

**From:** Maier, Meg **On Behalf Of** Boice, Bonny

**Sent:** Monday, November 05, 2012 4:42 PM

**To:** fitf\_guidance; fitf\_rules

**Subject:** Docket No. PTO-P-2012-0024 (77FedReg43759) and Docket No.: PTO-P-2012-0015

Dear Commissioner for Patents:

Attached are the comments of The Research Foundation for SUNY related to two dockets: first, the Request for Comments ("RFC") of the U.S. Patent and Trademark Office ("USPTO") on July 17, 2012 regarding "Examination Guidelines for Implementing the First Inventor to File Provisions of the Leahy-Smith America Invents Act," and the second in the Notice of Proposed Rulemaking ("NPR") of the USPTO on "Changes to Implement the First Inventor to File Provisions of the Leahy-Smith America Invents Act". The Research Foundation for SUNY commends the USPTO for its effective and transparent implementation of its AIA rulemaking and its administrative guideline responsibilities.

Regards,

Bonny



**Bonny G. Boice**

*Executive Vice President*

*Innovation & Partnerships*

The Research Foundation for SUNY

35 State Street

Albany, NY 12207-2826

Tel: 518-434-7061 Fax: 518-434-8351

[bonny.boice@rfsuny.org](mailto:bonny.boice@rfsuny.org)

[www.rfsuny.org](http://www.rfsuny.org)

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**Innovation and  
Partnerships**  
35 State Street  
Albany, New York

Via email: [fitf\\_guidance@uspto.gov](mailto:fitf_guidance@uspto.gov)  
[fitf\\_rules@uspto.gov](mailto:fitf_rules@uspto.gov)

Mailing Address:  
Post Office Box 9  
Albany, New York  
12201-0009

Mail Stop Comments—Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

[www.rfsuny.org](http://www.rfsuny.org)

Attn: Mary C. Till  
Senior Legal Advisor  
Office of Patent Legal Administration  
Office of the Deputy Commissioner for Patent Examination Policy

Re: Docket No. PTO-P-2012-0024 (77FedReg43759) and Docket No.: PTO-P-2012-0015

The following comments are respectfully submitted by The Research Foundation for the State University of New York, the State University of New York's partner, in two dockets: first, the Request for Comments ("RFC") of the U.S. Patent and Trademark Office ("USPTO") on July 17, 2012 regarding "Examination Guidelines for Implementing the First Inventor to File Provisions of the Leahy-Smith America Invents Act," see 77 Fed. Reg. 43759-43773 (July 26, 2012); and the second in the Notice of Proposed Rulemaking ("NPR") of the USPTO on "Changes to Implement the First Inventor to File Provisions of the Leahy-Smith America Invents Act," see 77 Fed. Reg. 43742-43759 (July 26, 2012).

### **SUNY and the RF**

The State University of New York (SUNY) is the largest comprehensive university system in the United States, educating approximately 468,000 students in more than 7,500 degree and certificate programs on 64 campuses with nearly 3 million alumni around the globe. To learn more about how SUNY creates opportunity, visit [www.suny.edu](http://www.suny.edu).

The Research Foundation for the State University of New York (RF) exists to serve SUNY and capitalize on the scope, scale, and diversity of SUNY as an engine of New York's innovation economy. As the largest, most comprehensive university-connected research foundation in the country, the RF supports nearly \$1 billion in SUNY sponsored program activity annually and provides sponsored programs administration and commercialization support services to SUNY faculty who translate research and discovery into invention, innovation, entrepreneurship, economic opportunity, and public benefit. Working together with its SUNY colleagues, the RF is focused on maximizing the potential of SUNY's assets across the state to drive investment and job growth.

