Patent Law

Prof. Roger Ford
October 3, 2016
Class 8 – Novelty II: more pre-AIA
§ 102(a)(1) art; the AIA grace period

Recap

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→ Novelty framework

→ (AIA) § 102(a)(1) prior art:

- "printed publication"
- "patented"
- "in public use"

Today's agenda

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→ Novelty framework

→ (AIA) § 102(a)(1) prior art con't:

- "on sale"
- "otherwise available to the public"

→ The AIA grace period

Novelty framework

Novelty: introduction

→ Novelty as a four-step process:

- Which law applies? (Pre-AIA or post-AIA)
- Does a reference qualify as prior art under a subsection of § 102?
- What are the effective date of the prior-art reference and the critical date of the patent?
- Does the information disclosed in the prior-art reference anticipate the patent claim(s)?

Novelty: introduction

→ Novelty as a four-step process:

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(post-AIA) 35 U.S.C. § 102 — Conditions for patentability; novelty

(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; or

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

(b) Exceptions.—

* * *

Novelty framework

→ Relevant prior-art references (post-AIA):

- § 102(a)(1): things "patented"
- § 102(a)(1): things "described in a printed publication"
- § 102(a)(1): things "in public use, on sale, or otherwise available to the public"
- …

(pre-AIA) 35 U.S.C. § 102 — Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless —

(a) the invention was **known or used by others in this country**, or **patented or described in a printed publication in this or a foreign country**, before **the invention thereof** by the applicant for patent, or

(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, or

* * *

Novelty framework

→ Today:

- "on sale"
- "otherwise available to the public"
- the AIA grace period (§ 102(b))

(AIA) § 102(a) prior art

‘on sale’

(post-AIA) 35 U.S.C. § 102 — Conditions for patentability; novelty

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* * *

Pfaff v. Wells Electronics

- → Nov. 1980: TI contacts Pfaff to design socket
- → Feb./Mar. 1981: Pfaff sends detailed drawings to manufacturer
- → Apr. 8, 1981: TI confirms in writing previously placed oral order for 30,100 sockets
- → Apr. 19, 1981: § 102(b) critical date
- → July, 1981: Pfaff fulfills TI order
- → Apr. 19, 1982: Pfaff files patent application

Pfaff v. Wells Electronics

- → So the key question: when was the invention "on sale" for purposes of § 102?

Pfaff v. Wells Electronics

→ So the key question: when was the invention "on sale" for purposes of § 102?

→ Court: two requirements

- Commercial offer for sale
- Invention must be "ready for patenting"

Pfaff v. Wells Electronics

commercial offer for sale?

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- → What does "ready for patenting" mean?

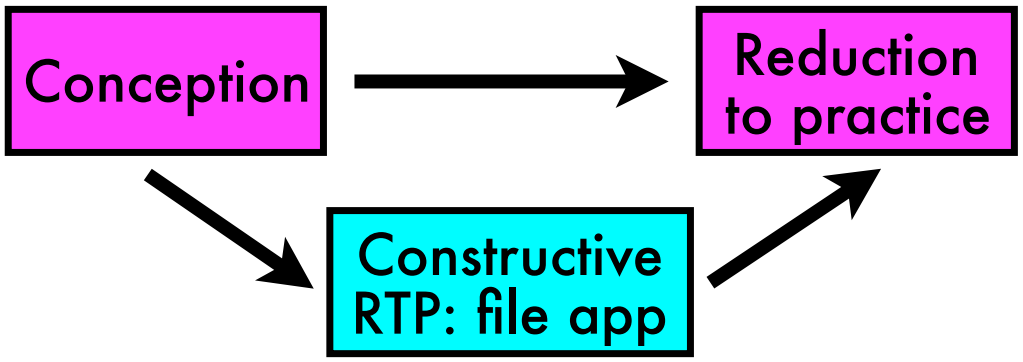
Pfaff v. Wells Electronics

→ What does "ready for patenting" mean?

