

Review of Changes to IPR Law, Statute and Rule

By Rick Neifeld, Neifeld IP Law, PC¹

I. INTRODUCTION

On January 14, 2013, Public Law 112-274 titled "Leahy-Smith America Invents Technical Corrections" became law. On March 25, 2013, the USPTO promulgated final rules corresponding to the statutory changes to Inter Partes Review (IPR) law, in Public Law 112-274. See "Changes To Implement the Technical Corrections to the Leahy-Smith America Invents Act as to Inter Partes Review," 78 FR 17871 (2013). This article identifies the statutory and regulatory changes to IPR Law, and provides observations and advice.

II. STATUTORY CHANGE

Section 1(d) of Public Law 112-274 states that:

(d) DEAD ZONES.—

(1) INTER PARTES REVIEW.—Section 311(c) of title 35, United States Code, shall not apply to a petition to institute an inter partes review of a patent that is not a patent described in section 3(n)(1) of the Leahy-Smith America Invents Act (35 U.S.C. 100 note).

(2) REISSUE.—Section 311(c)(1) of title 35, United States Code, is amended by striking “or issuance of a reissue of a patent”.

Pursuant to the effective date provision of section 1(n) of Public Law 112-274, section 1(d) of Public Law 112-274 is effective January 14, 2013 and applies to any proceeding commenced on or after that date. So the change to 35 USC 311(c) was effective January 14, 2013. Specifically, section 1(n) states that:

(n) EFFECTIVE DATE.—Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of enactment of this Act, and shall apply to proceedings commenced on or after such date of enactment.

35 USC 311(c), as amended by section 1(d)(2) of Public Law 112-274, with the struck text shown in strikeout, reads as follows:

(c) FILING DEADLINE.—A petition for inter partes review shall be filed after the later of either— (1) the date that is 9 months after the grant of a patent ~~or issuance of a reissue of a patent~~; or (2) if a post-grant review is instituted under chapter 32, the date of the termination of such post-grant review. (Added Nov. 29, 1999, Public Law 106-113, sec.1000(a)(9), 113 Stat. 1501A-570 (S. 1948 sec.

4604(a)); subsections (a) and (c) amended Nov. 2, 2002, Public Law 107-273, sec. 13202, 116 Stat. 1901; amended Sept. 16, 2011, Leahy-Smith America Invents Act, Public Law 112-29, sec. 6(a), 125 Stat. 284, effective Sept. 16, 2012; HR 6621, PL 112-274, section 1(d), amending subsection (c) as shown; and section 1(d) making the filing deadline inapplicable to pre AIA patents.)

III. REGULATORY CHANGE

The rule change promulgated by 78 FR 17871 specifies its effective date as March 25, 2013. At 17874, it revises 42.102(a) to read as follows:

§ 42.102 Time for filing.

(a) A petition for inter partes review of a patent must be filed after the later of the following dates, where applicable: (1) If the patent is a patent described in section 3(n)(1) of the Leahy-Smith America Invents Act, the date that is nine months after the date of the grant of the patent; (2) If the patent is a patent that is not described in section 3(n)(1) of the Leahy-Smith American Invents Act, the date of the grant of the patent; or (3) If a post-grant review is instituted as set forth in subpart C of this part, the date of the termination of such post-grant review. (Amended, 77 FR 17871, March 25, 2013; Added, 77 FR 48680, Aug. 14, 2012, effective Sept. 16, 2012.)

For comparison, the prior version of rule 42.102(a) read as follows:

§ 42.102 Time for filing.

(a) A petition for inter partes review of a patent must be filed after the later of: (1) The date that is nine months after the date of the grant of the patent or of the issuance of the reissue patent; or (2) If a post-grant review is instituted as set forth in subpart C of this part, the date of the termination of such post-grant review. (Added, 77 FR 48680, Aug. 14, 2012, effective Sept. 16, 2012.)

