

**Texas Intellectual Property Law Journal**  
2013

Article

**IS THE PROTOTYPICAL SMALL INVENTOR AT RISK OF INADVERTENTLY ELIMINATING THEIR  
TRADITIONAL ONE-YEAR GRACE PERIOD UNDER THE AMERICA INVENTS ACT?-- INTERPRETING “OR  
OTHERWISE AVAILABLE TO THE PUBLIC” PER NEW § 102(A) AND “DISCLOSURE” PER NEW § 102(B)**

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I.	Introduction	374
II.	Importance of Interpreting AIA’s New Statutory Language in New § 102(a) and (b)	376
III.	The Statutory Provisions: 35 U.S.C. § 102 Old and New	380
IV.	Legislative History and Interpretation for New §102(a)(1) “Or Otherwise Available to the Public” and § 102(b)(1) “Disclosure”	383
	A. Legislative History	383
	1. Legislative History of New § 102(a) “Or Otherwise Available to the Public”	384
	2. Legislative History of New § 102(b)(1) “Disclosure”	388
	B. Interpretations of New § 102(a) “Or Otherwise Available to the Public” and New § 102(b) “Disclosure”	393
	1. Existing Case Law	393
	2. Review of International Patent Law	395
V.	Application and Ramification of Suggested Interpretations	395
	A. Public Use as Prior Art	396
	1. Non-Informing Uses	397
	2. Experimentation Exception	400
	3. Secret Uses	401
	B. On Sale as Prior Art	404
VI.	Conclusion	410

## **\*374 I. Introduction**

Imagine a patent system that would have allowed monolith IBM to crush a fledgling Apple from its humble beginnings back in Steve Jobs's family garage,<sup>1</sup> a patent system that would have prevented the iPod, iPhone, and iPad from ever seeing the light of day. Imagine a patent system that significantly disadvantages the small inventor. This is the scenario small inventors fear has resulted with the passage of the America Invents Act (AIA).<sup>2</sup> This Comment suggests interpretations for new language appearing in the AIA that, if adopted, will tend to mitigate such a doomsday scenario for the United States small inventor.

The analysis offered in this Comment is biased towards protecting the small inventor. Why should small inventors enjoy any unique protection with regard to patents? In terms of lobbying power, small and independent inventors by their very nature have fewer resources than large companies and large research oriented universities. Thus, without some mitigating mechanism the small inventor may be at a disadvantage in presenting their needs to their elected legislative representatives. Yet many of society's most cherished inventions have originated from small entrepreneurs,<sup>3</sup> suggesting that small inventors should enjoy at least the same level of protection as their larger counterparts with regard to patent law. More importantly, there are strong positive correlations between small inventors, startups, and significant job growth.<sup>4</sup> This implies that strong protections for the small inventor are vitally necessary for overall net job growth and the overall health \*375 of the U.S. economy.<sup>5</sup> That which tends to benefit the small inventors tends to benefit us all.

Fortunately, several mitigating mechanisms do exist which push back towards parity between the small inventors and big business or the large research universities. These mitigating mechanisms include the venture capital community who fund small inventors; small inventors themselves who in aggregate may form powerful lobbies; and the patent attorneys who do work for small inventors. Despite these factors, small inventors fear passage of the AIA favors big business over the interests of the small inventor.<sup>6</sup>

On September 16, 2011, President Obama signed the largest overhaul of the U.S. patent system in nearly 60 years,<sup>7</sup> commonly known as the Leahy-Smith America Invents Act. The United States Patent and Trademark Office (USPTO) asserts that this legislation is the greatest overhaul since the 1836 Patent Act.<sup>8</sup> While the changes are many, this Comment provides much-needed guidance in interpreting new statutory language undefined in the AIA itself, as we await the development of case law in the years to come.<sup>9</sup>

The AIA amends Title 35 of the United States Code (35 U.S.C.).<sup>10</sup> In this Comment, the 1952 Patent Act (as amended) will hereinafter be referred to as the "Old" Act and the AIA § 102(a) and (b) will hereinafter be referred to as "New" § 102(a) and (b). New § 102(a) and (b) contain some new terminology absent from the Old § 102(b), although much other terminology remains identical in both versions. This Comment focuses on the new statutory language in AIA's New § 102(a) and (b) which will be replacing Old § 102(b) of the 1952 Patent Act.<sup>11</sup> The new language is: "or otherwise available to the public" from New § 102(a) and \*376 "disclosure" from New § 102(b).<sup>12</sup> As noted above, the motivation driving this statutory interpretation is to ensure small inventors have at least the same protections as under the Old Act.

Part II sets out why interpreting the new statutory language is important to the practice of patent law; Part III presents the statutory changes; Part IV provides an analysis of the legislative history ending with the author's suggested interpretations; and Part V applies the suggested interpretations to existing patent case law. The Comment concludes with a suggested practice point for small inventors on how to best protect themselves under the AIA in the interim period until new case law emerges.

## **II. The Importance of Interpreting AIA's New Statutory Language in New § 102(a) and (b)**

Why focus on the new language in New § 102(a) and (b)? The answer is because of how patent applications are prosecuted, and because even a granted patent's validity may be challenged in subsequent litigation.<sup>13</sup> In order for an invention to warrant the grant of a patent, that invention must satisfy four global requirements: usefulness, novelty, non-obviousness, and an enabling disclosure requirement.<sup>14</sup> Procedurally, the grant of a patent involves a comparison process in which a USPTO examiner compares claims in the application to various categories of prior art,<sup>15</sup> looking for a reference that may suggest the inventor's claim already \*377 exists in the public domain, rendering the claim non-novel (anticipated) or obvious.<sup>16</sup> Prior art has traditionally been categorized into (prior) patents, printed publications, public use, and on sale.<sup>17</sup> For example, an examiner might reject a claim under § 102 (old or new), because the examiner found an older patent claiming the same

subject matter in the application.<sup>18</sup> Each of these traditional categories of prior art has existed statutorily at least since the 1952 Patent Act and extensive case law for each category provides applicants, practitioners, and examiners with much certainty in what is patentable and what is not.<sup>19</sup> However, the AIA's new prior art provision includes the new phrase "or otherwise available to the public" without defining it.<sup>20</sup> As noted above, defining the categories of prior art is critical to both whether a patent will be granted and whether a challenged patent will remain valid.

How "or otherwise available to the public" will be interpreted matters because inventors need to know what actions will or will not constitute prior art, which is the most common basis for substantive application rejections.<sup>21</sup> Is the phrase a new category of prior art or merely a modifier placing a limitation upon the existing categories of prior art? If the phrase is a limiting modifier, does it apply to all the categories of prior art, just on sale, or both public use and on sale? If the new phrase represents a modifier this would be a significant change with respect to public use and on sale prior art categories as formerly a determination as to what constitutes prior art generally did not involve an inquiry into whether it was available to the public.<sup>22</sup> Lastly, if the phrase is a modifier, does "available to the public" represent an accessibility standard or an informing (enabling) use \*378 standard?<sup>23</sup> Inventors, particularly small inventors, have a legitimate concern over what this phrase will mean.<sup>24</sup>

In addition to this prior art ambiguity, there is further ambiguity regarding when the "grace period"<sup>25</sup> of New § 102(b) will or will not be triggered. Prior to the AIA, the grace period and prior art categories were contained within one provision, Old § 102(b). An application would be rejected if there was a single patent, single printed publication, single public use, or even a single commercial offer for sale occurring more than one year before the application was filed.<sup>26</sup> Put another way, after the one-year grace period expired, the applicant would be statutorily barred from receiving a patent under Old § 102(b), even if the prior art was created by the inventor. The expiration of the one-year grace period leading to a statutory bar is also known as the "forfeiture doctrine" under Old § 102(b).<sup>27</sup>

Under the AIA, the linkage between the prior art categories of New § 102(a) and the grace period in New § 102(b) is through the term "disclosure." For certain categories of prior art, such as "patent" and "printed publication," the term "disclosure" works fine because presumably a patent or printed publication would be a disclosure under New § 102(b), at least from a plain textual standpoint. However, for the remaining prior art categories of public use and on sale, do these categories always constitute a "disclosure?" This is the uncertainty New § 102(b) \*379 creates. Both public use and on sale events were protected categories of prior art under Old § 102(b), in that both enjoyed a one-year grace period. Has the AIA narrowed the grace period to exclude these traditional categories?<sup>28</sup>

For example, consider the following two statements, from Representatives (Rep.) Smith of Texas and Lofgren of California in House debate regarding the AIA. According to Rep. Smith:

[O]ne key issue for clarification is the interplay between actions under [New] section 102(a) and actions under [New] section 102(b). 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 [New] 102(a), then it inherently triggers the grace period subsection [New] 102(b).<sup>29</sup> But according to Rep. Lofgren:

[I]t is absolutely essential that the revised grace period extend to everything that is prior art under today's rules. Unfortunately, that is not the case in the manager's amendment [which passed]. The grace period would protect, and this is a direct quote, "only disclosures." Well, what would that not protect? Trade secrets. Offers for sale that are not public. . . . This needs to be addressed, not in a colloquy but in language, and we agreed in the committee when we stripped out language that didn't fix this that we would fix the [New] 102(a) and (b) problem in legislation. . . . [W]e know that the language of the bill needs to reflect the intent. Judges look to the statute first and foremost to determine its meaning, and the legislative history is not always included.

So the ambiguity that's in the measure is troublesome. And although we prepared an amendment to delineate it, it has not been put in order, and, therefore, this remedy cannot be brought forth, and small inventors and even big ones may have a problem.<sup>30</sup>

The ambiguity raised by Rep. Lofgren is: will public use and on sale prior art under New § 102(a) constitute "disclosures" under New § 102(b) so as to trigger the grace period?<sup>31</sup> If yes, then there is no problem; but if no, then inventors, particularly small inventors, would largely lose the needed grace period because if there is New § 102(a) prior art but no grace period, then the prior art immediately bars issuance of a patent.<sup>32</sup> Or would some public use and on sale prior art be considered

“disclosures” under New § 102(b) while others would be excluded? Note, the legislative history surrounding the AIA will be looked at more closely below.<sup>33</sup> In any event, it should be clear that understanding all the prior art \*380 categories of New § 102(a) and how “disclosure” works with the new grace period under New § 102(b) are paramount to the practice of patent law under the AIA.

In response to this uncertainty, the USPTO has two options: (1) ignore the new language until it is inevitably clarified by judicial review, or (2) issue their own regulations interpreting the new language.<sup>34</sup> The first outcome is more likely for three reasons. First, even apart from the AIA, the USPTO was and continues to be incredibly overworked.<sup>35</sup> For example, in 2010 the USPTO received over 500,000 patent applications, had a backlog of 700,000 pending patent applications, and an application remained pending on average for nearly three years.<sup>36</sup> Secondly, before an examiner can begin to use the new language, the USPTO will need to issue a revised Manual of Patent Examining Procedure (MPEP) because the MPEP serves as the standard operating procedure for USPTO examiners.<sup>37</sup> Further, before a revised MPEP is issued, the USPTO will need to draft new regulations,<sup>38</sup> which will then be incorporated into a revised MPEP. Thus, out of this resource constrained reality,<sup>39</sup> it is simply prudent for the USPTO to wait until a patentee brings an infringement suit<sup>40</sup> against an alleged infringer who defends by arguing the patent is invalid upon a preferred interpretation of this new statutory language. Because the new language in New § 102(a) and (b) is not defined, it will draw patent litigators like moths to a flame, eager to advocate for interpretations which best serve their warring clients.<sup>41</sup> It is precisely because of this uncertainty in an area critically important to the practice of patent law that this Comment has been written, to suggest guidance in interpreting the language of New § 102(a) and (b).

### III. The Statutory Provisions: 35 U.S.C. § 102 Old and New

Section 102 of the patent code (old and new) serves three main functions.<sup>42</sup> First, broadly speaking, § 102 establishes the novelty requirement, that an invention \*381 is not patentable unless it is “novel.”<sup>43</sup> Second, § 102 provides for various types or categories of “prior art.”<sup>44</sup> Third, § 102 establishes the “grace period.” The relationship between prior art and the grace period are at the heart of this Comment.

Old § 102(b) read as follows:

A person shall be entitled to a patent unless?

(b) the invention was patented or described in a 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 . . . .<sup>45</sup>

Note that Old § 102(b) identifies four classes of prior art: patents, printed publications, public use, and on sale. Also note Old § 102(b) refers to a one-year period, which is the grace period.<sup>46</sup> Old § 102(b) contained both the prior art categories and the grace period within one provision,<sup>47</sup> while the AIA separates prior art from the grace period.<sup>48</sup> New § 102(a) contains only prior art classifications and New § 102(b) contains the grace period provision.

New § 102(a)(1) reads as follows:

(a) NOVELTY; PRIOR ART.--A person shall be entitled to a patent unless --

(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention . . . .<sup>49</sup>

New § 102(a)(1) contains all the prior art categories that were present in Old § 102(b) with the addition of the new phrase, “or otherwise available to the \*382 public.”<sup>50</sup> Because all the other prior art categories have been listed in Old § 102(b) since 1952,<sup>51</sup> extensive case law is at hand providing much guidance for what these traditional categories of prior art mean.<sup>52</sup> Applying these established categories of prior art is, for the most part, merely an exercise in applying settled law.<sup>53</sup> This Comment assumes that passage of the AIA has not changed the established meanings of those categories of prior art, unless an interpretation of this new phrase requires such a change. “[O]r otherwise available to the public” as an addition to the prior art provision requires explanation and clarification.

The second new term of interest appears in New § 102(b)(1), which reads as follows:

(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.<sup>54</sup>

New § 102(b)(1) contains a similar one-year grace period provision to Old § 102(b).<sup>55</sup> However, unlike Old § 102(b), New § 102(b) contains no prior art categories and is couched as an exception that provides applicants a one-year grace period if certain conditions are met. If the conditions are not satisfied then a finding of prior art under New § 102(a) constitutes an immediate bar to securing a patent. The key term in New § 102(b) is “disclosure” because it is this term which provides the link to prior art under New § 102(a).<sup>56</sup> For example, if an applicant were to publish details of the invention in an academic journal, such publication would constitute prior art under New § 102(a) but would also likely constitute a disclosure under New § 102(b), giving the applicant the one-year grace period to \*383 file a patent application from the date the publication reaches its first subscriber or purchaser.<sup>57</sup> By and large this is how Old § 102(b) worked.<sup>58</sup> The problem is with uncertainty as to what will and will not constitute a New 102(b) “disclosure.”<sup>59</sup> This Comment now turns to a review of the legislative history for guidance in suggesting appropriate interpretations for this new statutory language.

