

## Section 2 of *America Invents Act*: the undisclosed story of legislative obfuscation

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Both Senate bill S. 23 and House bill H.R. 1249 introduced in the 112<sup>th</sup> Congress contain identical Section 2 entitled “First inventor to file.” This section purports to transition the American patent system from that which vests patent rights with the first inventor to that which vests patent rights with the first to file. However, this change is only a small part of the proposed change, as Section 2 of the bill changes all of 35 U.S.C. 102, including the definition of the prior art, the grace period and the public use and on sale bars.

While these changes are sweeping, no one in Congress or the public actually knows what the proposed statute really means. To make my point clear, I do not merely suggest that there are disagreements on the effect or *impact* of the proposed statute if enacted, but rather that the interpretation of the *actual meaning* and legal construction of the proposed statute is intended by its drafters to remain vague. In the following sections, I show that the drafters’ goal of adopting other countries’ patent priority system is frustrated by basic U.S. constitutional constraints, which they recognized. I show that they were left with no choice but to craft an amalgamation of two systems resulting in one that is unworkable and is harmonized with none. Because their proposal modifies the law to a first to file system but fails to protect American inventors or achieve their stated “harmonization” goal, they attempted to avoid the clarity that would otherwise lead to its rejection. I show how their obfuscation served their efforts to maintain the uncertainty all the way through passage in the Senate. These efforts appear to continue in the House.

### 1 The evisceration of the grace period

The proposed legislation redefines the prior art and severely weakens the grace period with respect to prior art. While these changes are unacceptable to small businesses, startups and individual inventors, I focus only on one objectionable aspect - the loss of grace period for “public use” and “on-sale” aspects of Section 2 of the bill, as it amends the existing statute. As a baseline, note that existing law provides in pertinent part the following:

35 U.S.C. § 102 *CONDITIONS FOR PATENTABILITY; NOVELTY AND LOSS OF RIGHT TO PATENT.*

*A person shall be entitled to a patent unless —*

*(a)...*

*(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 the application** for patent in the United States.*  
(Emphasis added)

Thus, current law contains a broad grace period for any events or disclosures occurring less than one year prior to the filing of the application. Section 2 of the America Invents Act proposes in pertinent part the following:

*“102 (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;”*

(Emphasis added)

A one-year grace period is provided only for *disclosures* made by the inventor under the Exceptions in proposed § 102(b):

*“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 [102(a)(1)] if...the **disclosure** was made by the inventor ....”*  
§ 102(b)(1)(A)(emphasis added).

From the plain language of the exception in proposed § 102(b)(1)(A), it is clear that “public use” or “on sale” events that do not disclose the claimed subject matter do not trigger a one-year grace period and any such events prior to the date of the patent application would bar the patent. Moreover, the inventor may publish information about his invention and then later have a single commercial sale of the invention just prior to filing and while the grace period exempts the disclosure in the printed publication, the sale event creates a bar that is not exempt.

Having raised these concerns with Senate Judiciary Committee staff during a visit with them in October 2009 (when the legislation in Senate bill S.515 had this identical language), staff indicated to a group of us representing small businesses and startups that the legislation intends “parallelism” between the treatment of an inventor’s actions under subsection 102(a) that might create prior art and the treatment of those actions that negate any prior art effect under subsection 102(b). Thus, staff said, inventors would be unable to accidentally create a patent-defeating bar by their pre-filing actions that would otherwise be prior art under subsection 102(a) as long as they file their patent applications within the grace period provided by subsection 102(b).

We asked that this purported intent be clarified in the statutory language by defining the terms “disclosure” and “otherwise available to the public.” We questioned the need for the new terms that are found nowhere in current patent statute or case law. We noted that the term “otherwise available to the public” had not been adequately explained as having any meaning other than that captured by the other terms already in the proposed section. We received no substantive response to the following question: What art is “otherwise available to the public” and *not* “patented, described in a printed publication, or in public use, on sale”? We indicated that “public use” and “on sale” are terms well known in the law, and are broader than public acts of disclosure and that if “parallelism” is intended in the statute, these terms should be fully and expressly exempted in 102(b) or be removed from the statute because the term “otherwise available to the public” already captures the “disclosure” components of any “public use” or “on sale” in 102(a) that “parallel” possible “disclosure” in 102(b). To this the staff said that there is no chance that the language would be changed, the language having been “tweaked and refined” over the last couple of years.

