

Defining Prior Art after Patent Reform

Are You Ready for the New 102?

By **JEFFERY M. DUNCAN**



On September 16, 2011, President Obama signed into law the Leahy-Smith America Invents Act. Undoubtedly, this effects the biggest change in U.S. patent law since the 1952 Patent Act. The section representing the biggest departure from the old law is the new Section 102, namely the section that will define what is and what is not prior art. The full text of this section is included at the end of this note.

Overview and Effective Date

All of us in the patent field are accustomed to the current Section 102 with its seven parts (a)–(g), each of which defines a different category of prior art. The amendments to Section 102 would leave it with only four parts (a)–(d). In particular,

- (a) defines only two categories of prior art, namely disclosures and prior filed patent applications;
- (b) provides exceptions to (a);
- (c) provides the status of “common ownership” for the product of joint research agreements; and
- (d) defines when a patent or published application is effective as prior art.

I will discuss each of these below, but first note that the effective date of these changes will be for patent applications with an effective filing date after the date that is 18 months after passage, i.e., March 16, 2013. Consequently, practitioners will be given a full year and a half to get applications filed under the old scheme for prior art. Also, since the new law will only take effect for applications with an effective filing date after March 16, 2013, that means that the old law will be in place for the applications filed by then and the patents that issue therefrom. In other words, there will be patents that do not expire for another 21.5 years, whose novelty will be judged under the old Section 102.

Pre-Filing Disclosure: Section 102(a)(1) and Its Exceptions in (b)(1)

As with the old Section 102, the new Section 102(a) starts with “[a] person shall be entitled to a patent unless—”. It then includes sections (1) and (2). Section

(1) defines the first category of prior art with the following language:

(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;

The first change to note is that the critical date is the effective filing date of the claimed invention. The invention date is irrelevant. A second change to note is the new catchall phrase “otherwise available to the public.” A third change to note is that the public use, on sale activity, or otherwise available to the public activity are not required to take place in the U.S. All are big changes.

The exceptions to 102(a)(1) are found in 102(b)(1)(A) and (B). Section 102(b)(1) starts with:

A disclosure made one 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

Note that these exceptions will only apply to activities *one year or less before* the effective filing date of the application. Section 102(b)(1)(A) provides the first exception:

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;

This exception has been called the “personal grace period.” In other words, if the inventor or someone gaining the information from him makes a disclosure, the inventor will have only one year to file a patent application. The big change is that this does *not* apply to disclosures by anyone who did not gain the information from the inventor, regardless of whether the invention occurred before the disclosure. To be clear, there will be no more “swearing behind” third-party references by showing an earlier invention date.

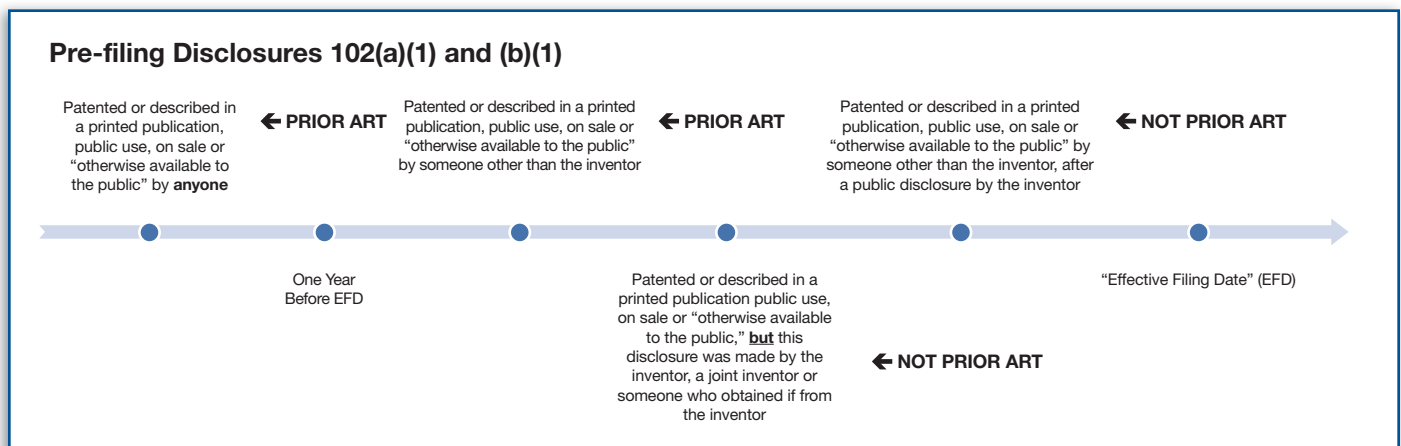
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Section 102(b)(1)(B) provides the second exception:

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;

This exception would be used to remove a disclosure by a third party, so long as there had been a prior public disclosure by the inventor or by someone who gained the information from the inventor, and so long as both disclosures occurred one year or less before the effective filing date. Note that the disclosure by the inventor is required to be a public disclosure.