#### **IV. Legislative History and Interpretations for New § 102(a)(1) “Or Otherwise Available to the Public” and § 102(b)(1) “Disclosure”**

##### **A. Legislative History**

Courts pursue two approaches in construing a statute: analysis of the legislative purposes behind the enacted statute and analysis of the effects of an enacted statute. As already noted, the New § 102 will not become effective until March 16, 2013.<sup>60</sup> Hence at this stage, we are limited to a statutory construction analysis based on legislative purpose, rather than legislative effect. Further, because the new language of interest is not explicitly defined in the AIA, the legislative purpose analysis will be grounded in a review of the legislative history.

Before diving into the legislative history to search for guidance, a few words of caution are appropriate. Enacted legislation is typically the product of much compromise, both between legislators and between constituents and lobbyists.<sup>61</sup> The public is not privy to some of these compromises, which often occur in private and off the record.<sup>62</sup> Additionally, the legislative history that is available to the public, including the judiciary, is subject to legislative manipulation; legislators are aware that the judiciary reviews legislative histories for guidance, possibly seeking to have specific records entered into the legislative history (e.g., committee reports or lobbyist endorsements) for the express purpose of influencing the judiciary (and to document good faith efforts to show their various constituents).<sup>63</sup> For example, debates and colloquies can be staged and scripted for the express purpose of \*384 generating legislative history.<sup>64</sup> Of course, both the legislature and judiciary are aware of this gamesmanship. This reality often prompts judges to comment about the futility of engaging in attempts to unravel a legislature’s true intent for passing a law.<sup>65</sup> With these words of caution in place, this Comment now turns to a review of the legislative history.

##### **1. Legislative History of New § 102(a) “Or Otherwise Available to the Public”**

With regard to the New § 102(a)’s “or otherwise available to the public” language, the legislative history is very sparse, with only three meaningful references to the expression.<sup>66</sup> The vast majority of references to this phrase are merely in sections citing the entire proposed statute, rather than explanatory language. However, one of these three references is actually very extensive and will be described shortly.<sup>67</sup> The Congressional Record surrounding the AIA bills (S. 23 in the Senate, which preceded H.R. 1249 in the House) does not express any opposing views, which suggests there is in fact a harmonious

legislative purpose to the meaning of “or otherwise available to the public.”<sup>68</sup> Additionally, the three meaningful references are also all found in Senate Congressional Records, with no meaningful references in the House Congressional Records, suggesting that by the time the bill S. 23 made it to the House as H.R. 1249, Congress in its entirety was in agreement as to the meaning of “or otherwise available to the public.”

The three Senate Congressional Record discussions are found at 157 Cong. Rec. S1370-71, S1326, and S1208.<sup>69</sup> S1370-71 is by far the most comprehensive, with S1326 and S1208 merely supporting the main ideas put forth in S1370-71. S1370-71 originated with Senator Jon Kyl of Arizona and was a portion of the entire bill’s summary, including the bill’s purpose, which immediately preceded the passing vote of the bill in the Senate on March 8, 2011. Senator Kyl makes it clear **\*385** that “or otherwise available to the public” is not intended as a new category of prior art, but merely a modifier for the existing categories of prior art, that suggests for a category of prior art to be recognized it must be made available to the public. That is, New § 102(a)(1) creates a “public availability standard” for prior art.<sup>70</sup> In support of this conclusion, Senator Kyl refers to an earlier Senate Report 110-259<sup>71</sup> (from 2008) and then proceeds with how he believes the judiciary would and should construe “or otherwise available to the public.”

Before looking at Senator Kyl’s statutory construction analysis, what does it mean for prior art to have a “public accessibility standard” requirement? In Senator Kyl’s view this simply means if the information is not publicly available, it is not prior art.<sup>72</sup> Interestingly, such a rule mimics the rule already existing under MPEP § 2128 for when a document can be deemed publicly available, that is the document must be publicly accessible to an interested party, such as one ordinarily skilled in the subject matter.<sup>73</sup> But a restriction to qualify as prior art, as a condition precedent, actually vastly departs from patent common law, at least with respect to public use and on sale.<sup>74</sup> Furthermore, such a requirement effectively eliminates the forfeiture doctrines under the Old Act.<sup>75</sup> Several examples should make this clear, all from Senator Kyl.

Senator Kyl claims this modifier to prior art abrogates the rule announced in *Egbert v. Lippman*, the seminal case on public use prior art for over a hundred years.<sup>76</sup> In *Egbert*, the U.S. Supreme Court had held that an invisible, non-informing use by one person was nevertheless a public use that constituted prior art resulting in patent invalidity of some corset springs.<sup>77</sup> However, under New § 102(a) such a use of the corset spring by one person would not constitute public accessibility; and hence, this invisible and non-informing use by one person would **\*386** not constitute prior art. After 130 years, Justice Miller’s dissent, noting the logical absurdity that such a limited use could be deemed “public use,” finally received vindication.<sup>78</sup>

Senator Kyl pointed out two other cases that likely would have come out differently under New § 102(a)’s public accessibility requirement. In *Beachcombers International, Inc. v. Wildewood Creative Products, Inc.*, a kaleidoscope was held to be public use prior art merely because the inventor had demonstrated the device to guests at a dinner party in her own home.<sup>79</sup> In *JumpSport, Inc. v. Jumpking, Inc.*, a trampoline enclosure patent was held invalid because of public use prior art stemming from neighbors who had used the device in the inventor’s backyard.<sup>80</sup> According to Senator Kyl, in both of these cases there would be no “public use” prior art, because in both situations the inventions were not made available to the public.<sup>81</sup>

However, Senator Kyl suggests that the “doctrine of inherency”<sup>82</sup> is still alive and well under the AIA because “or otherwise available to the public” under Senator Kyl’s interpretation imposes a public accessibility requirement as opposed to a public knowledge requirement (i.e., a public enabling requirement).<sup>83</sup> Whether a product sold on the open market is informing or not,<sup>84</sup> the public sale would constitute prior art under the New § 102(a) categories of “on sale” and “public use,” because under the doctrine of inherency, even the non-informing hidden components of the product were sold and are available to the public. For example, consider the public sale of laptop computers. The vast majority of the public purchasing laptops have no idea how the laptop with all its many internal components actually works. Yet under a public accessibility requirement, such **\*387** sales and public use of the laptops constitute prior art under New § 102(a), and under the doctrine of inherency this finding of prior art would apply to the hidden internal components as well.<sup>85</sup> By contrast, secret sales and secret offers of sale would not be deemed prior art under New § 102(a) because they would not be publicly accessible.<sup>86</sup> Senator Kyl states: “There is no reason to fear ‘commercialization’ that merely consists of a secret sale or offer for sale but that does not operate to disclose the invention to the public.”<sup>87</sup>

Thus Senator Kyl’s interpretation of New § 102(a)(1) “or otherwise available to the public” as a “public accessibility standard” condition precedent vastly departs from patent common law with respect to public use and on sale. At the same time, if adopted, this interpretation will protect the small inventor from his or her own ignorance of the forfeiture doctrines.<sup>88</sup>

However, the Supreme Court has stated that “[i]n order to abrogate a common-law principle, the statute must ‘speak directly’ to the question addressed by the common law.”<sup>89</sup> Does Senator Kyl’s interpretation of “or otherwise available to the public” speak directly to the case law holdings he is arguing are now abrogated? Although the AIA does not explicitly define “or otherwise available to the public,”<sup>90</sup> the legislative history also does not deviate from Senator Kyl’s interpretation (i.e., no opposing Senators or Representatives). His analysis appears in the record immediately preceding the Senate vote passing S. 23, and the House never raises the issue. This at least permits imputing Senator Kyl’s intent and analysis to Congress as a whole, allowing it to be taken as the legislative intent behind “or otherwise available to the public.”

Additionally, two other comments in the legislative history support this overall conclusion. First, Senator Jeff Sessions of Alabama states: “This provision [referring to ability of third parties to submit relevant prior art] will allow the public to help the PTO correct its mistakes, and ensure that no patent rights are granted for inventions already available to the public,” suggesting that prior art must be available to the public.<sup>91</sup> Secondly, there is this statement: “Limit ‘prior art’ used to bar a patent from issuing to only those disclosures made available to the public before the patent was sought and disclosures in earlier-filed patent applications,” from lobbyist materials entered into the Congressional Record with unanimous **\*388** consent.<sup>92</sup> Both of these sources appeared in the Senate’s Record before Senator Kyl’s detailed analysis, yet both are in harmony with that analysis, further supporting the contention that Senator Kyl’s analysis should be taken as the Congressional intent behind “or otherwise available to the public.”

Senator Kyl’s actual statutory construction analysis focused on two key aspects: (1) the phrase “or otherwise” and (2) how the phrase of interest is set off from the traditional categories of prior art by a comma. First, Senator Kyl states that judicial construction of phrases “or otherwise” or “or other” when used at the end of a string of clauses is always construed in the same manner, that the modifier following “or otherwise” or “or other” restricts the meaning of the preceding clauses.<sup>93</sup> Secondly, when a comma sets off a modifier like “or otherwise available to the public” from the preceding clauses, the modifier should be construed to apply to all the preceding clauses in that sentence.<sup>94</sup> Both of these points lead to the same conclusion that “or otherwise available to the public” is a modifier that must restrict all the preceding classes of prior art, i.e., the modifier applies to patents, published documents, public use, and on sale.

## 2. Legislative History of New § 102(b)(1) “Disclosure”

Unlike “or otherwise available to the public,” discussions pertaining to “disclosure” and the new grace period are plentiful in the legislative history, falling into two camps: (1) the Leahy-Smith camp and (2) the Feinstein-Lofgren camp.<sup>95</sup> The Leahy-Smith camp construes “disclosures” broadly,<sup>96</sup> while the Feinstein-Lofgren camp is concerned that “disclosures” may be construed narrowly, harming small inventors.<sup>97</sup> Even before delving into the legislative history on this point, it should be obvious that the Leahy-Smith camp viewpoint on the debate surrounding the meaning of “disclosure” carries considerable weight because the AIA is after all named from these two Congressmen.<sup>98</sup>

The inventor has one year from the first public disclosure to file a patent application on the disclosed subject matter or be forever barred.<sup>99</sup> As noted **\*389** above,<sup>100</sup> an understanding of “disclosure” is paramount because if something is prior art and also constitutes a disclosure by the inventor, that disclosure triggers the one-year countdown to when the grace period expires. The question is whether public use and on sale activity always constitutes a “disclosure,” or whether some public use and some on sale activities constitute disclosures while others do not.

The concern with interpreting “disclosure” only concerns the latter two categories of prior art (public use and on sale), not patents and published documents, because both of these by their very nature are published in written form and accessible to the public.<sup>101</sup> This Comment then logically infers that patents and printed publications that are accessible to the public, meets the New § 102(b) “disclosure” function (which is to activate the one-year grace period). This inference flows from the basic statutory construction principle: terms should be given their “ordinary or natural meaning.”<sup>102</sup> Webster’s defines “disclosure” as “the act or an instance of opening up to view, knowledge, or comprehension” which focuses on the “exposure” aspect of disclosure.<sup>103</sup> Such a common definition certainly supports the interpretation that patents and printed publications satisfy New § 102(b) “disclosure” as both are written documents accessible to the public. The more challenging question is whether “disclosure” encompasses non-written actions such as public use and on sale.

In pursuing an answer to this question, one does gain insight from analyzing how these two groups of legislators view New § 102(b)’s “disclosure.” Comments from the Leahy-Smith camp tend to suggest that “disclosure” would encompass both public use and on sale, regardless of written documents.<sup>104</sup> For example, there is a Legislative Notice included in the Senate’s Congressional Record that summarizes the intent and purpose of the AIA that was included in the Record immediately prior

to the Senate vote that passed the bill, and this Notice states that **\*390** the AIA actually preserves and strengthens the current grace period.<sup>105</sup> This is rather strong language, particularly in light of the Feinstein-Lofgren camp characterizing the new grace period as being narrowly drawn. Similarly, from the supportive group there is a statement from Senator Kyl that the new grace period is an “enhanced grace period.”<sup>106</sup> Statements about the old grace period being at least preserved, if not strengthened, imply that New 102(b)’s “disclosure” must include public use and on sale because the Old § 102(b) grace period did cover these categories of prior art. In this same session, Senator Kyl also provided two examples of what would constitute a “disclosure”: trade shows and academic conferences.<sup>107</sup> Further, along these lines there is this statement from Senator Leahy that “[t]he bill protects against the concerns of many small inventors and universities by including a 1-year grace period to ensure the inventor’s own publication or disclosure cannot be used against him as prior art but will act as prior art against another patent application.”<sup>108</sup> Thus this group makes it clear that published documents covering an inventor’s subject matter are disclosures that will trigger the one-year grace period under New § 102(b). From this principle comes the proposition that the AIA is not a first-to-file system,<sup>109</sup> but a “first to publish” system, i.e., the applicant who publishes first will have absolute priority against all others (at least for one year).<sup>110</sup>

However, what if “public use” and “on sale” occur without a publication? Are they still “disclosures”? The answer is: it depends. If the “public use” or “on sale” occurred in a way which was accessible to the public, then the likely answer is yes, these would constitute a disclosure. This conclusion is drawn from **\*391** statements made from the supportive camp.<sup>111</sup> For example, when Senator Kyl was discussing trade shows and academic conferences, he also said this: “An inventor who publishes his invention, or discloses it . . . or otherwise makes it publicly available, has an absolute right to priority if he files an application within one year of his disclosure.”<sup>112</sup> Further, there is the statement from Rep. Smith that the legislative authors intended there to be identity between the prior art categories of New § 102(a) and the grace period of New § 102(b) linked by “disclosures.”<sup>113</sup> It then appears that “public use” and “on sale” prior art under New § 102(a) certainly may rise to the level of a New § 102(b) “disclosure” sufficient to activate the one-year grace period if the “public use” or “on sale” events were available to the public. Conversely, under this interpretation, secret sales (and secret offers for sale) would not be New § 102(b) “disclosures” and thus would not trigger the grace period because by definition secret actions are not accessible to the public.

Further, if one looks closely at the above quotes from Sen. Leahy and Sen. Kyl, in both situations their choice of words strongly implies that New § 102(b)’s “disclosure” includes non-written disclosures, which further implies that public use and on sale can rise to the level of a “disclosure.”<sup>114</sup> For example, Senator Leahy had said: “[The] inventor’s own publication or disclosure cannot be used against him as prior art,” and Senator Kyl had said: “An inventor who publishes his invention, or discloses it.”<sup>115</sup> Here in both quotes the Senators are distinguishing publications from disclosures with the disjunctive “or” suggesting both publications and non-publication disclosures can be sufficient to trigger the grace period if such a disclosure was available to the public. This also comports with Webster’s definition of disclosure, which refers to “an act” as being sufficient to constitute a disclosure.<sup>116</sup> Hence, it appears that New § 102(b)’s “disclosure” can include non-written acts such as public use and on sale.

