

## Does “Public Use” Mean the Same Thing It Did Last Year?<sup>1</sup>

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In 2011, Congress enacted the America Invents Act (AIA), the most substantial overhaul of the patent system in the past sixty years. The most significant change in the AIA was the move from a first to invent regime to a first inventor to file regime. Before 2011, U.S. patent law chose among competing claimants to a patent by favoring the first to invent. Under the AIA, we (largely) follow the rest of the world in awarding the patent to the first inventor to file a patent application.

The goal of the move to first to file, besides harmonization, is to encourage inventors to move with alacrity to share their invention with the world. Under the new law, an inventor can't rest on merely having invented; they have to race to the Patent and Trademark Office (PTO) in hopes of beating competitors. Under the AIA, unlike many other countries, inventors can also satisfy the obligation to share the invention with the world by making a “public disclosure” such as a publication or a public sale; doing so gives the inventor a year to get her invention on file. But whether it is by filing a (later-published) patent application or by publishing the invention, one of the touted advantages of the AIA is that it will encourage inventors to promptly disclose their ideas to the public.<sup>3</sup>

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<sup>3</sup> See, e.g., White House Office of the Press Secretary, *President Obama Signs America Invents Act, Overhauling the Patent System to Stimulate Economic Growth, and Announces New Steps to Help*

There is an ambiguity in the AIA, however, that threatens that disclosure objective. Some commentators have argued that Congress intended to fundamentally change the rules of prior art in a way that would encourage secrecy rather than disclosure.<sup>4</sup> Under this interpretation of the new law, an inventor can use its process in secret for commercial purposes, potentially forever, and still file a patent on that invention at some point in the future. Far from encouraging disclosure, on this interpretation the effect of the AIA is to encourage secrecy and delay in patenting. Curiously, the argument is that Congress signaled its intent to make this fairly radical change by re-enacting language that had been in the Patent Act for the last 140 years: the words “public use.”

Because two of these commentators, Bob Armitage and Joe Matal, were involved in the drafting of the AIA,<sup>5</sup> this argument has carried substantial weight, and the PTO in 2013 adopted regulations that read the term “public use” in the AIA as meaning something completely different than it had for the century before 2011.<sup>6</sup>

In this paper, I make two points. First, as a matter of statutory interpretation it is unlikely that Congress intended to make such a change, not only because they readopted existing statutory language but because other parts of the statute make no sense under such an interpretation. Second, reading the AIA as making such a change would be unwise as a policy

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*Entrepreneurs Create Jobs* (Sept. 16, 2011) (noting that the purpose of the bill was to help inventors bring their ideas to market more quickly).

<sup>4</sup> Joe Matal, *A Guide to the Legislative History of the America Invents Act, Part I of II*, 21 **Fed. Cir. B.J.** 435, 466-474 (2012) (arguing that the AIA excluded secret commercial uses, based largely on Senator Kyl’s statements on the Senate floor); Robert A. Armitage, *Understanding the America Invents Act and Its Implications for Patenting*, 40 **AIPLA Q.J.** 1, 51-60 (2012).

<sup>5</sup> Matal was a staffer for Senator Kyl. Armitage wrote early drafts of the language that was ultimately adopted by Congress in changed form.

<sup>6</sup> “Examination Guidelines”, Docket No.: PTO–P–2012–0024, 77 Fed. Reg. 43759 (July 26, 2012) (draft); 78 Fed. Reg. 11061 (Feb. 14, 2013) (final).

matter, not only because it would encourage secrecy but because it would undermine confidence that other terms reenacted in the AIA have the same meaning they have accrued in decades of common law.

In Part I, I explain the rules that existed before 2011. In Part II, I explain the changes made by the AIA and how they have been interpreted to date. In Part III, I consider whether those changes result in “public use” meaning something different under the AIA than it did before 2011.

### I. Prior Art and Public Use Before the AIA

An inventor can obtain a patent only if the invention is “novel” – that is, that no one has done the same thing before. In that case, the applicant is not the true first inventor. Rather than adopting an absolute novelty rule, however, patent law has traditionally required that most categories of prior art be “accessible to the public.”<sup>7</sup> Thus, while 35 U.S.C. §102(a) bars a patent if the invention was “known or used by others” before the applicant invented it, courts have interpreted that term to mean “publicly known or used.”<sup>8</sup> At the same time, the public accessibility requirement does not require that the public have a realistic chance of accessing the information; “public” seems to mean merely “not secret.”<sup>9</sup> An invention performed underground on private property in a rural area, an invention found only inside the walls of a

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<sup>7</sup> See, e.g., *In re Cronyn*, 890 F.2d 1158, 1161 (Fed. Cir. 1989) (printed publications must be “reasonably accessible to the public”).

<sup>8</sup> See, e.g., *Rosaire v. National Lead Co.*, 218 F.2d 72 (5<sup>th</sup> Cir. 1955).