I have summarized 102(a)(1) and its two exceptions in this chart:



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.

Under this section, if a patent application has an effective filing date before the effective filing date of the claimed invention, names another inventor, and is ultimately published or issued, it will be prior art to the claimed invention for whatever it discloses. This is part of the “first inventor to file” system that the proponents of patent reform have sought for several years. There will be no recourse to an interference proceeding to prove prior inventorship. The first inventor to file an application will get the patent. Also note that “names another inventor” is taken to mean there is a difference in the “inventive entity.” In other words, even if there is an overlap in one or more inventors, if the prior application and the second application do not name all of the same inventors, the prior application is prior art to the second application.

There are three exceptions found in 102(b)(2)(A), (B) and (C). Section (A) provides an exception when

the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;

This is referred to as the “derivation” exception. If the prior application discloses information that was obtained from the inventor, that information will not be prior art. Note that while this section removes the information as prior art for

Thus, an on sale activity by the inventor might not qualify to invoke this exception.

Prior Patent Applications: Section 102(a)(2) and Its Exceptions in (b)(2)

Section 102(a)(2) defines the second category of prior art, namely prior filed patent applications, with the following language:

- (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

what it discloses, it does not address the issue of who will be entitled to the claims if the two applications claim the same subject matter. Those issues are to be resolved in a newly created “derivation proceeding,” the details of which are beyond the scope of this note.

Section 102(b)(2)(B) provides a second exception when

the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), 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

This is similar to the exception in Section 102(b)(1)(B) in that, so long as the inventor or someone who had obtained the information from the inventor had made a public disclosure before the effective filing date of the prior application, that subject matter common to the inventor’s disclosure and the prior application would not be prior art. Note that there is an implicit time limit of one year before the claimed invention’s effective filing date. This is because, if the inventor made a public disclosure before that time, it would by itself constitute prior art.

Section 102(b)(2)(C) provides the third exception when

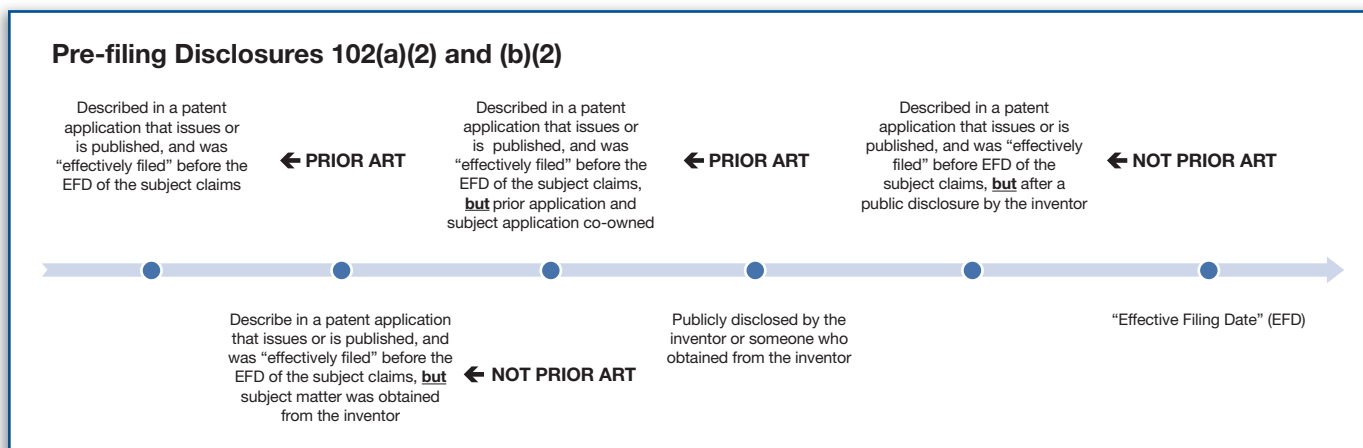
the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person

Thus, if a co-worker files an application before the effective filing date of the claimed invention, the subject matter disclosed in the prior application will not be prior art, so long as both applications are owned, or subject to an obligation to assign by the time the second application is filed. Note that this is only an exception to 102(a)(2), namely for a prior filed application. Thus, if the application has published or issued before the effective filing date of the claimed invention, that published or issued application would still be prior art under 102(a)(1).

