[3510-16-P]

DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

37 CFR Part 1

[Docket No. PTO-P-2011-0037]

RIN 0651-AC61

Revision of Standard for Granting an Inter Partes Reexamination Request

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Final rule.

SUMMARY: The United States Patent and Trademark Office (Office) is revising the rules of practice governing inter partes reexamination to implement a transition provision of the Leahy-Smith America Invents Act that changes the standard for granting a request for inter partes reexamination. The Office is also revising the rules governing inter partes reexamination to reflect the termination of inter partes reexamination effective September 16, 2012, which is provided for in the Act. The Leahy-Smith America Invents

Act replaces inter partes reexamination by a new inter partes review process effective one year after the date of enactment of the Leahy-Smith America Invents Act (i.e., September 16, 2012), and provides that any request for inter partes reexamination filed on or after September 16, 2011, will not be granted unless the information presented in the request establishes that there is a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request. This replaces the prior standard for granting a request for inter partes reexamination that required a substantial new question of patentability (SNQ) affecting any claim of the patent raised by the request. The Leahy-Smith America Invents Act does not revise the SNQ standard for granting an ex parte reexamination request.

DATES: Effective Date: [Insert date of publication in the FEDERAL REGISTER]. Applicability Date: The changes in this final rule apply to any request for inter partes reexamination filed on or after September 16, 2011, and before September 16, 2012.

FOR FURTHER INFORMATION CONTACT: By telephone to Kenneth M. Schor, at (571) 272-7710, or Joseph F. Weiss, Jr., at (571) 272-7759; or by mail addressed to United States Patent and Trademark Office, Mail Stop Comments—Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, marked to the attention of Kenneth M. Schor and Joseph F. Weiss, Jr.

SUPPLEMENTARY INFORMATION: Section 6(a) of the Leahy-Smith America

Invents Act replaces the inter partes reexamination process that was established by the American Inventors Protection Act of 1999 (AIPA) (Public Law 106-113, 113 Stat. 1501, 1501A-552 through 1501A-591 (1999)) with a new inter partes review process. The replacement of inter partes reexamination with inter partes review is effective on September 16, 2012.

Section 6(c)(3)(A) of the Leahy-Smith America Invents Act provides a transition provision under which a request for inter partes reexamination will not be granted unless the information presented in the request shows that there is a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request.

The Office is revising the rules of practice to (1) conform the standard for granting an inter partes reexamination to the one specified in section 6(c)(3)(A) of the Leahy-Smith America Invents Act, and (2) provide for termination of inter partes reexamination on September 16, 2012, as set forth in section 6(c)(3) of the Leahy-Smith America Invents Act.

The Leahy-Smith America Invents Act also creates a new inter partes review process to replace inter partes reexamination. The Office will implement the new inter partes review proceedings in a separate rule making.

I. Background.

Prior to the enactment of the Leahy-Smith America Invents Act, 35 U.S.C. 312(a) provided, as to the standard for granting an inter partes reexamination request, that "the Director shall determine whether a substantial new question of patentability affecting any claim of the patent concerned is raised by the request, with or without consideration of other patents or printed publications...." The Office has referred to this standard as "SNQ." The SNQ standard for granting an inter partes reexamination request was enacted in the AIPA.

Section 6(c)(3)(A) of the Leahy-Smith America Invents Act amended 35 U.S.C. 312 and 313 to delete any reference to the SNQ standard, and provide, in place of each deletion, language requiring the information presented in a request for inter partes reexamination (filed pursuant to 35 U.S.C. 311) to show that there is a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request.

With respect to the reasonable likelihood standard, House Rep. 112-98 (Part 1), 112th Cong., 1st Sess., provides, in connection with inter partes review, the following:

> "The threshold for initiating an inter partes review is elevated from 'significant new question of patentability'--a standard that currently allows 95% of all requests to be granted--to a standard requiring petitioners to present information showing that their challenge has a reasonable likelihood of success." H.R. Rep. No. 112-98 (Part 1), at 47.

The Office is revising the rules of practice for inter partes reexamination in title 37 of the Code of Federal Regulations (CFR) by amending §§ 1.915, 1.923, 1.927, and 1.931 to delete any reference to the SNQ standard for granting reexamination, and insert in its place reference to the newly enacted "reasonable likelihood" standard.

The SNQ standard for granting ex parte reexamination has not been revised by the Leahy-Smith America Invents Act, and accordingly, the rules of practice for ex parte reexamination are not being revised.

