The OED will accept a grievance from any source, but it must be in writing.

Prior to this change, disciplinary actions were generally understood to be subject to a five-year statute of limitations.

The complete rule may be found [here](#).

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