

From: Geld Jonathan-B33935
Sent: Thursday, October 04, 2012 5:29 PM
To: fitf_rules
Subject: First-Inventor-to-File (Response to Proposed Rules)

RE: Freescale Semiconductor, Inc. Comments regarding First-Inventor-to-File Rules

Dear Sir / Madam:

Freescale Semiconductor, Inc. submits the attached comments to the First-Inventor-to-File patent rules noticed published at 77 Fed. Reg. 43742 (July 26, 2012), entitled "Changes to Implement the First Inventor to File Provisions of the Leahy-Smith America Invents Act." The attached comments are in a color PDF file. Should you have any difficulty accessing the file, please let us know and we will provide an alternative form of the comments. In addition, should you prefer to also receive these comments by other means (e.g., U.S. Mail), please let us know.

Thank you for the opportunity to provide comments on the proposed rules. Should you have any questions about our comments, please do not hesitate to contact me or Jennifer Wuamett (the signator to the comments).

Kindest regards,
Jonathan Geld

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Mail Stop Comments – Patents
Commissioner for Patents
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ATTN: Raul Tamayo, Legal Advisor
Office of Patent Legal Administration
Office of the Deputy Commissioner for Patent Examination Policy

RE: Freescale Semiconductor, Inc. Comments in response to “Changes to Implement the First Inventor to File Provisions of the Leahy-Smith America Invents Act” (77 Fed. Reg. 43742 (July 26, 2012)) and accompanying Examination Guidelines

Dear Mr. Tamayo:

Freescale Semiconductor (“Freescale”) supports the efforts of the United States Patent and Trademark Office (“USPTO”) to implement the First-Inventor-to-File provisions of the Leahy-Smith America Invents Act (“the Act”). We thank the USPTO for the opportunity to provide our views regarding the proposed changes.

Freescale also supports the majority of the rule changes proposed in the subject Federal Register Notice (“Notice”). We believe that the following provisions raise some concerns and require clarification from the USPTO.

Prior Art Under AIA 35 U.S.C. 102(a)(1) and the Meaning of “On Sale”

As an initial matter, Freescale notes that, during legislative debate, a frequently stated motivation for patent reform was greater international patent harmonization. Even subsequent to the passage of the Leahy-Smith America Invents Act, Congress has continued to explore how implementation efforts directed toward the Act enhance international harmonization efforts. More uniform global patent laws and patent practices will help to level the playing field and create opportunities for both inventors and companies seeking patents around the world.

One focus of the prior art provisions of 35 U.S.C. § 102(a)(1) is the public nature of the art. While the bill was pending before Congress, this issue was raised in both houses. On March 8, 2011, Senator Kyl, during floor debate, stated that one aspect of the Act that merited special mention was that “it limits all non-patent prior art to that which is available to the public.” This included disclosures related to the claimed invention being “on sale.” As noted in the “Examination Guidelines for Implementing the First-Inventor-to-File Provisions of the Leahy-Smith America Invents Act” (“Guidelines”), Senator Kyl provided a detailed analysis of how proper construction of the operative clause of 35 U.S.C. § 102(a) makes clear that the term “public” should be applied to all portions of the clause. *See* Guidelines, p.43765 n.29 (July 26, 2012). Senator Kyl further noted that the language “or otherwise available to the public” was originally inserted into the statute to “clarify the broad scope of relevant prior art, as well as to emphasize that it [i.e., the relevant prior art] must be publicly available.” *See* 157 Cong. Rec. S1370. Such an interpretation is in accord with Congress’ goal of international harmonization.

Public accessibility of art is a key to the applicability of that art against a patent application in a variety of international patent jurisdictions. For example, in the European Patent Office (EPO), “the state of the art shall be held to comprise everything made available to the public by means of a written or oral description, by use, or in any other way, before the filing of the European patent application.” European Patent Convention, Section 54(2) (emphasis added). “Use” includes offering, marketing or otherwise exploiting a product. *See* Guidelines for Examination in the European Patent Office, G-IV, 7.1 (2012). A guiding principle for whether subject matter is available to the public by use is “if, at the relevant date, it was possible for members of the public to gain knowledge of the subject-matter and there was no bar of confidentiality restricting the use or dissemination of such knowledge.” *Id.*, G-IV, 7.2.1; *see also* G-IV, 7.2.2 (agreement on secrecy keeping the subject matter from public accessibility). Thus, “disclosures” or “use” subject to a non-disclosure agreement are not “public” in light of this EPO guidance.

Public accessibility of a disclosure is also a hallmark of other important patent jurisdictions. The Japanese Patent Office, in explaining the scope of prior art defined by Patent Act Article 29(1), provides that “[t]he expression ‘inventions that were publicly known’ represents an invention whose content becomes known to unspecified persons as an art without an obligation of secrecy.” Examination Guidelines for Patent and Utility Model in Japan, Ch.2 “Novelty and Inventive Step” (English Translation 2012). Similarly, in Canada, the operative statute 28.2(1)(a) provides that the subject matter of a

claim in an application for patent must not have been disclosed “more than one year before the filing date by the applicant, or by a person who obtained knowledge, directly or indirectly, from the applicant, in such a manner that the subject-matter became available to the public in Canada or elsewhere.” Disclosures in private documents do not count as public disclosures under the statute. *See* David Vaver, *Intellectual Property Law: Copyright, Patents, Trade-Marks*, 2d ed. (Toronto: Irwin Law Inc., 2011), p.321.

