

# Whither *Helsinn Healthcare*? Does *Metallizing Engineering* Survive the New Patent Law?\*

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\* This paper is excerpted from the more complete treatment of this subject in the author’s monograph, *First to File Patent Drafting: A Practitioner’s Guide*, §§ 2:22 to 2:24, *Inventor’s Secret Commercialization as Personalized Prior Art*, (Thomson Reuters forthcoming 2016).

\*\* The author is President of The Naples Roundtable, Inc., a nonprofit 501(c)3 corporation, <https://www.thenaplesroundtable.org/> which has a mission to explore ways to strengthen and improve the patent system. The views expressed herein are strictly those of the author.

## **I. OVERVIEW**

Next week, on October 4, 2016, at 10:00 AM, the Federal Circuit will entertain the oral argument in *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, Fed. Cir. 2016-1284. *Helsinn Healthcare* may very well determine whether an inventor's secret commercialization of an invention can create a patentability bar to his gaining a validity patent: In other words, does the secret commercialization bar to patentability under *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir.1946)(L. Hand, J.), survive the rewording of 35 USC § 102 of the *Leahy Smith America Invents Act*?

Prior to the new law, commercialization of the product of a secret process created a statutory bar under 35 U.S.C.A. § 102(b) against the inventor as a "public use" of the invention under *Metallizing Engineering* – even though the process remained secret.

Where the patentee uses a patentable process to make a commercial product and the sale of that product does not reveal the identity of the product of that patentable process, the question is thus: Does the patentee forfeit his right to a patent on a patentable process if he fails to file a patent application to that process within one year from his first commercialization of the invention?

## II. POLICY CONCERNS TODAY VS. SEVENTY YEARS AGO

Professor Mueller provides an extensive treatment of the issue as to whether *Metallizing Engineering* has been overruled by the *Leahy Smith America Invents Act* of 2011. Janice Mueller, PATENT LAW 329-32 (5th ed. 2016). She concludes that “[t]he better view \*\*\* is that enactment of the [America Invents Act] did not *sub silentio* overrule the well-established case law interpretations of ‘public use’ and ‘on sale’ as encompassing certain “secret” activity.” *Id.* at 331

Prior to the *Leahy Smith America Invents Act*, the answer had been “yes”, there is a bar. This is based upon the interpretation of the “on sale” bar in *Metallizing Engineering*:

“[I]t is a condition upon the 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.”

*Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 149 (1989)(quoting *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2d Cir.1946)(L. Hand, J.).

Thus , the *secret* commercial use of an invention by the *inventor* also creates a statutory bar *against the inventor*: “[35 U.S.C.A. § 102(b)] preclude[s] attempts by the inventor or his assignee from commercially exploiting the invention more than a year before the application for patent is filed.” *Western Marine Elec., Inc. v. Furuno Elec. Co.*, 764 F.2d 840, 845 (Fed.Cir.1985)(citing *In re Caveney*, 761 F.2d 671,676 (Fed.Cir. 1985). *See also Barmag Barmer Maschinenfabrik AG v. Murata Machinery, Ltd.*, 731 F.2d 831, 836 (Fed. Cir. 1984); *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144 1147 (Fed.Cir.1983); *General Electric Co. v. United States*, 654 F.2d 55, 61 (Ct.Cl.1981)); *see also Woodland Trust v.*

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*Flowertree Nursery, Inc.*, 148 F.3d 1368, 1370-71 (Fed. Cir. 1998) (“[A]n inventor's own prior commercial use, albeit kept secret, may constitute a public use or sale under § 102(b), barring him from obtaining a patent.”)(citations omitted).

“Public use under 35 U.S.C. § 102(b) includes any use of the claimed invention by a person other than the inventor who is under no limitation, restriction or obligation of secrecy to the inventor.” *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386 F.3d 1371, 1379 (Fed. Cir. 2004) (Linn, J.) (quoting *Minn. Mining & Mfg. Co. v. Chemque, Inc.*, 303 F.3d 1294, 1301 (Fed. Cir. 2002); and citing *In re Smith*, 714 F.2d 1127, 1134 (Fed. Cir. 1983)).