When the standards for Office jurisdiction over the proceeding are effective: Section 6(c)(3)(B) of the Leahy-Smith America Invents Act provides that this transition provision applies to any request for inter partes reexamination filed on or after the date of enactment of the Leahy-Smith America Invents Act (i.e., September 16, 2011), but before the effective date of the inter partes review provisions of the Leahy-Smith America Invents Act (i.e., September 16, 2012). Section 6(c)(3)(C) of the Leahy-Smith America Invents Act provides that the inter partes reexamination provisions of 35 U.S.C. chapter 31, as amended by section 6(c)(3) of the Leahy-Smith America Invents Act, shall apply to requests for inter partes reexamination filed before September 16, 2012. Accordingly, for inter partes reexamination, the following applies:

1. Inter partes reexamination requests filed prior to September 16, 2011: With respect to any inter partes reexamination proceeding for which a request has been filed **prior** to

September 16, 2011, the SNQ standard is applicable in determining whether the request for inter partes reexamination will be granted. If reexamination is ordered based on the SNQ standard, then the SNQ standard will apply throughout the reexamination proceeding, even after September 16, 2011, or September 16, 2012.

2. Inter partes reexamination requests filed on or after September 16, 2011, but before September 16, 2012: With respect to any inter partes reexamination proceeding for which a request is filed **on or after** September 16, 2011, the "reasonable likelihood" standard is applicable in determining whether the request for inter partes reexamination will be granted. If reexamination is ordered based on the "reasonable likelihood" standard, then the "reasonable likelihood" standard will apply throughout the reexamination proceeding, even after September 16, 2012. In addition, the inter partes reexamination provisions of 35 U.S.C. chapter 31, as amended by section 6(c)(3) of the Leahy-Smith America Invents Act, and §§ 1.902 – 1.997 and 41.60 – 41.81 of title 37 CFR, effective on September 16, 2011, will apply throughout the reexamination, even after September 16, 2012.

3. Inter partes reexamination requests filed on or after September 16, 2012: With respect to any inter partes reexamination proceeding for which a request is submitted **on or after** September 16, 2012, the Office cannot grant, or even accord a filing date to, the request. The inter partes reexamination provisions of 35 U.S.C. chapter 31 are not available for any request for inter partes reexamination submitted on or after September 16, 2012. In other words, the Office will no longer entertain original requests for inter partes

reexamination on or after September 16, 2012, but instead will accept petitions to conduct inter partes review.

II. Section-by-Section Discussion of Specific Rules.

Title 37 of the Code of Federal Regulations, Part 1, Subpart H, is amended as follows:

Section 1.913: The title of § 1.913 is revised to add ", and time for filing, a" before "request for inter partes reexamination." The sole existing paragraph of § 1.913 is revised to add "(a)" before the paragraph, and to add after "Except as provided for in § 1.907 and in paragraph (b) of this section." New paragraph (b) is added to explicitly provide that any request for an inter partes reexamination that is submitted on or after September 16, 2012, will not be accorded a filing date and that any such request will not be granted.

Section 1.915: Section 1.915 is amended by revising paragraph (b)(2) to replace the SNQ standard for granting reexamination with the "reasonable likelihood" standard. After "citation of the patents and printed publications which are presented to provide," the language "a showing that there is a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request" is added in place of "a substantial new question of patentability."

Section 1.915 is additionally amended by revising paragraph (b)(3) to replace the SNQ

standard for granting reexamination with the "reasonable likelihood" standard:

> A statement pointing out, based on the cited patents and printed publications, each showing of a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request, and a detailed explanation of the pertinency and manner of applying the patents and printed publications to every claim for which reexamination is requested.

The amended language replaces the prior language:

> A statement pointing out each substantial new question of patentability based on the cited patents and printed publications, and a detailed explanation of the pertinency and manner of applying the patents and printed publications to every claim for which reexamination is requested.

Section 1.923: The first sentence of § 1.923 is amended to replace the SNQ standard for granting reexamination with the "reasonable likelihood" standard:

> Within three months following the filing date of a request for inter partes reexamination under § 1.915, the examiner will consider the request and determine whether or not the request and the prior art establish a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request.

The amended language replaces the prior language:

> Within three months following the filing date of a request for inter partes

reexamination under § 1.915, the examiner will consider the request and determine whether or not a substantial new question of patentability affecting any claim of the patent is raised by the request and the prior art citation.

