

From: Brad Pedersen
Sent: Saturday, October 06, 2012 8:55 AM
To: fitf_guidance
Subject: Substitute Comments on FITF Guidelines for MIPLA

Ms. Till:

Please substitute the attached comments for the comments originally submitted on behalf of MIPLA yesterday.

I was traveling out of the office and inadvertently submitted a version of the MIPLA comments in which there are two alternatives presented on the “on sale” issue.

After due consideration, the MIPLA Board elected to go with Alternative A in the prior comments, in support of maintaining status quo with respect to the “on sale” issue.

So the substitute comments submitted herewith delete Alternative B, and only present one position as representing the position on the “on sale” issue that is being urged by MIPLA..

If you have any questions on this, please feel free to contact me.

Brad Pedersen
Patent Practice Chair

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October 5, 2012

Email – fitf_guidance@uspto.gov

MAIL STOP – Comments-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

ATTENTION – Mary C. Till, Senior Legal Advisor

Re: Comments on Proposed Rules for:
Examination Guidelines for Implementing the First-Inventor-File
Provisions of the Leahy-Smith America Invents Act
77 Fed. Reg. 43759 et seq. (July 26, 2012)

The Minnesota Intellectual Property Law Association (MIPLA) is grateful for the opportunity to provide input with respect to the Notice of Proposed Rulemaking (NPR) entitled “Examination Guidelines for Implementing the First-Inventor-File Provisions of the Leahy-Smith America Invents Act,” 77 Fed. Reg. 43759 (July 26, 2012).

MIPLA is an independent organization of nearly 500 members in and around the Minnesota area representing all aspects of private and corporate intellectual property practice, as well as the academic community. MIPLA represents a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent law before the United States Patent and Trademark Office.

The comments submitted herewith reflect the general views of the Board of MIPLA after consultation and input from the IP Law, Patent Practice and Patent Litigation Committees, and do not necessarily reflect the view of opinions of any individual members or firms of the committees or MIPLA, or any of their clients.

Overall Comments/Suggestions

1. Support for Overall Framework of the Rule Changes – At a general and overall level, the rule changes proposed in the NPR implementing the first-inventor-to-file (FITF) provisions of the America Invents Act (AIA) are viewed by MIPLA as consistent with the AIA and with the history of that legislation leading up to its enactment in 2011.
2. As indicated in testimony by the undersigned at the Roundtable on the proposed Rules and proposed Examination Guidelines held at the USPTO on September 6, 2012, MIPLA believes that the proposed Examination Guidelines “get it right” in terms of: (i) balancing the *prima facie* burden which the Office has by statute

with incentives for having applicants provide early identification of assertions of priority and exception for prior art as part of the application process, and (ii) the assumption of symmetry between what will be considered to be “publicly available” for purposes of prior art under AIA Section 102(a)(1) and what will be considered a triggering disclosure for purposes of asserting the exceptions for prior art under AIA Section 102(b).

3. MIPLA also endorses those portions of the proposed Examination Guidelines that: (i) endorse the use of Section 101 as a basis for challenging the claimed invention in a patent or application under the AIA which is shown not have been invented by the named inventor, and (ii) continue the current approach for evaluating whether a claimed invention is “described in” a publication or patent filing.
4. However, MIPLA believes that the proposed Examination Guidelines “get it wrong” in terms of the standards proposed to be used for evaluating the scope of the exceptions created by a triggering disclosure for purposes asserting the exceptions for prior art under AIA Section 102(b). These portions of the proposed Examination Guidelines that create an asymmetry between the treatment of subparagraph (A) and subparagraph (B) exceptions by adopting a “narrow” construction of the subparagraph (B) exceptions for third party disclosures are: (i) not consistent with the legislative history, (ii) not supported by a proper statutory construction, and (iii) not good public policy. The detailed comments on these issues are presented in the article by the undersigned which is attached hereto, and which is adopted and incorporated as part of these comments.

Specific Comments/Suggestions

- A. *Clarification of “claim” in a priority/benefit context vs. “claim” in a claimed invention context* – MIPLA suggests that the proposed Examination Guidelines could be clarified if the Office would consistently use throughout the proposed Examination Guidelines the terms “benefit claim” or “priority claim” when using the term “claim” in the context of an applicant asserting the benefit of an earlier priority date for a given claimed invention. In most cases, the context of how the term “claim” is being used is apparent from a careful reading, but the use of the exact same term for two different purposes can be confusing on a quick read of the proposed Examination Guidelines.
- B. *Applicant Admissions Should Not Conclusively Make non-Prior Art Disclosures into Prior Art* – MIPLA disagrees with the proposed Examination Guidelines that an applicant admission should conclusively make the referenced information “prior art” for purposes of the applicant’s patent application. 77 Fed. Reg. at 43765, col. 3. No case law or rationale is cited in the proposed Examination Guidelines to support this interpretation. Such a conclusive standard does not permit consideration of the facts that could show a mistake in the admission or

ignorance of other exculpatory facts, such as subsequently discovered information that the disclosure was, in fact, derived from an inventor or joint inventor. Insofar as any disclosure is work by an applicant, there is Federal Circuit precedent embraced by the MPEP that is important to note. Under MPEP 2129, the Office has cited *Riverwood Int'l Corp. v. R.A. Jones & Co.*, with the relevant portion being bolded and underlined:

2129 Admissions as Prior Art [R-6]

I. ADMISSIONS BY APPLICANT CONSTITUTE PRIOR ART A statement by an applicant > in the specification or made < during prosecution identifying the work of another as “prior art” is an admission ** > which can be relied upon for both anticipation and obviousness determinations, regardless of whether the admitted prior art would otherwise qualify as prior art under the statutory categories of 35 U.S.C. 102. *Riverwood Int'l Corp. v. R.A. Jones & Co.*, 324 F.3d 1346, 1354, 66 USPQ2d 1331, 1337 (Fed. Cir. 2003); *Constant v. Advanced Micro-Devices Inc.*, 848 F.2d 1560, 1570, 7 USPQ2d 1057, 1063 (Fed. Cir. 1988). < **However, even if labeled as “prior art,” the work of the same inventive entity may not be considered prior art against the claims unless it falls under one of the statutory categories.** *Id.*; see also *Reading & Bates Construction Co. v. Baker Energy Resources Corp.*, 748 F.2d 645, 650, 223 USPQ 1168, 1172 (Fed. Cir. 1984) (“[W]here the inventor continues to improve upon his own work product, his foundational work product should not, without a statutory basis, be treated as prior art solely because he admits knowledge of his own work. It is common sense that an inventor, regardless of an admission, has knowledge of his own work.”). Consequently, the examiner must determine whether the subject matter identified as “prior art” is applicant’s own work, or the work of another. In the absence of another credible explanation, examiners should treat such subject matter as the work of another.

MIPLA believes that the better approach is to treat an applicant admission as a rebuttable presumption that the referenced information is “prior art”, and that the burden would then shift to the applicant to establish by evidence, not just attorney argument, that the referenced information is not, in fact, prior art under AIA Section 102(a).