The RF believes that the new rules and examination guidelines will make the US less competitive globally, and devalue the substantial investments made in academic research, including the ~4.6 billion dollars per year spent per year in funding SUNY. American universities are the source of a

great deal of the world's innovation, more so than those of any other country, and perhaps any other segment within the US economy. Our universities are the envy of the world, and countries like France, Japan and China are trying hard to emulate them. The grace period helps university inventors who, unlike company inventors, must publish for their careers and to support the public mission of the university. Researchers at America's leading universities operate under a "publish or perish" paradigm. The proposed change in interpretation of the grace period rules by the USPTO would eviscerate the ability of researchers to rapidly disseminate their scientific contributions, rendering them practically useless or highly impaired in the age of instant publication. For example, when a competing research groups sees the publication, it may post its own similar work immediately to the Internet, effectively killing the patent hopes of both parties, if the proposed examination guidelines were enforced.

The new rules and guidelines will also reduce the number of university technology startups. Technology startups, a particular engine of growth in the US, derive their innovation and initial intellectual property (IP) from universities. Indeed, many university startups are predicated on critical technologies which benefitted from patent applications filed during the grace period. The examination guidelines as proposed will have a chilling effect on not only academic publications, but also on patenting of technologies included within disclosures within the grace period, and the commercialization of technologies with foregone patent protection. However, this diminution of the IP available for startups is not a necessary consequence of the AIA, but rather comes from a narrow interpretation of the grace period afforded by the AIA.

### **Discussion**

The prompt dissemination of knowledge is critical to the advancement of the academic mission. SUNY, like most academic institutions, has benefitted from the availability of the existing 35 USC 102(b) grace period in pursuit of its mission, as dissemination of SUNY's knowledge is most often facilitated by its academic researchers, who often intentionally publish preliminary results to prompt discussion in the larger community regarding exciting, disruptive, or unexpected findings, or simply to advance science. The ease of virtual communication enables and empowers academic researchers to share in pursuit of greater collective intelligence. However, academic researchers do not always prioritize patent considerations. The existing 35 USC 102(b) grace period has thus empowered the academic community to rigorously pursue the rapid dissemination of knowledge without sacrificing U.S. patents; patents without which the availability of modern technology would slow to advance.

For the academic community to preserve its ability to secure patents in the absence of the existing 35 USC 102(b) grace period, SUNY and its peers would be forced to suppress the dissemination of knowledge until patent filings could be made, effectively punishing its faculty, staff and students and interfering with its academic mission. The grace period under AIA 35 USC 102(b)(1) is provided to permit broad pre-patenting activities that disclose the invention without prejudicing patent applications filed within one year. Indeed, because the academic influence of a publication is a factor in avoiding a bar, the AIA favors a broad distribution of the disclosure over a narrow one.

### **35 USC 102(b)(1)**

AIA 35 USC 102 as drafted does not punish publications, and the regulations and policies that implement the AIA should likewise not punish disclosures within the grace period. In particular, 35 USC 102(b)(1) states:

(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.

Thus, 35 USC 102(b) clearly provides that the publication itself, and publications of others derived from the inventor's publication, do not qualify as prior art. Per 35 USC 103:

A patent for a claimed invention may not be obtained, notwithstanding that the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.

### **Legislative History**

The RF agrees with the synopsis of the legislative history of the AIA described in the comments of the Wisconsin Alumni Research Foundation and AIPLA, among others. The Honorable Lamar Smith, Chairman of the House Committee on the Judiciary, and co-author of the AIA, made various comments during 2011 congressional debates, which support a broad exclusion of an inventor's own publications from the scope of the prior art:

Accusations that the bill doesn't preserve the one-year grace period are simply not true. The grace period protects the ability of an inventor to discuss or write about his ideas for a patent up to one year before he or they file for patent protection. Without the grace period, an individual who does this defeats his own patent. Since the publicly disseminated information constitutes prior art, it renders the invention non-novel and obvious.

Transcript of the House Committee on the Judiciary markup of H.R. 1249 (Apr. 14, 2011).

During House floor debate, for which he served as manager, Chairman Smith reiterated and strengthened his description of the grace period:

Accusations that the bill doesn't preserve the 1-year grace period are simply false. This bill provides a stronger, more transparent and certain 1-year grace period for disclosures. This enhances protection for inventors who have made a public or private disclosure of their invention during the grace period. The grace period protects the ability of an inventor to discuss or write about their ideas for a patent up to 1 year before they file for patent protection.

