Does the Grace Period Apply for an Intervening, Derived Third Party Disclosure of Slightly Modified “Subject Matter”:
The Patent Office Final Examination Guidelines*

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Under final Examination Guidelines for Implementing the First Inventor To File Provisions of the Leahy-Smith America Invents Act, 78 Federal Register 11059 (Feb. 14, 2013), the Patent Office maintains its controversial interpretation of the America Invents Act that denies a grace period in the case where (I) the inventor A discloses subject matter “Alpha” which is communicated to third party B; (II) third party B publishes “Beta”, which is to a different (albeit “obvious”) modification of “Alpha”; and (III) inventor A then files his patent application to “Alpha”.

Optimum Use of the Grace Period

(1) The grace period should never be prospectively relied upon: Applicants must operate under a first-to-file mentality for a variety of reasons beyond the issue in this paper.

(2) If it is discovered that there has been a disclosure of the invention then immediate filing of an application is in order so as to minimize the possibility that there will be an intervening disclosure that will not be overcome by the grace period.

* This paper represents the personal analysis of the author and does not necessarily reflect the views of any colleague, organization or client thereof. The author does not necessarily endorse the Patent Office denial of the grace period, but instead is summarizing the views of the Patent Office that are certain to be challenged in a test case.
This version: February 15, 2013.

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Wegner, *Does the Grace Period Apply*...

### The New Statutory Scheme

The critical statutory grace period is defined in 35 USC § 102(b)(1)(B):

"A [third party’s] disclosure … of a claimed invention shall not be prior art to the claimed invention …if …*the subject matter disclosed* [was previously] publicly disclosed by the inventor” or related party. 35 USC § 102(b)(1)(B).[^1]

**“[T]he Subject Matter Disclosed”: What Does this Mean?**

There is already a great divide within the patent community as to the meaning of the four words. In the testimony responsive to the publication of the proposed rules, there were many arguments made that the grace period should cover all derived disclosures and not merely identical disclosures.

The resolution of this issue in the end is up to the Courts, but the Federal Circuit is unlikely to get a test case for several years. It is also doubtful that the Supreme Court will in the end grant *certiorari* on this seemingly arcane point.

For the moment, prudent applicants must bear in mind the Patent Office interpretation and act accordingly. The Patent Office interprets this provision as limiting the grace period to *identical* disclosures both by the inventor and the subsequent disclosure by the third party:

[^1]: A parallel grace period provision is available for an earlier-filed later-published application by a third party under 35 USC § 102(b)(2)(B).

The Patent Office does take the position that minor wording differences between the inventor-disclosed subject matter and the third party publication may permit the applicant to rely upon the grace period: Per the Examination Guidelines “there is no requirement that the disclosure by the inventor or a joint inventor be a verbatim or [word for word] disclosure[*] of an intervening disclosure in order for the exception based on a previous public disclosure of subject matter by the inventor or a joint inventor to apply[.]”

To better and more precisely understand the controversy it is necessary to look at the documents themselves, attached as part of an Appendix:

(1) The Text of 35 USC § 102 of the Leahy Smith America Invents Act ; and

(2) The Relevant text of the Examination Guidelines.

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February 15, 2013

[**]The actual text for the emphasized phrase reads “a verbatim or ipsissimis verbis disclosure”. Compare Jones v. Van Zandt, 46 U.S. (5 How.) 215, 228 (1847)(Woodbury, J.)("[The point] need not be alleged in the very words, ipsissimis verbis, of the statute."); Arthur, Lord Viscount Dungannon v Charles Culling Smith, Esq 8 E.R. 1523, 1540 (House of Lords 1846)("the language...is almost, ipsissimis verbis, identical"); Akzo N.V. v. U.S. Intern. Trade Com’n, 808 F.2d 1471, 1479 (Fed. Cir. 1986)(Davis, J.) ("An ‘ipsissimis verbis’ test requires the same terminology in the prior art in order to find anticipation.")
America Invents Act

35 USC § 102. Conditions for patentability; novelty*

(a) Novelt y; 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, ***

* 35 USC § 102(c) omitted.
Examination Guidelines for Implementing the First Inventor To File Provisions of the Leahy-Smith America Invents Act
78 Federal Register 11059 (Feb. 14, 2013)

Overall Summary
Examination Guidelines, 78 Federal Register at 11061.

