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Reevaluating the Geographical Limitation of 35 U.S.C. §102(b); Policies Considered

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REEVALUATING THE GEOGRAPHICAL LIMITATION OF 35 U.S.C. § 102(b); POLICIES CONSIDERED

William LaMarca

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REEVALUATING THE GEOGRAPHICAL LIMITATION OF 35 U.S.C. § 102(b); POLICIES CONSIDERED*

*William LaMarca***

I. INTRODUCTION

Unique within United States Patent Law is the “statutory bar,”¹ which prohibits an applicant from obtaining a United States patent if the invention is in public use or sale in the United States for more than one-year before the patent application is filed.² This one year period prior to the triggering of the statutory bar is also referred to as the “grace period”³ because the inventor is allowed this limited time in which to use, sell, or commercially exploit his invention prior to applying for a patent.⁴ In order to trigger the one-year clock of the statutory bar, however, the inventor must engage in the public use or sale in the United States.⁵ In addition, a third party can also trigger the statutory bar by engaging in similar conduct to which the applicant is unaware.

In addition to public use or commercial exploitation, an applicant’s secret commercial use can trigger the 35 U.S.C. § 102(b) statutory bar.⁶ This is true even when the public cannot differentiate the invention from the end product

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1. 35 U.S.C. § 102(b) states:

A person shall be entitled to a patent unless—

b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale *in this country*, more than one year prior to the date of the application for patent in the United States, or . . .

35 U.S.C. § 102(b) (1994) (emphasis added).

2. It should be noted that § 102(b) requires only that “public use or sale” need be “in this country,” whereas printed publications and patents occurring in the United States or a foreign country greater than one year before filing will also bar an applicant’s patent. *Id.*

3. While a one-year grace period exists today, it was originally a two-year grace period. Patent Act of 1870, ch. 230, § 32, 16 Stat. 198, 202.

4. Commercial exploitation can include not only any public use or sale but also offers for sale. See *UMC Electronics Co. v. United States*, 816 F.2d 647, 656 (Fed. Cir. 1987) (holding that an invention need not be reduced to practice to have an offer for sale which can invoke the § 102(b) bar), *cert. denied*, 484 U.S. 1025 (1988); *FMC Corp. v. Hennessy Indus., Inc.*, 650 F. Supp. 688, 692 (N.D. Ill. 1986) (observing that “an offer for sale require[s] two happenings: the availability of a unit and the offer of it for sale” and finding that limited placement of a tire changer at a service station to test its effectiveness was not a public use under § 102(b)), *aff’d in part and vacated in part*, 836 F.2d 521 (Fed Cir. 1987) (affirming judgment of invalidity on § 103 grounds, and therefore, not addressing § 102(b) statutory bar).

5. 35 U.S.C. § 102(b).

6. Hereinafter, all statutory references are to Title 35 of the United States Code.

marketed.⁷ The secret use, however, cannot affect the validity of a patent granted to another party.⁸

Since the § 102(b) sale/use bar is limited to conduct in the United States, an applicant or third party may commercially exploit an invention in a foreign country without triggering the one year statutory bar. For instance, an inventor living in Buffalo, New York may use an invention in Canada, only a few miles across the United States border, for many years and successfully apply for a patent in the United States without being barred under § 102(b).⁹ Simultaneously, another inventor in Buffalo, New York could use his invention in Florida, many miles away, for one year and a day and be subject to the bar under § 102(b). This limitation excluding foreign acts has been criticized as "unwise in terms of policy" and many believe that this is a dilemma which cuts against the theory and purpose of § 102(b).¹⁰ It has been additionally propounded that this "dilemma" creates a double standard allowing an inventor to publicly use his invention in a foreign nation forever without being subject to the statutory bar while the same "use" in the United States for more than one year bars the applicant. Thus, it has been suggested that this double standard is outmoded and Congress should change the public use doctrine.¹¹

In addition to being unwise for purposes of § 102(b), many scholars also believe the "in this country" geographical limitation is unwise for the novelty provision § 102(a).¹² These scholars argue that the original justifications for the geographic limitation relating to discovery and evidentiary proofs are

7. See *Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2d. Cir.) (finding that an inventor forfeits his right to patent when he exceeds the statutory grace period regardless of how little the public knows of the invention), *cert. denied*, 328 U.S. 840 (1946); *accord* *W.L. Gore & Assoc., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1550 (Fed. Cir. 1983) (finding that secret commercialization of process used in inventor's machine for the production of teflon tape could not bar another from patenting the process where tape maker only sold tape and there was no evidence that the public could learn the process by examining the tape), *cert. denied*, 469 U.S. 851 (1984).