### **III. W.L. GORE ADOPTION OF METALLIZING ENGINEERING**

The Federal Circuit explained the law of *Metallizing Engineering* in *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983): Budd and Cropper were involved in prior art activities for the *sale* of a product (a tape) where the prior art activities did *not* permit identification of the process used to make that product. Here, the sale of the product would have been a patent-defeating bar against a patent to the product, but not to the secret process, *except* against the party who had commercialized the tape:

“If Budd [and Cropper] offered and sold anything, it was only tape, not whatever process was used in producing [the tape]. \*\*\* [T]here was no evidence[ ] that the public could learn the claimed process by examining the tape. If Budd and Cropper commercialized the tape, that could result in a forfeiture of a patent granted them for their process on an application filed by them more than a year later. *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1147-48 (Fed. Cir. 1983); See *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir. 1946). There is no reason or statutory basis, however, on which Budd's and Cropper's secret commercialization of a process, if established, could be held a bar to the grant of a patent to Gore on that process.”

*W.L. Gore*, 721 F.2d at 1550.

#### **IV. THE LITERAL WORDING OF THE NEW STATUTE**

Whether *Metallizing Engineering* has survived the *Leahy Smith America Invents Act* depends in the first instance upon a change in the wording of the law: The argument that secret commercialization is the “public use” and “on sale” is keyed to the language of 35 U.S.C.A. § 102(b) which in *Metallizing Engineering* was judicially expanded to include *secret* commercialization. 35 U.S.C. § 102(b)(pre-*Leahy Smith America Invents Act*)(An invention was barred where more than one year before the United States filing date “the invention was \*\*\* in public use or on sale in this country \*\*\*”).

But, in the *Leahy Smith America Invents Act*, instead of merely repeating “public use” and “on sale” activities as a bar, this language is *qualified* and limited to acts “available to the public.” Thus, an invention today is barred for such activities where “the claimed invention was \*\*\* in public use, on sale, *or otherwise available to the public*[.]”35 U.S.C.A. § 102(a)(1)( *Leahy Smith America Invents Act*)(emphasis added).

## V. CHANGED CIRCUMSTANCES SINCE *METALLIZING ENGINEERING*

There are completely different public policy considerations today vis a vis the time of the *Metallizing Engineering* decision.

*Metallizing Engineering* was decided in a completely different era of *domestic* competition. It was a world without global economic competition, where the American manufacturing community was dealing with essentially only domestic competition. The trial case was decided on March 28, 1945, during the final months of World War II, and was considered by the Second Circuit in the months following that war. (The Circuit Court decision was handed down March 28, 1945.) Today, policy arguments necessarily must consider how that policy will impact United States domestic industry vis a vis China, Japan, Germany and other leading industrial countries of the world.

At the time of *Metallizing Engineering* in 1946, China, Germany and Japan posed absolutely no threat as manufacturing competitors to the United States. Since that time, the world has literally been turned upside down as today it is the United States that is having difficulty competing particularly with Asian countries. Countless stories are found in the business literature where American technology is copied by foreign concerns. In the case where it is impossible or at least time consuming and difficult to reverse engineer a product without knowledge of its manufacturing details, trade secret protection may in some cases be more important than gaining a patent. Americans should be *encouraged* to use trade secret protection to maintain American manufacturing jobs by blocking competition based upon trade secrecy. It should be up to the individual inventor to decide which method of protection he or she should use.

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One of the incentives to use trade secret protection would be the ability to *patent* the trade secret even years after use of the trade secret. But, this incentive is thwarted by *Metallizing Engineering* that blocks an American patent more than one year after secret commercialization.

Overseas manufacturing operations have a strategic advantage versus American competition because of the *absence* of any provision that parallels *Metallizing Engineering*: When a foreign company recognizes that its trade secret process may well be reverse engineered in the near future, the foreign company is still able to file a patent application at that time and thus transition to patent protection.

Another aspect of public policy favoring *Metallizing Engineering* is that without this safeguard, an inventor may gain a prolonged exclusive right by piggybacking patent protection on top of several years of trade secret protection. Indeed, this is a point that must be weighed vis a vis the benefit of encouraging trade secret protection at the early point of commercialization.

