

THE 2011 PATENT LAW: Law and Practice

**An Analysis of the *Leahy Smith America Invents Act*,
Pub. L. 112-29 as enacted September 16, 2011**

Harold C. Wegner
Foley & Lardner LLP

New First-to-File Section – How to Draft the Application:

**CONFRONTING THE 800 POUND GORILLA IN THE ROOM:
ADAPTING TO THE REALITIES OF FIRST-TO-FILE
(pp. 12-15)**

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hwegner@foley.com

Summary of Contents

Business Executives and Overseas Patent Experts (Introduction)	4
Foreword	4
Two Ways to Start a Study of the New Law	11
Business Executives and Overseas Patent Experts	11
Confronting The 800 Pound Gorilla In The Room: Adapting To The Realities Of First-To-File	12
Detailed Table of Contents	16
Commentary on Selected Sections of the Law (Full Text)	22
§ 10 Introduction	43
§ 30 Post-Grant Review and Other Post-Examination Procedures	52
§ 40 Inter Partes Review and Post-Grant Review	63
§ 50 Ex parte Reexamination and Supplemental Examination	65
§ 60 Transition “Bubble” for Substantive Patent Law Changes	68
§ 70 Immediate and Retroactive Changes of Some Provisions	72
§ 80 Prior User Right	75
§ 100 Novelty: Patent-Defeating Prior Art	86
§ 200 The One Year Grace Period	133
§ 240 Joint Inventorship Liberalized in the New Law	148
§ 300 Novelty: Secret Prior Art (Earlier-Filed)	157
§ 400 Obviousness	192
§ 500 Claiming and Disclosure Requirements	167
§ 600 Priority based on an Earlier Application	178
About the Author	191

Business Executives and Overseas Patent Experts

In keeping with previous patent law books by this author, every effort has been made to make the new law accessible to executives (domestic and foreign) and overseas patent experts who do not have ready access to American case law. Because many of the provisions in the new law require an understanding of the case law, sometimes extensive extracts of leading cases are included to provide context and understanding for various provisions of the new law. In each case, unnecessary procedural details have been eliminated to permit a focus on the legal issues in the context of terminology used in the new law.

Foreword

This book is designed for patent practice managers and practitioners seeking to understand both the fundamentals and the nuances of the new patent law, the *Leahy Smith America Invents Act*. The text used for this book is taken from the House-passed bill, H.R. 1249, for which cloture was voted on September 6, 2011, and which was then passed by the Senate without amendments to become the new patent law, Pub. L. 112-29, once it was signed by President Obama on September 16, 2013.

Twenty-Five Plus Years of Effort to Create the New Law

The new law represents the culmination of more than twenty-five years of hard work by a dedicated group of experts that commenced with the World Intellectual Property Organization's Committee of Experts on Patent Harmonization that regularly met over the period 1985-1990. An ever evolving "draft treaty" was created through numerous iterations to create a model patent law

that could be used for a global patent system. The first comprehensive domestic legislation embodying the principles of the “draft treaty” was introduced in 1992.

Identical versions were introduced in both bodies, S. 2605 and H.R. 4978, which resulted in Joint Hearings on April 30, 1992, before the Senate Subcommittee on Patents, Copyrights and Trademarks and the House Subcommittee on Intellectual Property and Judicial Administration of the House and Senate Committees on the Judiciary, 102d Cong., 2d Sess. As explained in testimony at the Joint Hearings, one of the major features of the legislation was “patent worksharing”: By having common patent granting regimes in the major countries of the world, Examiners would be able to rely upon the work of fellow Examiners in other countries. See J.H. Reichman, *Compliance with the TRIPs Agreement: Introduction to a Scholarly Debate*, 29 VAND. J. TRANSNAT'L L. 363, 381-83 (1996); *Patent System Harmonization Legislation is Debated in Joint Senate-House Hearing*, 44 BNA'S PATENT, TRADEMARK & COPYRIGHT JOURNAL 3 (1992); R. Carl Moy, *The History of the Patent Harmonization Treaty: Economic Self-Interest as an Influence*, 26 J. MARSHALL L. REV. 457 (1993). Throughout the period of the Committee of Experts and up through the 1992 legislation, Robert A. Armitage played a vital leadership role; this writer was privileged to have been actively involved in the process both at the Committee of Experts and before Congress in this period. The work up through the 1992 legislation is considered in detail in this writer's book, *Patent Harmonization* (1993).

Ongoing Contributions of Robert A. Armitage

There was widespread domestic opposition to the introduction of first-to-file and other provisions; the 1992 legislation did not go further than the Joint Hearings. In subsequent years, no attempt as bold as the introduction of comprehensive, first to

file legislation was made for many years. It was only in 2005 with the introduction of the earliest version of the current law that such comprehensive reform commenced. The animosity toward first-to-file was blunted to a great extent by a change of nomenclature initiated by Robert Armitage: Instead of proposing “first-to-file” the new system was styled as “first-inventor-to-file”.

This and other changes proposed by Armitage ultimately led to the enactment of the new law six years later. Starting in 1965, a great many new folks contributed to the debate and helped shape the new law. But, with the notable exception of Mike Kirk, Bob Armitage was the one constant, driving force behind the legislation who has played a leadership role since the mid-1980’s.

While this writer was actively involved in the early years up through the 1992 law, he claims no credit for the current law where his role has been almost exclusively as a commentator and through writing articles posted on the internet.

Key Elements of the New Law

The new law introduces a first-to-file regime, replacing the uniquely American first inventor system. Beyond this fundamental change, the redefinition of what constitutes prior art, alone, constitutes a more fundamental change to the patent law than any other changes dating back even before the 1952 Patent Act.

The new patent law may be considered an “octopus” with numerous tentacles reaching out in various directions both in terms of substantive and procedural changes in the patent law and practice. Indeed, the octopus is quite large and could very well strangle the system to the point that the current 1.2 million case backlog could *increase* while appellate backlogs may mushroom because of the need for the appeal judges to both handle their existing dockets of *ex parte* patent appeals *and* the pressure of the brand new Post Grant Review.

The new patent law represents the single most important and far reaching set of statutory changes in both law and practice since the nineteenth century, probably since the 1836 Patent Act that established the Patent Office and the modern system of patent examination. (A principal participant in the legislative process goes further: “Being the lengthiest patent act of all time – and the slowest to transit Congress – [the America Invents Act] constitute[s] at best uninspiring superlatives. They hardly suggest that this new congressional work product might one day be acknowledged not just as a *significant* advance in U.S. patent law, but as *the most significant* since the First Congress crafted the first patent act in 1790.” Robert A. Armitage, *Leahy-Smith America Invents Act: Will It Be Nation’s Most Significant Patent Act Since 1790?*, Legal Backgrounder, Vol. 26 No. 21 September 23, 2011 (Washington Legal Foundation).

While it may be debated whether the new law is the more significant the Patent Act of 1836, the new law is a veritable octopus with tentacles making changes in both substantive and procedural patent law of the broadest scope and greatest importance since the fundamental introduction of modern patent principles in the nineteenth century.

The United States patent law has a rich history of incremental case law development that has built upon the 1623-1624 Statute of Monopolies, colonial patent laws that were in existence in nine of the thirteen colonies and the more than 220 years evolution of the patent law since the original 1790 Patent Act. In terms of a major statutory change, the new law represents the biggest statutory change since at least the 1870 Act that, *inter alia*, established a formal requirement for patent claims and introduced the “printed publication” category of prior art, and

probably since the 1836 Patent Act that started the modern American patent system of examination.

Judicial Interpretation of the Loose Ends of the New Law

In the period since the first edition of this book many questions have been received where the only answer is, “I don’t know!” This is due to drafting ambiguities that permeate the statute and more and more are being seen the hallmark of this legislation. All too often the apparent intention of the legislature is countered by statutory wording that is inconsistent with that apparent intention. Indeed, much of this book is devoted to these ambiguities with the goal of providing information to patent experts to help them make their own assessments as to how the law will ultimately be interpreted.

How will the Federal Circuit decide a test case to interpret new statutory provisions? “I don’t know”. While it may be possible to make a prediction of outcome based upon the composition of the *current* Federal Circuit, it may take up to ten or more years for fact patterns to be generated and then filter their way up the appellate ladder for a decision by the Federal Circuit. Ten years from now, beyond Circuit Judges Moore, O’Malley and Reyna, the entire current bench will have retired or at least become senior-eligible with up to nine openings: It is impossible to speculate what views this new group will or will not have toward patents. (As a manifestation of the slow pace of test cases for a new patent law, consider the first-ever statutory definition of nonobviousness in the 1952 Patent Act where the new law was not interpreted in any Supreme Court case until *Graham v. John Deere & Co.*, 383 U.S. 1 (1966), some *fourteen (14) years later*.

There are numerous cases of imprecise and even bizarre draftsmanship that permeate the America Invents Act. Some bloggers have attributed ulterior motives to various drafting gaffes and while there may be some instances where this is the case, more likely than not the drafting mistakes were the result of “the blind leading the blind” as key persons involved in the drafting process, particularly in the most recent Congress, simply were ignorant of patent law principles.

One could start with the definition of the grace period to exempt the inventor’s “disclosures” (a wording choice narrower than what the legislature may have intended) or the inclusion in recent versions of the legislation of “public use” and “on sale” bars as prior art, creating disharmony with the laws of Europe and East Asia and possibly unintended consequences such as the perpetuation of the case law interpretation of “public use” as including a secret commercialization.

This transition provision for first-to-file effectively permits patent applicants for the next several *years* to elect whether to proceed under the new first-to-file law or to choose the old first inventor law: For many years, continuing applications under 35 USC § 120 with an ultimate priority date before March 16, 2013, will be filed for the purpose of avoiding the new law. For many years, the patent community and particularly patent examiners will have to operate under two, quite distinct patent laws, all keyed to “Section 3(n)(1)”:

If *all* claims of an application have an effective filing date before March 16, 2011, then the old law will govern. If *any* claim is *not* entitled to a priority date before March 16, 2011, the new law is applicable to the entire application and patent. Even if all the claims of a continuation application are *identical* to the claims of the parent, this does not mean that each claim has the same *effective*

filing date because a challenge can be made against priority based upon whether, for example, a generic claim shows “possession” of the invention under *Ariad Pharmaceuticals, Inc. v. Eli Lilly and Co.*, 598 F.3d 1336 (Fed. Cir. 2010)(*en banc*)(Lourie, J.)(discussed at § 531, *The Ariad “Possession Test”*).

Contributions to this Book from Colleagues

Once the new law was passed at the time of the Second Edition, the study of the revised patent practice has begun in earnest. Numerous comments and suggestions have been received since that time which are reflected in subsequent revisions..

Comments from Commissioner for Patents Robert Stoll and colleague Sharon Barner as joint participants at a webinar on the new law have been very helpful and are reflected in the Third Edition. Most recently, in her role in charge of Patent Office implementation of rulemaking necessary for the new law, Janet Gongola has contributed her expertise at a seminar of the IEEE. Steve Maebius, Kristel Schorr, Matthew A. Smith and Pavan Agarwal have each provided stimulating commentary at a seminars conducted in either or both of Tokyo and Munich. Foley colleagues Andrew Cheslock, Liane Petersen and Paul Hunger have also participated in continuing education efforts. A Silicon Valley presentation provided useful thoughts from Antoinette Konski, Laura Tanner and Lauren Stevens. Courtenay Brinckerhoff and Jackie Wright-Bonilla have each had extensive input in major part through authorship of their patent blogs.

Important contributions have been made by Professor Paul Janicke as well as leading Washington, D.C., patent expert Bradley Wright; all have provided important views on the meaning of the difficult transition wording of SEC. 3(n)(1)(A) that determines whether a patent application is under the old “first inventor” law or under the new “first to file” regime considered beginning at § 60, *First-to-File “Bubble” Transition Date..*

CONFRONTING THE 800 POUND GORILLA IN THE ROOM: ADAPTING TO THE REALITIES OF FIRST-TO-FILE

First-to-file has been the reality for the great bulk of patent applicants around the world. In addition to applicants from Europe and Asia who have always lived with first-to-file, this has also been true for domestic applicants in the pharmaceutical industry and other fields where global rights are essential. For the remaining domestic applicants who have focused upon domestic patent protection, first-to-file now becomes the reality for all new applications filed as from March 16, 2013.

No “one size fits all” strategy for patent filing. There are indeed a wide range of strategies too numerous to detail. As a basic starting point, one may consider two different basic models:

First, a great many patents are sought for incremental improvements where there are two basic objectives: Patent protection from an offensive standpoint is focused upon the actual embodiments that the applicant has created. Patent protection from a *defensive* strategic viewpoint is at least equally important, where it is important that a third party should not be able to obtain its own patent that will dominate that technology. There is basically a two stage process under first-to-file for this type of protection. *See § A, Patent Filings in Two Stages for Most Cases.*

Second, an important minority of patent applications are designed to obtain *both* protection for the actual embodiments that have been created while *also* providing generic protection that will dominate a third party which seeks improvements for its later developments. Here, there is a three stage process that should be followed. *See § B., Patent Filing in Three Stages to Obtain Generic Coverage.*

The following page provides a table showing the elements of both a provisional and regular application in the context of the *first* two stage filing:

A. Patent Filings in Two Stages for Most Cases

There are basically two stages to the application filing process under first-to-file where the dual objectives are offensive protection for the embodiments actually created and defensive protection to preclude a competitor from gaining a dominant patent position.

Stage (1), The Provisional: A provisional application should be filed as soon as an enabled embodiment has been created. It is essential that this first provisional application contain a full disclosure of how to make and use that embodiment. Generally, by including an enabled embodiment of the invention this disclosure will necessarily teach how to make and use the invention.

Assuming that a regular application claiming priority to the first provisional is filed a year later, then (upon publication of that regular application) the applicant gains a patent-defeating effect retroactive to the priority date. This means that if a third party files a patent application to the same invention or an obvious modification, the third party's claims will be denied if the third party's priority date is subsequent to the applicant's priority filing date.

It is also helpful to have a generic disclosure of the invention, because the later regular application will be entitled to priority for a generic claim if there is a comparable generic disclosure in the priority application. The applicant should do his best to create such a generic disclosure.

Ideally, a definition of the generic scope should be included in the first provisional application. Unfortunately, it takes time to reflect upon creating the best possible definition. It is better to *attempt* to make the perfect definition, without waiting to reflect, because of the importance of the earliest filing date. *But, publication of the invention should be deferred until the best possible definition has been part of a filing.*

Stage (2), the Twelfth Month Regular Filing: The regular application must, of course, be accomplished within 12 months from the first priority date.

B. Patent Filing in Three Stages to Obtain Generic Coverage

Where generic coverage is important, two steps in the above chart focus upon the differences between the types of filings; a third, intermediate step involves a *second* provisional application:

2	Summary of the Invention	
	<u>Preferable to have both full generic disclosure and also subgeneric definitions to provide support for regular filing.</u>	[critical for the claims]
7	“Detailed Description of the Invention” – Additional Embodiments (a) Additional examples (embodiments) will help provide support for the generic invention both to meet § 112(a) as well as provide basis for broad interpretation (b) List of additional <i>specific embodiments by name</i> (creating patent-defeating effect <i>and</i> providing basis for later adding claim to that specific embodiment.	
	<u>Preferable <i>if it does not slow down the provisional filing date.</i></u>	Both (a) and (b) important

Generic and subgeneric definitions should be included in the application (item 2) and alternate embodiments should be illustrated (item 7). In an ideal world, this would be done at the time of the first provisional. Realistically, about one month of additional time is necessary particularly to define the generic and subgeneric definitions that will be present in the final claims of the regular application. (So much time is needed not only to reflect on what scope of claim definition should be drafted, but also to provide time for a more complete search to be completed to determine the true state of the art.)

A *second* provisional should be filed where this additional month of time is taken to create the generic and subgeneric definitions and provide additional embodiments. Thus, the *first* provisional is filed as soon as possible for the same reasons as in § A. The *second* provisional should be filed as soon as possible thereafter with all the elements of elements (2) and (7). The regular 12th month application should then claim priority to both applications.

No prior art event should be permitted to take place until *after* this second provisional application has been filed because the priority date for new claims may *not* predate the actual second filing date.

Other, More Detailed Filing Strategies

Other filing strategies and formats can be utilized with more complete disclosures and including a *Background* and other features. The instant format is chosen for speed and efficiency for the earliest filing date that meets substantive requirements.

Detailed Table of Contents

Foreword

The New Patent Law Pub. L. 112-29,

Sec. 100 Definitions.

Sec. 101 Inventions patentable.

Sec. 102. Conditions for patentability; novelty

Sec. 103. Conditions for patentability; non-obvious subject matter

Sec. 111. Application

Sec. 112. Specification

Sec. 116. Inventors

Sec. 119. Benefit of earlier filing date; right of priority

Sec. 120. Benefit of earlier filing date in the United States

§ 10 Introduction

§ 11 The Long Tentacles of the 2011 “Octopus” Patent Law

§ 12 The Relatively Minor Changes of the 1952 Patent Act

§ 13 Comparison of the 1870 and 1952 Patent Acts

§ 14 Constitutional Challenges to the New Law

§ 20 Varying Adaptations for Different Patent Communities

§ 21 Domestic Upstream Researchers, the Biggest Changes

§ 22 Minimal Changes for Downstream Research

§ 23 East Asian and European Organizations

§ 30 Post-Grant Review and Other Post-Examination Procedures

§ 31 Awaiting Rulemaking from the Director

§ 32 Manpower Inadequacies

§ 33 The Appellate Process is Already Log jammed

§ 34 Swamping the Office with New Statutory Procedures

§ 35 Post-Grant Effective Date is Keyed to the 3(n)(1) Transition Date

§ 36 Priority Claim to Avoid Post-Grant Review

§ 37 Technical Trap for Foreign Applicants Relying on the Paris Convention

§ 40 Inter Partes Review and Post-Grant Review

- § 41 “Reasonable Likelihood” Trigger to Initiate Proceedings
- § 42 Board Level Decision bypassing The Examiner
- § 43 Evidence to Challenge Affidavits
- § 44 Trial De Novo is not Permitted
- § 45 Federal Circuit “Substantial Evidence” Appeal

§ 50 Ex parte Reexamination and Supplemental Examination

- § 51 Supplemental Examination Goes to Director’s Review
- § 52 Supplemental Examination to Trigger Reexamination
- § 53 Ex parte Reexamination for Non-Publication Issues
- § 54 Retroactive Effective Date
- § 55 *Ex Parte* Reexamination Trials De Novo (§ 145) Abolished

§ 60 First-to-File “Bubble” Transition Date

- § 61 The Floating Transition Date 18 Months After Enactment
- § 62 Priority “Patent Bubble” Filings
- § 63 Claiming New Matter in a Continuing Application
- § 64 Early Filing of Divisional Applications
- § 63 Claiming New Matter in a Continuing Application
- § 64 Early Filing of Divisional Applications

§ 70 Immediate and Retroactive Changes of Some Provisions

- § 71 “Best Mode” Defense Retroactively Eliminated
- § 72 Qui Tam False Marking Actions Eliminated
- § 73 Norfolk, Richmond and Alexandria Venue vs. the PTO
- § 74 *Ex Parte* Reexamination Trials De Novo (§ 145) Abolished
- § 75 Inter Partes Reexamination Trigger: “Reasonable Likelihood” Test

§ 80 Prior User Right

- § 81 Elements of the Prior User Right
- § 82 Limitations on the Prior User Right
- § 83 Premarketing Regulatory Review is Qualifies as a Prior Use
- § 84 Non-Profit Laboratory Use Qualifies as a Prior Use
- § 85 “Exhaustion” of the Patentee’s Right
- § 86 Personal Defense Only
- § 87 Transfer as Part of the Business
- § 88 University Exception
- § 89 Effective Date: Patents Granted from September 16, 2011

§90 Marking: Virtual Marking and False Marking

- § 91 Virtual Marking
- § 92 Virtual Marking to Facilitate Damage Claims
- § 93 Virtual Marking as Notice for Active Inducement
- § 94 Qui Tam False Marking Actions Eliminated
- § 95 False Marking Constitutional Challenge

§ 100 Novelty: Patent-Defeating Prior Art

- § 101 Prior Art of Applicant and “Others” are not Segregated
- § 102 Global Prior Art
- § 103 Ambiguous Definition of the Grace Period
- § 104 Elimination of Non-Patent “Secret” Prior Art
- § 105 Abandonment of the “Abandon[ment]” Category
- § 106 Premature Foreign Patenting
- § 107 Late Addition of “Public Use” and “On Sale”

§ 110 “Printed Publication”

- § 111 Most Important Prior Art for Post-Grant Review
- § 112 Contrast to Overseas Laws
- § 113 Identical Terminology in the Current Law
- § 114 Breadth beyond the Literal meaning of “Printed”
- § 115 Internet-Posted Article as a “Printed Publication”

§ 120 “[O]therwise available to the public”

§ 130 “Public Use”

§ 140 “On Sale” Event Prior to the Filing Date

- § 141 Global Scope of the “On Sale” Bar
- § 142 *Pfaff* Pre-Reduction to Practice “On Sale” Bar
- § 143 Commercial Offer without a Sale
- § 144 “Experimental Use” Confusion with the “On Sale” Bar
- § 145 Pre-Conception Creation of “On Sale” Bar

§ 150 Secret Commercialization by the Inventor

- § 151 Disharmony from International Practice
- § 152 “Public Use” is Maintained as a Bar under Leahy Smith
- § 153 Origins of the Secret Commercialization Bar
- § 154 Global Bar under Leahy Smith (versus Domestic Bar)

- § 155 Earlier Intention to Overrule *Metallizing Engineering*
- § 156 Changes from the Original 2005 Patent Reform Legislation
- § 157 Federal Circuit Resolution
- § 158 Does the Constitution Require Metallizing Engineering?
- § 159 Secret Commercialization Policy Arguments

§ 160 “Patented” Invention

- § 161 Contrast with Overseas Patent Law
- § 162 Anachronism due to Publication of Applications

§ 170 Derivation is Eliminated

- § 171 OddzOn Products Obviousness Overruled

§ 200 The One Year Grace Period

§ 210. Grace Period Limited to “Disclosures” of the Invention

- § 211. An Unnecessary Victory for “Downstream” Research

§ 220. Contrast to Blanket Grace Period under Current Law

§ 230 “Legislative History” Suggesting a Narrow Grace Period

- § 231 Legislative Intent to Narrowly Interpret “Disclos[ures]”
- § 232 The *Faux* Post-Vote Legislative History
- § 233 Explaining “Disclosures” After the Vote
- § 234 Explaining “Disclosures” After the Vote
- § 235 Post-Vote Statements Valueless as Legislative History
- § 236 The House Report Limits Grace Period to “Disclosures”
- § 237 Floor Debate at the Time of House Passage

§ 240 Joint Inventorship Liberalization

- § 241 Joint Inventorship Under Current (1984) Law
- § 242 Literal Wording Follows the International Norm
- § 243 *Kimberly-Clark* Mandates “Quantum” of Joint Activity
- § 244 “Joint Invention” Defined in New §§ 100(f), 100(g)
- § 245 “Joint Inventor” Definition Legislative History

§ 246 Federal Circuit Resolution *Kimberly-Clark* Years Hence

§ 250 Joint Inventorship to Deny Prior Art Status

§ 251 Joint Inventorship Creation to Avoid Prior Art

§ 300 Novelty: Secret Prior Art (Earlier-Filed)

§ 311 “Selbst-Kollision” (Self-Collision) in Europe vs. Japan

§ 312 Prior Art for Novelty Purposes Only

§ 320 Prior Art as of the Foreign Priority Date

§ 321 Broader Patent-Defeating Effect than Foreign Laws

§ 330 Disqualifying Earlier-Filed Applications as Prior Art

§ 331 Joint Inventorship to Disqualify Prior Art Status

§ 332 Joint Inventorship Creation to Avoid Prior Art

§ 333 Common Ownership of both Inventions

§ 400 Obviousness

§ 410 “Public Use” and “On Sale”

§ 411 Commercialization Anywhere in the World

§ 412 Inventor’s “Secret” Acts Anywhere in the World

§ 420 Open Questions about the Grace Period

§ 421 “Disclosures” (but not other Prior Art)

§ 422 “Publication” Grace Period for a Different Invention

§ 430 Disqualifying Related Prior Art

§ 431 Removing Prior Invention of Another

§ 432 Removing Earlier-Filed Later-Published Application

§ 500 Claiming and Disclosure Requirements

§ 510 Lettered Subsections for 35 USC § 112

§ 520 Elimination of “Best Mode”

§ 530 “Possession” of a Generic Invention

§ 531 The *Ariad* “Possession” Test

§ 532 The “Upstream”/ “Downstream” Divide

§ 540 Effective Date

§ 541 Changes other than Best Mode

§ 542 Best Mode Priority Changes to 35 USC §§ 119, 120

§ 543 Elimination of the Best Mode Defense

§ 600 Priority based on an Earlier Application

§ 610 Provisional and Foreign Priority Rights are Critical

§ 620 Three Elements of a Proper Priority Claim

§ 621 “Written Description” Denial of “New Matter”

§ 622 Enablement as a Priority Element

§ 623 “Written Description” to Establish Generic “Possession”

§ 630 Priority with “Best Mode”-Defective Parent

§ 631 Best Mode Priority based upon a Provisional Application

§ 632 Best Mode Continuation, Continuation-in-Part and Divisional Priority

§ 633 Best Mode Paris Convention (Foreign) Priority

§ 640 Changing the Scope of the Generic Invention

§ 641 Broadening Scope in a Continuing Application

§ 642 Narrowing Scope in a Continuing Application

§ 643 Concentric Rings of Generic Protection in the Provisional

§ 650 *New Railhead* Reality of Strict Priority Standards

About the Author

**THE 2011 PATENT LAW:
COMMENTARY ON THE
SUBSTANTIVE PATENT LAW PROVISIONS
of 35 USC, Title 35, Chapters 10 and 11**

earlier text and notes on prior revisions taken from:
Patent and Trademark Office, U.S. Department Of Commerce
Manual of Patent Examining Procedure, Current through the Eighth Edition, Revision 8,
July 2010, Appendix L Patent Laws

United States Code Title 35 – Patents

**PART II -- PATENTABILITY OF INVENTIONS AND
GRANT OF PATENTS**

CHAPTER 10 – PATENTABILITY OF INVENTIONS

- § 100 Definitions
- § 101 Inventions Patentable
- § 102 Conditions for patentability; novelty and loss of right
- § 103 Conditions for patentability; novelty and non-obvious subject matter
- § 104 Inventions made abroad [*repealed*]
- § 105 Inventions in Outer Space

CHAPTER 11 – APPLICATION FOR PATENT

- § 111 Application
- § 112 Specification
- § 113 Drawings [*omitted in this version*]
- § 114 Models, Specimens [*omitted in this version*]
- § 115 Oath of Applicant [*omitted in this version*]
- § 116 Inventors
- § 117 Death or Incapacity of Inventor [*omitted in this version*]
- § 118 Filing by Other than Inventor [*omitted in this version*]
- § 119 Benefit of earlier filing date, right of priority
- § 120 Benefit of earlier filing date in the United States
- § 121 Divisional Applications [*omitted in this version*]
- § 122 Confidential Status of Applications;
publication of patent applications [*omitted in this version*]

PART II -- PATENTABILITY OF INVENTIONS AND GRANT OF PATENTS

CHAPTER 10 – PATENTABILITY OF INVENTIONS

§ 100 Definitions

§ 101 Inventions Patentable

§ 102 Conditions for patentability; novelty and loss of right

§ 103 Conditions for patentability; novelty and non-obvious subject matter

§ 104 Inventions made abroad [*repealed*]

§ 105 Inventions in Outer Space [*omitted in this version*]

[miscellaneous provisions]

§256 Correction of Named Inventor

§. 273. Defense to infringement based on prior commercial use

35 U.S.C. 100 Definitions.

When used in this title unless the context otherwise indicates -

(a) The term “invention” means invention or discovery.

(b) The term “process” means process, art, or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.

(c) The terms “United States” and “this country” mean the United States of America, its territories and possessions.

(d) The word “patentee” includes not only the patentee to whom the patent was issued but also the successors in title to the patentee.

(e) The term “third-party requester” means a person requesting ex parte reexamination under section 302 who is not the patent owner.

(f) The term ‘inventor’ means the individual or, if a joint invention, the individuals collectively who invented or discovered the subject matter of the invention.

(g) The terms ‘joint inventor’ and ‘coinventor’ mean any 1 of the individuals who invented or discovered the subject matter of a joint invention.

(h) The term ‘joint research agreement’ means a written contract, grant, or cooperative agreement entered into by 2 or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.

(i)(1) The term ‘effective filing date’ for a claimed invention in a patent or application for patent means--

(A) if subparagraph (B) does not apply, the actual filing date of the patent or the application for the patent containing a claim to the invention; or

(B) the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), or 365(b) or to the benefit of an earlier filing date under section 120, 121, or 365(c).

(2) The effective filing date for a claimed invention in an application for reissue or reissued patent shall be determined by deeming the claim to the invention to have been contained in the patent for which reissue was sought.

(j) The term 'claimed invention' means the subject matter defined by a claim in a patent or an application for a patent.

Changes to this Section and Effective Date: Completely new and added to the definition section are §§ 100(f)-100(j). The first five definitions, §§ 100(a)-100(e), remain verbatim as under the previous law *except* that § 100(e) eliminates “or inter partes reexamination under section 311”.

Effective date: Under SEC. 3(n)(1), if *any* claim is presented which is *not* entitled to an effective filing date before March 16, 2013, the new law governs.

Changes prior to the 2011 Patent Act: (Subsection (e) added Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-567 (S. 1948 sec. 4603).)

35 U.S.C. 101 Inventions patentable.

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Commentary and Effective Date: No change is made to this section in the 2011 Patent Law.

35 U.S.C. 102. Conditions for patentability; novelty

[*prior title: Conditions for patentability; novelty and loss of right to patent.*]

(a) Novelty; Prior Art- A person shall be entitled to a patent unless--

(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

(b) Exceptions-

(1) DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION- A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if –

(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

§ 102(b)(2)

(2) DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS- A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if--

(A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;

(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.

(c) Common Ownership Under Joint Research Agreements- Subject matter disclosed and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of subsection (b)(2)(C) if--

(1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, 1 or more parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;

(2) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

(3) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

(d) Patents and Published Applications Effective as Prior Art- For purposes of determining whether a patent or application for patent is prior art to a claimed invention under subsection (a)(2), such patent or application shall be considered to have been effectively filed, with respect to any subject matter described in the patent or application--

(1) if paragraph (2) does not apply, as of the actual filing date of the patent or the application for patent; or

(2) if the patent or application for patent is entitled to claim a right of priority under section 119, 365(a), or 365(b), or to claim the benefit of an earlier filing date under section 120, 121, or 365(c), based upon 1 or more prior filed applications for patent, as of the filing date of the earliest such application that describes the subject matter.

[*prior law*:

35 U.S.C. 102 Conditions for patentability; novelty and loss of right to patent.

A person shall be entitled to a patent unless --

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in -- (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language; or

(f) he did not himself invent the subject matter sought to be patented, or (g)(1) during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

Commentary and Effective Date: The entire redrafting of the definition of novelty in this section represents the heart and soul of the substantive patent law revisions of the new law.

Effective date: Under SEC. 3(n)(1), if *any* claim is presented which is *not* entitled to an effective filing date before March 16, 2013, the new law governs.

Changes prior to the 2011 Patent Act: (Amended July 28, 1972, Public Law 92-358, sec. 2, 86 Stat. 501; Nov. 14, 1975, Public Law 94-131, sec. 5, 89 Stat. 691.) (Subsection (e) amended Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-565 (S. 1948 sec. 4505).) (Subsection (g) amended Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-590 (S. 1948 sec. 4806).) (Subsection (e) amended Nov. 2, 2002, Public Law 107-273, sec. 13205, 116 Stat. 1903.)

35 U.S.C. 103 Conditions for patentability; nonobvious subject matter.

A patent for a claimed invention may not be obtained, notwithstanding that the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.

[*Prior law:*

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

(b)(1) Notwithstanding subsection (a), and upon timely election by the applicant for patent to proceed under this subsection, a biotechnological process using or resulting in a composition of matter that is novel under section 102 and nonobvious under subsection (a) of this section shall be considered nonobvious if-

(A) claims to the process and the composition of matter are contained in either the same application for patent or in separate applications having the same effective filing date; and

(B) the composition of matter, and the process at the time it was invented, were owned by the same person or subject to an obligation of assignment to the same person.

