On Sale and Public Use Bars to Patentability After AIA
Minimizing the Risk of Patent Ineligibility or Invalidation

THURSDAY, FEBRUARY 5, 2015

1pm Eastern  |  12pm Central  |  11am Mountain  |  10am Pacific

Today’s faculty features:

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Dr. Amanda K. Murphy, Ph.D., Finnegan Henderson Farabow Garrett & Dunner, Washington, D.C.

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The Public Use Bar to Patentability: Recent Developments and the Impact of the AIA

Daniel G. Brown
Latham & Watkins for Strafford
Feb. 5, 2015
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 application for patent in the United States.
Public Use

- “INVENTION”
- *Invitrogen:*
  - *Pfaff v. Wells Elec.* held that “invention” for on-sale bar within § 102(b) need not be reduced to practice, need only be “ready for patenting” *Pfaff*, 525 U.S. at 60, 67.
  - Since “invention” modifies both public use and on-sale, court held that “ready for patenting” standard applies to public use as well as on sale bar. *424 F.3d* at 1379.
  - Rejected previous “totality of the circumstances” test: stage of invention not a consideration if it meets ready for patenting test.

Policies behind *Pfaff* apply to Public Use:

- “We originally held that an inventor loses his right to a patent if he puts his invention into public use before filing a patent application…. A similar reluctance to allow an inventor to remove existing knowledge from public use undergirds the on-sale bar.” *Pfaff*, 525 U.S. at 64.

- “Petitioner’s argument …does not persuade us that it is necessary to engrain a reduction to practice element into the meaning of the term “invention” as used in §102(b).”
• “[I]t is a condition upon an inventor’s right to a patent that he shall not exploit his discovery competitively after it is ready for patenting; he must content himself with either secrecy, or legal monopoly.” Pfaff, (quoting Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co., 153 F.2d 516, 520 (2d Cir. 1946).
The proper test for the public use prong of the § 102(b) statutory bar is whether the purported use: (1) was accessible to the public; or (2) was commercially exploited.

- Factors (inter alia):
  - evidence relevant to experimentation
  - nature of the activity that occurred in public
  - public access to the use
  - confidentiality obligations imposed on members of the public who observed the use
  - commercial exploitation
Public Accessibility

- Scope of Disclosure
- Restrictions on Use
- Control of Invention
- Sophistication of those to whom disclosure made
Completeness of disclosure required for § 102(b) bar:

- WL Gore v. Garlock, 721 F.2d 1540, 1549 (Fed. Cir. 1983)


- Motionless Keyboard v. Microsoft, 486 F.3d 1376, 1385 (Fed. Cir. 2007).
But incomplete disclosures can still be used for § 103 purposes:

- “In order for a use to be public within the meaning of § 102(b), there must be a public use with all of the claim limitations.”

  ***

- “We have held that the public use bar applies to obvious variants of the demonstrated public use.” *Netscape Comc'ns Corp. v. Konrad*, 295 F.3d 1315, 1321 (Fed. Cir. 2002)”
• Third-party uses of third-party’s invention:

• *Dey, LP v. Sunovion Pharm., Inc.,* 715 F.3d 1351 (Fed. Cir. 2013)

• Public Accessibility:
  • “Secret third-party use is not invalidating”
  • “A reasonable jury could conclude that if members of the public are not informed of, and cannot readily discern, the claimed features of the invention in the allegedly invalidating prior art, the public has not been put in possession of those features.”
Third-party commercialization of third-party invention is also treated differently. *Dey*:

- “Secret commercialization” by a third party is not public use, even if it might have resulted in forfeiture were the third party the one filing the patent application, *W.L. Gore, 721 F.2d at 1550.*”
Egbert v. Lippmann, 104 U.S. 333, 336 (1881): “If an inventor, having made his device, gives or sells it to another, to be used by the donee or vendee, without limitation or restriction, or injunction of secrecy, and it is so used, such use is public, even though the use and the knowledge of the use may be confined to one person.”

