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Subject: Comments regarding Proposed Rules and Guidelines for Implementing the First-Inventor-To-File Provisions of the AIA

Attached please find the Comments of the Coalition for Patent Fairness on the following Rulemakings:

- Changes To Implement the First-Inventor-To-File Provisions of the Leahy-Smith America Invents Act; and
- Examination Guidelines for Implementing the First-Inventor-To-File Provisions of the Leahy-Smith America Invents Act.

These comments are being filed in accordance with 77 Fed. Reg. 43742 and 43759 (July 26, 2012).

If you have any questions, please contact the undersigned.

Thank you,

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I. INTRODUCTION AND EXECUTIVE SUMMARY

The Coalition for Patent Fairness (“CPF”) is a diverse group of companies dedicated to enhancing U.S. innovation, job creation, and competitiveness in the global market by modernizing our nation’s patent system. CPF member companies, which include Adobe, Cisco Systems, Dell, Google, Intel, Intuit, Oracle, RIM, SAP, Symantec, and Verizon, are active participants in the patent system that collectively own tens of thousands of patents and file hundreds of patent applications each year. These highly innovative companies in the software, computer technology, and telecommunications industry believe that now, more than ever, it is important to have a patent system that ensures that all companies, both large and small, can devote their resources to productive, pro-growth innovation in the marketplace instead of burdensome, unjustified patent litigation that stifles such innovation.

These comments address the Notice of Proposed Rulemaking¹ and Examination Guidelines² issued by the PTO to implement Section 3 of the Leahy-Smith American Invents Act (“AIA”),³ which “amends the patent laws to convert the United States patent system from a ‘first to invent’ system to a ‘first inventor to file’ system.”⁴ The CPF applauds the PTO’s thoughtful efforts to implement the AIA in these proposals, and files these comments in order to voice its support for certain aspects of the proposals and to suggest a few small changes that will better ensure consistency with the AIA and its fundamental goal of improving patent quality.

¹ Notice of Proposed Rulemaking, *Changes To Implement the First Inventor To File Provisions of the Leahy-Smith America Invents Act*, 77 Fed. Reg. 43742 (July 26, 2012) (“Proposed Rules”).

² Request for Comments, *Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act*, 77 Fed. Reg. 43759 (July 26, 2012) (“Proposed Guidelines”).

³ Pub. L. 112-29, 125 Stat. 284 (2011).

⁴ 77 Fed. Reg. at 43742-43 (Proposed Rules), 43760 (Proposed Guidelines).

In particular, we respectfully submit that the PTO, in its final Guidelines and Rules, should:

- Conclude that pre-AIA caselaw regarding the public availability of prior art continues to apply to the interpretation of “on sale,” “public use” and “otherwise available to the public” in Section 102(a). Accordingly: (i) commercial uses that are not accessible to the public are disqualifying prior art as to the prior user because *Metallizing Engineering* remains good law; and (ii) commercial uses that are accessible to the public, even if not “open and visible in the ordinary sense,”⁵ are disqualifying prior art as to all parties;
- Retain the proposal that “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[s] under 35 U.S.C. §§ 102(b)(1)(B) [and 102(b)(2)(B)] do[] not apply.”⁶ In order to further effectuate the purpose of the Section 102(b) grace period, the PTO should also: (i) consider the applicability of Section 102(b) on a claim-by-claim basis, such that an inventor will be able to receive the benefit of the Section 102(b) exception for eligible claims even if other submitted claims are not eligible for the grace period; and (ii) place the burden on patent applicants to come forward with any prior art disclosures of which they are aware that may implicate the Section 102(b)(1)(B) or 102(b)(2)(B) grace period; and
- Add a corroboration requirement to proposed rules 1.130 and 1.131, making clear that a patent applicant bears the burden to support its testimony regarding the timing of an invention, and the specifics of a prior disclosure, with independent evidence.

II. DISCUSSION

A. The Guidelines Should Clarify That Pre-AIA Caselaw Regarding The Public Availability Of Prior Art Continues To Apply.

The PTO has invited “comment on the extent to which public availability plays a role in ‘on sale’ prior art defined in 35 U.S.C. § 102(a)(1).”⁷ We urge the PTO to conclude that public availability plays the same role in the “on sale” and “public use” factors as it did before enactment of the AIA, and that no other prior art factor under Section 102 cuts back on the scope

⁵ *New Railhead Mfg. v. Vermeer Mfg. Co.*, 298 F.3d 1290, 1297 (Fed. Cir. 2002).

⁶ 77 Fed. Reg. at 43767, 43769 (Proposed Guidelines).

