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Learning by example: The limited grace period for prior disclosures under the AIA

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Under the America Invents Act, starting on March 16, 2013, the U.S. patent system will convert from a first-to-invent to first-to-file/publish system. While the current one-year grace period will no longer be available for new applications governed by the AIA, a limited one-year grace period based on private and public disclosures will remain. The following examples are meant to illustrate how the new Act will work.

EXAMPLE 1

Hypothetical: Less than one year before the effective filing date of a claim to an invention to elements ABC filed by Mr. X as an inventor, Mr. X published an article disclosing ABC.

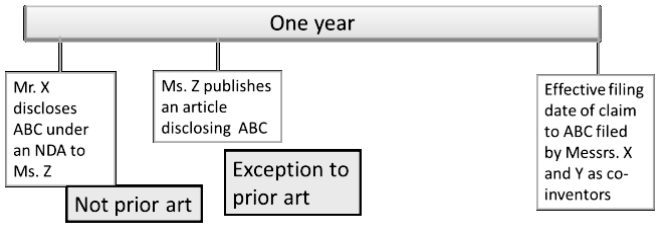
How it works: Under the Act, the publication of ABC by Mr. X, the inventor, will be an exception to prior art under new 35 U.S.C. § 102 (b)(1)(A), because the disclosure was made "by the inventor" less than one year before the earliest effective filing date.

EXAMPLE 2

Hypothetical: Less than one year before the effective filing date of a claim to an invention to elements ABC filed by Messrs. X and Y as joint inventors, Mr. X published an article disclosing ABC.

How it works: Under the Act, that publication of ABC, by Mr. X, one of the joint inventors of ABC, will be an exception to prior art under new 35 U.S.C. § 102 (b)(1)(A), because the disclosure was made by a " joint inventor" less than one year before the earliest effective filing date.

EXAMPLE 3



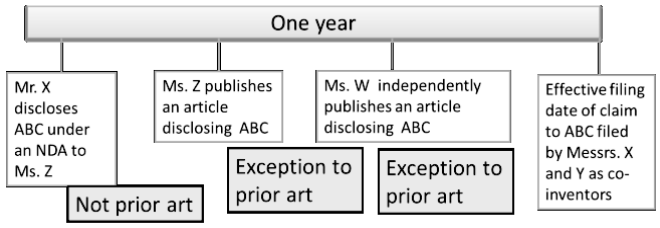
Hypothetical: Less than one year before the effective filing date of a claim to an invention to elements ABC filed by Messrs. X and Y as joint inventors, Mr. X confidentially discloses ABC under a nondisclosure agreement to Ms. Z. Ms. Z, who learned of ABC from Mr. X, thereafter, but before the effective filing date, publishes an article disclosing ABC.

How it works: Under the Act, the confidential disclosure of ABC, by Mr. X, one of the joint inventors of ABC, will not be prior art under new 35 U.S.C. § 102(a)(1), since it was not "patented, described in a printed publication, or in public use, on sale, or otherwise available to the public." Confidentiality agreements are expected under the Act to continue to prevent mere confidential disclosures from giving rise to a patentability bar.

With respect to the public disclosure by Ms. Z, who learned of ABC from Mr. X, one of the joint inventors, it would be an exception to prior art under 35 U.S.C. § 102(b)(1)(A), since "the disclosure

was made … by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor."

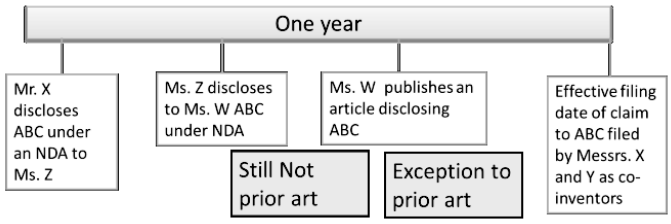
EXAMPLE 4



Hypothetical: Less than one year before the effective filing date of a claim to an invention to elements ABC filed by Messrs. X and Y as joint inventors, Mr. X confidentially discloses ABC under a nondisclosure agreement to Ms. Z. Ms. Z, who learned of ABC from Mr. X, thereafter, but before the effective filing date, publishes an article disclosing ABC. Thereafter, but before the effective filing date, Ms. W independently publishes another article disclosing ABC.

How it works: As explained with respect to Example 3, the confidential disclosure by Mr. X, one of the joint inventors, to Ms. Z is not prior art, and the publication by Ms. Z, who learned of ABC from Mr. X, one of the joint inventors, is an exception. With respect to the disclosure by Ms. W, under new 35 U.S.C. § 102(b)(1)(B) since the publication by Ms. Z, "who obtained the subject matter disclosed directly … from … a joint inventor," came before the independent publication by Ms. W, Ms. W's publication falls within an exception to prior art.

EXAMPLE 5



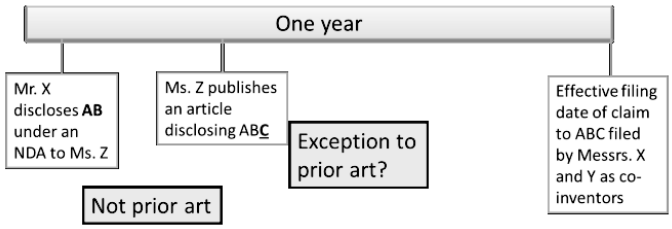
Hypothetical: Less than one year before the effective filing date of a claim to an invention to elements ABC filed by Messrs. X and Y as joint inventors, Mr. X confidentially discloses ABC under a nondisclosure agreement to Ms. Z. Ms. Z, who learned of ABC from Mr. X, thereafter, but before the effective filing date, confidentially discloses ABC to Ms. W under another non-disclosure agreement. Thereafter, but before the effective filing date, Ms. W independently publishes an article disclosing ABC.