The last sentence of § 1.923 is amended to replace the SNQ standard for granting reexamination with the "reasonable likelihood" standard:

> If the examiner determines that the request has not established a reasonable likelihood that the requester will prevail with respect to at least one of the challenged claims, the examiner shall refuse the request and shall not order inter partes reexamination.

The amended language replaces the prior language:

> If the examiner determines that no substantial new question of patentability is present, the examiner shall refuse the request and shall not order inter partes reexamination.

Section 1.927: The last sentence of § 1.927 is amended by deleting "no substantial new question of patentability has been raised" after "[i]f no petition is timely filed or if the decision on petition affirms that." The language "a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request has not been established" is added in its place.

Section 1.931: Section 1.931 is amended by revising paragraph (a) to replace the SNQ

standard for granting reexamination with the "reasonable likelihood" standard:

> If it is found that there is a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request, the determination will include an order for inter partes reexamination of the patent for resolution of the question of whether the requester will prevail.

The amended language replaces the prior language:

> If a substantial new question of patentability is found, the determination will include an order for inter partes reexamination of the patent for resolution of the question.

III. Rule Making Considerations

A. Administrative Procedure Act (APA): This final rule merely revises the rules governing inter partes reexamination to implement the provisions in section 6(c)(3) of the Leahy-Smith America Invents Act, which include: (1) a change to the standard for granting a request for inter partes reexamination; and (2) the termination of inter partes reexamination on September 16, 2012. Therefore, the changes in this final rule are merely interpretative. See Nat'l Org. of Veterans' Advocates v. Sec'y of Veterans Affairs, 260 F.3d 1365, 1375 (Fed. Cir. 2001). 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(d) or any other law. See Cooper Techs. Co. v. Dudas, 536 F.3d 1330, 1336-37 (Fed. Cir. 2008)

(stating that 5 U.S.C. 553, and thus 35 U.S.C. 2(b)(2)(B), does not require notice and comment rule making for "interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice.") (quoting 5 U.S.C. 553(b)(A)).

B. Regulatory Flexibility Act: As prior notice and an opportunity for public comment are not required pursuant to 5 U.S.C. 553 or any other law, neither a regulatory flexibility analysis nor a certification under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) is required. See 5 U.S.C. 603.

C. Executive Order 13132 (Federalism): This rule making does not contain policies with federalism implications sufficient to warrant preparation of a Federalism Assessment under Executive Order 13132 (Aug. 4, 1999).

D. Executive Order 12866 (Regulatory Planning and Review): This rule making has been determined not to be significant for purposes of Executive Order 12866 (Sept. 30, 1993), as amended by Executive Order 13258 (Feb. 26, 2002) and Executive Order 13422 (Jan. 18, 2007).

E. Executive Order 13175 (Tribal Consultation): This rule making will not: (1) have substantial direct effects on one or more Indian tribes; (2) impose substantial direct compliance costs on Indian tribal government; or (3) preempt tribal law. Therefore, a tribal summary impact statement is not required under Executive Order 13175 (Nov. 6, 2000).

F. Executive Order 13211 (Energy Effect): This rule making is not a significant energy action under Executive Order 13211 because this rule making is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required under Executive Order 13211 (May 18, 2001).

G. Executive Order 12988 (Civil Justice Reform): This rule making meets applicable standards to minimize litigation, eliminate ambiguity, and reduce burden as set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Feb. 5, 1996).

H. Executive Order 13045 (Protection of Children): This rule making is not an economically significant rule and does not concern an environmental risk to health or safety that may disproportionately affect children under Executive Order 13045 (Apr. 21, 1997).

I. Executive Order 12630 (Taking of Private Property): This rule making will not effect a taking of private property or otherwise have taking implications under Executive Order 12630 (Mar. 15, 1988).

J. Congressional Review Act: Under the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.), prior to issuing any final rule, the United States Patent and Trademark Office will submit

a report containing the final rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the Government Accountability Office. This final rule merely revises the rules governing inter partes reexamination to conform them to the change to the standard for granting a request for inter partes reexamination set forth in section 6(c)(3) of the Leahy-Smith America Invents Act, and the September 16, 2012 date of termination of inter partes reexamination provided for in section 6(c)(3) of the Leahy-Smith America Invents Act. The change in this rule making is **not** expected to result in an annual effect on the economy of 100 million dollars or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, this rule making is **not** expected to result in a "major rule" as defined in 5 U.S.C. 804(2).