8. See *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1147 (Fed. Cir. 1983) ("Where a method is kept secret, and remains secret after a sale of the product of the method, that sale will not, of course, bar another inventor from the grant of a patent on that method.")

9. This is so provided an applicant is not barred under another aspect of § 102(b). For example, a bar is warranted if a patent or printed publication exists in Canada. See 35 U.S.C. § 102(b).

10. The theory behind the statutory bar is that an inventor should lose the right to an otherwise patentable invention if he fails to diligently assert his right to a patent through filing and prosecuting a patent application. Donald S. Chisum, *Foreign Activity: Its Effect on Patentability Under United States Law*, 11 INT'L REV. INDUS. PROP. & COPYRIGHT L. 26, 42 (1980). Further, the one-year grace period for filing a patent application serves to prevent the inventor from holding back secrets of his invention while concurrently commercializing his invention and exploiting it. *Id.*

11. See Daniel H. Bliss, Note, *Bridge Over Troubled Water: Extending the Public Use Bar to Foreign Countries*, 1987 DET. C.L. REV. 65.

12. Section 102(a) states:

A person shall be entitled to a patent unless—

(a) [t]he invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or . . .

35 U.S.C. § 102(a) (emphasis added).

outdated and unpersuasive.¹³ For instance, the geographic limitation had been justified when foreign use of an invention would be unknown to the American public. The early courts reasoned that because far away uses would not be accessible to the United States public, an inventor who independently introduced the technology in the United States should be rewarded with a patent.

This justification did not apply, however, to printed publications and patents. Where printed matter was involved, the courts felt that the technology was more likely to be disseminated throughout the world, and thereby given to the public. To then award a United States patent would effectively result in taking the technology out of the public domain.¹⁴

Today, rapidly developing communications and transportation technologies usually allow the American public to reasonably expect technologies used in foreign countries to make their way to the United States. If an inventor is rewarded with a United States patent after the invention was used in a foreign country, the American public does not benefit because the technology is taken away from the public via the granting of a patent. Thus, the same situation exists today with product uses and sales in foreign countries as the early courts found to exist with the printed publications and patents.

The detrimental effects associated with awarding a United States patent after foreign commercial use do not always arise, however, because some locations are so remote that the American public is not aware of the invention's use. Therefore, the award of the patent would still benefit both the inventor and the public. This article, therefore, will demonstrate why the *complete removal* of the "in this country" limitation is not necessary to alleviate the so called "double standard" dilemma. Moreover, this article will show why the complete removal of the geographical limitation is unwise and contravenes the underlying policies of § 102(b).¹⁵ Because the underlying policies of § 102(b) are still important, this article argues that modern courts should give these policies great weight when evaluating § 102(b) issues, and any changes to domestic United States patent law should reflect these policies.¹⁶ This article also discusses the two differing viewpoints regarding geographical limitation.¹⁷

13. For example, one treatise states:

As is the case with the 'in this country' limitation in the novelty section (section 102(a)), the exclusion of foreign acts as statutory bars is unwise in terms of policy. The supposed evidentiary problems in proving foreign acts are even less persuasive. The critical prefiling date acts are normally those of the inventor-applicant himself or of his assignee. Such persons can be expected to keep careful records of the nature and timing of prefiling activities. Thus, the applicant or patent owner would not face the loss of valuable patent rights on the basis of evidence derived from inaccessible foreign sources.