<sup>9</sup> *W.L. Gore & Assocs., Inc v. Garlock, Inc.*, 721 F.2d 1540 (Fed. Cir. 1983) (“The nonsecret use of a claimed process in the usual course of producing articles for commercial purposes is a public use.”).

safe, and a single copy of a graduate thesis in the basement of a library in Germany have all been held sufficiently “public” to constitute prior art.<sup>10</sup>

In addition to novelty, the Patent Act of 1952, like its predecessors, created a series of “statutory bars” designed to prevent inventors from making commercial use of their invention while keeping it secret. Section 102(b) provides that even a true first inventor is not entitled to a patent if the invention has been “on sale” or “in public use” more than a year before the inventor files her patent application.<sup>11</sup> As with section 102(a), the courts have interpreted the word “public” quite loosely, so that even uses that are extremely unlikely to be viewed by the public are nonetheless classed as “public uses” so long as they are not affirmatively secret. In the most extreme example, the Supreme Court held that a woman engaged in a public use of a corset invented by her fiancé when she wore it under her clothing.<sup>12</sup>

But even a very broad definition of “public” left a significant loophole – an inventor could avoid the one-year statutory bar by commercializing his invention but treating it as a trade secret. Because a secret use is by definition not a public use, a company could make commercial use of an invention indefinitely without triggering the one-year period for filing. To solve this problem, courts for more than seventy years have created a special rule for secret

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<sup>10</sup> *Rosaire, supra* (underground testing was a public use even though unlikely to be discovered by the public); *New Railhead Mfg., LLC v. Vermeer Mfg. Co.*, 298 F.3d 1290 (Fed. Cir. 2002) (same); *Hall v. MacNeale*, 107 U.S. 90 (1883) (invention that was internal to the walls of a safe was public even though it could not be observed); *In re Hall*, 781 F.2d 897 (Fed. Cir. 1986) (holding that a single copy of a thesis held in the basement of a library in Germany in 1977, before the Internet, was a publication). Judge Dyk, dissenting in *New Railhead*, noted that in *Rosaire* “[t]he use actually took place under public land, hidden from view, and there has been no showing whatsoever that the use was anything but confidential. In order to understand the method of using the drill bit a person at the job site would have to view the drill bit or see it in operation, and this was impossible to do while the drill bit was underground.” 298 F.3d at 1300. Nonetheless, the use was held public.

<sup>11</sup> 35 U.S.C. §102(b).

<sup>12</sup> *Egbert v. Lipmann*, 104 U.S. 333 (1881).

commercial uses: a secret commercial use is not prior art that bars a third party from later obtaining a patent, but it does start the one-year clock running for the user.<sup>13</sup> This rule originated in a 1940 opinion by Judge Learned Hand, *Metallizing Engineering v. Kenyon Bearing & Auto Parts*.<sup>14</sup> The court acknowledged that interpreting the same term (“public use”) to have different meanings was hard to reconcile with the statute. But Judge Hand reasoned that it was not the intent of the statute to encourage secrecy, but instead to encourage disclosure.<sup>15</sup> *Metallizing’s* split interpretation of public use served that goal in two ways. First, it encouraged inventors to file a patent quickly rather than relying in trade secrecy, because they would lose the right to patent if they waited longer than a year. Second, the fact that a secret commercial use wouldn’t prevent a later patent from issuing to a third party adds to the disclosure incentive, because an inventor who opts for trade secrecy may find that a later inventor has patented their own idea and there is nothing they can do to stop it.<sup>16</sup>

*Metallizing* has been the law for more than seventy years. It has repeatedly been endorsed by the Federal Circuit.<sup>17</sup> And while it doesn’t fit well with the literal language of the

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<sup>13</sup> *Metallizing Eng’g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2d Cir.1946) (Learned Hand, J.).

<sup>14</sup> *Id.* For a detailed discussion of the facts of *Metallizing*, see Dmitry Karshedt, *Did Learned Hand Get it Wrong?: The Questionable Patent Forfeiture Rule of Metallizing Engineering*, 57 VILL. L. REV. 261 (2012).

<sup>15</sup> *Id.* at \_\_.

<sup>16</sup> *See, e.g.*, *Gillman v. Stern*, 114 F.2d 28 (2d Cir. 1940); *Dunlop Holdings Ltd. v. Ram Golf Corp.*, 524 F.2d 33, 35-36 (7<sup>th</sup> Cir. 1975) (noting that one who commercially exploits an invention in secret loses a claim to patent it, but also cannot bar a later inventor from patenting the same idea).

