

From: Marty Simpson

Sent: Thursday, October 04, 2012 8:01 PM

To: fitf_rules; fitf_guidance

Subject: First-Inventor-to-File (Response to Proposed Rules and Guidance) -- Comments of the University of California

Dear Ms. Tsang-Foster and Ms. Till:

Attached are comments of the University of California on *Changes to Implement the First Inventor to File Provisions of the Leahy-Smith America Invents Act*, 77 Fed. Reg. 43742 (July 26, 2012); and *Examination Guidelines for Implementing the First Inventor to File Provisions of the Leahy-Smith America Invents Act*, 77 Fed. Reg. 43759 (July 26, 2012).

Let me know if you have any questions.

Thanks,

Marty

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October 4, 2012

Via email: fitf_rules@uspto.gov
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Mail Stop Comments – Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attn: Susy Tsang-Foster, Legal Advisor
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Mary C. Till, Senior Legal Advisor
Office of Patent Legal Administration

Re: Comments of the University of California on
*Changes to Implement the First Inventor to File Provisions
of the Leahy-Smith America Invents Act, 77 Fed. Reg. 43742
(July 26, 2012); and*
*Examination Guidelines for Implementing the First Inventor
to File Provisions of the Leahy-Smith America Invents Act,
77 Fed. Reg. 43759 (July 26, 2012)*

The following comments are respectfully submitted by the University of California regarding the U.S. Patent and Trademark Office (PTO) proposed rules and guidance published at 77 Fed. Reg. 43742 and 77 Fed. Reg. 43759 on July 26, 2012, to implement the first-inventor-to-file provisions of the Leahy-Smith America Invents Act (AIA), which will be effective March 16, 2013. The University of California thanks the PTO for its vigorous outreach in its AIA implementation efforts and looks forward to working with the American Association of Universities (AAU) and others in the university community, and the PTO.

The topic of this comment primarily is the “first to publish” American grace period, which Congress clearly chose to continue in the AIA as a long-standing, valuable exception to foreign patent law practices requiring absolute novelty. Such a “first to publish” American grace period is supported by the text of the AIA and in the six-year legislative history, as discussed below. It is not the province of the PTO to propose a

narrower reading of the AIA that would eviscerate the “first to publish” American grace period, and thereby change an express policy choice made by Congress. As such, the PTO’s proposed interpretation of the AIA as a “first-inventor-to-file wins” policy should be revised to accurately acknowledge and restore the “first to publish” American grace period exception created by Congress in a negotiated compromise as part of the legislative process to create the AIA.

As discussed below, one simple way to restore the American grace period as Congress intended is respectfully submitted in the *UC’s Suggested Solution*, attached as Appendix A, on pages 14-17 of these Comments.

BACKGROUND

Researchers at U.S. universities create important advances that benefit U.S. consumers and increase U.S. innovation and jobs. University researchers generate fundamental research results and emphasize the scientific method: early publication of research results to advance knowledge and permit others to validate and improve upon those published research results. Evaluation of academic standing within the university community and applications for new research funding typically rely on (non-patent) publications and talks, as opposed to patents. University researchers are focused on conducting and publishing fundamental research to advance science, rather than on obtaining patent protection for their research results. Often, a university researcher informs the university of a new invention just before he or she is planning to publish or talk about his or her research results, or even afterwards.

After the university researcher discloses his or her invention to the university, the university may pursue patent rights to protect the invention. U.S. patent rights alone are often adequate for a university to attract licensees willing to commercialize university fundamental research results. Usually commercially-useful patent rights are a precondition to private funding of a university’s licensee. As such, a patent application filing of only U.S. rights, utilizing the American grace period, can result in a new university invention having a chance to be commercialized. For example, in the engineering arts, several University of California campuses regularly file patent applications over twenty-five per cent of the time utilizing the (pre-AIA) American grace period, for only U.S. rights, to support commercialization. Even in the life sciences, some cases are filed only in the U.S., one example being the Cohen-Boyer gene splicing patents, a joint Stanford and University of California invention that provided the basis for a whole new competitive, cutting-edge industry and jobs in the U.S. in biotechnology, filed on the day before the U.S. publication bar would have run.

Accordingly, from the university community's perspective, the "first to publish" American grace period provides an effective means to move American innovations from innovators of limited means to the commercial market.