2 DONALD S. CHISUM, PATENTS, Vol. II, § 6.02[5], at 6-54 (1996). See also *infra* part IV.

14. See *infra* note 69 and accompanying text.

15. See *supra* note 10 for a discussion of the policies underlying § 102(b).

16. See *infra* part III.

17. See *infra* part IV.

Next, this article argues why it is important to consider the international ramifications of a change in United States patent law.¹⁸ Finally, this article proposes to modify § 102(b), but to a lesser degree than suggested by the current scholars in the field. By not completely eliminating the geographic limitation, the modified § 102(b) accounts for both the traditional policy considerations underlying § 102(b) and the arguments made for eliminating the “double standard” dilemma. In addition, the proposed modification suggested by this article would be free of barriers to future patent law harmonization and would facilitate the possible establishment of an international grace period similar to what is depicted in the WIPO draft treaty and which has recently been adopted by Canada.¹⁹

II. THE HISTORY AND DEVELOPMENT OF SECTION 102(B)

The beginning of the “prior use” concept, as it related to a requirement to obtaining a patent, had its genesis when Congress passed the Patent Act of 1790.²⁰ The 1790 Act granted a patent to an inventor who had invented or discovered an item not before known or used. The language of the Patent Act of 1793 was essentially the same as the 1790 Act, except that it limited the granting of a patent to citizens of the United States.²¹ Neither the 1790 Act nor the 1793 Act, however, expressed any geographical limitation with respect to “prior use.” Therefore, many people believed that Congress intended for “uses” occurring *anywhere* on the globe to bar an applicant from obtaining a patent.²²

In 1829, the Supreme Court first addressed the geographical limitation issue in *Pennock & Sellers v. Dialogue*.²³ The *Pennock* Court interpreted the 1793 Patent Act to limit patent protection to inventions not publicly known or used *anywhere* before the date of the patent application. The *Pennock* Court interpreted the policy underlying the public use bar to be preventing an inventor from commercially exploiting an invention for a long period of time and then applying for a patent once competition appeared in the marketplace.²⁴

18. See *infra* part V.

19. See *infra* part VI.

20. Patent Act of 1790, ch. 7, § 1, 1 Stat. 109. This Act reads in pertinent part: “[t]hat upon the petition of any person . . . that he . . . [has] invented or discovered any useful art, manufacture . . . not before known or used . . .” *Id.* at 109-10.

21. Patent Act of 1793, ch. 11, § 1, 1 Stat. 318. The Act reads in pertinent part: “[t]hat when any person or persons, being a citizen or citizens of the United States, shall allege that he or they have invented any new and useful art . . . not known or used before the application . . .” *Id.* at 318-19.

22. Bliss, *supra* note 11, at 70 n.37 (stating that “doubt still exists over Congress’ true intent with respect to this geographical limitation since it was not clearly expressed in the patent acts themselves or in their accompanying legislative histories”).

23. 27 U.S. (2 Pet.) 1 (1829) (addressing issue of what public use will void the right of the patentee before application is made).

24. *Id.* at 19. The *Pennock* Court opined, “[I]t would materially retard the progress of science and the useful arts and give a premium to those who should be least prompt to communicate their discoveries.” *Id.*

Four years later, the Supreme Court again addressed the issue of geographical limitations in *Shaw v. Cooper*.²⁵ Following its interpretation in *Pennock*, the Court invalidated the patent at issue because the invention was “used” in England and France with the inventor’s consent prior to his filing an application in the United States.²⁶ Thus, the Supreme Court was interpreting the absence of a geographical limitation in the code to mean that “uses” anywhere in the world could bar a patent in the United States.

In 1836, Congress enacted another patent act,²⁷ which was the first to include a geographical limitation in the language of the statute itself. Precisely what this geographical limitation pertained to is unclear, as evidenced by the contrary interpretations by different scholars on the subject.²⁸ While the 1836 Patent Act possessed a geographical limitation, it did not contain a grace period. Essentially, these old statutes contained a pure novelty requirement from which the grace period ultimately sprouted.²⁹

The Patent Act of 1839 was the first act to contain a grace period.³⁰ The 1839 Act allowed for two years of public use prior to filing. This provision, however, did not contain a geographical limitation restricting where the public use could be exercised. Thus, the 1839 Act could be interpreted to mean that public use greater than two years *anywhere* could trigger the statutory bar.

In 1850, the Supreme Court in *Gayler v. Wilder*³¹ for the first time expressed a justification for the geographical limitation. The *Gayler* Court opined that due to the difficulties of discovering and communicating unpublished foreign uses an applicant would not be barred from receiving a United States patent when the invention was used in a foreign country.³² From the *Gayler* decision, it could be interpreted, as it later was, that the grace period only applied to “uses” within the United States. From this interpretation, the modern code ultimately developed. In 1870, Congress affirmed the *Gayler* Court’s interpretation by inserting a specific geographical limitation into the

25. 32 U.S. (7 Pet.) 292 (1833).