During this October 2009 meeting, the Judiciary Committee staff also said that while the statutory language was “cast in stone,” they intend to clarify its meaning by submitting a colloquy in the Congressional Record to create the legislative history that captures the “parallelism” between Sections 102(a) and 102(b). When asked for a draft of such colloquy, we were refused and told that “it is not being widely shared.” These exchanges were in October 2009 and in more than a year since then, no clarification of the problematic terms or a documented explanation of the “parallelism” took place before the Senate passed the legislation in S. 23 on March 8, 2011. Rather, the colloquy (which I address in Section 2.3 below) was inserted into the Congressional Record one day *after* the vote and passage of S. 23.

## **2 The vague and undefined terms in Section 2 of the *America Invents Act* are features – not bugs.**

The vague and undefined terms in Section 2 of the current patent reform legislation is a result of deliberate redrafting efforts that amended otherwise precise and clear language in the proposed legislation that was introduced in the Patent Reform Act of 2005 by Representative Lamar Smith. The

pertinent parts of this House bill (H.R. 2795 introduced on June 8, 2005) contained the following provisions:

102(a) *NOVELTY; PRIOR ART-*

*A patent for a claimed invention may not be obtained if--*

*(1) the claimed invention was patented, described in a printed publication, or **otherwise publicly known--***

*(A) more than one year before the effective filing date of the claimed invention; or*

*(B) before the effective filing date of the claimed invention, other than through **disclosures** made by the inventor or a joint inventor or by others who obtained the subject matter **disclosed** directly or indirectly from the inventor or a joint inventor; or ...* (Emphasis added)

Note that the terms “public use” and “on sale” are not present in proposed § 102(a)(1) and that any disclosure that such acts might entail are properly subsumed in the term “otherwise publicly known” in that section. In addition, H.R. 2795 did not leave any uncertainty as to the meaning of a “disclosure” that renders the invention “otherwise publically known” as it contained an express definition as follows:

102(b) *Limitation on Prior Art-*

*(3) REASONABLE AND EFFECTIVE ACCESSIBILITY REQUIREMENT-*

*(A) IN GENERAL- Subject matter is publicly known for the purposes of subsection (a)(1) only when--*

*(i) it becomes reasonably and effectively accessible through its use, sale, or disclosure by other means; or*

*(ii) it is embodied in or otherwise inherent in subject matter that has become reasonably and effectively accessible.*

*(B) REASONABLE AND EFFECTIVE ACCESSIBILITY- For purposes of subparagraph (A)—*

*(i) subject matter is reasonably accessible if persons of ordinary skill in the art to which the subject matter pertains are able to gain access to the subject matter by without resort to undue efforts; and*

*(ii) subject matter is effectively accessible if persons of ordinary skill in the art to which the subject matter pertains are able to comprehend the content of the subject matter without resort to undue efforts.*

The Senate counterpart bill (S.3818, Patent Reform Act of 2006) introduced on August 3, 2006 contained very similar provisions. This shows that there is little doubt that congressional drafters are fully capable of writing clear statutes when they intend clarity.

Hence, it was abundantly clear what these bills sought to accomplish: an attempted transition of the U.S. to a first-to-file system with an *absolute novelty standard*, as the Europeans call it. Such a standard does not recognize as bars to patentability any action(s) which do not cause or enable disclosure to the public of the invention; action(s) that do not change “the state of the art” are not bars to patentability.<sup>1</sup> The bills also superimposed a one-year grace period only for inventors’ acts of *enabling public disclosure*. There was no question that the American grace period was gutted in this bill for most events that small businesses and startups rely on for building their companies.

