

S. 515 Protects Inventors Once They Publicly Disclose Their Work
Protections the 1994 WTO Agreement Took Away, S. 515 Puts Back

After inventors publicly disclose their work, competitors should not be able to take advantage of those disclosures by filing for patents on the disclosed work

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*. The competitor who is spurred into action by another inventor's publication can be regarded as interfering with the understandable and justifiable expectation of inventors who have promptly disclosed their work: *they expect that they themselves should be the ones able to secure patents on the disclosed work or, by publishing without later seeking patents, that they (as well as other members of the public) should remain free to continue to use what they have publicly disclosed.*

S. 515 would increase the protection for inventors once they make their inventions available to the public by cutting off the potential for any sort of interloping. S. 515 operates to solidify an inventor's "grace period" that applies after the inventor has published or otherwise made available to the public his or her work. In brief, under S. 515, interloping in any form is *prohibited*—an inventor who elects to publish an invention will no longer need to have any concern that the publication will spur a competitor into a subsequent patent filing that could preclude the inventor from obtaining a patent or—even worse—from continuing to use his or her published work.

S. 515 better protects inventors than does current U.S. patent law in addressing interloping—by making the one-year "grace period" bulletproof

Today, inventors enjoy a one-year "grace period" under U.S. patent law. What this means is that inventors themselves can still seek patents on their inventions even if they have made those inventions available to the public before seeking any patents on them. When inventors file for patents during the one-year period after making a public disclosure, their own disclosures are not useable as "prior art" against their patents.

However, the "first to invent" principle of current U.S. patent law makes relying on the one-year "grace period" fraught with some significant risk. The risk comes from the ability of a competitor who learns of the inventor's work through the public disclosure to race off to the USPTO and seek a patent for itself on the disclosed invention. The

competitor can interlope in this manner by filing a patent application and alleging its own “date of invention” at some point before the inventor’s public disclosure was made.

This makes relying on the current “grace period” a risky hit or miss. If an inventor waits until the end of the one-year “grace period” to seek a patent on the invention he or she made available to the public, an interloping competitor, spurred into quickly filing a patent application, may be issued a patent before the USPTO acts on the “grace period” inventor’s patent application. The “grace period” inventor may be forced to fight to get into a patent interference against a competitor’s already-issued patent, hoping to get the USPTO to cancel the competitor’s patent so the inventor’s own patent can be issued.

Interferences are notoriously difficult to win for an inventor who is not the “first to file.” The number of situations where someone other than the first to file for a patent on an invention actually succeeds in proving an earlier invention date are very few and very far between. Indeed, the most recent estimate is that striking down a competitor’s earlier filed application or patent in a patent interference is less likely than the competitor being struck down by lightning.¹

What does S. 515 do about this defect in the “grace period” under current U.S. patent law? Quite simply, it wholly excises the defect—it will be gone in its entirety. It makes an inventor’s public disclosure of the inventor’s own work a bar to anyone thereafter seeking to patent that work itself, as well as any obvious variations of what the inventor made available to the public. In short, it is a complete fix to the risk a competitor will use the inventor’s public disclosure as a spur to filing its own patents based on its own work.

S. 515 closes the door to interloping by foreign-based competitors that was opened in 1995 when the WTO agreement forced changes to U.S. law

Under the World Trade Organization agreement reached in 1994, the United States was forced to change its patent law to benefit foreign-based entities seeking U.S. patents. This change allowed foreign-based entities to take advantage of their secret activities, undertaken outside the United States, in order to establish “invention dates” that could be used under U.S. patent law to obtain valid patents. Specifically—and for the very first time—foreign-based competitors could seek U.S. patents on products that had already been publicly disclosed by U.S.-based inventors. The Uruguay Round Agreements Act, which took effect in 1995, implemented this treaty obligation.

Before this change in U.S. patent law, foreign-based competitors could not use their secret activities outside the United States as a basis for showing that they had made an

¹ In a speech by Undersecretary of Commerce David Kappos, at the 2009 Independent Inventors Conference, <http://www.uspto.gov/news/speeches/2009/2009nov5.jsp>, Director Kappos drew the following comparison: “The chances that a patent will be subject to an interference based on a 1st to invent claim—that’s our current system—is .01%. In 2007—the most recent year for which we have statistics—the total number of interference cases for all applicants, of all sizes that were decided based on a priority claim was 7! . *That means we already essentially have a first inventor to file system.* Moreover, of those 7 cases, only one case involved a small or medium sized entity; your chances of being impacted by this change are 1 in 441,637. Those are lightning strike level odds, folks!”

invention before its publication by a U.S.-based inventor. Up until 1995, once a U.S. inventor published information on a new product or otherwise publicly disclosed an invention, foreign-based competitors were barred from obtaining U.S. patents on the disclosed product and any aspect of it, including trivial and obvious modifications of it.

S. 515, if enacted, would put foreign-based entities back into the position they were in prior to 1995—once a U.S. inventor publishes or makes any other type of public disclosure of a new product, the ability for a foreign-based competitor to then file patent applications seeking to patent the disclosed product would be totally cut off.

Congress should act promptly to end the potential for interloping by foreign-based competitors once U.S.-based inventors have published on their work

With each passing year, the percentage of U.S. patent filings made by foreign-based entities increases. In 1966, 1 in 5 U.S. patent filings was by a foreign-based entity. That ratio became 1 in 4 in 1969, and 1 in 3 in 1974, before reaching 1 out of every 2 in 2008. Since 2008, the majority of patent filings in the United States came from foreign-based entities. Given the rapid growth in patent filings by Asian (especially Chinese) inventors, this trend may well accelerate in the decade ahead.

As foreign-based entities become more sophisticated in their use of the U.S. patent system, U.S. inventors are put at an ever-greater risk that patenting strategies by foreign-based entities will disadvantage U.S.-based inventors, either in electing to use the “grace period” or even when they file for a patent before making a public disclosure.

How S.515 operates to protect inventors once they make their work public

S. 515 puts an end to any use of “dates of invention” in order to determine whether a U.S. patent is valid or not. In addition, S. 515 strips out of the U.S. patent law any grounds for invalidating a U.S. patent based on any type of secret activity undertaken by inventors themselves, such as secret “offers for sale” of their inventions before seeking patents. Finally, it further secures the benefits of the one-year “grace period” by preventing the contemporaneous work of an inventor’s co-workers or research partners from being cited as a basis for barring the inventor from obtaining a patent.

The consequence of placing this collection of inventor-friendly features into S. 515 is that, once a U.S. inventor publishes or otherwise makes a public disclosure of his or her inventions, the potential for interloping is entirely removed and the ability of the publicly-disclosing inventor to patent the disclosed invention is fully preserved during a one-year “grace period.” The public disclosure by U.S. small business or other U.S.-based small entity, for example, is a bar to anyone else seeking a patent, not only on the publicly disclosed subject matter, but on any trivial or obvious variations of it. Similarly, once a U.S. inventor initially files a patent application (even a provisional one) that subsequently forms the basis for a published patent application or patent, the same protections against competitor efforts to patent the inventor’s prior-disclosed work apply.

How can Congress accomplish all of this good for the country? Enact S. 515!
Reverse the WTO’s impact, end interloping threats, and protect U.S. inventors.