## **VI. DANGER A THIRD PARTY MAY PATENT THE PROCESS**

The theory of *Metallizing Engineering* was that an inventor could in essence multiply the length of its exclusive rights without the bar of this case: Then, so the argument goes, the inventor could maintain his monopoly first through trade secret protection and then, much later, file a patent application to the once secret process invention and thus start a new patent term.

This theory is flawed because if the inventor sits on his trade secret process it is not part of the prior art as to *third parties* and once a *third party* discovered the trade secret process that third party could obtain a dominant patent that would compromise the original inventor's rights to practice the invention.

## **VII. PRIOR USER RIGHTS UNDER THE NEW PATENT LAW**

Also important in the context of the *Leahy Smith America Invents Act* is the fact that even assuming, *arguendo*, that one in 1946 (the period of *Metallizing Engineering*) one could first protect an invention as a trade secret and then much later file a patent application, this is not the modern reality: Today, failure to file a patent application would permit a third party who discovered the "secret" of the commercial process could be exempt from liability under the prior user right statute that did not exist in 1946 but is now a vibrant element of the *Leahy Smith America Invents Act* as 35 U.S.C. 273(a):



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“A person shall be entitled to a defense under [35 U.S.C.A. § 282(b)] with respect to subject matter consisting of a process \*\*\* that would otherwise infringe a claimed invention being asserted against the person if—

“(1) such person, acting in good faith, commercially used the subject matter in the United States, either in connection with an internal commercial use or an actual arm’s length sale or other arm’s length commercial transfer of a useful end result of such commercial use; and

“(2) such commercial use occurred at least 1 year before \*\*\* (A) the effective filing date of the claimed invention[.]”

### **VIII. “[O]R OTHERWISE AVAILABLE TO THE PUBLIC”**

To say that “public use” or “on sale” events are *maintained* unchanged in the *Leahy Smith America Invents Act* overlooks the overall wording that states that “the claimed invention was \*\*\* in public use, on sale, *or otherwise available to the public*[.]”35 U.S.C.A. § 102(a)(1)( *Leahy Smith America Invents Act*)(emphasis added). To be sure, the *original* language used in the earliest version of the legislation that wound up as the *Leahy Smith America Invents Act* had more explicit language that would have clearly and unmistakably overruled *Metallizing Engineering*. See Dmitry Karshedt, *Did Learned Hand Get it Wrong? The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 Villanova L. Rev. 261, 332 n.435 (2012)(quoting Wegner, *THE 201 PATENT LAW; LAW AND PRACTICE*, § 155 at 108-09 (2nd ed. 2011)). Cf. Mark A. Lemley, *Does “Public Use” Mean the Same Thing it Did Last Year*, 93 Texas L. Rev. 1119 (2015)).

The key author of the text leading up to the *Leahy Smith America Invents Act* firmly sees *Metallizing Engineering* as having been overruled by the wording of the new law. See Robert A. Armitage, *Understanding the America Invents Act*

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*and its Implications for Patenting*, § III-C-5, *Step Four: Clarifying the “Available to the Public” Standard*, 40 AIPLA Q. J. 1, 58-60 (2012). He explains that “the phrase ‘available to the public’ is added to clarify the broad scope of relevant prior art, as well as to emphasize the fact that it must be publicly accessible.” Armitage, *Understanding the America Invents Act and its Implications for Patenting*, 40 AIPLA Q. J. at 58 (citing statement of Sen. Jon Kyl, 157 Cong.rec. S1335, 1370 (daily ed. Mar. 8, 2011)). Thus, “[p]ublic disclosures will represent prior art and will be disclosures, made by any means or method, that have become *publicly accessible, i.e. made available to the public* \*\*\*.” Armitage, *Understanding the America Invents Act and its Implications for Patenting*, 40 AIPLA Q. J. at 59 (original emphasis).

To say that *Metallizing Engineering* survives the *Leahy Smith America Invents Act* by focusing on the specific wording “public use” and “on sale” overlooks the entire context of the statute which in the same sense refers to “otherwise available to the public”. The more complete statement is that there is a bar against a “claimed invention [which] was \*\*\* in public use, on sale, *or otherwise available to the public*[.]”35 U.S.C.A. § 102(a)(1). To say that “public use” and “on sale” should be interpreted as prior to the *Leahy Smith America Invents Act* is to deny the context and “all words” of the statute.