- C. *Use of “Subject Matter of the Disclosure”* – MIPLA is concerned that the proposed Examination Guidelines adopt the language found in Rule 1.130 that introduces a new concept into the rules that is not recited in the statute or defined by the proposed Rule. See, e.g., 77 Fed. Reg. at 43765, col. 3. As explained in the attached article, the statutory phrase “subject matter disclosed” is unique to AIA Section 102(b) and 102(c) and must be interpreted and applied consistently by the Office in promulgating rules relating to these statutory provisions. The phrase used in proposed Rule 1.130 “subject matter of the disclosure” is not found in the statute or defined in the NPR. The usage of this phrase in the proposed Examination Guidelines and proposed Rules does not appear to be consistent and is used in some places to refer to the content of the prior art disclosure and in other places to refer to the content of the disclosure made by or from the inventor that is being relied upon to trigger an exception under AIA Section 102(b) or 102(c). More problematic is that the phrase is also used in

some places to reference the content of a rejection, instead of the content of either a prior art or inventor-based disclosure. The Office is urged to reconsider and revise the usage of the terminology in the final guidelines to make both the rules and the guidelines clear and consistent with respect to the meaning and application of the statutory language “subject matter disclosed.”

- D. *Concern About Use of Named Authors as a Presumptive Surrogate for Identifying Inventors* – MIPLA is concerned that the proposed Examination Guidelines with respect to determining whether it is apparent that a potential prior art disclosure is by an inventor or joint inventor. 77 Fed. Reg. at 43766, col. 1. The proposed Examination Guidelines are problematic to the extent that the proposed guidelines assumes a disclosure is not by an inventor or joint inventor based solely on any differences between the named inventors on a patent application and named authors on a publication. It is much more common for a publication corresponding to the subject matter disclosed to have more authors listed than the number of inventors listed on a patent application. In this situation, however, the proposed Examination Guidelines call for the Office to issue a rejection based on the publication because the number of authors is greater than the number of inventors listed on the application. This does not reflect the real world differences between naming author and inventors. It also may encourage an over inclusive naming of inventors on patent applications until the claims are in condition for allowance, at which point a request to change the inventors could be made to narrow the inventors relative to the claimed subject matter that is been indicated as allowable. MIPLA believes that a better approach is to assume that a publication is not by or from the inventors if there are no inventors in common with any of the authors listed on the publication, and if there is some, but not complete, overlap between inventors and authors, to instruct the Examiner to evaluate the publication and use his or her best judgement on whether there may be reason to believe that the publication is not by or for the inventors and issue a provisional rejection which the applicant could then overcome by submission of further evidence in response to the reasons identified by the Examiner for concern about the applicability of the exceptions of AIA Section 102(b) to the publication in question.
- E. *Concerns about Translations of Foreign Priority Cases used as Prior Art under Section 102(a)(2)* – MIPLA has both questions and concerns about the proposed Examination Guidelines in terms of translations of foreign patent applications that may qualify as either priority documents or as prior art. *See, e.g.,* 77 Fed. Reg. at 43768, col. 2. The proposed Examination Guidelines make the distinction between actually being entitled to a priority claim to, or the benefit of, a prior-filed application, and merely being entitled to claim priority to, or the benefit of, a prior filed application. However, the proposed Examination Guidelines do not provide any guidance on how the Office will apply prior art that claims the benefit of a foreign application, but which may not be in the English language. Because the burden is on the Office to establish a proper basis for a AIA Section

102(a)(2) rejection, the guidelines should to establish that any priority document relied upon as prior art by the examiner must be shown to establish a *prima facie* rejection. To the extent possible, MIPLA suggests that the Office should utilize machine translations to identify support in a priority document that is being relied upon in support of a rejection. Applicant can then, in rebuttal, provide a certified translation to prove that a machine translation is inaccurate and that the purported support for a given rejection does not exist.

- F. *Concern about Suggestion that an Enabling Disclosure must be Communicated for Rule 1.130 Declarations* – MIPLA is concerned that the proposed Examination Guidelines inappropriately suggest that the term “subject matter disclosed” requires communication of an enabled invention. 77 Fed. Reg. at 43767, col. 1 and footnote 40. As discussed in the attached article, the statutory analysis of what Congress intended by the phrase “subject matter disclosed” can not include a requirement of enablement as required by Section 112, as the disclosure whether internal or external, may occur at a point in the Invention Continuum that is prior to a formalization of the information being conveyed. Moreover, there is no basis in the statute for the requirement of enabling disclosure under Section 112, and there is a statutory basis for concluding the opposite in that Congress expressly provided that patent filings as prior art under AIA Section 102(a)(2) are considered prior art as of the date that the “subject matter [is] described in”, regardless of what the actual effective filing date is for that patent filing. AIA Section 102(d). Finally, it is noted that the citation to the *Gambro* case in footnote 40 is not consistent with the final rules that have been promulgated for derivations which permit a claim of derivation to be made if the claimed invention allegedly derived is shown to be “the same or substantially the same invention disclosed to the respondent.” 37 CFR § 42.405(b)(3)(ii) (Sept. 12, 2012).
- G. *Suggestion for Further Guidance on “publicly available”* – MIPLA suggest that the proposed Examination Guidelines should provide more guidance on fact patterns not found in current case law, but that will need to be evaluated during the prosecution of AIA patent applications. 77 Fed. Reg. at 43763, col. 1. Specifically, the Office should consider providing guidance on the “permanence” issue in terms of online materials, e.g. how long does online material need to be online and how available in terms of searching and crawlers identifying links to the online materials, and whether passwords or other restricted access legends on online materials serve to disqualify the materials as being publicly available. The Office should also consider providing guidance on the “economic” issue in terms of high priced materials that are potentially available to anyone in the public, but only at prices that are significantly above the current costs of getting republications of articles or buying books that might range from \$1-\$100. For example, if an analyst report on a given industry is prior art in terms of its publication date, but the cost of that report is \$1000 or more in order to obtain access, will that kind of a document be considered by the Office to be “publicly available.”

- H. *Concerns about Piecemeal Use of Prior Art* – MIPLA is concerned about what appears to be guidance for the use of piecemeal rejections based on prior art. The proposed Examination Guidelines with respect to AIA Section 102(b) subparagraphs (B) each includes a paragraph on how only insubstantial or trivial differences in the prior art and the subject matter disclosed by, for or from the inventor to “trigger” the FTP Grace Period Exception can preclude the exception from applying. *“Even if the only differences between the subject matter in the prior art disclosure being relied upon under 35 U.S.C. 102(a) and the subject matter publicly disclosed by the inventor before such prior art disclosure ...”* See, e.g., 77 Fed. Reg. at 43767, col. 2. MIPLA notes that the language used in these sentence on the applicability of the FTP Grace Period Exception, at a minimum, needs to be reviewed and cleaned up to prevent what is assumed to be an unintended interpretation of the language that “the only differences ... being relied upon” is instructing examiners to consider the prior art in a piecemeal fashion, rather than considering the prior art as a whole.
- I. *Guidelines for “On Sale” Activities*: In response to the Office’s request for comment on the extent to which public availability plays a role with respect to “on sale” prior art defined in AIA 35 U.S.C. 102(a)(1), MIPLA believes that an offer for sale needs to be “public available” in order to qualify as “on sale” prior art under AIA Section 102(a)(1). As noted in footnote 29 of the proposed Examination Guidelines, AIA Section 102(a)(1), unlike pre-AIA 35 U.S.C. 102(b), contains the residual clause “or otherwise available to the public.” Further, as noted in the footnote, the legislative history of the AIA indicates that the inclusion of this clause in AIA Section 102(a)(1) should be viewed as indicating that AIA Section 102(a)(1) does not cover non-public uses or non-public offers for sale, and that the effect of adding the words ‘or otherwise available to the public’ is confirmed by judicial construction of this phraseology where the courts have consistently found that when the words ‘or otherwise’ or ‘or other’ when used as a modifier at the end of a string of clauses restricts the meaning of the preceding clauses.