Freescale submits that in order to meet the combined goals of harmonization as well as having prior art be publicly available, the USPTO should draw a distinction between public and private sales-type activities during a 35 U.S.C. § 102(a) analysis. Private sales activities that are conducted under non-disclosure agreements and the like, the details of which are not accessible to the public, should not be considered 102(a) prior art. This is in accord with this expressed intent of Congress. Freescale therefore requests that the USPTO clearly provide, in the Guidelines and other materials related to implementation of 35 U.S.C. § 102, directives differentiating treatment of public and private sales activities, which emphasize that private sales activities are not to be considered invalidating prior art under 102(a)(1) and therefore do not trigger the one-year grace period of 102(b)(1).

**Request for Guidance Regarding Grace Period “Inventor” and “Non-Inventor”
Disclosure by an Assignee**

The Guidelines provide that, under 35 U.S.C. § 102(b)(1), a “disclosure” is all the prior art listed under § 102(a)(1). That is a claimed invention being 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. Section 102(b)(1) distinguishes between a disclosure of the claimed invention or disclosure of the subject matter of the claimed invention, either made by the inventor or a joint inventor, or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor. Both the Guidelines and the “Changes to Implement the First Inventor to File Provisions of the Leahy-Smith America Invents Act” (“Changes”) relate how rule 37 CFR 1.130 is amended to provide a mechanism by which a showing can be made of attribution of a disclosure to an inventor or joint inventor, prior disclosure, or derivation under 35 U.S.C. § 102(b). But an important class of disclosures does not appear to be clearly addressed by either the Guidelines or the Changes: disclosures by the assignee of an invention or a party to whom the inventor / joint inventor is obligated to assign.

Typically, when an inventor is employed by a business entity, it is not the inventor who performs disclosures such as sales activities, but instead the business entity itself. There is often an agreement between the business entity and the inventor providing an obligation to assign inventions to the business entity (e.g., a Proprietary Information and Inventions Agreement or an employment agreement). In the case of such agreements, an invention is subject to assignment when the invention is conceived. Once an invention is conceived by the inventor and subsequently incorporated into the business entity's existing or future products, it is the business entity that engages in commercialization of those products.

When an employee-inventor is under obligation to assign inventions to an entity-assignee, the entity-assignee does not "derive" inventions disclosed through the entity's normal business activities, such as sales. This is because, as assignee, the entity has possession of all the rights associated with the invention. Under contract law, an assignee "stands in the shoes" of the assignor in asserting all rights and obligations of the object of the assignment. We submit that an assignee of an invention generated by an employee-inventor should also "stand in the shoes" of the inventor when considering activities related to public disclosures under 35 U.S.C. § 102(a) and the exceptions under § 102(b).

If disclosures by the employer-assignee were to be considered "by another" under the statute, then establishing entitlement to the statutory exceptions may become administratively onerous (and in some cases virtually impossible). Rule 1.130, as currently proposed in the Changes, appears to provide that for a non-inventor "disclosure", a showing must be made both that the inventor / joint inventor was in fact the inventor of the subject matter of the disclosure, and that the inventor or joint inventor "directly or indirectly communicated the subject matter of the disclosure to the party." Changes, 77 Fed. Reg. at 43750 (proposed 37 CFR 1.130(d)). Typical business practices would not necessarily include recordation of communications of this nature. For example, the only "communication" of the subject matter of the disclosure from the inventor to the entity may be the submission of an invention disclosure that may or may not directly correspond with the implementation of the invention sold in a product or the claims of a related patent application. To accommodate a literal interpretation of proposed Rule 1.130 to avoid potential loss of rights if the corporate employer does not essentially stand in the shoes of the inventor for purposes of qualifying for § 102(b) exceptions, companies may need to implement unproductive and burdensome administrative processes that could interfere with or slow down ordinary commercialization processes. Further, these situations would arise so frequently that

submission to the USPTO of the related declarations and supporting evidence would increase the USPTO burden in reviewing applications.

To avoid these pitfalls, the proposed rules or Guidelines should be modified to provide that if a disclosure by an employer-assignee under § 102(a)(1) is used as prior art against a patent application, such disclosure be entitled to the corresponding exceptions without a further showing of the communication between the employee-inventor and the employer-assignee. We submit that the fact that the employer-assignee had sufficient possession of the invention to make the disclosure (e.g., public sale or public use) is evidence of a direct or indirect communication by the inventor to the employer-assignee.

Thus, Freescale requests the following guidance from the USPTO regarding the issue of disclosures by an employer-assignee of an inventor: either (a) that the employer-assignee “stand in the shoes” of the inventor for purposes of establishing the exceptions under 35 U.S.C. § 102(b), or (b) if the employer-assignee does not “stand in the shoes” of the inventor, then the presence of an assignment or obligation to assign inventions coupled with the fact that the employer-assignee made the disclosure is evidence of a direct or indirect communication by the inventor to the employer-assignee without any further showing.

Conclusion

Freescale thanks the USPTO for providing the public an opportunity to comment on the proposed changes to implement the First-Inventor-to-File provisions of the Leahy-Smith America Invents Act. We remain committed to work with the USPTO in developing improvements to the patent procurement process to promote efficiency and patent quality.

Respectfully submitted,



Jennifer Wuamett
Vice President, Chief Intellectual Property Counsel
Freescale Semiconductor, Inc.