“The Office … indicated in the proposed examination guidelines that the subject matter in the prior disclosure being relied upon under AIA 35 U.S.C. 102(a) must be the same ‘subject matter’ as the subject matter previously publicly disclosed by the inventor for the exceptions in AIA 35 U.S.C. 102(b)(1)(B) and 102(b)(2)(B) to apply, and that the exceptions in AIA 35 U.S.C. 102(b)(1)(B) and 102(b)(2)(B) do not apply even if the only differences between the subject matter in the prior art disclosure that is relied upon under AIA 35 U.S.C. 102(a) and the subject matter previously publicly disclosed by the inventor are mere insubstantial changes, or only trivial or obvious variations. See Examination Guidelines for Implementing the First Inventor To File Provisions of the Leahy-Smith America Invents Act, 77 FR at 43767 and 43769. The Office also received a number of comments on this issue. These examination guidelines maintain the identical subject matter interpretation of AIA 35 U.S.C. 102(b)(1)(B) and 102(b)(2)(B). However, these examination guidelines also clarify that there is no requirement that the mode of disclosure by an inventor or joint inventor (e.g., publication, public use, sale activity) be the same as the mode of disclosure of the intervening disclosure, and also does not require that the disclosure by the inventor or a joint inventor be a verbatim or ipsissimis verbis disclosure of the intervening disclosure. In addition, these examination guidelines also clarify that if subject matter of the intervening disclosure is simply a more general description of the subject matter previously publicly disclosed by the inventor or a joint inventor, the exception in AIA 35 U.S.C. 102(b)(1)(B) applies to such subject matter of the intervening disclosure. The specific comments on this issue are also discussed in greater detail in the Responses to Specific Comments section.”
“Comment 30” and PTO “Response”  
*Examination Guidelines, 78 Federal Register at 11065-67*  
footnotes integrated into text (shown in brackets) or deleted

**Comment 30 [by the Public]:** A number of comments, including comments from a number of universities and university groups, opposed the Office’s interpretation of the subparagraph (B) provision of AIA 35 U.S.C. 102(b)(1) or 102(b)(2) (the subparagraph (B) provision), requiring that the subject matter previously publicly disclosed by the inventor be identical to the subject matter of the disclosure to be disqualified under the subparagraph (B) provision (identical subject matter approach). The comments opposing the Office's interpretation of the subparagraph (B) provision stated that: (1) The Office's identical subject matter approach is not supported by a reasonable reading of the statute and is contrary to the intent of the AIA; (2) the Office's identical subject matter approach violates the superfluity canon of statutory construction as it would render the provision worthless; (3) the Office's identical subject matter approach is disadvantageous to inventors who must seek venture capital, and to academics who must publish their results; (4) the Office's identical subject matter approach is unworkable due to the ease with which the Internet can be fraudulently used to publish trivial variations of an inventor's disclosed work, thereby depriving him or her of patent protection; and (5) the Office's identical subject matter approach is unworkable because even those acting in good faith, such as by publishing an editorial [11066] commenting on a disclosed invention, may create prior art which would deprive an inventor of a patent on his or her invention. Several comments suggested that the Office's interpretation of the subparagraph (B) provision is an unwarranted extrapolation of the statute that constitutes substantive rulemaking, fails to maintain the bedrock of separation of powers, is contrary to the intent and function of the grace period, and exceeds the intended scope for interpretive rules.

The Office of Advocacy of the Small Business Administration (SBA-Advocacy) also indicated that it has heard from many patent stakeholders (within the university-based and non-profit research community, as well as the startup inventor community) that they have concerns with the Office's interpretation of the subparagraph (B) provision (discussed previously) and suggested there are
alternative legal interpretations of the subparagraph (B) provision that would address these concerns. SBA-Advocacy encouraged the Office to examine the merits of alternative interpretations of the subparagraph (B) provision.

Several comments, by contrast, suggested that the proposal to require identity of disclosure in order for an inventor to invoke the subparagraph (B) provision is appropriate and entirely consistent with the intent of the AIA. According to these comments, the intent of the AIA was to provide a grace period with regard to inventor-originated disclosures, but not with regard to independently created third-party disclosures (except in the unlikely event of identity of disclosure). The comments stated that to provide a grace period for non-identical subject matter would thwart the intent to create a first inventor to file system, as well as the intent to provide a system that moves toward harmonizing U.S. patent law with the laws of other countries. Several comments suggested that the simplicity of the Office's interpretation of the subparagraph (B) provision, i.e., not permitting variations between the shielding disclosure and the cited prior art disclosure in order for the exception to apply, was appropriate and would reduce litigation costs.