MIPLA recognizes that adopting this interpretation for “on sale” will create some uncertainties for certain fact patterns, such as whether or not public sale of a product produced by a secret process makes that process publicly available and whether changes in technology can at some point make what had been a secret process no longer a secret process because that process has become publicly available as a result of new technology that can enable public reverse engineering of the process from the product that is “on sale”. Accordingly, MIPLA encourages the Office to provide guidance for the interpretation in these kinds of situations based on whether “reverse engineering” does or does not make an otherwise secret process “publicly available,” and on how the Office expects to handle situations where the techniques for “reverse engineering” evolve and a secret process is no longer secret based on the new technique to reverse engineer the process from the product that is “on sale.”

Submitted on behalf of MIPLA by:

/s/

Brad Pedersen
Chair, MIPLA IP Law Revision Committee

STATUTORY CONSTRUCTION AND POLICY ARGUMENTS
FOR A SYMMETRIC APPROACH TO PROMULGATING GUIDELINES
FOR NEW SECTION 102(B) SUBPARAGRAPHS (A) AND (B) –
THE FIRST-TO-PUBLISH GRACE PERIOD EXCEPTIONS TO PRIOR ART

BRAD PEDERSEN¹ and CHRISTIAN HANSEN²

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I. INTRODUCTION

On July 27, 2012, the United States Patent and Trademark Office (USPTO) published Proposed Examination Guidelines for the new First-Inventor-To-File (FITF) provisions enacted by Section 3 of the Leahy-Smith America Invents Act (AIA).³ These Proposed Guidelines set out the Patent Office’s interpretation of the new FITF provisions, and are aimed at advising the public and the Examining Corps on how the changes may impact the provisions of the Manual of Patent Examining Procedure (MPEP).⁴ The most important of the new FITF provisions are the major revisions to Section 102, including New Section 102(b) that now defines the only exceptions to what otherwise will be considered prior art under New Section 102(a)—often referred to as the First-To-Publish (FTP) Grace Period Exceptions. The Proposed Examination

¹ Brad Pedersen is a shareholder with the law firm of Patterson Thuente Christensen Pedersen, PA. He is also an author of *The “Matrix” For Changing First-To-Invent: An Experimental Investigation into Proposed Changes in U.S. Patent Law*, 1 CYBARIS 1 (2010). The views expressed in this article are not attributable to the law firm or to any clients of the law firm.

² Christian Hansen is a law clerk with the law firm of Patterson Thuente Christensen Pedersen, PA.

³ 77 Fed. Reg. 43,759–43,773 (July 26, 2012).

⁴ *Id.* at 43760.

Guidelines have added fuel to the current debate over how the new First-To-Publish Grace Period Exceptions of New Section 102(b) should be interpreted. This article presents both statutory construction and policy arguments for why the Proposed Examination Guidelines should be modified to adopt a symmetric approach to how the Office will interpret and implement the FTP Grace Period Exceptions of New Section 102(b) subparagraphs (A)—for the inventor’s own grace period prior art—and subparagraphs (B)—for the grace period prior art of third parties.

II. BACKGROUND

Section 102(a) of the AIA lays the foundation of the new First-Inventor-To-File provisions. New Section 102(a) is reproduced below:

- (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.⁵

Accordingly, under New Section 102(a)(1) novelty destroying prior art exists if a disclosure of the claimed invention was publicly accessible anywhere in the world before the effective filing date. Under New Section 102, novelty destroying prior art exists if the claimed invention was described in an earlier-filed, non-public U.S./U.S. PCT patent application of another inventor that is later published.

These changes represent major changes to U.S. patent law, and have been characterized as attempts to more closely align U.S. patent law with the absolute novelty requirement that is

⁵ Leahy-Smith America Invents Act, Pub. L. No. 112-29, §102(a)-(d), 125 Stat. 284, 285-86 (2011) (to be codified at 35 U.S.C. § 102(a)).

used by virtually all other countries around the world.⁶ However, the AIA does not bring U.S. Patent law in complete conformance with the absolute novelty requirement.⁷ Specifically, there are a number of exceptions to New Section 102(a) which appear in New Section 102(b). New Section 102(b) is reproduced below:

(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 [grace period public] disclosure, been publicly disclosed by the inventor or joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

(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; or

(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or 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.

Generally, these exceptions, often referred to as the First-To-Publish (FTP) Grace Period

⁶ Peterson & Woo, page 4.

⁷ *See id. at 1* (Director Kappos stating that rather than focusing on pure harmonization the new AIA “must be rooted in global best policies and practices—basic principals we agree define a 21st century patent system that maximally accelerates technological progress”). *See also* Robert A. Armitage, Senior Vice President and General Counsel Eli Lilly and Company, Before The United States House of Representatives Committee on the Judiciary (May 16, 2012).

For decades, efforts at U.S. leadership on creating more globally harmonized patent laws have been stymied because the majority of the U.S. patent community had no interest in seeing our patentability standards and criteria exported globally. When U.S. interests defined the “best practices” internationally for crafting a patent law and patent system, those practices were in key respects absent in our laws. The AIA has ended that era of followership for the United States. The supporters of the AIA look at its provisions as the epitome of best patenting practices.

Id.

Exceptions, permit the inventor a grace period where he may public disclose the invention without destroying patentability. New Section 102(b)(1) applies to Section 102(a)(1) prior art and has two separate exceptions, while New Section 102(b)(2) applies to Section 102(a)(2) prior art and has three exceptions. New Section 102(b)(1)'s two exceptions provide that: (A) a public disclosure of the inventor's own work will not be deemed prior art, as long as the disclosure did not occur more than 1-year prior to filing; and (B) any subsequent disclosure by a third-party based on a previous public disclosure of the inventor's own work will not be deemed prior art, as long as the subsequent disclosure pertains to the same subject matter disclosed previously. New Section 102(b)(2)'s three exceptions provide essentially the same exceptions for subsections (A) and (B), as well as an exception (C) that a public disclosure by the inventor's co-workers and research collaborators will not be deemed prior art, as long as the disclosure did not occur more than 1-year prior to filing.

It is the Patent Office's interpretation of what qualifies as the same "subject matter disclosed" previously under the New Section 102(b) subparagraphs (B) that is of concern. The Office has interpreted the statute in very narrowly, such that if the third-party changes the subject matter disclosed from what the inventor had previously disclosed, even if those changes merely are "insubstantial" or "trivial" variations or changes, that subsequent third-party disclosure could be used as prior art against the inventor.⁸ Such an interpretation would permit a third-party to publish following its awareness of the public disclosure by the inventor, include some small variation in their publication, and thus prevent the inventor from utilizing the FTP Grace Period Exception provided under New Section § 102(b). The Office's narrow interpretation is in direct conflict with how the substantial majority of patent practitioners have interpreted the language of

⁸ FR cite 43767.

