

New Patent and Trademark Office Prosecution Procedures and Mechanisms for Patent Holders and Patent Challengers

The America Invents Act (AIA) – signed into law on September 16, 2011 – introduced significant changes to U.S. patent law, including changes to patent litigation rules and U.S. Patent and Trademark Office (USPTO) procedures. Some of the changes, particularly those related to patent litigation (such as limitations on joinder of defendants, the elimination of the best mode invalidity defense, an expansion of the prior use defense, and provisions regarding proof of willful and induced infringement), went into effect immediately.

September 16, 2012 marked the one year anniversary of the AIA and the implementation of additional aspects of the Act, including significant changes to procedures within the USPTO. Several highlights of those changes, which provide new prosecution procedures as well as new mechanisms for both patent owners and patent challengers, are summarized below.

Supplemental Examination

A patent owner may now request a supplemental examination by the USPTO to “consider, reconsider, or correct information believed to be relevant to the patent.” The USPTO can initiate an *ex parte* reexamination if the information raises a substantial new question of patentability. Supplemental examination gives a patent owner considering enforcement an opportunity to address what might otherwise be argued to have been inequitable conduct, because it prevents a patent from being “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 it is later “considered, reconsidered or corrected during a supplemental examination.” Supplemental examination cannot be initiated after a defendant pleads inequitable conduct with particularity, and to benefit from its protections a patent owner must complete the process before filing suit.

Prior Art Submissions

A third party may now submit prior art patents or publications to the USPTO “for consideration and inclusion in the record” in a pending application. The submission must include “a concise description of the asserted relevance” of the cited art. The AIA also adds to what prior art could be submitted under pre-existing 35 U.S.C. § 301, and now allows citation to “statements of the patent owner” in the USPTO or in court “in which the patent owner took a position on the scope of any claim.” The timeframe during which such submissions are allowed is limited: submissions must be made prior to a notice of allowance and within six months of publication, or before the first rejection.

Inter Partes Review

Inter partes reexamination has been replaced with a new *inter partes* review mechanism. Like *inter partes* reexamination, the scope of *inter partes* review remains limited to rejections based on patents and printed publications. However, instead of proceeding in front of an examiner in the Central Reexamination Unit, *inter partes* review proceeds before a three-judge panel of the USPTO’s new Patent Trial and Appeal Board (PTAB). For a review to be instituted, the petitioner seeking review must show a “reasonable likelihood” that it “would prevail with respect to at least 1 of the claims challenged.” By statute, the PTAB is required to issue its final written determination within 12 months of deciding to initiate the review, with only one possible six-month extension. And, estoppel (based on arguments the petitioner raised or “reasonably could have raised”) attaches at the time of the PTAB’s decision, rather than after the exhaustion of all appeals (as with the prior *inter partes* reexamination proceedings). The fees for *inter partes* review are much higher than they were for *inter partes* reexaminations, and there is a 60-page limit on review petitions. *Inter partes* review is available for all

patents regardless of their application date, but challengers who have been served with an infringement complaint must initiate the process within one year.

Transitional Program for Covered Business Method Patents

There is also a new transitional program for covered business method patents that permits a party sued or “charged with infringement” of a qualifying patent to mount a broader array of invalidity challenges than in *inter partes* review. Qualifying patents are those that claim “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 USPTO has stated that the test for excluded “technological inventions” will involve case-by-case consideration of “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.” Estoppel attaches for the patent challenger at the time the PTAB renders its written decision. However, estoppel is narrower for covered business method review than it is for *inter partes* review and is limited to grounds raised by the petitioner, rather than grounds that reasonably could have been raised.

Prosecution Procedures

An assignee can now apply for a patent as the applicant. Even if the application is filed by the assignee, each inventor must still execute an oath or declaration, and the inventor’s name will still be used for application and patent identification purposes. However, while the oath or declaration is now required to state that the application was made or authorized to be made by the inventor, a number of former oath or declaration requirements are being streamlined. First, the oath or declaration is no longer required to identify all the named inventors if the applicant provides an application data sheet that indicates the legal name, residence, and mailing address of each inventor. Second, the oath or declaration is no longer required to state that the inventor has reviewed and understands the contents of the application or that the inventor acknowledges the duty to disclose (although those things must still be true). Third, the oath or declaration is no longer required to identify the inventor’s country of citizenship. In addition, the oath or declaration can be incorporated into an assignment if desired. Finally, the applicant may now wait until the application is otherwise in condition for allowance to file an oath or declaration, if the applicant provides an application data sheet before examination indicating the name, residence, and mailing address of each inventor. One consequence of these changes is that continuing applications filed on or after September 16, 2012 cannot be filed with copies of declarations filed before September 16, 2012.

Other miscellaneous changes include provisions making it easier to deal with situations where an inventor is unavailable or uncooperative, and provisions streamlining practices that currently require assertions of lack of deceptive intent when an error is being corrected (such as in reissue, or when inventorship is being changed).

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More changes to U.S. patent law based on the AIA are forthcoming, including the significant shift from a “first-to-invent” patent system to a “first-inventor-to-file” regime in March 2013 and the availability thereafter of a new post-grant review procedure at the USPTO.

To find out how the AIA and new USPTO mechanisms may affect your business, please contact your usual Ropes & Gray attorney or one of the following Ropes & Gray attorneys:

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