Ignoring a phrase – here, “*or otherwise available to the public*” – is untenable: “[T]he Court will avoid a reading which renders some words altogether redundant.” *Texas Dept. of Housing and Community Affairs v. Inclusive Communities Project, Inc.*, 135 S.Ct. 2507 (2015)(quoting *Gustafson v. Alloyd Co.*, 513 U. S. 561, 574 (1995)). *See also Ford Motor Co. v. United States*, 715 F.3d 906, 920 (Fed. Cir.2013) (characterizing *Glover v. West*, 185 F.3d 1328, 1332

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(Fed.Cir.1999), as “explaining that courts must ‘attempt to give full effect to all words contained within th[e] statute [and] regulation[s], thereby rendering superfluous as little of the statutory or regulatory language as possible’.”); *Sullivan v. McDonald*, 815 F.3d 786 (Fed. Cir. 2016)(same).

It requires a linguistic genius to unravel and find specific meaning in the phrase “or otherwise available to the public” to conclude that a secret disclosure is “otherwise available to the public.” A leading proponent of the view that a secret use is “public” makes the point loud and clear both in his Testimony before the Patent Office, Robert P. Merges, *Comments on “Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act”*, § 2:27, *Meaning of “Or Otherwise Available to the Public” under AIA § 102(a)(1)*, pp. 3-4, Letter to Mary Till, Legal Advisor, Office of Patent Legal Administration, U.S. Patent and Trademark Office (October 12, 2012)(“Testimony”), and in his law review article, Robert P. Merges, *Priority and Novelty under the AIA*, 27 *Berkeley Tech. L.J.* 1023, 1035 (2012)(with Research Assistance from Puneet Kohli)(“Law Review Article”).

In his testimony, and to his credit, this leading academic candidly admits a lack of clarity of the statutory wording. “[He] recognize[s] that [his] case would be stronger if the statute read: ‘patented, or described in a printed publication, or in public use, on sale, or otherwise available to the public. \*\*\* [He] also recognize[s] that a semicolon, in [his] preferred alternative [reading], would have sent a clearer signal that the two phrases \*\*\* were meant to be read as separate and distinct.”. Testimony at p.4 n.6. The author’s scholarly treatment of the same issue speaks for itself. Indeed, the scholar candidly states that “[t]here is an obvious textual problem, so it would seem, with an argument that the word ‘disclosure’ is meant to

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include confidential sales, and the use in public of things that are made by but which in no way reveal the details of the underlying invention. Put simply, these sales and uses are in some sense secret. They are not open, widely discoverable, or easily accessible. So how can they be construed to be part of the general class of ‘disclosures’? Isn’t a disclosure something that is open or widely available?” Law Review Article at 1035-36.

The scholar extricates himself from this dilemma not through citation of a Supreme Court or Federal Circuit case, but instead by turning to the definition of “disclose” in the Oxford English Dictionary, citing, *inter alia*, “[e]xamples of ‘disclosure in the [Oxford English Dictionary] include watching an egg hatch or watching a caterpillar emerge from its cocoon.” Law Review Article at 1036.

### **IX. LEGISLATIVE HISTORY, THE HARMONIZATION GOAL**

As it is clear that the wording of the statute limits “public use” and “on sale” bars to *public* disclosure that does not retain the secrecy of an invention, resort to legislative history is unnecessary. But even assuming, *arguendo*, that there is at least ambiguity sufficient to open the door to a consideration of the legislative history it is even more clear that it was the intention of Congress to harmonize the patent law with the rest of the world and to eliminate “on sale” or “public use” events which retain the secrecy of an invention.

There is a mountain of legislative history that demonstrates that a driving overall purpose of what became the *Leahy Smith America Invents Act* is the harmonization of patent laws for the benefit of the United States industrial circles so that it would be easier and more reliable to obtain for American innovation

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parallel patent rights in Asia and Europe. At the time of *Metallizing Engineering* the world was either embroiled in the final stages of World War II (at the District Court level) or in the immediate recovery period after that conflict (at the appellate level). Beyond the *economic* state of the world where the factories of Japan and much of Europe lay in waste, our immediate concerns were domestic economic recovery. There was no realistic immediate thought of global economic competition. The state of the patent laws of the world was one of great disharmony with each of the United States, Germany, the United Kingdom, France and Japan having widely different patent laws. This made it difficult to obtain global patent rights: Individually tailored patent applications had to be crafted for divergent and often inconsistent national patent laws.