(2) A patent issued on a process under paragraph (1)-

(A) shall also contain the claims to the composition of matter used in or made by that process, or

(B) shall, if such composition of matter is claimed in another patent, be set to expire on the same date as such other patent, notwithstanding section 154.

(3) For purposes of paragraph (1), the term “biotechnological process” means-

(A) a process of genetically altering or otherwise inducing a single- or multi-celled organism to-

(i) express an exogenous nucleotide sequence,

(ii) inhibit, eliminate, augment, or alter expression of an endogenous nucleotide sequence, or

(iii) express a specific physiological characteristic not naturally associated with said organism;

(B) cell fusion procedures yielding a cell line that expresses a specific protein, such as a monoclonal antibody; and

(C) a method of using a product produced by a process defined by subparagraph (A) or (B), or a combination of subparagraphs (A) and (B).

(c)(1) Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.

(2) For purposes of this subsection, subject matter developed by another person and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person if --

(A) the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the date the claimed invention was made;

(B) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

(C) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

(3) For purposes of paragraph (2), the term “joint research agreement” means a written contract, grant, or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.]

Changes to this Section and Effective Date: Essentially, the new law is limited to what has previously been 35 USC § 103(a) and corresponds substantially to the text of version of the 1952 Patent Act with one exception: The new law puts the time frame for determining nonobviousness as of “the effective filing date of the claimed invention” whereas the current law puts the time frame as the date the invention was made.

Effective date: Under SEC. 3(n)(1), if *any* claim is presented which is *not* entitled to an effective filing date before March 16, 2013, the new law governs.

Changes prior to the 2011 Patent Act: (Amended Nov. 8, 1984, Public Law 98-622, sec. 103, 98 Stat. 3384; Nov. 1, 1995, Public Law 104-41, sec.1, 109 Stat. 3511.)

(Subsection (c) amended Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-591 (S. 1948 sec. 4807).)

(Subsection (c) amended Dec. 10, 2004, Public Law 108-453, sec. 2, 118 Stat. 3596.)

35 U.S.C. 104 [Repealed]

[*Prior provision:*

35 U.S.C. 104 Invention made abroad.

(a) IN GENERAL.--

(1) PROCEEDINGS.--In proceedings in the Patent and Trademark Office, in the courts, and before any other competent authority, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country other than a NAFTA country or a WTO member country, except as provided in sections 119 and 365 of this title.

(2) RIGHTS.--If an invention was made by a person, civil or military--

(A) while domiciled in the United States, and serving in any other country in connection with operations by or on behalf of the United States,

(B) while domiciled in a NAFTA country and serving in another country in connection with operations by or on behalf of that NAFTA country, or

(C) while domiciled in a WTO member country and serving in another country in connection with operations by or on behalf of that WTO member country, that person shall be entitled to the same rights of priority in the United States with respect to such invention as if such invention had been made in the United States, that NAFTA country, or that WTO member country, as the case may be.

(3) USE OF INFORMATION.--To the extent that any information in a NAFTA country or a WTO member country concerning knowledge, use, or other activity relevant to proving or disproving a date of invention has not been made available for use in a proceeding in the Patent and Trademark Office, a court, or any other competent authority to the same extent as such information could be made available in the United States, the Director, court, or such other authority shall draw appropriate inferences, or take other action permitted by statute, rule, or regulation, in favor of the party that requested the information in the proceeding.

(b) DEFINITIONS.--As used in this section--

(1) The term “NAFTA country” has the meaning given that term in section 2(4) of the North American Free Trade Agreement Implementation Act; and

(2) The term “WTO member country” has the meaning given that term in section 2(10) of the Uruguay Round Agreements Act.

Changes to this Section and Effective Date: The abolition of the proof of dates of invention to establish priority in 35 USC §§ 102, 135 rendered this section obsolete.

B

Effective date: Under SEC. 3(n)(1), if *any* claim is presented which is *not* entitled to an effective filing date before March 16, 2013, the new law governs.

Changes prior to the 2011 Patent Act: (Amended Jan. 2, 1975, Public Law 93-596, sec. 1, 88 Stat. 1949; Nov. 14, 1975, Public Law 94-131, sec. 6, 89 Stat. 691; Nov. 8, 1984, Public Law 98-622, sec. 403(a), 98 Stat. 3392; Dec. 8, 1993, Public Law 103-182, sec. 331, 107 Stat. 2113; Dec. 8, 1994, Public Law 103-465, sec. 531(a), 108 Stat. 4982; Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-582 (S. 1948 sec. 4732(a)(10)(A)).)

35 U.S.C. 105 Inventions in outer space.

[omitted in this version]

CHAPTER 11 – APPLICATION FOR PATENT

§ 111 Application

§ 112 Specification

§ 113 Drawings *[omitted in this version]*

§ 114 Models, Specimens *[omitted in this version]*

§ 115 Oath of Applicant *[omitted in this version]*

§ 116 Inventors

§ 117 Death or Incapacity of Inventor *[omitted in this version]*

§ 118 Filing by Other than Inventor *[omitted in this version]*

§ 119 Benefit of earlier filing date, right of priority

§ 120 Benefit of earlier filing date in the United States

§ 121 Divisional Applications *[omitted in this version]*

§ 122 Confidential Status of Applications;

publication of patent applications *[omitted in this version]*

35 U.S.C. 111 Application.

Sec. 111. Application

(a) In General-

(1) * * *

(2) CONTENTS- Such application shall include--

(A) a specification as prescribed by section 112;

(B) a drawing as prescribed by section 113 ; and

(C) an oath or declaration as prescribed by section 115.

(3) FEE AND OATH OR DECLARATION- The application must be accompanied by the fee required by law. The fee and oath or declaration may be submitted after the specification and any required drawing are submitted, within such period and

under such conditions, including the payment of a surcharge, as may be prescribed by the Director.

(4) FAILURE TO SUBMIT- Upon failure to submit the fee and oath or declaration within such prescribed period, the application shall be regarded as abandoned, unless it is shown to the satisfaction of the Director that the delay in submitting the fee and oath or declaration was unavoidable or unintentional. The filing date of an application shall be the date on which the specification and any required drawing are received in the Patent and Trademark Office.

(b) Provisional Application-

(1) AUTHORIZATION- A provisional application for patent shall be made or authorized to be made by the inventor, except as otherwise provided in this title, in writing to the Director. Such application shall include--

(A) a specification as prescribed by section 112(a); and

(B) a drawing as prescribed by section 113; .

(2) CLAIM- A claim, as required by subsections (b) through (e) of section 112, shall not be required in a provisional application.

* * * * *

(5) ABANDONMENT- Notwithstanding the absence of a claim, upon timely request and as prescribed by the Director, a provisional application may be treated as an application filed under subsection (a). Subject to section 119(e)(3), if no such request is made, the provisional application shall be regarded as abandoned 12 months after the filing date of such application and shall not be subject to revival after such 12-month period.

(6) OTHER BASIS FOR PROVISIONAL APPLICATION- Subject to all the conditions in this subsection and section 119(e), and as prescribed by the Director, an application for patent filed under subsection (a) may be treated as a provisional application for patent.

(7) NO RIGHT OF PRIORITY OR BENEFIT OF EARLIEST FILING DATE- A provisional application shall not be entitled to the right of priority of any other application under section 119 or 365(a) or to the benefit of an earlier filing date in the United States under section 120, 121, or 365(c).

(8) APPLICABLE PROVISIONS- The provisions of this title relating to applications for patent shall apply to provisional applications for patent, except as otherwise provided, and except that provisional applications for patent shall not be subject to sections 131 and 135.

Commentary and Effective Date: Minor changes are made to reflect changes in statutory numbers and lettering. The text of 35 USC § 111 as amended is effective for applications filed as from September 16, 2012. SEC.4(e) (“The amendments made by this section shall take effect upon the expiration of the 1-year period

beginning on the date of the enactment of this Act and shall apply to any patent application that is filed on or after that effective date.”)

Changes prior to the 2011 Patent Act: (Amended Aug. 27, 1982, Public Law 97-247, sec. 5, 96 Stat. 319; Dec. 8, 1994, Public Law 103-465, sec. 532(b)(3), 108 Stat. 4986; Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-582, 588 (S. 1948 secs. 4732(a)(10)(A), 4801(a)).)

35 U.S.C. 112 Specification.

(a) **IN GENERAL-** The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor or joint inventor of carrying out the invention.

(b) **CONCLUSION-** The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor or a joint inventor regards as the invention.

(c) **FORM-** A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

[**REFERENCE IN DEPENDENT FORMS-** Subject to subsection (e), a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

(e) **REFERENCE IN MULTIPLE DEPENDENT FORM-** A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.

(f) **ELEMENT IN CLAIM FOR A COMBINATION-** An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

Commentary and Effective Date: The best mode requirement is maintained in § 112(a) (old § 112, ¶ 1) but instead of the test being whether the specification “set[s] forth the best mode contemplated by the inventor of carrying out his invention” the new text asks whether the specification “set[s] forth the best mode contemplated by the inventor or joint inventor of carrying out the invention”. But, SEC. 15 eliminates the best mode requirement as to patentability, priority and validity.

35 USC § 112(b) now requires that “[t]he specification shall conclude ... claims particularly pointing out and distinctly claiming the subject matter which ***the inventor or a joint inventor regards as the invention.***” The previous text required that that “[t]he specification shall conclude ... claims particularly pointing out and distinctly claiming the subject matter which the ***applicant*** regards as his invention.

The new text of 35 USC § 112 changes unnumbered paragraphs to subsections, §§ 112(a) – 112(f), and provides titles for each subsection.

Text of 35 USC § 112 as amended is effective for applications filed as from September 16, 2012. SEC.4(e) (“The amendments made by this section shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and shall apply to any patent application that is filed on or after that effective date.”)

Changes prior to the 2011 Patent Act: (Amended July 24, 1965, Public Law 89-83, sec. 9, 79 Stat. 261; Nov. 14, 1975, Public Law 94-131, sec. 7, 89 Stat. 691.)

35 U.S.C. 113 Drawings.

[omitted in this version]

35 U.S.C. 114 Models, specimens.

[omitted in this version]

35 U.S.C. 115 Oath of applicant

[omitted in this version]

35 U.S.C. 116 Inventors.

(a) **JOINT INVENTIONS**- When an invention is made by two or more persons jointly, they shall apply for patent jointly and each make the required oath, except as otherwise provided in this title. Inventors may apply for a patent jointly even though (1) they did not physically work together or at the same time, (2) each did not make the same type or amount of contribution, or (3) each did not make a contribution to the subject matter of every claim of the patent.

(b) **OMITTED INVENTOR**- If a joint inventor refuses to join in an application for patent or cannot be found or reached after diligent effort, the application may be made by the other inventor on behalf of himself and the omitted inventor. The Director, on proof of the pertinent facts and after such notice to the omitted inventor as he prescribes, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. The omitted inventor may subsequently join in the application.

(c) **CORRECTION OF ERRORS IN APPLICATION**- Whenever through error a person is named in an application for patent as the inventor, or through error an inventor is not named in an application, Struck out] the Director may permit the application to be amended accordingly, under such terms as he prescribes.

Commentary and Effective Date: The new law transforms the three unnumbered paragraphs of the old law into new subsections, §§ 116(a) – 116(c) replacing the three unnumbered paragraphs of the previous statute, but with two changes in the law of inventorship:

(a) “[E]rror without any deceptive invention”: This removed from the old text. This is effective for actions commenced one year from date of enactment.

SEC. 20(l)(“The amendments made by this section shall take effect upon the expiration of the 1year period beginning on the date of the enactment of this Act and shall apply to proceedings commenced on or after that effective date.”)

(b) Definition for “Joint Invention”/”Joint Inventors” in §§ 100(f), 100(g):

There is no *definition* of a “joint invention” or “joint inventor” either in the previous version or 2011 Patent Act, a flaw implicitly suggested in under *Kimberly-Clark Corp. v. Procter & Gamble Distributing Co., Inc.*, 973 F.2d 911 (Fed. Cir. 1992)(Lourie, J.). Instead of amending this section of the law, definitions for both “joint inventor” and “joint invention” are added in §§ 100(f), 100(g).

Changes prior to the 2011 Patent Act: (Amended Aug. 27, 1982, Public Law 97-247, sec. 6(a), 96 Stat. 320; Nov. 8, 1984, Public Law 98-622, sec. 104(a), 98 Stat. 3384; Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-582 (S. 1948 sec. 4732(a)(10)(A)).)

§ 117 Death or Incapacity of Inventor [*omitted in this version*]

§ 118 Filing by Other than Inventor [*omitted in this version*]

35 U.S.C. 119 Benefit of earlier filing date; right of priority.

(a) An application for patent for an invention filed in this country by any person who has, or whose legal representatives or assigns have, previously regularly filed an application for a patent for the same invention in a foreign country which affords similar privileges in the case of applications filed in the United States or to citizens of the United States, or in a WTO member country, shall have the same effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country, if the application in this country is filed within twelve months from the earliest date on which such foreign application was filed.

* * * * *

(e)(1) An application for patent filed under section 111(a) or section 363 [for an invention disclosed in the manner provided by section 112(a) (other than the requirement to disclose the best mode) in a provisional application filed under section 111(b), by an inventor or inventors named in the provisional application, shall have the same effect, as to such invention, as though filed on the date of the provisional application filed under section 111(b), if the application for patent filed under section 111(a) or section 363 is filed not later than 12 months after the date on which the provisional application was filed and if it contains or is amended to contain a specific reference to the provisional application. No application shall be entitled to the benefit of an earlier filed provisional application under this subsection unless an amendment containing the specific reference to the earlier filed provisional application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this subsection. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this subsection during the pendency of the application.

(2) A provisional application filed under section 111(b) may not be relied upon in any proceeding in the Patent and Trademark Office unless the fee set forth in subparagraph (A) or (C) of section 41(a)(1) has been paid.

Commentary and Effective Date: The new law eliminates the final sentence of § 119(a) (“[N]o patent shall be granted on any application for patent for an invention which had been patented or described in a printed publication in any country more than one year before the date of the actual filing of the application in this country, or which had been in public use or on sale in this country more than one year prior to such filing.”)

The new wording also eliminates the requirement for priority under 35 USC § 119(e)(1) that all requirements of the first paragraph of 35 USC § 112 must be met in a continuing application. This paragraph is amended to exclude the best mode requirement as a priority requirement. The amendment eliminating the best mode requirement as a condition for priority is retroactive for all issued patents and pending applications not in litigation while the amendment making other changes is governed by the same 18 month provision for 35 USC § 102.

Changes prior to the 2011 Patent Act: (Amended Oct. 3, 1961, Public Law 87-333, sec. 1, 75 Stat. 748; July 28, 1972, Public Law 92-358, sec. 1, 86 Stat. 501; Jan. 2, 1975, Public Law 93-596, sec. 1, 88 Stat. 1949; Dec. 8, 1994, Public Law 103-465, sec. 532(b)(1), 108 Stat. 4985.)
(Subsection (b) amended Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-563 (S. 1948 sec.4503(a)).)
(Subsection (e) amended Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-564, 588, 589 (S. 1948 secs. 4503(b)(2), 4801 and 4802).)
(Subsections (f) and (g) added Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-589 (S. 1948 sec. 4802).)

35 U.S.C. 120 Benefit of earlier filing date in the United States.

An application for patent for an invention disclosed in the manner provided by section 112(a) (other than the requirement to disclose the best mode) in an application previously filed in the United States, or as provided by section 363 which names an inventor or joint inventor in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application, if filed before the patenting or abandonment of or termination of proceedings on the first application or on an application similarly entitled to the benefit of the filing date of the first application and if it contains or is amended to contain a specific reference to the earlier filed application. No application shall be entitled to the benefit of an earlier filed application under this section unless an amendment containing the specific reference to the earlier filed application is submitted at such time during the pendency of the application as required by the Director. The Director may consider the failure to submit such an amendment within that time period as a waiver of any benefit under this section. The Director may establish procedures, including the payment of a surcharge, to accept an unintentionally delayed submission of an amendment under this section.

Commentary and Effective Date: The new law eliminates the requirement for priority that all requirements of the first paragraph of 35 USC § 112 must be met in a continuing application. The amendment eliminating the best mode requirement as a condition for priority is retroactive for all issued patents and pending applications not in litigation while the amendment making other changes is governed by the same 18 month provision for 35 USC § 102.

Changes prior to the 2011 Patent Act: (Amended Nov. 14, 1975, Public Law 94-131, sec. 9, 89 Stat. 691; Nov. 8, 1984, Public Law 98-622, sec. 104(b), 98 Stat. 3385; Nov. 29, 1999, Public Law 106-113, sec. 1000(a)(9), 113 Stat. 1501A-563 (S. 1948 sec. 4503(b)(1)).)

35 U.S.C. 121 Divisional applications. [*omitted in this version*]

35 U.S.C. 122 Confidential status of applications; publication of patent applications. [*omitted in this version*]

35 U.S.C. 256 Correction of named inventor.

Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent, the Director may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate correcting such error.

The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred if it can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Director shall issue a certificate accordingly.

Commentary and Effective Date: The new law transforms the three unnumbered paragraphs of the old law into new subsections, §§ 116(a) – 116(c) replacing the three unnumbered paragraphs of the previous statute, but with two changes in the law of inventorship:

“[E]rror without any deceptive invention”: The previous statute had read provide that “[w]henver through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent *and such error arose without any deceptive intention on his part*, the Director may... issue a certificate correcting such error.” The emphasized wording has been eliminated in the new statute.

Effective Date: SEC. 20(l)(“The amendments made by this section shall take effect upon the expiration of the 1 year period beginning on the date of the enactment of this Act and shall apply to proceedings commenced on or after that effective date.”)

(b) Definition for “Joint Invention”/“Joint Inventors” in §§ 100(f), 100(g):

There is no *definition* of a “joint invention” or “joint inventor” either in the previous version or 2011 Patent Act, a flaw implicitly suggested in under *Kimberly-Clark Corp. v. Procter & Gamble Distributing Co., Inc.*, 973 F.2d 911 (Fed. Cir. 1992)(Lourie, J.). Instead of amending this section of the law, definitions for both “joint inventor” and “joint invention” are added in §§ 100(f), 100(g).

Sec. 273. Defense to infringement based on prior commercial use

(a) In General- A person shall be entitled to a defense under section 282(b) with respect to subject matter consisting of a process, or consisting of a machine, manufacture, or composition of matter used in a manufacturing or other commercial process, that would otherwise infringe a claimed invention being asserted against the person if--

(1) such person, acting in good faith, commercially used the subject matter in the United States, either in connection with an internal commercial use or an actual arm's length sale or other arm's length commercial transfer of a useful end result of such commercial use; and

(2) such commercial use occurred at least 1 year before the earlier of either--

(A) the effective filing date of the claimed invention; or

(B) the date on which the claimed invention was disclosed to the public in a manner that qualified for the exception from prior art under section 102(b).

(b) Burden of Proof- A person asserting a defense under this section shall have the burden of establishing the defense by clear and convincing evidence.

(c) Additional Commercial Uses-

(1) **PREMARKETING REGULATORY REVIEW-** Subject matter for which commercial marketing or use is subject to a premarketing regulatory review period during which the safety or efficacy of the subject matter is established, including any period specified in section 156(g), shall be deemed to be commercially used for purposes of subsection (a)(1) during such regulatory review period.

(2) **NONPROFIT LABORATORY USE-** A use of subject matter by a nonprofit research laboratory or other nonprofit entity, such as a university or hospital, for which the public is the intended beneficiary, shall be deemed to be a commercial use for purposes of subsection (a)(1), except that a defense under this section may be asserted pursuant to this paragraph only for continued and noncommercial use by and in the laboratory or other nonprofit entity.

(d) **Exhaustion of Rights-** Notwithstanding subsection (e)(1), the sale or other disposition of a useful end result by a person entitled to assert a defense under this section in connection with a patent with respect to that useful end result shall exhaust the patent owner's rights under the patent to the extent that such rights would have been exhausted had such sale or other disposition been made by the patent owner.

(e) **Limitations and Exceptions-**

(1) **PERSONAL DEFENSE-**

(A) **IN GENERAL-** A defense under this section may be asserted only by the person who performed or directed the performance of the commercial use described in subsection (a), or by an entity that controls, is controlled by, or is under common control with such person.

(B) TRANSFER OF RIGHT- Except for any transfer to the patent owner, the right to assert a defense under this section shall not be licensed or assigned or transferred to another person except as an ancillary and subordinate part of a good-faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.

(C) RESTRICTION ON SITES- A defense under this section, when acquired by a person as part of an assignment or transfer described in subparagraph (B), may only be asserted for uses at sites where the subject matter that would otherwise infringe a claimed invention is in use before the later of the effective filing date of the claimed invention or the date of the assignment or transfer of such enterprise or line of business.

(2) DERIVATION- A person may not assert a defense under this section if the subject matter on which the defense is based was derived from the patentee or persons in privity with the patentee.

(3) NOT A GENERAL LICENSE- The defense asserted by a person under this section is not a general license under all claims of the patent at issue, but extends only to the specific subject matter for which it has been established that a commercial use that qualifies under this section occurred, except that the defense shall also extend to variations in the quantity or volume of use of the claimed subject matter, and to improvements in the claimed subject matter that do not infringe additional specifically claimed subject matter of the patent.

(4) ABANDONMENT OF USE- A person who has abandoned commercial use (that qualifies under this section) of subject matter may not rely on activities performed before the date of such abandonment in establishing a defense under this section with respect to actions taken on or after the date of such abandonment.

(5) UNIVERSITY EXCEPTION-

(A) IN GENERAL- A person commercially using subject matter to which subsection (a) applies may not assert a defense under this section if the claimed invention with respect to which the defense is asserted was, at the time the invention was made, owned or subject to an obligation of assignment to either an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), or a technology transfer organization whose primary purpose is to facilitate the commercialization of technologies developed by one or more such institutions of higher education.

(B) EXCEPTION- Subparagraph (A) shall not apply if any of the activities required to reduce to practice the subject matter of the claimed invention could not have been undertaken using funds provided by the Federal Government.

(f) Unreasonable Assertion of Defense- If the defense under this section is pleaded by a person who is found to infringe the patent and who subsequently fails to

demonstrate a reasonable basis for asserting the defense, the court shall find the case exceptional for the purpose of awarding attorney fees under section 285.

(g) Invalidity- A patent shall not be deemed to be invalid under section 102 or 103 solely because a defense is raised or established under this section.'.
to any patent issued on or after the date of the enactment of this Act.

Commentary and Effective Date: Prior user rights are considered in detail beginning at 80, *Prior User Rights*.

Under SEC. 5(c), “[t]he amendments made by this section shall apply to any patent issued on or after the date of the enactment of this Act.”

§ 10 Introduction

The goal of this book is not to evaluate what is “good” or “bad” about the overall legislation or specifics of the legislation. Rather, the point of this book is to provide practitioners with a practical guide concerning how the new law changes from the law now in effect, and what steps should be taken to adapt to such changes.

§ 11 The Long Tentacles of the 2011 “Octopus” Patent Law

It is difficult to know where to begin when one speaks of the new law which has massive implications both in terms of the substantive patent law as well as many other aspects of the patent law and procedure. The *America Invents Act* tentacles seemingly touch every part of the patent law. *Substantive* changes:

- (a) create what Professor Janicke dubs a “first to publicize” system in place of first-to-invent and which is only in part first-to-file;
- (b) overrule *Hilmer* to provide a patent-defeating effect as of any priority date which furthermore has an obviousness-defeating effect distinct from the novelty-only patent-defeating effect in Asian and European laws;
- (c) arguably maintain the secret commercialization bar of *Metallizing Engineering* (but on a global basis and arguably without any grace period);
- (d) create a new definition of a joint inventor which arguably overrules case law holding that joint inventors must have some “quantum” of cooperation;
- (e) eliminate abandonment from prior art (§ 102(c));
- (f) eliminate premature foreign patenting from prior art (§ 102(d))’
- (g) eliminate statutory derivation (§ 102(f)), legislatively overruling *OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396 (Fed. Cir. 1997).

- (h) eliminate and prior invention of another as prior art (§ 102(g)); and
- (i) retroactively eliminate “best mode” as a defense to patent infringement retroactively as of the date of enactment and applicable to all *issued* patents unless best mode is now in litigation.

Beyond the *substantive* changes to the standard of patentability, there are numerous other changes in the law which are also major by themselves. The new law:

- (a) creates a draconian post-grant review that will permit non-publication prior art and formal grounds of rejection in a truncated fashion, all at the new Board and all without any right to a trial de novo at the District Court;
- (b) abolishes trials *de novo* under 35 § 145 for ex parte reexamination, post-grant review and inter partes review;
- (c) eliminates actions against the PTO in Washington, D.C., and now mandates that they be filed in the Eastern District of Virginia (Norfolk, Richmond and Alexandria);
- (d) permits the Director to reshuffle patent fees to an unlimited extent to the extent that the aggregate fees do not exceed total expenses, e.g., to decrease the backlog the filing fee could be raised twice, thrice or any times higher than today or, e.g., a post-grant review could require a fee of, say, \$ 50,000, \$ 100,000 or more;
- (e) provides for supplemental examination to permit curing situations that could lead to an inequitable conduct charge;
- (f) deems “tax strategies [as] insufficient to differentiate a claimed invention from the ‘prior art’ under 35 USC §§ 102, 103[]”;
- (g) retroactively abolishes all *qui tam* false marking actions, an entire category of litigation (this is *retroactive* even to the extent that extinguishes an action if there is an ongoing case where the court has made a decision but the period for an appeal has not yet expired).

§ 12 The Relatively Minor Changes of the 1952 Patent Act

The oft-cited 1952 Patent Act did little more than *codify* existing patent law, apart from setting forth a statutory test of nonobviousness which does not spell out any specific test but rather was “added with the view that an explicit statement in the statute may have some stabilizing effect, and also to serve as a basis for the addition at a later time of some criteria which may be worked out.” Additionally, three lines of then-recent anti-patentee Supreme Court case law were legislatively overruled to restore the *status quo ante*.

§ 13 Comparison of the 1870 and 1952 Patent Acts

The floor leader of the recent Senate debate speaks of the new law as representing a major change from the law of the 1950’s, i.e., the 1952 Patent Act. In fact, the changes of the new law clearly surpass the 1952 Patent Act which is trumped by the 1870 Act which in turn is trumped by the 1836 Act. One cannot reasonably go behind the 1836 Act for importance as this was the statutory dawn of the modern patent reexamination system and the construction of the Patent Office, once the largest office building in Washington, D.C., and now the home to the National Portrait Gallery.

The 1870 Act

The 1870 statute introduced, *inter alia*, the statutory requirement for claims and created the “printed publication” as prior art.

As to claiming, the 1836 Act had required that the specification "particularly specify and point out the part, improvement, or combination, which [the inventor] *claims* as his own invention or discovery."

As to the “printed publication” as prior art, the 1870 Act created a bar a patent where the invention was “described in any printed publication in this or any foreign country, before [the] invention... thereof[.]”

The 1952 Act

In contrast, the 1952 Patent Act added essentially nothing to what is essentially a codification of existing law beyond creating a statutory test for nonobviousness which is today found as the first sentence of 35 USC § 103(a). But, as pointed out in *Graham v. Deere*, the new statutory provision does not spell out the test but rather was “added with the view that an explicit statement in the statute may have some stabilizing effect, and also to serve as a basis for the addition at a later time of some criteria which may be worked out.” *Graham v. John Deere & Co.*, 383 U.S. 1, 16 n.8 (quoting the Reviser’s Note to 35 USC § 103).

In addition, the principal substantive changes of the 1952 Patent Act were designed to restore earlier precedent by overruling recent Supreme Court decisions:

(a) *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U.S. 84 (1941), created a new “flash of creative genius” standard for what is today nonobviousness, which was overruled by 35 USC § 103(a), second sentence); *see Graham*, 383 U.S. at 15 (“Congress intended by the last sentence of § 103 to abolish the test it believed this Court announced in the controversial phrase ‘flash of creative genius,’ used in *Cuno Engineering....*”)/

(b) *Halliburton Oil Well Cementing Co. v. Walker*, 329 U.S. 1 (1946)(barring functional “means” claiming, overruled by 35 USC § 112, ¶ 6); *see Warner-Jenkinson Co., Inc. v. Hilton Davis Chemical Co.*, 520 U.S. 17, 27-28 (1997) (quoting *Halliburton*, 329 U.S. at 1) (“Congress enacted § 112, ¶ 6, in response to *Halliburton...*, which rejected claims that “do not describe the invention but use ‘conveniently functional language at the exact point of novelty.’”); and

(c) *Mercoïd Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661 (1944); *Mercoïd Corp. v. Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680 (1944), established an expanded definition of patent misuse, overruled by 35 USC § 271(d)); *see Dawson Chemical Co. v. Rohm and Haas Co.*, 448 U.S. 176, 213-14 (1980)).

§ 14 Constitutional Challenges to the New Law

Whenever the patent law has had a major change or when such a change loomed on the legislative horizon, the common outcry could be heard, Unconstitutional! Some have argued that a first-to-file system is unconstitutional, a challenge that surely will be raised but where much has already been written.

Perhaps the most imaginative challenge is the argument that a repeal of secret commercialization as prior art is unconstitutional as violative of the “Limited Times” provision of the Constitution, an argument raised in the IPWatchdog.com, discussed at later in this book. *See* § 158, *Does the Constitution Require Metallizing Engineering?*

§ 20 Varying Adaptations for Different Patent Communities

The *America Invents Act* skews the balance between the “upstream” and “downstream” research communities heavily in favor of the downstream community. The “upstream” research at the MIT’s and Berkeley’s and other research institutions create breakthrough generic inventions, where generic claims are their lifeblood for a revenue stream, while the downstream community that makes specific products within the scope of such generic inventions sees generic protection as a mere impediment to their commercial operations. *See* § 211, *An Unnecessary Victory for “Downstream” Research; see also* § 532, *The “Upstream”/ “Downstream” Divide* (discussing *Ariad Pharmaceuticals, Inc. v. Eli Lilly and Co.*, 598 F.3d 1336 (Fed. Cir. 2010)(*en banc*)(Lourie, J.)).

§ 21 Domestic Upstream Researchers, the Biggest Changes

The *America Invents Act* fundamentally restructures the classic American patent system from a liberal “first inventor” system to a “first to file” system that requires a fundamental rethinking of how the patenting process is carried out at major research institutions, startups and among entrepreneurs. Major corporate America has long recognized the importance *and could afford to pay for* international patents and thus has *already* operated under first-to-file, yet a large segment of American upstream research organizations have satisfied themselves

with American patent protection, placing great reliance upon the “first inventor” system and the grace period.

Certain realities of the global regime must now be faced by everyone, given the importation of first-to-file as a key element of *America Invents Act*:

(1) An initial patent application *must* be filed before there is any publication or other public disclosure of the invention to meet the realities of first-to-file. To be sure, if there is a publication of the invention before filing by a third party who has even “indirectly” obtained the invention from the true inventor, this may be excused. But, how will the “indirect[]” obtaining of the invention be determined?

(2) The initial application may be a provisional application but it *must* fully disclose the invention to the full extent that a “regular” (nonprovisional) application discloses the invention. A skimpy disclosure in a provisional is next to worthless. *See* § 650, *New Railhead Reality of Strict Priority Standards*.

(3) No commercial offer of sale should be made until *after* the patent application has been filed. *See* § 143, *Commercial Offer without a Sale*.

It is recognized that the recommendations, here, do not integrate well (or at all) with the models of many upstream research organizations which file brief provisional applications and only heavily invest in drafting a true patent application at the first year anniversary of the original filing. Yet, this is a broken model that must be rethought.

§ 22 Minimal Changes for Downstream Research

The downstream research community, particularly in biotechnology and pharmaceuticals, has long recognized the need for patent protection in Western Europe and East Asia. Since first-to-file is the world standard everywhere outside the United States, the downstream research community has long operated under first-to-file principles and always sought to make sure that prior to any public disclosure of an invention there would first be a rock solid patent application on file to deal with the realities of an overseas first-to-file regime.

Yet, the downstream patent community must be aware of the uniquely American “on sale” bar that as to sales and offers of sale that do not disclose an invention that there is now a problem: Whereas there has heretofore been a one year grace period for the applicant’s own “on sale” activities, whether this grace period continues to exist for “on sale” activities is unclear and will not be fully clarified until a Federal Circuit test case is decided many years from now. *See* § 210, *Grace Period Limited to “Disclosures” of the Invention*.