ANALYSIS

For the AIA American grace period to be effective it needs to be broad enough to remove prior art under both §§ 102(b) and 103. Also, for the American grace period to be as effective and meaningful as the Congress intended, the PTO's implementation of the AIA should not result in the creation of new substantive law thwarting the American grace period. Finally, a third party should not be able to destroy an inventor's American grace period protection by merely making an insubstantial change to, or a trivial or obvious variation of, the inventor's publications.

Under pre-AIA law, if an inventor publishes, he or she has up to one year to file a patent application in the U.S. Patent and Trademark Office (PTO). This up-to-one-year-period is the (pre-AIA and AIA) American grace period. Under pre-AIA law, if prior art is removed under 35 U.S.C. § 102(b) due to the American grace period, then it is not available to be used as prior art under 35 U.S.C. § 103 for obviousness either. Under pre-AIA law, the PTO implements a "swearing back" procedure to remove such prior art under §§ 102(b) and 103. The "swearing back" procedure requires the inventor to state (by "swearing back") that he or she had possession of the invention prior to the date of the prior art reference to be removed. Congress did not need to require the "swearing back" procedure under the pre-AIA rules (37 CFR Part 1.131), because as a matter of substantive law the § 102(b) grace period was effective to completely remove a third-party prior art reference. The PTO supplied this non-substantive law ("swearing back") procedure to document that the inventor did have possession of his or her invention as of the date being sworn behind, up to one year before the filing of the patent application. More importantly, the PTO had no power to create substantive law in its rules, so the swearing back procedure could not have been substantive law. See *Tafas v. Doll*, 559 F.3d 1345, 1352 (Fed. Cir. 2009), vacated by 328 Fed.Appx. 658 (Fed. Cir. 2009), which emphasizes that the PTO may not create substantive law. In any event, under pre-AIA law, if the PTO removes a prior art reference from consideration as prior art under the § 102(b) American grace period, then the PTO may not cite that prior art reference in a § 103 rejection. Otherwise, if a § 103 rejection using that prior art reference (or its later, obvious variants) could be used by the PTO to prevent the inventor from getting a patent on the invention, the § 102(b) American grace period would be an empty right. Accordingly, for the AIA American grace period to be effective, it needs to be able to remove prior art under both §§ 102(b) and 103.

To better understand the breadth of the AIA American grace period as Congress intended, we can look at the text of the AIA, as well as the legislative history. The AIA arose from a six-year, four-Congress legislative effort with one Congress essentially starting off where the last one was when it ended. This six-year legislation began when H.R. 2795 was introduced in the House of Representatives on June 1, 2005, with a grace period of similar scope to the one the PTO is urging in its proposed rules. The grace period gave no protection against the actions of third parties, providing in § 102(a)(1)(B) of H.R. 2795 as introduced:

§102 ... (a) ... A patent for a claimed invention may not be obtained if ...

- (1) the claimed invention was patented, described in a printed publication, or otherwise publicly known—
 - (A) more than one year before the effective filing date of the claimed invention; or
 - (B) before the effective filing date of the claimed invention, other than through disclosures made by the inventor or a joint inventor or by others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; 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.
(emphasis added)

Note that the burden of proof to obtain a patent (*i.e.*, a patent “may not be obtained if”) was on the applicant as opposed to on the PTO under § 102 of the AIA (*i.e.*, “A person shall be entitled to a patent unless”). Under H.R. 2795 as introduced, the only way to assert a grace period was to show that less than a year before the filing date, any public disclosure (such as a publication) had come from the inventor (*i.e.*, “other than through disclosures made by the inventor”). There was no protection for the inventor from someone reading the inventor’s publication and then racing to the PTO to file their own case. Among others, the university community objected that the lack of protection regarding actions of third parties after a public disclosure (*e.g.*, whether by third party-publication or by third-party filing in the PTO) meant that the grace period was not adequate. As a result, this narrow grace period provision in H.R. 2795 was rejected as an inadequate and ineffective continuation of the pre-AIA American grace period.

Accordingly, in 2007 prior to bill passage and transmission to the Senate, the House in response to protests from the university community, among others, to the then current patent reform bill text in H.R. 1908 amended the bill specifically to protect a publishing inventor, such as a university researcher, from later third-party actions. The new text of § 102(b) in H.R. 1908, as amended, stated as follows:

§ 102 ... (a) ... A patent for a claimed invention may not be obtained if
...