The introduction of this *absolute novelty* construct was a core component which first-to-file proponents have long sought to achieve in their efforts to “harmonize” the American system with that of foreign countries. The stated goal of using the absolute novelty system for the transition to “harmonize” with

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<sup>1</sup> *Guidelines for Examination in the European Patent Office*, Part C IV, p. 23 (April 2010) (“Subject-matter can only be regarded as having been made available to the public, and therefore as comprised in the state of the art pursuant to Art. 54(1), if the information given to the skilled person is sufficient to enable him, at the relevant date (see IV, 9.3), to practise the technical teaching which is the subject of the disclosure, taking into account also the general knowledge at that time in the field to be expected of him.”) at <http://www.epo.org/law-practice/legal-texts/guidelines.html>

foreign law was to eliminate the evidentiary complexity of going beyond the public records for discovering inventors' activities that may constitute bars to patentability.<sup>2</sup>

Unlike foreign patent law under which only prior art and publicly available information from patented products can defeat a patent on grounds of prior art, U.S. patent law in addition proscribes certain abandonment and forfeiture acts of the inventor in order to retain patent rights. These bars have nothing to do with prior art. Proponents of the first-to-file legislation often conveniently gloss over these differences and conflate 'prior art' that defeats a patent with actions that bar a patent. "Public use" and "on sale" are not *per se* prior art – they are actions that may bar a patent in the U.S. even if they involve no public disclosure of the invention. These bars are grounded in the constitutionally stated policy "to promote the progress of useful arts"- and to curtail abuse of secret and extended monopolies and ensure prompt disclosure of inventions to the public. It is therefore significant that the title for the current statute as shown above contains the phrase "novelty and *loss of right to patent*." Note that the patent reform bills have titles that omit the "loss of right to patent" phrase.

The Patent Reform Act of 2005/2006 was well-drafted but among other deficiencies, it proposed to enable inventors to extend their commercial monopoly indefinitely by exploiting and profiting from secret technologies for years and then taking out patents on these technologies. It proposed to abolish an essential core pillar of the patent bargain established under the U.S. Constitution.

## **2.1 The American "public use" and "on sale" bars are grounded in the U.S. Constitution**

From the Patent Act of 1790 to the present day, the public sale of an unpatented article has acted as a complete bar to federal protection of the idea embodied in the article thus placed in public commerce. The U.S. Supreme Court recognized that Article I, § 8, Clause 8 of the Constitution vests in Congress authority, "unlike the power often exercised in the sixteenth and seventeenth centuries by the English Crown, [ ] limited to the promotion of advances in the "useful arts." It was written against the backdrop of the practices -- eventually curtailed by the Statute of Monopolies -- of the Crown in granting monopolies to court favorites in goods or businesses which *had long before been enjoyed by the public*." *Graham v. John Deere Co.*, 383 U.S. 1, 5 (1966) (emphasis added). The Court observed that "Congress *may not* authorize the issuance of patents whose effects are ... to restrict free access to materials *already available*." 383 U.S. at 6. (emphasis added). The Court articulated these principles and the grounds for the "public use" and "on sale" bar 180 years ago in *Pennock v. Dialogue* 27 U.S. 1 (1829):

"As long as an inventor keeps to himself the subject of his discovery, the public cannot be injured: and even if it be made public, but accompanied by an assertion of the inventor's claim to the discovery, those who should make or use the subject of the invention would at least be put upon their guard. But if the public, with the knowledge and the tacit consent of the inventor, is permitted to use the invention without opposition, it is *a fraud upon the public* afterwards to take out a patent." 27 U.S. 4 (emphasis added).

The *Pennock* decision was anchored to constitutional grounds as follows:

"If an inventor should be permitted to hold back from the knowledge of the public the secrets of his invention; if he should for a long period of years retain the monopoly, and make, and sell his invention publicly, and thus gather the whole profits of it, ... and then .. he should be allowed to take out a patent,

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<sup>2</sup> Ironically, this stated goal does not prevent proponents of the first-to-file system from seeking to adopt Prior User Rights (PUR) as an essential element of the first-to-file system. The PUR system, however, will impose many of the same evidentiary burdens and complexities for determining prior inventors and prior users that are characteristic of the proceedings which the bill purports to eliminate.

and thus exclude the public from any farther use than what should be derived under it during [a patent term,] it would materially *retard the progress of science and the useful arts*, and give a premium to those who should be least prompt to *communicate their discoveries*.” 27 U.S. at 19 (emphasis added).