At the time of *Metallizing Engineering* one could not even agree on how to define an invention given, for example, the fact that Germany had a “central” system where claim language was mere guidance where the bounds of protection could be stretched to the full scope of the “general inventive thoughts” expressed in the patent; at the same time, the United Kingdom and Japan had claiming systems with extremely narrow protection essentially void of a doctrine of equivalents; Italy, at the other end of the spectrum, provided for patents without *any* claims of any kind.

The European Patent Convention that would result in common patent provisions was more than a generation away; so, too, was the Patent Cooperation Treaty a vision yet to be born (and a generation away from accomplishment).

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With the gross divergence of patent laws and the economic reality of a war ravaged Europe and Japan, it is not surprising that *Metallizing Engineering* in 1946 had a narrow domestic focus.

In the debates at the World Intellectual Property Organization to create a uniform patent law, *Metallizing Engineering* was a center stage issue of disharmonization. During the WIPO Patent Harmonization debates, *public disclosure* was the near consensus view of an essential element for prior art: “The prior art shall consist of everything which \*\*\* has been made available to the public anywhere in the world.” See Wegner, PATENT HARMONIZATION § 800, *Patentability: Novelty; Nonobviousness [Art. 11]*, pp. 77 (London: Sweet & Maxwell 1993)(quoting Art. 11(2)(b)). Because the United States law of *Metallizing Engineering* did not comport with this provision, the United State *unsuccessfully* sought to amend the treaty to accommodate this unique American position: “Art. 9<sup>bis</sup>(1), PLT/CD/40, was proposed by the United States to provide in part for a bar based on *Metallizing Engineering* .... This measure ‘did not receive general support’ at the Hague [Diplomatic Conference], although “there was general agreement \*\*\* that nothing in the Treaty precluded’ U.S. retention of this current bar.” Wegner, PATENT HARMONIZATION, *supra*, § 814, *U.S. Secret Commercialization Bar*, p. 78 (quoting CA/H 8/92, Comment by the EPO to Art. 9<sup>bis</sup> of the Basic Proposal.).

Whereas there were once major divergent principles of patent law amongst the major countries of the world, in the wake of the European Patent Convention and the Patent Cooperation Treaty, there was substantial harmonization of patent laws around the world with one big asterisk: Whereas the other countries of the world created a largely harmonized patent law, the United States stood pat with a

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law focused on its unique domestic focus. What changed this focus in the United States? In the first instance, during the period beginning in 1984 there was a multi-year United Nations drafting of a substantive patent law treaty that sought to iron out remaining differences amongst the member states. Wegner, PATENT HARMONIZATION (London: Sweet & Maxwell 1993).<sup>1</sup>

But, in part inspired by the initial progress that was made, the United States in the 1980's successfully launched parallel proceedings that by 1994 had resulted in the TRIPS Agreement that imposed substantive patent standards on all countries, with a particular focus on developing countries. The United States played a key leadership role in this effort, which helped spawn concern for an overall reform of United States patent law consistent with what had become the "international system". The American Intellectual Property Law Association under the leadership of its late past President, Robert Benson, and its prime leader for patent harmonization of the era, Robert A. Armitage, forged a pathway to Introduction of domestic legislation where the common denominators behind this legislation were to simplify the American patent system and to make the American patent system compatible with the global realities of the "international system". These dual features would be expected to make it easier for American to obtain overseas patent rights to spread the development costs of American innovations to the global marketplace and avoid the booby-traps created by divergent legal systems.

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<sup>1</sup> In the end, the Geneva effort through WIPO died, fueled by the unilateral repudiation of the treaty by Harry Manbeck, the leader of the Patent Office just before and during the Diplomatic Conference. Wegner, PATENT HARMONIZATION, § 612, *Treaty Disintegration (1989-1991)*, p. 39.



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There are numerous article and debates within the American Intellectual Property Law Association pointing to these dual goals as well as statements within the legislative record that demonstrate support for the harmonization goals of the legislation.