<sup>17</sup> *Gore v. Garlock*, *supra*; *Kinzebaw v. Deere & Co.*, 741 F.2d 383, 390 (Fed. Cir. 1984); *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 219 USPQ 13 (Fed.Cir. 1983); *Moore v. United States*, 1977 WL 22793 (Ct. Cl. 1977); 2 Donald S. Chisum, **Patents** § 6.02[5], at 6–36 (1983) (“it is now well established that commercial exploitation by the inventor of a machine or process constitutes a public use even though the machine or process is held secret.”). *Compare* *Dey, L.P. v. Sunovion Pharms., Inc.*, 715 F.3d 1351 (Fed. Cir. 2013) (third party use, if confidential, was not a public use) *with* *Pronova Biopharma Norge AS v. Teva Pharms. USA, Inc.*, Nos. 2012-1498, 2012-1499, 2013 WL 5202779 (Fed. Cir. Sept. 12,

statute (since a secret commercial use isn't "public"), the development of the prior art rules under the 1952 Act (and even before that time) has always been in significant part a common-law process. Courts have sought to balance absolute and relative novelty, requiring some form of public access even in statutory sections like 102(a) that do not require them.<sup>18</sup> They have grafted an experimental use exception onto the public use and on sale bars in section 102(b), allowing patentees to engaged in even truly public uses for more than a year if they do so for purposes of testing their invention.<sup>19</sup> Preventing applicants from engaging in secret commercial uses or sales for an indefinite period is designed to achieve the goals of encouraging early disclosure of inventions and avoiding delay in patenting while ensuring that applicants have enough time to test their inventions before deciding whether to patent them.

## II. The AIA and the "First Inventor to File"

The AIA made a number of significant changes to patent law and practice. At a high level of abstraction, the most significant change in the law was the decision to favor the first to file, not the first to invent, when choosing among competing inventors.<sup>20</sup> In fact, however, new section 102 is rather more complex than that. Like the 1952 Act, the AIA includes a one-year grace period allowing inventors to engage in some conduct before filing a patent suit. The AIA gives a patent applicant a one-year grace period for any "disclosures" made through the

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2013) (noting that confidentiality will not bar a finding of public use if the patentee has engaged in "commercial exploitation").

<sup>18</sup> See *supra* notes \_\_\_-\_\_\_ and accompanying text.

<sup>19</sup> *City of Elizabeth v. Pavement Co.*, 97 U.S. 126 (1877).

<sup>20</sup> Simultaneous invention is quite common. See, e.g., Mark A. Lemley, *The Myth of the Sole Inventor*, 110 *Mich. L. Rev.* 709 (2012).

patentee's own conduct.<sup>21</sup> It also protects patentees who make a "public disclosure" of the invention from intervening filings by third parties during the next year. As John Duffy and Rob

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<sup>21</sup> 35 U.S.C. §102(b)(1). The relevant text of section 102 reads:

(a) NOVELTY; PRIOR ART.--A person shall be entitled to a patent unless--

(1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public before the effective filing date of the claimed invention; or

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

(b) EXCEPTIONS.--

(1) DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION.--A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if--

(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

(2) DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS.--A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if--

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

(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

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

Merges have explained, a “public disclosure” is presumably a subset of “disclosures,” suggesting that “disclosures” in turn includes some information that is not in fact public.<sup>22</sup>

What, then, does “disclosure” encompass? Leading patent scholar Rob Merges suggests that it encompasses any category of prior art in section 102(a)(1) – specifically, things that were “patented, described in a printed publication, or in public use, on sale, or otherwise available to the public.”<sup>23</sup> Merges relies on the structure of section 102, but further support for his position comes from the fact that the term “disclosures” was a term of art under the 1952 Patent Act that was used synonymously with “prior art.” Thus, in *In OddzOn Products v. Just Toys*, the court addressed whether a 102(f) confidential disclosure could also be used as “prior art” under 103. *OddzOn* argued that “because these disclosures are not known to the public, they do not possess the usual hallmark of prior art, which is that they provide actual or constructive public knowledge.”<sup>24</sup> The Federal Circuit rejected that argument, concluding that derivation under old section 102(f) was prior art that could be used for an obviousness inquiry.<sup>25</sup> Notably, both the court and the party arguing against prior art status for secret information used the term “disclosures” to refer to that secret prior art. That usage by both courts and litigants is consistent with the idea that “disclosures” in patent law has traditionally meant “anything that qualifies as a prior art reference,” not a particular level of publicness.<sup>26</sup>

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<sup>22</sup> Robert P. Merges, *Priority and Novelty Under the AIA*, 27 **Berkeley Tech. L.J.** 1023 (2012).

<sup>23</sup> *Id.*

<sup>24</sup> *OddzOn Prods. v. Just Toys*, 122 F.3d 1396, 1401 (Fed. Cir. 1997).

<sup>25</sup> *Id.* at 1402.