• Public: a member of public vs. general public
Enablement not required:

See Dey, 715 F.3d at 1358:

“Although … we do not ask for an ‘enablement-type inquiry’ under section 102(b), a court still must decide whether the ‘claimed features of the patents [were placed] in the public’s possession.’ Konrad, 295 F.3d at 1323.”
• *Egbert*: no restriction = public use

• *Lough v. Brunswick*, 86 F.3d 1113 (Fed. Cir. 1996): lack of supervision and control defeats experimental use

• *Eloas v. Microsoft*, 399 F.3d 1325 (Fed. Cir. 2005): demonstration without confidentiality agreement results in public use
Public Accessibility – Control over Invention

- **Beachcombers vs. Moleculon Research:**
  - *Beachcombers*: demonstration to friends at party public use. 31 F.3d 1154 (Fed. Cir. 1994).
  - *Moleculon Research*: demonstration to several friends over course of five years not public use despite no express confidentiality agreement. 793 F.2d 1261 (Fed. Cir. 1986)

- Note: Both cases affirmed district court fact findings.
Public Accessibility – Sophistication of Recipients

- *Dey, L.P. v. Sunovion Pharmaceuticals, Inc.*, 715 F.3d 1351 (Fed. Cir. 2013): “uninformed” clinical trial subjects supported finding that use not public

- *Netscape Commc'ns Corp. v. Konrad*, 295 F.3d 1315, 1321 (Fed.Cir.2002): even limited disclosure to those who are skilled enough to understand and ‘easily demonstrate’ the invention to others implies no expectation of secrecy and supports public use;

- *Pronova Biopharma Norge A/S v. Teva Pharm. USA, Inc.*, 549 Fed.Appx. 934 (Fed. Cir. 2013)(not published): recipient “highly skilled in the art, with the full ability to know, understand, and fully disclose the invention to others.”
Commercial exploitation is a public use despite secrecy:

- *Kinzenbaw v. Deere & Co.*, 741 F.2d 383, 391, 222 USPQ 929, 934 (Fed. Cir. 1984) (“A commercial use is a public use even if it is kept secret.”);

- *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1147, 219 USPQ 13, 15 (Fed. Cir. 1983) ([T]he intent of [invalidating claims based on commercial use] is to preclude attempts by the inventor or his assignee to profit from commercial use of an invention for more than a year before an application for patent is filed.');

- *Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520, 68 USPQ 54, 58 (2d Cir. 1946)(use of process in secret to manufacture commercial product was public use, despite not disclosing patented process)
Commercial Exploitation

- **Harrington Manufacturing Co., Inc. v. Powell Manufacturing Co.,** 815 F.2d 1478, 1480 (Fed. Cir. 1986): finding public use where an inventor demonstrated a prototype harvester to a journalist for purpose of gaining public recognition, which the court found to be commercial exploitation. *Id.* at 1481 & n.3.

- **In re Smith,** 714 F.2d 1127, 1129, 1135 (Fed. Cir. 1983): applying public use bar where inventors gave consumers samples to test in their homes and “dominant purpose” was “to determine whether potential consumers would buy the product and how much they would pay for it—commercial exploitation.”;

- **Netscape Communications Corp. v. Konrad,** 295 F.3d 1315, 1322 (Fed. Cir. 2002) (finding inventor’s activity geared toward increasing commercial attractiveness of invention “with endorsement from outside technical people”)


EZ Dock v. Schafer, 276 F3d 1347, 1355-57 (Linn, J, Concurring):

- “The experimental use doctrine permits an inventor to conduct testing to refine his invention without losing the right to obtain a patent, even if such testing occurs in the public eye.”

- “Once the invention is reduced to practice, there can be no experimental use negation.”

- *Pfaff* destroyed symmetry between experimental use and 102(b) bars, since 102(b) bar can occur at “ready for patenting”, while experimental use ends with reduction to practice.
What about trials to gain regulatory approval?

- Pennwalt Corp. v. Akzona Inc., 740 F.2d 1573 (Fed. Cir. 1984): Sales were made under a temporary EPA permit issued by the agency “only for bona fide experimental programs.” *Id.* at 1576. Since “real goal” of the activities under the temporary permit was “to obtain a commercial label,” not experimental use. *Id.* at 1581.
Commercial Exploitation vs. Experimental Use

Pharmaceutical Clinical Trial cases:

- *Dey*: Third-party clinical trial, not public; case did not address commercial exploitation;


Pharmaceutical Clinical trials:

- Inventor involvement?
- Commercial exploitation vs. public accessibility analysis?
- Timing vs. reduction to practice?
- Policy vs. patent term extension provisions of Hatch-Waxman Amendments?
### Impact of AIA?