The U.S. Supreme Court held strict principles in applying the public use bar. In *Shaw v. Cooper*, 32 U. S. 292 (1833), public use by other than the inventor, who had neglected to prevent it after he had learned of it, invalidated the patent. “Whatever may be the intention of the inventor, if he suffers his invention to go into public use, through any means whatsoever, without an immediate assertion of his right, he is not entitled to a patent” 32 U.S. at 293.

Nearly 30 years after *Pennock*, the Court reiterated the constitutional grounds to the “public use” and “on sale” bar in *Kendall v. Winsor*, 62 U.S. 322 (1858):

“The true policy and ends of the patent laws enacted under this government are disclosed in that article of the Constitution, the source of all these laws, viz., “to promote the progress of science and the useful arts,” contemplating and necessarily implying their extension, and increasing adaptation to the uses of society. By correct induction from these truths, it follows that the inventor who designedly, and with the view of applying it indefinitely and exclusively for his own profit, withholds his invention from the public comes *not within the policy or objects of the Constitution* or acts of Congress. He does not promote, and, if aided in his design, would *impede, the progress of science and the useful arts*.” 62 U. S. at 328 (citing U.S. Constitution, Art. I, Sec. 8, Clause 9; emphasis added).

Judge Learned Hand reviewed the law and produced a detailed analysis and an opinion that is most cited on the subject of secret commercialization that fails to inform the public about the invention: “[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.” *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2nd Cir. 1946), cert. denied, 328 U.S. 840.

Hence, the American patent system differs substantially from that of other countries in the areas of “public use” and “on sale” bars. Other countries’ legislators are not bound by a constitution that requires that the patent system “promote the progress of useful arts.” They may also tolerate “a fraud upon the public” by allowing secret commercial use of inventions for years before taking out a patent on the invention. The U.S. Congress is not empowered to pass laws that permit so. Rather, Congress is empowered to enact laws for (1) protecting the public in its use of the invention where such use began prior to the filing of a patent application; (2) encouraging prompt disclosure of new and useful information; (3) discouraging attempts to extend the length of the period of protection by not allowing the inventor to reap the benefits for more than one year prior to the filing of the application. In balance to these considerations, Congress also deemed the public interest served by providing a robust grace period and allowing an inventor time to perfect an invention by public testing and early marketing activities.

## **2.2 The tortured attempts to integrate the American “public use” and “on sale” bars with foreign absolute novelty law**

The Patent Reform Act of 2005/2006 did not pass any of Congress’ chambers. Perhaps after realizing that any legislation that abolishes the American “public use” and “on sale” bars (as the 2005/2006 legislation attempted) would inexorably be constitutionally infirm, the proponents of first-to-file came to the realization that they must somehow “live” with the “public use” and “on sale” bars. Thus, a major ingredient of “harmonizing” U.S. priority laws with that of other countries – absolute novelty – “just went out the window” and the drafters kept quiet about it. Having to contend with “public use”

and “on sale” bars necessarily means that patent invalidity inquiries under U.S. patent law (even if transitioned to a first-to-file system) will always require what has been required since the Patent Act of 1790 – evidentiary inquiries and discovery of facts related to private commercial activity that cannot be determined solely from the public record. Nevertheless, the first-to-file proponents and drafters continued to tout their proposed changes as facilitating the elimination of the evidentiary burdens and complexities for determining priorities in patent validity analyses. Next, they drafted the pertinent section of House bill H.R. 1908, which passed in the House on September 7, 2007, as follows:

- (a) *NOVELTY; PRIOR ART.*—*A patent for a claimed invention may not be obtained if—*
- (1) *the claimed invention was patented, described in a printed publication, or in **public use or on sale** –*
- (A) *more than one year before the effective filing date of the claimed invention; or”*
- (B) *one year or less before the effective filing date of the claimed invention, other than through **disclosures** made by the inventor or a joint inventor or by others who obtained the subject matter **disclosed** directly or indirectly from the inventor or a joint inventor; or ...*
- (b) *Exceptions-*
- (1) *PRIOR INVENTOR DISCLOSURE EXCEPTION- Subject matter that would otherwise qualify as prior art based upon a **disclosure** under subparagraph (B) of subsection (a)(1) shall not be prior art to a claimed invention under that subparagraph 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. (Emphasis added).*