<sup>26</sup> Other cases use the term consistently. Thus, in *Conmar Prods. Corp. v. Universal Slide Fastener Co.*, 172 F.2d 150, 152 (2d Cir. 1949), Judge Hand referred to a putative piece of prior art as the “Poux disclosure” even though it was not in fact public as of the priority date. Similarly, *White Cap Co. v. Owens-Illinois Glass Co.*, 203 F.2d 694, 696 (1953), speaks of a rejected patent application that never became public, and therefore did not qualify as prior art, as the “Armstrong disclosure. See also

The definition of prior art, in turn, is set out in section 102(a)(1). Fortunately, the terms used in section 102(a)(1) are all familiar from prior law. The terms patented, described in a printed publication, public use, and on sale are taken directly from section 102(b) of the 1952 Act. And, as noted previously, the term “available to the public” was used to describe what fit into the categories of patents and publications, but not public uses or sales.<sup>27</sup> The only new piece of 102(a)(1), then, is the word “otherwise” before “available to the public, which seems to create a catchall new category of prior art.<sup>28</sup>

Notwithstanding the continuation of the same terms from the 1952 Act, the PTO has taken the position in its Examination Guidelines that the terms “public use” and “on sale” have different and significantly more restrictive meanings under the AIA than they did under the 1952 Act and its predecessors. The PTO Guidelines concluded that a secret commercial use by the patent applicant more than a year before filing will no longer bar that applicant from a patent. In so concluding, the proposed Guidelines take the position that the AIA has reversed an unbroken line of precedent of both the Federal Circuit and the regional circuits tracing back to Judge Learned Hand's decision in the *Metallizing* case. The Guidelines go further, concluding that a sale as well as a public use must be available to the public. Sell your invention subject to a confidentiality agreement and the PTO believes you can commercialize to your heart's

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Hazeltine Res., Inc. v. Brenner, [cite] (finding a filed patent application to be prior art for section 103 purposes even though “its disclosures were secret and not known to the public.”).

<sup>27</sup> See *supra* notes \_\_\_ - \_\_\_ and accompanying text.

<sup>28</sup> For a discussion of this new catchall category, why it is unnecessary, and the problems it might create, see Joshua Sarnoff, *Derivation and Prior Art Problems with the New Patent Act*, 2011 **Patently-O Pat. L.J.** 11 available at <http://www.patentlyo.com/files/sarnoff.2011.derivation.pdf>; Paul Morgan, *The Ambiguity in Section 102(a)(1) of the Leahy-Smith America Invents Act*, 2011 **Patently-O Pat. L.J.** 29, available at <http://www.patentlyo.com/files/morgan.2011.aiaambiguities.pdf>.

content without triggering the one-year grace period. The result is that under the PTO's interpretation, a potentially large category of prior art has been eliminated from the statute.

### III. Does Public Use Have a Different Meaning Today Than It Did in 2011?

While the PTO has no substantive rulemaking authority,<sup>29</sup> so their Guidelines have no legal force, there is a substantial risk that courts will follow the PTO in changing the meaning of the terms "public use" and "on sale" in the AIA. I think that would be a mistake. The PTO's decision to eliminate secret sales and commercial uses from the scope of prior art is troubling both as a matter of statutory interpretation and for its implications for the new statute.

#### A. Statutory Interpretation

I should begin by acknowledging that, to an outsider, a secret commercial use does not seem to fit comfortably within the plain meaning of the term "public use." As noted above, "public" in the 1952 Act, and the related term "accessible to the public" in the case law, was generally interpreted to mean merely "not secret," regardless whether the public was actually likely to encounter the prior art.<sup>30</sup> A use inside the inventor's factory that is protected as a trade secret is not public in that sense.

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<sup>29</sup> See, e.g., *Tafas v. Doll*, 559 F.3d 1345 (Fed. Cir. 2009). For debates on the wisdom of this rule, see Stuart Minor Benjamin & Arti K. Rai, *Who's Afraid of the APA? What the Patent System Can Learn from Administrative Law*, 95 *Geo. L.J.* 269 (2007); Sarah Tran, *Patent Powers*, 25 *Harv. J. L. & Tech.* 595 (2012); Sapna Kumar, *Expert Court, Expert Agency*, 44 *U.C. Davis L. Rev.* 1547 (2011).

<sup>30</sup> See *supra* notes \_\_\_-\_\_\_ and accompanying text.

Nonetheless, because the term “public use” has been in the patent statute since 1870,<sup>31</sup> and has consistently been interpreted during that time to extend to secret commercial uses, the relevant question is not simply “what does the term public use mean?” but “did Congress intend to change the settled meaning of that term?” It is a well-established principle of statutory interpretation that when Congress reenacts existing statutory language, it is presumed to acquiesce in the way the courts have interpreted that language.<sup>32</sup> Indeed, the Supreme Court applied that principle to the Patent Act as recently as 2011, when it concluded that the phrase “a patent shall be presumed valid” in the 1952 Act required the application of a clear and convincing evidence standard because courts before 1952 had interpreted the presumption to be rebutted only with clear and convincing evidence.<sup>33</sup> So it is reasonable to start with a strong presumption that both “public use” and “on sale” mean the same thing in the AIA as they meant in the 1952 Act (or the Patent Act of 1870, for that matter).<sup>34</sup> “Public

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<sup>31</sup> See Patent Act of 1870 §24, R.S. §4886.