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<tr>
<th>35 USC 102(b)</th>
<th>AIA 35 USC 102(a)</th>
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<td>A person shall be entitled to a patent unless - (b) the <em>invention</em> was patented or described in a printed publication in this or a foreign country or <em>in public use</em> or on sale <em>in this country</em>, more than one year prior to the date of application for patent in the United States.</td>
<td>NOVELTY; PRIOR ART.--A person shall be entitled to a patent unless-- (1) the <em>claimed invention</em> was patented, described in a printed publication, or <em>in public use</em>, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or</td>
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(b) EXCEPTIONS.--

(1) ***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 ***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.
Impact of AIA?

• Key Facial Effects of AIA on public use:
  • Foreign activity
  • Third-party activities judged against disclosure by inventors, not 1-year bar date or invention under existing section 102(a)
Impact of AIA?

• TBD:

  • “Secret” commercial use by inventor and/or third parties

  • Judicially-created distinction between inventor and third-party activities

  • Change in public accessibility jurisprudence in favor of general public?
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On Sale Bar to Patentability After AIA

by

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What is pre-AIA “Secret” Prior Art?

• Prior filing of patent applications by another (§ 102(e))

• Prior secret invention by another (§ 102(g))

• Prior knowledge transferred from another (§ 102(f))

• Secret on-sale activity (§ 102(b))
35 U.S.C. 102  Conditions for patentability; novelty and loss of right to patent.

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 application for patent in the United States.
Pre-AIA Secret On-Sale Activity

• “Public” in § 102(b) modifies “use” but not needed for “on sale.”
  
  – *Hobbs v. U.S. Atomic Energy Comm’n* (5th Cir. 1971) - sale of a device to be used under conditions of government secrecy evoked the “on sale” bar.


  – *In re Caveney* (Fed. Cir. 1985) - exclusive selling arrangement between third parties unrelated to the patentee evoked the “on sale” bar.
Pre-AIA § 102:  
*PFAFF v. WELLS ELECS., INC.*  
(USSC 1998)

- Supreme Court test for on-sale bar:

  1. the product must be the subject of a **commercial offer for sale**; and

  2. the invention must be **ready for patenting**: either proof of reduction to practice before the critical date or proof that prior to the critical date the inventor prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention.

- No requirement that one step occur before the other.
“on sale” = sale or offer for sale of the claimed invention, or an obvious variant thereof, by the inventor or by a third party.

§ 102(b) is only triggered by a commercial offer for sale of the claimed invention more than a year before patent filing.

“offer for sale” = an offer in the contract law sense.

– *Group One, Ltd. v. Hallmark Cards, Inc.*, 254 F.3d 1041 (Fed. Cir. 2001).
– *C.R. Bard Inc. v. M3 Systems Inc.*, 157 F.3d 1340 (Fed. Cir. 1998)

• “[N]ormally the on-sale bar does not accrue based on customer contacts made while the product is still being developed or tested.”

• Such a communication is informational only. The subject matter of the invention was not yet ready or available.
Pre-AIA § 102: “READY FOR PATenting”

• Fully operational prototype

• Complete conception

• Could satisfy § 112
  – *Space Systems/Loral, Inc. v. Lockheed Martin Corp.*, 271 F.3d 1076 (Fed. Cir. 2001)

• Sufficient grasp of the invention
What changes with AIA?

First AIA Transition Provision:
EFD after 3/15/13

• **SEC. 3(n)(1)** Except as otherwise provided in this section, the amendments made by this section shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act, [March 16, 2013] and shall apply to any application for patent ...that contains or contained **at any time**:

  A. a claim to a claimed invention that has an effective filing date as defined in section 100(i) [remember: “entitled to”] ..., that is on or after the effective date described in this paragraph [March 16, 2013]; or

  B. a specific reference under §§ 120, 121, 365(c) to any patent or application that contains or contained **at any time** such claim. [antecedent for “such claim” has to be sub.para. (A)]
Pre-AIA § 102 and AIA § 102

• AIA § 102 applies to patents and applications where all claims have an effective filing date ("EFD") after March 15, 2013.

• Pre-AIA § 102 applies to patents and application where all claims have an EFD before March 16, 2013.

• AIA § 102 and Pre-AIA § 102(g)/§ 135/§ 291 apply to patents and applications containing or that contained at some time at least one claim with an EFD before March 16, 2013, and at least one claim with an EFD after March 15, 2013. (See Transition Provision 3(n)(2).)