(b) EXCEPTIONS—

(1) PRIOR INVENTOR DISCLOSURE EXCEPTION.—Subject matter that would otherwise qualify as prior art based upon a disclosure under subparagraph (B) of subsection (a)(1) shall not be prior art to a claimed invention under that subparagraph if the subject matter had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

(2) DERIVATION, PRIOR DISCLOSURE, AND COMMON ASSIGNMENT EXCEPTIONS.—Subject matter that would otherwise qualify as prior art only under subsection (a)(2) shall not be prior art to a claimed invention if—

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

(B) the subject matter had been publicly disclosed by the inventor or a joint inventor or others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor before the date on which the application or patent referred to in subsection (a)(2) was effectively filed; or ... (emphasis added)

Note that the AIA substantially adheres to the two-part structure of § 102(b) of H.R. 1908 in two key respects. An inventor who publishes or otherwise makes his or her new invention publicly available is protected in two places: in H.R. 1908 § 102(b)(1), for protection from publicly available third-party actions, such as publication; and in H.R. 1908 § 102(b)(2)(B), for protection from third-party patent filings in the PTO. While the grace period language in the AIA is a little different (from § 102(b) of H.R. 1908), this basic two-part structure and use of “subject matter” is present. This structure and language was specifically adopted by the House as a policy choice to give

publishing inventors protection from third-party actions. It is not the province of the PTO to reverse such a House policy choice by regulation.

Moreover, the House specifically intended a “first-to-publish” provision as shown in House Report 110-314 (available at <http://thomas.loc.gov/cgi-bin/cpquery/T?&report=hr314&dbname=110&>), in the *Background and Need for the Legislation* (pages 21-45), under the first heading entitled *First-Inventor-to-File System*:

The Committee has found persuasive the above reasons to move the United States patent system to a first-inventor-to-file system. As such, the legislation gives priority, in most cases, to the first inventor to file an application for patent on an invention, thus bringing United States patent system into conformity with the practices of the rest of the world. In order to fully implement this new system, changes are made to the definition and scope of prior art. Additionally, to facilitate an easy transition to a first-inventor-to-file system, the 1-year inventor's grace period is maintained and important exceptions to prior art are established, such as a first-to-publish rule that preserves an inventor's priority of application in limited circumstances where he publicly discloses his invention. The grace period and exceptions to prior art will effectively address any lingering concerns that a first-inventor-to-file system will force inventors to patent their inventions before they are ready for patenting, or disadvantage inventors whose first regular means of disclosure is through publication. (emphasis added)

This amended text of H.R. 1908 passed the House in 2007. The many discussions and legislative drafting and comment sessions between 2005 and House bill passage in 2007 resulted in a model in which an inventor’s non-patent publication would be considered in a similar manner as the filing of a provisional patent application in the PTO; this would protect such an inventor against intervening third-party actions (*e.g.*, whether by a third-party publication or by a third-party filing in the PTO) prior to the publishing inventor filing his or her patent application in the PTO. In supporting passage by the House, the American Association of Universities (AAU) affirmed that an effective grace period was critical to the university community support for the bill. In an October 15, 2007, AAU statement about this legislative achievement, the following summary was provided to the member university Presidents and Chancellors:

The associations were concerned that the adoption of a first-inventor-to-file system for awarding patents might undermine faculty incentives to publish or publicly present their work. The associations recognized the considerable benefits that could be gained by the move to a first-inventor-to-file system and proposed a grace period to accommodate scholarly publishing and communications in advance of filing patent applications. That grace period proposal is now incorporated in the House and Senate bills.

The “associations” referred to by AAU were the American Council on Education, the National Association of State Universities and Land-Grant Colleges (now called Association of Public and Land-Grant Universities), the Association of American Medical Colleges, the Association of University Technology Managers (AUTM), and the Council on Governmental Relations jointly working on the development of patent reform legislation. With AAU, Wisconsin Alumni Research Foundation (WARF) and University of California representatives participated in meetings to arrive at the compromise legislative solution that passed the House. That compromise was directly intended to protect a publishing inventor from intervening art (*e.g.*, whether by a third-party publication or by a third-party filing in the PTO) occurring before that inventor filed in the PTO. That was the central point of the university community in the discussions leading to the American grace period language in the legislation.

Later, the Senate did incorporate the House prior art section at AIA 35 U.S.C. §102, which resulted in the American grace period language in the bill that became law. The PTO’s current interpretation of the American grace period appears to focus on interpreting “subject matter,” which continued to be used from the text of H.R. 1908 as passed by the House.