<sup>32</sup> *Neder v. United States*, 527 U.S. 1, 21 (1999) (“Where Congress uses terms that have accumulated settled meaning under ... the common law, [we] must infer, unless the statute otherwise dictates, that Congress means to incorporate the established meaning of those terms.” (quoting *Nationwide Mut. Ins. Co. v. Darden*, 503 U.S. 318, 322 (1992))); *Standard Oil Co. of N.J. v. United States*, 221 U.S. 1, 59 (1911) (“[W]here words are employed in a statute which had at the time a well-known meaning at common law or in the law of this country they are presumed to have been used in that sense ...”); *GPX Int'l Tire Corp. v. United States*, 666 F.3d 732, 739 (Fed. Cir. 2011) (making this point and collecting Supreme Court cases).

<sup>33</sup> *Microsoft Corp. v. i4i Ltd.*, 131 S.Ct. 2238, 2246 (2011).

<sup>34</sup> See Morgan, *supra* note \_\_, at 33 (“The fact that the drafters did not [change the preexisting public use language] suggests that the drafters did *not* intend to overrule the long-established case law precluding delayed patenting after secret commercial use of inventions and making secret “on-sale” activities a statutory bar, especially since the AIA deliberately retained, unqualified, the exact same previously judicially interpreted words “in public use” and “on sale”).

use” has become a term of art in patent law. When a term has become such a term of art, it is the traditional use, *not* the plain meaning, that governs.<sup>35</sup>

The argument against changed meanings is even stronger with respect to secret sales. While the plain meaning of “public use” seems to exclude secret uses, there is no similar limitation in the term “on sale.” A sale is a sale whether it is done publicly or privately. But the interpretation adopted by the PTO, while perhaps consistent with the plain meaning of the term “public use” unenlightened by decades of judicial interpretation, is flatly contrary to the plain meaning of “on sale” because it requires courts to distinguish between secret and public sales and ignore the former, despite the fact that the statute draws no such distinction.

The sole statutory hook for the idea that “public use” and “on sale” have changed meanings in the new statute is the addition of a new, catchall category of prior art – information that was “otherwise available to the public.” Those who argue that the AIA overruled *Metallizing* point to the word “otherwise” as implicitly indicating that all the other categories of prior art – patents, publications, public uses, and sales – must also be “available to the public.”<sup>36</sup> But, as noted previously, “available to the public” was a phrase in common use in cases interpreting the 1952 Act, and it applied to a number of things that were not in fact available to the public.<sup>37</sup> Far from indicating an intent to change the definition of prior art under the 1952 Act, the adoption of this language suggests an intent to continue the same

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<sup>35</sup> “[I]t is a cardinal rule of statutory construction that, when Congress employs a term of art, it presumably knows and adopts the cluster of ideas that were attached to each borrowed word in the body of learning from which it is taken.” *Air Wisconsin Airlines Corp. v. Hooper*, 12-315, 2014 WL 273239 (U.S. Jan. 27, 2014) (quoting *FAA v. Cooper*, 132 S.Ct. 1441, 1449 (2012)).

<sup>36</sup> *Matal*, *supra* note \_\_; *Armitage*, *supra* note \_\_.

<sup>37</sup> See *supra* notes \_\_-\_\_ and accompanying text.

definition of prior art that existed before 2011. At a minimum, it would be odd to interpret the addition of a new category of prior art to *sub silentio* eliminate other categories.

The idea that public uses and sales must include some non-public information notwithstanding the “otherwise available to the public” language is further bolstered by the structure of the grace period created in the AIA. While the normal rule is that an inventor cannot have a patent if the prior art was available before their filing date, section 102(b) creates an exception for “disclosures” occurring within one year before the inventor files. A “disclosure” made by the inventor herself will not bar her from patenting the invention within a year after that disclosure.<sup>38</sup> In addition, if the inventor has made a “public disclosure,” that public disclosure will create a one-year grace period in which the later application is immune to *all* prior art, not just prior art disclosed by the inventor. But as Rob Merges and John Duffy have pointed out, the use of the two different terms “disclosures” and “public disclosures” in the same statutory subsection strongly suggests that the two have different meanings and that “disclosures” encompasses some things that are not in fact public.<sup>39</sup> If “public use” and “on sale” have the same meaning they have always had, the distinction between disclosures and public disclosures makes sense – disclosures means all types of prior art in section 102(a)(1), and that includes some that are not public. By contrast, there is no good explanation for the use of these two different terms if all disclosures are necessarily “available to the public,” as the Armitage interpretation suggests.

Finally, the history of the drafting of the AIA suggests that it did not repeal *Metallizing*. The original bill introduced in Congress in 2005 would have eliminated the categories of public

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<sup>38</sup> 35 U.S.C. §102(b)(1).

<sup>39</sup> Merges, *supra* note \_\_.

use and on sale altogether, defining prior art as only things “patented, described in a printed publication, or otherwise publically [sic] known.”<sup>40</sup> Senator Kyl expressly noted that the purpose of dropping public use and on sale was to “eliminate[] confidential sales and other secret activities as grounds for invalidity.”<sup>41</sup>

But that language was not the language Congress adopted. During the course of six years of Congressional debate, Congress added the terms “public use” and “on sale” back into the definition of prior art. Indeed, Senator Kyl and others objected to adding that language because they said it would add secret uses back to the definition of prior art.<sup>42</sup> To limit those terms only to uses and sales that were publicly known would render that decision a nullity – the statute would have precisely the same effect as if the terms “public use” and “on sale” were excluded altogether. An interpretation of a statute that renders a portion of it a nullity is strongly disfavored.<sup>43</sup> That is particularly true when the terms were specifically added to the bill during the legislative process.