§ 23 East Asian and European Organizations

Overseas organizations will have the easiest time adapting to *America Invent's Act* because the “home country” practice is *already* first-to-file. Yet, there are some nuances of the unique American practice that must be considered:

(1) An earlier-filed later-published application is “prior art” as part of the state of the art for purposes of *obviousness* against the applications of third parties (as opposed to a mere novelty-only effect in Europe and Japan). *See* § 310, *Contrast with Overseas Laws*.

(2) The earlier-filed later-published application can be *disqualified* as prior art by adding the inventor of the earlier-filed application as part of a continuation-in-part and through other methods. *See* § 330, *Disqualifying Earlier-Filed Applications as Prior Art*.

(3) Secret commercialization of an invention *in any country of the world* is now a prior art event under the new U.S. patent law, whereas under current law only secret commercialization *in the United States* creates prior art. *See* § 154, *Global Bar under Leahy Smith (versus Domestic Bar)*.

(4) Placing an invention “on sale” *anywhere in the world* is a prior art event. *See* § 141, *Global Scope of the “On Sale” Bar*. Even a commercial offer of sale creates a prior art event. *See* § 143, *Commercial Offer without a Sale*. This is true *even before the invention has been reduced to practice* if it was “ready for patenting”. *See* § 142 *Pfaff* Pre-Reduction to Practice “On Sale” Bar.

(5) “Home country” filings that are to be the basis for a United States Paris Convention claim must carefully deal with presentation of claims of appropriate generic scope, *see* § 643, *Concentric Rings of Generic Protection in the Provisional*. And, in the biotechnology and pharmaceutical areas, generic pharmaceutical claims should have plural embodiments disclosed in the original application to avoid the “Ariad problem”. *See* § 531, *The Ariad “Possession” Test*.

§ 30 Post-Grant Review and Other Post-Examination Procedures

A major feature of the legislation is the creation of a variety of new post-grant review procedures. The difficulty with both the current and the new procedures resides in part from the fact that essentially nothing is being taken away while time consuming procedures are *added* to the burdens of the upper end professionals at the Patent Office, all at a time when the Board is slowly sinking into an ever greater backlog.

Japan today has the best system in the world today in terms of a high level post-grant review conducted at the highest level and within one year. Japanese proceedings *commence* at the Appeal Board level and are completed well within one year from filing. Recent years have provided an average time from start to finish of about seven or eight months.

But, in terms of the expected success of the new Post Grant Review system vis a vis the *current* system or that of Europe, one can only agree with a principal proponent of the new law that “the promise of the new law is nothing short of revolutionary. By moving away from the so-called ‘opposition’ procedures used in Europe since the 1970s, where the European Patent Office typically takes five times – even ten times – as long to resolve a ‘patent opposition’ as the new U.S. law will permit, the new U.S. post-grant regime, if effectively implemented, may well earn the status of international gold standard for defining the mechanisms for public participation in the patenting process.” Robert A. Armitage, *Leahy-Smith America Invents Act: Will It Be Nation’s Most Significant Patent Act Since 1790?*, Legal Backgrounder, Vol. 26 No. 21 September 23, 2011 (Washington Legal Foundation).

Whether the United States or Japan represents the “gold standard” is something we won’t know for several years because of the delayed implementation of Post Grant Review to apply only to applications filed on or after March 16, 2013, which will result in *patents* subject to this new procedure in large numbers only in about 2017 or so.

The following procedures are now available under the new law:

Post Grant Review is the featured post-grant procedure of the new law. A Post Grant Review has applicability only for recently granted patents as a petition must be filed within nine months from the date of grant. Unfortunately for anyone expecting to use this procedure at any time in the near future, the transition provisions for Post-Grant Review exclude its applicability to newly granted patents unless they have a *priority date* that is on or after March 16, 2013, i.e., only by about 2015 will any significant number of patents be granted that will be open to Post Grant Review (other than SEC. 18 “covered business method patents” and, dependent upon rulemaking, possibly following rulemaking-terminated pending interferences).

The Post Grant Review opens the door to challenging patents based upon essentially any ground available under the provisions for novelty (35 USC § 102) including non-publication prior art such as “public use” and “on sale” events as well as all aspects of 35 USC § 112 other than best mode, including challenges to generic claims for lacking “possession” of the full scope of a generic claim under *Ariad* as an interpretation of 35 USC § 112(a) or indefiniteness under 35 USC § 112(b).

A Post Grant Review places a premium upon the patent challenger to have his case in order *before* filing his petition, including having the best prior art and the best affidavit or other supporting evidence as part of the initial petition; similarly, the patent owner who fails to prophylactically have evidence ready to rebut the attack may find himself out in the cold because of the extremely fast pace of the proceedings where (a) the case goes *directly* to the Patent Trial and Appeal Board *bypassing* the Examiner stage; and (b) there is no right to a trial *de novo* at the District Court, but only a direct appeal to the Federal Circuit. Where the winning party at the PTAB has submitted at least *some* evidence to support his position, winning on appeal on an issue other than claim construction will be an almost insurmountable task, given that the standard of review is the “substantial evidence” test: If there is more than a scintilla of evidence to support the decision of the PTAB any fact-based determination by that body *must* be affirmed. (Claim construction issues, however, are reviewed *de novo* at the Federal Circuit.)

Inter Partes Review is superficially much like inter partes reexamination except for the huge feature that the inter partes review goes upon initiation goes *directly* to the Patent Trial and Appeal Board, just as in the case of the Post Grant Review, and there is no right to a trial *de novo* but only a direct appeal to the Federal Circuit. The inter partes review is, however, limited to prior art –based grounds keyed to printed publications (and patents).

Supplemental Examination provides a way to initiate an *ex parte* reexamination for issues under 35 USC § 112 or “public use” or “on sale” under 35 USC § 102 or indeed *any* “information believed to be relevant to the patent” that includes but *goes beyond* the limits of a printed publication or patent under normal *ex parte* reexamination.

Derivation proceedings under 35 USC § 135 are designed to take the place of the patent interference. The derivation proceeding has limitations that may suggest the Inter Partes Review as one alternative, although this procedure can only be instituted nine months after grant. When the Post Grant Review becomes available several years from now (as it is only applicable against patents having a priority date on or subsequent to March 16, 2013), this vehicle may possibly have some applicability in lieu of a patent interference.

Interferences that are pending will either be maintained or dismissed without prejudice to a party filing a Post Grant Review. (Exceptionally, the Director is given the option to continue pending interferences or terminate them in favor of a Post Grant Review, without regard to the effective date provision for normal Post Grant Review proceedings.)

The abolition of interferences is seriously flawed in two respects:

First, a substantial minority of priority contests that today are battled in interference proceedings involve derivation. There are limits to a derivation proceeding not found in the interference law.

Second, while priority contests based upon actual invention dates will cease under the new law, priority contests will continue unabated based upon priority applications. The great majority of patent applications today have *at least* one priority claim, whether it is based upon a provisional, a Paris Convention foreign priority application or a continuing application under 35 USC § 120. Often, there are multiple priority claims to sort out. It is not seen that the derivation proceeding is an acceptable alternative to the patent interference for this purpose.

Ex parte Reexamination and Reissue remain as post-grant options for patentees, but with an option under *ex parte* reexamination to seek review of formal issues and prior art other than based upon a printed publication, as discussed at § 50, *Ex parte Reexamination and Supplemental Examination*

§ 31 Awaiting Rulemaking from the Director

It is in any event premature to speculate as to the contours of the various post-grant review options as the effective date is downstream and in the interim detailed regulations will have to be promulgated by the Director, which in turn must be studied by potential users of the system to gauge the merits of the new statutory procedures.

Each of both Post Grant Review and Inter Partes Review includes a section that contains a long list of open procedural questions which the statute commands the Director to provide final rules by September 16, 2012.

General fee setting authority for all services beyond post grant procedures may well be used to complement the procedures set forth for post grant proceedings. Thus, the legislation does give the Director unprecedented fee setting authority which he may very well exercise to both create positions to deal with the new procedures as well as to decrease the number of filings. With respect to the former point, if the Director imposes a fee of, say, \$ 50,000 for a post-grant review, this would provide adequate resources to bring in a “master” such as a senior about-to-retire senior partner of a law firm who could handle complex matters. With respect to the latter, if the fee for an *ex parte* patent appeal were raised to, say, \$ 20,000, this would immediately over the course of two years cut the backlog of cases to a manageable size.

§ 32 Manpower Inadequacies

George Washington University Law Professor F. Scott Kieff points to the futility of merely adding many new professionals to the Patent Office staff:

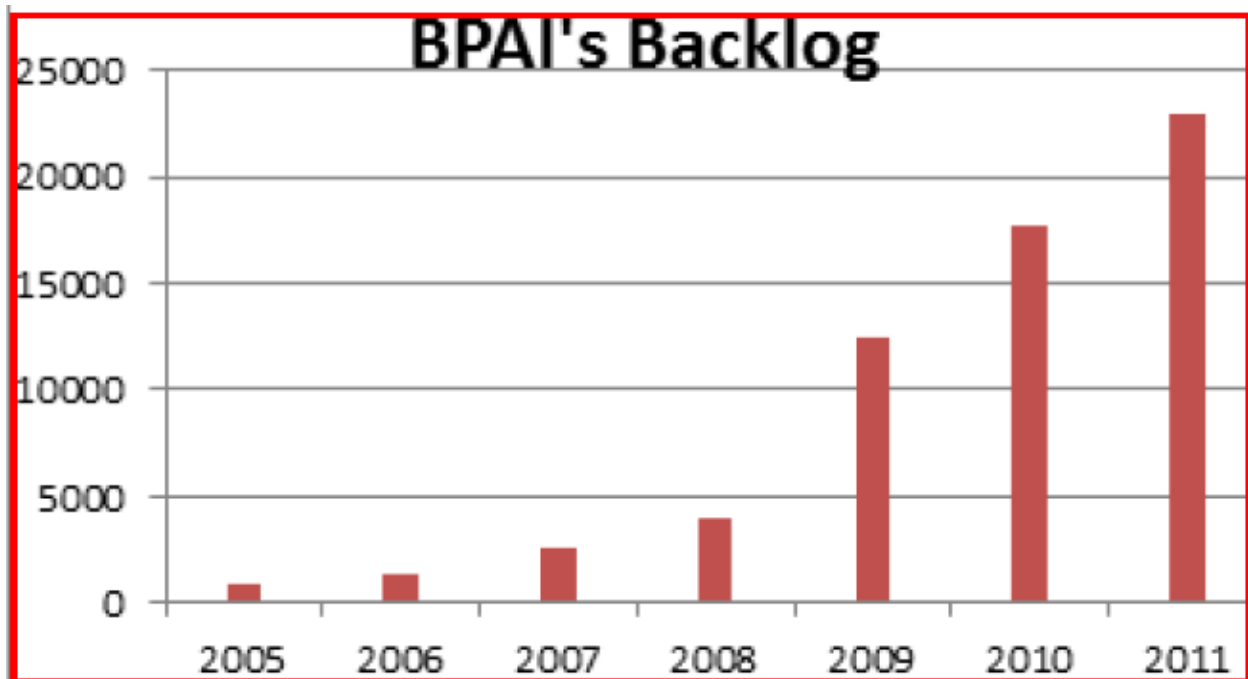
“Many good and hard working people work in the patent offices of the world, including our own. They are public servants doing important work. ... But a celebration of the true wonders of our Patent Office—both its examining corps and its leadership—does not mean it should be beefed up, as [America Invents Act] would allow. Even a patent office brimming with Einsteins ... would be no more effective even if it were allowed to deploy ten times the number of hours it presently does to examining patent applications. What is worse, it would do great harm.”

F. Scott Kieff, *Welcome to Patent Purgatory, The Patent Office: Where Less is More* Defining Ideas (Hoover Institution June 9, 2011)

§ 33 The Appellate Process is Already Log jammed

When the first version of the current patent reform proposals was introduced in the House in 2005 there was every expectation that the new procedures could be handily accommodated by existing personnel on the Board of Patent Appeals and Interferences. At the time, there was essentially no backlog of cases at the Board. But, while the complex proposals for post-grant review have been fined tuned and made more demanding of Office personnel, the Board has suddenly become gridlocked to the point that it cannot keep up with its docket of *ex parte* appeals:

The backlog of cases at the Board went from near zero in 2005 to the current level that is approaching twenty-five thousand (25,000), as graphically shown by Lawrence Higgins on *Patently O* (July 18, 2011):



§ 34 Swamping the Office with New Statutory Procedures

With no manpower to spare from the back-logged Board of Patent Appeals and Interferences, *America Invents Act* adds a large number of *new* post-grant procedures to the workload of the Patent Office lawyers at the Board which will only further swamp an overloaded Agency. Professor John Fitzgerald Duffy portrays a very negative picture of what will happen under the legislation:

In 1980, just 31 years ago, the entire universe of statutorily authorized proceedings at the Patent Office could be divided into just three simple categories. “Patent examination” was the basic patent application process that covered most applications. An “interference” was just a fancy title for the application process where two or more inventors claimed to be first to invent, and thus the Patent Office had to decide who was first. Third and finally, “reissue and correction” proceedings allowed inventors to remedy certain errors in previously issued patents.

In the past three decades, two entirely new administrative proceedings have been added. “Ex parte reexaminations” were added in 1980 to provide a way for the Patent Office to reexamine issued patents in light of newly discovered prior art. Congress determined that ex parte reexamination had been “ineffective” (as the 1999 House Report stated) but, instead of repealing the ineffective process, Congress added another administrative process—“inter partes reexamination”—designed to do precisely the same thing as “ex parte reexamination” with the exception that the new procedure would be adversarial.

[T]he pending patent legislation does something truly unprecedented in the history of U.S. patent law. The bill would add three entirely new forms of administrative procedure and, from the existing administrative procedures, it would eliminate ... absolutely none. The new ones are: Post-grant review, supplemental examination, and a special “transitional post-grant review proceeding for review of the validity of covered business-method patents.” In short, this new bill provides a monumental expansion of the bureaucratic processes at the Patent Office. Even the last three decades—which, in terms of historical precedent, have seen extraordinary inflation in bureaucratic processes at the Patent Office—are outdone by this single bill.

Worse still, the complexity does not end with just the creation of three new proceedings. Two of the old proceedings are renamed and the statutes governing them are substantially re-written. Interferences become “derivation proceedings,” and “inter partes reexamination” is changed to “inter partes review.” In the former case, the change is at least understandable in terms of an important substantive change in the law: Interferences are used to determine the priority of inventorship, which is the key to assigning patent rights in a first-to-invent system. Since the legislation changes the U.S. to a first-to-file system, interferences would slowly become obsolete. But the old administrative process does not vanish entirely, because second-to-file inventors can still allege that the first-to-file inventor “derived” the invention from the later filer.

Yet if the change from interferences to deviation proceedings is somewhat understandable, the other change—from inter partes “reexamination” to inter partes “review”—is nothing short of byzantine. The bill already proposes adding an entirely new proceeding of “post grant review” to the statute, plus a special post-grant review just for business method patents. And the old ex parte reexamination procedure remains largely unchanged. In light of all these other procedures, is this really the optimal time for Congress to rewrite (but not eliminate or consolidate) one of the existing sets of procedures?

Nor is this merely a name change. The bill entirely re-writes the pre-existing law governing inter partes reexamination. Even though such changes do not add wholly new proceedings, they do significantly increase complexity because, during a transition period that could last a decade or more, the agency and the lawyers practicing before it will have to keep track of the old procedures (with their old governing statutes and regulations) as well as the new procedures (which will have different governing statutes and regulations). Thus, if this bill were to be enacted, the Patent Office will have to maintain, during a years-long transition period, the following set of administrative procedures: (i) examination; (ii) interferences; (iii) reissue and correction; (iv) ex parte re-examination; (v) inter partes re-examination; (vi) inter partes review; (vii) post-grant review; (viii) derivation proceedings; (ix) supplemental examination; and (x) the “transitional post-grant review proceeding for review of the validity of covered business-method patents” (more on this last one later).

The overlapping complexity of all these procedures is confirmed by the *multiple* sections in the bill trying to deal with the problem of “Multiple Proceedings.” The first such provision, on page 45 of the bill, reads:

“(d) MULTIPLE PROCEEDINGS.—Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.”

This provision has a nearly-identical, but maddeningly *not-quite-identical* twin located on page 60 of the bill. The very existence of these provisions should, one would hope, provide a kind of natural red flag to Members of Congress who have an interest in streamlining government: If any proposed legislation needs multiple provisions to deal with multiple bureaucratic proceedings involving the same subject matter, might it be possible that the bill authorizes too many forms of bureaucratic proceedings? Moreover, isn't an obvious cause for concern that the legislation's solution these multiple overlapping bureaucratic proceedings is just to delegate the whole matter to the Director of the agency, with little more than an authorization that he “may determine the manner in which [the proceedings] may proceed”? To quote such provisions should be enough to condemn them. It does not take a physics degree or expertise in patent law to recognize legislation that is bloating the federal bureaucracy.

John F. Duffy, *The Big Government Patent Bill, Increasing the Size and Complexity of the Federal Bureaucracy*, Patently O (June 23, 2011).

§ 35 Post-Grant Effective Date is Keyed to the 3(n)(1) Transition Date

The initial post-grant review will be strictly limited to “covered business method patents” under SEC. 18 and, possibly, post-grant proceedings if patent interferences are abolished.

With respect to patents which are regularly granted without falling under SEC. 18, no patents will be eligible for post-grant review for several years:

The definition of SEC. 3(n)(1) is limited to patents filed on or after March 16, 2013. It will take several years for applications to then reach the grant stage and be open to Post Grant Review.

§ 36 Priority Claim to Avoid Post-Grant Review

If *all* claims in an application filed after the first-to-file transition date of March 16, 2013, are entitled to priority before that date then the old law governs. But, if *any* claim is not entitled to such priority, then the entire application is poisoned and is governed by the first-to-file regime. *See* § 60, *First-to-File “Bubble” Transition Date*.

§ 37 Technical Trap for Foreign Applicants Relying on the Paris Convention

If an applicant relies upon a pre-March 16, 2013, foreign priority application to avoid the new law for an application with a United States filing date on or after March 16, 2013, then the old law applies *only* if all claims are entitled to the earlier filing date.

If *any* claim is not entitled to the earlier filing date, the new law governs.

If any such claim is *cancelled* this is of no moment, because if any such claim was ever contained in the application, the new law governs. *See* § 60, *First-to-File “Bubble” Transition Date*.

§ 40 Inter Partes Review and Post-Grant Review

Both the inter partes review and post-grant review share many common features, including the “reasonable likelihood” trigger, § 41, “*Reasonable Likelihood*” Trigger to Initiate Proceedings. Post Grant Review has no applicability for several years; see § 45, *Post-Grant Effective Date is Effectively Delayed for Years*. Thus, since apart from SEC. 18 “covered business methods”, there is no practical point in discussing Post-Grant Review beyond the introductory discussion in § 30, *Post-Grant Review and Other Post-Examination Procedures*.

Accordingly, the discussion that follows will focus upon inter partes review.

§ 41 “Reasonable Likelihood” Trigger to Initiate Proceedings

Both Post Grant Review and Inter Partes Review share the “reasonable likelihood” trigger to initiate proceedings:

For any inter partes reexaminations filed in the transition year beginning with the date of enactment until the first anniversary of enactment (when inter partes reexamination is replaced by inter partes review) the first sentence of 35 USC § 312(a) eliminates “a substantial new question of patentability affecting any claim of the patent concerned is raised by the request” and substitutes the new test that “the information presented in the request shows that there is a reasonable likelihood that the requester would prevail with respect to at least 1 of the claims challenged in the request[.]” Other parallel changes are made in SEC. 6(c)(3)(A)(i)(I)(bb); SEC. 6(c)(3)(A)(i)(II); and SEC. 6(c)(3)(A)(ii).

The transition is immediate upon enactment. SEC. 6(c)(3)(B)(i) (“The amendments made by this paragraph... shall take effect on the date of the enactment of this Act[.]”). The amendments apply to any inter partes reexamination request filed as of the date of enactment up until the start of inter partes review. SEC. 6(c)(3)(B)(ii) (“The amendments made by this paragraph... shall apply to requests for inter partes reexamination that are filed on or after such date of enactment....”).

§ 42 Board Level Decision bypassing The Examiner

Inter partes review is much better for the attacking party than inter partes reexamination in large measure because it is patterned after the Japanese system where the post-grant review commences at the Board level. Here, the proceedings start and end at the new Patent Trial and Appeal Board (PTAB) which replaces the Board of Patent Appeals and Interferences.

§ 43 Evidence to Challenge Affidavits

Unlike the entirely paper proceedings in inter partes reexamination, here, in inter partes review, affidavit or declaration evidence is subject to challenge.

§ 44 Trial De Novo is not Permitted

Unlike the historical right dating back to the nineteenth century for a trial *de novo* following a Board decision, here, as with other post-grant procedures under the new law, the trial *de novo* is not an option.

This creates a very difficult situation for a party that has not presented all its evidence in a timely fashion: There is no opportunity to do so in court.

§ 45 Federal Circuit “Substantial Evidence” Appeal

There is, of course, appellate review at the Federal Circuit. But, as to fact-based issues typical of an obviousness issue under 35 USC § 103, the court must affirm the decision of the PTAB if it is backed by “substantial evidence” – a very difficult hurdle to surmount.

Of course, claim construction and other legal issues are governed by a *de novo* standard of review.

§ 50 Ex parte Reexamination and Supplemental Examination

Under Supplemental Examination, “[a] patent owner may request supplemental examination of a patent in the Office to consider, reconsider, or correct information believed to be relevant to the patent, in accordance with such requirements as the Director may establish.” SEC. 12, USC § 257(a).

Supplemental Examination was included based upon considerations relating to inequitable conduct prior to *Therasense* providing a way to deal with inequitable conduct charges. *Therasense, Inc. v. Becton, Dickinson and Co.*, ___ F.3d ___, 2011 WL 2028255 (Fed. Cir. 2011)(en banc) In light of *Therasense*, there is only limited applicability of the new procedure for its originally intended purpose.

§ 51 Supplemental Examination Goes to Director's Review

If “the information presented in the request raises a substantial new question of patentability[,]” *id.*, then “the Director shall order [ex parte] reexamination”, 35 USC § 257(b), under modified procedures where “the Director shall address each substantial new question of patentability identified during the supplemental examination, notwithstanding the limitations in chapter 30 relating to patents and printed publication....” *id.*

§ 52 Supplemental Examination to Trigger Reexamination

If the Director determines that the Supplemental Examination papers do establish a substantial new question of patentability, the Director then orders *ex parte* reexamination. Unlike normal *ex parte* reexamination limited to printed publication and patent-based issues, there is no limit on the issues that can be raised in a Supplemental Examination and which then can be considered in an otherwise regular *ex parte* reexamination.

§ 53 Ex parte Reexamination for Non-Publication Issues

Supplemental Examination provides a way to initiate an *ex parte* reexamination for issues under 35 USC § 112 or “public use” or “on sale” under 35 USC § 102 or indeed *any* “information believed to be relevant to the patent” that includes but *goes beyond* the limits of a printed publication or patent under normal *ex parte* reexamination to provide a vehicle for *ex parte* reexamination of patentability issues relating to non-publication prior art (e.g., “public use”, “on sale”) and formal matters (e.g., “possession” of the full scope of a generic invention under

Ariad Pharmaceuticals, Inc. v. Eli Lilly and Co., 598 F.3d 1336 (Fed. Cir. 2010)(*en banc*)(Lourie, J.), 35 USC § 112(a), or indefiniteness, 35 USC § 112(b).

§ 54 Retroactive Effective Date

Under SEC. 12(c) the Supplemental Examination provisions including changes to ex parte reexamination are effective September 16, 2012, *retroactive* to “apply to any patent issued before, on, or after th[e] effective date.”

§ 55 *Ex Parte* Reexamination Trials De Novo (§ 145) Abolished

Under the current version of 35 USC § 306, a patentee in an ex parte reexamination has a right to a trial *de novo* in the District Court for the District of Columbia under 35 USC § 145, after which either the patentee or the Director may appeal to the Federal Circuit. As stated in 35 USC § 306, “[t]he patent owner involved in [an ex parte] reexamination proceeding ... may appeal [to the Board of Patent Appeals and Interferences] under the provisions of section 134..., and may seek court review under the provisions of sections 141 to 145, with respect to any decision adverse to the patentability of any original or proposed amended or new claim of the patent.”

The right to a trial de novo is stripped away under *America Invents Act* under SEC. 6(h)(2) that simply states that “Section 306 of title 35, United States Code, is amended by striking `145' and inserting `144'.”

The change in the law is *retroactive* immediately upon enactment to apply to all cases pending on the date of enactment. *America Invents Act* under SEC.

6(h)(2) (“The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to any civil action commenced on or after that date.”).

§ 60 First-to-File “Bubble” Transition Date

The current patent law offers several critical advantages to patent applicants versus the new provisions of the *America Invents Act* including “first inventor” establishment of priority (versus “first to file”), exclusion of foreign “public use” and “on sale” (removed in the new law) and a broad grace period (sharply limited in the new law). Applicants are provided a generous 18 month transition period running to March 15, 2013, to avoid falling under its more draconian provisions.

Furthermore, it is possible to rely upon the old law even after 18 months if a priority application has full support for *all* claims in the application filed after March 16, 2013. Under “Section 3(n)(1)”, patentability transition provisions are governed by a floating transition date. Instead of a usual transition date that makes a new law applicable to any new application filed after a date certain, here, the transition date is the *priority* date for any application *if all claims* have a priority date before March 16, 2013.

But, if the *priority* date is 18 months or more after enactment for *any claim*, then the new law apply. A huge “patent bubble” surge in filings will take place just before March 16, 2013, the 18 month mark after enactment to ensure that the old law governs.

Even many years from now, thanks to Section 3(n)(1), applicants will avoid the new law by filing a continuation application under 35 USC § 120 that has basis for a claim to priority within the 18 month period. It is important to note that if any claim is *not* entitled to priority before the critical date, then the new law governs the entire patent and application.

§ 61 The Floating Transition Date 18 Months After Enactment

The transition provision is found in SEC. 3(n)(1)(A) of the new law that provides that “the amendments made by [SEC. 3 relating to novelty under 35 USC § 102] shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act, and shall apply to any application for patent...that contains or contained at any time... a claim to a claimed invention that has an effective filing date as defined in section 100(i) of title 35, United States Code, that is on or after the effective date described in this paragraph....” Under 35 USC § 100(i)(1)(B), “[t]he term ‘effective filing date’ for a claimed invention in a[n]... application ... means... the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), or 365(b)....”

The complete transition text of in SEC. 3(n)(1) applicable to 35 USC §§ 100, 102, 103, 119 and 120, reads as follows:

“Applications where priority date claimed is more than 18 months after date of enactment. SEC. 3(n)(1) (“Except as otherwise provided in this section, the amendments made by [SEC. 3] shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act, and shall apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time--

“(A) a claim to a claimed invention that has an effective filing date as defined in section 100(i) of title 35, United States Code, that is on or after the effective date described in this paragraph; or

“(B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.”)

In other words, if *any* claim is not entitled to priority before the March 16, 2013, this poisons the entire application: Then, *all claims* are under the new law.

If *at any time* there was a claim in the application not entitled to priority, even though that claim is cancelled, the new law governs

If *at any time* there was a claim in the application not entitled to priority, a later continuing application under 35 USC § 120 that links to a pre-March 16, 2013, filing through a post-March 16, 2013 intermediate parent that is not entitled to priority is similarly poisoned.

§ 62 Priority “Patent Bubble” Filings

Just prior to the March 16, 2013, effective date under Art. 3(n)(1), there will be a huge surge of *actual* filings, some without priority and some with priority of perhaps only a few months (well before expiration of the one year for filing based upon the Paris Convention or based upon a provisional application).

Having an *actual* filing date will be the best way to ensure that the claims of the application are governed by the old law.

§ 63 Claiming New Matter in a Continuing Application

Quite often, the *claims* may be the same but the *disclosures* different in the case of a regular application based upon either a provisional application or a foreign Paris Convention priority application. Thus, additional *unclaimed* examples or embodiments may be disclosed in the later application where the original intention is to rely upon generic coverage for such embodiments.

What happens in this situation if the regular application is filed after the March 16, 2013, transition date? If a claim is added to the new examples or embodiments first disclosed in the later application, then such a claim is not entitled to priority: Adding this claim would immediately poison the entire application and invoke the new first-to-file law for all claims.

Instead, the new matter should be claimed in a further *continuation* application. Here, the *continuation* does not poison the parent application. (Of course, it may well be necessary to file a terminal disclaimer to avoid a double patenting rejection.)

§ 64 Early Filing of Divisional Applications

If a restriction requirement is made after the March 16, 2013, transition date in an application filed before the transition date, a divisional application containing any claim not entitled to pre-March 16, 2013, priority is poisoned and governed by the new law.

This may seem unfair because it is the restriction requirement by the Examiner that forces the filing of the divisional application.

Doesn't the divisional statute, 35 USC § 121, safeguard the applicant?

No!

A divisional application is just like a continuation application under 35 USC § 120 which governs *both* types of applications. The only statutory difference is that a divisional application filed as a result of a restriction requirement is provided the statutory safeguard against *double patenting* rejections, but nothing more.

Accordingly, if, prior to March 16, 2013, it is expected that a divisional application will need to be filed at a later date, then a voluntary divisional should be filed by March 15, 2013, to fall under the old law. To be sure, if the divisional is voluntary, the double patenting safeguard of 35 USC § 121 does not exist, but the only penalty, here, may be the need for a terminal disclaimer. This is a small price to pay vis a vis the possible loss of a right to prosecute under the old first inventor law.

§ 70 Immediate and Retroactive Changes of Some Provisions

A quick glance near the beginning of the lengthy text of the new law immediately leads to “**SEC. 35. EFFECTIVE DATE**” that seemingly provides a reasonable one year period before the new law takes effect:

“Except as otherwise provided in this Act, the provisions of this Act shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and shall apply to any patent issued on or after that effective date.”

But, for the most important substantive patent law aspects of the law, the key wording of SEC. 35 is the opening phrase, “Except as otherwise provided in this Act,...”.

On the one hand, the transition period for *substantive patent law* changes has been generously made with a lengthy transition period. As opposed to various transition provisions in many laws that may have either an immediate effect or become effective one year from enactment, the SEC. 3 changes for “first to file” have a start date 18 months from enactment, where that even much later cases qualify as long as they have a priority date within this 18 month window. *See* § 50, *Transition “Bubble” for Substantive Patent Law Changes*. Yet, there are other changes which are *immediate* upon enactment including some that are retroactive in effect:

§ 71 “Best Mode” Defense Retroactively Eliminated

The “best mode contemplated” requirement is removed as a basis to invalidate a patent that becomes effective immediately upon enactment and is *retroactive* for all applications and patents other than those where there is ongoing litigation. The best mode defense is eliminated by an amendment to 35 USC § 282(3)(A) that is basis for a challenge of “[i]nvalidity of the patent or any claim in suit for failure to comply with... any requirement of section 112, except that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable[.]” The date that President Obama signs the law is the effective date for elimination of an invalidity challenge based upon “best mode”. *America Invents Act* SEC. 15(c)(“The amendments made by this section shall take effect upon the date of the enactment of this Act and shall apply to proceedings commenced on or after that date.”) *See* § 520, *Elimination of “Best Mode”*.

§ 72 Qui Tam False Marking Actions Eliminated

Qui tam false marking actions have been eliminated upon enactment retroactive to cases in the courts unless the decision is final. See § 90, *Marking: Virtual Marking and False Marking*

§ 73 Norfolk, Richmond and Alexandria Venue vs. the PTO

Whereas appeals from PTO decisions to the court and actions against the Director have traditionally been in Washington, D.C., and while actions against the Director were shunted to the Eastern District of Virginia, a simple sentence in the *America Invents Act* now moves all actions to the Eastern District of Virginia: Norfolk, Richmond and Alexandria are the new homes for civil actions against the PTO: The change is effectively immediately upon enactment for all pending cases at the Patent Office where a civil action had not yet commenced.

America Invents Act, SEC. 9(a)(“Technical Amendments Relating to Venue- Sections 32, 145, 146, 154(b)(4)(A), and 293 of title 35, United States Code, and section 21(b)(4) of the Trademark Act of 1946 (15 U.S.C. 1071(b)(4)), are each amended by striking ‘United States District Court for the District of Columbia’ each place that term appears and inserting ‘United States District Court for the Eastern District of Virginia.’”)