• Until at least 2034, you will have to carefully consider which law applies to claims you are prosecuting/analyzing/enforcing/challenging!

§ 102 Conditions for patentability (a) NOVELTY; PRIOR ART *(teaching edits added)*

A person shall be entitled to a patent unless—
(1) the claimed invention was patented *[anywhere in the world]*, described in a printed publication *[anywhere in the world]*, or in public use *[anywhere in the world]*, on sale *[anywhere in the world]*, or otherwise available to the public *[anywhere in the world]* before the effective filing date of the claimed invention;
Straddling the Effective Date

Enactment: Sept. 16, 2011

“First To Invent” System or “FITF” System? (see SEC. 3(n)(1)(A) and (n)(2))
(Even if one claim not supported at priority date is eventually canceled, still in FITF.)

Scenario 1: no claims entitled to priority date: FITF
Scenario 2: all claims entitled to priority date: first-to-invent
Scenario 3: at least 1 claim not entitled to priority date: mixed

Assumes “priority date” is ex-US
“Secret” Prior Art: EFD after 3/15/13

• Enacters: Congress intended to eliminate “secret prior art” of any kind, ANYWHERE.
  – Cong. Rec., Sept. 8, 2011, S5431: “Once an invention has entered the public domain, by any means, it can no longer be withdrawn by anyone.”

• Evidence of an offer to sell anywhere in the world may meet the test of accessibility to the public, but may be VERY difficult for the applicant to find out about prior to discovery in litigation.

• Congress could have easily said “publicly on sale” if it intended to make the law clear that no “secret sale” is prior art? But does public accessibility trump all? USPTO says YES!

• Pre-AIA case law established that something is “publicly accessible” when “one skilled in the art exercising reasonable diligence” could find it. (See Voter Verified v. Premier Election Solutions (Fed. Cir. 2012).)
“Otherwise Available To The Public”
Possible Interpretations

• AIA § 102 bars patenting if, before filing, the invention has been “in public use, on sale, or otherwise available to the public”

• But what does “or otherwise available to the public” mean?

  View 1: **qualifier**, limits scope of “in public use” & “on sale” (USPTO’s interpretation)

  View 2: **catch-all**, adds unspecified disclosures to the list
FITF USPTO Examiner Guidelines: “Otherwise Publicly Available” ≠ Secret

• “The Office’s interpretation of AIA 35 U.S.C. 102(a)(1) also ensures that the AIA grace period can extend to all of the documents and activities enumerated in AIA 35 U.S.C. 102(a)(1) that would otherwise defeat patentability.”

• “the Office views the ‘or otherwise available to the public’ residual clause of the AIA’s 35 U.S.C. 102(a)(1) as indicating that secret sale or use activity does not qualify as prior art. These examination guidelines also indicate that an activity (such as a sale, offer for sale, or other commercial activity) is secret (non-public) if, for example, it is among individuals having an obligation of confidentiality to the inventor.”

See pp. 11062-11063, 11075 of Examination Guidelines (2/14/13)
• “the case law on whether material is available and accessible as discussed in MPEP § 2128 will guide the Office and the public in making determinations as to whether any particular disclosure is sufficiently publicly available under the “otherwise available to the public” clause of AIA 35 U.S.C. 102(a)(1). The Federal Circuit recently reiterated that the ultimate question is whether the material was “available to the extent that persons interested and ordinarily skilled in the subject matter or art[,] exercising reasonable diligence, can locate it.” (See Voter Verified v. Premier Election Solutions (Fed. Cir. 2012)).
“Otherwise Available”: Support for the USPTO’s Position

• **Qualifier** (arguments submitted to the USPTO)
  
  – American Bar Association, IP Law Section:
    “[P]ublic accessibility is an overarching requirement. ... Thus, non-public offers for sale ... [do] not qualify as prior art.” [http://1.usa.gov/1548jhE](http://1.usa.gov/1548jhE)
  
  – American Intellectual Property Law Association:
    “[L]egislative history of the AIA indicates ... that § 102(a)(1) does not cover non-public uses or non-public offers for sale.” [http://1.usa.gov/16hauzw](http://1.usa.gov/16hauzw)
  
  – Intellectual Property Owners Association:
    “Metallizing Engineering has been overruled.” [http://1.usa.gov/GzJm5h](http://1.usa.gov/GzJm5h)
USPTO’s Interpretation is Consistent with Legislative History