Against the considerable weight of this statutory interpretation, those who claim the AIA overruled *Metallizing* 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 AIA in which Senator Leahy expressed his view to Senator Hatch that “subsection 102(a) was drafted in part to do away with the precedent

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<sup>40</sup> H.R. 2795 (2005).

<sup>41</sup> 154 Cong. Rec. S9992 (Sept. 27, 2008). That statement was in reference to a 2008 Senate bill that went back to the original 2005 House language, but which was ultimately not adopted. For a full and thoughtful discussion of the legislative history on this point, see Daniel Taskalos, *Metallizing Engineering’s Forfeiture Doctrine After the America Invents Act*, 16 *Stan. Tech. L. Rev.* 657 (2013).

<sup>42</sup> S. Rep. No. 111-18, at 66 (2009) (minority views of Sens. Kyl, Feingold, & Coburn).

<sup>43</sup> See, e.g., *Kungys v. United States*, 485 U.S. 759, 778 (1988).

under current law that private offers for sale or private uses or secret processes practiced in the United States . . . may be deemed patent-defeating prior art.”<sup>44</sup> Senator Kyl made similar statements about his interpretation of the statute the day before.<sup>45</sup> This pre-packaged “conversation” enabled certain representatives to express their view that *Metallizing* should be overruled. But the floor statement of two members of Congress articulating their personal intent, unexpressed in the statute, to overrule *Metallizing* should not change settled law.<sup>46</sup> While the use of any legislative history is suspect to some, the statements of individual members of Congress on the floor are particularly weak legislative history, because there is no reason to think that they speak for anyone but themselves.<sup>47</sup> That is particularly true here, when other members of Congress, notably Rep. Zoe Lofgren, publicly took a different view.<sup>48</sup>

A stronger form of legislative history lies in the official reports written by the Committee that advanced the legislation to the floor.<sup>49</sup> Those reports, unlike a colloquy, at least purport to

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<sup>44</sup> 157 Cong. Rec. S1496 (Mar. 9, 2011). Senator Hatch did not respond to this point, instead turning to different issues. Hal Wegner has called this “*faux* legislative history” because it was created after the fact to explain a bill that had already passed. Harold C. Wegner, **The 2011 Patent Law: Law and Practice** 138 (4<sup>th</sup> ed. 2011).

<sup>45</sup> 157 Cong. Rec. S1370 (Mar. 8, 2011).

<sup>46</sup> See Taskalos, *supra* note \_\_, at 706 (“Statements by three legislators should not dictate the fate of such a well-established doctrine.”).

<sup>47</sup> See *Mims v. Arrow Fin. Serv., LLC*, \_\_\_ U.S. \_\_\_, 132 S. Ct. 740, 752 (2012) (noting that Senator Hollings' comments in support of the TCPA are not controlling on any court's decision). See also *Wisconsin Educ. Ass'n Council v. Walker*, 705 F.3d 640, 652 (7th Cir. 2013); *Patriotic Veterans v. Indiana*, 736 F.3d 1041, 1053 (7<sup>th</sup> Cir. 2013) (“the comments of individual senators do not necessarily reflect Congress's intent in enacting any particular piece of legislation”).

<sup>48</sup> Representative Lofgren sought to submit an amendment on the floor of the House to clarify that all existing categories of prior art were subsumed in the term “disclosure,” but the Rules Committee would not allow the amendment to be presented, so there was no opportunity for Congress to discuss or vote on the question. <http://rules.house.gov/bill/112/hr-1249>. For a discussion of the problems with relying on the statement of a few members of Congress, particularly when lobbyists may be involved in drafting statements, see Taskalos, *supra* note \_\_, at 703-05.

<sup>49</sup> Courts are generally hesitant about looking at the legislative history of a bill from a prior Congress. But here there is a more compelling case for looking at it because the only report for the enacted AIA, H.R. Rep. No. 112-98, states (on p. 57) that “the bill is a 6-year work in progress” and cites hearings

speak for the committee as a whole. Notably, the House Report accompanying the 2007 bill – the one that reintroduced the public use and on sale language – expresses an intent to adopt the public use and on sale language “primarily because of how the terms ‘in public use’ and ‘on sale’ have been interpreted by the courts.”<sup>50</sup> That – coupled with the fact that the bill changed to add those terms over the objections of the Senators who wanted to overrule *Metallizing* – suggests that the legislative history is at most ambiguous. Indeed, if anything the best reading of that history is that Congress voted to maintain the definitions of public use and on sale as they have existed for decades, even if a few Senators wished it were otherwise.