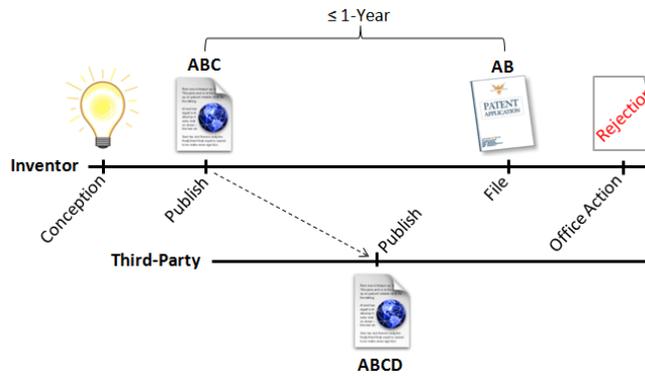
New Section 102(b) subparagraphs (B).⁹ Most practitioners would interpret subparagraphs (B) more broadly to mean that if an inventor publically discloses their invention, then subsequent publications cannot be used against the inventor to defeat patentability. Thus, early public disclosure inoculates an inventor against subsequent disclosures by third-parties.

Besides majority support, there is evidence that Congress intended subsections (B) to be interpreted broadly. In fact, Senator Kyl (R-AZ) stated that “under new section 102(b)(1)(B), once the U.S. inventor discloses his invention, no subsequent prior art can defeat the invention.”¹⁰ However, under the Office’s Proposed Rules, this would not be the case.

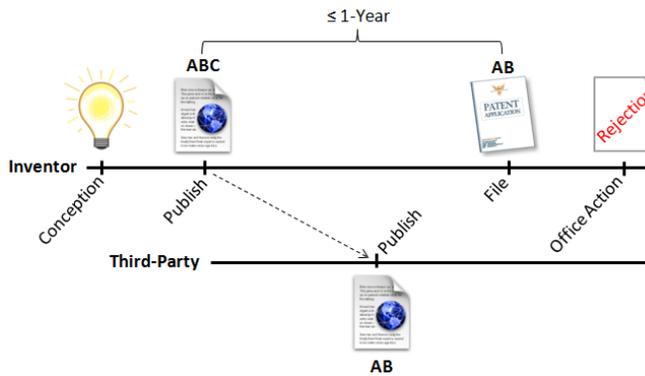
For illustration, imagine that an independent inventor and small business owner conceives of an idea. She thinks it is a pretty good idea, but is not sure if it is marketable so she publically discloses the idea on her website to see if it attracts any interest (discloses A+B+C). The idea catches on and seems like it may be profitable, so within 1-year of the public disclosure she files a patent (claiming A+B). However, before she filed her patent application a third-party copied portions of her disclosure and also added to it, posting the new disclosure on their website (disclosing A+B+C+D). During prosecution the Examiner sees both publications and rejects all claims as anticipated under New Section 102(a). The inventor can overcome her own disclosure according to the New Section 102(b)(1)(A) exception, but under the Proposed Rules for New Section 102(b)(1)(B) she cannot overcome the third-party disclosure rejection because it contains at least “insubstantial” or “trivial” variations from her own publication.

⁹ *Gene Quinn*, Defending the USPTO Interpretation of the New Grace Period, IPWatchdog. com

¹⁰ Citation.



The same outcome occurs when the third-party under discloses what had previously been disclosed by the inventor. In other words, if the inventor discloses A+B+C, and a third-party subsequently discloses A+B, the third-party disclosure would be prior art under New Section 102(a), and no exception would apply under New Section 102(b)(1)(B) as interpreted by the Proposed Rules.



Thus, if the Proposed Rules are adopted by the Patent Office, both a subsequent over-disclosure and an under-disclosure by a third-party of an inventor's publication could serve as a bar to patentability.

III. STATUTORY INTERPRETATION

While there are many different ways in which variations on the words “disclose” and “describe” are used throughout the AIA and within New Section 102.¹¹ The Proposed

¹¹ New Section 102 of the AIA is reproduced below with some editorial insertions and emphasis added to highlight

and clarify any variations on the words “disclose” and “describe” used in this section in order to better frame the discussion on the statutory interpretation of the FTP Grace Period Exceptions:

§ 102. Conditions for patentability; novelty.

(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 [grace period public] 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 [grace period public] 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 [grace period public] disclosure, been publicly disclosed by the inventor or joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

(2) DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS. – [grace period public] 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; or

(B) the subject matter disclosed had, before such [grace period patent filing] subject matter was effectively filed under subsection (a)(2) [as determined pursuant to section (d)], been publicly disclosed by the inventor or 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 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 of such application that describes the subject matter.

Guidelines take the approach of “treating the term ‘disclosure’ [as used in New Sections 102(b)(1)(A), 102(b)(1)(B) and 102(b)(2)] as a generic expression intended to encompass the documents and activities enumerated in New Section 102(a).”¹² This approach is both useful and appropriate for evaluating all of the various kinds and ways in which the “how” of a disclosure may be made in order to determine whether those actions/things qualify as: (i) prior art under New Section 102(a), and (ii) triggers for an FTP Grace Period Exception under New Section 102(b). In essence, the approach insures that there is symmetry between how the Office will evaluate actions/things under new Section 102(a) for whether those actions/things qualify as publicly available prior art or patent filings and how the Office will evaluate actions/things under New Section 102(b) for whether those actions/things constitute a triggering public disclosure for purposes of invoking the FTP Grace Period Exception.

However, the Proposed Guidelines do not use the same kind of symmetric approach when it comes to determining what will be considered to be within the scope of the FTP Grace Period Exceptions. Specifically, it is the phrase “subject matter disclosed” which has been getting most of the attention in debating the proper interpretation of the FITF provisions. The Proposed Guidelines end up with an open and “broader” view of the scope of what the FTP Grace Period Exceptions cover for inventor-related matters under New Section 102(b) subparagraphs (A), but take a very “narrow” view of the scope of what the FTP Grace Period Exceptions cover for third party-related matters under New Section 102(b) subparagraphs (B). The apparent reason for this difference is that the Proposed Guidelines focus exclusively on answering the “who” question when it comes to the inventor-related FTP Grace Period Exceptions of New Section 102(b) subparagraphs (A), i.e., who made the disclosure and is there proof that the disclosure

Leahy-Smith America Invents Act, Pub. L. No. 112-29, §102(a)-(d), 125 Stat. 284, 285-86 (2011) (to be codified at 35 U.S.C. § 102(a)-(d)).

¹² 77 Fed. Reg. 43,759, 43,774 (July 26, 2012).

was made by or for the inventor; whereas for the third party-related FTP Grace Period Exceptions of New Section 102(b) subparagraphs (B) the Proposed Guidelines add a “what” question to the analysis, i.e., what was the disclosure by or for the inventor and is that disclosure similar enough to the disclosure by the third-party so as to invoke the third party-related FTP Grace Period Exceptions. More importantly, the Proposed Guidelines answer this additional “what” question with a new and very “narrow” test for determining the scope of what would be considered to be within the FTP Grace Period Exception for third-party related materials.

From a statutory construction analysis, there is no basis for any kind of asymmetric approach. New § 102 requires consistent approaches to answering both the “who” and the “what” questions in determining whether the FTP Grace Period Exceptions may or may not apply, regardless of whether the exceptions are being applied to the inventor’s own grace period prior art or the grace period prior art of third parties. Furthermore, there is absolutely no basis in New Section 102 for creating a very “narrow” test when answering the “what” question for only the grace period prior art of third parties.