The change is made *retroactive* for all pending cases at the Patent Office which on the date of enactment had not reached the stage of a civil action. *America Invents Act*, SEC. 9(a)(“ The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to any civil action commenced on or after that date.”)

§ 80 Prior User Right

The new law creates a statutory prior user right for patents to *all* subject matter, covering “subject matter consisting of a process, or consisting of a machine, manufacture, or composition of matter used in a manufacturing or other commercial process”. 35 USC § 273(a). This replaces the very limited prior user right under the old law that was limited to “claims for a method”, 35 USC § 273(b)(1).

Based upon experience with parallel laws in Europe and Asia, the prior user right has very limited application in actual practice.

§ 81 Elements of the Prior User Right

The elements of the prior user right defense provides a defense to infringement under 35 USC § 282(b) as to subject matter “ that would otherwise infringe a claimed invention being asserted against the person if... such person, acting in good faith, commercially used the subject matter in the United States, either in connection with an internal commercial use or an actual arm's length sale or other arm's length commercial transfer of a useful end result of such commercial use[.]” 35 USC § 273(a)(1).

In addition, the commercial use must be long prior to the filing of the application. Thus, it is a condition fo the statute that a prior user right applies only if “such commercial use occurred at least 1 year before the earlier of either--
(A) the effective filing date of the claimed invention; or

(B) the date on which the claimed invention was disclosed to the public in a manner that qualified for the exception from prior art under [35 USC §] 102(b).”
35 USC § 273(a)(2).

By statute, the burden of proof to establish a prior user right is placed upon the party asserting that right: “The burden of proof is on the party asserting the prior user right. “ 35 USC § 273(b).

Prior Use must not have Been Derived from Inventor

A party cannot benefit from a prior user right where he derived the invention from the patentee:

“A person may not assert a defense under this section if the subject matter on which the defense is based was derived from the patentee or persons in privity with the patentee.” .” 35 USC § 273(e)(2)(C).

Commercial Use must not have been Abandoned

A party who has commercially used the subject matter of the patent at an early date that would otherwise qualify for the prior user right is *not* entitled to rely upon such use if he has abandoned such use:

“A person who has abandoned commercial use (that qualifies under this section) of subject matter may not rely on activities performed before the date of such abandonment in establishing a defense under this section with respect to actions taken on or after the date of such abandonment.” 35 USC § 273(e)(4).

§ 82 Limitations on the Prior User Right

The prior user right is *domestic* in scope and furthermore does not cover use under all claims of the patent but instead is product-specific to provide a prior user right as to the specifically used product that is basis for the prior user right:

Domestic Reach of the Law

The prior user right is limited to *domestic* use and has no impact on use of the invention in another country.

Prior User Right Restricted to the Specifically Used Product

A prior user who qualifies for prior user right protection is safeguarded *only* for “the specific subject matter... established [as having] a commercial use that qualifies” for the prior user right. 35 USC § 273(e)(3)

However, “the defense shall also extend to variations in the quantity or volume of use of the claimed subject matter, and to improvements in the claimed subject matter that do not infringe additional specifically claimed subject matter of the patent.” *Id.*

§ 83 Premarketing Regulatory Review is Qualifies as a Prior Use

A pharmaceutical company that has a product in premarketing regulatory review may rely upon such activity to establish a prior user right. Thus, “[s]ubject matter for which commercial marketing or use is subject to a premarketing regulatory review period during which the safety or efficacy of the subject matter is established, including any period specified in [35 USC §] 156(g), shall be deemed to be commercially used for purposes of subsection (a)(1) during such regulatory review period.” 35 USC § 273(c)(1)

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§ 84 Non-Profit Laboratory Use Qualifies as a Prior Use

Nonprofit laboratories have special treatment in the new law:

“A use of subject matter by a nonprofit research laboratory or other nonprofit entity, such as a university or hospital, for which the public is the intended beneficiary, shall be deemed to be a commercial use for purposes of subsection (a)(1), except that a defense under this section may be asserted pursuant to this paragraph only for continued and noncommercial use by and in the laboratory or other nonprofit entity.” 35 USC § 273(c)(2)

§ 85 “Exhaustion” of the Patentee’s Right

The prior user right law creates a statutory fiction that the patent owner’s right is “exhausted” by the sale of goods sold under the prior user right:

“Notwithstanding [35 USC § 273](e)(1), the sale or other disposition of a useful end result by a person entitled to assert a defense under this section in connection with a patent with respect to that useful end result shall exhaust the patent owner's rights under the patent to the extent that such rights would have been exhausted had such sale or other disposition been made by the patent owner.”
35 USC §273(d).

From a standpoint of classic usage of the term “exhaustion”, the patentee’s rights are “exhausted” when *the patentee* sells a patented product and gains his one reward under the patent and no longer controls the alienability of the patented product. The use of the term “exhaustion”, here, is thus contrary to case law dating back to the nineteenth century.

§ 86 Personal Defense Only

The prior user right is *personal* to the prior user: “A [prior user right] defense under this section may be asserted only by the person who performed or directed the performance of the commercial use described in subsection (a), or by an entity that controls, is controlled by, or is under common control with such person.” 35 USC § 273(e)(1)(A).

§ 87 Transfer as Part of the Business

The prior user right can be transferred but only as part of the business:

“Except for any transfer to the patent owner, the right to assert a defense under this section shall not be licensed or assigned or transferred to another person except as an ancillary and subordinate part of a good-faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.” 35 USC § 273(e)(1)(B).

A person who obtains a prior user right by acquiring the business of the original prior user is restricted to sites where the prior use occurred before the

effective filing date of the invention or the date of assignment of the business having the prior user right, whichever date is later:

“ A [prior user right] defense under this section, when acquired by a person as part of an assignment or transfer described in subparagraph (B), may only be asserted for uses at sites where the subject matter that would otherwise infringe a claimed invention is in use before the later of the effective filing date of the claimed invention or the date of the assignment or transfer of such enterprise or line of business.” 35 USC § 273(e)(1)(C).

§ 88 University Exception

A special provision is made for universities:

“A person commercially using subject matter to which subsection (a) applies may not assert a defense under this section if the claimed invention with respect to which the defense is asserted was, at the time the invention was made, owned or subject to an obligation of assignment to either an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), or a technology transfer organization whose primary purpose is to facilitate the commercialization of technologies developed by one or more such institutions of higher education.

(B) EXCEPTION- Subparagraph (A) shall not apply if any of the activities required to reduce to practice the subject matter of the claimed invention could not have been undertaken using funds provided by the Federal Government.

(f) Unreasonable Assertion of Defense- If the defense under this section is pleaded by a person who is found to infringe the patent and who subsequently fails to demonstrate a reasonable basis for asserting the defense, the court shall find the case exceptional for the purpose of awarding attorney fees under section 285.

(g) Invalidity- A patent shall not be deemed to be invalid under section 102 or 103 solely because a defense is raised or established under this section.'

to any patent issued on or after the date of the enactment of this Act.

35 USC § 273(e)(5).

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§ 89 Effective Date: Patents Granted from September 16, 2011

All patents *granted* as from September 16, 2011, are subject to prior user rights under new 35 USC § 273. The law is thus *retroactive* as to applications pending prior to the date of enactment, but is *prospective* insofar as only patents *granted* after the date of enactment are covered by this new statute. Thus, SEC. 5(a) of Public Law 112-29 provides that “[t]he amendments made by this section [introducing the new prior user rights] shall apply to any patent issued on or after the date of the enactment of this Act.”

§90 Marking: Virtual Marking and False Marking

SEC. 16 of the new law deals with marking. “Virtual marking” is dealt with in SEC. 16(a) and is covered, here, beginning at § 91, *Virtual Marking*. *Qui tam* false marking actions are eliminated under SEC. 16(b) and is covered, here, beginning at § 94, *Qui Tam False Marking Actions Eliminated*.

§ 91 Virtual Marking

As from the September 16, 2011, enactment of the new patent law, patent marking has entered the electronic era with the introduction of “virtual marking”:

Under virtual marking, patent numbers correlated to products are placed on an internet website. Provided a patent has both “pat.” and the internet address, this constitutes “virtual marking” to provide constructive notice of the patent number. In more detail, the statute provides that –

“Patentees ... selling ... any patented article ... may give notice to the public that the same is patented, either by fixing thereon the word ‘patent’ or the abbreviation ‘pat.’ Together with an address of a posting on the Internet, accessible to the public without charge for accessing the address, that associates the patented article with the number of the patent....”. 35 USC § 287(a) as amended by Leahy Smith America Invents Act, Public Law 112-29, SEC. 16(a)(1).

Virtual marking applies retroactively for any case pending on or after September 16, 2011, the date of enactment. *Id.*, SEC. 16(a)(2)(“ The amendment ... shall apply to any case that is pending on, or commenced on or after, the date of the enactment of this Act.”)

§ 92 Virtual Marking to Facilitate Damage Claims

It should be recognized that when the identical text was first introduced by the Senate in 2009, there was no reference to the issue of false marking, but instead the focus was on patent damages:

“Virtual marking”

In general, for patented ‘articles,’ a patent holder must give an alleged infringer notice of the claimed infringement, and the infringer must continue to infringe, before the patent holder may succeed in a suit for damages. [See 35 U.S.C. Sec. 287.]

Actual notice requires the affirmative communication of infringement to the defendant, which may include the filing of a lawsuit. Constructive notice is possible by ‘marking’ any patented article that the patent holder (or its licensee) makes, uses, sells or imports. [See *id.*] Failure to appropriately mark an article can preclude the recovery of damages until notice is effective.

The Committee adopted an amendment [to 35 USC § 287(a), SEC. 4(e) of S.515,] that will permit patent holders to ‘virtually mark’ a product by providing the address of a publicly available website that associates the patented article with the

number of the patent. The burden will remain on the patent holder to demonstrate that the marking was effective. This amendment will save costs for producers of products that include technology on which a patent issues after the product is on the market, and will facilitate effective marking on smaller products.

Senate Report 111-18, *The Patent Reform Act of 2009* (to accompany S.515), p. 14 (footnotes integrated into text in brackets).

§ 93 Virtual Marking as Notice for Active Inducement

In *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S.Ct. 2060 (2011), *aff'g*, *SEB S.A. v. Montgomery Ward & Co., Inc.*, 594 F.3d 1360 (Fed. Cir. 2010), the Court has confirmed that an accused active inducement infringer under 35 USC § 271(b) must have either actual knowledge of the patent – or act with “willful blindness” to the existence of the patent. Congress in Leahy Smith America Invents Act, Public Law 112-29, has now moved to help patentees provide *constructive* notice of their patent numbers through the creation of “virtual marking”, a provision originally introduced in connection with establishing basis for patent damages.

In *Global Tech*, the Supreme Court confirmed that actual knowledge of a patent is a necessary condition to find active inducement to infringe under 35 USC § 271(b), while determining that “willful blindness” to the existence of a patent is tantamount to actual knowledge. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S.Ct. 2060 (2011), *aff'g*, *SEB S.A. v. Montgomery Ward & Co., Inc.*, 594 F.3d 1360 (Fed. Cir. 2010).

While *Global Tech* provides an answer for patentees in flagrant cases where an infringer deliberately avoids actual knowledge of a patent, this is not helpful for garden variety situations where a lesser standard is met such as the standard of

“deliberate indifference” that was created *sua sponte* by the appellate court in the proceedings below.

§ 94 Qui Tam False Marking Actions Eliminated

Up until now a reason *not* to provide patent marking on products is the concern by industry over damage awards in *qui tam* false marking suits under 35 USC § 292(b) in the wake of *Forest Group, Inc. v. Bon Tool Co.*, 590 F.3d 1295 (Fed.Cir.2009).

This concern is addressed by the new law: Under SEC. 16(b)(2) of Leahy Smith America Invents Act, the entire text relating to *qui tam* false marking actions of 35 USC § 292(b) has been *cancelled*; it is replaced by an entirely new provision as new § 292(b) which has nothing to do with any *qui tam* possibility: “A person who has suffered a competitive injury as a result of a violation of this section may file a civil action in a district court of the United States for recovery of damages adequate to compensate for the injury.”

Marking with an expired patent is furthermore expressly excluded from the definition of false marking” by SEC. 16(b)(3) which adds to the patent law a new 35 USC § 292(c): “The marking of a product, in a manner described in [35 USC § 292](a), with matter relating to a patent that covered that product but has expired is not a violation of this section.”

Both the amendment eliminating *qui tam* actions under 35 USC § 292(b) as well as the provision of new 35 USC § 292(c) are effective immediately and retroactively by virtue of SEC. 16(b)(4): “EFFECTIVE DATE- The amendments

[to 35 USC §§ 292(b), 292(c)] shall apply to all cases, without exception, that are pending on, or commenced on or after, the date of the enactment of this Act.”

§ 95 False Marking Constitutional Challenge

A Constitutional issue has been raised as to the *retroactive* elimination of *qui tam* actions, including those already in the courts.

§100 Novelty: Patent-Defeating Prior Art

This section deals with prior art that is available prior to the applicant's filing date. There is a separate section that deals with the patent-defeating effect of a published patent application (or patent) which is published or patented *after* the applicant's filing date but which has a filing date (or priority date) earlier than the applicant's filing date, which is discussed at § 300 *Novelty: Secret Prior Art (Earlier-Filed, Later Published)*.

Effective date: The changes to § 102 (and 35 USC § 100 (definitions) and 35 USC §103 (nonobviousness) are governed by Sec. 3(n)(1), which applies the new law to applications and patents having *any claim* not entitled to a priority before March 16, 2013.

§ 101 Prior Art of Applicant and “Others” are not Segregated

There are several different and often overlapping categories of prior art under §102(a)(1):

“A person shall be entitled to a patent unless... the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention[.]”

In contrast, the current categories of prior art are defined in 35 USC §§ 102(a), 102(b):

“A person shall be entitled to a patent unless --

“(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

“(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States[.]”

In the current law, 35 USC § 102(a) relates only to the acts of “others” before the invention date, and thus has no applicability to the inventor’s own acts. The acts defined in 35 USC § 102(b) of others *and the inventor* bar a patent where they occur more than one year before the filing date.

§ 102 Global Prior Art

An enormous change versus the current law is that under the *America Invent's Act* all of the prior art categories (except for earlier-filed later-published applications) are keyed to events *anywhere in the world*, as opposed to the current law where the “printed publication” or “patented” categories are keyed to world-wide events, but “known or used” by others in §102(a) and “public use” and “on sale” bars under § 102(b) are all limited to acts in the United States.

This change also represents a positive movement toward harmonization. Thus, the definition of the state of the art in Europe “comprise[s] everything made available to the public by means of a written or oral description, by use, or in any other way” without geographic restriction. EPC Art. 54(2). Japanese Art. 29(1) contains three subparagraphs defining prior art events, all of which are global in scope.

§ 103 Ambiguous Definition of the Grace Period

A further enormous change is the elimination of separate categories of prior art that under the current law speaks to acts before the invention date limited to acts *of others* in 35 USC § 102(a) versus statutory bar events applicable to the inventor (or anyone) that occur more than one year before the filing date under 35 USC § 102(b). The *America Invents Act* fails to segregate the two categories and provides a grace period limited to the applicant's pre-filing date "disclosures" of the invention. Whether an inventor's secret commercialization by the inventor or an "on sale" offer of sale constitutes a prior art-exempt "disclosure[]" will remain an open question until resolved in a test case years from now when it reaches the Federal Circuit.

§ 104 Elimination of Non-Patent "Secret" Prior Art

The current patent law includes "secret" prior art in the sense that certain categories of prior art are secret from the public at the time a member of the public makes his invention, yet in court years later once secret activity prior to the invention date is used as "prior art".

Two categories of such "secret" prior art involve derivation of the invention from another under 35 USC § 102(f) and the prior invention of another who has neither abandoned, suppressed or concealed that invention under 35 USC § 102(g). Both categories of prior art are eliminated in the *America Invents Act*.

§ 105 Abandonment of the “Abandon[ment]” Category

Under current law a patent is barred where the inventor has “abandoned” the invention under 35 USC § 102(c). This provision is not found in the new law.

§ 106 Premature Foreign Patenting

Under current law a patent is barred under 35 USC § 102(d) where “the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States.”

This provision is an anachronism that is abolished in the new law. Note that this bar occurs *only* where the applicant’s own foreign patent was granted before his United States filing date. Generally, there will have been a “printed publication” in the form of the published foreign application more than one year before the U.S. filing date in any situation where the patent would have also been granted before the filing date. That “printed publication” would constitute a bar under 35 USC § 102(b).

§ 107 Late Addition of “Public Use” and “On Sale”

The definition of prior art that includes “public use” and “on sale” is different from the original version of the proposed legislation when it was first introduced six years earlier as Lamar Smith, *Patent Reform Act of 2005*, H.R. 2795, introduced June 5, 2005. In this original version, prior art was defined under 35 USC § 102(a)(1) as barring a patent where the invention had previously been “patented, described in a printed publication, or otherwise publicly known[.]” There is nothing about “public use” or “on sale” in the original version.

§ 110 “Printed Publication”

Under the *America Invents Act* §102(a)(1) “[a] person shall be entitled to a patent unless... the claimed invention was ... *described in a printed publication*...before the effective filing date of the claimed invention[.]”

The very same basis to deny patentability exists under the current law, 35 USC §§102(a), 102(b):

“A person shall be entitled to a patent unless --

“(a) the invention was *described in a printed publication in this or a foreign country*, before the invention thereof by the applicant for patent, or

“(b) the invention was ... *described in a printed publication in this or a foreign country* ... more than one year prior to the date of the application for patent in the United States[.]”

§ 111 Most Important Prior Art for Post-Grant Review

The “printed publication” category of prior art is by far the most important category of prior art in Patent Office proceedings for two reasons.

First, “printed publication” has a very settled interpretation as the term has been used for many years and been considered in countless cases. *See* § 113, *Identical Terminology in the Current Law*.

Second, for practical purposes it is the *only* statutory basis to challenge patent validity in a post-grant proceeding with the exception of the Post-Grant Review that must be filed within nine months from grant. (A patent also is basis to challenge validity but this is redundant because a “printed publication” invariably includes a patent.)

§ 112 Contrast to Overseas Laws

A printed publication is also prior art in both the European Patent Convention and under Japanese national patent law:

While the European Patent Convention lacks a pigeonhole defining a “printed publication”, the language used in the treaty is far broader and clearly encompasses what is known as a “printed publication” under American law. The EPC thus defines the state of the art “to comprise everything made available to the public by means of a written ... description...[.]” EPC Art. 54(2).

The Japanese patent law has a specific pigeonhole for the novelty-defeating effect against an invention “described in a distributed publication[.]” Japanese Patent Law, Art. 29(1)(iii). An amendment was recently made to the same

paragraph of the Japanese patent law to include internet publications as prior art, i.e., the language of the statute now expressly includes a disclosure “publicly available through an electric telecommunication line in Japan or a foreign country[.]”

§ 113 Identical Terminology in the Current Law

Until there are Federal Circuit decisions interpreting *other* provisions in the new definition of prior art in the new law, the fact that “printed publication” is maintained in identical form in both the old and new laws means that it may be expected that the courts will interpret “printed publication in the same manner under the new law as under the old law.

§ 114 Breadth beyond the Literal meaning of “Printed”

“Printed publication” has a very broad meaning that goes beyond whether a publication is actually “printed” in the common sense of that word. Rather, “printed publication” encompasses any permanent form of disclosure of an invention which is (a) directed to workers skilled in the art; and (b) disseminated without secrecy restrictions. Thus, e-mails sent to a group of workers skilled in the art without any secrecy restrictions will constitute a “printed publication”. A microfilm description of an invention is also a “printed publication”. Even a single copy of a book in a scientific (or other) library may be a printed publication if it is properly catalogued so that it is accessible to workers skilled in the art.

§ 115 Internet-Posted Article as a “Printed Publication”

For a detailed discussion of the law relating to a “printed publication” and when a non-“printed” form is or is not within the category of a “printed publication” under 35 USC § 102, it is useful to consider the two opinions in the *SRI* case which dealt

with a temporary internet posting of an article. The majority opinion comes to the conclusion that on the record presented the court could not reach a conclusion that the article was a printed publication, *SRI Intern., Inc. v. Internet Sec. Systems, Inc.*, 511 F.3d 1186 (Fed. Cir. 2008)(Rader, J.). The third member of the court, perhaps keyed to her own background as the holder of two degrees from MIT, has a parallel opinion of the legal issues but reaches a different factual conclusion, *SRI Intern., Inc. v. Internet Sec. Systems, Inc.*, 511 F.3d at 1198 (Fed. Cir. 2008)(Moore, J., dissenting in part).

SRI Intern., Inc. v. Internet Sec. Systems, Inc.

United States Court of Appeals, Federal Circuit, 2008
511 F.3d 1186, 1194-98

Claims to “[a] computer-automated method of hierarchical event monitoring and analysis within an enterprise network...” were held invalid at the District Court based upon the patent applicant’s own prior “Live Traffic” article posted on the Internet which was held to be a “printed publication” under 35 USC § 102(b).

RADER, Circuit Judge.

...

B. The Live Traffic Paper

This court must determine the accessibility to the public of the Live Traffic paper before the critical date. ...

“Because there are many ways in which a reference may be disseminated to the interested public, ‘public accessibility’ has been called the touchstone in determining whether a reference constitutes a ‘printed publication’ bar under 35 U.S.C. § 102(b).” *In re Hall*, 781 F.2d 897, 898-99 (Fed.Cir.1986). “A given reference is ‘publicly accessible’ upon a satisfactory showing that such document has been disseminated or otherwise made available to the extent that persons

interested and ordinarily skilled in the subject matter or art exercising reasonable diligence, can locate it.” *Bruckelmyer v. Ground Heaters, Inc.*, 445 F.3d 1374, 1378 (Fed.Cir.2006). “The decision whether a particular reference is a printed publication ‘must be approached on a case-by-case basis.’ ” *In re Cronyn*, 890 F.2d 1158, 1161 (Fed.Cir.1989) (internal quote from *In re Hall*, 781 F.2d 897, 899 (Fed.Cir.1986)); see also *In re Wyer*, 655 F.2d 221, 227 (C.C.P.A.1981) (“Decision in this field of statutory construction and application must proceed on a case-by-case basis.”). ...

[T]his court perceives factual issues that prevent entry of summary judgment of invalidity based on the Live Traffic paper. Specifically, this court does not find enough evidence in the record to show that the Live Traffic paper was publicly accessible and thus a printed publication under 35 U.S.C § 102(b). ...

From the perspective of cases lacking public accessibility, *Bayer* featured a graduate thesis in a university library. The library had not catalogued or placed the thesis on the shelves. Only three faculty members even knew about the thesis. *In re Bayer*, 568 F.2d 1357, 1358-59 (C.C.P.A.1978). Under these circumstances, this court's predecessor found that the thesis did not constitute a printed publication because a customary search would not have rendered the work reasonably accessible even to a person informed of its existence. *Id.* at 1361-62. Similarly, in *In re Cronyn*, the thesis document was in a library with an alphabetical index by the author's name. This court found no public accessibility because “the only research aid in finding the theses was the student's name, which of course, bears no relationship to the subject of the student's thesis.” *In re Cronyn*, 890 F.2d 1158, 1161 (Fed.Cir.1989).

Several cases have also illustrated situations that rendered documents available to the public. For example, in *Wyer*, an Australian patent application was laid open to the public and “properly classified, indexed or abstracted” to enable public access to the application. *In re Wyer*, 655 F.2d 221, 226-27 (C.C.P.A.1981). *Wyer* explained various factors involved in the public accessibility determination, including intent to publicize and disseminating activities. Still the court emphasized: “Each [printed publication] case must be decided on the basis of its own facts.” *Id.* at 227. In *Klopfenstein*, two professional conferences displayed posters. These posters were printed publications because their entire purpose was

public communication of the relevant information. *In re Klopfenstein*, 380 F.3d 1345, 1347-50 (Fed.Cir.2004). And, most recently, in *Bruckelmyer*, this court found that a Canadian patent application, properly abstracted, indexed and catalogued, was a printed publication under § 102(b). This court explained: “[T]he [Canadian] patent was classified and indexed, similar to the abstract in *Wyer*, further providing a road map that would have allowed one skilled in the art to locate the [patent] application.” *Bruckelmyer v. Ground Heaters, Inc.*, 445 F.3d 1374, 1379 (Fed.Cir.2006).

Based on this appeal record, this case falls somewhere between *Bayer* and *Klopfenstein*. Like the uncatalogued thesis placed “in” the library in the *Bayer* case, the Live Traffic paper was placed “\on” the FTP server. Yet, the FTP server did not contain an index or catalogue or other tools for customary and meaningful research. ...Further, the summary judgment record shows that only one non-SRI person, Dr. Bishop, specifically knew about the availability of the Live Traffic paper, similar to the knowledge of the thesis's availability by the three professors in Bayer.

The current record leaves the Live Traffic paper on the Bayer non-accessible side of this principle, not on the Klopfenstein side of public accessibility. Therefore, on summary judgment, this court finds that the prepublication Live Traffic paper, though on the FTP server, was not catalogued or indexed in a meaningful way and not intended for dissemination to the public. See *In re Wyer*, 655 F.2d 221 (C.C.P.A.1981); *In re Bayer*, 568 F.2d 1357 (C.C.P.A.1978); *In re Klopfenstein*, 380 F.3d 1345, 1347-50 (Fed.Cir.2004).

The FTP server directory structure (/pub/emerald/) of a well-known institution in the intrusion detection community and the acronym of “ndss98.ps” might have hinted at the path to the Live Traffic paper; however, an unpublicized paper with an acronym file name posted on an FTP server resembles a poster at an unpublicized conference without a conference index of the location of the various poster presentations. As noted, the peer-review feature also suggests no intent to publicize.

Without additional evidence as to the details of the 1997 SRI FTP server accessibility, this court vacates and remands for a more thorough determination of

the publicity accessibility of the Live Traffic paper based on additional evidence.....

MOORE, Circuit Judge, dissenting in part.

... In light of the mountain of evidence presented by the defendants and the complete absence of any contrary evidence presented by SRI, the district court's determination that the FTP server was publicly accessible by virtue of the navigable directory structure must be affirmed.

B....

2. Dissemination Cases

“[D]istribution and indexing are not the only factors to be considered in a § 102(b) ‘printed publication’ inquiry.” *Klopfenstein*, 380 F.3d at 1350; see also *Bruckelmyer*, 445 F.3d at 1378 (reference is publicly accessible if it has been “disseminated or otherwise made available to the extent that persons interested and ordinarily skilled in the subject matter or art exercising reasonable diligence, can locate it and recognize and comprehend therefrom the essentials of the claimed invention”). As the majority recognizes, the determination of whether a reference is a “printed publication” under 35 U.S.C. § 102(b) involves a case-by-case inquiry into the facts and circumstances surrounding the reference's disclosure to the public.

Klopfenstein articulates several factors that guide our case-by-case inquiry. See *Klopfenstein*, 380 F.3d at 1350. The factors to consider include: (1) the length of time the reference was available; (2) the expertise of the target audience; (3) the existence (or lack) of reasonable expectations that the reference would not be copied; and (4) the simplicity with which the reference could have been copied. See *id.* at 1350-51.

a. Length of Time the Live Traffic Paper was Available

The more transient the display, the less likely it is to be considered a “printed publication.” *Klopfenstein*, 380 F.3d at 1350. Conversely, the longer a reference is displayed, the more likely it is to be considered a printed publication. *Id.*

It is undisputed that the Live Traffic paper was available on the FTP server for seven days. This is more than double the amount of time found sufficient in *Klopfenstein*. Further, the paper was available twenty-four hours a day, as opposed to the poster in *Klopfenstein*, which was only available during conference hours. Moreover, because the Live Traffic paper was available on an FTP server, it could be accessed from anywhere, as opposed to *Klopfenstein* where the display was at a conference in a single physical location. SRI failed to introduce any evidence that seven days was not sufficient time to give the public the opportunity to capture information conveyed by the Live Traffic paper.

b. Expertise of the Target Audience of the Live Traffic Paper

The expertise of the target audience “can help determine how easily those who viewed it could retain the displayed material.” *Klopfenstein*, 380 F.3d at 1351. In this case, the defendants introduced evidence to show that the target audience of the Live Traffic paper is persons interested and skilled in cyber security. Counsel for SRI conceded at oral argument that the target audience included sophisticated members of the internet security community. See Oral Arg. at 6:12-32, available at [http://www.cafc.uscourts.gov/oralarguments/mp 3/ 2007- 1065. mp 3](http://www.cafc.uscourts.gov/oralarguments/mp%203/2007-1065.mp3); SRI, 456 F.Supp.2d at 630. The defendants presented evidence showing that in 1996 and 1997, the inventor advertised the FTP server to let people of ordinary skill in the art locate his research in the field of cyber security, using both emails to colleagues in the field and presentations to the cyber security community. The defendants presented evidence showing the cyber security community included sophisticated computer scientists who knew how to use the FTP server, and who in fact often used the FTP server to share information. SRI presented no evidence to the contrary.

c. Expectation That the Live Traffic Paper Would Not Be Copied

If “professional and behavioral norms entitle a party to a reasonable expectation that the information displayed will not be copied, we are more reluctant to find something a ‘printed publication.’ ” *Klopfenstein*, 380 F.3d at 1351. When parties have taken protective measures, such as license agreements, non-disclosure agreements, anti-copying software, or even simple disclaimers, those protective

measures may be considered to the extent they create a reasonable expectation on the part of the inventor that the information will not be copied. *Id.*

The defendants introduced evidence that the public FTP server where the Live Traffic paper was posted was widely known in the cyber security community and accessible to any member of the public. The defendants even introduced evidence that the inventor had specifically advertised the FTP server to persons particularly interested in his research and skilled in the art, using emails and presentations. Moreover, the evidence is undisputed that the inventor took absolutely no protective measures with regard to the FTP server or the Live Traffic paper, such as license agreements, nondisclosure agreements, anti-copying software, or even simple disclaimers. *Id.* As counsel for SRI conceded during oral argument, the Live Traffic paper was not even labeled confidential. See Oral Arg. at 9:40-46, available at <http://www.cafc.uscourts.gov/oralarguments/mp3/2007-1065.mp3>.

The majority analogizes the Live Traffic paper to “posters at an unpublicized conference with no attendees.” *Maj. op.* at 1197. This analogy is incorrect. The evidence showed that: (1) the inventor publicized the FTP server to the cyber security community (hence the conference was publicized), and (2) the FTP server was widely known and frequently used in the cyber security community (there were lots of attendees), in direct contrast to an “unpublicized conference with no attendees.” ...

d. Simplicity of Copying the Live Traffic Paper

“The more complex a display, the more difficult it will be for members of the public to effectively capture its information.” *Klopfenstein*, 380 F.3d at 1351. The defendants introduced evidence that the FTP server existed for the sole purpose of allowing members of the cyber security community to post and retrieve information relevant to their research. FTP—which stands for “File Transfer Protocol”—is an Internet tool which exists for the purpose of moving files from one computer to another—copying. The inventor “stuck a copy” of the Live Traffic paper on the FTP server for seven days where others could view and copy the paper with great ease.

SRI does not contend that papers on an FTP server are difficult for a user to copy or print. It is undisputed that at the touch of a button, the entire Live Traffic paper

could be downloaded or printed. Copying could not be simpler. Unlike Klopfenstein, where members of the public would have to quickly transcribe the text or graphics of the poster during a conference, members of the public could download or print the Live Traffic paper immediately upon accessing the paper, and at any time of the day or night during the seven days it was posted on the FTP server.

§ 120 “[O]therwise available to the public”

Under the new law §102(a)(1) “[a] person shall be entitled to a patent unless... the claimed invention was ... described in a printed publication..., or *otherwise available to the public* before the effective filing date of the claimed invention[.]”

Almost any invention that is widely disseminated in a tangible form to workers skilled in the art without secrecy restriction constitutes prior art as a “printed publication”. It is difficult to imagine how an invention would be “*otherwise available to the public*” when it would *not* also be a “printed publication” within the meaning of case law.

It remains to be seen on a case by case basis when new forms of information dissemination are tested under the “*otherwise available to the public*” terminology; this will require a case by case determination by the Federal Circuit.