There is a rich body of legislative history supporting *both* the fact that the legislation from a macroscopic approach is designed to *harmonize* American with overseas patent laws *and* that the legislation was designed to limit public uses and sales of an invention as prior art *only* if they make the invention available to the public.

In terms of the macroscopic goal of harmonization, there is a rich body of evidence supporting this point. In 2007 Senators Leahy and Hatch both explained the harmonization objective of the legislation: “Both [Senator Leahy] and Senator Hatch made affirmative arguments in favor of the first-to-file system, noting that it would produce greater international harmonization \* \* \*.” Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 22 Federal Circuit B. J. 435, 453-54 n.129 (2012)(citing 153 Cong. Rec. S4685 (daily ed. Apr. 18, 2007) (statement of Sen. Leahy); Matal (citing 153 Cong. Rec. at S4691 (statement of Sen. Hatch). *See also* the statement of Rep. Johnson that the reform legislation will further harmonize U.S. patent law with that of other industrialized nations. See 157 Cong. Rec. E1273 (daily ed. July 8, 2011) (statement of Rep. Johnson).

In terms of limiting public uses and sales of an invention as prior art *only* if they make the invention available to the public one may refer to the statement of Senator Kyl: Prior to Senate enactment of the *Leahy Smith America Invents Act*, Senator Kyl explained that “[p]ublic uses and sales of an invention will remain prior art, but only if they make the invention available to the public. \* \* \* Only the



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sale or offer for sale of the invention to the relevant public or its use *in a way that makes it publicly accessible* will constitute prior art.” Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 22 Federal Circuit B. J. 435, 472-73 (2012)(quoting statement of Senator Kyl addressing the bill’s provision of “prior art”, 157 Cong. Rec. S5319-21 (daily ed. Sept. 6, 2011)(emphasis added, footnote omitted).

### **X. DIFFERENCES BETWEEN AMERICAN AND FOREIGN LAWS**

A leading patent scholar has sharply disagreed with the Patent Office view that the *Leahy Smith America Invents Act* legislatively overrules *Metallizing Engineering*. He does so without consideration of the harmonization of the law that is achieved by overruling *Metallizing Engineering*. See Mark A. Lemley, *Does “Public Use” Mean the Same Thing it Did Last Year*, 93 Texas L. Rev. 1119 (2015).

His conclusion with different reasoning is the backbone of his *amicus* brief coauthored by Professor Merges on behalf of a large group of academics. See Mark Lemley & Robert P. Merges, *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, Fed. Cir. 2016-1284, *Brief of Amici Curiae 42 Intellectual Property Professors in Support of Appellant*, March 14, 2016.<sup>2</sup>

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<sup>2</sup> The *amici* are Professor John R. Allison; Professor Clark Asay; Professor Margot A. Bagley; Professor Ann Bartow; Professor Jeremy Bock; Professor Dan L. Burk; Professor Michael A. Carrier; Professor Andrew Chin; Professor Ralph D. Clifford; Professor Kevin Collins; Professor Christopher A. Cotropia; Professor Thomas Cotter; Professor Robin Feldman; Professor William Gallagher; Professor Shuba Ghosh; Professor Yaniv Heled; Professor Timothy Holbrook; Professor

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The *amici* treat *Metallizing Engineering* as a well-crafted cornerstone of the patent system; while, in fact, the Supreme Court has cited but never adopted the holding in the case nor do *amici* recognize the inherent weakness of the opinion itself. George Washington University Law School Professor Karshedt makes this point clear:

“The patent forfeiture rule of *Metallizing* is unsupported by precedent or statute, and is inequitable on the actual facts of the case. \*\*\* The disclosure and extension-of-monopoly rationales for the rule are questionable, and all the more so because the most important policy rationale for the existence of the patent system – to provide incentives to invest and engage in inventive activities – might not be well served by the *Metallizing* rule. In addition, the rule likely contributes to over-patenting, which can in turn lead to patent thickets that stifle competition. \*\*\* While the Supreme Court cited the *Metallizing* case in three separate opinions, it has never endorsed the forfeiture rule. Moreover, the Supreme Court in recent patent cases has hewed closely to the language of the Patent Act and accepted rules that seemingly diverged from the patent statutes only as long as they have been supported by long-standing Supreme Court precedent. There are no such precedents for the *Metallizing* rule – *Pennock v. Dialogue* and *Woodbridge v.*

