

## **First-Inventor-to-File Comment – Public Disclosure**

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### **I. Introduction**

The focus of this Comment is on section 102(b) and if there is any meaningful difference between a “disclosure” and a “public[] disclos[ure]”. Under section 102(b)(1)(B), “[a] disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under 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” (emphasis added). The “publicly disclosed” exception also appears in 102(b)(2)(B) in relation to disclosures in patents and patent applications made under 102(a)(2). The two uses of “publicly disclosed” in 102(b)(1)(B) and 102(b)(2)(B) are equivalent to the extent that they both remove from prior art any “disclosure” that occurs after the subject matter is “publicly disclosed” by the inventor or someone who obtained the subject matter from the inventor.

Basically, if the inventor (or someone who obtained the subject matter from the inventor) publicly discloses the subject matter, then that disclosure will not constitute prior art if the inventor later applies for a patent (and, for art under Section 102(a)(2), within a year of the public disclosure). However, despite the straightforward appearance of the text, the real ambiguity lies in what constitutes “publicly disclosed” versus a “disclosure”. This Comment will address the meaning of “publicly disclosed” by examining Congressional intent and several hypotheticals. I suggest that Congress first intended a “disclosure” to mean the categories of prior art established in 102(a), namely “patented”, “printed publication”, “public use”, “on sale”, “otherwise available to the public” and unpublished patents or patent applications. These categories of prior art should include “private” sales, “secret” prior art, and non-informing sales and uses, which is supported by precedent. Second, “publicly disclosed” in 102(b) should mean a disclosure that is public and also enables the public to practice the invention.

### **II. Statutory Interpretation**

A plain reading of the statute indicates that an ordinary “disclosure”—that is, without the “public” modifier—should be of a public nature since it seems impossible to disclose something in a private setting. Therein lies the inconsistency in the statute’s subsection. The use of “disclosure” and “publicly disclosed” in 102(b) highlights a disconnect in the plain reading of “disclosure”. Namely, if a disclosure is already public, then what differentiates “publicly disclosed” from “disclosed”. The current wording suggests there is a difference between the two, but the plain reading tends to show that both terms mean the same thing and the word “publicly” is unnecessary.

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Based on conversations in the Congressional Record, Senator Leahy and Senator Hatch both believe that any prior art under 102(a) must enable and make the invention available to the public.<sup>2</sup> Furthermore, both Senators strongly believe that any “disclosure” that constitutes prior art under 102(a), if performed by the inventor, would fall within the one-year grace period exception in 102(b).<sup>3</sup> Senator Leahy states that “[w]e intend that if an inventor’s actions are such as to constitute prior art under subsection 102(a), then those actions necessarily trigger subsection 102(b)’s protection for the inventor 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).”<sup>4</sup> Furthermore, “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.”<sup>5</sup> Senator Hatch adds, “the important point is that if an inventor’s disclosure triggers the 102(a) bar with respect to an invention, which can only be done by a disclosure that is both made available to the *public and enabled*, the he or she has thereby also triggered the grace period under 102(b).”<sup>6</sup> Additionally, “a disclosure that does not satisfy the requirements to be prior art under subsection 102(a), nonetheless constitutes a disclosure that is fully protected under the more inclusive language of subsection 102(b).”<sup>7</sup> Although there does not seem to be a situation in which this would matter—if it is not 102(a) art, it seems moot to consider whether it falls under the 102(b) exclusion—this statement highlights at least some Senators’ intent to have 102(b) interpreted more broadly than 102(a) to provide inventors with increased flexibility in disclosing and clearing out potential prior art.

Moreover, Senator Leahy expressed that “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...that is then made public may be deemed patent-defeating prior art.”<sup>8</sup> Although this statement is consistent with the view that 102(b) is broader in scope than 102(a), it appears that Senator Leahy envisioned a substantial overhaul of the prior art rules. However, there are no additional comments or indications that the overall congressional intent or the purpose of the statute was to change the basis for prior art.

Furthermore, Senator Leahy specifically commented on what constitutes a “public disclosure” by stating that the purpose of 102(b)(1)(B) is “that an inventor who has made a public disclosure – that is, a disclosure made available to the public by any

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<sup>2</sup> Cong. Rec. Vol. 157, Number 35, S1496 – S1497 (Mar. 9, 2011) (statements of Senator Hatch and Senator Leahy).

<sup>3</sup> Paul Morgan, *The Ambiguity in Section 102(A)(1) of the Leahy-Smith America Invents Act*, Vol. 27 *Patently-O Patent L.J.* 29, 39 (Dec. 7, 2011).