**Response [to Comment 30]:** As discussed previously, the starting point for construction of a statute is the language of the statute itself. [See United States v. Hohri, 482 U.S. 64, 69 (1987); Kelly v. Robinson, 479 U.S. 36, 43 (1986).] Subparagraph (B) of each of AIA 35 U.S.C. 102(b)(1) and 102(b)(2) provides that certain disclosures shall not be prior art if “the subject matter disclosed had, before such disclosure [or before such subject matter was effectively filed under 102(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.” Subparagraph (B) of each of AIA 35 U.S.C. 102(b)(1) and 102(b)(2) uses a single instance of the phrase “the subject matter” to describe both the content of the prior art disclosure and the content of the inventor's previous public disclosure. If “the subject matter” disclosed in the prior art varies from “the subject matter” that had been previously 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), there are two discrete subject matters.
The single instance of the phrase “the subject matter” in subparagraph (B) of each of AIA 35 U.S.C. 102(b)(1) and 102(b)(2) cannot reasonably be read as concurrently describing two discrete subject matters. Therefore, the single instance of the phrase “the subject matter” in subparagraph (B) of each of AIA 35 U.S.C. 102(b)(1) and 102(b)(2) cannot reasonably be interpreted as including variations within its ambit.

Next, other provisions in title 35 (pre-AIA and as amended by the AIA), help to inform the meaning of the phrase “the subject matter” in subparagraph (B) as like words in the same statute are presumed to carry the same meaning. [See Brown v. Gardner, 513 U.S. 115, 118 (1994) (presumption that a given term is used to mean the same thing throughout a statute).] AIA 35 U.S.C. 100 defines inventor and joint inventor or coinventor with respect to the individual or individuals “who invented or discovered the subject matter of the invention,” and defines “claimed invention” as “the subject matter defined by a claim in a patent or an application for a patent.” [See 35 U.S.C. 100(f), (g), and (j).] 35 U.S.C. 112(b) provides that “[t]he specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor or a joint inventor regards as the invention.” [See 35 U.S.C. 112(b).] The phrase “the subject matter” has never been read to permit the inclusion of variations within its ambit in these provisions, or in any other provision in title 35. In addition, pre-AIA title 35 and the AIA contain a modifier such as “substantially” where variation between subject matter is contemplated (e.g., pre-AIA 35 U.S.C. 135(b)(1),[FN27] AIA 35 U.S.C. 135(a), 35 U.S.C. 154(d)(2), and 35 U.S.C. 252). The absence of the “substantially” modifier or similar terminology in subparagraph (B) of each of AIA 35 U.S.C. 102(b)(1) and 102(b)(2) further supports the conclusion that this provision does not contemplate variation in subject matter.

Additionally, the Office's interpretation of this provision is consistent with the canon of statutory construction requiring effect to be given to every clause and every word of a statute where possible.[See Duncan v. Walker, 533 U.S. 167, 174 (2001) (quoting United States v. Menasche, 348 U.S. 528, 538-39 (1955)).] The Office's interpretation of the subparagraph provision (B) gives effect to each clause and each word in the subparagraph (B) provision. To reach the alternative interpretations proffered by the comments, the Office would need to ignore or re-write the words of the subparagraph (B) provision. Specifically, the Office would
be required to re-draft the subparagraph (B) provision to provide that a disclosure shall not be prior art if “substantially the same subject matter disclosed had, before such disclosure, or before such subject matter was effectively filed, 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” to embrace variations of the subject matter, and would be required to re-draft the subparagraph (B) provision to provide that a disclosure shall not be prior art if, “the claimed invention had, before such disclosure, or before such subject matter was effectively filed, 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,” to embrace “any disclosure” or any subject matter disclosed after a disclosure of the claimed invention. The Office, however, has no authority to enforce concepts that simply do not square with the express language of subparagraph (B) of each of 35 U.S.C. 102(b)(1) and 102(b)(2). [See Shannon v. United States, 512 U.S. 573, 584 (1994) (no authority to enforce concepts gleaned solely from legislative history that have no statutory reference point).]

