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Attached is an article I published on IPWatchdog.com, which I would like to submit for consideration regarding the proper interpretation of the grace period enacted by the America Invents Act.

Thank you.

-Gene

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Defending the USPTO Interpretation of the New Grace Period

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Zies, Wideman & Malek

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On September 6, 2012, the United States Patent and Trademark Office held a Roundtable on the campus of the USPTO in Alexandria, Virginia. The Roundtable event was for the purpose of the USPTO accepting feedback from the user community on the **proposed examination guidelines to implement the first-to-file** changes of the America Invents Act (AIA), which go into effect on March 16, 2013.

While there were many issues raised, the one issue on which there seemed overwhelming consensus (although not unanimity) was with respect to the USPTO's interpretation of the new grace period. A substantial majority of those who offered comments disagreed with the USPTO's interpretation of 102(b)(1)(B), which pertains to disclosures made by third parties. The USPTO's interpretation of this provision was set forth in the **Federal Register on Thursday, July 26, 2012**. After the pre-scheduled speakers concluded their remarks at the roundtable those in attendance were invited to make remarks. At that time I was recognized and went to the podium to speak on behalf of the USPTO interpretation of the grace period. After my remarks there were no other remarks, but a Q&A session began, with many of those who spoke asking questions of the USPTO Officials in attendance, who were surprisingly willing to provide insight into their interpretations. I say surprisingly because these events are typically not a forum where the USPTO shares information.

The questions asked of the USPTO, and specifically Director Kappos, related to the USPTO interpretation of the grace period in 102(b)(1)(B). At one point, in response to a question, Director Kappos responded: "We are reading the words just the way that Gene Quinn suggested in his comment."

I do not claim that everything below is in 100% alignment with the USPTO interpretation, but I write now to present and expand upon my brief remarks. I will be submitting this article to the USPTO for consideration. Written comments are due to the USPTO on or before October 5, 2012, and should be sent by e-mail to: fitf_guidance@uspto.gov.

First to File and the U.S. Grace Period

The biggest change to US patent laws, and certainly the most discussed, is the fact that the United States has (effective March 16, 2013) converted from a first to invent system to a first to file system. Saying that we will have a first to file system, however, is a little misleading given that the term "first to file" has certain international meanings that will not apply.

A traditional first to file system is one that demands absolute novelty in order to obtain a patent. A traditional first to file system means that if there is a prior use or publication of information relating to the invention no patent can be obtained. That, however, is not what the US first to file system mandates. Under the US first to file system the inventor will still have a personal grace-period, which still makes the United States different than many (if not most) jurisdictions around the world.

The new U.S. grace period, which is quite different from the grace period now in effect up to and including March 15, 2013, is found in 35 U.S.C. 102(b)(1). The text of the statute is as follows:

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.

(emphasis added).

USPTO Interpretation of the Grace Period

In relevant part, the USPTO interpretation of the grace period as set forth in the **Federal Register** is set forth below:

The AIA in 35 U.S.C. 102(b)(1)(B) provides additional exceptions to the prior art provisions of 35 U.S.C. 102(a)(1). These exceptions disqualify a disclosure that occurs after a public disclosure by the inventor, joint inventor, or another who obtained the subject matter directly or indirectly from the inventor or joint inventor. The provisions of 35 U.S.C. 102(b)(1)(B) indicate that a disclosure which would otherwise qualify as prior art under 35 U.S.C. 102(a)(1) is not prior art if the disclosure was made: (1) One year or less before the effective filing date of the claimed invention; and (2) after a public disclosure of the subject matter of the disclosure which would otherwise qualify as prior art under 35 U.S.C. 102(a)(1) by the inventor or a joint inventor or another who obtained the subject matter directly or indirectly from the inventor or a joint inventor.

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.

There is a belief by many in the patent community, which was expressed at the Roundtable, that

if an inventor publishes then subsequent publications cannot be used against the inventor to defeat patentability. I do not share that viewpoint and never have. On IPWatchdog.com we have had numerous and heated debates on the issue.

Some who believe the new 102(b) grace period inoculates an inventor who has disclosed from subsequent disclosures prior to filing say that they come by this interpretation based on the language of the statute. Frankly, I do not know how those who support this reading can come to this understanding based on the text of the statute. The statute does not seem to allow for such an interpretation. Others, however, come to this interpretation not based on the language of the statute, but rather based on the Legislative History.

In the Legislative History Senator Kyl (R-AZ) says: “Under new section 102(b)(1)(B), once the U.S. inventor discloses his invention, no subsequent prior art can defeat the invention. The U.S. inventor does not need to prove that the third party disclosures following his own disclosures are derived from him.”

But 102(b)(1)(B) says: “A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if... the 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.”

Said in the opposite manner, 102(b)(1)(B) translates to: “A disclosure made 1 year or less before the effective filing date of a claimed invention IS prior art to the claimed invention under subsection (a)(1) unless 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.”