<sup>4</sup> 112 Cong. Rec. Vol. 157, Number 35, S1496 (statement by Senator Leahy).

<sup>5</sup> *Id.* (statement by Senator Leahy).

<sup>6</sup> *Id.* (statement of Senator Hatch) (emphasis added).

<sup>7</sup> *Id.* (statement of Senator Hatch).

<sup>8</sup> *Id.* (statement of Senator Leahy).

means – is fully protected during the grace period.”<sup>9</sup> The practical difference here is that in absence of a “public disclosure” by the inventor (or others as described earlier), a “disclosure” is merely exempted as prior art when another obtains the disclosed subject matter from the inventor, while in the presence of a “public disclosure,” all intervening “disclosures” (subject to the earlier conditions) are exempted as prior art.

Senator Leahy also added that “by a ‘public disclosure’ I mean one that results in the claimed invention being ‘described in a printed publication, or in public use, on sale, or otherwise available to the public.’”<sup>10</sup> Importantly, the only difference between this list and the categories of art in Section 102(a) is unpublished patents and patent applications. Of course, if an inventor has filed for a patent already, then under the first-inventor-to-file system of the AIA, no subsequent art can defeat patentability, at least under 102(a). For all practical purposes, in Senator Leahy’s view, “public disclosure” essentially collapses to “disclosure.” Thus, Senator Leahy’s statement only adds to the confusion of what the difference is between a “public disclosure” and a “disclosure,” and should be rejected as interpretative guide. Next, this Comment examines several hypotheticals to further explore the possible meanings of “public disclosure” and “disclosure”.

### III. Private Commercial Use by Inventor Hypothetical

Inventor A secretly invents an engineering process X and then commercially uses the process in his factory. A keeps the process very secret to all outsiders and even employees. A waits for over a year from his first commercial use of X and then submits a patent application for X. Should A’s secret, commercial use be considered prior art under 102(a) and prevent A from gaining a patent on X?

Prior to the AIA, the 2<sup>nd</sup> Circuit held in *Metallizing* that the secret commercial use by an inventor, if for a long enough time prior to the patent application, should bar the inventor from gaining a patent on the invention.<sup>11</sup> This ruling was generally based on public policy reasons promoting disclosure of patents and to prevent inventors from artificially extending the term of their patents beyond the intended 20-year limitation.<sup>12</sup> These reasons also support why a *private, commercial sale* by the inventor of the invention will bar the inventor from gaining a patent on the invention if the inventor waits more than one year before filing for a patent.<sup>13</sup>

However, under both Senator Leahy’s and Senator Hatch’s view, this secret, commercial use does not constitute prior art under Section 102(a). Such a view might encourage inventors to keep their inventions private and only apply for a patent when it is

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<sup>9</sup> *Id* at S1497 (statement of Senator Leahy).

<sup>10</sup> *Id* at S1496 (statement of Senator Leahy).

<sup>11</sup> *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2d Cir. 1946).

<sup>12</sup> Morgan, *The Ambiguity in Section 102(A)(1) of the Leahy-Smith America Invents Act*, Vol. 27 at 31.

<sup>13</sup> See *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55 (1998).

absolutely necessary, and can artificially increase the monopoly on the invention by keeping the invention secret and then applying for a patent later. Basically, this situation contradicts the public policy principles outlined in *Pfaff*, which were actually in favor of promoting public disclosure.<sup>14</sup>

Importantly, there is no indication anywhere else in the legislative history—including the “official” legislative history, namely the House Report accompanying the AIA—of such a position. Moreover, Senator Leahy and Senator Hatch’s views were provided *after* the AIA was passed in the Senate, casting doubt on its reliability as legislative “history” per se. Given the sea change in prior art that such an approach would constitute and the lack of any support for such an approach otherwise in the legislative history, this approach should be rejected. On this ground, secret commercial uses and private sales should continue to count as prior art under 102(a).

Once we include these types of prior art within 102(a), this helps to answer to riddle of the difference between “public disclosures” and “disclosures.” Namely, if the exceptions of Section 102(b) are to have any consistent interpretation whatsoever, then “disclosure” must be interpreted to cover all categories of prior art under 102(a). Otherwise, suppose the inventor secretly uses his invention in a commercial manner and an employee steals the invention and sells it to a competitor, who later puts it on sale. If a secret use counted as prior art, but did not count as a “disclosure,” then there would be no way to exempt the third-party sale from being prior art if the true inventor later filed for a patent, even within a year of the first commercial use. Such a reading cuts against the entire thrust of the statute and finds no support in the legislative history, even under Senator Leahy and Hatch’s approach. Thus, as in Senators Leahy and Hatch’s scheme, a “disclosure” should continue to include all categories of prior art under 102(a).