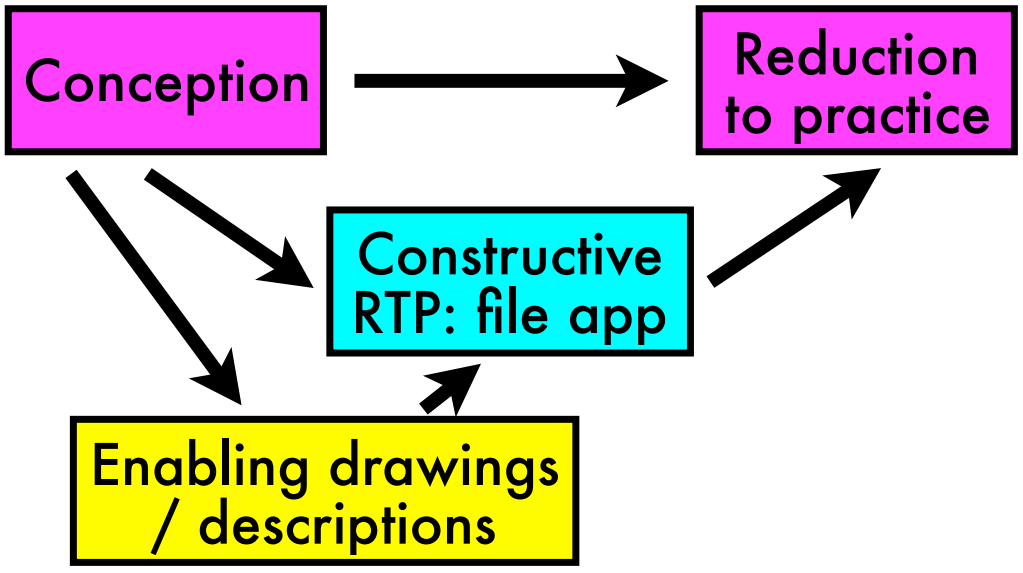
- Court: EITHER (a) reduction to practice or (b) drawings or descriptions sufficient to enable someone to practice the invention

Pfaff v. Wells Electronics

Pfaff v. Wells Electronics



Pfaff v. Wells Electronics



"[I]t is evident that Pfaff could have obtained a patent on his novel socket when he accepted the purchase order from Texas Instruments for 30,100 units. At that time he provided the manufacturer with a **description and drawings that had 'sufficient clearness and precision to enable those skilled in the matter' to produce the device**."

Pfaff v. Wells Electronics

Pfaff v. Wells Electronics

→ Who knew of TI's purchase of the sockets? How "public" was the sale?

Pfaff v. Wells Electronics

→ Who knew of TI's purchase of the sockets? How "public" was the sale?

- No one, as far as we know
- Not at all public

Pfaff v. Wells Electronics

→ Two anomalies of the on-sale bar:

- It can apply even before the inventor has invented the invention, for purposes of priority
- It can apply to purely "private" sales – a truly secret form of prior art

→ Do these make sense?

Pfaff v. Wells Electronics

→ Why apply the on-sale bar before the invention has been reduced to practice?

Pfaff v. Wells Electronics

→ Why apply the on-sale bar before the invention has been reduced to practice?

- Otherwise, inventors would have an incentive to wait and not file for patents earlier – we want people to file quickly
- Inventor has everything needed to reduce to practice – has an enabling disclosure

Pfaff v. Wells Electronics

→ Why not require sales to be "public" to count?

Pfaff v. Wells Electronics

→ Why not require sales to be "public" to count?

- Otherwise, inventors would have an incentive to make private sales and delay filing – we want people to file quickly
- Worst-case scenario: an inventor extends his or her monopoly indefinitely

Examples

→ Pfaff comes up with the general idea for the socket, and contracts with TI to make and sell it, but hasn't worked out all the details

→ Is the invention "on sale" yet?

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→ Is the invention "on sale" yet?

- No – not ready for patenting since there is no enabling description yet

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and offers it for sale, but no one buys it

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- Yes – an offer for sale does not require acceptance

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and advertises it in a catalog, but never formally offers it for sale

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Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and advertises it in a catalog, but never formally offers it for sale

→ Is the invention "on sale" yet?

- No – advertising is <u>not</u> an offer for sale

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and offers an "improved socket" for sale

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→ Pfaff comes up with the idea for the socket, makes detailed drawings, and offers an "improved socket" for sale

→ Is the invention "on sale" yet?

- Yes – buyers do not have to <u>understand</u> what makes the invention interesting

Examples

→ Pfaff comes up with the idea for a cheaper socket, makes detailed drawings, and offers a "socket" for sale

→ Is the invention "on sale" yet?

Examples

→ Pfaff comes up with the idea for a cheaper socket, makes detailed drawings, and offers a "socket" for sale

→ Is the invention "on sale" yet?

- Maybe – depends on whether the fact finder thinks he intended to exploit the cheaper socket when he made the offer (*Tec Air*)

‘otherwise available to the public’

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→ Catch-all for other kinds of prior art

- Oral presentations?
- Others?

→ *Maybe,* redefines “public use” and “on sale”?