The relevant portion of the Proposed Guidelines that tee up the “narrow” view of the “what” question that must be answered when evaluating the FTP Grace Period Exceptions for third-party related matters are reproduced below:

The exception in 35 U.S.C. 102(b)(1)(B) applies if the “ ‘subject matter’ disclosed [in the prior art disclosure] had, before such [prior art] disclosure, been publicly disclosed by the inventor or a joint inventor * * * .” Thus, the exception in 35 U.S.C. 102(b)(1)(B) requires that the subject matter in the prior disclosure being relied upon under 35 U.S.C. 102(a) be the same “subject matter” as the subject matter publicly disclosed by the inventor before such prior art disclosure for the exception in 35 U.S.C. 102(b)(1)(B) to apply. Even if the only differences between the subject matter in the prior art disclosure that is relied upon under 35 U.S.C. 102(a) and the subject matter publicly disclosed by the inventor before such prior art disclosure are mere insubstantial changes, or only trivial or obvious variations, the exception under 35 U.S.C. 102(b)(1)(B) does not apply.¹³

¹³ 77 Fed. Reg. 43,759, 43,767 (July 26, 2012). *See also id.* at 43,769 (using much of the same language).

We now divide this section into three parts to highlight three separate errors in statutory analysis that result in the Proposed Guidelines getting it wrong in proposing a “narrow” view of the FTP Grace Period Exceptions for third-party related matters under the New Section 102(b) subparagraphs (B). The first error relates to the focus on interpreting just the phrase “subject matter,” instead of recognizing that it is the entire phrase “subject matter disclosed” that must be construed. The second error relates to the consequences of improperly focusing on just the “differences” between the disclosure triggering the exception and the prior art that might be subject to the exception. The third error relates to the improper creation of a new “narrow” standard that is so narrow that it renders the FTP exceptions for third party-related materials effectively meaningless.

A. First Construction Error—Inconsistent Phrase Construction

It appears that the first error arises out of an incorrect assumption that the term “disclosed” in subparagraphs (B) can be construed separately from the terms “subject matter.”

This is illustrated by the Office’s comments that:

[T]he exception in 35 U.S.C. 102(b)(1)(B) requires that the subject matter in the prior disclosure being relied upon under 35 U.S.C. 102(a) be the same “subject matter” as the subject matter publicly disclosed by the inventor before such prior art disclosure for the exception in 35 U.S.C. 102(b)(1)(B) to apply.¹⁴

While the “how” question must be answered for the FTP exceptions for third-party

¹⁴ 77 Fed. Reg. 43,759, 43,767 (July 26, 2012). *See also* new § 102(b) subparagraph (B):

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 [subsections (a)(1) and (a)(2)] if ... the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

Leahy-Smith America Invents Act, Pub. L. No. 112-29, §102(b) subparagraphs (B), 125 Stat. 284, 285-86 (2011) (to be codified at 35 U.S.C. §§ 102(b)(1)(B) and 102(b)(2)(B)) (emphasis added).

related materials (i.e., how was the initial disclosure made), the answer does not need to be found in the phrase “subject matter disclosed” in subparagraphs (B), as that requires separation of the term “subject matter” from the term “disclosed.” Rather, the answer to the “how” question can be found in the phrase “publicly disclosed.” Accordingly, there is no need to interpret the term “disclosed” as somehow being separate from the terms “subject matter,” such that the word “disclosed” would need to be interpreted as a variation of the words “disclose” or “describe” that are used in New Section 102(a).

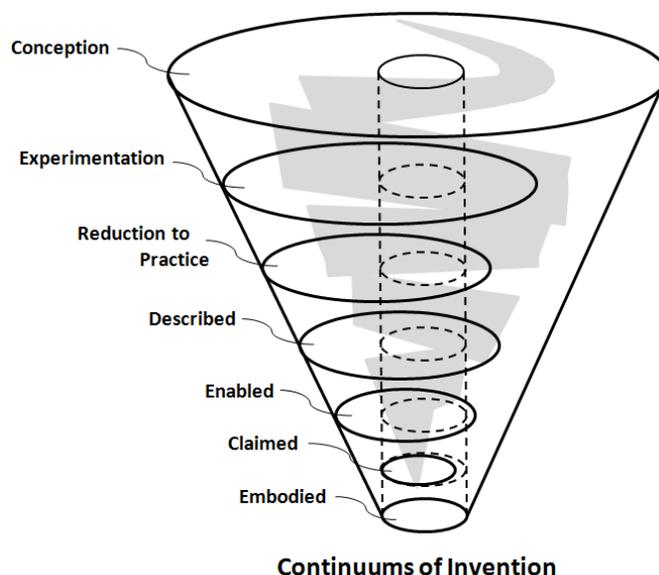
The correct approach to interpreting New Section 102(b) is to start by presuming that where one section uses different words or phrases than another section Congress must have intended the words or phrases to have different meanings.¹⁵ Using such an approach to statutory construction is particularly important in this situation where the specific phrase “subject matter disclosed” is a phrase that is wholly unique to New Sections 102(b) and 102(c). The specific phrase “subject matter disclosed” is used nine (9) different times in these two sections, but this specific phrase is not used anywhere else in the AIA or in 35 U.S.C. As will be seen from the analysis and discussion that follows, in order for the phrase “subject matter disclosed” to be understood as referring to the same actions and/or things over the nine (9) different usages of this same specific phrase in New Sections 102(b) and (c), the phrase “subject matter disclosed” should be understood as referring to *the conveyance of information about an invention before that invention has been fully described, enabled or claimed.*

Inherent in this interpretation is the understanding that because this phrase encompasses a conveyance of information without the invention being fully described, enabled or claimed, the

¹⁵ See *DirectTV Inc. v. Brown*, 371 F.3d 814, 818 (11th Cir. 2004) (“Where the words of a later statute differ from those of a previous one on the same or related subject, the Congress must have intended them to have a different meaning.”) (citing *Muscogee (Creek) Nation v. Hodel*, 851 F.2d 1439, 1444 (D.C.Cir.1988), cert. denied, 488 U.S. 1010 (1989)). *C.f.* *Nijhawan v. Holder*, 557 U.S. 29, 39 (2009) (“where ... Congress uses similar statutory language and similar statutory structure in two adjoining provisions, it normally intends similar interpretations”).

“subject matter disclosed” is necessarily referencing information that may be amorphous and imprecise and that very likely will change and mature as the information about the invention is refined into a fully described, enabled and claimed invention. It is also important to note that the phrase “subject matter disclosed” is used in New Sections 102(b) and (c) to refer to conveyances of information about an invention that are both private (e.g., the conveyance of information about an invention by an inventor to someone else within a company who is directed to prepare and publicly release information about the invention or prepare and file a patent application for the invention), and public (e.g., the publication, public disclosure, patent filing that is later published or other ways of making of information about the invention publicly available).

To provide a context for why the phrase “subject matter disclosed” must be understood as suggested, and to better appreciate the challenges Congress had in codifying an understanding about an invention before that invention has been fully described, enabled or claimed, it is helpful to graphically present a set of simplified diagram of the invention process by which ideas are turned into real embodiments of an invention. The figure below outlines the various steps that can occur in what will be referred to as the Continuums of Invention.