⁷ *Id.* at 43765 (Proposed Guidelines).

of public availability as defined in judicial precedent. Such precedent has developed a nuanced approach to so-called “secret or private” uses⁸ that teaches that: (1) commercial uses that are not accessible to the public are disqualifying prior art as to the prior user; and (2) commercial uses that are accessible to the public, even if not “open and visible in the ordinary sense,”⁹ are disqualifying prior art as to all parties. This well-developed body of caselaw was not altered by the AIA and thus, we respectfully submit, continues to inform the Section 102 prior art analysis.

1. Prior Commercial Uses Are Disqualifying Prior Art As To The Prior User.

As the PTO recognized, “[t]he pre-AIA 35 U.S.C. 102(b) ‘on sale’ provision has been interpreted as including commercial activity even if the activity is secret or private. *See, e.g., Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir. 1946).”¹⁰ Similarly, precedent establishes that an inventor’s prior use may be a disqualifying “public use” even though it involves “a secret or confidential use of an invention.”¹¹ For the following reasons, these well-established standards remain good law following enactment of the AIA, and the PTO should state so expressly.

As the PTO correctly acknowledged, Congress chose the same “on sale” and “public use” language from prior law when it amended Section 102(a)(1) of the AIA.¹² And, “[w]here

⁸ *Id.* at 43765 n.29 (Proposed Guidelines).

⁹ *New Railhead Mfg.*, 298 F.3d at 1297.

¹⁰ 77 Fed. Reg. at 43765 n.29 (Proposed Guidelines).

¹¹ *Invitrogen Corp. v. Biocrest Mfg.*, 424 F.3d 1374, 1382 (Fed. Cir. 2005) (citing *Metallizing Eng’g*, 153 F.2d 516); *see also Painton & Co. v. Bourns, Inc.*, 442 F.2d 216, 224 n.6 (2d Cir. 1971) (“‘Public use or sale’ may be found even though the inventor has contracted for secrecy by a user or, for that matter, has practiced the invention solely for his own purposes.”).

¹² 77 Fed. Reg. at 43764, 43765 (Proposed Guidelines). *Compare* AIA § 3(b) (amending 35 U.S.C. § 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.”) *with* 35 U.S.C. § 102(b) (“A person shall be entitled to a patent unless ... the invention was patented or described in a

sections of a statute have been amended but certain provisions have been left unchanged, we must generally assume that the legislature intended to leave the untouched provisions' original meaning intact.”¹³ The PTO properly applied this presumption with respect to each retained term in Section 102(a) except for “on sale,” where it withheld decision.¹⁴ The presumption applies with equal force to the “on sale” factor.

Indeed, Congress’s intention to retain the “on sale” and “public use” factors as defined by precedent is apparent in the legislative history of Section 102(a)(1). Importantly, when first introduced in the Patent Reform Act of 2005, and in several subsequent attempts to enact patent reform, Section 102(a)(1) did *not* include the “on sale” and “public use” factors—it extended prior art status solely to situations where “the claimed invention was patented, described in a printed publication, or otherwise publicly known.”¹⁵ The proposed statute in 2005 also included an explicit “reasonable and effective accessibility requirement” which would have overruled *Metallizing Engineering* by requiring that “persons of ordinary skill in the art to which the subject matter pertains [be] able to comprehend the content of the subject matter without resort

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.”).

¹³ *Am. Casualty Co. v. Nordic Leasing, Inc.*, 42 F.3d 725, 732 n.7 (2d Cir. 1994).

¹⁴ 77 Fed. Reg. at 43764 (Proposed Guidelines) (“The phrase ‘patented’ in AIA 35 U.S.C. 102(a)(1) has the same meaning as ‘patented’ in pre-AIA 35 U.S.C. 102(a) and (b).”); *id.* (“The two basic requirements that must be met by a prior art [‘printed publication’] disclosure in order to describe a claimed invention under AIA 35 U.S.C. 102 are the same as those under pre-AIA 35 U.S.C. 102.”), *id.* (“The phrase ‘in public use’ in AIA 35 U.S.C. 102(a)(1) is treated as having the same meaning as ‘in public use’ in pre-AIA 35 U.S.C. 102(b).”); *id.* at 43765 (“The Office ... is not setting out an initial position in this guidance ... on the extent to which public availability plays a role in ‘on sale’ prior art defined in 35 U.S.C. 102(a)(1).”).