Note that in this bill, the “public use” and “on sale” terms were inserted in Section (a)(1) and the term “disclosure” is left undefined. This provision in the parallel Senate version of the Patent Reform Act of 2007 was essentially identical, where the only exception in the text of S. 1145 as reported on January 24, 2008 was that it included the *additional* term “or otherwise available to the public” at the end of Section (a)(1). While there can be little doubt that the grace period in H.R. 1908 passed in the House did not cover non disclosing “public use” and “on sale,” the addition by Senate drafters of the term “or otherwise available to the public” and the lack of definition of the term “disclosure” created sufficient ambiguity and maneuvering room for obfuscation. For the most part, these undefined aspects of the Senate bill have not changed since S. 1145 was reported in January 2008, planting the seeds for obfuscation that would follow.

We were told during the October 2009 meeting with Senate Judiciary Committee staff that the term “or otherwise available to the public” term is intended as a conjunctive to *narrow* – not broaden – the set of possible disclosure events covered in Section 102(a). Staff said that narrowing the set is intended to modify existing precedent on “public use” and “on sale” so that secret “public use” and “on sale” acts that do not result in public availability would not trigger 102(a). They said that keeping the term “or otherwise available to the public” is intended to create the “parallelism” between 102(a) and 102(b).

This remarkable logic is absurd on its face for two reasons: First, it requires a reading that deviates from the ordinary use of language where the disjunctive “or” means that only one of the listed requirements need be satisfied.<sup>3</sup> Such use of the term “or” to mean “and”, however, is a “careless substitute” that is seldom applied.<sup>4</sup> Moreover, there is no antecedent or other contextual guidance that

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<sup>3</sup> See, e.g., *Zorich v. Long Beach Fire and Ambulance Serv.*, 118 F.3d 682, 684 (9th Cir. 1997); *United States v. O’Driscoll*, 761 F.2d 589, 597-98 (10th Cir. 1985). A corollary is that use of the disjunctive “or” creates “mutually exclusive” conditions that can rule out mixing and matching; *United States v. Williams*, 326 F.3d 535, 541 (4th Cir. 2003) (“a crime may qualify as a serious drug offense by meeting all the requirements of (i) or all the requirements of (ii), but not some of the requirements of (i) and some of (ii)”).

<sup>4</sup> See, e.g., *United States v. Moore*, 613 F.2d 1029 (D.C. Cir. 1979); *De Sylva v. Ballentine*, 351 U.S. 570, 573 (1956) (“the word ‘or’ is often used as a careless substitute for the word ‘and’”). Both “and” and “or” are context-dependent, and each

would compel such reading, let alone a reading that produces the purported “parallelism”. Second, if the drafters’ intent was to limit 102(a) only to actions that result in public availability, they could have used the language “or otherwise available to the public” and, as in S.3818 of 2006, omit the terms “public use” and “on sale.” When confronted with the latter response, the staff assured us that their construction of the proposed statute with a “narrowing” interpretation will be clear once a colloquy clarifying this intent is inserted in the record.

What became clear to us after that meeting is that (a) the drafters of the Senate bill are intent on ramming through language that obfuscates rather than clarifies the legislative intent around the terms “public use” and “on sale” – terms which have 180 years’ of precise judicial interpretation; and (b) that they knew that their tortured explanation and logic would not stand up to scrutiny. The long awaited colloquy and the timing of its release confirm these conclusions.

### 2.3 The Senate colloquy is an admission that vagueness is intended

The conclusions we heard privately from Senate Judiciary Committee staff more than a year ago were finally put in the record a day *after* the Senate vote on S.23, accompanied with none of the tortured rationale or any other explanation. Of course, none of this colloquy actually took place on the Senate floor, nor was it available for Senators to question, ask for clarifications, or challenge before the vote. The colloquy quoted below is found in the Congressional Record at 157 Cong. Rec. S1496 (March 9, 2011).<sup>5</sup>

Senator Leahy “explained”:

We intend that if an inventor’s actions are such as to constitute *prior art* under subsection 102(a), then those actions necessarily trigger subsection 102(b)’s protections for the inventor and, what would otherwise have been section 102(a) *prior art*, would be excluded as *prior art* by the grace period provided by subsection 102(b). Indeed, as an example of this, subsection 102(b)(1)(A), as written, was deliberately couched in broader terms than subsection 102(a)(1). This means that any *disclosure* by the inventor whatsoever, *whether or not in a form that resulted in the disclosure being available to the public*, is wholly disregarded as *prior art*. A simple way of looking at new subsection 102(a) is that no aspect of the protections under current law for inventors who *disclose* their inventions before filing is in any way changed. (Emphasis added).

