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Changes to Implement Inter Partes Review Proceedings, Post-Grant
Review Proceedings, and Transitional Program for Covered Business
Method Patents; Final Rule

DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 42

[Docket No. PTO-P-2011-0083]

RIN 0651-AC71

Changes to Implement Inter Partes Review Proceedings, Post-Grant Review Proceedings, and Transitional Program for Covered Business Method Patents**AGENCY:** United States Patent and Trademark Office, Commerce.**ACTION:** Final rule.

SUMMARY: The United States Patent and Trademark Office (Office or USPTO) is revising the rules of practice to implement the provisions of the Leahy-Smith America Invents Act ("AIA") that create the new *inter partes* review proceeding, post-grant review proceeding, and transitional post-grant review proceeding for covered business method patents, to be conducted before the Patent Trial and Appeal Board (Board). These provisions of the AIA will take effect on September 16, 2012, one year after the date of enactment.

DATES: *Effective Date:* September 16, 2012.

Applicability Dates: The changes for *inter partes* review proceedings apply to any patent issued before, on, or after September 16, 2012 (subpart B).

The changes for post-grant review proceedings generally apply to patents issuing from applications subject to first-inventor-to-file provisions of the AIA (subpart C). In addition, the Chief Administrative Patent Judge may, in the interests-of-justice, order an interference commenced before September 16, 2012, to be dismissed without prejudice to the filing of a petition for post-grant review. See 42.200(d) and § 6(f)(3)(A) of the AIA.

The changes for transitional program for covered business method patents apply to any covered business method patent issued before, on, or after September 16, 2012 (subpart D).

FOR FURTHER INFORMATION CONTACT:

Michael P. Tierney, Lead Administrative Patent Judge, Sally G. Lane, Administrative Patent Judge, Sally C. Medley, Administrative Patent Judge, Robert A. Clarke, Administrative Patent Judge, and Joni Y. Chang, Administrative Patent Judge, Board of Patent Appeals and Interferences, by telephone at (571) 272-9797.

SUPPLEMENTARY INFORMATION: *Executive Summary: Purpose:* On September 16,

(Pub. L. 112-29, 125 Stat. 284 (2011)). The purpose of the AIA and this final rule is to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs. The preamble of this notice sets forth in detail the procedures by which the Board will conduct *inter partes* review proceedings, post-grant review proceedings, and transitional post-grant review proceedings for covered business method patents. The USPTO is engaged in a transparent process to create a timely, cost-effective alternative to litigation. Moreover, the rules are designed to ensure the integrity of the trial procedures. See 35 U.S.C. 316(b), as amended, and 35 U.S.C. 326(b). This final rule would provide a set of rules relating to Board trial practice for *inter partes* review proceedings, post-grant review proceedings, and transitional post-grant review proceedings for covered business method patents.

Summary of Major Provisions:

Consistent with section 6 of the AIA, this final rule sets forth for *inter partes* review: (1) The requirements for a petition to institute an *inter partes* review of a patent; (2) the standards for showing of sufficient grounds to institute an *inter partes* review; (3) the standards for instituting an *inter partes* review; (4) the procedures for conducting an *inter partes* review that permits a patent owner response, a submission of written comments, and an oral hearing; (5) the standards and procedures for discovery and for the patent owner to move to amend the patent; and (6) the time periods for completing the review (subpart B of 37 CFR part 42).

Consistent with section 6 of the AIA, this final rule sets forth for post-grant review: (1) The requirements for a petition to institute a post-grant review of a patent; (2) the standards for showing of sufficient grounds to institute a post-grant review; (3) the standards for instituting a post-grant review; (4) the procedures for conducting a post-grant review that permits a patent owner response, a submission of written comments, and an oral hearing; (5) the standards and procedures for discovery and for the patent owner to move to amend the patent; and (6) the time periods for completing the review (subpart C of 37 CFR part 42).

Consistent with sections 6 and 18 of the AIA, this final rule further sets forth for transitional post-grant review of covered business method patents: (1) The requirements for a petition to

covered business method patent; (2) the standards for showing of sufficient grounds to institute a post-grant review of a covered business method patent; (3) the standards for instituting a post-grant review of a covered business method patent; (4) the procedures for conducting a post-grant review that permits a patent owner response, a submission of written comments, and an oral hearing; (5) the standards and procedures for discovery and for the patent owner to move to amend the patent; and (6) the time periods for completing the review (subpart D of 37 CFR part 42).

Costs and Benefits: This rulemaking is not economically significant, but is significant, under Executive Order 12866 (Sept. 30, 1993), as amended by Executive Order 13258 (Feb. 26, 2002) and Executive Order 13422 (Jan. 18, 2007).

Background: To implement sections 6 and 18 of the AIA, the Office published the following notices of proposed rulemaking: (1) *Rules of Practice for Trials before the Patent Trial and Appeal Board and Judicial Review of Patent Trial and Appeal Board Decisions*, 77 FR 6879 (Feb. 9, 2012), to provide a consolidated set of rules relating to Board trial practice for *inter partes* review, post-grant review, derivation proceedings, the transitional program for covered business method patents, and judicial review of Board decisions by adding new parts 42 and 90 including a new subpart A to title 37 of the Code of Federal Regulations (RIN 0651-AC70); (2) *Changes to Implement Inter Partes Review Proceedings*, 77 FR 7041 (Feb. 10, 2012), to provide rules specific to *inter partes* review by adding a new subpart B to 37 CFR part 42 (RIN 0651-AC71); (3) *Changes to Implement Post-Grant Review Proceedings*, 77 FR 7060 (Feb. 10, 2012), to provide rules specific to post-grant review by adding a new subpart C to 37 CFR part 42 (RIN 0651-AC72); (4) *Changes to Implement Transitional Program for Covered Business Method Patents*, 77 FR 7080 (Feb. 10, 2012), to provide rules specific to the transitional program for covered business method patents by adding a new subpart D to 37 CFR part 42 (RIN 0651-AC73); (5) *Transitional Program for Covered Business Method Patents—Definition of Technological Invention*, 77 FR 7095 (Feb. 10, 2012), to add a new rule that sets forth the definition of technological invention for determining whether a patent is for a technological invention solely for purposes of the transitional program for covered business method patents (RIN 0651-AC75); and (6) *Changes to Implement*