¹⁵ Patent Reform Act of 2005, H.R. 2795, at § 3(b) (amending 35 U.S.C. § 102(a)(1)); *see also* Patent Reform Act of 2006, S.3818, at § 3(b) (amending 35 U.S.C. § 102(a)(1)); Patent Reform Act of 2007, S.1145, at § 3(b) (amending 35 U.S.C. § 102(a)(1)); *cf.* Patent Reform Act of 2008, S. 3600, at § 2(b) (amending 35 U.S.C. § 102(a)(1) (“the claimed invention was patented, described in a printed publication, or otherwise made available to the public (other than through testing undertaken to reduce the invention to practice)...”).

to undue efforts.”¹⁶ When enacting the AIA, Congress was thus well aware of how to draft Section 102(a) to eliminate the “on sale” and “public use” factors of prior law and to ensure that nondisclosing commercializations would no longer disqualify a patent, having previously considered just such legislation. Yet Congress deliberately chose to employ the “on sale” and “public use” factors in the AIA, using the language of prior law, thus evidencing its intent that those factors would continue to apply under the AIA as they did before its enactment.¹⁷ Indeed, in 2011 Congress rejected an amendment that would have removed the “on sale” and “public use” terminology from the legislation.¹⁸ This action provides further evidence that Congress intended that the “on sale” and “public use” factors would continue to apply under the AIA and that *Metallizing Engineering* would, therefore, remain good law.¹⁹

Moreover, given the longstanding significance of the *Metallizing Engineering* rule and its uniform recognition by the courts and the PTO,²⁰ it should be presumed that Congress would be

¹⁶ Patent Reform Act of 2005, H.R. 2795, at § 3(b) (amending 25 U.S.C. § 102(a)(3)).

¹⁷ See, e.g., *Bob Jones Univ. v. United States*, 461 U.S. 574, 601 (1983) (“Congress’ failure to act on the bills proposed on this subject provides added support for concluding that Congress acquiesced in the [existing interpretation].”).

¹⁸ See Manager’s Amendment to H.R. 1249 Offered by Cong. Smith of Texas, at 2 (Apr. 14, 2011), available at <http://judiciary.house.gov/hearings/pdf/ManagersAmerndment04142011.pdf> (last visited Oct. 5, 2012).

¹⁹ *Former Employees of Marathon Ashland Pipe Line v. Chao*, 370 F.3d 1375, 1383-84 (Fed. Cir. 2004) (finding that rejection of amendment “is strong evidence that Congress did not intend” result of that amendment); *Alabama Power Co. v. Costle*, 636 F.2d 323, 406 n.81 (D.C. Cir. 1979) (“Though the legislative history is not entirely unambiguous, we note, for example, that the House specifically rejected an amendment offered to [achieve the result now sought].”).

²⁰ E.g., *Kinzenbaw v. Deere & Co.*, 741 F.2d 383, 390 (Fed. Cir. 1984) (“A commercial use is a public use even if it is kept secret.”) (citing *Metallizing Engineering*, 153 F.2d 516); MPEP 2133.03(a) (“[A] secret or confidential use of an invention may give rise to the public use bar.”); *id.* 2133.03(b) (“[T]here is no requirement that ‘on sale’ activity be ‘public.’”).

exceedingly clear if it intended to abrogate that rule.²¹ This is especially true here, where a decision to overrule *Metallizing Engineering* and the nearly 200 years of precedent that it represents,²² would undermine vital patent policies that Congress sought to further with the enactment of the AIA. The standard of *Metallizing Engineering* serves “to prevent an inventor from holding back the secrets of his invention from general public knowledge while at the same time exploiting it commercially, thereby extending the duration of his legal monopoly.”²³ As the Supreme Court explained in 1829, “one great object” of the patent laws is to “stimulate the efforts of genius” “by holding out a reasonable reward to inventors, and giving them an exclusive right to their inventions for a limited period” but “the main object was ‘to promote the progress of science and useful arts;’ and this could be done best, by giving the public at large a right to make, construct, use, and vend the thing invented, at as early a period as possible.”²⁴ The rule adopted by *Metallizing Engineering* is thus important because, if an inventor were permitted to profit from an invention, while “hold[ing] back from the knowledge of the public the secrets of his invention,” and “then only, when the danger of competition should force him to secure the exclusive right, he should be allowed to take out a patent, and thus exclude the public from any further use” during the subsequent patent term, “it would materially retard the progress of science and the useful arts, and give a premium to those who should be least prompt to

²¹ Cf. *Whitman v. Am. Trucking Ass’ns*, 531 U.S. 457, 468 (2001) (“Congress, we have held, does not alter the fundamental details of a regulatory scheme in vague terms or ancillary provisions—it does not, one might say, hide elephants in mouseholes.”).

²² See *Pennock v. Dialogue*, 27 U.S. 1, 19 (1829).