§ 130 “Public Use”

Under the new law §102(a)(1) “[a] person shall be entitled to a patent unless... the claimed invention was ... in public use [or] on sale... before the effective filing date of the claimed invention[.]” In the original version of the definition of prior art in the first bill that was submitted, neither category was included as prior art. *See* § 107, *Late Addition of “Public Use” and “On Sale”*

As explained by Chief Judge Rader, “[a] public use under [35 USC §] 102(b) includes any public use of the claimed invention by a person other than the inventor who is ‘under no limitation, restriction, or obligation of secrecy to the inventor.’” *Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, ___ F.3d ___ (Fed. Cir. 2011)(Rader, C.J.)(quoting *Clock Spring, L.P. v. Wrapmaster, Inc.*, 560 F.3d 1317, 1325 (Fed. Cir. 2009), quoting *Adenta GmbH v. OrthoArm, Inc.*, 501 F.3d 1364, 1371 (Fed. Cir. 2007)).

Both the terms “public use” and “on sale” are directly taken from the current law, 35 USC § 102(b):

“A person shall be entitled to a patent unless ... the invention was ... *in public use or on sale in this country*[] more than one year prior to the date of the application for patent in the United States[.]”

Invitrogen Corp. v. Biocrest Mfg., L.P.

United States Court of Appeals, Federal Circuit, 2005
424 F.3d 1374, 1379-83

RADER, Circuit Judge.

[The patentee] used the claimed [“process for producing transformable *E. coli* cells of improved competence”] before the critical date, in its own laboratories, to produce competent cells. [The patentee] did not sell the claimed process or any products made with it. The record also shows that [the patentee] kept its use of the claimed process confidential. The process was known only within the company. [The accused infringer] does not dispute that the claimed process was maintained as a secret within [the patentee] until some time after the critical date.

35 U.S.C. § 102(b) states that a person shall be entitled to a patent unless “ *the invention was ... in public use or on sale* in this country, more than one year prior

to the date of the application for patent in the United States.” 35 U.S.C. § 102(b) (2000) (emphasis added). In *Pfaff v. Wells*, the Supreme Court considered the meaning of the phrase “the invention” in § 102(b). *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 60 (1998). The Court explained that analysis under § 102(b) involves two separate inquiries, one evaluating whether “the invention” was complete and ready for patenting, and the other evaluating whether that invention was “on sale.” *Id.* at 66-67. In that context, the Court found no role for this court's “totality of the circumstances” test, which directed a court to consider the circumstances surrounding the alleged offer for sale together with the circumstances surrounding the stage of development of the invention that may have been prematurely exploited in the market. *See id.* at 66, n. 11. In place of that “totality of the circumstances” test, the Court formulated the now-familiar test that evaluates both whether the product was subject to a commercial offer for sale (*i.e.*, was it “on sale”) and whether the invention was “ready for patenting” (*i.e.*, was there an “invention” at the time of the sale). *See id.* at 67. Following the Court's guidance in *Pfaff*, this court rejected the totality of the circumstances test in the context of statutory bar disputes. *See EZ Dock v. Schafer Sys., Inc.*, 276 F.3d 1347, 1351 (Fed.Cir.2002) (“[T]his court now ‘follows the Supreme Court's two-part test without balancing various policies according to the totality of the circumstances.’”) (quoting *Weatherchem Corp. v. J.L. Clark, Inc.*, 163 F.3d 1326, 1333 (Fed.Cir.1998)).

In *Pfaff*, the Court specifically considered the “on sale” portion of the § 102(b) statutory bar language, but in so doing, the Court noted that both the “on sale” and “public use” bars were based on the same policy considerations. *Id.* at 64. The Court noted that both the on sale and public use bars of § 102 stem from the same “reluctance to allow an inventor to remove existing knowledge from public use.” *Id.* In *Pfaff*, the Court applied the separate components of its test to facts raising the “on sale” issue. Nonetheless, the Court's analysis of the statutory term “invention,” or the ready for patenting prong, applies to both of the other parts of section 102(b), “on sale” and “public use.” Thus, the Supreme Court's “ready for patenting test” applies to the public use bar under § 102(b). A bar under § 102(b) arises where, before the critical date, the invention is in public use and ready for patenting. This court notes that in applying the *Pfaff* two-part test in the context of a public use bar, evidence of experimental use may negate either the “ready for

patenting” or “public use” prong. *See EZ Dock*, 276 F.3d at 1352 (recognizing an overlap of the experimental use negation and the ready for patenting standard).

... The proper test for the public use prong of the § 102(b) statutory bar is whether the purported use: (1) was accessible to the public; or (2) was commercially exploited. Commercial exploitation is a clear indication of public use, but it likely requires more than, for example, a secret offer for sale. Thus, the test for the public use prong includes the consideration of evidence relevant to experimentation, as well as, *inter alia*, the nature of the activity that occurred in public; public access to the use; confidentiality obligations imposed on members of the public who observed the use; and commercial exploitation, *see Allied Colloids, Inc. v. Am. Cyanamid Co.*, 64 F.3d 1570, 1574 (Fed.Cir.1995). That evidence is relevant to discern whether the use was a public use that could raise a bar to patentability, but it is distinct from evidence relevant to the ready for patenting component of *Pfaff's* two-part test, another necessary requirement of a public use bar.

The district court reasoned that [the patentee] had used the claimed process in its own laboratories, more than one year before the '797 application was filed, to “further other projects” beyond development of the claimed process and to acquire a commercial advantage. [The patentee] admits that it used the claimed process in its own laboratories before the critical date to grow cells to be used in other projects within the company. The district court determined that use of the invention in [the patentee]'s general business of widespread research generated commercial benefits. The district court examined the totality of the circumstances and found that this use was “public.” [The patentee] argues, however, that this secret internal use was not “public use” under the applicable test, because it neither sold nor offered for sale the claimed process or any product derived from the process, nor did it otherwise place into the public domain either the process or any product derived from it. Under the proper test for public use under § 102(b), these facts do not erect a bar.

The basic tenet of U.S. patent law is that an original inventor gains an exclusive right to the invention. *U.S. Const.* Art. 1, § 8, cl. 8. Thus, an inventor's own work cannot be used to invalidate patents protecting his own later inventive activities unless, *inter alia*, he places it on sale or uses it publicly more than a year before filing. 35 U.S.C. § 102(b); *see also In re Katz*, 687 F.2d 450, 454 (CCPA.1982); *In*

re Facius, 408 F.2d 1396, 1406 (CCPA 1969) (“[C]ertainly one's own invention, whatever the form of disclosure to the public, may not be prior art against oneself, absent a statutory bar.”). Section 102(a) denies any applicant for a patent an exclusive right to any invention already “known or used by *others* in this country” (emphasis added). On the other hand, § 102(b) can apply to the inventor's own actions. Section 102(b) expressly requires a “public use” in this country for a statutory bar to arise based on use by the inventor himself. *See Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1, 23 (1829) (an applicant must be the “first and true” inventor to obtain a patent, but “if he shall put [the invention] into public use, or sell it for public use before he applies for a patent ... this should furnish another bar to his claim”); *Katz*, 687 F.2d at 454 (“Disclosure to the public of one's own work constitutes a bar to the grant of a patent claiming the subject matter so disclosed (or subject matter obvious therefrom).”). Further, to qualify as “public,” a use must occur without any “limitation or restriction, or injunction of secrecy.” *Egbert v. Lippmann*, 104 U.S. 333, 336 (1881); *In re Smith*, 714 F.2d 1127, 1134 (Fed.Cir.1983).

In some cases, this court has determined that a use before the critical period was not public even without an express agreement of confidentiality. *See, e.g., Moleculon Research Corp. v. CBS, Inc.*, 793 F.2d 1261 (Fed.Cir.1986) (inventor's private use and demonstrations to colleagues were not public). For instance, in *TP Laboratories, Inc. v. Professional Positioners, Inc.*, 724 F.2d 965 (Fed.Cir.1984), the inventor was a dentist who installed the inventive orthodontic appliance in several of his patients. Although the inventor had not obtained any express promise of confidentiality from his patients, this court did not consider the use “public” because the dentist-patient relationship itself was tantamount to an express vow of secrecy. *Id.* at 972. In reaching that result, this court opined in general that secret use may be public “within the meaning of the statute, if the inventor is making commercial use of the invention under circumstances which preserve its secrecy.” *Id.* This court noted specifically that, under the facts of *TP Laboratories*, it could find no “commercial exploitation” of the invention during the critical period, identifying “commercial exploitation” with sale of the device or a charge for its use of the invention within the confidential confines of the company to generate commercial benefits. *Id.* at 972-73. Thus, *TP Laboratories* bolsters the general point that an agreement of confidentiality, or circumstances creating a similar

expectation of secrecy, may negate a “public use” where there is not commercial exploitation.

Deere's sales branch, acting through local independent dealers, made the invention available to farmers (called “customers” in Deere's internal memoranda) for commercial use. Deere instructed the dealers to keep the units moving: “If one customer is not going to be using it for a few days and another customer could, please move it.” In 1973, the farmers used the planters for 1,000 hours in five states, and in 1974, for 500 hours in 11 states. By the end of 1974, 40,000 acres had been planted with the machines.... [T]hree years after it began using the invention, Deere filed the application for its patent.

Id. at 389-90. No wonder this court sustained a finding that Deere's wide-spread activities were “primarily for commercializing the apparatus” and therefore public. *Id.*

The classic standard for assessing the public nature of a use was established in *Egbert*. In *Egbert*, the inventor of a corset spring gave two samples of the invention to a lady friend, who used them for more than two years before the inventor applied for a patent. *Egbert*, 104 U.S. at 335. The invention was sewn into a corset and therefore, by its nature, not visible to the public. Thus, the Court had to decide whether such an invention could nevertheless be “public.” Although he later married the lady friend, the inventor in *Egbert* received no commercial advantage. Nonetheless, on these facts, the Court established the principle that it was indeed “public” use to give or sell the invention “to another, to be used by the donee or vendee, without limitation or restriction, or injunction of secrecy.” *Id.* at 336.

As the Supreme Court pointed out in *Pfaff, supra*, secrecy of use alone is not sufficient to show that existing knowledge has not been withdrawn from public use: commercial exploitation is also forbidden. [The patentee] 's invention was not given or sold “to another,” or used to create a product given or sold to another, and was maintained under a strict obligation of secrecy. Without more, these circumstances are insufficient to create a public use bar to patentability.

The Supreme Court decided *Electric Storage Battery Co. v. Shimadzu*, 307 U.S. 5 (1939), in accord with the basic principle of *Egbert*. In *Electric Storage Battery*, an

accused infringer put the invention into “public” use. The accused infringer's public use came about because he had independently come upon both the method and the apparatus of the patents, and “continuously employed the alleged infringing machine and process for the production of lead oxide powder used in the manufacture of plates for storage batteries which have been sold in quantity.” *Id.* Thus, that case was marked by an outright commercial use of the invention by someone other than the applicant, long before the applicant's filing date. Those facts allowed the Court to invalidate the patents at issue, and to observe that “[t]he ordinary use of a machine or the practice of a process in a factory in the usual course of producing articles for commercial purposes is a public use.” *Id.* at 20. [The patentee], on the other hand, did not sell its invention or any products made with it, and kept the invention entirely confidential within the company, distinguishing this case from *Electric Storage Battery*.

While there are instances in which a secret or confidential use of an invention will nonetheless give rise to the public use bar, this is not such a case. In *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir.1946), the patentee used a secret process to recondition worn metal parts for its customers before the critical date. The Second Circuit correctly held “that it is a condition upon an inventor's right to a patent that he shall not exploit his discovery competitively after it is ready for patenting; he must content himself with either secrecy, or [a patent].” *Id.* at 520. In contrast, there is no evidence that [the patentee] received compensation for internally, and secretly, exploiting its cells. The fact that [the patentee] secretly used the cells internally to develop future products that were never sold, without more, is insufficient to create a public use bar to patentability.

§ 140 “On Sale” Event Prior to the Filing Date

Under the new law § 102(a)(1) “[a] person shall be entitled to a patent unless ... the claimed invention was ... on sale... before the effective filing date of the claimed invention[.]”

§ 141 Global Scope of the “On Sale” Bar

Unlike current law where placing an invention “on sale” creates a patent-defeating bar only for a *domestic* event, the *America Invents Act* provides a patent-defeating effect for any “on sale” offer or sale without geographic limitation.

§ 142 *Pfaff* Pre-Reduction to Practice “On Sale” Bar

The powerful distinguishing feature of the “on sale” bar vis a vis “public use” is that an “on sale” bar can be created *before* the invention has been reduced to practice. Whereas the “public use” bar dates back to *Pennock v. Dialogue* in 1829, the genesis of the “on sale” bar is a statutory change seven years later: The “on sale” bar in the United States has a rich history dating back 175 years to the Patent Act of 1836. “The Patent Act of 1836, 5 Stat. 117, was the first statute that expressly included an on-sale bar to the issuance of a patent. [T]hat provision precluded patentability if the invention had been placed on sale at any time before the patent application was filed. *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 65 (1998). Like the *America Invents Act*, the “on sale” bar was imposed *without* a grace period, a very harsh result. In the case of the 1836 statute without any grace period, this harsh result was softened three years later with a two year grace period:

“In 1839, Congress ameliorated that requirement by enacting a 2-year grace period in which the inventor could file an application.” *Id.* (citing 5 Stat. 353).

The “on sale” bar is accomplished simply by making an actual, commercial sale offer, even though the invention has never been reduced to practice. It is sufficient if the inventor has drawings or other descriptions of the invention that would permit him to reduce it to practice. This is the heart of the *Pfaff v. Wells* case:

Pfaff v. Wells Elecs., Inc.

United States Supreme Court, 1998
525 U.S. 55, 67-69

Justice STEVENS delivered the opinion of the Court.

We conclude... that the on-sale bar applies when two conditions are satisfied before the critical date [which is one year before the actual filing date]. First, the product must be the subject of a commercial offer for sale. An inventor can both understand and control the timing of the first commercial marketing of his invention. ...

Second, the invention must be ready for patenting. That condition may be satisfied in at least two ways: by proof of reduction to practice before the critical date; or by proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention. In this case the second condition of the on-sale bar is satisfied because the drawings Pfaff sent to the manufacturer before the critical date fully disclosed the invention.

The evidence in this case thus fulfills the two essential conditions of the on-sale bar. As succinctly stated by Learned Hand:

“[I]t is a condition upon an inventor's right to a patent that he shall not exploit his discovery competitively after it is ready for patenting; he must content himself with either secrecy, or legal monopoly.” *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2nd Cir.1946).

The judgment of the Court of Appeals finds support not only in the text of the statute but also in the basic policies underlying the statutory scheme, including § 102(b). When Pfaff accepted the purchase order for his new sockets prior to April 8, 1981, his invention was ready for patenting. ... Therefore, Pfaff's '377 patent is invalid because the invention had been on sale for more than one year in this country before he filed his patent application.

§ 143 Commercial Offer without a Sale

An “on sale” bar is created when the invention is placed on sale, with or without an actual sale having been made. The key is whether the offer is a “commercial” offer of sale under contract law, as explained in *Atlanta Attachment Co. v. Leggett & Platt, Inc.*, 516 F.3d 1361 (Fed. Cir. 2008)(Mayer, J.):

Atlanta Attachment Co. v. Leggett & Platt, Inc.

United States Court of Appeals, Federal Circuit, 2008
516 F.3d 1361

MAYER, Circuit Judge.

...Our patent laws deny a patent to an inventor who applies for a patent more than one year after making an attempt to profit from his invention by putting it on sale. 35 U.S.C. § 102(b); see also *Elizabeth v. Am. Nicholson Pavement Co.*, 97 U.S. 126, 137, 24 L.Ed. 1000 (1877). ***An invention is so barred when it was both the subject of a commercial offer for sale before the critical date and ready for patenting at the time of the offer.*** *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 67, 119 S.Ct. 304, 311-12, 142 L.Ed.2d 261 (1998).

The overriding concern of the on-sale bar is an inventor's attempt to commercialize his invention beyond the statutory term. *Netscape Commc'ns. Corp. v. Konrad*, 295 F.3d 1315, 1323 (Fed.Cir.2002). ...

To meet the first, commercial offer, prong, the offer must be sufficiently definite that another party could make a binding contract by simple acceptance, assuming

consideration. *Netscape*, 295 F.3d at 1323. In determining such definiteness, we review the language of the proposal in accordance with the principles of general contract law. *Id.* The law has long recognized a distinction between experimental usage and commercial exploitation of an invention. While “[a]ny attempt to use [an invention] for profit ... would deprive the inventor of his right to a patent,” an inventor’s use “by way of experiment” does not bar patentability. *Elizabeth*, 97 U.S. at 137 (1877). Therefore, we must consider whether the suspect activities were experiments as opposed to an attempt to profit from the invention, that is, whether the primary purpose of the offers and sales was to conduct experimentation. *Allen Eng’g Corp. v. Bartell Indus.*, 299 F.3d 1336, 1354 (Fed.Cir.2002). ***Neither profit, revenue, nor even an actual sale is required for the use to be a commercial offer under section 102(b) – an attempt to sell is sufficient if it rises to an offer upon which a contract can be made merely by accepting it.*** Although the third prototype was never actually delivered to Sealy, it was indeed sold to Sealy because Atlanta Attachment sent Sealy an invoice for the machine (an offer), and Sealy paid for the machine (an acceptance).

...

The first Pfaff prong is also met, and experimental use negated, because Atlanta Attachment had presented a commercial offer for sale of the invention en masse. Atlanta Attachment gave a quotation to Sealy dated September 27, 2000, for 50 production units, with “anticipate[d] installation of Production units to begin no later than March 2001.” This offer occurred before the critical date of March 5, 2001. Furthermore, as Atlanta Attachment confirmed, the quotation became a contract with the signature of a purchasing entity. Therefore, this quotation constitutes an offer for sale that cannot avoid the on-sale bar via the experimental use exception. An offer to mass produce production models does not square with experimentation under any standard; it is commercial exploitation.

We now turn to the second Pfaff prong, ready for patenting. Contrary to Atlanta Attachment’s argument, once there has been a commercial offer, there can be no experimental use exception. We also conclude that the third prototype was a reduction of claim 32 to practice, and therefore the invention was ready for patenting.

There are at least two ways to meet the ready for patenting prong: prior to the critical date the device was reduced to practice, or there is ***proof that “prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to***

practice the invention.” *Pfaff*, 525 U.S. at 67-68. An invention is reduced to practice when it works for its intended purpose. *Honeywell Int'l Inc. v. Universal Avionics Sys. Corp.*, 488 F.3d 982, 997 (Fed.Cir.2007) (citing *Eaton v. Evans*, 204 F.3d 1094, 1097 (Fed.Cir.2000)). An invention is said to work for its intended purpose when there is a demonstration of its workability or utility. *Id.* (citing *Fujikawa v. Wattanasin*, 93 F.3d 1559, 1563 (Fed.Cir.1996)). Because the third prototype demonstrated the workability and utility of the invention of claim 32 during Atlanta Attachment's February 2001 demonstration to Sealy, claim 32 was reduced to practice, and thus ready for patenting.

§ 144 “Experimental Use” Confusion with the “On Sale” Bar

One factor that makes the “on sale” bar difficult to apply on a case by case basis is the fact that in some situations activities otherwise constituting an “on sale” bar may be excused as an “experimental use”. This ambiguity in the current law is not addressed in the new law. In the same *Atlanta Attachment* case discussed in the previous section, the confusion is addressed in a concurring opinion, *Atlanta Attachment Co. v. Leggett & Platt, Inc.*, 516 F.3d 1361, 1369 (Fed. Cir. 2008)(Prost, J., joined by Dyk, J., concurring):

Atlanta Attachment Co. v. Leggett & Platt, Inc.

United States Court of Appeals, Federal Circuit, 2008
516 F.3d 1361, 1368

PROST, Circuit Judge, concurring, with whom DYK, Circuit Judge, joins.

.... I write separately... to point out the confusion in our caselaw regarding the applicability of the experimental use doctrine to the two prong test for the on-sale bar. The Supreme Court's decision in *Pfaff v. Wells Electronics, Inc.* redefined our test for the on-sale bar and affected how the experimental use doctrine applies to alleged instances of invalidating prior use. (1998). Without considering these issues in a comprehensive manner in future cases, we will never escape from the confused status of our current caselaw.

The Supreme Court in *Pfaff* introduced an explicit test for the on-sale bar. Specifically, it created the two prongs of commercial sale and “ready for patenting,” and distinguished “ready for patenting” from reduction to practice. As to the second prong, the Court stated, “one can prove that an invention is complete and ready for patenting before it has actually been reduced to practice.” *Id.* at 66, 119 S.Ct. 304. This court, following pre- *Pfaff* decisions, has stated on several occasions, post- *Pfaff*, that the experimental use doctrine cannot provide an exception to the on-sale bar once an invention is reduced to practice. *Cargill, Inc. v. Canbra Foods, Ltd.*, 476 F.3d 1359, 1371 (Fed.Cir.2007) (quoting *Allen Eng'g Corp. v. Bartell Indus., Inc.*, 299 F.3d 1336, 1354 (Fed.Cir.2002) (quoting *EZ Dock, Inc. v. Schafer Sys., Inc.*, 276 F.3d 1347, 1357 (Fed.Cir.2002) (Linn, J., concurring))); *Allen Eng'g*, 299 F.3d at 1354 (quoting *EZ Dock*, 276 F.3d at 1357 (Linn, J., concurring)); *New Railhead Mfg., LLC v. Vermeer Mfg. Co.*, 298 F.3d 1290, 1297, 1299 (Fed.Cir.2002); *EZ Dock*, 276 F.3d at 1357 (Linn, J., concurring); *Zacharin v. United States*, 213 F.3d 1366, 1369 (Fed.Cir.2000)

If we were to accept that reduction to practice eliminates availability of the experimental use doctrine as a whole, the continuing viability of that doctrine would exist only between the time an invention is ready for patenting and the time it is reduced to practice. Such a result would severely restrict the rights of inventors to conduct ongoing work on an invention; they could do so only in private without using outside resources that may be necessary. Private work that is primarily experimental would not trigger the on-sale or public use bars to patentability in the first place, and thus has no need for the experimental use doctrine.

Pfaff indicates that the experimental use doctrine should apply more broadly than the limited period suggested by a reduction to practice cutoff. First, the *Pfaff* Court explicitly discusses the experimental use doctrine as it relates to the first prong, offering it as an example of how an “inventor can both understand and control the timing of the first commercial marketing of his invention.” 525 U.S. at 67. This statement confirms the ongoing viability of the experimental use doctrine under the *Pfaff* prongs, calling into question the idea that the doctrine only applies during the limited time between when an invention is ready for patenting and when it is reduced to practice.

Further, the Court stated that “invention” as used in 35 U.S.C. § 102(b) “must refer to a concept that is complete, rather than merely one that is ‘substantially complete,’ ” and that “one can prove that an invention is complete and ready for patenting before it has actually been reduced to practice.” *Id.* at 66. Such statements minimize the relevance of a distinction between “ready for patenting”

and reduction to practice, other than as relaxing evidentiary requirements for proving the on-sale bar. Indeed, if the justification for eliminating the experimental use exception upon reduction to practice comes from completeness of the invention-and therefore a lack of need for further experimentation-then the exception should also not apply to protect an invention ready for patenting, a proposition flatly contradicted by Pfaff.

In other words, Pfaff suggests that the experimental use doctrine continues to provide a way for patentees to avoid invalidation through the on-sale bar. Because an invention is complete when it is either ready for patenting or reduced to practice, the experimental use doctrine must remain available after that stage. In my view, therefore, experimental use in this respect represents the counterpoint to commercial sale or public use. Assuming a complete invention, ready for patenting, inventors should be able to continue to privately develop any claimed aspect of that invention without risking invalidation, if they conduct development activities in a way that is neither public nor simply commercial, even if there is some commercial benefit to the inventor in connection with the experimental use. Such development should fall under the post- Pfaff application of the experimental use doctrine, and should be protected if it satisfies the first prong of Pfaff-i.e., it is neither a simply commercial offer for sale nor a public use.

When the inventor conducts a commercial transaction in order to facilitate development, but the development activity meets the requirements of the experimental use doctrine, the inventor avoids the on-sale bar. This exception to the on-sale bar does not evaporate upon reduction to practice. In essence, just as inventors could develop any aspect of the invention privately, they may employ the concepts of agency and confidentiality to also accomplish the same result.

In the present case, as the majority opinion demonstrates, Atlanta Attachment cannot use the experimental use doctrine to avoid the first prong of the on-sale bar because it did not demonstrate experimental, rather than simply commercial, purposes for the sale. Similarly, the quote for fifty “production unit” machines separately demonstrates an offer to sell with simply commercial intent. Both the sale and offer to sell conclusively demonstrate satisfaction of the first Pfaff prong. The experimental use doctrine is inapplicable.

While the experimental use doctrine, as such, is not pertinent to the second Pfaff prong, an inventor's experimentation may have relevance to that prong. As to the second prong, a patentee may still avoid the on-sale or public use bars by proving that the “invention” required additional experimentation, and was not in fact

complete. Such a showing parallels the pre- Pfaff experimental use doctrine, but instead of involving an exception to the on-sale or public use bars, takes effect as merely avoiding the ready for patenting prong in the first place. Experimentation of this type must concern claimed aspects of the invention, because those aspects control whether the invention is ready for patenting or not.

In the present case, Atlanta Attachment's argument that the third prototype did not work for its intended purpose attempts to avoid the second Pfaff prong. As the majority opinion demonstrates, however, because all of Atlanta Attachment's arguments concern unclaimed features, they cannot avoid the conclusion that the third prototype was a reduction to practice and therefore met the second Pfaff prong.

§ 145 Pre-Conception Creation of “On Sale” Bar

In *August Technology Corp. v. Camtek, Ltd.*, ___ F.3d ___(Fed. Cir. 2011)(Moore, J.), the Court extended the scope of an ‘on sale’ bar to cover an offer for sale prior to conception which becomes a bar event as of the date of conception, even though not yet ready for patenting under *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 67 (1998):

“Section 102(b) requires that ‘the invention was . . . on sale in this country’ before the critical date. The Supreme Court has explained that the § 102(b) on-sale bar applies when two conditions are met before the critical date: (1) the product is the subject of a commercial offer for sale, and (2) the invention is ready for patenting. *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 67 (1998). . . . The issue . . . case is whether the invention must be ready for patenting at the time the alleged offer is made. We conclude that it does not. Under *Pfaff*, the invention must be ready for patenting prior to the critical date. But to conclude that it must also be ready for patenting at the time of the offer would render the second prong of the *Pfaff* test superfluous. Our decision in *Robotic Vision Sys. v. View Eng’g, Inc.*, 249 F.3d 1307, 1313 (Fed. Cir. 2001) expressly holds that completion of the invention prior to the critical date pursuant to an offer to sell would create a bar. As we explained in *Robotic Vision*, the on-sale bar was ‘triggered by a prior commercial offer for sale and a subsequent enabling disclosure that demonstrated that the invention was ready for patenting prior to the critical date.’ *Id.* . . . While the invention need not be ready for patenting at the time of the offer, . . . we hold that there is no offer for

sale until such time as the invention is conceived.

“*Pfaff* states that the ‘word ‘invention’ in the Patent Act unquestionably refers to the inventor’s conception.’ 525 U.S. at 60. Therefore, we conclude that an invention cannot be offered for sale until its conception date. Hence, if an offer for sale is made and retracted prior to conception, there has been no offer for sale of the invention.

* * *

“[I]f an offer for sale is extended [before conception] and remains open, a subsequent conception will cause it to become an offer for sale of the invention as of the conception date. In such a case, the seller is offering to sell *the invention* once he has conceived of it. Before that time, he was merely offering to sell an idea for a product.”

§ 150 Secret Commercialization by the Inventor

Under *Metallizing Engineering*, the inventor’s *secret* commercialization of an invention creates a patentability bar applicable *only against the inventor*. Such secret commercialization is considered a “public use” under 35 USC § 102(b): “[I]t is a condition upon an inventor’s right to a patent that he shall not exploit his discovery competitively after it is ready for patenting; he must content himself with either secrecy, or legal monopoly.” *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 68 (1998)(quoting *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2nd Cir. 1946)(L. Hand, J.))

Whether the statements by proponents seeking to overrule *Metallizing Engineering* based upon their hopes keyed to “legislative history” or whether their hopes are wishful thinking remains for the Supreme Court to decide in the final analysis. One of the leading proponents for exclusion of *Metallizing Engineering* from the new law flatly states without discussion of the statutory wording that carries forward “public use” from the old law that under the new law, “basing patenting *on information available to the public* and largely restricting the law to

legally rather than factually grounded tests for patenting, it becomes possible that in much patent litigation, little – perhaps no – discovery from the inventor may be of any relevance to the validity of a patent. This, of course, would represent a profound reversal of the situation that applies under existing U.S. patent law.”

Robert A. Armitage, *Leahy-Smith America Invents Act: Will It Be Nation's Most Significant Patent Act Since 1790?*, Legal Backgrounder, Vol. 26 No. 21
September 23, 2011 (Washington Legal Foundation)(emphasis added)

§ 151 Disharmony from International Practice

Overseas patent laws limit prior art to acts which make an invention available to the public. The European Patent Convention defines prior art as “compris[ing] *everything made available to the public* by means of a written or oral description, by use, or in any other way” without geographic restriction. EPC Art. 54(2). Japanese Art. 29(1)(i) bars a patent where the invention was “publicly known in Japan or a foreign country”.

A leading participant in the policy debates over patent harmonization has recognized the disparity between the United States patent law and the systems of Europe and Asia, but sees this as a plus for the United States:

“The effort to shoehorn foreign patent priority concepts and torture a well-developed 200 year-old American patent system that has a proven record as the best in the world into foreign structures ... are inconsistent with the American Constitution The illusory ‘harmonization’ goal with no demonstrated tangible benefits compared to the existing system does not justify embarking on a risky legal adventure that will destabilize the American patent system and will doom it to decades of economically taxing legal uncertainty.”

Ron Katznelson, *The America Invents Act’s Repeal of Secret Commercial Use Bar is Constitutionally Infirm*, IP Watchdog, May 31, 2011, IPWatchdog.com.

The argument is also advanced in this paper that a repeal of *Metallizing Engineering* is unconstitutional. See § 158, *Does the Constitution Require Metallizing Engineering?*

§ 152 “Public Use” is Maintained as a Bar

A “public use” bar within the meaning of 35 USC § 102(b) has not been a problem at the initial filing stage because the use or sale as part of commercialization of the invention applies as a statutory bar only one year after the event, long after the first application is filed. Yet, under the new law a “public use” as a bar *continues* as new § 102(a)(1) which provides a bar where “the claimed invention was *** in public use [or] on sale *** before the effective filing date of the claimed invention[.]”

§ 153 Origins of the Secret Commercialization Bar

An inventor’s “public use” of an invention has been classic patent-defeating prior art for nearly two full centuries: “[The Supreme Court] originally held that an inventor loses his right to a patent if he puts his invention into public use before filing a patent application. ‘His voluntary act or acquiescence in the public sale and use is an abandonment of his right.’” *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 64 (1998)(quoting *Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1, 24 (1829) (Story, J.)).

Under a judicial expansion of the law prior to the 1952 Patent Act created by Learned Hand, even a *secret* commercialization that fails to inform the public about the invention constitutes a “public use” within the meaning of the patent law. *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir. 1946)(L. Hand, J.). The 1952 Patent Act codified the existing law as to “public use” under *Metallizing Engineering* as recognized in the *Pfaff* case: “[I]t is a condition upon an inventor's right to a patent that he shall not exploit his discovery competitively after it is ready for patenting; he must content himself with either secrecy, or legal monopoly.” *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 68 (1998)(quoting *Metallizing Engineering*, 153 F.2d at 520).

The Federal Circuit has also followed *Metallizing Engineering*:
“A commercial use is a public use even if it is kept secret.” *Kinzenbaw v. Deere & Co.*, 741 F.2d 383, 390 (Fed. Cir. 1984)(Friedman, J.)(citing *Metallizing Engineering Co.*, *supra*; *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144 (Fed.Cir.1983) (citing *Metallizing*); 2 D. Chisum, *Patents* § 6.02[5], at 6-36 (1983) (‘it is now well established that commercial exploitation by the inventor of a machine or process constitutes a public use even though the machine or process is held secret.’))”.

§ 154 Global Bar (versus Domestic Bar)

The new law stiffens the public use bar in two respects. First, the “public use” bar now applies to acts anywhere in the world (as opposed to a domestic limitation under the current law). Second, the one year grace period under the current law is removed.