The Continuums of Invention start when ideas about an invention are formed or

conceived, a part of the process that has come to be known as the “conception” of an invention.¹⁶ After this, the process can diverge into different paths that may or may not involve further development, refinements and testing of the invention (i.e. “experimentation”). Sometimes, there may be actual building or conducting of examples of the invention in a part of the process referred to as “actual reduction to practice.”¹⁷ Other times, the first reduction to practice is the preparation and filing of a patent application, a “constructive reduction to practice.”¹⁸ Before or after the filing of a patent application, information about the invention may also be made publicly available, for example by publication an academic paper or presentation of a video on a web site, in what will be referred to as a “description” of the invention. It should be noted that a patent application must have also a “written description” as part of the requirements of Section 112 as part of a necessary, but not sufficient conditions for patentability. To be sufficient to satisfy the requirements of Section 112 a patent application must also convey enough information about the invention to permit a person skilled in the art to make and practice that invention, what is referred to as the legal requirement of enablement.¹⁹ For purposes of patenting an invention, the invention must be “claimed” in that a patent application must include at least one claim that sets forth the legal metes and bounds of the invention.²⁰ And, before or after a claimed invention has been prosecuted and issued as a patent, there may or may not be actual real world embodiments of the invention that are made, used or sold, which are shown in the Continuums of Invention as “embodiments” representing the final part of the process. It can be seen that for any given invention, the actual path along the Continuums of Invention can only be determined by a *post hoc* analysis. Just like deciding whether a given real world embodiment

¹⁶ *Burroughs Wellcome Co. v. Barr Labs. Inc.*, 40 F.3d 1223, 1227–28 (Fed. Cir. 1994) (“Conception is the touchstone of inventorship”) (citing *Sewall v. Walters*, 21 F.3d 411 (Fed.Cir.1994)).

¹⁷ *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1376 (Fed. Cir. 1986).

¹⁸ *Id.* (citing *Weil v. Fritz*, 572 F.2d 856, 865 n. 16 (CCPA 1978) (defining constructive reduction to practice as “the filing of a complete and allowable application”)

¹⁹ *See Ariad Pharmaceuticals, Inc. v. Eli Lilly and Co.*, 598 F.3d 1336, 1334 (Fed. Cir. 2010).

²⁰ *See* 35 U.S.C. §112 ¶2 (2012).

does or does not infringe an issued and valid patent claim is a determination that can only be made after the patent has been issued and after the particular embodiment of the method or apparatus has been made, used or sold.

Thus, the Continuums of Invention diagram illustrates why the two occurrences of the phrase “subject matter disclosed” in the context of the FTP Grace Period Exceptions of subparagraphs (B) of New Section 102(b) must be interpreted as referring to a conveyance of information somewhere in the middle of the Continuums of Invention. The proper interpretation of the phrase “subject matter disclosed” is not at the extreme of a specific embodiment of the information.

The Continuums of Invention diagram also illustrates why an asymmetric interpretation of the phrase “subject matter disclosed,” that is applied only with respect the FTP Grace Period Exceptions of New Section 102(b) subparagraphs (B), results in an inconsistent and improper construction of the statute. Under New Section 102(b) subparagraphs (A), there are two ways in which the grace period public disclosure can be triggered: (i) if public disclosure is “made by the inventor or joint inventor,” or (ii) if public disclosure is made “by another who obtained the *subject matter disclosed* directly or indirectly from the inventor or a joint inventor.” Thus, we see that the phrase “subject matter disclosed” is used in each of the New Section 102(b) subparagraphs (A) provides the context of how an inventor can internally convey information to others who then trigger the FTP Grace Period Exception. This same “internally conveyed” context in which an inventor conveys information to another not an inventor who then publicly discloses some version of that information can also be found in the four occurrences of the phrase “subject matter disclosed” throughout New Sections 102(b) subparagraphs (B).

If the “narrow” interpretation set forth in the Proposed Guidelines is used in any of these “internally conveyed” contexts, the result is plainly not what Congress intended. Assume, for

example, that the information representing the subject matter is conveyed from an inventor to an editor who then refines and revises an article for publication. These changes by the editor are almost certain to add some “insubstantial changes” to the information conveyed from the inventor.²¹ This would mean that the exception for the inventor’s own work would not apply whenever the content of the subject matter was changed even by an insubstantial amount by the person who, with authority from the inventor, receives, revises and then publishes that information.

Another example of why a “narrow” interpretation used in an “internally conveyed” context does not operate in a manner that Congress intended occurs in a situation involving the further refinement of the subject matter conveyed from an inventor by a non-inventor who assists in the actual reduction to practice of the invention. Case law is clear that such assistance in the actual reduction to practice is something that may need to happen. If that assistance does not rise to the level of a patentable contribution to the initial conception of the invention, then the individuals who are assisting in the actual reduction to practice are not deemed to be inventors, even though they are almost certain to make “insubstantial changes” to the subject matter information about the invention that was conveyed to them.²² Again, this example shows how the exception for the inventor’s own work under a “narrow” interpretation of the phrase “subject matter disclosed” would not apply if the inventor receives help from others in taking a conception to actual reduction to practice.

A final example of how a “narrow” interpretation used in an “internally conveyed” context would operate in a manner that is not what Congress intended is a situation involving the conveyance of information about the subject matter of an invention from an inventor to a patent

²¹ Cite to FR.

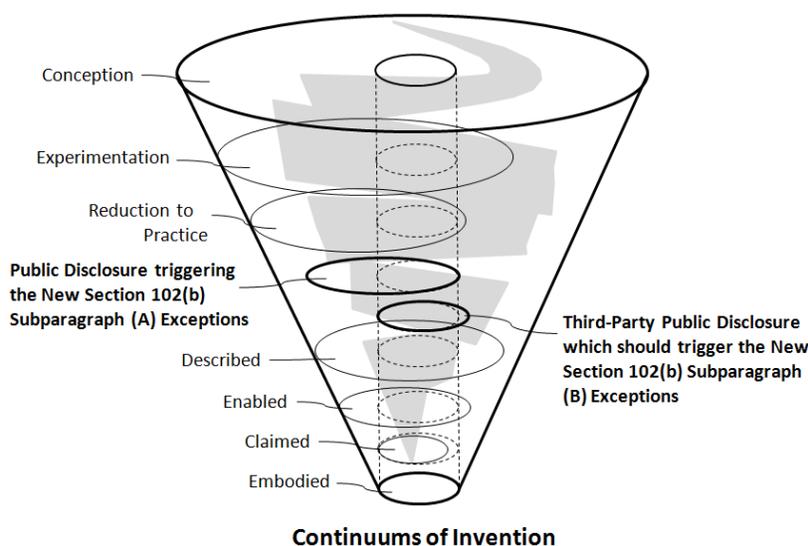
²² See *Shatterproof Glass Corp. v. Libbey-Owens Ford Co.*, 758 F.2d 613, 624 (Fed. Cir. 1985) (“An inventor ‘may use the services, ideas and aid of others in the process of perfecting his invention without losing his right to a patent.’”) (quoting *Hobbs v. U.S. Atomic Energy Comm.*, 451 F.2d 849, 864 (5th Cir. 1971)).

attorney for purposes of preparing a patent application for that invention. Where the invention has not yet been reduced to practice, the filing of the patent application is referred to as a constructive reduction to practice. Again, the patent attorney is almost certain to make “insubstantial changes” to the information that represents the subject matter for the invention as part of the preparation of the patent application.²³ So, if the “narrow” interpretation of “subject matter disclosed” is used, the essential process of formalizing the subject matter of an invention as part of preparation of a patent application would most likely cause the inventor to lose the benefit of any exceptions for the inventor’s own work with respect to other patent filings that end up being published.