²³ *Red Cross Mfg. Corp. v. Toro Sales Co.*, 525 F.2d 1135, 1139 (7th Cir. 1975); see also *Invitrogen*, 424 F.3d at 1382 (“[*Metallizing Engineering*] 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.”) (citation omitted).

²⁴ *Pennock*, 27 U.S. at 19.

communicate their discoveries.”²⁵ It has, therefore, long been “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.”²⁶

The AIA did not change these fundamental principles of patent law; rather, it sought to undergird these policies and “promote innovation by granting inventors temporally limited monopolies on their inventions in a manner that ultimately benefits the public through the disclosure of the invention to the public.”²⁷ And it explicitly sought to do so in a manner that “benefits both society and future inventors by making the details of the invention available to the public immediately, and the right to make use of that invention after the expiration of 20 years from the date the patent application was filed.”²⁸ Accordingly, a conclusion that the AIA overruled *Metallizing Engineering*—and now permits the evergreening of secret commercializations through delayed patent filings—would be unreasonable. Congress acted in order to boost innovation and revitalize the U.S. economy, not to create a path to extended monopoly protection. Thus, the PTO should confirm that companies still may not attempt to monetize former trade secrets by filing for belated patent protection in order to thwart competition or seek damages for patent infringement. Unless *Metallizing Energizing* continues to apply, a company that, for example, uses trade-secret-protected technology but fails to succeed in the marketplace could try to recoup its losses by seeking patent protection for that technology and then filing suit as a non-practicing entity against those making productive use of it in order to generate revenue in the form of damages.

²⁵ *Id.*

²⁶ *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 68 (1998) (quoting *Metallizing Eng’g*, 153 F.2d at 520).

²⁷ H.R. Rep. 112-98 at 40 (2011).

²⁸ *Id.* at 38.

The legislative history that discusses the addition of another category of prior art—that which is “or otherwise available to the public”—does not change the plain meaning of “on sale” or “public use.”²⁹ Legislative history cannot change the clear language of the statute,³⁰ and the statute cannot be read to reduce the residual “or otherwise available to the public” clause to a mere modifier of the previous clauses, such as the “on-sale” clause. Doing so is “untenable in light of the very existence of the ‘otherwise’ clause, which Congress plainly included to serve as a catch-all provision”³¹ that would serve “to clarify the *broad scope* of relevant prior art.”³² It would also contradict “a cardinal principle of statutory construction that a statute ought, upon the whole, to be so construed that, if it can be prevented, no clause, sentence, or word shall be superfluous, void, or insignificant.”³³ Reading “or otherwise available to the public” to modify “public use,” for example, would render the requirement that a use be “public” redundant. Conversely, reading “or otherwise available to the public” to modify “patented” would render the “or otherwise available to the public” clause superfluous as each patent is, by definition, public. The PTO was thus correct that the “otherwise available to the public” clause has meaning independent of the prior clauses.³⁴

Indeed, traditional rules of statutory construction conflict with the position taken in the cited legislative history, which states that courts uniformly take meaning from a general residual

²⁹ See 77 Fed. Reg. at 43765 n.29 (Proposed Guidelines) (quoting 157 Cong. Rec. S1370 (Mar. 8, 2011)).

³⁰ *Conn. Nat. Bank v. Germain*, 503 U.S. 249, 253-54 (1992) (“We have stated time and again that courts must presume that a legislature says in a statute what it means and means in a statute what it says there. When the words of a statute are unambiguous, then, this first canon is also the last: judicial inquiry is complete.”).

³¹ *James v. United States*, 550 U.S. 192, 198-99 (2007).

³² H.R. Rep. 112-98 at 42-43 (emphasis added).

³³ *TRW Inc. v. Andrews*, 534 U.S. 19, 31 (2001).

³⁴ 77 Fed. Reg. at 43765 (Proposed Guidelines).

clause to limit the meaning of more specific prior clauses.³⁵ Instead, “the statutory canon [is] that where general words follow specific words in a statutory enumeration, the general words are construed to embrace only objects similar in nature to those objects enumerated by the preceding specific words.”³⁶ Thus, if any clause is modified in Section 102(a), it is the “otherwise available to the public” clause—and not the “on sale” or “public use” clauses. They retain the meaning that years of judicial construction have provided.

2. Prior Commercial Uses That Are Publicly Accessible, Though Not Immediately Apparent, Are Disqualifying Prior Art For All Parties.