§ 155 Earlier Intention to Overrule *Metallizing Engineering*

The original 2005 patent reform legislation, Lamar Smith, H.R. 2795 (2005), would have overruled *Metallizing Engineering* where “public use” encompassed a broad sweep of activities including secret commercialization. To redefine the scope of patent-defeating events formerly set forth under “public use”, that term was abolished in the 2005 legislation and replaced by the *alternative* of a *disclosure* (“was patented [or] described in a printed publication”) or “otherwise publicly known”. To make certain that “otherwise publicly known” could not be interpreted in the broad manner of a “public use”, there was an explicit definition provided in the 2005 legislation to make this point:

Thus, in Lamar Smith, H.R. 2795 (2005), under 35 USC § 102(b)(3)(A) “[s]ubject matter is publicly known for the purposes of subsection (a)(1) only when (i) it becomes reasonably and effectively accessible through its use, sale, or disclosure by other means; or (ii) it is embodied in or otherwise inherent in subject matter that has become reasonably and effectively accessible [.]” Furthermore, under 35 USC § 102(b)(3)(B), “[f]or purposes of [35 USC § 102(b)(3)(A) – (i) subject matter is reasonably accessible if persons of ordinary skill in the art to which the subject matter pertains are able to gain access to the subject matter by without resort to undue efforts; and (ii) subject matter is effectively accessible if persons of ordinary skill in the art to which the subject matter pertains are able to comprehend the content of the subject matter without resort to undue efforts.”

Through the definitional statements made in 35 USC § 102(b)(3) it became absolutely clear that secret commercialization activity of the type in *Metallizing Engineering* could no longer be considered as part art.

§ 156 Changes from the Original 2005 Patent Reform Legislation

The starting point for patent harmonization as part of the original Lamar Smith bill introduced in 2005 had included a full one year grace period and also would have overruled *Metallizing Engineering*.

The original legislation gave a blanket grace period for the inventor’s own actions by limiting pre-filing prior art to the acts of third parties and having a separate grace period provision with a one year bar applicable to the inventor’s own acts (as well as the acts of others).

In Lamar Smith, *Patent Reform Act of 2005*, H.R. 2795 (2005), first-to-file unpatentability as to pre-filing acts of third parties was based upon 35 USC

§ 102(a)(1)(B) that barred a patent where “the claimed invention was patented, described in a printed publication, or otherwise publicly known...before the effective filing date of the claimed invention, other than through disclosures made by the inventor or a joint inventor or by others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor[.]”

The one year grace period was broadly maintained in the original text found in Lamar Smith, *Patent Reform Act of 2005*, H.R. 2795 (2005), which reworked the current statutory bar of 35 USC § 102(b) into new 35 USC § 102(a)(1)(A) that would create a statutory bar against patentability as to acts *by the inventor* (or anyone else) where “the claimed invention was patented, described in a printed publication, or otherwise publicly known... more than one year before the effective filing date of the claimed invention[.]”

§ 157 Federal Circuit Resolution

Ultimately, there will be a judicial clarification whether secret commercialization remains a bar to patentability. The decision will likely come from a Federal Circuit test case perhaps many years from now before a panel of judges partially or totally composed of newcomers not now on the bench.

Such a test case is inevitable, although not in the immediate future: There clearly *will* be examples of secret commercialization before filing which will trigger the “public use” bar under the new law *if secret commercialization is within the meaning of “public use”*. Patentees faced with a secret commercialization bar will certainly argue that the literal wording of “public” is antithetical to a secret commercialization. Accused infringers will argue that the term “public use” is

maintained from the old law and should be interpreted in a like manner. Perhaps their best argument will be that the 2005 and succeeding versions of patent reform legislation until 2011 had included language that would have overruled *Metallizing Engineering* and that this language was consciously put into the earlier legislation for this purpose: They will also argue that these changes were *removed* and replaced in the new law with the old “public use” language and without language disqualifying a secret commercialization.

While various commentators have argued that *Metallizing Engineering* should not be the law today, reality therapy is provided by Professors Robert P. Merges and John F. Duffy in a September 16, 2011, PowerPoint presentation to their teaching colleagues:

Some have asserted that the statute overrules *Metallizing Engineering* so that the inventor’s own secret commercial exploitation (possibly for *years!*) will not bar that inventor from later seeking a patent.

That would reverse centuries of U.S. patent law, dating back to the [Supreme Court] decision in *Pennock v. Dialogue*, 27 U.S. 1 (1829).

We are confident that the new statute did NOT make such a dramatic shift in U.S. patent policy.

Four reasons for our view:

- (1) It is a standard canon of statutory construction that reenactment of statutory language with a known legal meaning continues the known meaning.
- (2) While one sentence in a Senate colloquy does support the opposite view, the entirety of that colloquy was devoted to discussing the grace period. Nothing said there suggested that Congress wanted to undo a fundamental principle of patent law.

(3) Another accepted canon of statutory construction is that Congress does not “hide elephants in mouseholes.” Overturning two centuries of consistent law would be a big elephant to hide in a colloquy.

(4) Remarks in legislative history are not the statutory text. Indeed, remarks are not always reliable because the speakers could be focusing on a different issue (as is true here).

§ 158 Does the Constitution Require *Metallizing Engineering*?

For more than 150 years of statutory patent law in the United States, the *secret* practice of an invention did not create a prior art event. Only with Learned Hand’s pronouncement of a new doctrine in *Metallizing Engineering* did the United States introduce a unique statutory bar applicable only against the inventor for his *secret* practice of the invention. See § 150, *Secret Commercialization by the Inventor*. In terms of *policy* arguments, see § 159, *Secret Commercialization Policy Arguments*.

The argument is now made that any repeal of *Metallizing Engineering* would be unconstitutional: Repeal of *Metallizing Engineering* is “inconsistent with the American Constitution and its laws [and] is a futile effort that would likely be met with successful challenge on constitutional grounds. ... The illusory ‘harmonization’ goal with no demonstrated tangible benefits compared to the existing system does not justify embarking on a risky legal adventure that will destabilize the American patent system and will doom it to decades of economically taxing legal uncertainty.” Ron Katznelson, *The America Invents Act’s Repeal of Secret Commercial Use Bar is Constitutionally Infirm*, IP Watchdog, May 31, 2011, IPWatchdog.com.

Whether a repeal of *Metallizing Engineering* is Constitutional must be answered in the framework of Art. I, § I, clause 8 that empowers Congress to

legislate “To Promote the Progress of . . . the useful Arts, by securing *for limited Times* to . . . Inventors the exclusive Right to their . . . Discoveries.” (emphasis added). As noted by the Supreme Court in *Scott Paper*:

“[T]he means adopted by Congress [to implement the goals of the Constitutional mandate of Art. I, § 8, cl. 8] of promoting the progress of science and the arts *the limited grant* of the patent monopoly in return for the full disclosure of the patented invention and its dedication to the public on the expiration of the patent.” *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249, 255-56 (1945)(citing *Grant v. Raymond*, 31 U.S. (6 Pet.) 218, 241, 242 (1832); *Gill v. Wells*, 89 U.S. (22 Wall.) 1 (1874); *Bauer v. O'Donnell*, 229 U.S. 1 (1913); *Motion Picture Co. v. Universal Film Co.*, 243 U.S. 502, 510, 511 (1917))(emphasis added).

It would be difficult to imagine a circumstance where a trade secret for a highly successful commercially marketed product could be maintained for, say, five or ten years, before it is reverse engineered. Assuming, *arguendo*, that a trade secret *could* be maintained for, say, ten years, then the period of exclusivity with a patent tacked onto the end of the ten year trade secret period would be thirty years. This is far less than the seventy (70) years of copyright protection under the Copyright Term Extension Act which is subject to the same “Limited Times” provision of the Constitution as for patents, yet copyright extensions have been approved by the Supreme Court in *Eldred v. Ashcroft*, 537 U.S. 186 (2003).

The total patent plus trade secret exclusivity is far more modest than the lengthy copyright extension in *Eldred v. Ashcroft*. The Tenth Circuit elaborated on the “limited times” provision of the Constitution:

“The plaintiffs in *Kahle* [*v. Gonzales*, 487 F.3d 697 (9th Cir.2007),] like plaintiffs here, argued that the [Copyright Term Extension Act]’s life-plus-70-years copyright term violated the “limited Times” prescription because the Framers would have viewed it as “effectively perpetual.” *Id.* at 699 (internal quotation marks omitted). As the Ninth Circuit observed, the *Eldred* Court “clearly grasped the role ‘limited Times’ play in the copyright scheme and the Framers’ understanding of that phrase.” *Id.* at 700. Indeed, the *Eldred* Court emphasized that our constitutional scheme charges Congress, and not federal courts, with ‘the task of defining the scope of the limited monopoly that should be granted to authors.’ 537 U.S. at 205 (internal quotation marks omitted). As the *Kahle* court reasoned, ‘the outer boundary of ‘limited Times’ is determined by weighing the impetus provided to authors by longer terms against the benefit provided to the public by shorter terms. That weighing is left to Congress, subject to rationality review.’ *Kahle*, 487 F.3d at 701. This rationale is clearly consistent with *Eldred*. See 537 U.S. at 204 (reviewing the CTEA merely to determine ‘whether it is a rational exercise of the legislative authority conferred by the copyright clause’).” *Golan v. Gonzales*, 501 F.3d 1179 (10th Cir. 2007).

§ 159 Secret Commercialization Policy Arguments

Today, policy arguments for or against a patent policy for the United States necessarily must consider how that policy will impact United States domestic industry vis a vis China, Japan, Germany and other leading industrial countries of the world. The policy arguments at the time of *Metallizing Engineering* were largely confined to domestic patenting considerations when there was little thought to international considerations, particularly as to foreign patenting. *Metallizing Engineering* was decided in 1946, the year after conclusion of World War II when China was still in the midst of a civil war that continued until the late 1940’s and the industrial machinery of Germany and Japan was in ruins.

Whereas in 1946 China, Germany and Japan posed absolutely no threat as manufacturing competitors to the United States, the world has literally been turned upside down as today it is the United States that is having difficulty competing particularly with Asian countries. Countless stories are found in the business literature where American technology is copied by foreign concerns. In the case where it is impossible or at least time consuming and difficult to reverse engineer a product without knowledge of its manufacturing details, trade secret protection may in some cases be more important than gaining a patent. Americans should be *encouraged* to use trade secret protection to maintain American manufacturing jobs by blocking competition based upon trade secrecy.

One of the incentives to use trade secret protection would be the ability to *patent* the trade secret even years after use of the trade secret. But, this incentive is thwarted by *Metallizing Engineering* that blocks an American patent more than one year after secret commercialization.

To the contrary, foreign companies have this encouragement in their laws by virtue of the *absence* of *Metallizing Engineering*: When a foreign company recognizes that its trade secret process may well be reverse engineered in the near future, the foreign company will file a patent application at that time and thus transition to patent protection. (To be sure, an American company in a like situation may still obtain European and Asian patent protection even after secret commercialization, assuming there has been no public divulgation up this point.)

Another aspect of public policy favoring *Metallizing Engineering* is that without this safeguard, an inventor may gain a prolonged exclusive right by piggybacking patent protection on top of several years of trade secret protection. Indeed, this is a

point that must be weighed vis a vis the benefit of encouraging trade secret protection at the early point of commercialization.

§ 160 “Patented” Invention

Under the new law §102(a)(1) “[a] person shall be entitled to a patent unless... the claimed invention was *patented* or described in a printed publication...”

The “patented” bar is found in the current law in both 35 USC §§ 102(a), 102(b):

“A person shall be entitled to a patent unless --

“(a) the invention was ...*patented* ... in this or a foreign country, before the invention thereof by the applicant for patent, or

“(b) the invention was *patented* ... in this or a foreign country ...more than one year prior to the date of the application for patent in the United States[.]”

§ 161 Contrast with Overseas Patent Law

Neither the European Patent Convention nor the Japanese patent law has any provision for a bar to an invention which has previously been “patented”. To the extent that an invention that is patented is simultaneously a printed patent, then, of course, the patenting is a bar in Europe because the European Patent Convention defines prior art as “compris[ing] *everything made available to the public* by means of a written ... description....”. EPC Art. 54(2). Japanese Art. 29(1)(iii) bars a patent where the invention was “described in a distributed publication[.]”

§ 162 Anachronism due to Publication of Applications

In almost every situation where an invention is “patented” the invention will *also* have been previously described in a corresponding “printed publication”; or, at the latest, the patent will itself be a “printed publication”.

Thus, an anachronism of the new law is the inclusion of a bar based upon an invention having previously been “patented” because today in all major countries every “patented” invention is also a part of a “printed publication” which is a far broader bar than one based upon an invention having been “patented”. (Thus, only the *claimed invention* is a bar based upon patenting whereas the whole contents of the patent is a bar based upon the patent being a “printed publication.”)

The continued reference to a bar based upon an invention having been “patented”, however, illustrates that the scope of prior art in the *America Invents Act* is broader than “disclosures” of the invention because a “patented” invention is not necessarily even *disclosed* at the time of the patent grant.

The critical feature of a bar based upon a prior patenting has nothing to do with the *disclosure* but only when the sovereign grants the exclusive patent right, as explained in the *Monks* case. *In re Monks*, 588 F.2d 308 (CCPA 1978)). In *Monks*, “the court considered the date on which an invention was ‘patented’ in Great Britain ... and inquired whether the effective date for purposes of that section was the date on which the complete specification was published... or the date on which the patent was ‘sealed’ under British law.... [T]he court concluded that ‘patented’ means “a formal bestowal of patent rights from the sovereign to the applicant such as that which occurs when a British patent is sealed.’. It was on the ‘sealed’ date that the patentee's rights became fixed and settled and the rights of the patent

accrued, not the later publication date.” *In re Kathawala*, 9 F.3d 942, 946 (Fed. Cir. 1993)(Lourie, J.)(quoting *Monks*, 588 F.2d at 310).

Even a *secret* patent where there is *a fortiori* no disclosure of an invention of any kind creates a “patented” bar. Of course, there never has been a *domestic* secret patent. *Woodbridge v. United States*, 55 Ct.Cl. 234(1920), *aff’d*, 263 U.S. 50 (1923) (“We have no such thing as a secret patent[.]”).

Yet, in earlier years, secret patents were not uncommon in Europe and could be basis for a “patented” bar in the United States. Some patents are not even available to the public upon grant yet create a bar against the patentee keyed to the date of grant:

“In *Talbott* the court held that a foreign patent need not be publicly available to be “patented” The court rejected the applicant's argument that the statutory bar did not apply because he had kept his German patent secret until after his U.S. filing date.” *Kathawala*, 9 F.3d 942 at 946 (citing *In re Talbott*, 443 F.2d 1397 (CCPA 1971)).

Under a previous French law, “[a]n invention is ‘patented’ in France . . . on its ‘délivré’ date, the date on which the inventor's exclusive rights formally accrue, not on the later publication date when the patent is made publicly available.” *Id.* (citing *Duplan Corp. v. Deering Milliken Research Corp.*, 487 F.2d 459 (4th Cir.1973), *cert. denied*, 415 U.S. 978 (1974)).

§ 170 Derivation is Eliminated

Under the previous law a patent was denied to an inventor who derived the invention from another, i.e., under 35 USC § 102(f) a patent was denied to an applicant if “he did not himself invent the subject matter sought to be patented[.]” 35 USC § 102(f).

The new law *omits* the derivation subsection of prior art.

§ 171 OddzOn Products Obviousness Overruled

The Federal Circuit of the past generation has on occasion judicially legislated into new areas of law such as the creation of secret prior art under 35 USC § 102(f) for purposes of the state of the art for obviousness as in *Oddzon Products, Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1401-04 (Fed. Cir. 1997)(Lourie, J.). The court frankly stated that it was going into uncharted waters in *Oddzon*:

Oddzon Products, Inc. v. Just Toys, Inc.

United States Court of Appeals, Federal Circuit, 1997
122 F.3d 1396, 1401-04

LOURIE, Circuit Judge.

* * *

A. The Prior Art Status of § 102(f) Subject Matter

* * *

The prior art status under § 103 of subject matter derived by an applicant for patent within the meaning of § 102(f) has never expressly been decided by this court. We now take the opportunity to settle the persistent question whether § 102(f) is a prior art provision for purposes of § 103. As will be discussed, although

there is a basis to suggest that § 102(f) should not be considered as a prior art provision, we hold that a fair reading of § 103, as amended in 1984, leads to the conclusion that § 102(f) is a prior art provision for purposes of § 103.

Section 102(f) provides that a person shall be entitled to a patent unless “he did not himself invent the subject matter sought to be patented.” This is a derivation provision, which provides that one may not obtain a patent on that which is obtained from someone else whose possession of the subject matter is inherently “prior.” It does not pertain only to public knowledge, but also applies to private communications between the inventor and another which may never *1402 become public. Subsections (a), (b), (e), and (g), on the other hand, are clearly prior art provisions. They relate to knowledge manifested by acts that are essentially public. Subsections (a) and (b) relate to public knowledge or use, or prior patents and printed publications; subsection (e) relates to prior filed applications for patents of others which have become public by grant; and subsection (g) relates to prior inventions of others that are either public or will likely become public in the sense that they have not been abandoned, suppressed, or concealed. Subsections (c) and (d) are loss-of-right provisions. Section 102(c) precludes the obtaining of a patent by inventors who have abandoned their invention. Section 102(d) causes an inventor to lose the right to a patent by delaying the filing of a patent application too long after having filed a corresponding patent application in a foreign country. Subsections (c) and (d) are therefore not prior art provisions.

* * *

[T]he patent laws have not generally recognized as prior art that which is not accessible to the public. It has been a basic principle of patent law, subject to minor exceptions, that prior art is:

“technology already available to the public. It is available, in legal theory at least, when it is described in the world's accessible literature, including patents, or has been publicly known or in ... public use or on sale “in this country.” That is the real meaning of “prior art” in legal theory-it is knowledge that is available, including what would be obvious from it, at a given time, to a person of ordinary skill in the art.”

Kimberly-Clark Corp. v. Johnson & Johnson, 745 F.2d 1437, 1453 (Fed.Cir.1984) (citations omitted).

Moreover, as between an earlier inventor who has not given the public the benefit of the invention, *e.g.*, because the invention has been abandoned without public disclosure, suppressed, or concealed, and a subsequent inventor who obtains a

patent, the policy of the law is for the subsequent inventor to prevail. *See W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1550 (Fed.Cir.1983) (“Early public disclosure is a linchpin of the patent system. As between a prior inventor [who does not disclose] and a later inventor who promptly files a patent application ..., the law favors the latter.”). Likewise, when the possessor of secret art (art that has been abandoned, suppressed, or concealed) that predates the critical date is faced with a later-filed patent, the later-filed patent should not be invalidated in the face of this “prior” art, which has not been made available to the public. Thus, prior, but non-public, inventors yield to later inventors who utilize the patent system.

* * *

It is sometimes more important that a close question be settled one way or another than which way it is settled. We settle the issue here (subject of course to any later intervention by Congress or review by the Supreme Court), and do so in a manner that best comports with the voice of Congress. Thus, while there is a basis for an opposite conclusion, principally based on the fact that § 102(f) does not refer to public activity, as do the other provisions that clearly define prior art, nonetheless we cannot escape the import of the 1984 amendment. We therefore hold that subject matter derived from another not only is itself unpatentable to the party who derived it under § 102(f), but, when combined with other prior art, may make a resulting obvious invention unpatentable to that party under a combination of §§ 102(f) and 103. Accordingly, the district court did not err by considering the two design disclosures known to the inventor to be prior art under the combination of §§ 102(f) and 103.

The late Jim Gambrell, one of the leading patent scholars and practitioners of the twentieth century, characterized *Oddzon Products* as “a decision gone wrong[;] we must now look at how the courts have relied on *OddzOn Products*, how to live with the decision, and how to minimize its effect on patent prosecution and litigation.” James B. Gambrell, *The Impact Of Private Prior Art On Inventorship, Obviousness, And Inequitable Conduct*, 12 Fed. Circuit B.J. 425, 440-41 (2002-2003).

Professor Gambrell emphasized that:

“[W]e would be remiss not to point out that [*OddzOn Products*] cuts against three long-standing public policies: (1) to encourage inventors to use the patent system, (2) to see that the benefits of their creations are shared with the public, and (3) to only rely on publicly available prior art to measure the patentability of an applicant's invention.

Not only does the *OddzOn Products* holding cut against long-standing policies of patent law, as the *OddzOn Products* opinion concedes, there is no legislative history to support the holding.”

Gambrell, 12 Fed. Circuit B.J.at , 440 (footnotes omitted).

§ 200 The One Year Grace Period

Effective date: The changes to § 102 (and 35 USC § 100 (definitions) and 35 USC § 103 (nonobviousness) are governed by Sec. 3(n)(1), which applies the new law to applications and patents having *any claim* not entitled to a priority before March 16, 2013.

§ 210. Grace Period Limited to “Disclosures” of the Invention

Leahy-Smith maintains the concept of a one year grace period for the inventor’s pre-filing activities but defines the grace period as limited to the applicant’s “disclosures” of the invention, making it an open question whether a secret commercialization or other “public use” or “on sale” events fall under the grace period because they may not constitute “disclosures” of the invention.

§ 211. An Unnecessary Victory for “Downstream” Research

America Invents Act represents a stunning victory for the “downstream” research community that benefits from narrow patents for specific innovations that benefit from the “upstream” research at the MIT’s and Berkeley’s and other research institutions where breakthrough generic inventions are made, where generic claims are seen by the downstream community as an impediment to bringing their specific innovations to market. The Federal Circuit has judicially created new doctrines favoring the downstream community. See § 532, *The “Upstream”/ “Downstream” Divide* (discussing *Ariad Pharmaceuticals, Inc. v. Eli Lilly and Co.*, 598 F.3d 1336 (Fed. Cir. 2010)(*en banc*)(Lourie, J.))

While the current patent legislation represents a major victory for downstream research, it does so at an unnecessary price for the upstream

community. While the downstream community has no real need for a grace period, the harsh treatment given to the grace period may prove costly to upstream researchers, all without any benefit to the downstream community.

§ 220. Contrast to Blanket Grace Period under Current Law

Under the current law, prior art activities of *others* are found in 35 USC § 102(a), while all activities that would bar the inventor from a patent are found in 35 USC § 102(b) that are strictly limited to acts more than one year before the filing date:

“A person shall be entitled to a patent unless... the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, *more than one year prior to the date of the application for patent in the United States*[.]”

Under the new law, there is no segregation of activities of “others” versus those of the inventor, but instead all prior art based upon public activities before the filing date are lumped together in America Invents Act § 102(a)(1):

“A person shall be entitled to a patent unless... the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention[.]”

Under the new law, only the “disclosures” of the inventor in the one year period before filing are exempt from prior art status:

“A *disclosure* made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention ... if...the *disclosure* was made by the inventor or joint inventor or by another who obtained the subject

matter disclosed directly or indirectly from the inventor or a joint inventor[.]”
America Invents Act § 102(b)(1)(A)(emphasis added).

Thus, under the literal wording of the statute, this exemption from prior art status excludes prior art activities *other than* “disclosures”. To be sure, there are statements in the *Congressional Record* and elsewhere that are designed to give a “legislative history” that *all* activities are “disclosures” and hence within the scope of the grace period. Yet, it is difficult to rely upon legislative history to contradict narrow statutory wording. In any event, whether the legislative history argument will be successful or not will depend upon the ruling of the Federal Circuit in some test case that will be decided perhaps many years from now; the conservative approach until that time is to assume that the literal wording governs and that only “disclosures” are within the scope of the grace period.

What prior art activities are beyond the literal meaning of a “disclosure” of the invention? While it is clear that the inventor’s own “printed publication” or making the invention “otherwise available to the public” may be considered an exempt “disclosure”, there are a set of prior art events under that may go beyond a “disclosure” of the invention:

“A person shall be entitled to a patent unless... the claimed invention was *patented*, described in a printed publication, or in *public use, on sale*, or otherwise available to the public before the effective filing date of the claimed invention[.]”
America Invents Act § 102(a)(1); emphasis added.

The most extreme example is the inventor's own secret commercialization which under the current law is a "public use". Under the literal wording of the statute, it is difficult to see how a *secret* commercialization of an invention constitutes a "disclosure" of the invention.

§ 230 "Legislative History" Suggesting a Narrow Grace Period

Against the clear meaning in patent law of what is a "public use" or "on sale" that speaks *against* such actions necessarily constituting a "disclos[ure]" of the invention, the argument is posed that legislative history supports a contrary result.

§ 231 Legislative Intent to Narrowly Interpret "Disclos[ures]"

The fact that for five (5) full years the Congress in both the House and the Senate had contained a full one year grace period in the statutory wording of their legislation, and then suddenly *eliminated* this full one year grace period speaks volumes about the intention of the 112th Congress to provide a far narrower grace period than has existed heretofore.

To the extent that legislative history is considered important, the pre-enactment statements of a floor leader may be beneficial to understanding the intention of Congress in the enactment of legislation. Here, the Senator leading the legislative process *did* discuss the grace period in pre-enactment debates and when he *did* speak he spoke of the grace period as saving the applicant from his own

disclosures of the invention in the period leading up to the filing of the patent application.

In the week before the final Senate vote, the Floor Manager explained that the *America Invents Act* “protects against the concerns of many small inventors and universities by including a 1- year grace period to ensure the inventor's own *publication or disclosure* cannot be used against him as prior art but will act as prior art against another patent application. This encourages early *disclosure* of new inventions regardless of whether the inventor ends up trying to patent the invention.” Patent Reform Act Of 2011, *Bill Provisions, Proceedings and Debates* of the 112nd Congress, First Session, 157 Cong. Rec. 1175, 1176 (March 3, 2011)(emphasis added)

In the floor debates leading up to the Senate vote that day it was explained that “[t]he America Invents Act transitions to a first-inventor-to-file process, as recommended by the administration, while *retaining the important grace period that will protect universities and small inventors, in particular*. We debated this change at some length in connection with the Feinstein amendment. That amendment was rejected by the Senate by a vote of 87 to 13. The Senate has come down firmly and decisively in favor of modernizing and harmonizing the American patent system with the rest of the world.” Patent Reform Act Of 2011, *Proceedings and Debates* of the 112nd Congress, First Session, 157 Cong. Rec. 1348, 1348 (March 8, 2011)(Remarks of Senator Leahy)(emphasis added)

That same day, the explanation of the *America Invents Act* was given in greater detail:

“Many commentators and organizations, including the National Academy of Sciences, have urged the United States to adopt a First Inventor to File system. S. 23 moves the United States to a First Inventor to File regime. As part of that, it creates an administrative proceeding to ensure that the first person to file is actually the true inventor. It also *preserves and strengthens current law's grace period*, by providing that *disclosures* made by the true inventor, or someone who got the information from the inventor, less than one year before the application is filed will not be held against their application.

“Additionally, during the one-year period before the application is filed, if the inventor publicly discloses his invention, no subsequently-*disclosed* ‘prior art,’ regardless of whether it is derived from the inventor, can be used to invalidate the patent. Prior art is a term of art in intellectual property law. S. 23 defines ‘prior art’ as actions by the patent owner or another (such as publication, public use, or sale) that make the invention available to the public. This effectively creates a ‘first to publish’ rule within the one year grace period. An inventor who *publishes* his invention retains an absolute right to priority if he files an application within one year of his *disclosure*. No application effectively filed after his disclosure, and no prior art disclosed after his *disclosure*, can defeat his patent application.”

Patent Reform Act Of 2011, *Bill Provisions*, Proceedings and Debates of the 112nd Congress, First Session, 157 Cong. Rec. 1348, 1365-66(March 8, 2011)(emphasis added)

§ 232 **The *Faux* Post-Vote Legislative History**

Faux legislative history seeks to turn black into white, to render the term “disclosures” generic to acts of “public use” having nothing to do with a “disclosure[]”.

The Floor Manager once again focuses upon “disclosures”. He states that “any disclosure by the inventor whatsoever, whether or not in a form that resulted in the *disclosure* being available to the public, is wholly disregarded as prior art. A simple way of looking at new subsection 102(a) is that no aspect of the protections under current law for inventors who disclose their inventions before filing is in any

way changed.” *America Invents Act* (Statement of Senator Leahy), 157 Cong. Rec. 1496 (March 9, 2011).

Senator Hatch discussed the implications of *Metallizing Engineering*: “[T]he important point is that if an inventor's disclosure triggers the [prior art] bar with respect to an invention, which can only be done by a disclosure that is both made available to the public and enabled, then he or she has thereby also triggered the grace period... If a disclosure resulting from the inventor's actions is not one that is enabled, or is not made available to the public, then such a disclosure would not constitute patent-defeating prior art [] in the first place.” *Id.* (Statement of Senator Hatch).

To this statement, the Floor Manager was in agreement. The Floor Manager states that the legislation was designed to overrule the situation in *Metallizing Engineering*. Referring *sub silentio* to *Metallizing Engineering*, the Floor Manager stated that the *America Invents Act* “was drafted in part to do away with precedent under current law that private offers for sale or private uses or secret processes practiced in the United States that result in a product or service that is then made public may be deemed patent-defeating prior art. That will no longer be the case. In effect, the [*America Invents Act*] imposes an overarching requirement for availability to the public, that is a public disclosure, which will limit [] prior art to subject matter meeting the public accessibility standard that is well-settled in current law, especially case law of the Federal Circuit.” *Id.* (Statement of Senator Leahy).

Senator Hatch then posed his understanding of the *America Invents Act* and asked the Floor Manager whether he agreed with that understanding: Senator Hatch said that the *America Invents Act* “ensures that an inventor who has made a *public disclosure* – that is, a *disclosure* made available to the public by any means -- is fully protected during the grace period. The inventor is protected not only from the inventor's own *disclosure* being prior art against the inventor's claimed invention, but also against the disclosures of any of the same subject matter in disclosures made by others being prior art against the inventor's claimed invention... – so long as the prior art disclosures from others came after the public disclosure by the inventor. Is that the Senators' understanding of this provision?” *Id.* (Statement of Senator Hatch), 157 Cong. Rec. at 1497. The Floor Manager responded that “[t]hat is correct”. *Id.*

In a nutshell, the Floor Manager expressed his post-vote *intention* that the grace period should be broad, but he continued to focus upon the grace period being keyed to “disclosures” of the invention which is antithetical to a secret public use or offer of sale, thus providing small solace to those who would wish to use this “legislative history” to argue for a broader grace period. One of the keys to this argument was the position taken by the Floor Manager that only *public* disclosures are prior art, but once again there is no explanation for the well settled meanings in the patent law of “public use” and “on sale” which go far beyond public disclosures. This is of particular note given the fact that the 2005 and subsequent legislation did not use the wording “public use” and included *other* language that would have overruled *Metallizing Engineering*.

§234 Explaining “Disclosures” After the Vote

To be sure, there is *faux* legislative history that is part of the Congressional Record where principal authors of the Senate version of the legislation explain that it was their *intention* to include within the meaning of “disclosures” any of the other patent-defeating acts by the inventors, whether literally “disclosures” or not. *See America Invents Act* (Statements of Senators Leahy and Hatch), 157 Cong. Rec. S1496 (March 9, 2011).

The argument is made that a “public use” is a “disclosure” of the invention and hence eligible for the grace period of S.23. This argument is made based upon the following portion of the new law:

“A *disclosure* made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under [35 USC § 102(a)(1)] if...*the disclosure* was made by the inventor” S.23 35 USC § 102(b)(1)(A)(emphasis added).

This says nothing about a “public use” or a “sale” of the invention as being part of this grace period:

“A *disclosure* made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under [35 USC § 102(a)(1)] if...*the disclosure* was made by the inventor” S.23 35 USC § 102(b)(1)(A)(emphasis added).

What is left *unsaid* in the faux “legislative history” is that the original 2005 legislation clearly provided a one year grace period while the language of the current legislation intermingles the inventor’s own activities with third party activities without *any* grace period except for pre-filing “disclosures”. Furthermore, while the *faux* legislative history implicitly suggests that *Metallizing Engineering* is overruled by the current legislation, only earlier versions of the legislation contain a definition that excludes the term “public use” and, more importantly, only the earlier legislation includes an express definition to make it clear that the inventor’s non-enabling secret commercialization is excluded from the scope of prior art.

§ 235 Post-Vote Statements Valueless as Legislative History

While legislative history cannot trump the plain meaning of statutory wording, if anything, the Congressional Record statements of the two proponents of the bill constitute an *admission* of the shortcomings of their wording.

The statements also had nothing to do with the legislative history which is supposed to show the *prospective* arguments for enactment that are limited to explanations of the meaning of a proposed statute *in advance* of the vote; here, however, the “legislative history” in question came a day *after* the Senate passed the legislation so it has nothing to do with true “legislative history”. If anything, to the extent that the House in its deliberations is aware of the glaring admissions made in the “legislative history” and the House does nothing to change this, then this may well be considered a recognition of the bad choice of language for the bill and that the literal wording should be interpreted in its literal fashion.