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Camilla Hrdy; Professor Dennis S. Karjala; Professor Dmitry Karshedt; Professor Amy L. Landers; Professor Mark A. Lemley; Professor Lee Ann Lockridge; Professor Brian J. Love; Professor Stephen Mcjohn; Professor Mark P. McKenna; Professor Robert P. Merges; Professor Joseph Scott Miller; Professor Mike Mireles; Professor Craig Allan Nard; Professor Tyler T. Ochoa; Professor David S. Olson; Professor Michael Risch; Professor Sharon Sandeen; Professor Joshua D. Sarnoff; Professor Katherine J. Strandburg; Professor Kurt M. Saunders; Professor Sean B. Seymour; Professor Ted Sichelman; Professor Brenda Simon; Professor David O. Taylor; Professor R. Polk Wagner.

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*United States* are clearly distinguishable from *Metallizing* on their facts, and *Bates v. Coe* speaks directly against the rule by focusing on truly public uses as patent-invalidating activities. \*\*\* [T]he textualist orientation of the current Court seems to militate against ‘policy polymorphism’ of distinguishing first and third parties in a statute that, in its plain language, makes no such distinction. It appears that the *Metallizing* rule, whose justification and scope courts and commentators are still trying to understand, has remained on the books for as long as it did partly out of respect for a great judge. But should we always defer to Judge Learned Hand? Perhaps not. In the biting words of Judge Alex Kozinski, Judge Hand ‘was very knowledgeable about everything except how the world works.’”<sup>3</sup>

While there is a wealth of literature cited in their brief, there are several key authorities that have been overlooked, including the work of undoubtedly the most important draftsman of the legislation, Robert A. Armitage, as well as a law review article by one of the authors of the *amicus* effort as well as his testimony before the Patent Office.<sup>4</sup>

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<sup>3</sup> Dmitry Karshedt, *Did Learned Hand Get it Wrong? The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 Villanova L. Rev. 261, 336-37 (2012)(footnotes omitted).

<sup>4</sup> See Robert A. Armitage, *Understanding the America Invents Act and its Implications for Patenting*, § III-C-5, *Step Four: Clarifying the “Available to the Public” Standard*, 40 AIPLA Q. J. 1, 58-60 (2012); Robert P. Merges, *Priority and Novelty under the AIA*, 27 Berkeley Tech. L.J. 1023, 1036 (2012); Robert P. Merges, *Comments on “Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act”*, § 2:27, *Meaning of “Or Otherwise Available to the Public” under AIA § 102(a)(1)*, pp. 3-4, Letter to Mary Till, Legal Advisor, Office of Patent Legal Administration, U.S. Patent and Trademark Office (October 12, 2012)). See also the detailed analysis of the legislation by George Washington University Law School Professor Dmitry

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What do *amici* say about the analysis of the legislation by Armitage, a principal draftsman of the *Leahy Smith America Invents Act* and by far the most prominent person on the stage throughout the planning for the legislation dating back to the mid-1990's up through the entire six year legislative process? How do the *amici* answer the Armitage analysis of this legislation? They don't. Instead, the *amici* law professors at pp. 2-5 of their brief spin a fantastic linguistic analysis that does not square with the picture painted Armitage, *supra*.

The *amici* ignore not only the prime work of Armitage but also their own previous law review article and testimony before the Patent Office, each of which paints entirely different approaches to justify the result they seek in their brief.<sup>5</sup>

Perhaps the most radically different argument is one that was previously made by one of the coauthors of the brief that focuses upon a dictionary definition of "disclose" as "includ[ing] watching an egg hatch or watching a caterpillar emerge from its cocoon." *Merges*, 27 *Berkeley Tech. L.J.* at 1036.

Legislative history on the macroscopic scale as to harmonization is found repeatedly. *See* 153 *Cong. Rec.* S4685 (daily ed. Apr. 18, 2007) (statement of Sen. Leahy); 153 *Cong. Rec.* at S4691 (statement of Sen. Hatch); 57 *Cong. Rec.* E1273 (daily ed. July 8, 2011) (statement of Rep. Johnson)). Clearly, one of the major points for American reforms to harmonize its patent law with the mainstream view of essentially every other major country of the world was the elimination of *Metallizing Engineering* from the American patent law. What, precisely, do these 42 *amici* have to say about the legislative purpose of the *Leahy Smith America*

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Karshtedt, *Did Learned Hand Get it Wrong? The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 *Villanova L. Rev.* 261 (2012).