While the Senate did amend the text of the AIA §102 (b) provision (*i.e.*, in AIA 35 U.S.C. §§ 102(b)(1)(B) and 102(b)(2)(B)) to what was the patent reform bill text passed in 2011, the university community still reasonably believed that a publishing inventor was protected as a later patent applicant against third-party actions such as publication or filing in the PTO. The university community certainly did not assume that the use of “subject matter” would lead to arguments that the provision was essentially meaningless and provided no effective protection against intervening actions of third parties, as apparently urged by the PTO in its proposed rules.

The legislative history of the AIA supports the university community’s understanding of the “first to publish” American grace period. Specifically, the following comment made by WARF (in a statement regarding the USPTO Grace Period, made to John Vaughn and others at AAU on September 5, 2012) is directly applicable:

The proposed rules serve to substantially narrow the ability of a patentee to utilize the grace period to preserve its interest. This does not comport with comments made by the Honorable Lamar Smith, Chairman of the House Committee on the Judiciary, co-author of the AIA, and House floor manager, during 2011 congressional debates:

Accusations that the bill doesn't preserve the one-year grace period are simply not true. The grace period protects the ability of an inventor to discuss or write about his ideas for a patent up to one year before he or

they file for patent protection. Without the grace period, an individual who does this defeats his own patent. Since the publicly disseminated information constitutes prior art, it renders the invention non-novel and obvious.

The proposed rules also directly contradict the words of the Honorable Patrick Leahy, Chairman of the Senate Judiciary Committee, coauthor of the Act and Senate floor manager, who explained that Sections 102(a) and (b) are meant to be parallel and that "actions that constitute prior art under subsection 102(a) necessarily trigger subsection 102(b)'s protection ... and, what would otherwise have been section 102(a) prior art, would be excluded as prior art by the grace period provided by subsection 102(b)."

And further as Senator Leahy states:

"Indeed, as an example of this, subsection 102(b)(1)(A), as written, was deliberately couched in broader terms than subsection 102(a)(1). This means that any disclosure by the inventor whatsoever, whether or not in a form that resulted, in the disclosure being available to the public, is wholly disregarded as prior art."

Senator Leahy goes on to state: "subsection 102(a) was drafted in part to do away with precedent under current law that private offers for sale or private uses or secret processes practiced in the United States that result in a product or service that is then made public may be deemed patent-defeating prior art. That will no longer be the case."

Thus, from the mouths of the co-authors of the AIA, it is abundantly clear that there was little contemplation of changes in the grace period and that the legislation intent was to apply broadly under section 102(b). In lieu of that intent, the proposed rules are more than merely interpretive and contravene the intent and function for which the grace period provision was advanced and extend beyond that which was the understanding of the not only the legislative drafters but also stakeholders that reached compromises permitted the AIA to be enacted. In this regard, the proposed rules have a substantive effect.

The University of California concurs with WARF's above analysis.

The AIA text on the American grace period, states as follows:

§ 102 ... (a) ... A person shall be entitled to a patent unless ...

(b) EXCEPTIONS.—

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

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

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

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

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

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

In the text of the AIA, like the text of the pre-AIA statute, the burden of proof to obtain a patent is on the PTO, not the (inventor) applicant. In particular, the AIA requires the PTO to show that the applicant's claims are unpatentable: "A person shall be entitled to a patent unless..."

As previously noted on page 5 above, the AIA substantially adheres to the two-party structure of § 102(b) in H.R. 1908 in two key places. An inventor who publishes or otherwise makes his or her new invention publicly available is subsequently protected in two places: in AIA § 102(b)(1)(B), for protection from publicly available third-party actions, such as publication; and in AIA § 102(b)(2)(B), for protection from third-party patent filings in the PTO; thus continuing the meaning and structure of H.R. 1908 as passed. While the American grace period language in the AIA is a little different, this basic two-part structure and use of "subject matter" is present as in H.R. 1908 as passed.

In contrast, the PTO proposed rules now attempt to make the American grace period essentially meaningless by urging that even for "mere insubstantial changes, or only trivial or obvious variations," the American grace period does not apply. 77 Fed. Reg. 43767 and 43769 (July 26, 2012). This narrow interpretation is not supported by the six-year legislative history, as discussed above regarding H.R. 1908.