In sharp contrast, there are strong concerns voiced by the Feinstein-Lofgren camp regarding the mechanics of the new grace period in relation to “disclosures.”<sup>117</sup> For example, Senate Majority Leader Reid of Nevada referred to **\*392** the new grace period as “significantly more scaled back” and questioned whether or not it will work, particularly for small and independent inventors.<sup>118</sup> Likewise, Sen. Feinstein of California called the new grace period limited and murky and was concerned that “disclosure” was left undefined.<sup>119</sup> She argued that leaving “disclosure” undefined would inevitably lead to unnecessary litigation and that the AIA had gutted the previously existing grace period.<sup>120</sup> Such a concern is echoed again in the House by Rep. Lofgren of California when she asks whether this new grace period will protect trade secrets and offers for sale that are not public.<sup>121</sup>

The answer is, interestingly, that the new grace period will not protect trade secrets and offers for sale that are not public, but nevertheless trade secrets and non-public offers for sale are protected under the AIA. This conclusion arises from the legislative history regarding New § 102(a)’s public accessibility requirement for prior art and the legislative history surrounding New § 102(b)’s “disclosure,” both examined above.<sup>122</sup> Taken together, Congress intended that only public disclosures would constitute “disclosures” under New § 102(b) that would trigger the protections of the grace period. Thus trade secrets and non-public offers for sale do not constitute “disclosures” because they are not public and therefore do not trigger the protections of the grace period. However, because such secret actions are non-public, they also do not constitute prior art under New § 102(a) and thus could not be used to reject a patent application. Hence, the AIA does protect non-public communications such as trade secrets and non-public offers for sale in the sense that such non-public communications will not be used against the inventor as prior **\*393** art. But an inventor operating in secret would not be



protected against another inventor who chooses to publicly disclose the same invention (who invented the same invention independently). While the AIA will protect the inventor who operates in secret, that protection is limited, and reflects the reality that no inventor operates in a vacuum. In reality, an inventor may choose to maintain an invention in secret, but will always run the risk that another inventor will develop the same invention and file before the first inventor and thus be rewarded with the patent under a first-to-file system. The AIA simultaneously encourages early public disclosure so as to create prior art against other inventors.<sup>123</sup>

## **B. Interpretations of New § 102(a) “Or Otherwise Available to the Public” and New § 102(b) “Disclosure”**

In light of the above analysis, New § 102(a)’s “or otherwise available to the public” is a condition precedent on what constitutes prior art. If an item or action is not accessible to the public it cannot be prior art. Further, “disclosure” under New § 102(b) must be a public disclosure (accessible by the public) that does include non-written public disclosures. Conversely, non-public communications are not “disclosures” under New § 102(b). The ramifications of these suggested interpretations are explored below in the next major Part of this Comment.<sup>124</sup>

Before turning to the ramifications of these suggested interpretations, at least two other approaches could provide some insight into how “or otherwise available to the public” and “disclosure” might be interpreted. One is existing patent case law and the other is a review of international patent law.

### **I. Existing Case Law**

A traditional appeal to case law to aid in interpreting the new statutory language is not directly possible because these AIA provisions will not become effective until March 16, 2013.<sup>125</sup> Additionally, because of the current lag in prosecuting patent applications,<sup>126</sup> the first ex parte judicial proceedings challenging USPTO rejections under the AIA will likely not occur for at least a couple of years after the AIA’s effective date.<sup>127</sup> Further, claims of patent invalidity from infringement and declaratory judgment suits cannot arise until well after the first patents are issued under the AIA.<sup>128</sup>

However, this does not mean existing case law is of no use. One approach would be to survey existing patent cases searching for the New § 102 language and to then analyze if those cases suggest any shared meanings for how the new language has been historically used. Such a strategy would likely work better for \*394 New § 102(a)’s “or otherwise available to the public” compared to New § 102(b)’s “disclosure” because the New § 102(a) phrase is longer and more specific, whereas “disclosure” is a legal term common to many disciplines. Further, “disclosure” has traditional significance in patent law with regards to § 112, i.e., the patent application itself is generally referred to as a “disclosure” that historically must satisfy at least three § 112 disclosure requirements, including: (1) a written description of the invention disclosure, (2) an enabling disclosure, and (3) a best mode disclosure.<sup>129</sup> Thus, unless the AIA intended New § 102(b)’s “disclosure” to parallel the traditional use in § 112 (as case law has interpreted § 112), then the AIA’s choice of “disclosure” in New § 102(b), a term with a preexisting meaning in patent law, is inevitably ambiguous and prone to confusion. As noted above, a review of the AIA legislative history strongly suggests New § 102(b)’s “disclosure” is not limited to the traditional use of the word as applied in the § 112 context (i.e., only referring to the patent application’s written description).<sup>130</sup>

Regardless, such a survey of patent common law is beyond the scope of this Comment and, in light of the extensive and largely uncontested information present in the AIA’s legislative history, likely to be only marginally persuasive. Regardless of what such case law might hold, it cannot trump clear Congressional intent.<sup>131</sup>

For example, consider the following statement: “[I]t is part of the consideration for a patent that the public shall as soon as possible begin to enjoy the disclosure.”<sup>132</sup> How is the Second Circuit using disclosure? The court is obviously referring to the invention, but are they referring to the invention as disclosed in the patent application and/or as disclosed by the physical invention itself? Either perspective, broad or narrow, could be reasonably argued.<sup>133</sup> But, given the AIA’s relatively clear and uncontested legislative purpose regarding New 102(b)’s “disclosure,” the Congressional intent should control.<sup>134</sup>

### **\*395 2. Review of International Patent Law**

Another approach to interpreting New § 102’s language would be to survey the major Patent Cooperation Treaty (PCT) nations and ask whether they use the New § 102 language in their national patent systems.<sup>135</sup> An international survey is only suggested because one of the foremost reasons for the AIA was to partially harmonize the U.S. patent system with the rest of

the world in switching from a first-to-invent system to a first-to-file-system.<sup>136</sup> If partial harmonization was a major motivating factor for the AIA legislation, then presumably Congress may have borrowed terms of art from those other nations, since the AIA has adopted a first-to-file system.<sup>137</sup> However, as with the patent common law survey mentioned above,<sup>138</sup> such an international patent law survey is beyond the scope of this Comment and raises prudential concerns that even if such a survey is conducted the results may not advance this discussion.<sup>139</sup> For example, globally, a significant majority of nations do not even recognize a grace period, so a survey may not be very fruitful.<sup>140</sup>

## V. Application and Ramifications of Suggested Interpretations

In light of the legislative history and the need to protect the small inventor, this Comment argues that New § 102(a)'s phrase "or otherwise available to the \*396 public" is a public accessibility condition precedent on what constitutes prior art.<sup>141</sup> The phrase is a condition which if not satisfied removes the item/event from qualifying as prior art. Additionally, this Comment concludes "disclosure" under New § 102(b) must be a public disclosure that does include non-written public disclosures, which conversely means non-public communications are not "disclosures" under New § 102(b).<sup>142</sup> With these suggested interpretations in mind, how does this affect the traditional prior art categories of public use and on sale as taught by our seminal cases?<sup>143</sup>

### A. Public Use as Prior Art

What is public use? Traditionally, there is a line of public use cases that held that even a single sharing with one person of the use of an invention constituted public use, thus qualifying as prior art.<sup>144</sup> As introduced earlier,<sup>145</sup> the seminal case in this area is Egbert, where the invention was a corset spring, which was sewn into the corset's lining and then made available to the inventor's fiancé and only the fiancé for close to a decade.<sup>146</sup> The Court held that such a use constituted a public use and was therefore prior art.<sup>147</sup> Thus, historically, public use was whenever someone other than the inventor (or inventor's immediate family) benefited from the invention.<sup>148</sup> Further, because this use had extended beyond the then two-year grace period the inventor was statutorily barred from obtaining a patent.<sup>149</sup> Under New § 102(a), this public use aspect of Egbert likely would have come out \*397 differently because the corset spring use was not accessible to the public. Only one person had use of the spring and not the public at large. Public use under New § 102(a) represents a significant departure from the rule established by Egbert in that single uses by one person other than the inventor (or the inventor's immediate family) no longer constitute public use prior art. If this interpretation is adopted, then in future litigation, such an interpretation represents a significant triumph for the small inventor because historically it was the small inventor's ignorance of the strict pre-AIA public use doctrines that rendered many otherwise viable patents as invalid.<sup>150</sup>

#### 1. Non-Informing Uses

Egbert raises a further issue. The corset spring was sewn into the corset so that anyone wearing the corset would benefit from the device, but would not necessarily be aware of the device and certainly would not know how the device works. This type of invention, a component in a larger product that is not obviously present, is known as non-informing.<sup>151</sup> Pre-AIA case law has followed dicta in Egbert that a distinction between informing and non-informing use is irrelevant as to whether use of the invention constitutes public use.<sup>152</sup> Does this change under New 102(a)'s public accessibility standard? No, because under New § 102(a) the question is whether the public in general has access to the invention, and not whether the public has access that is conditioned upon an informing (or enabling) requirement.<sup>153</sup> For example, in Egbert, had the inventor made the corset spring invention available to a corset manufacturer who then mass-produced corsets using the sewn-in springs, then even though the use of the corset would constitute non-informing use of the springs, such public accessibility of the springs via the sold corsets would meet New § 102(a)'s public accessibility standard which would then constitute public use prior art under New § 102(a) as applied to both the corsets and the springs.<sup>154</sup> Thus, public accessibility refers to accessing the invention as it is to be used, including non-informing uses and not to accessing a product coupled with informing knowledge of the invention as a component in the larger sold product.

\*398 Similarly, consider a very small invention embedded deep within the engine of a vehicle sold on the mass market. Such an invention would constitute prior art as public use (and on sale) prior art under New § 102(a) even though its use is non-informing.<sup>155</sup> The use of the invention would occur whenever such vehicles are driven and would constitute non-informing use because the driving of the vehicle would not convey knowledge of how the invention functions, particularly since the invention is located deep within the engine. The more interesting question is whether such

non-informing uses of inventions would constitute a “disclosure” under New § 102(b). If “disclosure” means a public disclosure in the most general and broad manner, encompassing non-written disclosures,<sup>156</sup> would the small invention embedded deep in the engine of a vehicle sold on the mass market constitute a “disclosure” under New § 102(b) so as to invoke the protections of the new one-year grace period? This would certainly be public use prior art (and on sale), but would it be a “disclosure”?

Such a public use (and on sale event) must be interpreted as a “disclosure” under New § 102(b) for three reasons. First, such a conclusion comports with the Rep. Smith’s view that Congress intended there to be “an identity between [[New §] 102(a) and [New §] 102(b). If an inventor’s action is such that it triggers one of the bars under [New §] 102(a), then it inherently triggers the grace period subsection [under New §] 102(b).”<sup>157</sup> This assertion of identity between New § 102(a) and (b) for inventor-created prior art also comports with the statements of Senators Leahy and Kyl when they referred to the new grace period as preserving and strengthening the old grace period,<sup>158</sup> which implies a finding of “disclosure” under New § 102(b) because such a public use under Old § 102(b) was entitled to the grace period.<sup>159</sup> Secondly, under the doctrine of inherency, the sale and use of the vehicles means that all of the vehicle’s component parts would also be treated as public use and on sale prior art.<sup>160</sup> Thirdly, to hold that the small invention embedded deep within the engine is a not “disclosure” would be a vast departure from the common law of patents, harming all inventors, not only the small ones, as illustrated by the below example.<sup>161</sup>

**\*399** Imagine Ford Motor Co. begins selling an existing model tomorrow, but with a new invention in the seat cushions. If those sales and public uses constitute prior art but do not trigger the grace period, then Ford would immediately be barred from obtaining a patent on the new invention (assuming they began selling the invention imbedded in the existing model before filing their patent application). Thus, not holding such sales as a “disclosure” under New § 102(b) would tend to keep new inventions off the market until a patent application is filed or some other disclosure is made, which would tend to harm the public by delaying their access to otherwise beneficial inventions. In light of Rep. Smith’s identity assertion,<sup>162</sup> it is hard to imagine that Congress could intend such an outcome. It seems much more likely that “disclosure” under New § 102(b) must include public non-informing uses to avoid such a detrimental outcome to inventors, large or small.

Egbert includes one more fact situation that is relevant to the public use discussion under New § 102(a).<sup>163</sup> In addition to the inventor putting the corset spring into use in a single corset, the inventor also discussed the invention on a single occasion over dinner with only a couple of people (one being his fiancé who had been using the spring in her corset and the other a business associate of the inventor).<sup>164</sup> This discussion over dinner included demonstrating the corset spring to the guests (which necessitated cutting the spring out of the corset it had been sewn into for years).<sup>165</sup> The Court held such a discussion, although limited to a single occasion and to a limited number of people, was nonetheless a public use constituting prior art.<sup>166</sup> Such a holding changes under New § 102(a)’s public accessibility standard because a single discussion over dinner with a limited number of people does not rise to the level of making the invention available to the public.<sup>167</sup> Because such a discussion over dinner would not be available to the public, this discussion would then not be prior art under New § 102(a); therefore, there is no need for grace period protection under New § 102(b). Thus, there is no need to explore whether this dinner discussion would constitute a “disclosure” under New § 102(b). In addition to Egbert, other cases which have held there was public use because of very limited use or non-public discussions come out differently under New § 102(a)’s public accessibility requirement to qualify public use as prior art.<sup>168</sup>

#### **\*400 2. Experimentation Exception**

The experimentation exception to public use forms another interesting line of cases in the public use prior art category.<sup>169</sup> The rule from this line of cases is that reasonable experimentation, even if done openly in the public presence, will stay application of the grace period until the invention is ready for patenting, at which point the countdown to the expiration of the one-year grace period begins.<sup>170</sup> The seminal case in this line is *City of Elizabeth v. American Nicholson Pavement Co.*<sup>171</sup> In *City of Elizabeth*, the experimentation went on openly for six years before the public and thus under the pre-AIA public use rules would have constituted prior art that would have exceeded the grace period, creating a statutory bar. The invention here was a road surface in the Boston, Massachusetts area which, arguably, required durability testing over several seasons and heavy use to perfect the invention.<sup>172</sup> The Court held such experimentation was reasonable given the nature of this invention, and thus reasonable experimentation designed to ready an invention for patent application is justified and will stay application of the grace period.<sup>173</sup>

Does this experimentation exception to public use continue under New § 102(a) and (b)? The doctrine was judicially created<sup>174</sup> and should be affirmed under the AIA because some inventions require public experimentation that last over a

year.<sup>175</sup> Such experimentation when carried out in a manner which makes the invention accessible to the public, as in *City of Elizabeth*, technically constitutes prior art under New § 102(a) because such use of the invention by the public meets the public accessibility standard.<sup>176</sup> However, the passage of the AIA had no bearing on the continued need for this exception because certain inventions will inevitably require extensive, open experimentation before the public to ready the invention for patenting.<sup>177</sup> Thus, this exception should continue under the AIA for policy reasons that transcend the AIA's passage.

