Client Alert.

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America Invents Act Updates Take Final Form

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In a last-minute decision for the 112th Congress, the House of Representatives approved an America Invents Act (AIA) technical-revisions bill as amended by the Senate (H.R. 6621) on January 1, 2013. President Obama is expected to sign the bill without delay. While the bill provides for a number of non-controversial clerical corrections, it also creates some key substantive changes. Among those key changes are: 1) the elimination of "dead zone" periods during which none of the new post-grant challenge mechanisms would have been available; and 2) clarification on patent-term adjustment calculations for national phase applications filed under 35 U.S.C. § 371.

Post-Issuance Review "Dead Zones"

Under the AIA's original provisions, post-grant review (PGR) challenges may be raised only against patents that issue on applications filed on or after March 16, 2013 ("first-to-invent" patents). The new *inter partes* review (IPR) procedure replaces the now-defunct *inter partes* reexamination process, but may be invoked only beginning nine months after patent issuance. As a result, patents that issued on applications filed prior to March 16, 2013, could avoid a PGR challenge and enjoy a nine-month gap before an IPR challenge could be initiated. The AIA corrections bill eliminates this "dead zone" by allowing immediate IPR challenges to patents that only claim subject matter that was filed before March 16, 2013.

Similarly, under Section 325(f) of the AIA, PGR is not available to challenge a reissue patent if the reissued claims are identical to or narrower than the original claims, and the IPR nine-month waiting period still applied. H.R. 6621 addresses this "dead zone" by eliminating the IPR waiting period for these reissue patents.

PTA Calculations for National Phase Applications

The corrections bill also modifies 35 U.S.C. § 154(b) on Patent Term Adjustments (PTAs) for national phase applications. Previously, "A" and "B" delay calculations for U.S. Patent & Trademark Office (PTO) delays could have been calculated from the filing date of the Patent Cooperation Treaty (PCT) application. H.R. 6621 requires that these delays be calculated from the "commencement of the national stage." The new bill would also grant the U.S. District Court for the Eastern District of Virginia exclusive jurisdiction over PTA calculation appeals.

Inventor's Oath Submission Deadline

Under the original AIA provisions, an inventor's oath or declaration or similar document had to be submitted before a Notice of Allowance could be mailed. H.R. 6621 extends the oath/declaration deadline to the date the issue fee is paid.

Derivation Proceedings

Derivation proceedings were initiated under the AIA as a mechanism to ensure that the first-to-file applicant is actually the true inventor. H.R. 6621, Section k, provides some additional detail for derivation proceedings that was lacking in the original AIA. For example, the corrections bill specifies that a derivation petition must be filed within one year of the patent application publication or patent grant, whichever is earlier.

Future Directions and Conclusions

The corrections bill as passed leaves two controversial topics on the discussion room floor. First, the originally proposed text contained a provision to eliminate the 17-year patent term option for any pending pre-GATT applications that had not issued within one year of the bill's enactment. During congressional hearings, this option was watered down to a requirement that the PTO prepares a report on the number of pending pre-GATT applications, but ultimately the provision was deleted.

A second key issue that awaits resolution is the PGR estoppel effect under AIA Section 325(d), which estops a PGR challenger from further civil litigation "on any ground that the petitioner raised or reasonably could have raised" during the PGR process. While the "reasonably could have raised" prong had been applied to subsequent PTO proceedings, it had not been applied to civil litigation at any point during the AIA's six-year migration, and appears to have been added in error during reporting to the House Judiciary Committee. While Congress was unable to come to an agreement as to whether to delete this phrase via H.R. 6621, the issue will likely be resolved in the next session.

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