157 CONG. REC.H4492 (daily ed., June 23, 2011).

Senator Leahy further stated:

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.

157 CONG. REC. S1496 (daily ed., Mar. 9 (2011)).

The following excerpt from a floor speech by Senator Kyl shows that "trivial or obvious variations" were intended to be permitted when applying prior art:

Once inventors have published on their work—or have made it available to the public using any other means—their competitors should not be able to run off to the USPTO and seek patents on the work that the inventor has already publicly disclosed. The same goes for permitting a competitor to belatedly seek a patent on a trivial or obvious variation of what the inventor had earlier disclosed publicly. This common-sense truth should apply even if competitors can lay claim to having themselves done the same work, but elected to keep secret the work that other inventors have publicly disclosed. In a word, a competitor seeking a patent on what such an inventor has already published can be thought of as being akin to interloping.

157 Cong. Rec. S1208-S1209 (March 3, 2011).

Thus, the legislative history makes clear a Congressional intent that the exclusion under AIA 35 USC 102(b)(1) be interpreted broadly.

### **Analysis**

Prior art available under 35 USC 102 is subject to an expanded scope of obviousness under 35 USC 103 including “differences between the claimed invention and the prior art ... such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains.” Thus, the prior art is interpreted as precluding later patentability not only for inventions identically disclosed, but also for obvious variations. Together, these reflect a judicial determination, dating to at least 1851 in *Hotchkiss v. Greenwood* 52 U.S. (11 How.) 248 (1851), that the correct analysis for considering prior art is not that which is intrinsic to the disclosure, but rather that which the ordinarily skilled artisan would understand from that disclosure. Congress, in adopting 35 USC 103, and carrying it forward with only minor amendment, therefore endorses the historical interpretation of this important consideration.

Similarly, the scope of inventors rights are expanded by the Doctrine of Equivalents to include an expansion of the subject matter to equivalents that are not disclaimed during prosecution. It is respectfully submitted that by denying prior art status to the disclosure itself, 35 USC 102(b)(1) also excludes derivations from that disclosure by third parties, whether identical or obvious variants, since the essence of the inventor’s disclosure is excluded and the obvious variants could not exist without the derived component. The intervening publication, by regurgitating the inventor’s own work with obvious or trivial variations, cannot divest the inventor of his original right, and that right includes a scope of protection that includes equivalents and perhaps obvious variants. Therefore, the exclusion of prior art effect of the applicant’s own disclosure must also exclude any enhancement of that prior art effect against the applicant under 35 USC 103. As such, the proposed examination guidelines are in error for seeking to preclude the legal and equitable expansion of the original disclosure itself.

Thus, all aspects of the derived material in a third party publication must be excluded as elements of the prior art, unless they rise to the level of “independent invention”, and to that extent the “independent invention” should not act as a bar against patentability of the earlier different invention. Indeed, even if a derivative publication or patent filing includes subject matter which is inventive over the earlier publication, the entirety of the first inventor’s disclosure and the obvious variants of that disclosure must also be excluded from the scope of the prior art against that first inventor, leaving only the distinct inventive contribution of the later third party inventor who derived his invention from the first inventor, to the extent that the new invention is separable, as available prior art.

Therefore, we respectfully disagree with the USPTO’s interpretation of the AIA to exclude from patentability claimed inventions “[e]ven if the only differences between the subject matter in the prior art disclosure that is relied upon under 35 USC 102(a) and the subject matter publicly disclosed by the inventor ... are mere insubstantial changes or only trivial or obvious variants...”, as proposed in the USPTO examination guidelines.