The PTO rightly concluded that “[t]he phrase ‘in public use’ in AIA 35 U.S.C. 102(a)(1) is treated as having the same meaning as ‘in public use’ in pre-AIA 35 U.S.C. 102(b).”³⁷ The PTO also correctly recognized that the phrase “otherwise available to the public” represents “a new additional category of potential prior art not provided for in pre-AIA 35 U.S.C. 102.”³⁸ In its Guidelines, the PTO should include two additional points—that the term “public” carries with it the concept of “accessibility” from prior case law³⁹ and that a prior use that is not “open and visible in the ordinary sense” may continue to serve as disqualifying prior art as to all patent applicants.⁴⁰ In other words, as before enactment of the AIA, a particular invention may be “public” even though it is not open, notorious, or readily visible to the general public, and such an invention will, under Section 102(b), bar issuance of a patent to any subsequent applicant.

³⁵ 157 Cong. Rec. at S1370.

³⁶ *Circuit City Stores, Inc. v. Adams*, 532 U.S. 105, 114-15 (2001) (citation omitted).

³⁷ 77 Fed. Reg. at 43764 (Proposed Guidelines).

³⁸ *Id.* at 43765 (Proposed Guidelines).

³⁹ MPEP 2133.03(a).

⁴⁰ *New Railhead Mfg.*, 298 F.3d at 1297.

Like the *Metallizing Engineering* rule, the concept of public “accessibility” also has a lengthy history in patent law. In 1939, for example, the Supreme Court held that back-office systems, methods, and uses may still qualify as disqualifying prior art where “[t]here is no finding ... that the machine, process, and product were not well known to the employees in the plant, or that efforts were made to conceal them from anyone who had a legitimate interest in understanding them.”⁴¹ More recently, courts have held that system activities that occur within the confines of a factory, laboratory, or facility may constitute disqualifying prior art where “the end product itself is freely accessible to the public at large,”⁴² even though “the public [does] not have access to the ‘inner workings’ of [the] device.”⁴³ Courts have further defined the scope of exactly what must be “public” to qualify as prior art: the public need only have access to sufficient information “to place the *claimed features* of the ... patent in the public’s possession.”⁴⁴ It, thus, is irrelevant if “one skilled in the art would not be able to build and practice the claimed invention without access” to other aspects of the invention not made available if the claimed aspects are publicly accessible.⁴⁵

Importantly, the “public use” bar has never been restricted to the patent applicant’s own public uses. Rather, a prior “public use” by any entity can serve as disqualifying prior art. The

⁴¹ *Electric Storage Battery Co. v. Shimadzu*, 307 U.S. 5, 20 (1939).

⁴² *Dunlop Holdings Ltd. v. Ram Golf Corp.*, 524 F.2d 33, 37 (7th Cir. 1975) (“[E]ven though there may be no explicit disclosure of the inventive concept, when the article itself is freely accessible to the public at large, it is fair to presume that its secret will be uncovered by potential competitors long before the time when a patent would have expired if the inventor had made a timely application and disclosure to the Patent Office.”), *cited at* MPEP 2133.03(a)(II)(C); *see also New Railhead Mfg.*, 298 F.3d at 1298-99 (finding public use where drill bit was used “at a commercial jobsite on public land on the side of an interstate highway” even though “one could not view the drill bit or see it in operation”).

⁴³ *Lockwood v. American Airlines*, 107 F.3d 1565, 1570 (Fed. Cir. 1997).

⁴⁴ *Id.* (emphasis added).

⁴⁵ *Id.* (citing *In re Epstein*, 32 F.3d 1559, 1567-68 (Fed. Cir. 1994)); *see also Netscape Commc’ns Corp. v. Konrad*, 295 F.3d 1315, 1323 (Fed. Cir. 2002).

Supreme Court held, for example, that “commercial use of the patented process and apparatus in the alleged infringer’s plant for more than two years prior to the application for patent preclude[d] redress.”⁴⁶ The Federal Circuit similarly invalidated a patent based on prior public use by the infringement defendant.⁴⁷ Prior public use by a third-party to the litigation is also dispositive of unpatentability.⁴⁸ Thus evidence that the inventor—or any other entity—previously made the invention publicly accessible raises a “public use” or “otherwise available to the public” bar to the issuance of a patent.

As detailed above, *see* Section A.1, Congress would have been exceedingly clear if it intended to uproot precedent so firmly established in the patent law as the scope and type of “public” access required to render something prior art. Instead, Congress used the language that has attained an established judicial meaning as a patent law “term of art” *and* added a clause “to clarify the broad scope of relevant prior art.”⁴⁹ Congress also specifically “emphasize[d]” that the prior art standard of Section 102 is one of public “*accessibility*”—in other words, *not* one of absolute knowledge.⁵⁰ At a minimum, therefore, the standard of public accessibility inherent in the term “public use” remains relevant in defining “public use” after the AIA.