K. Unfunded Mandates Reform Act of 1995: The changes in this rule will not result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of 100 million dollars or more in any one year, and it will not significantly or uniquely affect small governments. Therefore, no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995. See 2 U.S.C. 1501 et seq.

L. National Environmental Policy Act: The rule making will not have any effect on the quality of the environment and is thus categorically excluded from review under the National Environmental Policy Act of 1968. See 42 U.S.C. 4321 et seq.

M. National Technology Transfer and Advancement Act: The requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) are inapplicable, because this rule making does not involve the use of technical standards.

N. Paperwork Reduction Act: This rule making involves information collection requirements which are subject to review by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.). The collection of information involved in this rule making has been reviewed and previously approved by OMB under OMB control number 0651-0064. This final rule merely revises the rules governing inter partes reexamination to conform them to the change to the standard for granting a request for inter partes reexamination set forth in the transition provisions of section 6(c)(3) of the Leahy-Smith America Invents Act, and the September 16, 2012 date of termination of inter partes reexamination provided for in section 6(c)(3) of the Leahy-Smith America Invents Act. This rule making does **not** impose additional collection requirements under the Paperwork Reduction Act. Therefore, the United States Patent and Trademark Office is not submitting an information collection package to OMB for its review and approval because the changes in this rule making will not affect the information collection requirements associated with the information collection under OMB control number 0651-0064.

List of Subjects

37 CFR Part 1

Administrative practice and procedure, Courts, Freedom of information, Inventions and patents, Reporting and record keeping requirements, Small Businesses, and Biologics.

For the reasons set forth in the preamble, 37 CFR Part 1 is amended as follows:

PART 1 - RULES OF PRACTICE IN PATENT CASES

1. The authority citation for 37 CFR Part 1 continues to read as follows:

Authority: 35 U.S.C. 2(b)(2), unless otherwise noted.

2. Section 1.913 is revised to read as follows:

§ 1.913 Persons eligible to file, and time for filing, a request for <u>inter partes</u> reexamination.

(a) Except as provided for in § 1.907 and in paragraph (b) of this section, any person other than the patent owner or its privies may, at any time during the period of enforceability of a patent which issued from an original application filed in the United States on or after November 29, 1999, file a request for <u>inter partes</u> reexamination by the

Office of any claim of the patent on the basis of prior art patents or printed publications cited under § 1.501.

(b) Any request for an inter partes reexamination submitted on or after September 16, 2012, will not be accorded a filing date, and any such request will not be granted.

3. Section 1.915 is amended by revising paragraphs (b)(2) and (b)(3), to read as follows:

§ 1.915 Content of request for inter partes reexamination.

* * * * *

(b) * * *

(2) A citation of the patents and printed publications which are presented to provide a showing that there is a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request.

(3) A statement pointing out, based on the cited patents and printed publications, each showing of a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request, and a detailed explanation of the pertinency and manner of applying the patents and printed publications to every claim for which reexamination is requested.

* * * * *

4. Section 1.923 is revised to read as follows:

§ 1.923 Examiner's determination on the request for inter partes reexamination.

Within three months following the filing date of a request for inter partes reexamination under § 1.915, the examiner will consider the request and determine whether or not the request and the prior art establish a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request. The examiner's determination will be based on the claims in effect at the time of the determination, will become a part of the official file of the patent, and will be mailed to the patent owner at the address as provided for in § 1.33(c) and to the third party requester. If the examiner determines that the request has not established a reasonable likelihood that the requester will prevail with respect to at least one of the challenged claims, the examiner shall refuse the request and shall not order inter partes reexamination.

5. Section 1.927 is revised to read as follows:

§ 1.927 Petition to review refusal to order inter partes reexamination.

The third party requester may seek review by a petition to the Director under § 1.181 within one month of the mailing date of the examiner's determination refusing to order inter partes reexamination. Any such petition must comply with § 1.181(b). If no petition is timely filed or if the decision on petition affirms that a reasonable likelihood

that the requester will prevail with respect to at least one of the claims challenged in the request has not been established, the determination shall be final and nonappealable.

6. Section 1.931 is amended by revising paragraph (a) to read as follows:

§ 1.931 Order for inter partes reexamination.

(a) If it is found that there is a reasonable likelihood that the requester will prevail with respect to at least one of the claims challenged in the request, the determination will include an order for inter partes reexamination of the patent for resolution of the question of whether the requester will prevail.

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Date: 9/16/14

David J. Kappos
Under Secretary of Commerce for Intellectual Property and
Director of the United States Patent and Trademark Office