## **B. Policy**

It seems unlikely, then, that Congress acted to overrule *Metallizing* and the cases that have followed it. That is a good thing, for two reasons. First, *Metallizing* is good public policy. Second, a conclusion that the readoption of the language of the 1952 Act in the AIA changes the meaning of that language would create enormous uncertainty about the scope of patent law for decades to come.

### **1. Encouraging Prompt Disclosure**

Requiring inventors who put their inventions to commercial use to promptly file a patent application serves two goals. First, it discloses the invention to the world. *Metallizing* forces the inventor who wants to make commercial use of her invention to choose early

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from 2005 on. That is particularly true where, as here, the final statutory language was settled on in the 2007 term and did not change thereafter.

<sup>50</sup> H.R. Rep. No. 110-314, at 57 (2007).

between patent and trade secret protection, and it biases that choice in favor of patenting. An inventor who commercializes a process but does not file a patent within one year will forever lose the right to patent, but her prior work will not be prior art against a later third party inventor. Thus, under *Metallizing*, anyone who opts for trade secrecy risks having someone else patent their invention.<sup>51</sup> One might reasonably question how valuable the disclosure function of patent law is in the modern world,<sup>52</sup> but the AIA is based on the premise that encouraging inventors into the patent system serves a valuable social purpose.

Second, the *Metallizing* rule prevents the commercializing inventor from delaying the filing of her patent application in order to extend the life of her patent and her control over the invention. This has long been an important policy that underlies the statutory bars in patent law. Since the days of *Egbert v. Lippmann*,<sup>53</sup> courts have worried that applicants could delay the issuance of their patent application in order to artificially delay the expiration of their patents. And indeed so-called “submarine” patents were a very real problem in the 1990s.<sup>54</sup> But after 1995, when the patent term began to be measured from the date the application was

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<sup>51</sup> The risk is lessened under the AIA because the first inventor will be able to assert prior use as a personal defense. But the prior user right is limited in various ways. 35 U.S.C. §273(a). Owning a patent is preferable to having an imperfect defense to infringement of someone else’s patent.

<sup>52</sup> For differing views on this issue, compare Lemley, *Myth*, *supra* note \_\_ (questioning the value of the disclosure in the patent document) with Lisa Larrimore Ouellette, *Do Patents Disclose Useful Information?*, 25 **Harv. J. L. & Tech.** 531 (2012) (arguing that patents in some industries provide valuable disclosures). See also Jeanne C. Fromer, *Patent Disclosure*, 94 **Iowa L. Rev.** 539, 542 (2009); Alan Devlin, *The Misunderstood Function of Disclosure in Patent Law*, 23 **Harv. J.L. & Tech.** 401, 403 (2010); Note, *The Disclosure Function of the Patent System (or Lack Thereof)*, 118 **Harv. L. Rev.** 2007, 2025-26 (2005).

<sup>53</sup> 104 U.S. 333 (1881).

<sup>54</sup> For discussion, see Mark A. Lemley & Kimberly Moore, *Ending Abuse of Patent Continuations*, 84 **B.U. L. Rev.** 63 (2004).

filed rather than the date the patent issued, the loophole that allowed submarine patenting was largely closed.<sup>55</sup>

Eliminating *Metallizing* would invite the return of submarine patents. Inventors of easily-concealable inventions like manufacturing processes could keep their process inventions secret for years or even decades, and then surface and file a patent application. Because that application was filed later, the patent would expire later. It could take an existing industry by surprise, because others who developed but did not patent the technology would not be able to use their own secret use as prior art to defeat the patent. And while some inventors will not want to take the risk that someone else patents the idea before them, the AIA actually lessens that risk by giving the first inventor a prior user right. Eliminating *Metallizing* would encourage delay in patenting in the hopes of extending the life of a patent.<sup>56</sup> That is directly contrary to the goals of first-inventor-to-file in the AIA, which encourages early filing of patent applications.<sup>57</sup>

## 2. Avoiding Uncertainty in Statutory Interpretation

Concluding that and the cases that follow it were abrogated will have another, even more pernicious effect. *Metallizing*, *Gore v. Garlock*, and other cases interpret the term "public

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<sup>55</sup> The existence of patent term extensions for long patent prosecutions, see 35 U.S.C. §154, does present an opportunity for some submarine behavior even today.

<sup>56</sup> See also Taskalos, *supra* note \_\_, at 707 (speculating that companies with valuable technologies, especially in pharmaceuticals, would take the risk of secret commercialization in order to obtain longer patent lives).