IV. PTO COMMENTS ON THE REGULATORY CHANGE

The PTO included a *summary* for this rule change. The summary states that:

SUMMARY: The United States Patent and Trademark Office (Office or USPTO) is revising the rules of practice to implement the changes with respect to inter partes review that are set forth in section 1(d) of the Act to correct and improve certain provisions of the Leahy- Smith America Invents Act and title 35, United States Code (“AIA Technical Corrections Act”). Consistent with the statutory changes, this final rule eliminates the nine-month “dead zone” for filing an inter partes review petition challenging a first-to-invent patent or reissue patent. Under the final rule, a petitioner may file an inter partes review petition challenging a

first-to-invent patent or reissue patent upon issuance, including during the first nine months after issuance. [At 78 FR 17871.]

The PTO also included an *executive summary* for this rule change. The executive summary states that:

Executive Summary: Purpose: The purpose of the AIA Technical Corrections Act is to correct and improve certain provisions of the Leahy- Smith America Invents Act (“AIA”). With respect to inter partes review, section 1(d) of the AIA Technical Corrections Act and this final rule eliminate the nine-month “dead zone” for filing a petition challenging a first-to- invent patent or reissue patent. Under this final rule, first-to-invent patents and reissue patents are eligible for inter partes review upon issuance. In other words, a petitioner may file an inter partes review petition challenging a first-to-invent patent or reissue patent upon issuance, including during the first nine months after issuance. That will improve patent quality and limit unnecessary and counterproductive litigation. The preamble of this rule sets forth in detail statutory and regulatory changes as to inter partes review proceedings conducted by the Patent Trial and Appeal Board (Board). [At 78 FR 17872]

The PTO also included a *summary of major provisions* for this rule change. The summary of major provisions states that:

Summary of Major Provisions: Consistent with section 1(d) of the AIA Technical Corrections Act, this final rule permits a petitioner to file an inter partes review petition challenging a first-to-invent patent or reissue patent, upon issuance, eliminating the nine month “dead zone” as to first-to-invent patents and reissue patents.

V. OBSERVATIONS AND ADVICE

It is debatable whether the text struck from 35 USC 311(c)(1) was mere surplusage. This is because the remaining text, which is "the date that is 9 months after the grant of a patent," applies to both original and reissue patents. Accordingly, the struck text, which is "~~or issuance of a reissue of a patent,~~" was arguably surplusage. Section 1(d)(1) of Public Law 112-274, however, ensures that 35 USC 311(c) will not apply to any patent, original or reissue, subject to the first to invent law. Therefore, an IPR petition for any patent subject to the first to invent law is available upon grant of such a patent. The PTO rule and comments agree "first-to-invent patents and reissue patents" are eligible for an IPR petition upon issuance.

The only discrepancy between the statute and rule changes are their effective dates. Section 1(d) of Public Law 112-274 was effective January 14, 2013. The change to rule 42.102 was effective March 25, 2013. Any IPR petition filed from January 14 to March 24, 2013, that was filed within 9 months of issuance of the corresponding (first to invent) patent is in violation

of the rule but not the statute. The PTO inferentially addressed this discrepancy with its comments in a subsection titled "Rulemaking Consideration." There, the PTO stated that:

Moreover, good cause exists to make these procedural changes without prior notice and opportunity for comment and to be *effective immediately so as to avoid inconsistencies between regulations and the AIA Technical Corrections Act*. This nine-month “dead zone” has already been eliminated by operation of the enactment of the AIA Technical Corrections Act, effective January 14, 2013. Accordingly, prior notice and opportunity for public comment are not required pursuant to 5 U.S.C. 553(b) or (c) (or any other law) and thirty-day advance publication is not required pursuant to 5 U.S.C. 553(b) (or any other law). See also *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1336–37 (Fed. Cir. 2008). At 78 FR 17872, italics added for emphasis.]

The PTO noted the "inconsistencies" between statute and pre-existing rule. It was aware of the discrepancy and presumably felt powerless to make this rule change retroactive, because that would potentially adversely impact rights or parties, without due process. Accordingly, the status of a petition filed in compliance with 35 USC 311(c) but not in compliance with pre-existing rule 41.102 would raise open legal questions of the PTO's jurisdiction. A patent owner faced with such a petition should raise the issue of failure to comply with rule 41.102 in their patent owner preliminary response.

1. I can be reached via telephone at 1-703-415-0012 or via the firm web site: Neifeld.com