Further, the PTO proposed rules limit the availability of the American grace period. In particular, the PTO proposed rules introduce an “unequivocal” requirement. However, the *In re DeBaun* case that the PTO proposed rules cites for the alleged “unequivocal” requirement (at 77 Fed. Reg. 43750 and 43766) only requires that the inventor provide “satisfactory evidence, in light of the total circumstances of the case.” *In re DeBaun*, 687 F.2d 459, 463 (CCPA 1982). If such an “unequivocal” requirement is nonetheless now required by the PTO, it will have the unfortunate consequence of making it harder for university inventors to patent inventions. For example, if an academic publication containing a description of an invention (*e.g.*, as part of overall research results) has more authors than inventors, then in order to qualify for the grace period, the inventor has to give an explanation that is “unequivocal,” and the PTO will only accept the explanation if there is no evidence to the contrary. 77 Fed. Reg. 43750 and 43766 (July 26, 2012). Non-inventor co-authors will likely be a frequent event, since the standards in academic publication for who is identified as a coauthor on a paper reporting academic research results are much more relaxed than the technical patent law requirements for who must be named as a coinventor. As such, a narrow interpretation of the grace period would severely disadvantage a university inventor patenting his or her invention. Accordingly, the University of California suggests that one simple way to restore the American grace period as Congress intended is the *UC’s Suggested Solution*, attached as Appendix A, on pages 14-17 of these Comments.

Similarly, the PTO proposed rules inappropriately limit the availability of the American grace period, in the conclusion it drew from *Ex parte Kroger*. Namely, the *Ex parte Kroger* case only requires that the inventor “provide a satisfactory showing which would lead to reasonable conclusion” on proper inventorship as required by *In re Katz*; and, additionally, if the PTO is in possession of further evidence submitted by a putative (unnamed) joint inventor, the inventor must overcome that further evidence. *Ex parte Kroger*, 219 USPQ 370, 371-372 (Bd. App. 1982). *Ex parte Kroger* does not support the PTO’s proposed language (at 77 Fed. Reg. 43750 and 43766) providing that any “evidence to the contrary” would be sufficient to reject the inventor’s statement. Accordingly, the University of California suggests that one simple way to restore the American grace period as Congress intended is the *UC’s Suggested Solution*, attached as Appendix A, on pages 14-17 of these Comments.

Regarding the key term, “subject matter,” in the text of the AIA (*i.e.*, at AIA §§ 102(b)(1)(B) and 102(b)(2)(B)), the text of the AIA continues (as did the pre-AIA statute) to place the burden of proof on the PTO regarding patentability. Namely, the U.S. inventor is entitled to patent claims if the PTO cannot show that the inventor did not meet the (AIA) statutory patentability requirements. As such, an inventor who

makes a public disclosure of his or her invention prior to filing a U.S. patent application is not necessarily limited to the literal (and/or virtually verbatim) content of his or her prior public disclosure. For example, an inventor who discloses an example of his or her invention in a journal article or talk, and then claims an invention in a U.S. patent application that is more comprehensive than the one example, he or she may still be granted a patent under U.S. patent law (provided that such claimed invention in the patent application is not barred by the prior art, and provided that the inventor files within the 1-year American grace period limit and meets other criteria of patentability).

Accordingly, although some may argue for a literal and/or virtually verbatim definition of “subject matter” in the text of the AIA, to always limit an inventor’s invention to just the literal and/or virtually verbatim content of his or her prior public disclosure is inappropriately narrow under U.S. patent law. Such an inappropriately narrow interpretation of “subject matter” would result in U. S. patents having sharply narrowed patent claims, and would thwart U.S. innovation and job creation. Potential licensees of U.S. university technologies and their investors would be less likely to invest in new technology of university origin that would be protected by such narrowed patent claims that competitors can simply design around (for example, by introducing an insubstantial change, or a trivial or obvious variation) once a licensee takes the big risk of proving the technology. As such, the *UC’s Suggested Solution* (attached as Appendix A, on pages 14-17 of these Comments) deletes the “same” subject matter requirement, to properly restore the breadth of the term “subject matter.”

Also, the PTO’s resistance to affirming rights that Congress has provided (to those who publish first rather than immediately file a patent application in the PTO), may result in limiting the filing of provisional patent application filings under 35 U.S.C. § 111(b). However, Congress did not amend 35 U.S.C. § 111(b) to change the substantive rights of a filer of a provisional patent application, so the PTO should not either. The interplay of the American grace period and provisional patent applications filings has been advantageous for many U.S. patentees, including those of limited means, by permitting an applicant to expand an original provisional filing into a more commercially useful patent.