### \*401 3. Secret Uses

Lastly, under pre-AIA case law the public use doctrine was also applied to certain “secret uses” that technically were not public use of the invention, but were held as such for policy reasons.<sup>178</sup> For example, in *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.* the inventor used a novel inventive process that was initially operated as a trade secret within his facility.<sup>179</sup> Customers would submit worn metal parts that would then be “metalized” by the inventive process and subsequently returned to the part's owner.<sup>180</sup> Hence the public had access to the products (refurbished parts) but not to the inventive process that metalized them, so technically there was no public use of the invention itself. After maintaining the inventive process as a trade secret coupled with commercial sales of the refurbished parts for over a year, a patent application was filed, a patent issued and was subsequently successfully challenged in an infringement suit.<sup>181</sup> The Second Circuit reasoned the patent was invalid because although the invented process was not available to the public, the products of the inventive process were available to the public for over a year before the patent application was filed.<sup>182</sup> More importantly, the public accessibility of the products was the necessary link that allowed the court to prevent this inventor from leveraging this secret use beyond the fixed twenty-year statutory term for patents.<sup>183</sup> Holding otherwise would have allowed the inventor to extend his monopoly beyond the fixed statutory term, not only in violation of the statutory provision but also the Constitution,<sup>184</sup> because he had already benefited commercially from the invention for over a year before filing his patent application.<sup>185</sup> Thus for policy reasons “secret use” coupled with commercialization that extends over a year constituted public use prior art (and on sale) under Old § 102(b).<sup>186</sup>

Like the experimental exception to public use, the policy reasons related to patent terms continue to justify holding certain “secret uses” to be either public use \*402 or on sale prior art post-AIA.<sup>187</sup> If a “secret use” of an inventive process is coupled with public availability of the products produced from an inventive process, such behavior would constitute public use under New § 102(a)'s public accessibility standard of the produced products. Should such use extend past one year, the inventor would be statutorily barred under New § 102(b) from receiving a patent because public availability of the products constitutes a non-written public “disclosure” under New § 102(b) that activates the grace period.<sup>188</sup>

However, the *Metallizing* court is concerned with a subtle distinction regarding an inventor profiting from a secret use, between benefits accruing to the inventor for inventions that have entered the public domain and inventors benefiting privately from their inventions that remain out of the public domain.<sup>189</sup> Private benefits exist when an inventor uses the invention internally within the inventor's household and/or business without commercial benefit.<sup>190</sup> For example, only using the metalizing process to metalize the inventor's own keepsakes, before filing a patent application, would be an acceptable private use of the invention. Theoretically, such an inventor could maintain such a private secret use of the invention for the inventor's entire life and still be able to receive a patent on the device.<sup>191</sup> It is only with inventions that have entered the public domain where a risk of exceeding the twenty-year statutory term exists, because the statutory term will never even begin to run for inventions that remain out of the public domain.<sup>192</sup> Interestingly, inventions can only enter the public domain through public “disclosures” of the type announced in New § 102(a), i.e., patents, patent application publications, other publications, public use, and on sale transactions.<sup>193</sup> Thus, what the Second Circuit was concerned with in *Metallizing* was an inventor profiting (in the commercial sense) from his invention beyond the statutory twenty-year term when the invention had irreversibly entered the public domain.<sup>194</sup>

However, under New § 102(a), secret use not coupled with public use of the product would not constitute prior art at all, because New § 102(a)'s public accessibility requirement does not concern itself with secret use but only use that \*403 results in products which are then made available to the public.<sup>195</sup> Thus, under New § 102(a), secret use that conveys only a private benefit to the inventor and is not made available to the public would not rise to the level of prior art and therefore would not constitute a “disclosure” under New § 102(b).<sup>196</sup>

Finally, in the secret use subcategory of public use cases there is one last type of fact pattern exemplified in *W.L. Gore & Associates, Inc. v. Garlock, Inc.* requiring analysis under New § 102.<sup>197</sup> In many respects, *Gore* is similar to *Metallizing* as both involve secret uses of inventive processes that produce products, where only the products and not the inventive processes are available to the public. *Gore*'s second holding, relevant here, is best understood in the context of *Metallizing*.<sup>198</sup>

Under *Metallizing*, secret use of an inventive process coupled with commercialization for over a year creates a statutory bar to the issuance of a patent under public use and on sale.<sup>199</sup> But under *Gore*, perhaps counter-intuitively, that secret activity is not a bar or even prior art as to another inventor who (even later in time) independently makes the same process invention. The reason for this distinction arises out of fundamental patent law policy, which desires early dissemination of the invention to the public.<sup>200</sup> Under *Gore*, third party secret use of a process used to make products sold on the open market will not be prior art against a different independent inventor who, even later in time, invents the same process.<sup>201</sup> This holding can also be understood in terms of our basic notion of **\*404** fairness, i.e., it is plainly not fair to hold that someone else's secret invention constitutes prior art against your invention, if there was no way for you to ever learn of that secret invention; further, doing so would tend to punish you, the inventor who choose to disclose the invention.

Does *Gore* survive the AIA? The pre-AIA patent law policy of encouraging early public disclosure of inventions certainly continues after the AIA's enactment as evidenced by the legislative history and the mechanics of New § 102(b) in how the provision protects those that disclose their inventions.<sup>202</sup> Because this policy favoring prompt disclosure of an invention continues post-AIA, there is no reason to believe that *Gore* should change under New § 102(a) and (b). In summary, under the AIA, the public use prior art category should continue to operate as it has pre-AIA with one exception: that limited discussions and uses of the inventive product will no longer rise to the level of public use prior art because New § 102(a) demands public accessibility.<sup>203</sup> Other pre-AIA public use doctrines, as found in *City of Elizabeth*, *Metallizing*, and *Gore*,<sup>204</sup> should remain valid for continuing policy reasons.<sup>205</sup>

## B. On Sale as Prior Art

The final category of prior art to be analyzed under New § 102(a)'s public accessibility standard and New § 102(b)'s "disclosure" is that of "on sale" events. *Pfaff v. Wells Electronics, Inc.* is the seminal case regarding "on sale" prior art under Old § 102(b).<sup>206</sup> The case set down two conditions for on sale prior art under Old § 102(b): (1) the invention must have been the subject of a commercial offer **\*405** for sale, and (2) the invention must have been ready for patenting.<sup>207</sup> Both conditions contain several nuances.

As to commercial offers for sale, actual sales need not even be consummated for the "on sale" event to constitute prior art under Old § 102(b).<sup>208</sup> (Some subsequent case law appears to be expanding the Court's minimum requirement for a commercial offer to also include the remaining elements of a contract: acceptance and consideration.<sup>209</sup>) "Commercial offers" must also be distinguished from "experimental offers."<sup>210</sup> An "experimental offer" refers to the "experimental exception" as discussed above in *City of Elizabeth*.<sup>211</sup> For example, under Old § 102(b), if an offer for sale was primarily made for experimental reasons to further an invention, such a sale would not constitute on sale prior art.<sup>212</sup> An additional implication of this prong of *Pfaff* is that a single commercial offer for sale meets this requirement, i.e., one commercial offer is sufficient.<sup>213</sup> Historically, this requirement is very broad: whether the offer was private (or secret) or public was irrelevant.<sup>214</sup> A single secret or private commercial offer for sale that never resulted in a sale was sufficient to establish this first requirement for on sale prior art under *Pfaff*.<sup>215</sup>

An invention may be shown to be "ready for patenting," the second on sale requirement, in one of two ways: an actual reduction to practice or a constructive **\*406** reduction to practice.<sup>216</sup> Actual reduction to practice results if the inventor makes a working model of the invention that performs all of the invention's attributes (i.e., what the invention is claiming).<sup>217</sup> An actual reduction to practice typically occurs when an invention has been reduced to a tangible physical form that operates largely as the invention was intended to operate.<sup>218</sup> Constructive reduction to practice occurs when any combination of documents (including drawings) satisfies the enabling requirement of § 112 (Old or New).<sup>219</sup> The classic example of a constructive reduction to practice is a filed patent application that is sufficient to satisfy § 112's enabling requirement.<sup>220</sup>

Under *Pfaff* and Old § 102(b) how do commercial offers for sale and reduction to practice relate to each other to establish on sale prior art? The facts in *Pfaff* provide a good example of the pre-AIA mechanics.<sup>221</sup> Grace period analysis always begins with dates using the base-line date of when the patent application was filed, which often will be the "effective filing date."<sup>222</sup> For example, in *Pfaff* the effective filing date was April 19, 1982.<sup>223</sup> From this date, one calculates the "critical date" as the date that exactly predates the effective filing date by one year.<sup>224</sup> This one-year period is the grace period and anything constituting prior art before this critical date constitutes a statutory bar to the issuance of a patent.<sup>225</sup> Thus, in *Pfaff* the critical date was April 19, 1981.<sup>226</sup> With the critical date calculated, checking for on sale prior art activity is then a matter of testing the two **\*407** elements (i.e., presence of a commercial offer for sale and a reduction to practice) against this critical date.<sup>227</sup>

Regarding the on sale prior art first requirement under Pfaff of a commercial offer for sale, in Pfaff the purchaser confirmed a purchase order on April 8, 1981, which implies that the commercial offer for sale occurred on or before April 8, 1981.<sup>228</sup> Thus, so far in this on sale prior art analysis under Old § 102(b), the commercial offer for sale occurred before the critical date, meaning one of the two on sale prior art requirements was met.<sup>229</sup>

In order for that commercial offer for sale to constitute prior art, the reduction to practice must have occurred before the critical date of April 19, 1981. In Pfaff the actual reduction of practice occurred in July 1981, when the products were produced by a contract manufacturer, which was after the critical date, and thus did not constitute on sale prior art under an actual reduction to practice analysis.<sup>230</sup> However, in Pfaff there were two constructive reductions to practice, one when the patent application was filed, which obviously by definition is not an issue because the application filing date must be one year after the critical date. But the other constructive reduction to practice occurred in March 1981 (before the April critical date) when detailed drawings of the invention were provided to a contract manufacturer.<sup>231</sup> The Court held that these detailed drawings were a constructive reduction to practice because the drawings were sufficient to allow a contract manufacturer to produce the invention, which satisfies § 112's enabling requirement. Therefore the commercial offer for sale satisfied the two-prong test for on sale prior art, rendering Pfaff's patent invalid.<sup>232</sup>

How do New § 102(a) and (b) change this, if at all? The concern about on sale prior art under the AIA is twofold. First, how does New § 102(a)'s "or otherwise available to the public" affect what constitutes on sale prior art? This involves applying the Pfaff two-prong test under New § 102(a). Secondly, would on sale transactions that satisfy New 102(a)'s public accessibility requirement meet New § 102(b)'s "disclosure" requirement to activate the grace period? Applying New § 102(a)'s public accessibility standard to on sale prior art then suggests that each element of the Pfaff test must be available to the public for the offer/sale to constitute on sale prior art. If there has been a reduction to practice, such a reduction will often satisfy public accessibility as either public use or printed publication prior art categories. For example, actual reduction to practice would result from manufacturing operations, which then typically would result in end use of the product, which often will then qualify as public use prior art. Whereas, if **\*408** there has been a constructive reduction to practice, then by definition documentation exists, and should such documentation be publicly accessible, then such a constructive reduction to practice would qualify as a printed publication prior art. Additionally, the commercial offer element must be available to the public as well to constitute as on sale prior art under New § 102(a). This conclusion, resulting from applying New § 102(a)'s public accessibility standard to the Pfaff test, is supported by Senator Kyl in the legislative history where he states under the AIA secret offers for sale would not constitute on sale prior art.<sup>233</sup> Moreover, the legislative history on this particular point is devoid of any opposing viewpoints, suggesting that Senator Kyl's view should be adopted. This is a departure from Old § 102(b) because a finding of on sale prior art under Old § 102(b) was not conditioned upon if the offer was secret or not,<sup>234</sup> whereas under New § 102(a) this distinction is paramount.<sup>235</sup>

Would such an application of New § 102(a) have changed the outcome in Pfaff? Yes, if the purchase order between Pfaff and Texas Instruments was found not to be publicly accessible, which seems likely because even publicly traded companies do not generally make available to the public, as a general rule, the details of individual purchase orders.<sup>236</sup> Even under New § 102(a) the production of the invented parts (July 1981) would have constituted public use prior art, but that production began after the critical date (April 19, 1981) and thus such a public use would not have been a statutory bar here; hence, Pfaff's patent likely would have been found valid. So while the outcome in Pfaff would likely be different under New § 102(a), this departure from Old § 102(b) will rarely be material because by-and-large consummated offers for sale quickly result in the production of products that will quickly be used by the public. If a patent application can be rejected for on sale prior art, when an offer was consummated, there is a high likelihood the application could have been rejected because of public use prior art. For example, in Pfaff the difference in time between the commercial offer for sale (April 8, 1981) and the production of parts (July 1981) was about four months, which would have mattered under New § 102(a) because the critical date (April 19, 1981) fell within that four month window.

**\*409** As to whether on sale prior art under New § 102(a) would be considered a "disclosure" under New § 102(b) to activate the grace period, recall that public disclosure (in the broadest sense) is not limited to written disclosures.<sup>237</sup> For commercial offers that are accompanied with documentation, the "disclosure" requirement to trigger the grace period will be met. Because the interpretation suggested is very broad, any sale accompanied by any supporting or memorializing documentation would suffice to meet New § 102(b)'s disclosure requirement, including purchase orders, packing slips, sale confirmations (including online communications via email or websites), warranty information, detailed drawings (as in Pfaff), etc.<sup>238</sup>

The more interesting question stems from offers that are neither consummated nor documented in any written format. First, the offer must have been accessible to the public because New § 102(a) requires prior art to be accessible by the public.<sup>239</sup>

That condition must be met first or a discussion of whether or not the grace period has been activated is moot. Assuming the offer constitutes New § 102(a) on sale prior art, is the offer a “disclosure” under New § 102(b)? Consider an inventor who has already actually reduced his invention to practice and then holds a live press conference broadcast to the public at large offering his invention for sale to the public. Assume the live broadcast is not documented in any way and the offer for sale is not consummated. Would this broadcast be considered a public disclosure sufficient to invoke New § 102(b)’s grace period, despite a lack of written documentation?