“[P]ost-enactment legislative history by definition ‘could have had no effect on the congressional vote[.]’” *Bruesewitz v. Wyeth LLC*, 131 S.Ct. 1068, 1081-82 (2011)(Scalia, J.)(quoting *District of Columbia v. Heller*, 554 U.S. 570, 605

(2008)). Thus, “[r]eal (pre-enactment) legislative history is persuasive to some because it is thought to shed light on what legislators understood an ambiguous statutory text to mean when they voted to enact it into law.” *Bruesewitz*, 131 S.Ct. at 1081 (citing *Exxon Mobil Corp. v. Allapattah Services, Inc.*, 545 U.S. 546, 568 (2005)).

§ 236 The House Report Limits Grace Period to “Disclosures”

With the House considering the grace period *after* the Senate, the issue of a failure to create an across the board grace period for all events attributable to the inventor was well understood before the House Judiciary Committee voted on the bill. Indeed, an amendment was proposed at the Judiciary Committee phase that would have fixed the problem, but then was withdrawn. The House Report focused on “disclosures” as the focus of the grace period:

“[The America Invents Act] maintains a 1-year grace period for U.S. applicants. Applicants' own *publication* or *disclosure* that occurs within 1 year prior to filing will not act as prior art against their applications. Similarly, *disclosure by others* during that time based on information obtained (directly or indirectly) from the inventor will not constitute prior art. This 1-year grace period should continue to give U.S. applicants the time they need to prepare and file their applications.

This provision also, and necessarily, modifies the prior-art sections of the patent law. Prior art will be measured from the filing date of the application and will typically include all art that publicly exists prior to the filing date, other than *disclosures by the inventor* within 1 year of filing.”

America Invents Act, House Report 112-98 (to accompany H.R. 1249) (June 1, 2011)(emphasis added).

§ 237 Floor Debate at the Time of House Passage

Following the *retroactive* “debate” remarks of Senators Leahy and Hatch that occurred one day *after* Senate passage of S.23, subsequently in the House there was a *prospective* discussion about the grace period and the requirement for “disclosures” of an invention to be prior art in in the debate of the America Invents Act. Echoing the remarks of Senators Hatch and Leahy, on the floor of the House of Representatives just before passage of H.R. 1249, the floor leader stated that “in order to trigger the bar in the new [35 USC §] 102(a) in our legislation, an action must make the patented subject matter “available to the public” before the effective filing date.” *America Invents Act*, 157 Cong. Rec. H4420-06, H4429 (Proceedings and Debates of the 112nd Congress, First Session, June 22, 2011)(Remarks of Lamar Smith, Chairman, House Judiciary Committee).

There was also the following exchange between the Chairman and Mr. Bass of New Hampshire:

Mr. BASS of New Hampshire.

...I want to discuss some important legislative history of a critical piece of this bill, in particular, sections 102(a) and (b) and how those two sections will work together. I think we can agree that it is important that we set down a definitive legislative history of those sections to ensure clarity in our meaning.

Mr. SMITH of Texas.

I want to respond to the gentleman from New Hampshire and say that one key issue for clarification is the interplay between actions under section 102(a) and actions under section 102(b). We intend for there to be an identity between 102(a) and 102(b). If an inventor's action is such that it triggers one of the bars under 102(a), then it inherently triggers the grace period subsection 102(b).

Mr. BASS of New Hampshire.

I believe that the chairman is correct. The legislation intends parallelism between the treatment of an inventor's actions under 102(a) and 102(b). In this way, small inventors and others will not accidentally stumble into a bar by their pre-filing actions. Such inventors will still have to be diligent and file within the grace period if they trigger 102(a); but if an inventor triggers 102(a) with respect to an invention, then he or she has inherently also triggered the grace period under 102(b). ...

Mr. SMITH of Texas.

... Madam Chair, contrary to current precedent, in order to trigger the bar in the new 102(a) in our legislation, an action must make the patented subject matter "available to the public" before the effective filing date. Additionally, subsection 102(b)(1)(B) is designed to make a very strong grace period for inventors that have made a disclosure that satisfies 102(b). Inventors who have made such disclosures are protected during the grace period not only from their own disclosure but from other prior art from anyone that follows their disclosure. This is an important protection we offer in our bill.

America Invents Act, 157 Cong. Rec. H4420-06, H4429 (Proceedings and Debates of the 112nd Congress, First Session, June 22, 2011).

In the same debates, the problem with the grace period language was explained by Representative Lofgren:

Ms. ZOE LOFGREN of California.

...I want to talk a little bit about the manager's amendment under this general debate time ...

I want to talk also, my colleague, Mr. Watt, said that other than the fee bill, we could resolve the issues, and I think we could have but we're not. There are two issues that I want to address and they are really closely related, and they're complicated but they're important.

Under our laws, an idea must be new, useful, and nonobvious in order to receive 'patent protection, and this is evaluated in comparison to what's known as prior art. That's the state of knowledge that exists prior to an invention. If an idea already exists in the prior art, you can't get a patent. Under current law, a variety of different things create prior art, such as descriptions of an idea in previous patents, printed publications, as well as public uses or sales. But current law has what's known as the grace period, which provides 1 year for an inventor to file a patent application after certain activities that would otherwise create patent-defeating prior art.

So, for example, if an inventor published an article announcing a new invention, he or she would have a year under this grace period to file a patent application for it, and this is a very important provision of patent law. It's pretty unique, actually, to the United States. The PTO director, David Kappos, referred to this grace period as "the gold standard of best practices."

As we move into the first-to-file system as is proposed in this bill, it is absolutely essential that the revised grace period extend to everything that is prior art under today's rules. Unfortunately, that is not the case in the manager's amendment. The grace period would protect, and this is a direct quote, "only disclosures." Well, what would that not protect? Trade secrets. Offers for sale that are not public. You could have entrepreneurs who start an invention and start a small business who won't be able to get a patent for their invention under the grace period, and entrepreneurs might then be forced to delay bringing their products to market, which would slow growth. This needs to be addressed, not in a colloquy but in language, and we agreed in the committee when we stripped out language that didn't fix this that we would fix the 102(a) and (b) problem in legislation. There was a colloquy on the Senate floor similar to one that has just taken place, but we know that the language of the bill needs to reflect the intent. Judges look to the statute first and foremost to determine its meaning, and the legislative history is not always included.

So the ambiguity that's in the measure is troublesome. And although we prepared an amendment to delineate it, it has not been put in order, and, therefore, this remedy cannot be brought forth, and small inventors and even big ones may have a problem.

...I got an email from the general counsel of a technology company. ...[H]ere is what this general counsel said:

“The prior use rights clause as written will be a direct giveaway to foreign competitors, especially those from countries where trade secret test is rampant.” What we're saying to American companies is that if you have a trade secret that you want to protect under the grace period prior art rules, you're out of luck. You are quite potentially out of luck. You'll either have to disclose that trade secret, and we know that there are serious concerns in doing that. We don't want to get into maligning countries around the world, but there are some that do not have the respect for intellectual property that we have. Or else we will say to that inventor or company that you can't use your own invention that you have devised without being held up for licensing fees with somebody who got to the office before you did.”

This is a big problem that is not resolved. Even if the manager's amendment is defeated, this problem will remain in the bill. It is an impediment to innovation and an impediment to making first-to-file work. If we're going to have first-to-file, and I can accept that, it must have robust, broad, rigorous protection under the grace period with a broad definition of a prior art that is protected. That is just deficient in this bill.

This is, I know, down in the weeds. It's a little bit nerdy. We've spent many years talking about this in the Judiciary Committee. I'm just so regretful that this bill after so many years has gone sideways in the last 2 days and is something that we cannot embrace and celebrate.

America Invents Act, 157 Cong. Rec. H4420-06, H4429-30 (Proceedings and Debates of the 112nd Congress, First Session, June 22, 2011).

§ 240 Joint Inventorship Liberalization

The 1952 Patent Act has no definition of either a “joint invention” or who may be a “joint inventor”. For the first time, definitions are spelled out for each term in 35 USC § 100:

35 U.S.C. 100 Definitions.

When used in this title unless the context otherwise indicates -

* * *

(f) The term `inventor' means ... if a joint invention, the individuals collectively who invented ... the subject matter of the invention.

(g) The term[] `joint inventor' ... mean[s] any 1 of the individuals who invented... the subject matter of a joint invention.

Remaining unchanged is the first paragraph of 35 USC § 116 which has now become a separate subsection in the new law, but with the text unchanged:

35 USC § 116. Inventors

(a) JOINT INVENTIONS- When an invention is made by two or more persons jointly.... Inventors may apply for a patent jointly even though (1) they did not physically work together or at the same time, (2) each did not make the same type or amount of contribution, or (3) each did not make a contribution to the subject matter of every claim of the patent.

§ 241 Joint Inventorship Under Current (1984) Law

A 1984 amendment to the patent law seemingly permits joinder of inventions of differing entities as part of a single application in accordance with the general practice of Europe and Asia. Joint inventorship was redefined in a 1984 amendment to 35 USC § 116 to make it clear that two persons may be joint inventors *of an application* even though neither is a sole or even joint inventor of every claim of the patent.

Yet, the Federal Circuit has nevertheless maintained old law principles to the extent that it has held that joint inventorship requires “some quantum of collaboration”, *Kimberly-Clark Corp. v. Procter & Gamble Distributing Co., Inc.*, 973 F.2d 911, 917 (Fed. Cir. 1992)(Lourie, J.). Nearly twenty years later, the Court could not define “some quantum”, stating instead that “[t]here is ‘no explicit lower limit on the quantum...’” *Vanderbilt University v. ICOS Corp.*, 601 F.3d 1297, 610 (Fed. Cir. 2010)(Clevenger, J.).

§ 242 Literal Wording Follows the International Norm

Before 1984, the United States patent law had been completely out of synch with the global norm whereby a common owner could include the inventive contributions of multiple parties *if* the common owner did in fact hold title to all of the inventive contributions.

The seeming internationalization of the patent law is found in the literal wording of the 1984 text which is maintained verbatim as the second sentence of 35 USC § 116(a) of the *America Invents Act*: “Inventors may apply for a patent jointly even though (1) they did not physically work together or at the same time, (2) each did not make the same type or amount of contribution, or (3) each did not make a contribution to the subject matter of every claim of the patent.”

Thus, two persons may be joint inventors “even though ... they did not physically work together...”, 35 USC § 116(a)(1), “even though ... they did not ... work ... at the same time”, *id.*, and “even though ...each did not make a contribution to the subject matter of every claim of the patent[,]” 35 USC § 116(a)(3).

It had been thought that the 1984 amendment harmonized American patent law with the international norm where a common owner could combine subject matter of different inventors into a single application, provided, of course, that the common owner was, in fact, the assignee of all the inventions of all the inventors.

§ 243 *Kimberly-Clark* Mandates “Quantum” of Joint Activity

There is a clear absence of any express language in the statute that requires collaborative efforts for a joint invention and to the contrary express statements that such collaborative efforts are unnecessary as joint inventorship exists “even though ... [the inventors] did not physically work together...”, “even though ... [the inventors] did not ... work ... at the same time”, and “even though ...each did not make a contribution to the subject matter of every claim of the patent.”

Yet, in *Kimberly-Clark* and *Vanderbilt*, panels of the court disregarded the express language of what will become 35 USC § 116(a) of the *America Invents Act*.

In the earlier case the Court held “that joint inventorship under Section 116 requires at least *some quantum* of collaboration or connection.” *Kimberly-Clark*, 973 F.2d at 917 (emphasis added). *Vanderbilt* reiterates that “ there must be some

element of joint behavior, such as collaboration or working under common direction, one inventor seeing a relevant report and building upon it or hearing another's suggestions at a meeting. ... Individuals cannot be joint inventors if they are completely ignorant of what each other has done until years after their individual efforts. They cannot be totally independent of each other and be joint inventors.” *Vanderbilt*, 601 F.3d at 1303 (quoting *Kimberly-Clark*, 973 F.2d at 917).

Vanderbilt was not a unanimous opinion; one member of the panel said that “[a]n alleged joint inventor does not have to conceive of the entire claimed invention.... He merely must contribute to the conception of the claimed invention.” *Vanderbilt*, 601 F.3d at 1310 (Dyk, J., concurring in part and dissenting in part)(citing *Eli Lilly & Co. v. Aradigm Corp.*, 376 F.3d 1352, 1359 (Fed.Cir.2004)).

“[S]ome quantum of collaboration or connection” is required, *Kimberly-Clark*, 973 F.2d at 917, but where does one draw the line to define a “quantum”. The waters are further muddied in *Vanderbilt* where it is stated that “[t]here is ‘no explicit lower limit on the quantum or quality of inventive contribution required for a person to qualify as a joint inventor.’” *Vanderbilt*, 601 F.3d at 1310 (Dyk, J., concurring in part and dissenting in part), quoting *Fina Oil & Chem. Co. v. Ewen*, 123 F.3d 1466, 1473 (Fed.Cir.1997)).

§ 244 “Joint Invention” Defined in New §§ 100(f), 100(g)

Congress in the enactment of *America Invents Act* clearly recognized that a definition of “joint invention” and “joint inventors” was necessary to clarify the standards of 35 USC § 116(a) because whereas there had never before been a statutory definition of either term, here, Congress has expressly added definitions for both terms in the definitions section of the statute in 35 USC §100, *Definitions*:

(f) The term ‘inventor’ means ... if a joint invention, the individuals collectively who invented ... the subject matter of the invention.

(g) The term [] ‘joint inventor’ ... mean[s] any 1 of the individuals who invented... the subject matter of a joint invention.

Complementing the wording added to Section 100 are the three quoted provisions from the second sentence of 35 USC § 116(a) that there is no impediment to joint inventorship where the joint inventors “did not physically work together...”, “did not ... work ... at the same time” or “each did not make a contribution to the subject matter of every claim of the patent.”

Because there is absolutely *nothing* in the statutory wording that in any way suggests or implies even “some quantum” of collaboration, the literal wording of the statute may lead to the conclusion that *Kimberly-Clark* has been overruled.

This interpretation also comports with the purpose of SEC. 3 of the *America Invents Act* which features the first-inventor-to-file amendment of the law to move to harmonization of the patent system with the rest of the world; significantly, the quoted definitions in 35 USC § 100 are a part of SEC. 3.

§ 245 “Joint Inventor” Definition Legislative History

It is absolutely clear that the Congress was aware of the controversy over the result of *Kimberly-Clark* because in earlier versions of patent reform legislation there was an *explicit codification* of *Kimberly-Clark* dating back to the earliest predecessor bill introduced by then House Judiciary Subcommittee Chair Lamar Smith, H.R.2795, *Patent Reform Act of 2005*, introduced in the House of Representatives June 8, 2005.

Thus, if enacted, this original legislation would have codified *Kimberly-Clark* by the inclusion of 35 USC § 100(j):

“The term ‘joint invention’ means an invention resulting from the collaboration of inventive endeavors of 2 or more persons working toward the same end and producing an invention by their collective efforts.”

In House Report 110-314, *Patent Reform Act of 2007* (to accompany H.R. 1908)(September 4, 2007), the House bill at the time of consideration by the Judiciary Committee still included the “(j)” codification of *Kimberly-Clark*. In the Section-by-Section analysis at p. 56 the definitions relating to joint inventions are explained as necessary for the patent harmonization change to first-inventor-to-file:

SEC. 3. RIGHT OF THE FIRST INVENTOR TO FILE

Definitions

In order to accommodate the change to a first-to-file patent system, Section 3(a) amends 35 U.S.C. Sec. 100 to include definitions for terms that are used in the context of a first-to-file system. These definitions bring added clarity to the meaning and application of the terms. Terms added and defined include 100(f) ‘inventor’, 100(g) ‘joint inventor’ ... and 100(j) ‘joint invention’.

The first two paragraphs explaining the changes obviously refer to 35 USC §§ 100(f), 100(g), that have been maintained throughout the history of the patent reform bills and are included in the *America Invents Act*:

The term `inventor' refers to a single individual who has, working alone, invented or discovered an invention. In cases where two or more individuals are responsible for inventing or discovering an invention, the term inventor applies to all the individuals collectively.

The term `joint inventor' is applied to any one of the individuals who have invented or discovered an invention together. Such a term is necessary since the term inventor is used to refer to either a single inventor or, collectively, to all the joint inventors of an invention made or discovered by more than one person.

The final explanation refers to the codification of *Kimberly-Clark*:

The term `joint invention' is an invention that is made from the collaboration of inventive endeavors of two or more persons working toward the same end and producing an invention by their collective efforts.

But, as approved by the House Judiciary Committee and as sent on to the floor of the House, the bill was amended to *delete* the “(j)” provision that would have codified *Kimberly-Clark*.

Several further bills leading up to *America Invents Act* included the controversial “(j)” provision. Yet, in the end, in the current session of Congress neither the original Senate version of patent reform, Leahy, S.23, nor the House version at any time has included the “(j)” provision.

§ 246 Federal Circuit Resolution of *Kimberly-Clark* Years Hence

Does the *America Invents Act* overrule *Kimberly-Clark* or does that case stand under the new statutory framework of the new patent law? Only the Federal Circuit (or Supreme Court) can give a definitive answer in a test case that likely will not reach the court for several years to come.

§ 250 Joint Inventorship to Deny Prior Art Status

A prior art disclosure less than one year before the filing date is disqualified as prior art if “the disclosure was made by the ... joint inventor....” 35 USC § 102(b)(1)(A). More completely, the statute provides:

“A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if... the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor[.]”

§ 251 Joint Inventorship Creation to Avoid Prior Art

Where there are two applications which remain pending and the senior-filed application represents an otherwise patent-defeating event either as prior art as a “disclosure” or as an earlier-filed later-published patent application, one solution to disqualify the earlier filing is by *combining* the two inventions into a single application, naming the inventors of both applications as joint inventors of the combined application:

Consider the situation where provisional application “A” is filed by Jones and subsequent provisional application “B” is filed by Smith, where the Jones regular (nonprovisional) application would be patent-defeating prior art as the earlier-filed later-published application of another. Here, the two applications may be *combined* at the time of filing the regular (nonprovisional) application with Smith and Jones joint inventors with Smith the inventor of “claim 1” and Jones the inventor of “claim 2”.

Combining the two applications and making both applicants joint inventors as to each other is permitted under the first paragraph of 35 USC § 116 which provides as follows:

“When an invention is made by two or more persons jointly, they shall apply for patent jointly and each make the required oath, except as otherwise provided in this title. Inventors may apply for a patent jointly even though (1) they did not physically work together or at the same time, (2) each did not make the same type or amount of contribution, or (3) each did not make a contribution to the subject matter of every claim of the patent.”

Under the current law prior to *America Invents Act* combining the prior work of strangers in a single application was proscribed under *Kimberly-Clark*. See § 243 *Kimberly-Clark Mandates “Quantum” of Joint Activity*.

§ 300 Secret Prior Art (Earlier-Filed, Later-Published)

Effective date: The changes to § 102 (and 35 USC § 100 (definitions) and 35 USC § 103 (nonobviousness) are governed by Sec. 3(n)(1), which applies the new law to applications and patents having *any claim* not entitled to a priority before March 16, 2013.

The new law perpetuates the current practice that permits a patent-defeating effect for a prior-filed later-published application for the purposes of an obviousness determination under 35 USC § 103. *Only the United States has such a patent-defeating effect as from the priority date.* The new law also moves closer to the Japanese standard that permits exclusion of an earlier-filed later-published application in the case of common assignment, even where that common assignment is secured after the filing date. The Japanese patent law thus remains the most inventor-friendly in terms of permitting collaboration among research partners, more so than the new American law.

Under the current law there is a wide swath of “secret” prior art which may be defined as third party acts or third party applications that result in information being public *after* the applicant’s filing date but where the acts or third party applications were *prior* to the filing date.

The new law is found in America Invents Act § 102(a)(2):

“A person shall be entitled to a patent unless... the claimed invention was described in ... an application ... published ... under [35 USC §] 122(b), in which the ...application... names another inventor and was effectively filed before the effective filing date of the claimed invention.”

(More completely, America Invents Act § 102(a)(2) includes prior-filed *patents* as well as published patent applications: “A person shall be entitled to a

patent unless... the claimed invention was *described in a patent issued under section 151*, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.”)

§ 310 Contrast with Overseas Laws

§ 311 “Selbst-Kollision” (Self-Collision) in Europe vs. Japan

The European Patent Convention provides that “the content of European patent applications as filed, of which the dates of filing are prior to the [applicant’s filing] and which were published [by the EPO] on or after that date, shall be considered as comprised in the state of the art.” EPC Art. 54(3).

Unlike the United States and Japan where a prior-filed later-published application (or patent) is prior art only against the invention of others, in Europe an earlier-filed later-published application constitutes prior art for novelty purposes *against the patent applicant himself* (as well as against others).

Thus, to the extent that an applicant in Europe faces his own, earlier filed application where the later application has a claim reading directly on even an *unclaimed* embodiment of the earlier application, the claim in the later application is barred.

Japanese patent law is more in line with American law in that the prior-filed later-published Japanese application is *not* prior art for novelty purposes against the same applicant (assignee-owner):

“Where an invention claimed in a patent application is identical with an invention or device (excluding an invention or device made by the inventor of the invention claimed in the said patent application) disclosed in ...the written application of another application for a patent or for a registration of a utility model which has been filed prior to the date of filing of the said patent application and published after the filing of the said patent application ..., a patent shall not be granted for such an invention notwithstanding Article 29(1); provided, however, that ***this shall not apply where, at the time of the filing of the said patent application, the applicant of the said patent application and the applicant of the other application for a patent ... are the same person.***” Japanese Patent Law Art. 29-2.

§ 312 Prior Art for Novelty Purposes Only

The United States is odd man out in the international community where only the United States gives an earlier-filed later-published application a prior art status *for determination of obviousness*.

The European statement of the law for inventive step (obviousness) expressly excludes an earlier-filed later-published application as prior art:

“An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the art. *If the state of the art also includes documents [relating to an earlier-filed later-published application] within the meaning of Article 54, paragraph 3, these documents are not to be considered in deciding whether there has been an inventive step.*” EPC Art. 56 (emphasis added).

Japanese patent law defines the patent-defeating effect of an earlier-filed later-published application as limited to defeating an “identical” invention:

“Where an invention claimed in a patent application is *identical* with an invention or device ... disclosed in ...the written application of another application for a patent or for a registration of a utility model which has been filed prior to the date of filing of the said patent application and published after the filing of the said patent application ..., a patent shall not be granted for such an invention....” Japanese Patent Law Art. 29-2.

§ 320 Prior Art as of the Foreign Priority Date

Under the new law § 102(d), a prior-filed later-published application is prior art as of the earliest priority date, including any Paris Convention foreign priority date. This represents a significant change in United States law because under the current law under the notorious *Hilmer* doctrine, the patent-defeating date of a United States published patent application or patent is the *domestic* priority date, and never a foreign priority date. *In re Hilmer*, 359 F.2d 859 (CCPA 1966).

The third party application is “effectively filed” as of the priority date:

“For purposes of determining whether a[n] ... application ... is prior art to a claimed invention [as an earlier-filed later-published application], such ... application shall be considered to have been effectively filed, with respect to any subject matter described in the ... application ... if the ... application ... is entitled to claim a right of priority under section 119, 365(a), or 365(b), or to claim the benefit of an earlier filing date under section 120, 121, or 365(c), based upon 1 or more prior filed applications for patent, as of the filing date of the earliest such application that describes the subject matter.” America Invents Act § 102(d)(2).

§ 321 Broader Patent-Defeating Effect than Foreign Laws

In one sense, giving an earlier-filed later-published application a prior art status as of the earlier priority date constitutes a harmonization with the laws of Europe and Japan.

In another sense, the American law creates a more anti-patent system in that the earlier-filed later-published application constitutes prior art *as part of the state of the art for determining obviousness*, whereas foreign systems limit the patent-defeating effect to novelty only.

§ 330 Disqualifying Earlier-Filed Applications as Prior Art

Where it is discovered that there are two related applications with different filing dates and the earlier-filed application as prior art would create difficulties for the later-filed invention, there are two principal ways to disqualify such otherwise prior art:

§ 331 Joint Inventorship to Disqualify Prior Art Status

A prior-filed later-published application is disqualified as prior art if the senior-filed application is by a joint inventor: This is provided by 35 USC § 102(b)(2)(A):

“A disclosure shall not be prior art to a claimed invention [as a prior-filed later-published application] if ... subject matter disclosed was obtained directly or indirectly from ...a joint inventor[.]”

§ 332 Joint Inventorship Creation to Avoid Prior Art

Combining the two inventions into a single application where *both* inventors of each invention is named as a joint inventor may be able to remove the otherwise prior art status of the earlier invention against the junior invention.

The method for combining the two inventions into a single application is discussed in detail at § 250, *Joint Inventorship to Deny Prior Art Status*; § 251, *Joint Inventorship Creation to Avoid Prior Art*.

§ 333 Common Ownership of both Inventions

A prior-filed later-published application is disqualified as prior art if at the time of filing the junior application the senior application is commonly owned. This is provided by 35 USC § 102(b)(2)(C):

“A disclosure shall not be prior art to a claimed invention [as a prior-filed later-published application] if ... the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.”

§ 400 Obviousness

On the one hand, there is substantially no change in the statutory wording to the definition of nonobviousness under 35 USC § 103. On the other hand, the changes to *other* sections of the statute coupled with the Supreme Court decision in *KSR* cumulatively mark the biggest impact on daily patent practice over the past few years.

The most important statutory change impacting the test for obviousness is the broadened scope of prior art found under the novelty section, 35 USC § 102. All of the broadened prior art for obviousness is now also part of the state of the art for purposes of an obviousness determination:

Effective date: The changes to § 102 (and 35 USC § 100 (definitions) and 35 USC § 103 (nonobviousness) are governed by Sec. 3(n)(1), which applies the new law to applications and patents having *any claim* not entitled to a priority before March 16, 2013.

§ 410 “Public Use” and “On Sale”

§ 411 Commercialization Anywhere in the World

Public commercialization *anywhere in the world* is now prior art for obviousness via “public use” and “on sale” provisions of America Invents Act § 102(a)(1). *See* § 130, *Public Use*.

In terms of *obviousness*, consider the situation where a party has two different embodiments of a “Widget” where the first Widget is in “public use” before the second Widget has been commercialized. But, if the second Widget would be “obvious” if the first Widget is prior art, then it is imperative that the application for the second Widget be filed before commercialization of the first Widget.

§ 412 Inventor’s “Secret” Acts Anywhere in the World

The inventor’s own *secret* commercialization *anywhere in the world* is now prior art for obviousness via the same “public use” and “on sale” provisions because the *Metallizing Engineering* case has not been overruled.

Significantly from the standpoint of obviousness, it is well settled that any “public use” including a secret commercialization is prior art for obviousness purposes.

See § 150, Secret Commercialization by the Inventor

§ 420 Open Questions about the Grace Period

§ 421 “Disclosures” (but not other Prior Art)

The literal wording of the grace period that exempts “disclosures” may not apply to “public use” and “on sale” activities, which would mean that the inventor’s own “public use” or “on sale” activities even *one day before the priority date* would constitute prior art for obviousness.

§ 422 “Publication” Grace Period for a Different Invention

A third party’s prior filed but later published patent application is prior art *for purposes of obviousness*, and which is dated back to the earliest priority date.

§ 430 Disqualifying Related Prior Art

§ 431 Removing Prior Invention of Another

For disqualification for obviousness purposes of otherwise prior art events within one year prior to filing, *see* § 250, *Joint Inventorship to Deny Prior Art Status*.

§ 432 Removing Earlier-Filed Later-Published Application

For disqualification of an earlier-filed later-published application, *see* § 330, *Disqualifying Earlier-Filed Applications as Prior Art*; § 331, *Joint Inventorship to Disqualify Prior Art Status*; § 332, *Joint Inventorship Creation to Avoid Prior Art*; § 333, *Common Ownership of both Inventions*.

§ 500 Claiming and Disclosure Requirements

§ 510 Lettered Subsections for 35 USC § 112

The statutory provision dealing with claiming and disclosure, 35 USC § 112, previously had unnumbered paragraphs, which under Leahy Smith has been retooled into lettered subsections, with several changes in the text as well:

(a) – In General. The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

(b) – Conclusion. The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the **inventor or joint inventor regards as the invention** [applicant regards as his invention].

(c) – Form. A claim may be written in independent or, if the nature of the case admits, in dependent or multiple dependent form.

(d) – Reference in Dependent Forms. Subject to subsection (e) [the following paragraph], a claim in dependent form shall contain a reference to a claim previously set forth and then specify a further limitation of the subject matter claimed. A claim in dependent form shall be construed to incorporate by reference all the limitations of the claim to which it refers.

(e) – Reference in Multiple Dependent Form. A claim in multiple dependent form shall contain a reference, in the alternative only, to more than one claim previously set forth and then specify a further limitation of the subject matter claimed. A multiple dependent claim shall not serve as a basis for any other multiple dependent claim. A multiple dependent claim shall be construed to incorporate by reference all the limitations of the particular claim in relation to which it is being considered.

(f) – Element in a Claim for a Combination. An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

§ 520 Elimination of “Best Mode”

One of the significant changes in Leahy-Smith is the effective elimination of an invalidity attack based upon a failure to disclose the “best mode contemplated” under what has been 35 USC § 112, ¶ 1 (now recast as 35 USC § 112(a)). While the requirement *remains* in the statute, it is unenforceable because of the new law which amends to 35 USC § 282(3)(A), which sets forth a basis to challenge “[i]nvalidity of the patent or any claim in suit for failure to comply with... any requirement of section 112, except that the failure to disclose the best mode shall not be a basis on which any claim of a patent may be canceled or held invalid or otherwise unenforceable[.]”

September 16, 2011, is the effective date for both an invalidity challenge under 35 USC § 282 and the priority requirements for 35 USC §§119(e)(1), 120. SEC. 15(c)(Effective date)(“The amendments made by this section shall take effect upon the date of the enactment of this Act and shall apply to proceedings commenced on or after that date.”)

§ 530 “Possession” of a Generic Invention

The statutory wording of 35 USC § 112(a) requires an *enabling* disclosure to teach how to make and use the invention. Under case law, however, there is now an *additional* requirement that in the case of a generic invention the applicant

establish “possession” of the full scope of the generic invention such as by showing plural examples representative of the full range of the genus.

§ 531 *The Ariad “Possession” Test*

The most important recent change for claiming and disclosure requirements is an *en banc* case that now sets a standard for disclosure to support a generic invention that may require *disclosure* of multiple embodiments to support a generic claim:

Ariad Pharmaceuticals, Inc. v. Eli Lilly and Co.

United States Court of Appeals, Federal Circuit, 2010 (*en banc*)
598 F.3d 1336, 1349-54

The Court *en banc* established separate “written description” and “enablement” requirements under 35 USC § 112, ¶ 1, and – most importantly – established a “possession” requirement as part of the “written description” requirement applicable particularly to deny chemical and biotechnology generic claims where there is only limited exemplary support.

LOURIE, Circuit Judge.

... If it is correct to read § 112, first paragraph, as containing a requirement to provide a separate written description of the invention, as we hold here, [the patentee] provides no principled basis for restricting that requirement to establishing priority. Certainly nothing in the language of § 112 supports such a restriction; the statute does not say “The specification shall contain a written description of the invention for purposes of determining priority.” And although the issue arises primarily in cases involving priority, Congress has not so limited the statute, and neither will we.

Furthermore, while it is true that original claims are part of the original specification, *In re Gardner*, 480 F.2d 879, 879 (CCPA 1973), that truism fails to address the question whether original claim language necessarily discloses the

subject matter that it claims. . . . Although many original claims will satisfy the written description requirement, certain claims may not. For example, a generic claim may define the boundaries of a vast genus of chemical compounds, and yet the question may still remain whether the specification, including original claim language, demonstrates that the applicant has invented species sufficient to support a claim to a genus. The problem is especially acute with genus claims that use functional language to define the boundaries of a claimed genus. In such a case, the functional claim may simply claim a desired result, and may do so without describing species that achieve that result. But the specification must demonstrate that the applicant has made a generic invention that achieves the claimed result and do so by showing that the applicant has invented species sufficient to support a claim to the functionally-defined genus.