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(b) Exceptions.—

* * *

'otherwise available to the public'

→ Grammar: "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"

'otherwise available to the public'

→ *Metallizing*: Trade-secret use can be "public use" prior art ONLY if the use was by the patent applicant

→ *MDS Associates v. U.S.*: Secret sales can be "on sale" ONLY if the sale was by the patent applicant

→ NOW: do things that are "in public use" or "on sale" also have to be "available to the public"

- "in public use, on sale, or otherwise available to the public"

'otherwise available to the public'

→ Argument that the AIA requires a public "public use" or "sale":

- "available to the public" limits the meaning of "on sale"

→ Argument that the AIA does not require a public sale:

- There is no evidence Congress intended to change the substance of the on-sale bar

"As Chairman Smith most recently explained in his June 22 remarks, 'contrary to current precedent, **in order to trigger the bar in new 102(a) in our legislation, an action must make the patented subject matter "available to the public"** before the effective filing date.' … When the committee included the words 'or otherwise available to the public' in section 102(a), **the word 'otherwise' made clear that the preceding items are things that are of the same quality or nature.** As a result, the preceding events and things are **limited to those that make the invention 'available to the public.'**"

Senator Jon Kyl, hearing on AIA (Sept. 8, 2011)

"The pre-AIA 35 U.S.C. 102(b) 'on sale' provision has been interpreted as including commercial activity even if the activity is secret. AIA 35 U.S.C. 102(a)(1) uses the same 'on sale' term as pre-AIA 35 U.S.C. 102(b). **The 'or otherwise available to the public' residual clause of AIA 35 U.S.C. 102(a)(1), however, indicates that AIA 35 U.S.C. 102(a)(1) does not cover secret sales or offers for sale.** For example, an activity (such as a sale, offer for sale, or other commercial activity) is secret (non-public) if it is among individuals having an obligation of confidentiality to the inventor."

MPEP § 2152.02(d)

"The history of the drafting of the AIA suggests that it did not repeal *Metallizing*. **The original bill introduced in Congress in 2005 would have eliminated the categories of public use and on sale altogether,** defining 'prior art' as only things 'patented, described in a printed publication, or otherwise publicly known.' Senator Kyl expressly noted that the purpose of dropping public use and on sale in his bill was to **'eliminat[e] confidential sales and other secret activities as grounds for invalidity.'**

"But that language was not the language Congress adopted. During the course of six years of Congressional debate, Congress added the terms 'public use' and 'on sale' back into the definition of prior art. … To limit those terms only to uses and sales that were publicly known would render that decision a nullity—**the statute would have precisely the same effect as if the terms 'public use' and 'on sale' were excluded altogether.**"

Law-professor amicus brief in *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, Fed. Cir. (pending)

The district court's reading of AIA § 102(a) **will cause all manner of mischief.** As just stated, it eliminates the disclosure/public disclosure distinction that is so central to AIA § 102(b)(1). It also attributes a quite radical intent and effect to the new prior art provision in the AIA: it would **sweep away scores of cases, accumulated over two centuries, defining in great detail each of the specific categories of prior art listed in AIA § 102(a).** Opinions by giants in the patent field, from Joseph Story to Learned Hand to Giles Rich — gone, by virtue of one add-on phrase in the new statute."

Law-professor amicus brief in *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, Fed. Cir. (pending)

'otherwise available to the public'

→ District of New Jersey: the AIA overturned *Metallizing*

- *Helsinn v. Dr. Reddy's Labs* (Mar. 3, 2016)

→ Federal Circuit appeal will be argued Tuesday, October 4

→ Stay tuned!

AIA grace period

(post-AIA) 35 U.S.C. § 102 — Conditions for patentability; novelty

* * * (b) Exceptions.—

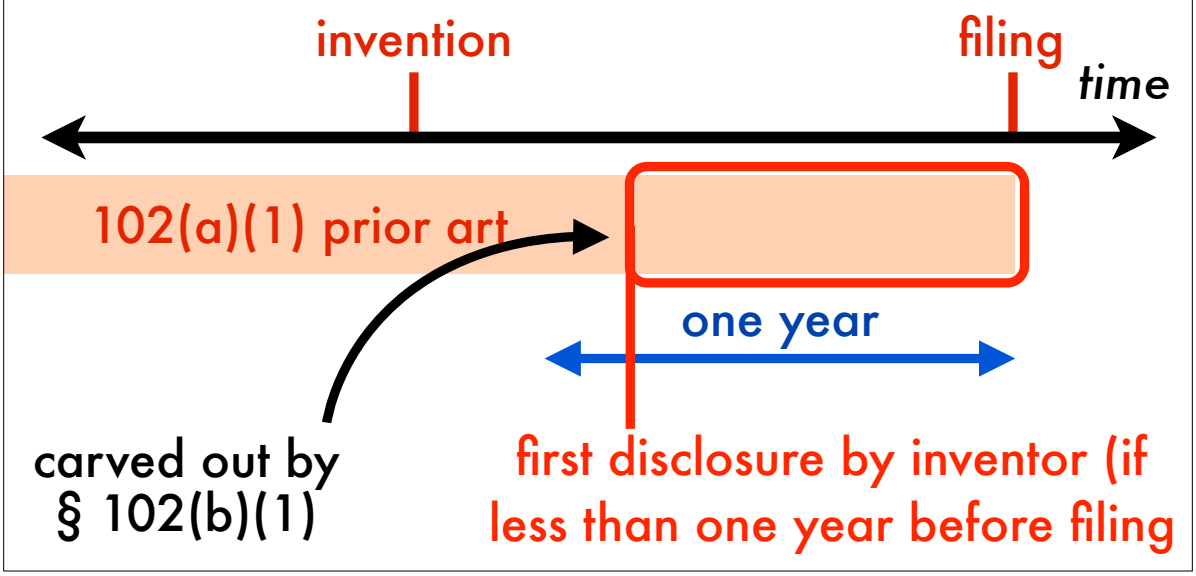
(1) Disclosures made 1 year or less before the effective filing date of the claimed invention.— A disclosure made **1 year or less before the effective filing date** of a claimed invention shall not be prior art to the claimed invention under subsection (a) (1) if—