To which Senator Hatch “responded”:

The Senator from Vermont is correct. For the purposes of grace-period protection, the legislation intends parallelism between the treatment of an inventor’s actions under subsection 102(a) that might create *prior art* and the treatment of those actions that negate any *prior art* effect under subsection 102(b). Accordingly, small inventors and others will not accidentally create a patent-defeating bar by their pre-filing actions that would otherwise be *prior art* under subsection 102(a) as long as they file their patent applications within the grace period provided by subsection 102(b).

Note that in this exchange that attempts to explain the “parallelism,” both senators address *only* events creating *prior art* – not *abandonment* or *forfeiture* events within “public use” or “on sale” that create a *bar* to patentability. To the extent that Senator Leahy’s remarks above that “any *disclosure* by the inventor whatsoever, *whether or not in a form that resulted in the disclosure being available to the public*, is wholly disregarded as *prior art*” may create the impression that somehow such events trigger

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word “is itself semantically ambiguous, and can be used in two quite different senses.” Lawrence E. Filson, *The Legislative Drafter’s Desk Reference*, § 21.10, Congressional Quarterly, Washington D.C. (1992).

<sup>5</sup> Available at <http://www.gpo.gov/fdsys/pkg/CREC-2011-03-09/pdf/CREC-2011-03-09-pt1-PgS1496.pdf#page=1> .

a grace period under 102(b), Senator Hatch's immediately following remarks flatly contradict such a notion:

"But, the important point is that if an inventor's disclosure triggers the 102(a) bar with respect to an invention, *which can only be done by a disclosure that is both made available to the public and enabled*, then he or she has thereby also triggered the grace period under 102(b)."

Thus, according to these statements, a *non-disclosing, non-enabling* "public use" or "on sale" event *does not* trigger a grace period, which is consistent with the plain language of the proposed statute. Otherwise – if a non-enabling event is intended to trigger a priority event and subsequent grace period – it would produce a result which no court could reasonably hold, given the case law and policy that an inventor is entitled only to subject matter of which he *demonstrably had possession* as of the priority date that immunizes him from prior art.

In contradiction with the above statements in the colloquy, Senator Leahy still attempted to characterize Section 102(a) as an *absolute novelty* provision that does not produce the bar contained in the plain language of 102(a):

"One of the implications of the point we are making is that subsection 102(a) was drafted in part to do away with precedent under current law that private offers for sale or private uses or secret processes practiced in the United States that result in a product or service that is then made public 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, that is a public disclosure, 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."

While using the term "patent-defeating prior art" to describe "public use" or "on sale" events, which have nothing to do with disclosure or prior art but nevertheless bar a patent under current law, Senator Leahy's remark attempts to cater to those who wish to read the statute as transforming the U.S. system to the European absolute novelty system while still keeping by obfuscation the terms "public use" or "on sale" that are essential for avoiding a constitutional challenge.

Evidently, the obfuscation crafted in the colloquy is *not* directed at "clarifying" legislative intent because it cannot, and the drafters knew that it cannot. That is why the colloquy did not take place on the Senate floor nor made available prior to passage of S.23 on March 8, 2011. Rather, the colloquy was only made available one day *after passage* so as to be *ineffectual* in construing the statute as adopted. See *Bruesewitz v. Wyeth LLC*, 131 S.Ct. 1068, 1081-82 (2011)(Scalia, J.) ("Post-enactment legislative history (a contradiction in terms) is not a legitimate tool of statutory interpretation. Real (pre-enactment) legislative history is persuasive to some because it is thought to shed light on what legislators understood an ambiguous statutory text to mean when they voted to enact it into law. But post-enactment legislative history by definition could have had no effect on the congressional vote" (Citing *District of Columbia v. Heller*, 554 U.S. 570, 605 (2008), other citations and quotation omitted). The drafters only feigned to have passed an absolute novelty law but they knew that they have not done so.