The remaining three occurrences of the phrase “subject matter disclosed” occur in the context of determining the timing of when an invention is “developed” for purposes of determining whether the so-called “team” exceptions of New Section 102(b)(2)(C) for inventions subject to a common obligation of assignment and New Section 102(c) with respect to Joint Research Agreements. And, again, none of these occurrences of the phrase “subject matter disclosed” used in the context of the “team” exceptions would operate as intended if a narrow construction of this phrase is adopted.

As shown in the figure below, the proper interpretation of the phrase “subject matter disclosed” must occur along the Continuums of Invention someplace after some or all of conception, experimentation and reduction to practice that happen for an invention, and someplace before the description, enablement, claims and specific embodiments of the invention are formalized in a patent application or public disclosure.

²³ Find cite.



B. Second Construction Error —Improper Focus on Only the “Differences”

As part of the “narrow” construction accorded the FTP Grace Period Exception for third party-related materials, the Proposed Guidelines set forth a standard that looks only to differences in the prior art versus the triggering disclosure. This is illustrated by the Office’s comments that:

Even if the only *differences* between the subject matter in the prior art disclosure that is relied upon under 35 U.S.C. 102(a) and the subject matter publicly disclosed by the inventor before such prior art disclosure [are merely insubstantial or trivial, then the exception does not apply].²⁴

This proposed standard would require that the statutory language be amenable to interpretation such that each of the “subject matter disclosed” and the “[grace period public] disclosure” or the “[grace period patent filing] disclosure” of New Section 102 can be analyzed in pieces, instead of being analyzed as a whole.²⁵ A plain reading of the statutory language makes clear that the statute is referencing the entirety of both the publicly disclosed actions/things by or for the inventor and the grace period disclosures by a third party. No support or rationale is provided in the Proposed Guidelines to justify a piece-meal approach to

²⁴ 77 Fed. Reg. 43,759, 43,767 (July 26, 2012) (emphasis added).

²⁵ See *infra*.

evaluating whether to invoke the FTP Grace Period Exception for third party-related materials. Moreover, if the proposed standard is susceptible to a piece-meal evaluation, then the proposed standard is also vague in that it is unclear whether the exception is being applied to only the differences or to the entire grace period disclosure by a third party.

A standard that focuses solely on express differences ignores a well-established body of case law with respect to inherent disclosures.²⁶ The trivial or insubstantial differences in the express disclosures of a prior art disclosure versus the triggering disclosure may, in fact, be inherently disclosed. In these situations, a strict application of the proposed “narrow” standard would run counter to the doctrine of inherent disclosure. Under the doctrine of inherent disclosure, an earlier reference may anticipate a later reference even though it may not disclose a particular characteristic expressly disclosed in the later reference, provided that the missing characteristic is necessarily present, or inherent in the anticipating reference.²⁷ Thus, it is a realistic possibility that under the narrow interpretation presented by the Proposed Rules, a later publication by a third party could defeat patentability by publically disclosing something that was inherently—but not expressly—present in a earlier disclosure.

While Congress gave the Office limited rulemaking authority in the context of implementing the new Review Proceedings,²⁸ there was no provision for providing the Office with substantive rulemaking authority for implementing the FITF provisions of the AIA. Because the proposed “narrow” standard creates an entirely new standard that is not found in any current case law, it appears that the Office has exceeded its procedural rule making authority in proposing the “narrow” standard.²⁹

²⁶ In re *Best*, 562 F.2d 1252, 1254 (CCPA 1977).

²⁷ *Schering Corp. v. Geneva Pharms., Inc.*, 339 F.3d 1373, 1377 (Fed. Cir. 2003).

²⁸ Leahy-Smith America Invents Act, Pub. L. No. 112-29, §§ 316, 326, 125 Stat. 284, 302-03, 308-09 (2011).

²⁹ *Tafas v. Doll*, 559 F.3d 1345, 1352 (Fed. Cir. 2009) (stating that 35 U.S.C. § 2(b)(2) does not vest the USPTO with any general substantive rulemaking power). *See also* *Cooper Techs. Co. v. Dudas*, 536 F.3d 1330, 1335

C. Third Construction Error—A “Narrow” Standard Renders Third-Party FTP Exceptions Superfluous

The new “narrow” standard found in the Proposed Guidelines would be so narrow that it would render the FTP exceptions for third party-related materials effectively meaningless.

Specifically, here we are referring to the Office’s comments that:

Even if the only differences between the subject matter in the prior art disclosure that is relied upon under 35 U.S.C. 102(a) and the subject matter publicly disclosed by the inventor before such prior art disclosure are mere *insubstantial changes*, or only *trivial* or obvious variations, the exception under 35 U.S.C. 102(b)(1)(B) does not apply.³⁰

It is acknowledged even by those supporting the narrow standard found in the Proposed Guidelines that the chances of having an independent third-party disclosure that would have not “trivial” or “insubstantial differences” from the subject matter publicly disclosed by or for an inventor are so small as to represent a practical impossible fact pattern. Consequently, the only FTP Grace Period Exception that would be given any meaning under the New Section 102(b) would be the FTP Grace Period Exception for the inventor’s own work under New Section 102(b) subparagraphs (A).

A very “narrow” construction for the FTP Grace Period Exceptions for third-party materials forces patent applicants to resort to use of the portion of the subparagraphs (A) FTP exceptions that protect against unauthorized works of third parties that are derived from the inventor’s work. Elsewhere in the Proposed Guidelines, the Office has appropriately chosen to utilize standards for proving derivation that adopts the approach taken in the *In re Facius*

(Fed.Cir.2008) (stating that to comply with section 2(b)(2)(A), a Patent Office rule must govern the conduct of proceedings in the Office)

³⁰ 77 Fed. Reg. 43,759, 43,767 (July 26, 2012) (emphasis added). *See also id.* at 43,769 (using much of the same language).

decision³¹ in interferences for defining “derivation” in the context of the FITF provisions to cover situations where proof of the main elements of an invention having been conveyed is sufficient to cover any obvious variations that are derived from the information conveyed.³² The Proposed Guidelines reject the approach taken in the *Gambro* decision³³ in the context of proving derivation in an interference that requires proof that each and every element of a claimed invention has been communicated to the alleged deriver.³⁴ While this is the right result for proving derivation in the FTP Grace Period Exceptions for the inventor’s own work, it produces an asymmetry in how the subparagraph (A) and subparagraph (B) FTP Grace Period Exceptions will operate. The end result would be that patent applicants will resort to the subparagraph (A) FTP Grace Period Exception in cases of intervening prior art that is close to, but not exactly identical to, subject matter disclosed by or for the inventor in order to have any ability to argue that the differences are merely obvious variations that are somehow based on the inventor’s work, and that the intervening prior art should be excluded.

It is a tenant of statutory construction that an interpretation of a statute should not render superfluous any of the provisions of that statute.³⁵ If the “narrow” standard for evaluating the FTP Grace Period Exceptions for third party materials is finally adopted, there would be no ability to any inventors to effectively use the FTP Grace Period Exceptions for third-party related materials as found in New Section 102(b) subparagraphs (B).