Therefore, we respectfully urge the PTO to clarify that, as before enactment of the AIA, (1) a prior use can still constitute disqualifying prior art even if “those aspects of the system that were readily apparent to the public would not have been sufficient to enable one skilled in the art

⁴⁶ *Electric Storage*, 307 U.S. at 8, 20.

⁴⁷ *Lockwood*, 107 F.3d at 1569-70.

⁴⁸ *Eolas Technologies Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1334-35 (Fed. Cir. 2005) (finding “third party public use bar” based on prior use by non-party); *Dunlop Holdings*, 524 F.2d at 34-37 (finding invalidating public use based on use of “the invention ... by a third party”).

⁴⁹ H.R. Rep. 112-98 at 43.

⁵⁰ *Id.*

to duplicate the [innovation],”⁵¹ and (2) in this regard, the result is the same regardless of whether the inventor, or another, made the prior use.⁵² As we have shown, that well-established understanding of “public accessibility” remains under the “public use” factor of the AIA and extends to the newer category of prior art represented by the Section 102(a) “otherwise available to the public” clause.

B. The Guidelines Correctly Require That A Prior Art Disclosure Under Section 102(a) Be Materially Identical To That Previously Disclosed By The Inventor For The Prior Art Exceptions Of Section 102(b) To Apply.

We applaud the PTO’s proposal that “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[s] under 35 U.S.C. §§ 102(b)(1)(B) [and 102(b)(2)(B)] do[] not apply.”⁵³ We urge the PTO to retain this rule in its final Guidelines because it is statutorily required and will best advance innovation and effectuate the purpose of the Section 102(b) grace period. We also ask the PTO to advise the public that it will consider the applicability of Section 102(b) on a claim-by-claim basis, such that an inventor will be able to receive the benefit of the Section 102(b) exception for eligible claims even if other submitted claims are not eligible for the grace period. Further, we ask the PTO, in its final regulations or Guidelines, to instruct patent applicants to come forward with any prior art disclosures of which they are aware that may implicate the Section 102(b)(1)(B) or 102(b)(2)(B) grace period.

⁵¹ *Lockwood*, 107 F.3d at 1570.

⁵² *See, e.g., Electric Storage*, 307 U.S. at 8, 20; *Lockwood*, 107 F.3d at 1569-70; *Eolas Tech.*, 399 F.3d at 1334-35; *Dunlop Holdings*, 524 F.2d at 34-37.

⁵³ 77 Fed. Reg. at 43767, 43769 (Proposed Guidelines).

As the PTO recognized, the AIA includes a “one-year grace period after a first disclosure of the invention within which to file a patent application.”⁵⁴ It does so by exempting certain disclosures by third parties from use as prior art during the one-year period. Sections 102(b)(1)(B) and (b)(2)(B) provide:

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) [or (a)(2)] if—

...
(B) the subject matter disclosed had, before such disclosure [or 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.⁵⁵

We agree with the PTO that this statutory text requires “that the subject matter in the prior disclosure [by a third party] 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) [or 102(b)(2)(B)] to apply.”⁵⁶ The statute uses the same noun—“subject matter”—to refer both to the disclosure by the inventor and to the disclosure by the third party made one year or less before the effective filing date. There is thus no distinction between the “subject matter” that an inventor can exempt from prior art and the “subject matter” that the inventor itself disclosed.⁵⁷

This reading of the statute assures inventors that if they file a patent application during the grace period for the same invention that they disclosed, they will be protected by the Section 102(b) exception. In this way, the PTO’s statutory construction effectuates the purpose of

⁵⁴ *Id.* at 43761 (Proposed Guidelines).

⁵⁵ AIA § 3(b) (amending 35 U.S.C. § 102(b)).

⁵⁶ 77 Fed. Reg. at 43767, 43769 (Proposed Guidelines).

⁵⁷ *Cf. Sutherland*, Statutory Construction § 46.6 (“The same words used twice in the same act are presumed to have the same meaning.”).

Section 102(b), which is to provide inventors “the time they need to prepare and file their applications.”⁵⁸ The grace period was not enacted to give inventors time to improve upon their inventions based on the efforts of others during the grace period; it was enacted to eliminate the temptation for inventors to file rushed patent applications under a first-inventor-to-file patent system.⁵⁹ In other words, the one-year period, which is not triggered until an inventor discloses the invention in a manner that would itself qualify as prior art,⁶⁰ gives inventors the time logistically required to present a finalized invention to the PTO. The PTO was correct when it concluded that it does not also give inventors the right to appropriate additional innovations that come to light during that filing preparation period.