• Congressional Record, March 9, 2011:
  – “subsection 102(a) was drafted in part to do away with precedent under current law that private offers for sale or private uses ... may be deemed patent-defeating prior art. That will no longer be the case. In effect, the new paragraph 102(a)(1) imposes an overarching requirement for availability to the public, ... which will limit paragraph 102(a)(1) prior art to subject matter meeting the public accessibility standard that is well-settled in current law, especially case law of the Federal Circuit.” (Sen. Leahy)*

* But this language was spoken after the Senate vote
“Otherwise Available”: Other Views

• **Catch-All** (arguments submitted to the USPTO)

  – Robert Merges, Professor at Berkeley:

    “The AIA was not meant to eliminate all types of prior art except those that are widely ... available to the public ... . Existing case law should continue in force, including the availability of confidential sales ... as prior art ... .”  
    http://1.usa.gov/19INc7S

  – Mark Lemley, Professor at Stanford:

    “[Proponents of the “qualifier” interpretation] takes the position that the AIA has reversed an unbroken line of precedent ... tracing back to ... the Metallizing case. That is directly contrary to the goals of first-inventor-to-file in the AIA.”  
    http://1.usa.gov/1htnxX
Using AIA to Shield Pre-AIA Inventions from Secret Prior Art

• We can use the PTO’s interpretation of AIA § 102(a)(1) to shield pre-AIA inventions from “secret” prior art!
Using AIA to Shield Pre-AIA Inventions from Secret Prior Art

• File an application containing:
  – at least one claim with an effective filing date (EFD) **before** March 16, 2013; **and**
  – at least one claim with an effective filing date (EFD) **after** March 15, 2013

• Some call this type of application a “Jedi Master Mixer” (JMM)

[Image: Yoda]
JMM In Play When Patent Owner Wants to Get Rid of pre-AIA §102(a)-(f) Prior Art Events and Can Live with pre-AIA §102(g) and AIA §102(a)(1), §102(a)(2), and §103

Claims of the above-identified continuation-in-part application find support under 35 U.S.C. § 112 in the provisional application, filed of copending Application No. (see Domestic Benefit/National Stage Information in the accompanying Application Data Sheet, which establishes a chain of copendency and specific reference from copending Application No. Thus, claims have an effective filing date (EFD) prior to March 16, 2013.
JMM In Play When Patent Owner Wants to Get Rid of pre-AIA §102(a)-(f) Prior Art Events and Can Live with pre-AIA §102(g) and AIA §102(a)(1), §102(a)(2), and §103

Claim  finds support under 35 U.S.C. § 112 only in newly added Example of the continuation-in-part application filed herewith. Thus, claim has an EFD after March 15, 2013.
SEC. 3(n)(1): “Except as otherwise provided in this section, the amendments made by this section shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act [March 16, 2013], and shall apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time— (A) a claim to a claimed invention that has an effective filing date as defined in section 100(i) of title 35, United States Code, that is on or after the effective date described in this paragraph [i.e., March 16, 2013]; or (B) a specific reference under section 120, 121, 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.” (Commentary added for emphasis.)

SEC. 3(n)(2): “The provisions of sections 102(g), 135, and 291 of title 35, United States Code, as in effect on the day before the effective date set forth in paragraph (1) of this subsection [March 15, 2013], shall apply to each claim of an application for patent, and any patent issued thereon, for which the amendments made by this section also apply, if such application or patent contains or contained at any time— (A) a claim to an invention having an effective filing date as defined in section 100(i) of title 35, United States Code, that occurs before the effective date set forth in paragraph (1) of this subsection [March 16, 2013]; or (B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.” (Commentary added for emphasis.)
Note That Under Choice of Law, §102(b) Does Not Apply

II. Choice of Law

Hence, this application falls under both transition provisions 3(n)(1) (because of claim 9) and 3(n)(2) (because of claims 1-8) of the America Invents Act (AIA).¹ For that reason, all of claims 1-9 should, for prior art purposes, be examined solely through the lenses of AIA §§ 102(a)(1), (a)(2), and 103, as well as pre-AIA § 102(g). That point is clearly explained by the USPTO:

[S]ection 3(n)(2) does indicate that the provisions of 35 U.S.C. 102(g), 135, and 291 as in effect on March 15, 2013, shall apply to “each claim” of an application for patent, and not simply the claim or claims having an effective filing date that occurs before March 16, 2013, if the condition specified in section 3(n)(2) occurs. Therefore, “each claim” of an application presenting a claim to a claimed invention that has an effective filing date before March 16, 2013 [here claims 1-8], but also presenting claims to a claimed invention that has an effective filing date on or after March 16, 2013 [here claim 9], is subject to AIA 35 U.S.C. 102 and 103 and is also subject to the provisions of 35 U.S.C. 102(g), 135, and 291 as in effect on March 15, 2013.