How it works: As explained with respect to Example 3, the confidential disclosure by Mr. X, one of the joint inventors, to Ms. Z is not prior art. Likewise, for the same rationale, the confidential disclosure from Ms. Z, who in turn learned of ABC from a joint inventor, Mr. X, would likewise not be prior art.

With respect to the public disclosure by Ms. W, who learned of ABC indirectly from Mr. X, one of the joint inventors, through Ms. Z, it would be an exception to prior art under 35 U.S.C. § 102(b)(1)(A), since "the disclosure was made … by another who obtained the subject matter disclosed directly or ***indirectly*** from the inventor or a joint inventor."

Thus even these types of indirect publications should still prevent something from becoming prior art. Of course, there will always be a proof issue to show Ms. W's publication was derived from Ms. Z, who derived it from Mr. X and therefore made the law apply.

EXAMPLE 6



Hypothetical: Less than one year before the effective filing date of a claim to an invention to elements ABC filed by Messrs. X and Y as joint inventors, Mr. X confidentially discloses AB under a nondisclosure agreement to Ms. Z. Ms. Z, who learned of AB from Mr. X, thereafter, but before the effective filing date, publishes an article disclosing AB**C**, *i.e.*, something more than what was disclosed by Ms. Z.

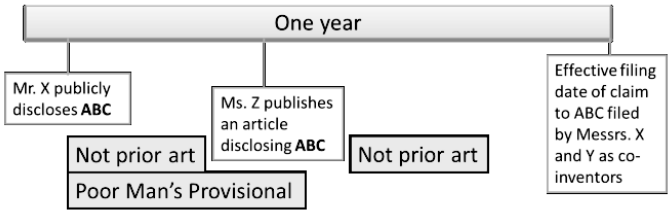
How it works: As explained with respect to Example 3, the confidential disclosure by Mr. X, one of the joint inventors, to Ms. Z is not prior art.

As to the public disclosure by Ms. Z, however, it is not clear whether it falls under an exception to the prior art. In order to be an exception, the disclosure by Ms. Z has to be a disclosure by another who obtained the subject matter disclosed from a joint inventor. Since Ms. Z did not merely disclose AB which was disclosed from Mr. X, one

of the co-inventors, but also disclosed C, an element that was not obtained from Mr. X, there is an open issue as to whether this subsequent publication falls within the exception, partially falls within the exception with regard at least to AB, or is simply outside the exception since it includes disclosure not obtained from Mr. X.

This exception will likely be the subject of litigation in the future. However, one way of guaranteeing to turn Ms. Z's publication into prior art would be to add Ms. Z as a joint inventor to the application with respect to element "C".

EXAMPLE 7

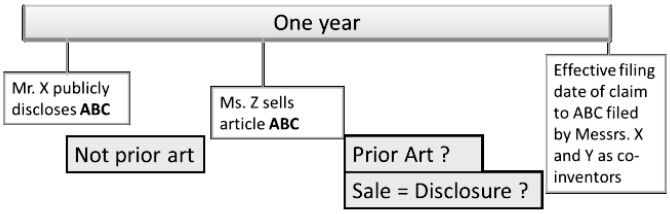


Hypothetical: Less than one year before the effective filing date of a claim to an invention to elements ABC filed by Messrs. X and Y as joint inventors, Mr. X publically discloses ABC. Ms. Z thereafter, but before the effective filing date, independently publishes an article disclosing ABC.

Answer: The public disclosure by Mr. X, one of the joint inventors, is an exception to prior art under new 35 U.S.C. § 102(b)(1)(B).

With respect to the disclosure by Ms. Z, it is also an exception to prior art under new 35 U.S.C. § 102(b)(1)(B) since the publication by Ms. X of ABC, the subject matter disclosed, "had, before such disclosure, been publicly disclosed by … a joint inventor," Mr. X. We call this a "poor man's provisional," but note that it does not necessarily provide a full a scope of protection as an actual provisional patent application would under the new law.

EXAMPLE 8



Hypothetical: Less than one year before the effective filing date of a claim to an invention to elements ABC filed by Messrs. X and Y as joint inventors, Mr. X publically discloses ABC. Ms. Z thereafter, but before the effective filing date, sells an article of ABC.

Answer: As discussed in Example 7, the public disclosure by Mr. X, one of the joint inventors, is an exception to prior art under new 35 U.S.C. § 102(b)(1)(B). However, the impact of the sale by Ms. Z of an article ABC is less clear. The new Act is not clear on whether a "sale" qualifies as a "disclosure." This is another issue which will likely require judicial interpretation before it is definitively resolved.

The examples above illustrate some of the intended (and perhaps unintended) workings of the Act. As real life scenarios develop, no doubt there will be legal disputes as to how to apply these provisions into the future.

Editor's Note: Charles R. Macedo is a partner at New York-based Amster, Rothstein & Ebenstein LLP, and author of The Corporate Insider's Guide to U.S. Patent Practice. He can be contacted at 212-336-8074 or cmacedo@arelaw.com.

The material for this article was adapted from the April 2012 webinar, ***Moving From First to Invent to First to File: Understanding the Opportunities and Challenges.*** *The entire recorded session is available on DVD, on-demand video, and print transcript. For more information, go to www.technologytransfertactics.com/ content/audio/mffti/.* ▶

EXCEPTIONS TO PRIOR ART UNDER NEW 35 U.S.C. § 102(b)

§ 102. Conditions for patentability; novelty

(b) EXCEPTIONS. --

(1) DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE 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.

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