For three reasons such a broadcast must be considered a “disclosure” under New § 102(b). First, the inventor in the common usage of disclosure did indeed make a public disclosure by his live broadcast.<sup>240</sup> Thus, a common sense broad interpretation of disclosure supports the notion that undocumented public offers for sale are sufficient to trigger the grace period. Second, to hold otherwise would create an unintended gap in how the patent law treats prior art created by an inventor. That is, the broadcast meets the requirements for New § 102(a)’s on sale prior art,<sup>241</sup> but if the grace period is not triggered then the inventor must file his patent application on the day of the broadcast or be barred. Thirdly, Rep. Smith’s comments in the legislative history stating the Congress intended there to be identity between the prior art categories of New § 102(a) and the grace period of New § 102(b) linked by “disclosures,” such that whenever an inventor creates his own prior art under New § 102(a) this automatically triggers the grace period under \*410 New § 102(b), strongly implies this live broadcast must be considered a “disclosure” under New § 102(b) to activate the grace period.<sup>242</sup>

Note, because secret offers for sale, on their own, should not constitute on sale prior art under New § 102(a)’s public accessibility requirement,<sup>243</sup> there is no need to discuss whether secret offers for sale should trigger the grace period because the issue of grace period operation can only arise if there is prior art to trigger it.<sup>244</sup>

## VI. Conclusion

If the USPTO and judges follow the suggested interpretations presented in this Comment, that New § 102(a)’s “or otherwise available to the public” imposes a public accessibility standard as a condition precedent required to constitute prior art regardless of type and that New § 102(b)’s “disclosure” broadly covers all public disclosures, including non-written disclosures, then small inventors will not only be conditionally protected in their secret endeavors,<sup>245</sup> but will be encouraged to publicly disclose their inventions to enjoy the priority protection of the new one-year grace period.<sup>246</sup> Further, “public use” and “on sale” events will be “disclosures” if the events are publicly accessible, which will then activate the new one-year grace period. Non-public offers for sale (and even secret sales), are not “disclosures” and will not trigger the protections of the new grace period. But because such secret events are non-public they also will not be prior art under New § 102(a) and thus the inventor need not fear that a non-public offer for sale or secret sale will prevent granting of a patent, regardless of how much time passes, assuming the event remains non-public (secret) and no other independent inventor publicly discloses the invention.

New § 102(a) and (b) will not become effective until March 16, 2013.<sup>247</sup> It will be years before the USPTO and courts are forced to grapple with these issues. The most prudent advice to offer small inventors until the USPTO and courts do issue decisions in this area is a hedge to protect against decisions conflicting with this Comment’s interpretation. Inventors can best protect their rights under the AIA by taking a conservative approach, by making obvious published disclosures (e.g., written disclosures accessible by the public) to trigger the protections of the \*411 new grace period, as the legislative history shows no conflict in this area.<sup>248</sup> Further, the best published disclosure to make would be the filing of provisional patent applications,<sup>249</sup> as such a filing would not only activate the one-year grace period protection, but would also not constitute a “pre-filing disclosure” which could bar patentability in other countries.<sup>250</sup> The filing of a provisional application is both prior art and a disclosure under New § 102, but also preserves the inventor’s ability to pursue foreign patents. If foreign patents are not important or practical, then a frugally published disclosure could easily be accomplished with a bare bones website where the inventor puts the world on notice of their invention a year or less before they file their non-provisional patent application because it is only through public disclosure that the inventor preserves the exclusive rights to seek a patent for one year.

In summary, should the USPTO and courts follow these suggested interpretations, then the doomsday scenario presented in the introduction will be avoided and small inventors will indeed enjoy unprecedented support under the AIA. For example, because prior art must now be publicly accessible, small inventors are encouraged to pursue venture capitalist financing and other collaborative partnerships without fear of creating damaging prior art.<sup>251</sup> Such an environment should serve to promote and foster the inventive efforts of the small inventor, which as noted earlier forms a basis for significant U.S. job growth.<sup>252</sup> Additionally, under these interpretations, the small inventor no longer must fear or suffer from their own ignorance in making

inadvertent disclosures, such as discussing their new invention at a dinner party. Yet at the same time, the AIA serves to promote early disclosure, because while secret negotiations will no longer penalize an inventor, the inventor is still risking an independent inventor filing or disclosing the same invention first, which in the end promotes prompt disclosure.

#### Footnotes

<sup>a1</sup> J.D. candidate, University of La Verne, College of Law, May 2013; Patent Agent, USPTO No. 70302.

<sup>1</sup> See generally Walter Isaacson, *Steve Jobs* (2011).

<sup>2</sup> Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (codified in scattered sections of 35 U.S.C.) [hereinafter AIA]. See *infra* notes 4, 6 and accompanying text (regarding concerns for small inventors in relation to the AIA).

<sup>3</sup> For example, consider Steve Jobs and Apple, which, despite being a monolith today, had very humble beginnings, and their initial personal computers revolutionized the computing industry in the 1970's. Or consider Bill Gates and startup Microsoft, with the initial development of Windows operating software that revitalized the IBM clone sector to effectively compete against the Apple II line of computers. Other examples include Michael Dell and Dell, Jeff Bezos and Amazon, Dyson vacuums, Yahoo!, and Google. Small inventors are particularly potent in the area of software development because conversion of a brilliant idea into practical application is not impeded by requirements of large capital expenditures for such things as machinery. In contrast, one may counter that some critically important industries do not lend themselves to the inventive ingenuity of small inventors, such as pharmaceuticals and biotechnology. But such a contention would be wrong as even a single Ph.D. candidate may find venture capital financing to bring a new gene therapy far enough along to secure a patent.

<sup>4</sup> See Action (Position Statement) from Bruce Hayden, Chair, IEEE-USA Intellectual Prop. Comm., to IEEE-USA Gov't Relations Council 4 (Apr. 29, 2011) [hereinafter Lobbyist Materials Supporting Small Inventors], available at <http://www.ieeeusa.org/volunteers/committees/grc/EAgenda/2011May/tab2b.pdf> (Hayden refers to two studies by the Kauffman Foundation and citing economists at the U.S. Census Bureau which state: "'Startups aren't everything when it comes to job growth. They're the only thing.' Startups are responsible for all net job creation since 1977, and the U.S. patent system is key to startup formation." (emphasis added)). Note that IEEE-USA is a lobbyist arm of the Institute of Electrical and Electronics Engineers (IEEE), which is a professional association of over 210,000 engineers and scientists, and that "the positions taken by IEEE-USA do not necessarily reflect the views of IEEE or its other organizational units." *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> See 157 Cong. Rec. S1182 (daily ed. Mar. 3, 2011) (statement of Sen. Dianne Feinstein). See generally Lobbyist Materials Supporting Small Inventors, *supra* note 4. But see Gene Quinn, Senate to Vote on Patent Reform, First to File Fight Looms, IP Watchdog (Fed. 27, 2011, 12:24 PM), <http://ipwatchdog.com/2011/02/27/senate-vote-patent-reform-first-to-file-fight-looms/id=15566/> (suggesting that the now old first-to-invent system in implementation really functions as a first-to-file system benefiting big business over small inventors because the interference proceedings are really only accessible to big business, as the proceedings take too long and are expensive). In addition, Mr. Quinn acknowledges that small inventors and start-ups are justifiably concerned about the new AIA legislation. *Id.* See also 157 Cong. Rec. H4387-88 (daily ed. Jun. 22, 2011) (statements of Rep. Jackson Lee) (arguing for an 18-month grace period for small inventors).

<sup>7</sup> Compare 35 U.S.C. §1-376 (2010) [hereinafter Old Law], with AIA, *supra* note 2.

<sup>8</sup> Leahy-Smith America Invents Act Implementation, USPTO.GOV, [http://www.uspto.gov/aia\\_implementation/index.jsp](http://www.uspto.gov/aia_implementation/index.jsp) (last modified July 31, 2013).

<sup>9</sup> AIA, *supra* note 2, sec.3(n)(1). The specific AIA provisions this Comment is concerned with, §§102(a), (b), will not become effective until eighteen months after passage of the Act's enactment date of September 16, 2011, which computes to an effective



date of March 16, 2013. Id.

<sup>10</sup> See generally id. Title 35 of the United States Code is where the patent acts have been codified since the 1952 Act.

<sup>11</sup> Id. sec. 3(b)(1), § 102(a)-(b).

<sup>12</sup> Id.

<sup>13</sup> In patent litigation, the alleged infringer typically attacks the validity of the patent at issue, which effectively is a re-prosecution of the patent application, because if a patent is declared invalid, there can be no infringement. This technique is used both defensively in patent infringement suits and offensively in declaratory judgment suits. See 28 U.S.C. §2201(a) (2006) (containing the Declaratory Judgment Act).

<sup>14</sup> Patentability is generally understood to encompass four fundamental requirements: utility, novelty, non-obviousness, and an enabling disclosure in the patent application. See AIA, supra note 2, secs.3(b)(1), 3(c), 4(c), §§ 102, 103, 112 (amending §§ 102 (for novelty), 103 (for non-obviousness), and 112 (for the enabling disclosure requirements), respectively; note that the language of § 101 (for utility) is not amended by the AIA); See also *Bilski v. Kappos*, 130 S. Ct. 3218, 3225 (2010); *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 149-50 (1989); *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057, 1064 (Fed. Cir. 2011); United States Patent & Trademark Office, Manual of Patent Examining Procedure §706 (8th ed., rev. 9, Aug. 2012) [hereinafter MPEP].

<sup>15</sup> The term “prior art” is a patent law term of art. “‘Prior art’ is any relevant knowledge, acts, descriptions, or patents which pertain to, but pre-date the invention in question.” *Vardon Golf Co. v. BBMG Golf Ltd.*, 156 F.R.D. 641, 648 (N.D.Ill. 1994) (citing *Mooney v. Brunswick Corp.*, 663 F.2d 724, 733 (7th Cir. 1981)). See generally, MPEP, supra note 14, §§706.02, 2121-2137 (regarding prior art). “Prior art ..., in most systems of patent law, constitutes all information that has been made available to the public in any form before a given date that might be relevant to a patent’s claims of originality.” Prior Art, Wikipedia, [http://en.wikipedia.org/wiki/Prior\\_art](http://en.wikipedia.org/wiki/Prior_art) (emphasis added) (last visited Nov. 15, 2011). Interestingly, “prior art” has never been expressly defined in any of the patent acts (new or old), yet the express term is often used in various sections of the code, for example, §§102 and 103. See Kirk M. Hartung, ‘Prior Art’: The Undefined Key to Section 103 of the 1952 Patent Act, 32 Drake L. Rev. 703, 706 (1983); Louis J. Beltrami, Case Note, *Kimberly-Clark Corp. v. Johnson & Johnson: Prior Work and Prior Art in Obviousness Determinations*, 34 Am. U. L. Rev. 779, 779 (1985). Within the patent industry, it is commonly understood that §102 (old or new) lays out the prior art categories, which other sections may then reference, such as §103 in an obviousness rejection.

<sup>16</sup> *Pfaff v. Wells Elecs.*, 525 U.S. 55, 63 (1998). See also *Bonito Boats*, 489 U.S. at 141 (touching on many aspects of what it means to be in the public domain, and the fundamental bargain that is the patent system, i.e., inventors are granted a limited monopoly in exchange for disclosing their inventions to the public, which then essentially remain irrevocably within the public domain).

<sup>17</sup> See Old Law, supra note 7, §102(b) (listing these traditional categories of prior art explicitly in the statutory provision); AIA, supra note 2, sec.3(b)(1), § 102(a) (same). See also *Pfaff*, 525 U.S. at 55 (for an example of “on sale” as prior art); *In re Carlson*, 983 F.2d 1032 (Fed. Cir. 1992) (for an example of a patent as prior art); *In re Hall*, 781 F.2d 897 (Fed. Cir. 1986) (for an example of printed publication as prior art); *Pennock v. Dialogue*, 27 U.S. 1 (1829) (for an example of public use as prior art).

<sup>18</sup> Old Law, supra note 7, § 102; AIA, supra note 2, sec.3(b)(1), § 102(a); MPEP, supra note 14, §§706, 2100.

<sup>19</sup> See, e.g., *Carlson*, 983 F.2d. 1032.

<sup>20</sup> AIA, supra note 2, sec.3(b)(1), § 102(a)(1).

<sup>21</sup> Old Law, supra note 7, §§102, 103; Id. sec. 3(b), (c), §§ 102, 103. A prior art reference under §102 may give rise to an anticipation

rejection because the prior art reference anticipates the invention. Section 102 may also give rise to a statutory bar because an inventor waited too long to seek a patent after creating some type of prior art. And prior art references under §103 may give rise to an obviousness rejection because the invention was obvious over the prior art references.

22 See generally Pfaff, 525 U.S. at 64; Egbert v. Lippman, 104 U.S. 333 (1881); Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co., 153 F.2d 516 (2d Cir. 1946).

23 For example, the Egbert line of cases did distinguish between informing and non-informing uses, although either use was sufficient to constitute public use prior art. Egbert, 104 U.S. at 336. Egbert itself does not use “informing use” versus “non-informing use” language, but the concept nevertheless originates in Egbert. Id.

24 See Lobbyist Materials Supporting Small Inventors, supra note 4, at 3; Quinn, supra note 6 (describing concerns about how the AIA will affect small inventors).

25 “Grace period” is a term of art within patent law. See Old Law, supra note 7, §102(b); AIA, supra note 2, sec.3(b)(1), § 102(b). “The term ‘grace period’ means the 1-year period ending on the effective filing date of a claimed invention, during which disclosures of the subject matter 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, do not qualify as prior art to the claimed invention.” 157 Cong Rec. H4481 (daily ed. Jun. 23, 2011) (proposed Amendment No. 2 of Rep. John Conyers). Despite this proposed amendment being rejected, id. at H4498, this definition for the grace period is still illustrative of how the grace period operates. Cf. id. at S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Jon Kyl) (explaining that “the grace period is the one-year period prior to filing when the inventor may disclose his invention without giving up his right to patent”). See also id. at S1034 (daily ed. Mar. 1, 2011) (statement of Sen. Jon Kyl); MPEP, supra note 14, §§2133, 706.02, 2132(III).

26 See generally Old Law, supra note 7, §102(b); MPEP, supra note 14, §§706, 2100. This is assuming that the filed application was not claiming benefit or priority of an earlier filed application under §119(e) or §120 of the Old Act.

27 Under Old §102(b), the “forfeiture doctrine” was a mechanism for effectuating the Congressional goal of encouraging inventors to promptly file for a patent or be forever statutorily barred from obtaining a patent by waiting past the one-year grace period. See Woodland Trust v. Flowertree Nursery, Inc., 148 F.3d 1368, 1370 (Fed. Cir. 1998) (regarding an articulation of this policy statement). The doctrine was called forfeiture because if the inventor did not file within the one-year grace period, triggered by some action specified in Old §102(b) (e.g., a sale), then the inventor forfeited his right to a patent. Id. See also MPEP, supra note 14, §2133.03 (providing the policy rationale).