Date of Interview: 11 July 2013.

Type:  ☒ Telephonic  ☐ Video Conference
☐ Personal [copy given to: ☐ applicant  ☐ applicant’s representative]

Exhibit shown or demonstration conducted:  ☐ Yes  ☒ No.
If Yes, brief description: _______.

Issues Discussed  ☐ 101  ☐112  ☐ 102  ☐ 103  ☒ Others
(For each of the checked box(es) above, please describe below the issue and detailed description of the discussion)

Claim(s) discussed: n/a.

Identification of prior art discussed: n/a.

Substance of Interview
(For each issue discussed, provide a detailed description and indicate if agreement was reached. Some topics may include: identification or clarification of a reference or a portion thereof, claim interpretation, proposed amendments, arguments of any applied references etc...)

Applicant called the undersigned to inquire about the notice received, mailed on 7/12/2013, in which the Office stated that the AIA status of the instant application was being changed to “No”.

Applicant explained that this assessment was incorrect because the instant application was filed as a CIP on 5/23/2013, designated as a CIP in the ADS and designated as an AIA application in the ADS.

The undersigned agreed with Applicant’s assessment and has reset the AIA status to being AIA “Yes”. The instant application will be examined as an AIA application.

No further action is required by Applicant.
PTO: AIA Insulates the Secret Sale

• The guidelines evidence the Office’s intent to treat the phrase “on sale” in AIA 35 U.S.C. § 102(a)(1) “as having the same meaning as ‘on sale’ in pre-AIA 35 U.S.C. 102(b), except that the sale must make the invention available to the public.” (emphasis added).
A Way to Create a JMM Application

• Need a pending application (application 1) filed before March 16, 2013.

• File an application (application 2) after March 15, 2013 claiming priority/benefit of application 1.

• Application 2 must contain:
  – at least one claim having an EFD before March 16, 2013, and
  – at least one claim with an EFD after March 15, 2013.
A Way to Create a JMM Application

• **Application 2** could be a continuation-in-part (CIP).

  or

• **Application 2** could be a continuation filed along with a preliminary amendment presenting at least one claim with an EFD after March 15, 2013.

  • **Caution**: if a JMM application is not intended, may be prudent to file the preliminary amendment at least one day after the continuation unless the continuation was filed to create a Track I status.
Does An “On Sale” Event Have To Be Enabling To Constitute Prior Art Under AIA 35 U.S.C. § 102(a)(1)?

• No.
  
- “The case law provides that the enablement inquiry is applicable to the question of whether a claimed invention is described in a patent, published patent application, or printed publication, but is not applicable to the question of whether a claimed invention is ‘in public use’ or ‘on sale.’ The Office does not view the AIA as changing this principle of pre-AIA case law.”

See pp. 11063 of Examination Guidelines (2/14/13)
“To provide support for a claim under 35 U.S.C. 112(a), it is necessary that the specification describe and enable the entire scope of the claimed invention. [...continued...]

See pp. 11074 of Examination Guidelines (2/14/13)

...However, in order for a prior art document to describe a claimed invention under AIA 35 U.S.C. 102(a)(1) or (a)(2), the prior art document need only describe and enable one skilled in the art to make a single species or embodiment of the claimed invention...the disclosure may be cited for all that it would reasonably have made known to a person of ordinary skill...the description requirement of AIA 35 U.S.C. 102(a)(1) and (a)(2) does not preclude an examiner from applying a disclosure in an obviousness rejection under AIA 35 U.S.C. 103 simply because the disclosure is not adequate to anticipate the claimed invention under AIA 35 U.S.C. 102(a)(1) or (a)(2).”
Exceptions to What Is Considered Prior Art Under AIA

- Prior art disclosures are removed from consideration if an exception applies.

