

Q&A: Cory Bell on 10 years of the America Invents Act

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This week marks the ten year anniversary of [America Invents Act](#) (AIA), which became law on September 16, 2011. Also known as the Leahy-Smith Act, the AIA was designed to modernise the US patent system but its detractors have argued that the Act's provisions could stifle innovation.

The AIA also led to the controversial creation of the [Patent Trial and Appeal Board](#) (PTAB). In the first of a three-part series this week presenting the views of US lawyers, *WIPR* asked [Finnegan](#) partner Cory Bell to share his thoughts on the effects of the AIA and what the future holds.

What is the significance of this anniversary?

The anniversary is significant in that we now have a lot of information on the effectiveness of AIA trials to meet the goals behind the statute. We have had multiple directors at the helm and the feedback from many stakeholders, both from the patent owner and the petitioner side, stemming from the USPTO's frequent requests for public comment.

In particular, AIA trials may no longer be a faster alternative to some district courts. Petitioners may argue that this means that the timeline provided in the statute is too long and needs to be shortened. Conversely, many patent owners argue that this means that the board should not institute an AIA proceeding under those circumstances.

What changes has the AIA experienced since it was signed into law?

The implementation of the AIA has undergone many changes over the last ten years. The three most significant are: the change of the claim construction standard from the broadest reasonable construction

to the same standard applied by district courts and the US International Trade Commission, the introduction of discretionary denials under the PTAB's precedential *Fintiv* decision, and the change from partial institutions on some challenged claims and some grounds to institute on only all challenged claims and all grounds.

The change in the claim construction standard was an attempt by the US Patent and Trademark Office to bring more consistency between PTAB trials and parallel litigations. In effect, it can sometimes make it more difficult to file *inter partes* reviews early because a petitioner often needs to figure out its claim construction positions for the litigation before it files a petition.

The introduction of [discretionary denials](#) under *Fintiv* was mainly focused on overlap between the district court trial and the issues to be decided at the PTAB, and on trying to ensure that AIA trials are a faster and cheaper alternative to litigation.

The practical effect of *Fintiv* is that many parties are filing AIA challenges much sooner than the one-year statutory deadline and many parties are agreeing to have the estoppel that results from a PTAB proceeding triggered at institution of a proceeding rather than at the stage of the final written decision, which is the triggering event in the statute.

The change from partial institutions to all-or-nothing institutions has also had a significant impact. First, when partial institution was an option, patent owner strategy at the preliminary response phase often focused on narrowing the case.

Now, most patent owners seem to focus on the independent claims in the preliminary response phase. Because petitions typically challenge all asserted claims, this means that all asserted claims are often in or out of the AIA challenge.

The impact of this has been interesting. In the partial institution era, it was possible to use the fact that you achieved non-institution of some claims to oppose a stay of the litigation.

But now we are seeing that patent owners are having much more success saving dependent claims challenged in the AIA proceeding, which results in estoppel that limits the petitioner's ability to challenge the validity of those same claims in the litigation.

How has the AIA impacted patent litigation over the past decade?

In the beginning, particularly when covered business method reviews were still available, the largest impact on litigation was the likelihood of a stay. Now, in particular after the issuance of the *Fintiv* decision, the possibility of AIA challenges has encouraged patent owners to look for venues that will beat the PTAB to a decision. And it has also encouraged venues that want to attract patent litigation to speed up their time to trial.

Given all of these changes, it has also required parties that want to take advantage of AIA trials to greatly advance the development of their case.

In many instances, we are trying to develop claim construction positions, potential validity challenges, non-infringement positions, and potential design arounds all before we respond to the complaint. Otherwise, you run the risk of making a decision that will impact your whole case with only some of the information when the overall strategy has become more complicated. This can result in front loading many of the litigation expenses and often requires larger teams.

What changes, if any, are on the horizon that would impact the AIA?

The appointment of a new director is the most likely to impact the AIA trials. We have seen over the years that the USPTO director, who is a member of the PTAB, has a lot of power to shape AIA trials either through rule making such as the change in claim construction standard or through precedential opinions, such as *Fintiv*.