28 157 Cong. Rec. S1113 (daily ed. Mar. 2, 2011) (statement of Sen. Harry Reid).

29 Id. at H4429 (daily ed. Jun. 22, 2011) (statement of Rep. Lamar Smith) (emphasis added).

30 Id. at H4430 (statement of Rep. Zoe Lofgren) (emphasis added). See also id. at H4424 (regarding “disclosure”).

31 Id. at H4424.

32 W. Marine Elecs., Inc. v. Furuno Elec. Co., 764 F.2d 840, 845 (Fed. Cir. 1985) (“Public policy favors prompt and widespread disclosure of inventions to the public, while giving the inventor a reasonable amount of time...to determine whether a patent is worthwhile, but precluding attempts by the inventor or his assignee from commercially exploiting the invention more than a year before application for patent is filed.”). See also Quinn, supra note 6 (“There is absolutely no argument with the fact that a grace period does factor into the equation for small businesses and start-up companies that are strapped for cash and already need to make choices about how much, and which, innovations to protect.”).

33 See infra Part IV.

34 USPTO regulations are codified in Title 37 of the Code of Federal Regulations, which are then further explained in the MPEP. See generally 37 C.F.R.; MPEP, supra note 14.

35 Dana M. Herberholz, *America Invents Act: How Landmark Patent Reform Legislation Will Impact Idaho Inventors and Companies*, *Advocate*, June/July 2011, at 28, 28. See also Data Visualization Center, USPTO.GOV, <http://www.uspto.gov/dashboards/patents/main.dashxml> (last visited Nov. 15, 2011).

36 See Herberholz, supra note 35, at 28.

37 See MPEP, supra note 14 (containing both 35 U.S.C. statutory provisions and 37 C.F.R. regulatory provisions, in addition to examples, tables, charts, policy statements, and operational rules). Although in theory the USPTO could operate directly from the statutes or even regulations, the Office practice is to use the MPEP for application prosecution.

38 See *id.*

39 Herberholz, supra note 35, at 28.

40 Alternatively, the USPTO can wait for an alleged infringer to bring a declaratory suit. 28 U.S.C. §2201(a) (2006) (Declaratory Judgment Act).

41 See 157 Cong. Rec. S1182 (daily ed. Mar. 3, 2011) (statement of Sen. Dianne Feinstein) (suggesting “litigation is sure to ensure as courts interpret disclosure”). Recall as well that litigation will not begin for years, until patents begin to issue under the AIA. See AIA, supra note 2, sec. 3(n)(1).

42 Old §102, aside from these three purposes, also had §102(g), which created a special proceeding known as an “interference” that has been eliminated under the AIA and replaced with another special proceeding called the “derivation.” Compare Old Law, supra note 7, §135, with AIA, supra note 2, sec.3(i)-(j), § 135.

43 Patentability is generally understood to encompass four fundamental requirements: utility, novelty, non-obviousness, and an enabling disclosure in the patent application. MPEP, supra note 14, §706. See also *Bilski v. Kappos*, 130 S. Ct. 3218, 3225 (2010); *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057, 1064 (Fed. Cir. 2011). Because the novelty requirement is not directly germane to this discussion, it will be discussed no further.

44 Within the patent industry, it is commonly understood that §102 (old or new) defines what constitutes prior art and how it is categorized. See generally, MPEP, supra note 14, §§706.02, 2121-2137.

45 Old Law, supra note 7, §102(b) (emphasis added). Note that the phrase “a person shall be entitled to a patent unless” in the above quoted excerpt from Old §102(b) is actually the preamble that applies to the entire Old §102, not just Old §102(b).

46 ‘157 Cong Rec. H4481 (daily ed. Jun 23, 2011) (Rep. John Conyers’s proposed amendment).

47 Confusion could arise as to the specific reason why a USPTO examiner was citing to Old §102(b) because of the intermingling of the prior art categories with the grace period. For example, an examiner might cite to Old §102(b) for a rejection under Old §102(b), which meant using both Old §102(b)’s prior art meaning and violation of the grace period, or the examiner might cite to Old §102(b) for the prior art definitional aspect in conjunction when making an obviousness rejection under Old §103.

48 See AIA, supra note 2, sec.3(b)(1), § 102(a)-(b) (enumerating prior art categories in New § 102(a) and defining grace period in New § 102(b)).

49 Id. § 102(a) (emphasis added).

50 Compare id. (containing the new phrase), with Old Law, supra note 7, §102(b) (omitting the new phrase).

51 Old Law, supra note 7, §102(b).

52 See generally, e.g., *In re Carlson*, 983 F.2d 1032 (Fed. Cir. 1992) (exemplifying the use of patent as prior art).

53 Under these traditional categories of prior art, questions of how prior art may apply to an invention generally only arise when confronting emerging technologies. See, e.g., *Bilski v. Kappos*, 130 S. Ct. 3218, 3227 (2010) (regarding patentable subject matter).

54 AIA, supra note 2, sec.3(b)(1), § 102(b) (emphasis added).

55 See 157 Cong. Rec. S1041 (daily ed. Mar. 1, 2011) (statements of Sen. Jon Kyl) (“[D]isclosures made by the inventor...less than 1 year before the application is filed do not count as prior art.”).

56 See id. at H4388 (daily ed. Jun. 22, 2011) (statement of Rep. Jackson Lee) (“Prior art is created when a disclosure is made available to the public.” (emphasis added)); see also id. (providing other helpful statements made by Rep. Lee regarding the interplay of prior art, disclosures, and the one-year grace period).

57 See generally MPEP, supra note 14, §2128 (describing how to date a publication, i.e., the publication date or date a publication is received).

58 *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 866 (Fed. Cir. 2010) (“An offer for sale, sale, or public use, if more than one year before the patent application was filed, will bar patenting of the product, even if the sale was not authorized by the patentee.”).

59 See AIA, supra note 2, sec.3(b)(1), § 102(b). See also 157 Cong. Rec. H4429 (daily ed. Jun. 22, 2011) (statement of Rep. Lamar Smith) (discussing the intended “identity” between the new grace period of New §102(b) and prior art of New §102(a)).

60 See AIA, supra note 2, sec. 3(n)(1).

61 See *United States v. Hernandez*, 655 F.3d 1193, 1197 (10th Cir. 2011) (“The legislative art is, after all, one of compromise....”). Cf. *N.L.R.B v. Allis-Chalmers Mfg. Co.*, 388 U.S. 175, 179 (1967) (referring to labor legislation particularly being a product of “legislative compromise”).

62 See, e.g., *Norwegian Nitrogen Prods. Co. v. United States*, 288 U.S. 294, 304-05 (1933) (proposing that legislative committees may be held behind closed doors).

63 See *Exxon Mobil Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 568-69 (2005) (disagreeing about the extent and prevalence of manipulation of legislative history, but implying the possibility exists).

64 Antonin Scalia, *A Matter of Interpretation: Federal Courts and the Law* 34 (Amy Gutmann at al. eds., 1997).

- 65 See *Kassel v. Consol. Freightways Corp. of Del.*, 450 U.S. 662, 702-03 (1981) (Rehnquist, J., dissenting) (stating that the problem with assuming that a true legislative purpose can be ascertained “assumes that individual legislators are motivated by one discernible ‘actual’ [true] purpose, and ignores the fact that different legislators may vote for a single piece of legislation for widely different reasons”). See also *Pac. Gas & Elec. Co. v. State Energy Res. Conservation & Dev. Comm’n*, 461 U.S. 190, 216 (1983) (“[W]e should not become embroiled in attempting to ascertain California’s true motive [with regards to ascertaining the legislature’s purpose for enacting a statute as] ... inquiry into legislative motive is often an unsatisfactory venture.”).
- 66 See *infra* note 69 and accompanying text.
- 67 See 157 Cong. Rec. S1370-71 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (summarizing the bill immediately prior to the passing vote in the Senate).
- 68 S. 23, 112th Cong. (2011); H.R. 1249, 112th Cong. (2011) (enacted).
- 69 See 157 Cong. Rec. S1370-71 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (summarizing the bill immediately prior to the passing vote in the Senate); *id.* at S1325-26 (daily ed. Mar. 7, 2011) (statement of Sen. Jeff Sessions); *id.* at S1208-09 (daily ed. Mar. 3, 2011) (lobbyist materials from the Coalition for 21st Century Patent Reform that Sen. Jon Kyl had, with unanimous consent, attached to the record).
- 70 *Id.* at S1370-71 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl).
- 71 See S. Rep. No. 110-259 (2008) (which was a report for the Patent Reform Act of 2007, S. 1145, 110<sup>th</sup> Cong., the un-enacted predecessor bill to the AIA). The words “otherwise available to the public” were added to S. 1145 as a result of Congress’s Judiciary Committee mark-up of the bill. 157 Cong. Rec. S1370 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl).
- 72 *Id.* at S1370-71.
- 73 MPEP, *supra* note 14, §2128; *id.*
- 74 One can easily argue that the existing prior art categories of “patents” and “printed publications” even under the Old Act were subject to a public accessibility standard because patents are public record documents per Old §§152, 154 and per MPEP §2128 a printed publication cannot be prior art unless it is accessible by the public. See generally *In re Carlson*, 983 F.2d 1032 (Fed. Cir. 1992) (regarding patents as prior art); *In re Hall*, 781 F.2d 897 (Fed. Cir. 1986) (regarding printed publications as prior art). Whereas, existing public use cases like *Egbert v. Lippman* did not adhere to a public accessibility standard. 104 U.S. 333, 336-38 (1881); see also *infra* note 144 and accompanying text where *Egbert* is discussed in detail.
- 75 See 157 Cong. Rec. S1370-71 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (arguing that New §102(a)(1) creation of a “public availability standard” replaces the older forfeiture doctrines as the new strategy for encouraging inventors to promptly seek a patent).
- 76 See *Egbert*, 104 U.S. at 336-38 (noting that at this time in history the U.S. had a two-year grace period as opposed to the current one-year grace period).
- 77 *Id.*
- 78 See *id.* at 338-39 (Miller, J., dissenting) (expressing bafflement that the majority could find the corset spring use here constituted public use when the public never benefited from the corset spring).

79 31 F.3d 1154, 1159-60 (Fed. Cir. 1994).

80 191 F. App'x 926, 935 (Fed. Cir. 2006).

81 157 Cong. Rec. S1370 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl).

82 Id. See also *Rosco, Inc. v. Mirror Lite Co.*, 304 F.3d 1373, 1380 (Fed. Cir. 2002) (“Under the doctrine of inherency, if an element is not expressly disclosed in a prior art reference, the reference will still be deemed to anticipate a subsequent claim if the missing element ‘is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.’” (citation omitted)).

83 “Public knowledge” is synonymous with “enabling” and “informing.” These expressions refer to the concept that the use of some inventions enables or informs the user of how the invention works. For example, consider the use of a coffee mug, i.e., its use informs the user of how the device functions. Whereas, more complex devices will often inherently contain hidden components, which do not inform the user of how the inherent components function. For example, consider a laptop computer. The use of the laptop does not inform a user of how the internal motherboard functions. Early on, there was debate about whether an informing versus non-informing use distinction had a bearing upon public use as prior art. Public use doctrine has consistently held that the distinction is irrelevant as to a finding of public use prior art. See *Egbert v. Lippman*, 104 U.S. 333, 336 (1881) (discussing circumstances in which a public use may be non-informing).

84 Id.

85 Id.

86 157 Cong. Rec. S1371 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl).

87 Id. See also S. Rep. No. 110-259, at 39 (2008) (stating that “secret collaborative agreements, which are not available to the public, are not prior art”).

88 See, e.g., *Egbert*, 104 U.S. at 336-38 (holding that very minimal and limited non-inventor use constituted public use prior art under Old §102(b), which had occurred long enough before the patent application was filed to create a statutory bar, rendering the small inventor’s patent invalid); *JumpSport, Inc. v. Jumpking, Inc.*, 191 F. App'x 926, 935 (Fed. Cir. 2006) (same); *Beachcombers Int’l, Inc. v. WildeWood Creative Prods., Inc.*, 31 F.3d 1154, 1159-60 (Fed. Cir. 1994) (same).

89 *United States v. Texas*, 507 U.S. 529, 534 (1993) (citation omitted).

90 157 Cong. Rec. S1370 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl).

91 Id. at S1326 (daily ed. Mar. 7, 2011) (comments from Senator Jeff Sessions) (emphasis added).

92 Id. at S1208 (daily ed. Mar. 3, 2011) (lobbyist materials from the Coalition for 21<sup>st</sup> Century Patent Reform that Sen. Kyl had, with unanimous consent, attached to the record) (emphasis added).

93 Id. at S1370 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (citing *Strom v. Goldman, Sachs & Co.*, 202 F.3d 138, 146-47 (2d Cir. 1999)).

94 Id. (citing *Finistar Corp. v. DirecTV Grp., Inc.*, 523 F.3d 1323, 1336 (Fed. Cir. 2008)).

95 In addition to Sen. Leahy and Rep. Smith, this group also includes Sen. Kyl. The Feinstein-Lofgren group also includes Senator Reid (Senate Majority Leader). See Quinn, *supra* note 6 (stating that Sen. Reid may support Sen. Feinstein’s proposition).

96 See, e.g., 157 Cong. Rec. H4429 (daily ed. June 22, 2011) (statement of Rep. Lamar Smith) (stating that to constitute a disclosure the inventor must make the subject matter available to the public).

97 See, e.g., *id.* at H4430 (statement of Rep. Zoe Lofgren) (voicing concerns that the grace period will not cover trade secrets or private offers of sale).

98 AIA, *supra* note 2.

99 *Id.* sec. 3(b)(1), § 102(b).

100 See *supra* Part II, at 8-10 (discussing what could trigger the one-year grace period).

101 Old Law, *supra* note 7, §§152, 154; MPEP, *supra* note 14, §2128.

102 *Bailey v. United States*, 516 U.S. 137, 145 (1995).

103 Webster’s Third New International Dictionary of the English Language 645 (Philip Babcock Gove et al. eds., 2002). Webster’s third definition for “disclosure” states “a statement or description of an invention and its method of operation in a patent application.” *Id.* This definition is interesting because even a common usage dictionary notes that within patent law the term “disclosure” is a traditional term of art, which implies that the Congressional decision to use “disclosure” in New §102(b) without definition was ill advised. In Old or New §112 “disclosure” is generally referring to a patent application’s written description. Old Law, *supra* note 7, §112; AIA, *supra* note 2, sec.4(c), § 112. Of course, the flip-side to that observation is that Congress was aware of § 112’s traditional use of “disclosure” relating to the written patent application, and thus when they choose to use “disclosure” in New §102(b) the intention was to limit “disclosure” to only written documents. However, the legislative history nowhere even hints at this limited interpretation of “disclosure.”