The PTO’s proper statutory construction will also further Congress’s intention to expedite innovation through the “early disclosure of new inventions” that Section 102(b) intends.⁶¹ The statute gives inventors the incentive to make a complete disclosure of their invention in the first instance, and thereby ensures an earlier release of information that can spur additional innovation. And, by assuring companies that, should they innovate over and above an inventor’s public disclosure during the grace period year, the added innovation will be theirs, the

⁵⁸ H.R. Rep. 112-98 at 42.

⁵⁹ H.R. Rep. 112-98 at 41 (“[S]ome first-to-file systems ... do not provide the inventor any grace period The Committee heard from universities and small inventors, in particular, about the importance of maintaining that grace period in our system. They argued that the grace period affords the necessary time to prepare and file applications, and in some instances, to obtain the necessary funding that enables the inventor to prepare adequately the application.”).

⁶⁰ *See, e.g.*, 157 Cong. Rec. S5432 (Sept. 8, 2011) (statement of Sen. Kyl) (“[I]f an inventor’s action is such that it triggers one of the bars under 102(a), then it inherently triggers the grace period in section 102(b).”); 157 Cong. Rec. at H4429 (June 22, 2011) (statement of Cong. Smith) (“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).”); *id.* (statement of Cong. Bass) (“The legislation intends parallelism between the treatment of an inventor’s actions under 102(a) and 102(b).”).

⁶¹ H.R. Rep. 112-98 at 41.

statutory construction should invigorate immediate efforts to build upon the patent applicant's work. Any other construction could thwart innovation by creating a risk that a patent applicant may try to confiscate another's innovations solely because of the pendency of its grace period.

Because additional innovation by a third party may not affect the entirety of the inventor's prior disclosure, we ask the PTO to clarify in its final guidelines that the patent applicant will not lose eligibility for the Section 102(b) grace period for claims which are identical to the third-party's disclosure, so long as the same subject matter is disclosed in the inventor's disclosure. However, portions of the third-party disclosure that are not the same subject matter as the inventor's disclosure will not be eligible for the grace period. For purposes of fairness, the applicability of Section 102(b) should be determined on a claim-by-claim basis, allowing the inventor the benefit of the grace period for those claims that remain unchanged.

In addition, we respectfully request that the PTO instruct patent applicants to come forward with any disclosures of which they are aware that may qualify as a prior-art exception under Section 102(b). Such a requirement would place a minimal burden on the applicant and yet would ease the burden on the PTO by ensuring that it is aware of potential prior art before it takes action on the application. It would also inform the public, in the event the application issues as a patent, of the possibility of a challenge based on the applicability of the grace period.

C. The PTO Should State That An Applicant's Affidavit Or Declaration Submitted Pursuant To Proposed Rule 1.130 Or 1.131 Must Be Supported With Corroborating Evidence In Order To Overcome A Rejection.

Finally, we ask that the PTO add to proposed rules 1.130 and 1.131⁶² the corroboration requirement of prior law, which places on a patent applicant the burden to support its testimony

⁶² 77 Fed. Reg. at 43758-59 (proposing 37 C.F.R. §§ 1.130, 1.131) (Proposed Rules).

regarding the timing of an invention with independent evidence.⁶³ This requirement has assisted “both district courts and the PTO ... in addressing the difficult issues related to invention dates”⁶⁴ and has “prevent[ed] fraud, by providing independent confirmation of the inventor’s testimony.”⁶⁵ A specific corroboration requirement should be added to proposed rules 1.130 and 1.131, which presently contain no such requirement, so that it can continue to serve these purposes under the first-inventor-to-file regime.

Proposed rules 1.130 and 1.131 “provide[] a mechanism for the submission of evidence to disqualify a disclosure as prior art or otherwise traverse a rejection,” and to thereby establish the pendency of the Section 102(b) grace period or the inapplicability of a statutory bar.⁶⁶ But under the proposed rules, the evidentiary requirement can be satisfied through an affidavit or declaration from the interested patent applicant. There are exceptions; subsections (c) and (e) of proposed rule 1.130 require submission of a printed publication “[i]f the earlier disclosure was a printed publication,” and subsection (b) of proposed rule 1.131 requires “[o]riginal exhibits of drawings or records, or photocopies thereof” to support an earlier reduction to practice or conception, unless “their absence [is] satisfactorily explained.”⁶⁷ In general, however, proposed rule 1.130 merely requires that the submitted “affidavit or declaration ... provide a satisfactory

⁶³ See, e.g., *Brown v. Barbacid*, 276 F.3d 1327, 1335 (Fed. Cir. 2002) (“[A]n inventor’s testimonial assertions of inventive facts require corroboration by independent evidence.”); *Hahn v. Wong*, 892 F.2d 1028, 1032 (Fed. Cir. 1989) (“The inventor, however, must provide independent corroborating evidence in addition to his own statements and documents.”).