Further, the legislative history of subparagraph (B) of AIA 35 U.S.C. 102(b)(1) and 102(b)(2) is inconclusive with respect to what is embraced by the phrase “the subject matter.” Committee Report 112-98 indicates that 35 U.S.C. 102(b) “preserves the grace period, ensuring that during the year prior to filing, an invention will not be rendered unpatentable based on any of the inventor's own disclosures, or any disclosure made by any party after the inventor has disclosed his invention to the public.” [See H.R. Rep. No. 112-98 at 73 (2011).] The legislative history of subparagraph (B) of AIA 35 U.S.C. 102(b)(1) and 102(b)(2) does not definitively specify whether “any disclosure” means “any disclosure” of the same subject matter, “any disclosure” of the same or substantially the same subject matter, “any disclosure” of the subject matter of the claimed invention, or “any disclosure” of any subject matter. [There are floor statements that discuss what would be encompassed by the term ‘the subject matter’ in subparagraph (B) of 35 U.S.C. 102(b)(1) and 102(b)(2). One can find support for the ‘same subject matter’ standard (157 Cong. Rec. 1496-97 (Mar. 9, 2011) (‘An additional clarification we have been asked about deals with subparagraph 102(b)(1)(B) * * * . The inventor is protected not only from the inventor's own disclosure being prior
art against the inventor's claimed invention, but also against the disclosures of any of the same subject matter in disclosures made by others being prior art against the inventor's claimed invention under section 102(a) or section 103—so long as the prior art disclosures from others came after the public disclosure by the inventor.’), as well as for the ‘the subject matter of the claimed invention’ standard (157 Cong. Rec. 1370 (Mar. 8, 2011) (‘Under the first subparagraph (B), at section 102(b)(1)(B), if an inventor publicly discloses his invention, no subsequent disclosure made by anyone, regardless of whether the subsequent discloser obtained the subject matter from the inventor, will constitute prior art against the inventor's subsequent application for patent in the United States. The parallel provision at section 102(b)(2)(B) applies the same rule to subsequent applications: If the inventor discloses his invention, a subsequently filed application by another will not constitute prior art against the inventor's later-filed application for patent in the United States, even if the other filer did not obtain the subject matter from the first-disclosing inventor.’)). See also H.R. Rep. No. 110-314 at 57 (2007) (the provision disqualifying prior art if ‘the subject matter had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor’ disqualifies any prior art under section 102(a)(1) if ‘the same subject matter’ had already been publicly disclosed by the inventor).

The Office has considered the alternative interpretations of the subparagraph (B) provision submitted in the public comment. The Office has [11067] clarified, in response to the public and SBA-Advocacy comment, that: (1) There is no requirement that the mode of disclosure by an inventor or joint inventor be the same as the mode of disclosure of an intervening disclosure (e.g., inventor discloses his invention at a trade show and the intervening disclosure is in a peer-reviewed journal); (2) there is no requirement that the disclosure by the inventor or a joint inventor be a verbatim or ipsissimis verbis disclosure of an intervening disclosure in order for the exception based on a previous public disclosure of subject matter by the inventor or a joint inventor to apply; and (3) the exception applies to subject matter of the intervening disclosure that is simply a more general description of the subject matter previously publicly disclosed by the inventor or a joint inventor. The more expansive alternative interpretations of the subparagraph
(B) provision, however, are not supported by the language of the subparagraph (B) provision for the reasons stated in the responses to this comment and the comments that follow.

“Comment 31” and PTO “Response”
Examination Guidelines, 78 Federal Register at 11065-67

Comment 31 [by the Public]: One comment indicated a need for clarification on what constitutes an insubstantial or trivial difference (and what constitutes “same subject matter”) and suggested that mere wording changes should not be interpreted too strictly. Several comments suggested that slight variations or differences in wording should be permitted when relying on the subparagraph (B) provision of AIA 35 U.S.C. 102(b)(1) and 102(b)(2). Another comment similarly suggested that the subparagraph (B) provision should, to the extent the subject matter in the reference is within the scope of the inventor's public disclosure, shield the inventor from citation of the intervening prior art.

Response [to Comment 31]: The Office understands that not all inventors refer to the same inventive concepts using the exact same language. The Office is clarifying in these examination guidelines that the subparagraph (B) provisions of AIA 35 U.S.C. 102(b)(1) and 102(b)(2) do not require that the mode of disclosure by an inventor or joint inventor (e.g., publication, public use, sale activity) be the same as the mode of disclosure of the intervening disclosure, and also does not require that the disclosure by the inventor or a joint inventor be a verbatim or ipsissimis verbis disclosure of the intervening disclosure. In addition, the Office is also clarifying that if subject matter of the intervening disclosure is simply a more general description of the subject matter previously publicly disclosed by the inventor or a joint inventor, the exception in AIA 35 U.S.C. 102(b)(1)(B) applies to such subject matter of the intervening disclosure.