- 2 exceptions apply to § 102(a)(1) global prior public disclosures (§ 102(b)(1)(A) and (B))

- 3 exceptions apply to § 102(a)(2) patent-filing disclosures (§ 102(b)(2)(A) to (C))
New 35 U.S.C. § 102(b) – Defines Exceptions to Prior Art

• § 102 (b)(1) EXCEPTIONS.

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 [independently?] 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.
Exception ONLY Good For Exact Subject Matter Described?

§ 102(b)(1) Exception ONLY for the same subject matter earlier disclosed; “related” subject matter could still be used against the patentee under § 103 and MIGHT even preclude the claimed invention from being patentable at all because of § 103!!! What if inventor discloses X and the disclosee discloses X and Y?

See Examination Guidelines pp. 11061
FITF Final Rules
Offer to License May be Prior Art, If Public

• “Offer to license” under pre-AIA 35 U.S.C. § 102(b) applicable under AIA 35 U.S.C. § 102(a)(1); “AIA did not amend 35 U.S.C. 102 to change the treatment of the prior art effect of an offer for license.”

• BUT, if offer to license makes invention available to the public before the EFD of the claimed invention, may be AIA 35 U.S.C. § 102(a)(1) prior art.

See pp. 11062 of Examination Guidelines (2/14/13).
“Offer to license” May Be Prior Art if Means Invention Becomes Publicly Accessible

• “The case law distinguishing between offers for sale and offers for license under pre-AIA 35 U.S.C. 102(b) is equally applicable under AIA 35 U.S.C. 102(a)(1) as the AIA did not amend 35 U.S.C. 102 to change the treatment of the prior art effect of an offer for license. ... If a transaction or offer with respect to an invention constitutes licensing within the meaning of these cases, the offer or transaction does not implicate the on sale bar. However, if the licensing of an invention makes the invention available to the public, patentability would be independently barred by the residual clause of AIA 35 U.S.C. 102(a)(1), which precludes patenting of a claimed invention that was ‘available to the public’ more than one year before the effective filing date of the claimed invention.”

See pp. 11062 of Examination Guidelines (2/14/13).
Section 102(b)(1)(A)

12 Months

PD

IW or DW

Earliest Effective Filing Date

PD = public disclosure
IW = inventor’s own work
DW = work derived from inventor(s)
Section 102(b)(1)(B)

12 Months

PD

IW or DW

3rd Party Disclosure

Earliest Effective Filing Date

PD = public disclosure
IW = inventor’s own work
DW = work derived from inventor(s)
Section 102(b)(2)(A)

12 Months

PA/P = filing of published application or patent
Pub of PA/P = publishing of patent or earlier filed application
IW = inventor’s own work
DW = work derived from inventor(s)
Section 102(b)(2)(B)

12 Months

- PD = public disclosure
- PA/P = filing of published application or patent
- Pub of PA/P = publishing of patent or earlier filed application
- IW = inventor’s own work
- DW = work derived from inventor(s)
Section 102(b)(2)(C)

12 Months

PA/P = filing of published application or patent
Pub of PA/P = publishing of patent or earlier filed application
OTA = obligation to assign to same entity
CRA = common research agreement

Owned, CRA, or OTA
Federal Circuit Treatment of On-Sale Bar

- Hamilton Beach Brands, Inc. v. Sunbeam Products, Inc., 726 F.3d 1370 (Fed. Cir. 2013)

  - District Court: Summary judgment of invalidity for anticipation.
    - Hamilton Beach's purchase order with its foreign supplier = invalidating commercial offer for sale

  - Federal Circuit: Affirmed claims invalid under on-sale bar.
    - Actual sale not required.
    - “An attempt to sell is sufficient so long as it is ‘sufficiently definite that another party could make a binding contract by simple acceptance.’”
    - No “supplier exception” to the on-sale bar.
Federal Circuit Treatment of On-Sale Bar

- Hamilton (con’t)
  - Application filed March 1, 2006, issued Feb. 3, 2009 (‘813 patent)
    - discloses “clip” element to seal lid to body of slow cooker
    - continuation application (‘188)
    - continuation filed June 4, 2010, issued May 24, 2011 as ‘928 patent (“grandchild”)
      - claimed sealing clips attached to the lid
  
- Sunbeam:
  - ‘928 claims invalid because could not claim priority to ‘831 patent
    - new matter in ‘928 specification, rendered claims anticipated.
  - Offered for sale and publicly used commercial embodiment of ‘813 patent more than more year before earliest possible filing date (March 1, 2006)
Federal Circuit Treatment of On-Sale Bar

• *Hamilton* (con’t)
  – District court’s decision: Hamilton Beach’s February 8, 2005, purchase order with foreign supplier = invalidating commercial offer for sale under 102(b).