⁶⁴ *Muhurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996).

⁶⁵ *Kridl v. McCormick*, 105 F.3d 1446, 1450 (Fed. Cir. 1997).

⁶⁶ 77 Fed. Reg. at 43742 (Proposed Rules).

⁶⁷ *Id.* at 43758-59 (proposing 37 C.F.R. §§ 1.130(c), (e), 1.131(b)) (Proposed Rules).

showing,”⁶⁸ and proposed rule 1.131(c) allows an “oath or declaration” to overcome a rejection.⁶⁹

In its final rules, we ask the PTO to explicitly require corroborating evidence for any affidavit or declaration submitted pursuant to any subsection of proposed rules 1.130 and 1.131. “Throughout the history of the determination of patent rights, oral testimony by an alleged inventor asserting priority over a patentee’s rights is regarded with skepticism and as a result, such inventor testimony must be supported by some type of corroborating evidence.”⁷⁰ This corroboration requirement also serves the vital purpose of increasing the quality of issued patents. By placing the burden of production on the patent applicant, who has the best access to contemporaneous documentary support for the timing of its invention, to come forward with such evidence,⁷¹ the rule ensures that a robust factual record will ground the PTO’s determination of dates that are critical to patentability. Indeed, it has long been accepted that permitting a putative inventor to establish patentability by affidavit alone “would have the effect of virtually precluding the adverse party from the possibility of rebutting such evidence.”⁷²

⁶⁸ *Id.* at 43758-59 (proposing 37 C.F.R. § 1.130(b)-(e)) (Proposed Rules).

⁶⁹ *Id.* at 43759 (proposing 37 C.F.R. § 1.131(c)) (Proposed Rules).

⁷⁰ *Price v. Symsek*, 988 F.2d 1187, 1194 (Fed. Cir. 1993); *see also In re NTP, Inc.*, 654 F.3d 1279, 1291 (Fed. Cir. 2011) (“It has long been the case that an inventor’s allegations of earlier invention alone are insufficient—an alleged date of invention must be corroborated.”); *Sandt Tech., Ltd. v. Resco Metal and Plastics Corp.*, 264 F.3d 1344, 1350 (Fed. Cir. 2001) (“It is well-established in our case law that a party claiming his own prior inventorship must proffer evidence corroborating his testimony.”).

⁷¹ *See, e.g., Sandt Tech.*, 264 F.3d at 1351 (“Documentary or physical evidence that is made contemporaneously with the inventive process provides the most reliable proof that the inventor’s testimony has been corroborated” because “the risk of litigation-inspired fabrication or exaggeration is eliminated.”).

⁷² *Price*, 988 F.2d at 1194-95 (quoting *Mergenthaler v. Scudder*, 11 App. D.C. 264, 278-79 (D.C. Cir. 1897)).

The concerns that produced the corroboration requirement before enactment of the AIA are equally, if not more, pertinent in the post-AIA context. Not only will dates continue to be determinative of patentability in certain cases, but the PTO will also be called upon to determine whether disclosures are identical for purposes of the Section 102(b) grace period.⁷³ Documentary evidence is, therefore, critical to assist the PTO in making each decision with accuracy. Accordingly, in order to reduce fraud and to increase the quality of issued patents as Congress intended,⁷⁴ we respectfully request that the PTO add an explicit corroboration requirement in the final version of rules 1.130 and 1.131.

III. CONCLUSION

For all these reasons, we applaud the PTO's efforts to implement the AIA in these proposals and respectfully request that the PTO incorporate the few changes set forth above in its final regulations and examination guidelines. The end result, we respectfully suggest, will achieve "consistency with" the AIA,⁷⁵ promote the important goal of "greater transparency, objectivity, predictability and simplicity in patentability determinations,"⁷⁶ and thereby ultimately "promote innovation."⁷⁷

⁷³ See *supra*, Section II.B.

⁷⁴ See H.R. Rep. 112-98 at 40 ("The legislation is designed to establish a more efficient and streamlined patent system that will improve patent quality and limit unnecessary and counterproductive litigation costs.").

⁷⁵ 77 Fed. Reg. at 43743 (Proposed Rules).

⁷⁶ 77 Fed. Reg. at 34762 (Proposed Guidelines).

⁷⁷ H.R. Rep. 112-98 at 40.