That the actual legislative history (that which actually precedes the vote) makes clear that the grace period does *not* apply to non-disclosing "public use" or "on sale" events, is abundantly clear from the record. In the week before the final Senate vote, the Bill Manager explained that the America Invents Act "protects against the concerns of many small inventors and universities by including a 1- year grace period to ensure the inventor's own *publication or disclosure* cannot be used against him as prior art but will act as prior art against another patent application. This encourages early *disclosure* of new



inventions regardless of whether the inventor ends up trying to patent the invention.” 157 Cong. Rec. 1175, 1176 (March 3, 2011)(emphasis added). A while before the vote, the explanation was given that the bill

“also preserves and strengthens current law's grace period, by providing that *disclosures* made by the true inventor, or someone who got the information from the inventor, less than one year before the application is filed will not be held against their application. ... Additionally, during the one-year period before the application is filed, if the inventor *publicly discloses* his invention, no subsequently-disclosed “prior art,” regardless of whether it is derived from the inventor, can be used to invalidate the patent. Prior art is a term of art in intellectual property law. S. 23 defines “prior art” as actions by the patent owner or another (such as publication, public use, or sale) that make the invention available to the public. This effectively creates a “first to *publish*” rule within the one year grace period. An inventor who *publishes* his invention retains an absolute right to priority if he files an application within one year of his *disclosure*. No application effectively filed after his *disclosure*, and no prior art disclosed after his *disclosure*, can defeat his patent application.” 157 Cong. Rec. 1348, 1365-66 (March 8, 2011)(emphasis added)

No reasonable analysis of the record available to interpret the proposed statute can ever establish what the colloquy may have intended to convey.

The colloquy was available as early as October 2009 and Senate sources revealed that it was even discussed privately one week before the S.23 vote with other Senate staff who asked about the vague language of Section 102. Senate Judiciary Committee staff are not known to be incompetent so as to “accidentally” neglect timely filing in the Congressional Record. Rather, the only reasonable inference from the record is that the drafters understood that while the colloquy should create the impression that absolute novelty is intended, such intent should not be available as a consideration for any reviewing court, which might therefore find the provision unconstitutional. Apparently, the Senate drafters wanted the bill passed with all its vagueness with sufficient insulation from the colloquy, leading all onto a garden path. In the process, they have created the absurd result discussed in a recent brief article on the grace period.<sup>6</sup>

### 3 The House bill comes nearly full circle to its starting position six years ago

The managers of the House bill H.R. 1249 have apparently seen the vagueness and confusion that Senate bill S.23 and the colloquy had created. On April 12, 2011 the Managers’ Amendment was released, providing in pertinent part the following changes:

*“102 (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~~ disclosed to the public before the effective filing date of the claimed invention;”*

A one-year grace period is provided only for *disclosures to the public* made by the inventor under the Exceptions in proposed § 102(b):

*“A disclosure to the public made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under [102(a)(1)] if...the disclosure to the public was made by the inventor ....” § 102(b)(1)(A).*

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<sup>6</sup> Ron D. Katznelson, Section 2 of S. 23 will deny inventors U.S. patent protection that would not be denied under foreign patent laws, (2011). Available at <http://bit.ly/Grace-Period-USA> .

April 17, 2011

In this latest version, the House nearly returns back to its original 2005 provisions in H.R. 2795, where the terms “public use” and “on sale” were not included, thereby producing the *absolute novelty* result that was rejected before due to constitutional infirmity concerns. While there may be some institutional amnesia in the House, any attempt at passing such legislation would likely be challenged on solid constitutional grounds.

### **3.1 Flip-flopping on the grace period again**

On April 14, 2011, the House Judiciary Committee marked up the bill and accepted an amendment to the Managers’ Amendment which restored the language in Section 102 to its original form as originally introduced in the House. Members of the Committee pledged, however, to find a different way to amend the language in order to “fix” the grace period problem they identified.

*This long trajectory illustrates the futile attempts over the last six years (at least) to shoehorn and torture a well-developed 200 year old patent system that has a proven record as the best in the world and that is grounded in a Constitution that no other nation has, into foreign structures that are inconsistent with the American Constitution and its laws.*