104 See, e.g., 157 Cong. Rec. H4429 (daily ed. June 22, 2011) (statement of Rep. Lamar Smith) (stating that to constitute a disclosure the inventor must make the subject matter available to the public, for broad interpretation of disclosure).

105 *Id.* at S1366 (daily ed. Mar. 8, 2011) (statements from a Legislative Notice amended to the Record by Sen. Jon Kyl via unanimous consent).

106 *Id.* at S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Jon Kyl) (arguing that the bill does protect the interests of small inventors).

107 *Id.*

108 *Id.* at S1176 (daily ed. Mar. 3, 2011) (statement of Sen. Patrick Leahy) (emphasis added) (addressing concerns that the bill protects both small inventors and universities).

109 A first-to-file patent system is best understood by example. Consider two inventors, A & B, who have independently invented the same invention. Who should get the patent? Under a first-to-file system, the first to file the patent application earns priority and

will be rewarded with the patent. With some nuances, this is essentially what the AIA has introduced. The U.S. was the last industrialized nation to adopt a first-to-file system. See *id.* at S1371-73 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (describing the new system as a first-to-file system). The pre-AIA system was a first-to-invent system. In the above scenario, whether A or B receives the patent may not be determined by their respective filing dates, but instead by what was called an “interference proceeding.” Old Law, *supra* note 7, §102(g), 135.

<sup>110</sup> 157 Cong. Rec. S1041 (daily ed. Mar. 1 2011) (statement of Sen. Jon Kyl). One could argue that AIA’s first-to-file creates a first-to-publish rule under New §102(b) where such a rule could be construed that New §102(b)’s “disclosure” is limited to only publications and thus public use and on sale events do not find grace period protection. However, such an inferred argument is nowhere supported in the legislative history, that is the first-to-publish notion should not be viewed to constrain the interpretation of New §102(b)’s “disclosure.”

<sup>111</sup> See generally *id.* at S1033 (statement of Sen. Chris Coons); *id.* at S1041 (statement of Sen. Jon Kyl) (stating that a trade show or academic conference constitutes public use); *id.* at S1090 (daily ed. Mar. 2, 2011) (statement of Sen. Patrick Leahy) (discussing the benefits of the one-year grace period); *id.* at S1176 (daily ed. Mar. 3, 2011) (statement of Sen. Patrick Leahy) (concerning public seminars); *id.* at S1179 (statement of Sen. Chris Coons); *id.* at H1366 (daily ed. Jun. 22, 2011) (statement of Rep. Lamar Smith).

<sup>112</sup> *Id.* at S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Jon Kyl) (emphasis added) (arguing that the bill is generally highly protective of inventors).

<sup>113</sup> *Id.* at H4429 (daily ed. June 22, 2011) (statement of Rep. Lamar Smith).

<sup>114</sup> *Id.* at S1090 (daily ed. Mar. 2, 2011) (statement of Sen. Patrick Leahy); *id.* at S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Jon Kyl).

<sup>115</sup> *Id.* at S1090 (daily ed. Mar. 2, 2011) (statement of Sen. Patrick Leahy); *id.* at S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Jon Kyl).

<sup>116</sup> See Webster’s, *supra* note 103 and accompanying text.

<sup>117</sup> See, e.g., 157 Cong. Rec. S1113 (daily ed. Mar. 2, 2011) (statement of Sen. Harry Reid) (voicing doubts about whether the grace period will work); *id.* at S1182 (daily ed. Mar. 3, 2011) (statement of Sen. Dianne Feinstein) (describing the term disclosure as “murky”); *id.* at H4424 (daily ed. June. 22, 2011) (statement of Rep. Zoe Lofgren) (concerning what the term “disclosure” will not cover).

<sup>118</sup> *Id.* at S1113 (daily ed. Mar. 2, 2011) (statement of Sen. Harry Reid) (supporting an amendment authored by Sen. Feinstein that would have eliminated the first-to-file and kept the first-to-invent system, an amendment which did not pass).

<sup>119</sup> *Id.* at S1182 (daily ed. Mar. 3, 2011) (statement of Sen. Dianne Feinstein).

<sup>120</sup> *Id.*

<sup>121</sup> *Id.* at H4424, H4430 (daily ed. June 22, 2011) (statement of Rep. Zoe Lofgren).

<sup>122</sup> See *id.* at S1370-71 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (analyzing New §102(a)’s “or otherwise available to the public” phrasing); *id.* at H4429 (daily ed. June 22, 2011) (statement of Rep. Lamar Smith) (discussing the interplay between New §102(a) and New §102(b)); *id.* at H4424, H4430 (statement of Rep. Zoe Lofgren) (discussing how the grace period under the AIA will not cover trade secrets or private offerings of sale); *id.* at S1182 (daily ed. Mar. 3, 2011) (statement of Sen. Dianne Feinstein) (suggesting “[l]itigation is sure to ensue as courts interpret [[disclosure]]”); *id.* at S1090 (daily ed. Mar. 2, 2011) (statement of Sen.



Patrick Leahy) (addressing concerns that the bill protects both small inventors and universities); *id.* at S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Jon Kyl) (arguing that the bill is generally highly protective of inventors); *id.* at S1113 (daily ed. Mar. 2, 2011) (statement of Sen. Harry Reid) (expressing doubts about whether the grace period will work); *id.* at S1182 (daily ed. Mar. 3, 2011) (statement of Sen. Dianne Feinstein) (describing the term disclosure as “murky”); *id.* at H4424 (daily ed. June 22, 2011) (statement of Rep. Zoe Lofgren) (concerning what the term “disclosure” will not cover); *id.* at S1113 (daily ed. Mar. 2, 2011) (statement of Sen. Harry Reid) (supporting an amendment authored by Sen. Feinstein that would have eliminated the first-to-file and kept the first-to-invent system); see also *supra* text accompanying notes 29-30, 41, 67, 108, 112, 117-18.

<sup>123</sup> See 157 Cong. Rec. S1176 (daily ed. Mar. 3, 2011) (statement of Sen. Patrick Leahy) (regarding the encouragement of early disclosure).

<sup>124</sup> *Infra* Part V.

<sup>125</sup> AIA, *supra* note 2, sec. 3(n)(1).

<sup>126</sup> Herberholz, *supra* note 35, at 28.

<sup>127</sup> Inferred from the current USPTO patent application prosecution backlog. *Id.*

<sup>128</sup> *Id.*

<sup>129</sup> *Bos. Scientific Corp. v. Johnson & Johnson*, 647 F.3d 1353, 1361-62 (Fed. Cir. 2011) (referring to Old §112’s written description requirement, stating “the hallmark of written description is disclosure” (citation omitted)). See also *Old Law*, *supra* note 7, §112 para. 1. Also note that the AIA’s §112 is largely functionally equivalent to Old §112, where the main changes are merely in how the section is referred to, i.e., “first paragraph” in Old §112 versus “paragraph (a)” in the AIA’s §112.

<sup>130</sup> *Supra* Part IV.A.2 and Part IV.B.

<sup>131</sup> *Supra* Part IV.A.

<sup>132</sup> *Metallizing Eng’g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2d Cir. 1946) (emphasis added).

<sup>133</sup> See, e.g., MPEP, *supra* note 14, §714 (containing an example of the traditional narrow interpretation of “disclosure” from the rule that no amendment may introduce new subject matter into the disclosure, i.e., this example tends to reinforce the notion that pre-AIA “disclosure” was itself a term of art that generally referred to the written description component of a patent application).

<sup>134</sup> See *In re Enserv Co.*, 64 B.R. 519, 520 (B.A.P. 9th Cir. 1986) (“Legislative intent may be ascertained from the clear language of the statute itself or from available legislative materials which clearly reveals this intent.”). See also *Moore v. Am. Fed’n of Television & Radio Artists*, 216 F.3d 1236, 1244 (11th Cir. 2000) (“We may look to evidence of Congressional intent outside the four corners of the statute if ‘(1) the statute’s language is ambiguous; (2) applying it according to its plain meaning would lead to an absurd result; or (3) there is clear evidence of contrary legislative intent.’” (quoting *United States v. DBB, Inc.*, 180 F.3d 1277, 1281 (11th Cir. 1999))).

<sup>135</sup> Regarding the PCT, the U.S. was the last PCT nation to adopt a first-to-file system (ushered in under the AIA). See MPEP, *supra* note 14, §1800 (regarding the PCT). Cf. *id.* §201.13 (table listing nations in which the U.S. would recognize a “right of priority” for a foreign filed patent application).

<sup>136</sup> See 157 Cong. Rec. S1361 (daily ed. Mar. 8, 2011) (statement of Sen. Patrick Leahy) (regarding the harmonization goal of the AIA, stating that a “modernized patent system--one that puts American entrepreneurs on the same playing field as those throughout the world--is a key to that success”); *id.* at S1090 (daily ed. Mar. 2, 2011) (statement of Sen. Patrick Leahy) (regarding the harmonization purpose); Herberholz, *supra* note 35, at 29. Cf. 157 Cong. Rec. S1094 (daily ed. Mar. 2, 2011) (statement of Sen. Dianne Feinstein) (acknowledging that harmonization is supported by big business, but questioning if harmonization will harm small investors). See also Quinn, *supra* note 6 (echoing Sen. Feinstein’s views that we should be lobbying the world to harmonize with the superior aspects of the pre-existing U.S. intellectual property systems).

<sup>137</sup> See *supra* note 109; 157 Cong. Rec. S1182 (Mar. 3, 2011) (statement of Sen. Dianne Feinstein).

<sup>138</sup> See *supra* Part IV.B.1.

<sup>139</sup> The legislative history in general does not explicitly mention using any nations as models for developing the AIA, but there are specific references to differences between the American, Canadian, Japanese, and European patent systems. See, e.g., 157 Cong. Rec. S1369 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl); *id.* at S1179 (daily ed. Mar. 3, 2011) (statement of Sen. Chris Coons).

<sup>140</sup> Compare MPEP. *Supra* note 14, §201.13 ((providing a table listing nations in which the U.S. would recognize a “right of priority” for a foreign filed patent application), with Gail Edmondson et al., *Sci. | Bus. Innovation Bd. AISBL, A Grace Period for Patents: Could It Help European Universities Innovate?* 30-38 (2013), available at <http://www.insme.org/files/grace-period-report> (providing a table listing the international nations that do use some form of grace period).

<sup>141</sup> See *supra* Part IV.B.

<sup>142</sup> *Id.*

<sup>143</sup> The suggested interpretations for “or otherwise available to the public” and “disclosure” have no impact upon how the AIA will treat the prior art categories of patents and printed publications compared to how they were treated pre-AIA because these two categories already require public accessibility and by their nature constitute written disclosures. See *Old Law*, *supra* note 7, §§ 152, 154 (providing for a patent to be immediately made available to the public when it issues; substantially unaltered by the AIA); MPEP, *supra* note 14, §901.04 (U.S. patents may be used for prior art references). For example, U.S. patents may be viewed online by anyone from anywhere in the world. See Patent Full-Text Databases, USPTO.GOV, <http://patft.uspto.gov/> (last modified Aug. 26, 2012). Further, patent applications, which may or may not issue, are published (unless an applicant elects to maintain the application as secret) and available to the public by default within eighteen months of the filing date. *Old Law*, *supra* note 7, § 122 (relevant sections unaltered by the AIA); MPEP, *supra* note 14, §101. See also *In re Carlson*, 983 F.2d 1032 (Fed. Cir. 1992) (discussing when foreign patents may be treated as prior art); *In re Hall*, 781 F.2d 897 (Fed. Cir. 1986) (discussing how printed publications qualify as prior art if publicly accessible, generally regardless of publication language); MPEP, *supra* note 14, §§2126, 2128.

<sup>144</sup> See *Egbert v. Lippman*, 104 U.S. 333, 336-38 (1881) (containing the following three propositions: (1) a single use by someone other than the inventor (or inventor’s immediate family) constitutes public use prior art; (2) a single person who is not the inventor (or inventor’s immediate family) who sees and is taught about the invention constitutes public use prior art; and (3) invisible uses may also qualify as public use prior art, i.e., presently what the patent industry commonly refers to as non-informing uses).

<sup>145</sup> *Supra* Part IV.A.

<sup>146</sup> See *Egbert*, 104 U.S. at 335 (discussing the fiancée’s involvement).

<sup>147</sup> *Id.*

148 Id. at 336-38.

149 See id. (finding the previously granted patent subsequently invalid in this infringement suit).

150 Id.

151 Id. at 336 (Note that although Egbert itself does not use the language of “non-informing use,” the concept as applied to public use did originate in Egbert.). Cf. *Rosco, Inc. v. Mirror Lite Co.*, 304 F.3d 1373, 1380 (Fed. Cir. 2002) (discussing the doctrine of inherency). See also 157 Cong. Rec. S1370 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (discussing how the doctrine of inherency still applies post-AIA). The concept that non-informing uses have no bearing on a public use determination is not the same concept as the doctrine of inherency, as the doctrine is generally applied in different factual situations, i.e., not public use. For example, the doctrine of inherency would be used as a premise for a USPTO examiner to make a §102 anticipation rejection because under the doctrine an inherent component in a preexisting device would read a prior art against an invention seeking a patent. *Rosco*, 304 F.3d at 1380.

152 *Egbert*, 104 U.S. at 336.

153 See supra Part IV.B.

154 This is an example of the doctrine of inherency. See also, 157 Cong. Rec. S1370 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl).

155 Id.

156 Id.

157 See id. at H4429 (daily ed. Jun. 22, 2011) (statement of Rep. Lamar Smith) (explaining the effect of New §102(a) on New §102(b)’s applicability).

158 Id. at S1041 (daily ed. Mar. 1, 2011) (statement of Sen. Jon Kyl); id. at S1366 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl).

159 Old Law, supra note 7, §102(b). See, e.g., *Egbert v. Lippman*, 104 U.S. 333, 337 (1881) (suggesting that the corset spring patent would have been valid if the patent application was filed before the grace period expired, which was triggered by the non-informing public use).

160 See 157 Cong. Rec. S1370 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (applying the doctrine of inherence to show that elements of a disclosed product become public).

161 See, e.g., *Egbert*, 104 U.S. at 337 (showing that in public use cases in general, a finding of public use was sufficient to trigger the one-year grace period pre-AIA); *JumpSport, Inc. v. Jumpking, Inc.*, 191 F. App’x 926, 935 (Fed. Cir. 2006) (same); *Beachcombers Int’l, Inc. v. WildeWood Creative Prods., Inc.*, 31 F.3d 1154, 1160 (Fed. Cir. 1994) (same).

162 See 157 Cong. Rec. H4429 (daily ed. June 22, 2011) (statement of Rep. Lamar Smith) (exploring the identity link between New §102(a) and New §102(b)).