  • Feb. 8, 2005 purchase order included:
    – Shipping and billing addresses
    – specific quantity
    – part number
    – unit price
    – requested delivery date

  • Feb. 25, 2005, supplier confirmed receipt of purchase order and indicated would begin production after receiving Hamilton’s release.
“COMMERCIAL OFFER FOR SALE”

• **Hamilton Beach (con’t)**
  – Federal Circuit decision: Claims invalid under pre-AIA § 102(b).

• **Pfaff #1 Commercial Offer to Sell**
  
  – Hamilton Beach purchase order to supplier listed specific quantity, part number, unit price, and requested delivery date.

  – Supplier confirmed it had received the purchase order and noted that it would begin production after receiving Hamilton Beach's release. (=OFFER TO SELL)

  » Hamilton Beach could have made into a binding contract by simple acceptance of supplier’s offer.
“READY FOR PATENTING”

• Hamilton Beach (con’t)
  
  — Pfaff #2 Ready for Patenting
    • Detailed drawings and descriptions from Hamilton Beach's meetings, coupled with the communications with its supplier, demonstrated that the invention was ready for patenting.
    • Subject of offer was commercial embodiment of patented invention.
    • Descriptions and depictions of the slow cooker sufficiently precise to enable a person of ordinary skill to build the invention,
    • “‘fine-tuning’ of an invention after the critical date does not mean that the invention was not ready for patenting.”

• Judge Reyna dissented, saying request to build was not “commercial” offer for sale.
### Choice Of Law For On Sale Considerations

<table>
<thead>
<tr>
<th>Anticipation</th>
<th>Pre-AIA</th>
<th>AIA</th>
<th>JMM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pre-AIA</td>
<td>§ 102(a)(1)</td>
<td>§ 102(a)(1) and pre-AIA § 102(g), 135, and 291</td>
</tr>
<tr>
<td></td>
<td>§ 102(a)-(g)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Pre-AIA AIA JMM

79
Choice of Law Applies on Application-by-Application Basis

• Pre-AIA law:
  – EFD of a claimed invention is determined on a claim-by-claim basis, not application-by-application.

• AIA law:
  – Retains the principle that different claims in the same application may be entitled to different EFDs.

Choice of Law Applies on Application-by-Application Basis

• Prior art is applied on a claim-by-claim basis

• BUT whether pre-AIA § 102 or AIA § 102 apply is on an application-by-application basis.

Choice of Law Is Critical To Determine if pre-AIA or AIA § 102 Applies

“Because the changes to 35 U.S.C. 102 and 103 in the AIA apply only to specific applications filed on or after March 16, 2013, determining the effective filing date of a claimed invention for purposes of applying AIA 35 U.S.C. 102 and 103 provisions or pre-AIA 35 U.S.C. 102 and 103 provisions is critical.”

See pp. 11083 of Examination Guidelines (2/14/13)
Impact on of AIA on § 102: Practice Tips

- Determine which law/prior art should have been applied by USPTO by analyzing EFD of all claims.
  - AIA
  - Pre-AIA
  - Transitional (JMM): AIA plus part of pre-AIA

- Determine whether the correct law was applied by USPTO.

- Determine the outcome under the application of the correct law.

- Note courts likely to use pre-AIA case law to analyze “public accessibility,” at least for now.

- Consider the JMM when appropriate to constitute a shield against pre-AIA prior art events
Conclusion

• AIA transition section 3(n)(1) can provide a powerful tool for shielding pre-AIA inventions from certain secret prior art.
  – But not all secret prior art!
  – If a JMM, Transition Provision 3(n)(2) preserves pre-AIA § 102(g) secret prior art and, whether or not a JMM, Transition Provision 3(n)(1) applies the temporally-secret prior art of AIA § 102(a)(2).

• JMM applications that take advantage of those transition sections should succeed, at least at the USPTO, to eliminate certain types of pre-AIA § 102 prior art.

• The future will determine whether such a strategy will ultimately succeed in the courts.
Thank you.

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