IV. POLICY ARGUMENTS

In addition to the statutory construction problems with the “narrow” standard for FTP Grace Period Exceptions for third party-related materials, there are also several important policy

³¹ 408 F.2d 1396, 1407 (CCPA 1969).

³² 77 Fed. Reg. 43,759, 43,769 (July 26, 2012).

³³ *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F. 3d 1573 (Fed. Cir. 1997).

³⁴ 77 Fed. Reg. 43,759, 43,769 (July 26, 2012).

³⁵ *TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001).

reasons for why the adoption of the proposed standard is a bad idea. At the highest level for the U.S. Patent System as a whole, the impact of the “narrow” standard can be seen as cutting against the recognized AIA policy of encouraging early disclosure of new inventions.³⁶ On a more individual level, the effect on both patent applicants and patent examiners will be burdensome and difficult to manage. Without a doubt, the optimum patent filing strategy is always to file for patent protection before there is any public disclosure of subject matter for an invention. For larger companies and more experienced entrepreneurs, it is expected that these players will respond to the AIA by operating as if the new FITF provisions create a *de facto* First-To-File patent system in the United States. For smaller companies, universities and individual inventors who are new to the patent system, that kind of rigorous approach is simply not feasible and it is very likely that these players will be tripped up by the new FITF provisions with the proposed “narrow” FTP Grace Period Exception for third party-related materials. And for those patent applicants who do try to utilize the FTP Grace Period Exceptions, there will be tremendous extra effort and expense needed to preserve evidence for possible derivation proceedings, take extra efforts to police disclosures made before patent filings can be put in place, and rework disclosure to expand them so as to cover as many insubstantial, trivial or obvious variations as possible. For examiners and the Office, the strong incentives created by the asymmetry between the FTP Grace Period Exceptions for an inventor’s own materials versus third party-related materials will result in a significant increase in the use of derivation petitions by patent applicants faced with intervening prior art of third parties. Given the already massive workloads faced by the new Patent Trial and Appeal Board (PTAB), adoption of the “narrow” construction in the Proposed Guidelines may overwhelm the system with derivation petition filings that would be orders of magnitude above the numbers currently projected.

³⁶ S. Rep. No. 111-18, at 4-5 (2009).

Congress has confirmed the bright line rule of 1-year in the public domain as being the absolute upper limit to any exceptions to the new FITF patent system under the New 102(b). Existing case law has been built around the statutory framework of Old 102(b) that provides for a 1-year complete grace period for public disclosures. Even the inventor's own earlier disclosures could serve as inherent disclosures that anticipate a subsequent patent application by the inventor directed to that which was inherent in the earlier disclosure, but only if the subject matter inherently disclosed was in the public domain for more than the 1-year complete grace period.³⁷ However, unlike the current automatic and fixed 1-year grace period of Old Section 102(b), the First-To-Publish Grace Period Exceptions under the FITF provisions of the AIA are conditional in application and variable in length. In order to be invoked, the FTP Grace Period Exception must be triggered by a “disclosure” that is public in the sense acts/things that are considered publicly available for purposes of New Section 102(a). And, once the FTP Grace Period has been triggered, it is not an unlimited grace period; rather the FTP Grace Period can be no longer, and in many situation will be less than, a maximum 1-year period from the first public disclosure triggering the FTP Grace Period and the effective filing date of the patent application under consideration. That first triggering public disclosure can be either a public disclosure of or based on the inventor’s own work (under New Section 102(b)(1)), or a publication of or based on the inventor’s own patent filing (under New Section 102(b)(2)).

Contrary to the concerns expressed by some commentators, the choice of whether to interpret the FTP Grace Period Exceptions narrowly or broadly will never turn the FITF provisions of the AIA into a *de facto* “first-to-publish” patent system. If a patent applicant is first to publish, but that triggering publication event occurs earlier than the 1-year maximum grace period before the effective filing date of the patent application under consideration, then

³⁷ *In re Hafner*, 410 F.2d 1403, 1405-06 (CCPA 1969).

being “first-to-publish” does not (i) protect that patent applicant from the triggering publication itself, or (ii) protect the patent applicant from any intervening publications or patent filing that occur between the triggering publication and the effective filing date of the patent application under consideration. The FTP Grace Period Exception under the AIA is exactly that—an exception that applies only once triggered by a first-to-publish triggering publication and, once triggered, the exception applies only to events that occur within a limited time of the “grace” period.

V. CONCLUSION

Under the Proposed Rules the U.S. Patent Office has interpreted New Section 102(b) subparagraphs (B) so narrowly that, if adopted, it would render the FTP Grace Period Exceptions for third-parties effectively meaningless. Accordingly, if an inventor makes a public disclosure of his invention he is at serious risk that a third-party will republish his work with some variations in order to practically render the subject matter of the inventor’s publication unpatentable.

We propose that the Office adopt a more symmetric and broader interpretation of New Section 102(b) subparagraphs (B). A broader interpretation consistent with New Section 102(b) subparagraphs (A) would have a number of desirable effects. It would encourage early disclosure by inventors, rather than promote a fear that a third-party will republish to destroy patentability. It reduce the burden on the Patent Office, in that Examiners already know how to apply the standard of “patentably distinct” to determine whether the New Section 102(b) subparagraphs (B) exception would apply. It would eliminate the need for patent applicants to police derivation and/or variation issues in their publications. And, it would preserve Office resources by avoiding the inevitable deluge of derivation petitions that will be filed if the interpretation of New Section 102(b) subparagraphs (B) in the Propose Rules is adopted.

Better Approach Is To Use Symmetry and a “Broader” Obviousness Standard:

Encourages early publication and use of the FTP Grace period exceptions

Examiners already know how to apply the standard of patentably distinct to determine whether exception applies

Eliminates need for Applicants to police derivation and/or variation issues in their publications

Preserves Office resources by avoiding a deluge of derivation petitions

Reduces concerns with respect to protecting genus/species inventions

TEST SCENARIO

Inventors X and Y work for University Alpha and develop invention A+B+C. X and Y work with Z who is also at University Alpha to prepare an abstract that Z presents on Day 0 at a conference and that discloses A+B+C. On Day 30, University Alpha files a provisional patent application based on the abstract without any claims that describes and enables A+B and describes but does not enable A+B+C and names Z as the inventor. On Day 60, X quits University Alpha and goes to work for University Beta. On Day 120, X prepares and posts on the Internet a paper that discloses A+B+C'+D, where C' is an obvious variation of C and D is a non-obvious additional element. On Day 150, Third Party publishes a paper that describes A+B+C' and that cannot be proven to have been derived from either the abstract or the Internet post. On Day 210, University Beta files a utility patent application that names X as the inventor and describes, enables and claims inventions A+B+C' and A+B+C'+D. On Day 270, University Alpha files a utility patent application that names X, Y and Z as inventors and describes, enables and claims inventions A+B, A+B+C and A+B+C+D and claims priority to the provisional patent application. Assume that the invention elements A and B are known in the art but are not known as being used together and that invention elements C, C' and D were not previously known to be useful or relevant to the art of the invention.

What should happen (i) if all events are pre-AIA, (ii) if all events are post-AIA, (iii) if Day 0 is January 2, 2013?