Common Ownership for the Product of Joint Research Agreements: Section 102(c)

This new Section 102(c), provides that, for the purposes of the exception of 102(b)(2)(C), subject matter developed pursuant to a joint research agreement will be considered to be commonly owned, and thus subject to the exception. This should sound familiar. The same provisions are currently in Section 103(c) and were put there by the CREATE Act of 2004. It is important to note that, as with the current 103(c), the joint research agreement must be in place before the effective filing date of the later

I have summarized 102(a)(2) and its three exceptions in this chart:



application, the development must be within the scope of the agreement, and the application must include a reference to the agreement.

Effective Date for Prior Patent Applications: Section 102(d)

Section 102(a)(2) uses the language "effectively filed before the effective filing date of the claimed invention." Section 102(d) clarifies the phrase "effectively filed" to mean, under 102(d)(1), the actual filing date if no priority is claimed to a prior application; or, under 102(d)(2), if priority is claimed to an earlier filed U.S. or foreign application, the filing date of the first application in the priority chain that includes a description of the subject matter in question. Thus, each application in the priority chain will need to be reviewed to determine whether that subject matter was present or not.

Strategies and Conclusions

Again, we will have about 18 months before the new patent applications we file will be subject to this new scheme for prior art. Similar to the one experienced leading up to June 7, 1995, there will be, no doubt, a rush to get as many applications filed as possible before the effective date of this new Section 102.

With that said, I do not think it is too early to begin the transition to the new way of thinking that the new Section 102 should cause.

For one thing, our clients/employers need to examine their invention disclosure and application filing process to make sure there are no unnecessary delays in the system. In the worst-case scenario, a delay of one day could cost you the patent if someone filed the day before you filed. Consider the consequences to a law firm being at least arguably responsible for any delays.

Companies should also prepare a fool-proof tracking and recording system of all pre-filing disclosures by the inventor and by anyone in contact with the inventor. The date and all other details of any such disclosure will need to be preserved in the event one needs to submit evidence of a public disclosure to remove a reference by the exceptions in 102(b)(1)(A) or (b) or 102(b)(2)(B). Because this need could arise either during prosecution or enforcement litigation some years later, this evidence will need to be kept in a reliable way.

Another thing to keep in mind is that co-ownership of inventions will be even more important in order to keep collaborators from producing "colliding prior art." Without the ability to establish an earlier invention date, the only chance to keep collaborators from creating prior

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art against each other is to establish co-ownership before the second application is filed. This will be accomplished through assignments, employment agreements, agreements with contractors, and joint research agreements. With this new Section 102, it will be critical to have these in place with everyone before a second application is filed.

Clearly, big changes are here. My hope is that this overview of the new Section 102 has given the reader some things to think about and get the discussion started.

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§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.—

- (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.
- (2) DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS.—A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if—
 - (A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;
 - (B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), 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; or

- (C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.

(c) COMMON OWNERSHIP UNDER JOINT RESEARCH AGREEMENTS.—Subject matter disclosed and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of subsection (b)(2)(C) if—

- (1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, one or more parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;
- (2) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and
- (3) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

(d) PATENTS AND PUBLISHED APPLICATIONS EFFECTIVE AS PRIOR ART.—For purposes of determining whether a patent or application for patent is prior art to a claimed invention under subsection (a)(2), such patent or application shall be considered to have been effectively filed, with respect to any subject matter described in the patent or application—

- (1) if paragraph (2) does not apply, as of the actual filing date of the patent or the application for patent; or
- (2) if the patent or application for patent is entitled to claim a right of priority under Section 119, 365(a), or 365(b), or to claim the benefit of an earlier filing date under Section 120, 121, or 365(c), based upon 1 or more prior filed applications for patent, as of the filing date of the earliest such application that describes the subject matter.