I just don't see any way that what Senator Kyl says can be interpreted as being consistent with the language in the bill. In fact, subsequently disclosed prior art seems to specifically be envisioned in the plain meaning of the law to defeat an invention unless it was obtained prior to the inventor's publication from the inventor. So if the inventor publishes and party A were working on something independently they could publish immediately and defeat the inventor's ability to obtain a patent unless party A obtained the information from the inventor prior to the inventor's publication.

The Error of Relying on Legislative History

Those who urge the USPTO to consider this Legislative History when interpreting the new grace period are making an enormous mistake and the USPTO should not succumb to pressure to adopt the interpretation of the Legislative History for at least three reasons. First, Legislative History is inherently unreliable and regardless of what one thinks of the patent jurisprudence of the Supreme Court it is abundantly clear that a substantial majority of the Supreme Court has utter disdain for relying on Legislative History. Second, the Legislative History here directly contradicts the language of the statute, which means that under the canons of statutory construction the Legislative History cannot be relied upon. Third, as much as I like Senator Kyl he is but one of 535 Members of Congress. His opinions and interpretation are his own and do not necessarily reflect the views of a majority of Members of the Congress.

Furthermore, it would be rather perverse if the statute could be read to inoculate a first disclosure against subsequent disclosures for at least two reasons. First, such a reading would most certainly not create a first to file system, but rather would create a first to publish system. Second, so much of the rationale for converting to a first to file system — even a U.S. version of a first to

file system that allows for at least some grace period — was continually reported as being an important step toward harmonizing U.S. patent laws with the patent laws of the remainder of the global community. If the America Invents Act were to create a first to publish system that would take us at least one step further away from patent harmonization, not closer. In many (if not most) jurisdictions around the world any disclosure prior to filing would defeat novelty. Under a reading of 102(b) as adopting a first to publish rule there would be tremendous incentive to publish first prior to filing, which is the antithesis of the novelty regimes in so many countries around the world.

The Proper Interpretation of the Grace Period

It may have been quite wise, and more in keeping with U.S. tradition, to have adopted a first to publish system. That debate was not held, and the language of the statute prevents such an interpretation.

When you initially look at this grace period language it becomes clear that there is an effort to morph what in (a)(1) is a traditional first to file approach and turn it into a first inventor to file system. 102(b) seeks to eliminate from the universe of prior art disclosures made by the inventor or which owe their substance to the inventor. So if the inventor discloses his or her invention less than a year before filing a patent application the patent can still be awarded. If someone learns of the invention from the inventor and discloses less than a year before filing a patent application, the patent can likewise still be awarded. Notably missing is an exception that applies to independent third-party activities within 1 year of filing. Thus, the grace period set up by the new 102(b) excepts disclosures made by or through an inventor less than 1 year before the inventor files, but does not extend to independent disclosures made by others less than 1 year before the inventor files.

This reading is built upon the language of the statute itself. The term “the subject matter disclosed” is used exactly in both 102(b)(1)(A) and 102(b)(2)(B). The use of the exact same phrase repeatedly must necessarily mean that the term is intended to cover the identical thing.

In 102(b)(1)(A) the statute says that “the subject matter disclosed” by the inventor cannot be used against the inventor. In 102(b)(1)(A) the statute says that “the subject matter disclosed” by the inventor cannot be used against the inventor if disclosed by a third party who obtained “the subject matter disclosed” from the inventor, either directly or indirectly. Therefore, it is eminently reasonable for the USPTO to say that for subsequent disclosures after a disclosure of the inventor to be excluded as prior art they must be the same as the disclosure of the inventor with even trivial differences enough to prevent application of the exclusion.

Under this interpretation it would be impossible for an inventor who independently arrived at the invention to subsequently publish “the subject matter disclosed.” It would stretch the imagination that one who truly arrived at the invention independently could disclose the invention with sufficient identity to exclude the subsequent disclosure as prior art under 102(b)(1)(B). Furthermore, it would seem inconsistent with the express language of 102(b)(1)(B) to exclude the subsequent disclosure of an independently arrived at invention even if the subsequent disclosure was exactly identical to that disclosure of the inventor. This is because the exclusion from prior art authorized by the express language of 102(b)(1)(B) applies only when the subsequent disclosure “obtained **the subject matter disclosed** directly or indirectly from the inventor or a joint inventor.” Thus, the independently arrived at and subsequently disclosed invention would be prior art against the inventor who disclosed first but did not file a patent application prior to said subsequent disclosure.

Conclusion

It is important to understand that under the new law an inventor is always better off filing sooner rather than later. File early and often. Nevertheless, there is not a true race to the Patent Office set up by the new law. In order to be awarded a patent one must still be an inventor. Those who learn of an invention cannot now, nor can then under the new law, beat the inventor to the Patent Office and obtain a patent. Inventors must contribute conception and stealing from another provides no conception that will support the awarding of a patent.

This personal grace-period says that the inventor's own disclosures, or the disclosures of others who have derived from the inventor, are not used as prior art as long as they occurred within 12 months of the filing date of a patent application relating to the invention. However, and this is a very big however, disclosures of third-parties who independently arrived at the invention information will be used against the inventor. Said another way, there is no grace-period relative to third party, independently created disclosures. This is an enormous difference between the old law and the new law.