(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.

* * *

AIA grace period



AIA grace period

→ Scenario:

- 1/1/15: Disclosure #1 by the applicant
- 4/1/15: Disclosure #2 by someone else
- 7/1/15: Patent application

→ Question: How similar do disclosures #1 and #2 need to be for #2 to be carved out?

AIA grace period

→ Invention: high-security electronic voting machine

- Touch screen
- Software, storage, &c
- Security that causes a visual indication and shutdown when intrusion is detected

AIA grace period

→ Disclosure #1 (applicant): Voting machine where screen changes color when an intrusion is detected

→ Disclosure #2 (someone else): Voting machine where large "X" appears on screen when an intrusion is detected

→ Claim: "visual indication"

→ Is disclosure #2 prior art?

AIA grace period

→ One possibility: They both must disclose the claim limitations

→ Another possibility: They must disclose the same embodiment of the invention, regardless of claim language

→ What does "subject matter" mean?

"The exception in [§] 102(b)(1)(B) applies if the 'subject matter disclosed [in the intervening disclosure] had, before such [intervening] disclosure, been publicly disclosed by the inventor or a joint inventor (or another who obtained the subject matter directly or indirectly from the inventor or joint inventor).' … The exception in [§] 102(b)(1)(B) focuses on the 'subject matter' that had been publicly disclosed by the inventor…. There is no requirement under [§] 102(b)(1)(B) that the **mode of disclosure** by the inventor … be the same as the mode of disclosure of the intervening grace period disclosure (e.g., patenting, publication, public use, sale activity). There is also no requirement that the disclosure by the inventor or a joint inventor be a **verbatim or ipsissimis verbis disclosure** of the intervening grace period disclosure. *See In re Kao,* 639 F.3d 1057, 1066 (Fed. Cir. 2011) (subject matter does not change as a function of how one chooses to describe it). **What is required for subject matter in an intervening grace period disclosure to be excepted under [§] 102(b)(1)(B) is that the subject matter of the disclosure to be disqualified as prior art must have been previously publicly disclosed by the inventor….**"

MPEP § 2153.02

"The subject matter of an intervening grace period disclosure that is not in the inventor or inventor-originated prior public disclosure is available as prior art under [§] 102(a)(1). For example, if the inventor … **had publicly disclosed elements A, B, and C,** and a subsequent intervening grace period disclosure **discloses elements A, B, C, and D,** then only element D of the intervening grace period disclosure is available as prior art under [§] 102(a)(1)."

MPEP § 2153.02

"Likewise, **if the inventor … had publicly disclosed a species,** and a subsequent intervening grace period disclosure **discloses an alternative species not also disclosed by the inventor…,** the intervening grace period disclosure of the alternative species would be available as prior art under [§] 102(a)(1)."

MPEP § 2153.02

"Finally, [§] 102(b)(1)(B) **does not discuss 'the claimed invention'** with respect to either the subject matter disclosed by the inventor or a joint inventor, or the subject matter of the subsequent intervening grace period disclosure. **Any inquiry with respect to the claimed invention is whether or not the subject matter in the prior art disclosure being relied upon anticipates or renders obvious the claimed invention.** A determination of whether the exception in [§] 102(b)(1)(B) is applicable to subject matter in an intervening grace period disclosure **does not involve a comparison of the subject matter of the claimed invention to either the subject matter in the inventor or inventor-originated prior public disclosure, or to the subject matter of the subsequent intervening grace period disclosure.**"

MPEP § 2153.02

AIA grace period

→ Advantage of a narrow grace period?

- Only carves out disclosures by the inventor and disclosures that are basically identical
- Incentive to file ASAP
- Narrow patent rights

AIA grace period

→ Advantage of a broad grace period?

- Incentive to disclose ASAP and then develop patent application
- Protects inventors and early disclosers
- Harder to game

Next time

Next time

→ More novelty!