### **III. Oral Presentation by Inventor Hypothetical**

Inventor A presents a new process, X, to five scientists in an oral presentation that lasts over three days. A does not hand out any materials but A does leave the poster up throughout the three days. One month later, B independently discovers X and files a patent on X. A then files for a patent on X. First, should A’s activity constitute prior art against B’s patent application? Second, should A’s activity constitute a “public disclosure” under the 102(b)(1)(B) exception and clear out B’s application if A later files?

First, courts have found that the situation described above constitutes prior art under the current prior art provisions.<sup>15</sup> The court found that this situation constituted a “printed publication” because the presentation was shown for an extended period of time and the audience was allowed to take notes in any format, including pictures of the presentation.<sup>16</sup> Although the AIA perhaps places greater emphasis on “public access”

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<sup>14</sup> See *Id* at 63-64.

<sup>15</sup> See *In re Klopfenstein*, 380 F.3d 1345, 1352 (Fed. Cir. 2004).

<sup>16</sup> *Id.*

than the current provisions, there is no indication that such an instance would not count as prior art. As such, the presentation and poster should count as a “disclosure”.

It is less clear whether this situation constitutes a “public disclosure”. Under Senator Leahy and Senator Hatch’s view, it seems if the presentation is considered prior art, then it is also considered “publicly disclosed” and would clear out B’s application. However, as noted earlier, such a reading would render the difference between “public disclosure” and “disclosure” effectively meaningless. Thus, the question is whether a “public disclosure” requires more dissemination than prior art that happens to be “public” in some sense of the word. This question is difficult to answer, but if private and secret uses continue to count as prior art, then such a presentation should—in line with prior case law—count as a “public” disclosure, clearing out B’s application.

#### **IV. Non-Informing Sale by 3<sup>rd</sup> Party Hypothetical**

Inventor A discovers a chemical compound called X but does not know of any uses for X. A then sells X to B but B does also not know of any uses for X. C then independently invents X, determines a use for X, and tries to gain a patent on X. Only after C’s discovery of the use, A independently discovers a use for X and files for a patent. Should A’s sale count as prior art against C?

Generally, a non-informing sale of an invention by a 3<sup>rd</sup> party will count as prior art against the original inventor if the invention is subject to a sale or a commercial offer and is ready for patenting. The court held in *Abbott*, “[o]ne of the primary purposes of the on-sale bar is to prohibit the withdrawal of inventions that have been placed into the public domain through commercialization.”<sup>17</sup> Here, A’s sale to B would not be “ready for patenting,” because A did not know of a use for X. Moreover, based on the Senator Hatch’s view, it does not appear that a non-informing sale by a 3<sup>rd</sup> party would constitute prior art whatsoever under 102(a)(1), because the sale did not enable the public to practice the invention.<sup>18</sup> Thus, both under current practice and under Senator Hatch’s view, the sale would not be prior art to A’s patent.

However, suppose A did know of a use, but did not communicate as much to B, and it would not have been apparent to anyone what such use would be. Does this change the situation? Under current practice, the sale would then count as prior art under *Pfaff*. Under Senator Hatch’s view, it would not count as prior art, because the sale was not enabling in the sense that it made the invention available to the public. Again, like Senator Leahy’s position, if Senator Hatch’s view were followed, it would cause a drastic change in existing law. And, again, there is no support for such a change anywhere else in the legislative history—particularly, the official legislative history as well the proceedings that pre-dated passage of the Act in the Senate. As such, Senator Hatch’s

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<sup>17</sup> *Id* at 1319.

<sup>18</sup> Cong. Rec. Vol. 157, Number 35, S1496 (“if an inventor’s disclosure triggers the 102(a) bar with respect to an invention, which can only be done by a disclosure that is both made available to the public and enabled”).

view should be rejected and such non-informing sales should continue to count as prior art. Thus, non-informing sales (and uses) would be prior art and “disclosures” on the view advocated here, but not “public disclosures”.

## **V. Conclusion**

Based on the statutory language, the absence of clear congressional intent to radically change the nature of the prior art categories, and sensible interpretations of the above hypotheticals, the best solution to the “disclosure”-“public disclosure” dilemma is as follows:

- “Disclosure” means all areas of prior art that count under the new statute.
- “Publicly disclosed” means any disclosure that is both enabling and available to the public.

Overall, it will be necessary for the PTO to provide strong guidance on the precise meaning of “publicly disclosed” and “disclosure”. Beyond the inherent problems with potentially overruling well-established prior art precedent, Congress has created a statute containing many other interpretative pitfalls for which inventors need clear guidance.