<sup>57</sup> One commentator has even gone so far as to argue that it is unconstitutional because it permits unlimited delay in the filing (and hence the expiration) of patents. See Ron Katznelson, *The America Invents Act May Be Constitutionally Infirm if It Repeals the Bar Against Patenting After Secret Commercial Use*, available at <http://works.bepress.com/cgi/viewcontent.cgi?article=1067&context=rkatznelson>.

use" in the old statute. One might reasonably conclude that those cases stretch the plain meaning of that term, but what the courts said they were doing was interpreting the words "public use." The term "public use" appears unchanged in new section 102 under the AIA. For the courts to conclude that the new law would open the door to reinterpretation of the settled meaning of terms present in both the old and new statutes opens a dangerous door. Parties and courts might be expected to try to revisit the meaning of "on sale," "patented," "printed publication," and many other settled statutory provisions, creating enormous uncertainty. Indeed, the interpretation advanced by the PTO requires changing the meaning not only of "public use" but also of "on sale." And the meaning advanced for "on sale" is one that is at odds with the plain language of that term. If we are to revisit the public aspect of "on sale," who is to say we should not also revisit the detailed case law on what constitutes an offer for sale,<sup>58</sup> or the rule that the on sale bar is triggered when the invention is ready for patenting, even if it hasn't yet been built.<sup>59</sup> None of those rules flow inexorably from the meaning of the words "on sale," and if the "on sale" of the AIA is different than the "on sale" of the 1952 Act all those interpretations are open to question.

Patent law is full of terms that have taken on a judicial gloss that departs from their plain meaning. A "printed publication" does not by its terms include a web site or a PowerPoint presentation, but courts have interpreted both to fit within the meaning of the term.<sup>60</sup>

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<sup>58</sup> See, e.g., *In re Kollar*, 286 F.3d 1326, 1333 (Fed. Cir. 2002); *Gemmy Indus. Corp. v. Chrisha Creations, Ltd.*, 452 F.3d 1353, 1360 (Fed. Cir. 2006); *Group One, Ltd. v. Hallmark Cards, Inc.*, 254 F.3d 1041, 1047 (Fed. Cir. 2001).

<sup>59</sup> *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55 (1998).

<sup>60</sup> *In re Klopfenstein*, 380 F.3d 1345 (Fed. Cir. 2004) (PowerPoint presentation at a conference is a printed publication); *Voter Verified, Inc. v. Premier Election Solutions, Inc.*, 698 F.3d 1374 (Fed. Cir. 2012) (unindexed web page is a printed publication).

“Available to the public” has a meaning defined in a variety of cases that is at odds with how most law people would understand the phrase. If reenacting old statutory language is an invitation to revisit the meaning of that language, we will lose all the benefit of more than a century of case law interpreting those terms. We will have to start over, with no guarantee that the settled meaning of these old terms will carry over into the new statute. And because it will be years before patents issue and begin to be litigated under the AIA, it will be a very long time before we can know for sure whether the scope of prior art is the same as it was before the AIA.

The problems don’t end there. The definition of prior art includes not only terms like “public use” and “printed publication” but also a large number of judicially-created doctrines that refine the scope of prior art. The inherency doctrine,<sup>61</sup> for example, like the Metallizing rule, is not articulated expressly in either the old or new statute. If the reenactment of the term “public use” opens the door to revisiting Metallizing, it also opens the door to revisiting inherency, which by definition isn’t “available to the public.” The same is true of the experimental use exception to the on sale and public use bars. That exception doesn’t exist in the statute; it was created by the Supreme Court in the nineteenth century.<sup>62</sup> But if the touchstone for the new meanings of public use and on sale is public availability, there is no reason to think those new terms should include an unarticulated exception for uses and sales that are public but nonetheless experimental. Similarly, the rule that prior art must be

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<sup>61</sup> The inherency doctrine provides that things already in use in the prior art cannot be patented, even if the people using them didn’t understand what they were using. For discussion, see, e.g., Dan L. Burk & Mark A. Lemley, *Inherency*, 47 *Wm. & Mary L. Rev.* 371 (2005).

<sup>62</sup> *City of Elizabeth v. Pavement Co.*, 97 U.S. 126 (1877).

enabling<sup>63</sup> exists nowhere in the statute; courts would be free to revisit that requirement and conclude that a public description of the invention was prior art whether or not it was enabling, so long as the publication was available to the public. And we might question the doctrine of double patenting,<sup>64</sup> which is similarly not articulated anywhere in section 102.

The PTO, patent applicants, and litigants would be much better served by leaving existing precedent interpreting unchanged statutory terms in place. The AIA creates enough uncertainty with a variety of new language. Concluding, as the PTO has done, that we must revisit all our old decisions even where Congress chose to reenact old language would doom us all to decades of uncertainty as to the scope of prior art.

#### IV. Conclusion

Despite the efforts of some of the drafters of the AIA, including Bob Armitage, Congress did not change the basic language establishing the core categories of prior art. The PTO was wrong to conclude that reenacting the same statutory language nonetheless worked a major change in the definition of prior art. While the issue is not entirely free from ambiguity, the canons of statutory interpretation counsel strongly against such a reading. Were courts to follow the PTO, the result would be not only the loss of a valuable doctrine that encourages early filing of patent applications, but to put at risk many of the most fundamental doctrines of patent law.

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<sup>63</sup> In re Hafner, 410 F.2d 1403, 1405 (C.C.P.A. 1969).

<sup>64</sup> In re Vogel, 422 F.2d 438 (C.C.P.A. 1970); In re Kaplan, 789 F.2d 1574 (Fed. Cir. 1986).