Although the PTO cited, during the September 6, 2012 USPTO Roundtable, the new 35 U.S.C. § 135 AIA derivation proceeding as a solution for a second-to-file-inventor who is eligible for grace period protection, this remedy is of limited use for several reasons: (a) it applies only to cases where there is derivation; (b) it applies only to cases where the deriver has filed a patent application in the PTO, and not to cases where the

deriver has simply publicly disclosed in a non-patent disclosure (which is a far more frequent event); (c) a derivation proceeding petition may only be filed in a very limited time window of one year, and the inventor may not know about the deriver's PTO patent application filing in time for the inventor to file a derivation proceeding petition; and (d) the inventor has to be in possession of "substantial evidence" to support such a petition, but the inventor may not be in possession of such evidence, in the absence of litigation discovery. One troubling example of implementation of the PTO's proposed derivation proceeding solution would be that if a university researcher publishes his or her research results, a gamesman may copy the technical content from the publication, introduce a "mere insubstantial change" or a "trivial or obvious variation" in such content, and then post that intentionally destructive text on a web page. Because there is no patent filing by the gamesman to use a derivation proceeding against, the university inventor is left without a remedy. As such, the PTO's suggestion of the derivation proceeding as a solution is a severely limited one, at best.

On a related note, there should be no need for the AIA to explicitly provide for a prior art reference to be removed under § 103 when it has already been removed under the § 102(b) American grace period. In other words, the AIA provisions should be interpreted in the same way as the pre-AIA law, so that if the prior art of third parties is removed due to public disclosure of the inventor, then that prior art is not available to invalidate a patent under AIA § 103 either. As previously discussed (on page 3), for the AIA American grace period to be effective and not be an empty right, it needs to be able to remove prior art under both §§ 102(b) and 103.

Finally, the PTO's narrow interpretation of the American grace period is poor national policy. Since patent rights are often a precondition of private funding for many U.S. businesses, likely, many cutting-edge developments will tend to be commercialized outside of the U.S. if the current PTO view of the American grace period is implemented in March 2013. In essence, the PTO would effectively be creating a return to pre-Bayh-Dole days when patent rights were of limited availability to the nonprofit community, resulting in non-U.S. entities commercializing U.S. developments and selling the resulting products back to the U.S.

For the university community, the net result of the PTO's narrow interpretation of the American grace period would be fewer U.S. patent rights for universities and thus less U.S. innovation being made available by universities for the U.S. marketplace.

CONCLUSION

The University of California respectfully requests the PTO to reconsider its narrow interpretation of the grace period under the AIA and its interplay with provisional patent applications. Both the American grace period and the use of provisional patent applications are critically important for many U.S. applicants, particularly the university community, to have their innovations reach the U.S. marketplace. A broader, reasonable interpretation of the text of the AIA in line with the pre-AIA American grace period would be appropriate pending further legislative or judicial developments, and would more accurately reflect the legislative intent, evidenced in House Report 110-314, that emphasizes that Congress did, in fact, intend a “first to publish” American grace period.

One simple way to restore the American grace period as Congress intended is respectfully submitted in the *UC’s Suggested Solution*, attached as Appendix A, on pages 14-17 of these Comments. Congress passed the AIA to promote innovation and create jobs. An effective, meaningful American grace period is what many U.S. applicants, including the university community, rely on to be able to promote such U.S. innovation and to create such U.S. jobs.

Respectfully submitted,

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Appendix A: UC’S SUGGESTED SOLUTION

Below (items 1 to 5 in the chart, collectively) is the University of California’s suggested solution, to clarify and restore the American “first to publish” grace period and related provisions, as discussed in the *Analysis* on pages 1-13 of the University of California’s *Comments* on the PTO proposed rules and guidance to implement the first-inventor-to-file provisions of the AIA.