<sup>5</sup> To be sure, while the *Merges* law review article is not cited in the body of the brief, there is a footnote citation to the article, p. 11 n. 11.

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*Invent Act* to harmonize and simplify American patent law, and the fact that overruling *Metallizing Engineering* clearly is within the purview of harmonization and simplification? See § 2:28, *Legislative History, the Harmonization Goal*.

Nothing.

Absolutely nothing.

The *amici* implicitly argue that there is no real legislative history but instead only “*faux* legislative history” in the sense that statements made on the floor of the House or Senate *after* enactment do not constitute real legislative history. But, the legislative history cited in this monograph is hardly “*faux*” but focuses upon legislative history *prior to* Congressional passage. See § 2:28, *Legislative History, the Harmonization Goal*. *Amici* thus argue that “those who claim the [America Invents Act] overruled *Metallizing [Engineering]* offer only a relatively weak form of legislative history – the statements of individual Senators. The basis of the argument is a “colloquy” on the floor of the Senate the day *after* the Senate had passed the [America Invents Act.]” p. 7. While it is true that there was such a “colloquy” and this post-passage discussion is, indeed, *faux* legislative history, the *amici* ignore “real” legislative history taking a macroscopic view of the legislation.<sup>6</sup>

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<sup>6</sup> See § 2:28, *Legislative History, the Harmonization Goal*, citing, e.g., Joe Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 22 Federal Circuit B. J. 435, 472-73 (2012)(referencing *Metallizing Engineering*(quoting statement of Senator Kyl addressing the bill’s provision of “prior art”, 157 Cong. Rec. S5319-21 (daily ed. Sept. 6, 2011)). See also § 2:27, “[O]r otherwise available to the public” (citing Robert A. Armitage, *Understanding the America Invents Act and its Implications for Patenting*, § III-C-5, *Step Four: Clarifying the “Available to the Public” Standard*, 40 AIPLA Q. J.

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Beyond consideration of whether *Metallizing Engineering* survives the new patent law, the *amici* fail to address complexities that arise through maintaining *Metallizing Engineering* as explained by George Washington University Law School Professor Dmitry Karshedt. He points out that “Professors Robert Merges and John Duffy offer a number of reasons why [the view that *Metallizing Engineering* was not abrogated] is the better view; for example, they argue that it was made during a colloquy devoted primarily to another issue – what kinds of disclosures by the inventor qualify for the one-year grace period under new Section 102(b)(1). The two issues are related, however: if the *Metallizing* bar continues in force, a question arises whether commercial exploitation of a secret invention is ‘disclosure’ within the meaning of Section 102(b)(1), in which case the one-year grace period applies, or whether it is not a ‘disclosure’, in which case the bar would appear to cause a forfeiture of the patent if the exploitation precedes the effective filing date even by a day. It remains for the Federal Circuit to answer these questions[.]” Dmitry Karshedt, *Did Learned Hand Get it Wrong? The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 Villanova L. Rev. 261, 332-33 (2012)(footnotes omitted).

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1, 58 (2012)(explaining that “the phrase ‘available to the public’ is added to clarify the broad scope of relevant prior art, as well as to emphasize the fact that it must be publicly accessible.”)(citing statement of Sen. Jon Kyl, 157 Cong. Rec. S1335, 1370 (daily ed. Mar. 8, 2011)).

**XI. ONWARD, TO THE SUPREME COURT?**

*Metallizing Engineering* was penned by one of the most distinguished jurists of American history, the late Learned Hand. Whether the Federal Circuit issues the final word on the viability of *Metallizing Engineering* to a great degree depends upon whether this court can provide a unified voice – whether or not it holds that the *Leahy Smith America Invents Act* of 2011 does or does not maintain *Metallizing Engineering*. In any event, particularly absent a unified Federal Circuit, *Helsinn Healthcare* could prove of interest to the Supreme Court to review on *certiorari*.