163 *Egbert*, 104 U.S. at 335.

164 Id.

165 Id.

166 Id. at 336-37.

167 See supra Part IV.B.

168 See, e.g., *JumpSport, Inc. v. Jumpking, Inc.*, 191 F. App'x 926, 935 (Fed. Cir. 2006) (finding that variations on limited, non-public use can constitute public use); *Beachcombers Int'l, Inc. v. WildeWood Creative Prods., Inc.*, 31 F.3d 1154, 1160 (Fed. Cir. 1994) (same).

169 See *City of Elizabeth v. Am. Nicholson Pavement Co.*, 97 U.S. 126, 136 (1877) (establishing the experimentation exception to public use).

170 Id. at 134-35. As an alternative view of this exception, instead of stating that experimental use stays the commencement of the grace period, one could say there is no public use because the invention is not yet ready for patenting. But such an alternative is best viewed as the policy supporting the experimental use exception to public use.

171 Id.

172 Id. at 133.

173 Id. at 134-35.

174 Id.

175 See infra note 177.

176 See supra Part IV.B.

177 Vehicle roadway surfaces were a prime example of this experimental need (e.g., *City of Elizabeth*) because historically such newly invented surfaces could not be effectively tested behind closed doors. However, consider a novel medical device, a new type of albuterol inhaler that was sufficiently similar to predicate devices to be grandfathered in under FDA's 510(k) program (i.e., no issues with safety or efficacy), but that nonetheless was not ready for patenting and required extensive testing (greater than a year) by patients to ready the novel inventive aspect of the inhaler, which could be anything for the sake of this argument, such as a new shape to better fit in pockets or a new nozzle design to prevent accidental leakage or operation. Such a device would still need the benefit of experimental exception to public use under the AIA.

178 See *Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2d Cir. 1946) (injecting policy consideration into public use analysis).

179 Id. at 517 (referring to the patented process that used a new technique for spraying molten metal to recondition worn metal parts).

180 Id.

181 Id.

182 Id. at 520.

183 Id. See also Old Law, supra note 7, §154 (which the AIA did not amend); MPEP, supra note 14, §2701 (specifying a twenty year monopoly for utility patents and fourteen years for design patents).

184 See U.S. Const. art. I, §8, cl. 8 (“To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries....” (emphasis added)).

185 Metallizing, 153 F.2d at 520.

186 Id.

187 See U.S. Const. art. I, §8, cl. 8 (demonstrating that the Constitution’s mandate for limited monopolies obviously continues post-AIA); Metallizing, 153 F.2d at 520 (providing the political rationale for determining that “secret use” for commercially profiting purposes constitutes public use).

188 See supra Part IV.B.

189 Metallizing, 153 F.2d at 520.

190 Id.

191 Id.

192 See id. (implying that by definition an invention that remains secret and not accessible to the public, with no public disclosures regarding the invention, would then never have entered the public domain or give rise to prior art).

193 Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 150-51 (1989); Wilhelm Pudenz, GmbH v. Littlefuse, Inc., 177 F.3d 1204, 1207-08 (11th Cir. 1999); Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 284 (7th Cir. 1998).

194 Bonito Boats, 489 U.S. at 150-51.

195 This conclusion is merely the logical extension of New §102(a)’s public accessibility requirement to inventive processes used in secret for a private benefit of the inventor. See supra Part IV.B.

196 This conclusion represents applying the suggested interpretations of New §102(a) & (b) to the Metallizing holding that private use that only benefits the inventor does not ever itself create a bar to patentability. Metallizing, 153 F.2d. at 520. See also supra Part IV.B.

197 721 F.2d 1540, 1545 (Fed. Cir. 1983). Outside of patent law Gore is famous because the company’s products, Teflon tape and

Gore-Tex fabric, remain ubiquitous.

198 Gore's first holding reiterated an existing holding that, "[t]he nonsecret [sic] use of a claimed process in the usual course of producing articles for commercial purposes is a public use" will bar patent issuance regardless of the grace period if the non-secret use of the claimed process was also in use by someone other than the inventor under Old §102(a). *Id.* at 1549 (emphasis added) (citing *Elec. Storage Battery Co. v. Shimadzu*, 307 U.S. 5, 20 (1939)). See also Old Law, *supra* note 7, §102(a) ("A person shall be entitled to a patent unless--(a) the invention was known or used by others in this or a foreign country...." (emphasis added)). For example, one of the technologies in Gore was a machine that made Teflon tape. Consider two inventors A and B. If the inventor A of such a Teflon tape machine tried to patent the invention, but inventor B had independently and previously invented a Teflon tape machine, but had not patented the machine and was using the machine openly, then such an informing use by a third-party (inventor B) would constitute prior art under Old §102(a) that would immediately bar inventor A from receiving a patent on his independently invented Teflon tape machine. This is a classic example of the pre-AIA first-to-invent system. This author believes this result would not change post-AIA, but such a belief was not analyzed in this Comment.

199 *Metallizing*, 153 F.2d at 520.

200 *Gore*, 721 F.2d at 1550 ("Early public disclosure is a linchpin of the patent system.").

201 *Id.* ("As between a prior inventor who benefits from a process by selling its product but suppresses, conceals, or otherwise keeps the process from the public, and a later inventor who promptly files a patent application from which the public will gain a disclosure of the process, the law favors the latter.").

202 157 Cong. Rec. S1371 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (noting the fundamental patent law policy of encouraging early public disclosure of inventions continues under the AIA). Sen. Kyl suggests a first-to-file system inherently accomplishes this goal by rewarding the first inventor to file the patent. Under the old system this policy was furthered by patent forfeiture doctrines. See *id.* at S1208 (Mar. 3, 2011) (statement of Sen. Jon Kyl) (suggesting that the inventor who promptly discloses first should get the patent, from lobbyist materials under the heading "S. 23 Protects Inventors Once They Publicly Disclose Their Work" that Sen. Kyl had, with unanimous consent, attached to the record). See also *supra* note 27 (regarding forfeiture doctrines).

203 See *supra* Part IV.A.1.

204 The public use prior art doctrines which should remain under the AIA for policy reasons include: the experimental exception to public use (*City of Elizabeth*); secret use of an inventive process that produces products sold or accessible to the public does constitute public use prior art and a triggering of the grace period (*Metallizing*); and third-party secret use of an inventive process that produces products sold or accessible to the public does not constitute public use prior art as against another inventor who later in time invents the same process (*Gore*). See generally *supra* Part V.A.

205 157 Cong. Rec. S1371 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (stating the patent law's policy to encourage public disclosure).

206 525 U.S. 55, 57 (1998).

207 *Id.* at 67. See also *Lab. Skin Care, Inc. v. Ltd. Brands, Inc.*, 757 F. Supp. 2d 431, 435 (D. Del. 2010).

208 See *Grp. One, Ltd. v. Hallmark Cards, Inc.*, 254 F.3d 1041, 1046 (Fed. Cir. 2011); MPEP, *supra* note 14, §2133.03(b) (regarding "on sale" events, "offer" is defined by the Uniform Commercial Code). See also *Link Treasure Ltd. v. Baby Trend, Inc.*, 809 F. Supp. 2d 1191, 1197-98 (C.D. Cal. 2011), appeal dismissed, 438 F. App'x 896 (Fed. Cir. 2011). See generally *Pfaff*, 525 U.S. 55.

209 *Linear Tech. Corp. v. Micrel, Inc.*, 275 F.3d 1040, 1052-53 (Fed. Cir. 2001). The Court may have ratified this Federal Circuit

expansion as they did deny certiorari. *Micrel, Inc. v. Linear Tech. Corp.*, 538 U.S. 1052 (2003). However, in their denial opinion there is nothing that indicates if this expansion issue was raised. *Id.* Thus, it is not entirely clear if this expansion trumps the Court's holding in *Pfaff*. 525 U.S. at 67.

210 *Pfaff*, 525 U.S. at 67.

211 See *supra* note 169 and accompanying text.

212 *Pfaff*, 525 U.S. at 64-65. Parties will litigate this issue, i.e., whether a sale was made primarily for experimental reasons, with commercial success only an incidental effect, versus the sale really being made to commercialize the invention.

213 See *Grp. One*, 254 F.3d at 1046; *Link Treasure*, 809 F. Supp. 2d at 1197-98.

214 The irrelevance of whether an offer for sale was private, secret, or public is only implied in *Pfaff*. That actual assertion is found in other cases. See *Special Devices, Inc. v. OEA, Inc.*, 270 F.3d 1353, 1357 (Fed. Cir. 2001); *Woodland Trust v. Flowertree Nursery, Inc.*, 148 F.3d 1368, 1370 (Fed. Cir. 1998); *In re Cygnus Telecomms. Tech., LCC*, 481 F. Supp. 2d 1029, 1052 (N.D. Cal. 2007), *aff'd*, 536 F.3d 1343 (Fed. Cir. 2008).

215 See generally, e.g., *Special Devices*, 270 F.3d 1353. However, while these cases do imply a secret offer for sale may constitute on sale prior art even without the sale being consummated (e.g., not paying for the produced product), such a finding would require the patentee to receive some sort of commercial benefit from the attempted transaction.

216 *Pfaff*, 525 U.S. at 67-68. *Pfaff* itself does not use the term of art “constructive reduction to practice,” that express phrase is found elsewhere. See MPEP, *supra* note 14, §§2138, 715.07(a) (e.g., the filing of a patent application is a constructive reduction to practice); *Netscape Commc'ns Corp. v. ValueClick, Inc.*, 704 F. Supp. 2d 544, 559 (E.D. Va. 2010).

217 *Fujikawa v. Wattanasin*, 93 F.3d 1559, 1563 (Fed. Cir. 1996); *Bos. Scientific Corp. v. Cordis Corp.*, 422 F. Supp. 2d 1102, 1112 (N.D. Cal. 2006).

218 *Bos. Scientific*, 422 F. Supp. 2d at 1112.

219 *Crown Packaging Tech., Inc. v. Ball Metal Beverage Container Corp.*, 635 F.3d 1373, 1380 (Fed. Cir. 2011) (discussing the Old §112 enabling requirement). See also *Old Law*, *supra* note 7, §112; *AIA*, *supra* note 2, sec. 4(c), §112(a) (the enabling requirement essentially requires the patent application to sufficiently document the invention to allow (i.e., enable) a person of ordinary skill in the art to reproduce the invention with minimal experimentation); MPEP, *supra* note 14, §§2138, 715.07(a) (regarding constructive reduction to practice). Cf. *Burroughs Wellcome Co. v. Barr Labs., Inc.*, 40 F.3d 1223, 1231 (Fed. Cir. 1994) (“[E]nablement and conception are distinct issues, and one need not necessarily meet the enablement standard of 35 U.S.C. §112 to prove conception.”).

220 *Centocor Ortho Biotech, Inc. v. Abbott Labs.*, 636 F.3d 1341, 1353 (Fed. Cir. 2011). See also MPEP, *supra* note 14, §§2138, 715.07(a).

221 *Pfaff*, 525 U.S. at 57-59.

222 The effective filing date by default is the patent application filing date, but may precede that date as well under §119 and §120. See *AIA*, *supra* note 2, sec. 3(g)(6), §119 (claiming benefit to earlier filed provisional applications and claiming right of priority to a foreign application); *id.* sec. 3(f), §120 (claiming effective filing date of a parent application). See also MPEP, *supra* note 14, §201.11.

223 Pfaff, 525 U.S. at 57.

224 Id.

225 Id. at 57-58. See also Old Law, supra note 7, §102(b).

226 Pfaff, 525 U.S. at 57.

227 See id. at 67-68 (discussing the holding).

228 Id. at 58.

229 Id. at 68-69.

230 Id. at 58.

231 Id. at 68.

232 Pfaff, 525 U.S. at 68-69.

233 See 157 Cong. Rec. S1371 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (stating that “[t]here is no reason to fear ‘commercialization’ that merely consists of a secret sale or offer for sale but that does not operate to disclose the invention to the public”).

234 See *Special Devices, Inc. v. OEA, Inc.*, 270 F.3d 1353, 1357 (Fed. Cir. 2001) (discussing the irrelevance of whether an offer for sale was private or public).

235 If secret offers for sale do not constitute on sale prior art under New §102(a), then logically this should facilitate inventive activity, particularly for small inventors who often need investment capital just to ready the invention for a patent application. See supra note 86 and accompanying text (developing the proposition that secret offers for sale are not prior art under New §102(a)). See Quinn, supra note 6 (proposing that small inventors need financing to ready inventions for filing the patent application).

236 See, e.g., Sarbanes-Oxley Act of 2002, 15 U.S.C. §7261 (2012) (providing examples of what publically traded companies must disclose to the Securities and Exchange Commission).

237 See supra Part IV.B.

238 Logical inference based on this Comment’s suggested interpretation for “disclosure” under New §102(b). See supra Part IV.B.

239 See supra Parts V.B, Part IV.B (arriving at this conclusion when applying New §102(a)’s public accessibility requirement to Pfaff’s two prong test for on sale prior art).

240 See Webster’s, supra note 103 and accompanying text.



241 The live broadcast meets New §102(a)'s on sale prior art requirement, as interpreted under Pfaff, because it was a commercial offer made to the public at large and the inventor had actually reduced the invention to practice. See supra Part V.B.

242 157 Cong. Rec. H4429 (daily ed. Jun. 22, 2011) (statement of Rep. Lamar Smith).

243 Id. at S1371 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl).

244 See AIA, supra note 2, sec. 3(b)(1), §102(b) (making grace period activation a concern only if there is a prior art). See also 157 Cong. Rec. H4429 (daily ed. Jun. 22, 2011) (statement of Rep. Lamar Smith).

245 Under this interpretation, inventors are protected under the AIA in their secret endeavors because secret actions will fall short of New §102(a)'s public accessibility requirement; however, this protection is conditional (i.e., qualified), because such inventors are not protected against other independent inventors who invent the same subject matter and publicly disclose that invention. That is, the qualified protection can be breached by the independent inventive actions of third parties who do publicly disclose.

246 Supra Part IV.B.

247 AIA, supra note 2, sec. 3(n)(1).

248 Supra Part IV.A.2.

249 See 35 U.S.C §§119(e), 120 (2011) (defining provisional and non-provisional applications, respectively). Note additionally, that provisional applications are both much less expensive and less rigorous to prepare compared to full-fledged non-provisional applications. Quinn, supra note 6.

250 See 157 Cong. Rec. S1369 (daily ed. Mar. 8, 2011) (statement of Sen. Jon Kyl) (stating that “pre-filing disclosures,” not including provisional applications, will prevent patentability in Europe and Japan).

251 Assuming such discussions are held in private and the details are kept confidential.

252 Lobbyist Materials Supporting Small Inventors, supra note 4, at 3-4.