## **Evidentiary Issues and Burden of Proof**

In many cases, the evidence proposed to be submitted by the USPTO in a declaration under 37 CFR 1.130 will be available. Therefore, the burden on applicant to supply that information may be acceptable. Thus, proposed rules 37 CFR 1.130(b)-(e) appear under these circumstances to be reasonable. On the other hand, where the inventor publishes freely, as is the normal case with academic publications, which are often presented at conferences, the evidentiary trail grows cold. Absolute proof of derivation is not available, absent admission by the deriver. In such cases where public availability of the disclosure is made by the inventor, applicant's burden of proof should be satisfied by the factual similarity of the later publication. Since this is in general admitted by the existence of a rejection made by the examiner that the third party publication discloses the invention, applicant's burden in this case should be limited to a declaration of (a) prior inventorship; (b) public disclosure or disclosure to persons who include or might have conveyed the information to the third party; (c) and a review of the publication to indicate that it represents inventor's prior work. The burden would then shift to the Examiner, with aid of 37 CFR 1.105, 35 USC 24, and perhaps other tools, to move forward with evidence to rebut applicant's assertion.

Thus, while the burden is shifted to applicant upon presentation of a prima facie rejection under 35 USC 102(a) to respond under to 35 USC 102(b)(1), applicant's burden is merely a preponderance of the evidence, and absent a rebuttal by the Examiner, applicant's assertion of derivation, backed by a clear and unmistakable statement, subject to 37 CFR 1.56. The Examiner has the power to further elucidate facts under 37 CFR 1.105, and as necessary, the USPTO has the power to declare a derivation proceeding or other legal and administrative remedies, including but not limited to commencing an action and using subpoena power under 35 USC 24. However, given the lack of any currently cognized cause of action against a third party who has derived a publication from the first inventor, but not filed a patent application for the same invention, placing an enhanced burden on applicant to prove derivation is unfair and unreasonable.

We therefore believe that rule 37 CRF 1.130(a) should permit, as sufficient evidence satisfying applicant's burden of moving forward after a rejection is made under 35 USC §102 or §103, presentation of a clear and unmistakable declaration by inventor, applicant or its legal representative, that a particular disclosure is disqualified as being prior art under 35 USC 102(b)(1), which would be accepted at face value. The burden of moving forward would then shift to the Examiner, who could then contest the declaration by adducing evidence to the contrary. However, without such evidence, the applicant's declaration would be sufficient.

This proposal is similar to current practice under 37 CFR 1.131, with respect to publications by an author group different than the named inventor group. See, MPEP 715.01(c)(1), *In re Katz*, 687 F.2d 450, 215 USPQ 14 (CCPA 1982). While reference to MPEP 715.01(c)II and *In re Mathews*, 408 F.2d 1393, 161 USPQ 276 (CCPA 1969) and *In re Facius*, 408 F.2d 1396, 161 USPQ 294 (CCPA 1969) might at first blush appear judicious, these cases reflect a different law and practice; for example, prior law permitted applicant to file an application within one year regardless of intervening publications, and merely required applicant to show that the invention was made prior to the publication, an evidentiary burden met by the existence of applicant's earlier publication in any case. Thus, the proposed rules seek to import rules that are extrinsic to the facts at hand, with respect to the case where an inventor is first to publish, and first to file, but there is an intervening publication that is derived from inventor.

Proposed rules 37 CFR 130(b)-(e) appear to decidedly shift the burden to applicant to provide "a satisfactory showing", that is, by merely asserting a rejection under 35 USC 102(a), the burden then would shift to applicant to rebut the rejection with its own substantial evidence of an exception under 35 USC 102(b), with specifically enumerated and required kinds of evidence, the absence of which would apparently be deemed fatal to the patent application.

As alluded above, the United States Patent and Trademark Office is an administrative agency of the government, and therefore has subpoena power pursuant to 35 USC 24, which could be invoked by commencing an action naming the author of the possible prior art reference as a witness required to provide testimony. While this

procedure is cumbersome and perhaps difficult and unfortunate, it remains available to the USPTO as a means for obtaining the evidence it needs to support its rejection; a stark contrast to the applicant, who has no such available remedy. Since the USPTO bears the burden of proof, it is inequitable to shift to the applicant the burden to defend against such a rejection that requires third party testimony to resolve, since in many cases the applicant is in no better position to obtain the required testimony. It is noted that 37 CFR 1.56 remains as an important threshold for an applicant submitting a declaration, and therefore effectively sanctions misconduct by applicant in withholding adverse information or denying a rejection that is fully justified.

