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Patent/PTAB Litigation Changes in Senator Leahy’s “Restoring the America Invents Act”

In 2011, Congress passed the Leahy-Smith America Invents Act (the “AIA”), implementing the most significant reformation to the U.S. patent system in over fifty years. Among the many changes of the AIA was the creation of the Patent Trial and Appeal Board (the “PTAB”). The PTAB serves as the judicial body of the United States Patent and Trademark Office (the “USPTO”) that adjudicates AIA trial proceedings of challenged patents. A decade later, one of the AIA’s namesakes, Senator Patrick Leahy – VT (D), is seeking to recalibrate practices that have evolved due to recent court decisions and PTAB directives that he sees as contrary to goals of the original AIA legislation. As such, Senator Leahy has introduced a new bill entitled the “Restoring the America Invents Act.” Below is a high-level summary of the most notable changes in Senator Leahy’s proposed legislation:

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- Expands PTAB jurisdiction to include obviousness-type double patenting.
- 35 U.S.C. § 6 has been amended to codify the Supreme Court’s decision in *Arthrex* to require the Director of the USPTO (“the “Director”) to have the final word on AIA trial decisions, and to provide a framework for the Director to issue such decisions.
 - The proposed changes also task the Director with promulgating rules outlining the process and timeline of the Director’s review of PTAB decisions.
 - And under the proposed changes to 35 U.S.C. § 328, any such rehearing by the Director shall be concluded no later than 120 days after the PTAB’s final written decision (but the Director can extend that by up to 60 days for good cause).
- 35 U.S.C. § 314 and § 324 have been amended to preclude discretionary denials under the “Fintiv factors, and to limit discretionary denials to only those based on arguments previously considered by the agency—that is, only under § 325(d), which allows denial of institution if the same or substantially the same prior art or arguments were previously presented to the USPTO.
- Strongly encourages district court stays pending PTAB review by amending 35 U.S.C. § 315 and §325 to require a four-factor analysis when assessing requests for stays of civil actions where the patent(s) at issue is/are subject to *inter partes* review or post-grant review, respectively.
 - The proposed changes also allow for immediate interlocutory appeals of decisions denying a request for stay, and the standard of review for any such appeal is *de novo*.
- There are also several proposed changes regarding estoppel.
 - § 315 and § 325 have been amended to remove the previous exception to estoppel for joined parties. In other words, the full scope of estoppel applies to joined parties under the proposed changes.
 - § 315 and § 325 have also been amended so that estoppel no longer attaches at the final written decision of the PTAB. Instead, estoppel attaches after the time for appeal of the decision has expired or any such appeal has terminated.

- And estoppel does not apply to unpatentability findings (aka “winner estoppel”).
- 35 U.S.C. § 319 and § 329 have been amended, for purposes of standing, to presume injury in fact if a party reasonably expects that estoppel will be asserted against them.
 - And if a party lacks standing, estoppel does not apply to that party.

Additional changes are proposed to address changes to PTAB amendment practice, and filing eligibility.