Item	Page	UC’s Suggested Solution
1	77 Fed. Reg. 43767, column 2, second paragraph	<p>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 * * * .”⁴¹ Thus, the exception in 35 U.S.C. 102(b)(1)(B) <u>establishes the equivalent of an effective filing date, for purposes of determining applicable prior art to the claimed invention to that “subject matter” publicly disclosed by the inventor before such prior art disclosure. This practice (of using the date of public disclosure as the equivalent of an effective filing date) continues American grace period practice prior to the AIA, but the grace period under the AIA is now limited by the date of the inventor’s public disclosure, and limited to the reasonably claimed invention for that subject matter and its obvious variants. –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.</u></p>

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2	77 Fed. Reg. 43769, column 3, first full paragraph	<p>As discussed previously with respect to 35 U.S.C. 102(b)(1)(B), the exception in 35 U.S.C. 102(b)(2)(B) establishes the equivalent of an effective filing date for purposes of determining applicable prior art to the claimed invention to that "subject matter" publicly disclosed by the inventor before such prior art disclosure.⁴⁹ This practice (of using the date of public disclosure as the equivalent of an effective filing date) continues American grace period practice prior to the AIA, but the grace period under the AIA is now limited by the date of the inventor's public disclosure, and limited to the reasonably claimed invention for that subject matter and its obvious variants. 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)(2)(B) to apply.⁴⁹ — 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)(2)(B) does not apply.</p>
3	77 Fed. Reg. 43759, column 1, lines 13-29	<p>(f) If the third-party disclosure on which the rejection is based is not by a party who obtained the subject matter disclosed directly or indirectly from the inventor or joint inventor, then the applicant or patent owner must establish a public disclosure attributable to the inventor or joint inventor earlier than the date of public disclosure on which the rejection is based or earlier than the effective filing date of a patent or patent application on which rejection is based, by identifying and providing the date of earlier disclosure of</p>

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		<p><u>subject matter within the applicant's or patent owner's claimed invention disclosed directly or indirectly by (i) the inventor or joint inventor or (ii) a party who obtained the subject matter directly or indirectly from the inventor or joint inventor, and also by providing a satisfactory showing that the inventor or joint inventor is the inventor of the claimed invention containing the subject matter on which rejection is based. If the earlier disclosure (by the inventor or joint inventor; or a party who obtained the subject matter directly or indirectly from the inventor or joint inventor) was a printed publication, the affidavit or declaration must be accompanied by a copy of the printed publication. If the earlier disclosure (by the inventor or joint inventor; or a party who obtained the subject matter directly or indirectly from the inventor or joint inventor) was not a printed publication, the affidavit or declaration must describe the disclosure with sufficient detail and particularity to determine that the disclosure is a public disclosure of the subject matter on which the rejection is based.</u></p> <p><u>(g) (f)</u> The provisions of this section are not available if the rejection is based upon a disclosure made more than one year before the effective filing date of the claimed invention. The Office may require the applicant to file a petition for a derivation proceeding pursuant to § 42.401 <i>et seq.</i> of this title if the rejection is based upon a U.S. patent or U.S. patent application publication of a patented or pending application naming another inventor and the patent or pending application claims an invention that is the same or substantially the same as the applicant's claimed invention.</p> <p><u>(h) (g)</u> The provision of this section ...</p>

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4	77 Fed. Reg. 43750, column 1, ninth line from the end; to column 2, line 7	<p>Where the authorship of the reference disclosure includes the inventor or a joint inventor named in the application, an <u>"unequivocal"</u> a statement from the inventor or a joint inventor that he/she (or some specific combination of named inventors) invented the subject matter of the disclosure, accompanied by a reasonable explanation of the presence of additional authors, may be acceptable in the absence of evidence to the contrary. See <i>In re DeBaun</i>, 687 F.2d 459, 463 (CCPA 1982) <u>(inventor must provide satisfactory evidence, in light of the total circumstances of the case)</u>. However, a mere statement from the inventor or a joint inventor may not be sufficient <u>if the inventor fails to overcome further evidence presented to the PTO by an additional putative joint inventor where there is evidence to the contrary.</u> See <i>Ex</i> ...</p>
5	77 Fed. Reg. 43766, column 3, lines 16-30	<p>Where the authorship of the prior art disclosure includes the inventor or a joint inventor named in the application, an <u>"unequivocal"</u> a statement from the inventor or a joint inventor that he/she (or some specific combination of named inventors) invented the subject matter of the disclosure, accompanied by a reasonable explanation of the presence of additional authors, may be acceptable in the absence of evidence to the contrary.³⁷ However, a mere statement from the inventor or a joint inventor may not be sufficient <u>if the inventor fails to overcome further evidence presented to the PTO by an additional putative joint inventor where there is evidence to the contrary.</u>³⁸ This is ...</p>