The proposed evidentiary showings of 37 CFR 1.130(b)-(e) are problematic, since they presume that all derivation is as a result of a voluntary and discrete disclosure by applicant to an identified third party. While such disclosures may be common in some cases, such as disclosures under corporate non-disclosure agreements, publication is a more common type of disclosure in an academic setting, and the proposed rule does not adequately address how the applicant can meet the burden of proving derivation.

Rather, it would be reasonable when faced with a case where the disclosure on which the rejection is based is not by the inventor or a joint inventor, that the affidavit or declaration under 37 CFR 1.130(a)(1) or (a)(2) include (a) evidence of invention or disclosure by the applicant prior to the third party publication, and (b) either (i) an assertion of a communication of that information to a third party or (ii) availability of the disclosure in a tangible form which might have been accessed by third parties, with (c) an assertion that applicant did not derive the invention from another and (d) that he believes the reference to be removed under 35 USC 102(b)(1). These assertions, if made in a clear and unmistakable form, should be accepted at face value, unless the examiner has evidence to rebut the assertions.

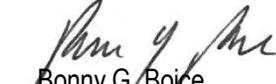
While certain existing USPTO procedures effectively shift evidentiary burden to the applicant, it is believed that the AIA creates a new paradigm, mandating concerted efforts by the USPTO to refine the law and its application. By administrative shifting what will often be an insurmountable evidentiary burden to applicants, the USPTO will be effectively substantively deny applicants the right to benefit from the statutory grace period enunciated in 35 USC 102(b). Therefore, at least until the courts weigh in, the USPTO should proceed with an abundance of caution to respect the rights and expectations of applicants. The USPTO is, in most cases, much larger and better capable of adducing evidence from independent third parties than applicants, and indeed is and will be funded at a level necessary to perform its functions. In contrast, most applicants, and the academic technology transfer community in general, do not have the facilities or the resources to investigate and obtain evidence of derivation, other than in cases of documented disclosures. In contrast to *In re Antor Media Corp*, \_\_ F.3d \_\_ (Fed. Cir. 2012)(Lourie, J.), the equities weigh in favor of maintaining this evidentiary burden squarely with the USPTO. Of course, the USPTO could propose a rule which encourages disclosure of relevant facts, or even require disclosure in some cases, without requiring a minimum showing applicable in all cases. For example, a request for information under 37 CFR 1.105 might be used to obtain available information, without shifting the underlying evidentiary burden.

## **Conclusion**

The RF respectfully requests that the USPTO reconsider its unduly narrow interpretation of the AIA grace period provisions and, instead, respect the clear legislative intent of Senator Leahy and Representatives Smith and Kyl. The RF had an opportunity to review the written statements of the six university associations (Association of American Universities (AAU), Association of Public and Land-grant Universities (APLU), Association of American Medical Colleges (AAMC), Council on Governmental Relations (COGR), Association of University Technology Managers (AUTM), and American Council on Education (ACE)) and that of the University of California, and believe that expressly tying the scope of the exclusion from prior art of an inventor's disclosure to the scope of obviousness provided by 35 USC 103 provides the most reasonable course, with a predictable outcome. While the framework proposed herein is somewhat different than that expressed by the University of California, the result appears largely consistent with its "Suggested Solution". The language of the AIA and its legislative history, including the clear words of the bill's sponsor and the parties to the grace-period compromise, mitigate against narrow, restrictive

regulations that would not only harm the public but will also retard the progress of science. The University of California has submitted "Suggested Solution" that resolves the issues addressed in both the RFC and the NPR. The RF supports the solutions advanced by the university and urges the USPTO to seriously consider it. If, however, the USPTO finds the AIA's statutory provisions to be ambiguous, it lacks authority to resolve the ambiguities either through regulations or in guidelines.

Sincerely,



Bonny G. Boice

Executive Vice President  
Innovation and Partnerships