Recognizing this, we held in [*Regents of the University of California v. Eli Lilly & Co.*, 119 F.3d 1559 (Fed.Cir.1997),] that an adequate written description of a claimed genus requires more than a generic statement of an invention's boundaries. 119 F.3d at 1568. The patent at issue in *Eli Lilly* claimed a broad genus of cDNAs purporting to encode many different insulin molecules, and we held that its generic claim language to “vertebrate insulin cDNA” or “mammalian insulin cDNA” failed to describe the claimed genus because it did not distinguish the genus from other materials in any way except by function, i.e., by what the genes do, and thus provided “only a definition of a useful result rather than a definition of what achieves that result.” *Id.*

We held that a sufficient description of a genus instead requires the disclosure of either a representative number of species falling within the scope of the genus or structural features common to the members of the genus so that one of skill in the art can “visualize or recognize” the members of the genus. *Id.* at 1568–69. We explained that an adequate written description requires a precise definition, such as by structure, formula, chemical name, physical properties, or other properties, of species falling within the genus sufficient to distinguish the genus from other materials. *Id.* at 1568 (quoting *Fiers v. Revel*, 984 F.2d 1164, 1171 (Fed.Cir.1993)). We have also held that functional claim language can meet the written description requirement when the art has established a correlation between structure and function. See *Enzo*, 323 F.3d at 964 (quoting 66 Fed.Reg. 1099 (Jan. 5, 2001)). But merely drawing a fence around the outer limits of a purported genus

is not an adequate substitute for describing a variety of materials constituting the genus and showing that one has invented a genus and not just a species.

Applying the written description requirement outside of the priority context in our 1997 *Eli Lilly* decision merely faithfully applied the statute, consistent with Supreme Court precedent and our case law dating back at least to our predecessor court's [*In re Ruschig*, 379 F.2d 990 (CCPA 1967),] decision. Neither the statute nor legal precedent limits the written description requirement to cases of priority or distinguishes between original and amended claims.

The application of the written description requirement to original language was raised in *Fiers v. Revel*, 984 F.2d 1164 (Fed.Cir.1993); *Regents of the University of California v. Eli Lilly & Co.*, 119 F.3d 1559 (Fed.Cir.1997); and *Enzo Biochem, Inc. v. Gen-Probe Inc.*, 323 F.3d 956 (Fed.Cir.2002)].... Once again we ...hold that generic language in the application as filed does not automatically satisfy the written description requirement.

Since its inception, this court has consistently held that § 112, first paragraph, contains a written description requirement separate from enablement, and we have articulated a “fairly uniform standard,” which we now affirm. *Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1562–63 (Fed.Cir.1991). Specifically, the description must “clearly allow persons of ordinary skill in the art to recognize that [the inventor] invented what is claimed.” *Id.* at 1563 (citing *In re Gosteli*, 872 F.2d 1008, 1012 (Fed.Cir.1989)). In other words, the test for sufficiency is whether the disclosure of the application relied upon reasonably conveys to those skilled in the art that the inventor had possession of the claimed subject matter as of the filing date. *Id.* (quoting *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 1575 (Fed.Cir.1985)); see also *In re Kaslow*, 707 F.2d 1366, 1375 (Fed.Cir.1983).

The term “possession,” however, has never been very enlightening. It implies that as long as one can produce records documenting a written description of a claimed invention, one can show possession. But the hallmark of written description is

disclosure. Thus, “possession as shown in the disclosure” is a more complete formulation. Yet whatever the specific articulation, the test requires an objective inquiry into the four corners of the specification from the perspective of a person of ordinary skill in the art. Based on that inquiry, the specification must describe an invention understandable to that skilled artisan and show that the inventor actually invented the invention claimed.

[W]e have recognized that determining whether a patent complies with the written description requirement will necessarily vary depending on the context. *Capon v. Eshhar*, 418 F.3d 1349, 1357–58 (Fed.Cir. 2005). Specifically, the level of detail required to satisfy the written description requirement varies depending on the nature and scope of the claims and on the complexity and predictability of the relevant technology. *Id.* For generic claims, we have set forth a number of factors for evaluating the adequacy of the disclosure, including “the existing knowledge in the particular field, the extent and content of the prior art, the maturity of the science or technology, [and] the predictability of the aspect at issue.” *Id.* at 1359.

The law must be applied to each invention at the time it enters the patent process, for each patented advance has a novel relationship with the state of the art from which it emerges. Thus, we do not try here to predict and adjudicate all the factual scenarios to which the written description requirement could be applied. Nor do we set out any bright-line rules governing, for example, the number of species that must be disclosed to describe a genus claim, as this number necessarily changes with each invention, and it changes with progress in a field. Compare *Eli Lilly*, 119 F.3d at 1567 (holding an amino acid sequence did not describe the DNA sequence encoding it), with *In re Wallach*, 378 F.3d 1330, 1334 (Fed.Cir.2004) (discussing how it is now a “routine matter” to convert an amino acid sequence into all the DNA sequences that can encode it). Thus, whatever inconsistencies may appear to some to exist in the application of the law, those inconsistencies rest not with the legal standard but with the different facts and arguments presented to the courts.

There are, however, a few broad principles that hold true across all cases. We have made clear that the written description requirement does not demand either examples or an actual reduction to practice; a constructive reduction to practice that in a definite way identifies the claimed invention can satisfy the written description requirement. *Falko-Gunter Falkner v. Inglis*, 448 F.3d 1357, 1366–67

(Fed.Cir.2006). Conversely, we have repeatedly stated that actual “possession” or reduction to practice outside of the specification is not enough. Rather, as stated above, it is the specification itself that must demonstrate possession. And while the description requirement does not demand any particular form of disclosure, *Carnegie Mellon Univ. v. Hoffmann–La Roche Inc.*, 541 F.3d 1115, 1122 (Fed.Cir.2008), or that the specification recite the claimed invention in haec verba, a description that merely renders the invention obvious does not satisfy the requirement, *Lockwood v. Am. Airlines*, 107 F.3d 1565, 1571–72 (Fed.Cir.1997).

We also reject the characterization... of the court's written description doctrine as a “super enablement” standard for chemical and biotechnology inventions. The doctrine never created a heightened requirement to provide a nucleotide-by-nucleotide recitation of the entire genus of claimed genetic material; it has always expressly permitted the disclosure of structural features common to the members of the genus. *Eli Lilly*, 119 F.3d at 1569; see also *Invitrogen Corp. v. Clontech Labs., Inc.*, 429 F.3d 1052, 1073 (Fed.Cir.2005) (holding the written description requirement satisfied by a representative number of sequences of the claimed genus of enzymes). It also has not just been applied to chemical and biological inventions. See *LizardTech, Inc. v. Earth Res. Mapping, Inc.*, 424 F.3d 1336, 1343–47 (Fed.Cir.2005).

Perhaps there is little difference in some fields between describing an invention and enabling one to make and use it, but that is not always true of certain inventions, including chemical and chemical-like inventions. Thus, although written description and enablement often rise and fall together, requiring a written description of the invention plays a vital role in curtailing claims that do not require undue experimentation to make and use, and thus satisfy enablement, but that have not been invented, and thus cannot be described. For example, a propyl or butyl compound may be made by a process analogous to a disclosed methyl compound, but, in the absence of a statement that the inventor invented propyl and butyl compounds, such compounds have not been described and are not entitled to a patent. See *In re DiLeone*, 436 F.2d 1404, 1405 n. 1 (CCPA 1971) (“[C]onsider the case where the specification discusses only compound A and contains no broadening language of any kind. This might very well enable one skilled in the art to make and use compounds B and C; yet the class consisting of A, B and C has not been described.”).

The written description requirement also ensures that when a patent claims a genus by its function or result, the specification recites sufficient materials to accomplish that function—a problem that is particularly acute in the biological arts. See *Guidelines for Examination of Patent Applications Under the 35 U.S.C. 112, 1, “Written Description” Requirement*, 66 Fed.Reg. 1099, 1105–1106 (Jan. 5, 2001). This situation arose not only in *Eli Lilly* but again in *University of Rochester v. G.D. Searle & Co., Inc.*, 358 F.3d 916 (Fed.Cir.2004). In *Rochester*, we held invalid claims directed to a method of selectively inhibiting the COX–2 enzyme by administering a non-steroidal compound that selectively inhibits the COX–2 enzyme. *Id.* at 918. We reasoned that because the specification did not describe any specific compound capable of performing the claimed method and the skilled artisan would not be able to identify any such compound based on the specification's function description, the specification did not provide an adequate written description of the claimed invention. *Id.* at 927–28. Such claims merely recite a description of the problem to be solved while claiming all solutions to it and, as in *Eli Lilly* and [the claims in this case], cover any compound later actually invented and determined to fall within the claim's functional boundaries—leaving it to the pharmaceutical industry to complete an unfinished invention.

[The patentee] complains that the doctrine disadvantages universities to the extent that basic research cannot be patented. But the patent law has always been directed to the “useful Arts,” U.S. Const. art. I, § 8, cl. 8, meaning inventions with a practical use, see *Brenner v. Manson*, 383 U.S. 519, 532-36 (1966). Much university research relates to basic research, including research into scientific principles and mechanisms of action, see, e.g., *Rochester*, 358 F.3d 916, and universities may not have the resources or inclination to work out the practical implications of all such research, i.e., finding and identifying compounds able to affect the mechanism discovered. That is no failure of the law's interpretation, but its intention. Patents are not awarded for academic theories, no matter how groundbreaking or necessary to the later patentable inventions of others. “[A] patent is not a hunting license. It is not a reward for the search, but compensation for its successful conclusion.” *Id.* at 930 n. 10 (quoting *Brenner*, 383 U.S. at 536, 86 S.Ct. 1033). Requiring a written description of the invention limits patent protection to those who actually perform the difficult work of “invention”—that is,

conceive of the complete and final invention with all its claimed limitations—and disclose the fruits of that effort to the public.

That research hypotheses do not qualify for patent protection possibly results in some loss of incentive, although [the patentee] presents no evidence of any discernable impact on the pace of innovation or the number of patents obtained by universities. But claims to research plans also impose costs on downstream research, discouraging later invention. The goal is to get the right balance, and the written description doctrine does so by giving the incentive to actual invention and not “attempt[s] to preempt the future before it has arrived.” *Fiers*, 984 F.2d at 1171. As this court has repeatedly stated, the purpose of the written description requirement is to “ensure that the scope of the right to exclude, as set forth in the claims, does not overreach the scope of the inventor's contribution to the field of art as described in the patent specification.” *Rochester*, 358 F.3d at 920 (quoting *Reiffin v. Microsoft Corp.*, 214 F.3d 1342, 1345 (Fed.Cir.2000)). It is part of the quid pro quo of the patent grant and ensures that the public receives a meaningful disclosure in exchange for being excluded from practicing an invention for a period of time. *Enzo*, 323 F.3d at 970.

§ 532 The “Upstream”/ “Downstream” Divide

The *America Invents Act* is a further manifestation of the growing divide between the “upstream” research community comprising academic research institutions, startups and entrepreneurial community that make the generic, breakthrough innovations and the “downstream” creators of specific products who need either no or only specific patent protection.

A Federal Circuit dominated by downstream advocates has shown little sympathy for generic protection for upstream researchers who are seen as more of a bother through their generic protection that is seen to block downstream innovation.

In the pharmaceutical industry the “upstream”/“downstream” divide is most pronounced. The upstream researcher, typically at an MIT or Berkeley, will come

up with a breakthrough innovation, perhaps finding a new core molecule which can then spawn infinite variations. At the time of this upstream invention, perhaps only one or two specific embodiments will be developed by the time that the patent application is filed seeking generic coverage. The downstream research institution may devote dozens – or literally hundreds or more – of Ph.D. scientists to make thousands of specific embodiments to find a single highly effective yet clinically safe molecule which is then easily patentable based upon the unexpectedly superior results of that specific embodiment. Yet, the upstream researcher’s *generic* patent stands in the way of marketing – or will command stiff royalties.

The *Ariad* case represents the most extreme victory for the downstream research community by knocking out pioneer generic pharmaceutical patents from the upstream community because of a lack of representative examples.

The leading advocate on the Federal Circuit for upstream patentees explained the judicial interference in the upstream/downstream dispute in *Ariad*:

“The Constitution of the United States gives Congress, not the courts, the power to promote the progress of the useful arts by securing exclusive rights to inventors for limited times. Art. I, § 8, cl. 8. Yet this court proclaims itself the body responsible for achieving the ‘right balance’ between upstream and downstream innovation. Ante at 1353. The Patent Act, however, has already established the balance by requiring that a patent application contain ‘a written description of the invention, and of the manner and process of making and using it, *in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains ... to make and use the same.*’ 35 U.S.C. § 112, ¶ 1 (emphasis added). In rejecting that statutory balance in favor of an undefined ‘written description’ doctrine, this court ignores the problems of standardless decision making and serious conflicts with other areas of patent law.” *Ariad*, 598 F.3d 1361 (Rader, J., joined by Linn, J., dissenting in part).

§ 540 Effective Date

Different effective dates are given for various changes relating to 35 USC § 112.

§ 541 Changes other than Best Mode

The effective date is governed by SEC. 4(e) for changes to 35 USC § 112 *other than* the best mode elimination: “The amendments made by this section shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and shall apply to any patent application that is filed on or after that effective date.”

§ 542 Best Mode Priority Changes to 35 USC §§ 119, 120

Amendment to 35 USC §§ 119(e)(1), 120 to eliminate the best mode requirement for priority is based upon SEC. 15. Under SEC 15(c)(effective date), “[t]he amendments made by this section shall take effect upon the date of the enactment of this Act and shall apply to proceedings commenced on or after that date.”

§ 543 Elimination of the Best Mode Defense

The “best mode contemplated” requirement has been effectively repealed by SEC. 15, *Best Mode Requirement*. Under SEC 15(c)(effective date), “[t]he amendments made by this section shall take effect upon the date of the enactment of this Act and shall apply to proceedings commenced on or after that date.”

§ 600 Priority based on an Earlier Application

§ 610 Provisional and Foreign Priority Rights are Critical

Priority based upon an earlier application is now a common feature of the great majority of all patent applications of importance and indeed a majority of first American “regular” patent applications of all kinds have at least one priority claim to either a domestic provisional application or to a foreign application via the Paris Convention.

The *America Invents Act* for the first time routinely places a premium upon the quality drafting of the domestic provisional or foreign priority application because for the first time in modern history the priority claim may be outcome determinative for a majority of applications. This is because the classic grace period of the United States patent law has been partially eviscerated to the point that for many inventions the absence of a priority claim will be fatal to the validity of an applicant’s claims because of the applicant’s own “on sale” or “public use” activities in the interval between the domestic provisional or foreign priority application and the first regular (nonprovisional) United States filing. (In contrast, the current law excuses all acts of the patent applicant in the one year period prior to the regular first United States filing, so for such cases the intervening activity of the inventor is moot.)

Both domestic and overseas applicants will be particularly impacted by the severity of the new law, but each in a different manner:

For the domestic applicant long accustomed to the one year grace period, the problem is self evident from the shocking reality of first to file *without* a full one year grace period.

For the international applicant long accustomed to the reality of first-to-file, the new feature completely without precedent in Asian and European law is the “public use” or “on sale” bar that is now *immediate* even one day prior to the effective filing date and *applies to events in any country, i.e., including the Asian and European home countries of the overseas applicants.*

To be sure, there *is* an argument against a “public use” or “on sale” bar based upon activities within the one year grace period which is based upon the “legislative history” of the America Invents Act. Yet, the legislative history is far from clear and, more importantly, an argument can be made that the *literal wording* of the statute is clear in limiting the grace period to the applicant’s pre-filing “disclosures” of the invention, and that a “public use” or “on sale” event is not such a “disclosure[]”. It will take several years before a test case reaches the Federal Circuit to determine which viewpoint will prevail.

620 Three Elements of a Proper Priority Claim

621 “Written Description” Denial of “New Matter”

The best understood of the three requirements is that there is a *disclosure* of the invention in the parent provisional or foreign priority or other parent application. Until 1981, the test was understood to be whether or not an amendment to the parent application adding the claims of the later application would constitute “new matter” under 35 USC § 132. Since 1981, this same test is considered to ask whether there is a “written description” of the invention.

622 Enablement as a Priority Element

Priority based upon any parent application requires that the claimed invention be supported in the parent by an enabling disclosure of how to make and use the invention.

623 “Written Description” to Establish Generic “Possession”

Where there is a generic claim and only one embodiment is supported by a specific disclosure, a patent challenger may argue that “possession” of the full scope of the the generic claim has not been shown. This was the focal point of an *en banc* decision in *Ariad Pharmaceuticals, Inc. v. Eli Lilly and Co.*, 598 F.3d 1336 (Fed. Cir. 2010)(en banc)(Lourie, J.), quoted in detail at § 520, “*Possession*” of a *Generic Invention*.

If a parent application (provisional or foreign priority or any other parent) has only a limited exemplary support then the parent may be argued to lack a “written description” in terms of a lack of “possession” under *Ariad*. This is the situation even if the claim in the later case and the claim in the priority application are *identical*.

Therefore, particularly for generic biotechnology or chemical claims, it is important that the priority application show multiple embodiments of the generic invention to ensure that “possession” is established as of the priority date.

630 Priority with “Best Mode”-Defective Parent

The “best mode contemplated” requirement of 35 USC § 112, ¶ 1 (or 35 USC § 112(a) under the new law), has been effectively eliminated as a basis to challenge validity, as discussed at § 510. But, the question remains whether *priority* based upon a parent application requires compliance with the “best mode contemplated” requirement.

In addition, the new law eliminates the “best mode contemplated” attack on patent validity as to any application or patent insofar as priority is based upon a domestic provisional application under 35 USC § 119(e)(1) or in the case of a continuation, continuation-in-part or divisional application under 35 USC § 120. There is *no* statutory change insofar as Paris Convention priority is concerned based upon a foreign application.

§ 631 Best Mode Priority based upon a Provisional Application

Priority under 35 USC § 119(e)(1) based upon a provisional application under the new law requires that the disclosure of the parent application meet the requirements of 35 USC § 112(a)(formerly § 112, ¶ 1) *other than* the best mode requirement:

“An application for patent filed under section 111(a) or section 363 of this title for an invention disclosed in the manner provided by *section 112(a) (other than the requirement to disclose the best mode)* in a provisional application filed under section 111(b) of this title, by an inventor or inventors named in the provisional application, shall have the same effect, as to such invention, as though filed on the date of the provisional application”

The current law instead requires compliance with all requirements of 35 USC § 112, ¶ 1:

“An application for patent filed under section 111(a) or section 363 of this title for an invention disclosed in the manner provided by *the first paragraph of section 112* of this title in a provisional application filed under section 111(b) of this title, by an inventor or inventors named in the provisional application, shall have the same effect, as to such invention, as though filed on the date of the provisional application”

§ 632 Best Mode Continuation, Continuation-in-Part and Divisional Priority

Priority in the case of a continuation, continuation-in-part or divisional application also no longer requires compliance with the “best mode” requirement as of the filing (or any) date. Under Leahy-Smith:

“An application for patent for an invention disclosed in the manner provided by *section 112(a) (other than the requirement to disclose the best mode)* in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application....”

The current 35 USC § 112, ¶ 1 (which becomes 35 USC § 112(a) under the new law), states:

“An application for patent for an invention disclosed in the manner provided by *the first paragraph of section 112 of this title* in an application previously filed in the United States, or as provided by section 363 of this title, which is filed by an inventor or inventors named in the previously filed application shall have the same effect, as to such invention, as though filed on the date of the prior application....”

§ 633 Best Mode Paris Convention (Foreign) Priority

Foreign priority remains governed by 35 USC § 119(a), which insofar as the disclosure requirement has *not* been amended as part of the new law:

“An application for patent for an invention filed in this country by any person who has... previously regularly filed an application for a patent for the same invention in a foreign country ... shall have the same effect as the same application would have if filed in this country on the date on which the application for patent for the same invention was first filed in such foreign country, if the application in this country is filed within twelve months from the earliest date on which such foreign application was filed....”

A Paris Convention priority claim requires that the “best mode” requirement be met as of the foreign priority date: “[I]n the context of a priority claim under 35 U.S.C. § 119, one looks to the foreign application and its filing date to determine the adequacy of the best mode disclosure and not to the filing date of the corresponding U.S. application.” *Transco Products Inc. v. Performance Contracting, Inc.*, 38 F.3d 551, 558 (Fed. Cir. 1994)(Rich, J.) (citing *Tyler Refrigeration Corp. v. Kysor Indus. Corp.*, 601 F.Supp. 590, 605, 225 USPQ 492, 504 (D.Del.1985), *aff'd*, 777 F.2d 687, 227 USPQ 845 (Fed.Cir.1985); *Standard Oil Co. v. Montedison, S.p.A.*, 494 F.Supp. 370, 388 (D.Del.1980), *aff'd*, 664 F.2d 356 (3d Cir.), *cert. denied*, 456 U.S. 915 (1982)).

However, there is nothing in Leahy-Smith that refers to the best mode requirement in the context of Paris Convention priority. Undoubtedly, this matter will need to be resolved by a test case at the Federal Circuit. The argument in favor of denying a continued requirement to meet the best mode requirement as of the priority date is that there is nothing in 35 USC § 119(a) that mentions compliance with the best

mode or any other requirement of 35 USC § 112, ¶ 1, and that the case law has stated that foreign priority should be judged on the same footing as domestic priority for continuing applications. *Transco Products*, 38 F.3d at 558 n.7 (quoting *In re Gosteli*, 872 F.2d 1008, 1011 (Fed.Cir.1989)) (“Section 119 provides that a foreign application ‘shall have the same effect’ as if it had been filed in the United States. 35 U.S.C. § 119. Accordingly, if the effective filing date of what is claimed in a United States application is at issue, to preserve symmetry of treatment between sections 120 and 119, the foreign priority application must be examined to ascertain if it supports, within the meaning of section 112, ¶ 1, what is claimed in the United States application.”).

640 Changing the Scope of the Generic Invention

A major problem for applicants particularly in the chemical and biotechnology areas is the change in the scope of the generic definition of the invention between the time of the provisional or foreign priority application and the first regular (nonprovisional) application.

Where the practical scope of the generic invention changes in the one year interval between the priority and first U.S. regular filing, it is important that at least some claims be maintained with the identical scope as the priority document: This will ensure that there is no “written description” problem in the sense of new matter *for such claims*.

§ 641 Broadening Scope in a Continuing Application

As explained in *Herschler*, “[i]t is now well settled law that disclosure of a species is insufficient to provide descriptive support for a generic or sub-generic claim[.]” *In re Herschler*, 591 F.2d 693, 696 (CCPA 1979)(Baldwin, J.) (citing *In re Ruscetta*, 255 F.2d 687 (1958); *In re Lukach*, 442 F.2d 967 (CCPA 1971); *In re Smith*, 458 F.2d 1389 (CCPA 1972)).

It is fairly easy to understand that a *broadened* definition as in *Ruscetta* must be denied priority: Thus, the parent application disclosed an invention utilizing the metal tantalum whereas the continuation-in-part application claimed a genus of tantalum *and also* the metals zirconium, titanium, niobium, and alloys of tantalum and niobium: There clearly was no support for the *additional* metals added for the first time in the new application. The *Ruscetta* case in turn relies upon the *Steenbock* case which also involved a broadening and where priority was thus denied *In re Steenbock*, 83 F.2d 912 (CCPA 1936). Judge Rich in *Ruscetta* explained the *Steenbock* case thusly:

“[*Ruscetta*] is an exact parallel to the situation in the *Steenbock* case [which] claimed the irradiation of fungus material broadly...as a continuation-in-part of an application ... which did not disclose the broad genus ‘fungus material,’ but only a specific fungus, yeast. The [prior art] references [included] Steenbock's own British specification published [between the parent and later applications]. Steenbock was allowed his specific yeast claims, supported by his parent application, because there was no ... statutory bar against them But as to the broad fungus material claims, [the intervening prior art references were] held to be statutory bars ... by the Board of Appeals. ... The board's finding was that because of the lack of supporting disclosure for broad fungus claims in the parent

applications, Steenbock had to rely on his [parent] filing date and therefore the references were ... statutory bars as to it; and this court, after restating the board's rejection as having been 'for the reason that each of the references * * * was published more than two years prior to the filing of the involved application,' affirmed that rejection. The Steenbock case is therefore directly in point and clear authority for the rejection of the broad claims herein." *Ruscetta*, 255 F.2d at 690."

§ 642 Narrowing Scope in a Continuing Application

While *Ruscetta* and *Steenbock* as discussed in § 641, *supra*, involved denial of priority because the *broadened* definition of the invention in the continuation-in-part in each case was not supported in the parent, *In re Lukach*, 442 F.2d 967 (CCPA 1971), demonstrates that a *narrowed* definition of an invention may also raise a question of lack of support.

The court in *Lukach* first points out that "where an applicant claims, as here, a class of compositions, he must describe that class in order to meet the description requirement of the statute. *Lukach*, 442 F.2d at 968-69 (citing *In re Ahlbrecht*, 435 F.2d 908 (CCPA 1971); *In re DiLeone*, 436 F.2d 1404 (CCPA 1971); *In re DiLeone*, 436 F.2d 1033 (CCPA 1971)).

Claim 1 in *Lukach* is directed to "[a] solid elastomeric copolymer of ethylene and propylene having ... a Mw/Mn ratio of at least 2.0 and less than about 3.0...." As to this specific feature of the claim, "[t]he question then is whether appellants have done so in the parent and grandparent applications." *Lukach*, 442 F.2d at 969.

“Looking to the grandparent application, we find no express mention of the Mw/Mn ratio of the copolymers described therein.... The matter of what language constitutes sufficient description to support a claim of given breadth has been a troublesome question. See, e.g., the *DiLeone* cases and *In re Ahlbrecht*, supra. An especially difficult aspect of this problem has been the situations involving specifications which describe broader subject matter than is subsequently claimed, e.g., a genus when a subgenus is claimed. Appellants urge that in the instant case their grandparent application disclosed a genus of copolymers having, among other characteristics, ‘narrow molecular weight distribution,’ and that they are now further limiting the claims to the subgenus wherein the distribution is indicated by a Mw/Mn ratio between 2.0 and 3.0. They point out that the examiner has agreed that one of the working examples in the grandparent inherently describes a copolymer which would have a Mw/Mn ratio of 2.6. ... The grandparent application states merely that the molecular weight distribution of copolymers therein described is ‘narrow.’ As far as we know from the record, this term has no reasonably precise meaning in the art, and hence we are unable to tell what relationship, if any, exists between the grandparent disclosure and the presently claimed class of copolymers. ...

“We are thus left with the single example inherently disclosing a copolymer having a Mw/Mn ration of 2.6. This single example does not alone provide support for the recited range from 2.0 to 3.0.... [T]he grandparent application does not, either expressly or inherently, disclose the invention now claimed, and appellant is not entitled to the benefit of the grandparent filing date.” *Id.*

§ 643 Concentric Rings of Generic Protection in the Provisional

At the time of drafting the provisional or other first application it may be difficult to make a precise prediction as to the true generic scope of an invention. But, one can speculate as to the broadest reasonable range that may be possible and also envision concentric rings of ever narrower protection that may also be important. For example, consider the *Lukach* case discussed in § 642, supra, where the only ratio of Mw/Mn known at the time of filing was 2.6. Yet, one could draft a patent specification that includes a statement along the following lines:

“The invention provides a solid elastomeric copolymer of ethylene and propylene having a Mw/Mn ratio of from about 0.5 to about 6.0. In another embodiment the Mw/Mn ratio is from about 1.0 to about 4.0. In another embodiment the Mw/Mn ratio is from about 2.0 to about 3.0.”

Here, a continuing application could include a claim to *any* of the expressly stated ranges while the other ranges could be deleted and there would then be full “written description” support.

§ 650 *New Railhead* Strict Provisional Application Priority Standards

The simplicity and lack of formalities of a provisional application does not mean that the *substantive* requirements for priority based upon such an application are any different than for any other parent application. The reality of this statement is explained in *New Railhead Mfg., L.L.C. v. Vermeer Mfg. Co.*, 298 F.3d 1290, 1294 (Fed. Cir. 2002)(Michel, J.).

New Railhead Mfg., L.L.C. v. Vermeer Mfg. Co.

United States Court of Appeals, Federal Circuit, 2002
298 F.3d 1290, 1294

MICHEL, Circuit Judge.

[T]he patented drill bit was the subject of a commercial offer for sale more than one year before the utility application was filed[;] the [patent] is invalid if it is not afforded the priority date of the provisional application. 35 U.S.C. § 102(b) (“A person shall be entitled to a patent unless ... the invention was ... on sale in this country, more than one year prior to the date of the application for patent in the United States.”).

As a part of the Uruguay Round Agreements Act, the Patent Statute was amended to allow applicants for United States patents to file provisional applications that could provide the priority date for a non-provisional utility application filed within one year of the provisional. See 35 U.S.C. § 111(b). Such a provisional application need only include a specification conforming to the requirements of 35 U.S.C. § 112 ¶ 1 and at least one drawing filed under § 113; no claims are required. 35 U.S.C. §§ 111(b)(1), (2). However, for the non-provisional utility application to be afforded the priority date of the provisional application, the two applications must share at least one common inventor and the written description of the provisional must adequately support the claims of the non-provisional application:

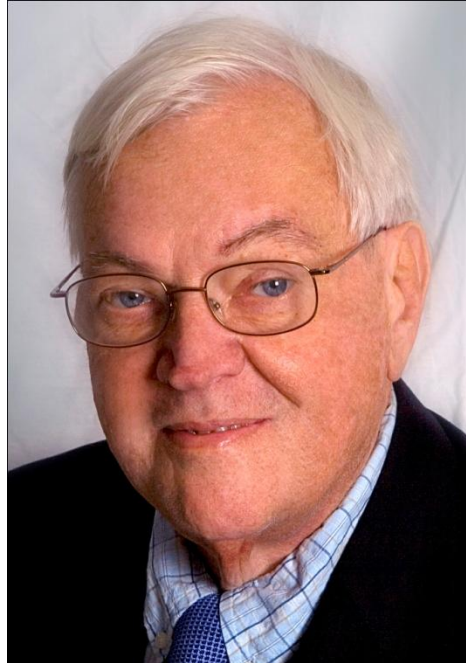
“An application for patent filed under section 111(a) or section 363 of this title for an invention disclosed in the manner provided by the first paragraph of section 112 of this title in a provisional application filed under section 111(b) of this title, by an inventor or inventors named in the provisional application, shall have the same effect, as to such invention, as though filed on the date of the provisional application filed under section 111(b) of this title, if the application for patent filed under section 111(a) or section 363 of this title is filed not later than 12 months after the date on which the provisional application was filed and if it contains or is amended to contain a specific reference to the provisional application.”

35 U.S.C. § 119(e)(1). In other words, the specification of the provisional must “contain a written description of the invention and the manner and process of making and using it, in such full, clear, concise, and exact terms,” 35 U.S.C. § 112 ¶ 1, to enable an ordinarily skilled artisan to practice the invention claimed in the non-provisional application.

As reiterated by Chief Judge Rader:

“Claims [in a later-filed application] deserve the provisional application’s earlier filing date so long as that [provisional] application contains adequate written description under 35 U.S.C. § 112. *Trading Techs. Int’l. Inc. v. Espeed Inc.*, 595 F.3d 1340, 1350 (Fed. Cir. 2010). Consistent with 35 U.S.C. § 112 ¶ 1, the written description of the provisional application must enable one of ordinary skill in the art to practice the invention claimed in the non-provisional application. *New Railhead Mfg., L.L.C. v. Vermeer Mfg. Co.*, 298 F.3d 1290, 1294 (Fed. Cir. 2002).”

Star Scientific, Inc. v. R.J. Reynolds Tobacco Co., ___ F.3d ___ (Fed. Cir. 2011)(Rader, C.J.)



HAROLD C. WEGNER continues his practice of patent law as a partner at Foley & Lardner LLP.

Prof. Wegner retains his affiliation with the George Washington University Law School where he had been Director of the Intellectual Property Law Program and Professor of Law.

Prof. Wegner's patent career commenced with service at the U.S. Department of Commerce as a Patent Examiner. He spent three years at the Max-Planck-Institut für Geistiges Eigentum in Munich where he was a *Wissenschaftliche Mitarbeiter*. He then became a *Kenshuin* at the Kyoto University Law Faculty under Dr. Kitagawa.

His involvement with other academic institutions has included service as a Visiting Professor at Tokyo University.

Prof. Wegner is a graduate of Northwestern University (B.A.) and the Georgetown University Law Center (J.D.); at Georgetown, he launched his teaching career as an Adjunct Professor of Law teaching International Licensing.

contact:

hwegner@foley.com