26. *Id.* at 322.

27. Patent Act of 1836, ch 357, § 7, 5 Stat. 117. The Act reads in pertinent part: “[i]f on examination of the alleged new invention or discovery . . . it shall . . . appear . . . that the same had [not] been invented or discovered by any other person in *this country* . . .” *Id.* at 119 (emphasis added).

28. Compare Chisum, *supra* note 10, at 36 with Bliss, *supra* note 11, at 71.

29. The novelty requirement is now contained in § 102(a). The critical date for § 102(a) is defined by the date of invention. In contrast, the critical date for § 102(b) is one year prior to filing. This distinction did not exist when the Patent Act of 1836 was enacted.

30. Patent Act of 1839, ch. 88, 5 Stat. 353 (1839).

Section 6 of the 1839 Act reads in pertinent part: “[t]hat no person shall be debarred from receiving a patent for any invention or discovery . . . [p]rovided, [t]hat the same shall not have been introduced into public and common use in the United States, prior to the application for such patent . . .” *Id.* at 354.

Section 7 of the Act reads: “no patent shall be held to be invalid by reason of such purchase, sale, or use prior to the application for a patent as aforesaid, except on proof of abandonment of such invention to the public; or that such purchase, sale or prior use has been for *more than two years* prior to such application for a patent.” *Id.* (emphasis added).

31. 51 U.S. (10 How.) 477 (1850).

32. *Id.* at 497; see *infra* note 69 and accompanying text.

code with respect to the two year grace period that existed at that time.³³ This grace period, however, applied to the novelty section of the code and was not expressly directed to “uses” and “sales.” In 1892, the Court in *Gandy v. Main Belting* interpreted the 1870 statute and held that public use abroad for more than two years did not constitute a bar to a United States patent.³⁴ In 1897, Congress adopted the *Gandy* Court’s interpretation by explicitly incorporating the “in this country” limitation as part of the “public use” and “on sale” bars throughout the statute.³⁵ In all subsequent patent acts, the geographical limitation was never altered.³⁶

III. CURRENT UNITED STATES CASE LAW PERSPECTIVE TOWARD SECTION 102(B) POLICIES AND ITS GEOGRAPHICAL LIMITATION

Recent case law has reviewed the policy considerations that should be balanced when deciding a § 102(b) issue. In a leading recent decision, *B.F. Goodrich Co. v. Aircraft Braking Systems Corp.*,³⁷ the court held that sales proposals for brakes to a foreign aircraft manufacture did not justify finding that the brakes were “on sale” in the United States and, therefore, the statutory bar of § 102(b) was inapplicable. In making its decision, the *B.F. Goodrich* court followed *General Electric Co. v. United States*³⁸ and considered four underlying policies of § 102(b):

First, there is policy against removing inventions from the public which the public has justifiably come to believe are freely available to all as a consequence

33. Patent Act of 1870, ch. 230, § 25, 16 Stat. 198, 201. Section 25 reads in pertinent part: “[t]hat no person shall be debarred from receiving a patent for his invention or discovery . . . provided the same shall not have been introduced into public use in the United States for more than two years prior to the application . . .” *Id.* (second emphasis added).

34. 143 U.S. 587 (1892). The *Gandy* Court read the geographical limitation from the novelty section into the two year public use or sale bar section and deemed this to be the intent of Congress. The Court stated:

It is true that the language of this section contains no restriction as to the place or country wherein the public use is made of the invention; but taken in connection with section 4887, providing that no person shall be debarred from receiving a patent, by reason of the invention being first patented abroad, “unless the same has been introduced into public use in the United States for more than two years prior to the application,” we think that the public use or sale contemplated by section 4886 must be limited to a use or sale in this country. . . .

Taking all these provisions of the patent law together, we think it was manifestly the intention of Congress that the right of the patentee to his invention should not be denied by reason of the fact that he had made use of it, or put it on sale abroad, more than two years before the application, provided it were not so used or sold in this country.

Id. at 592-93.

35. William C. Rooklidge, *The On Sale and Public Use Bars to Patentability: The Policies Reexamined*, 1 FED. CIR. B.J. 7, 30 (1991) (citing Patent Act of 1897, ch. 391, § 1, 29 Stat. 692).

36. *Id.* Finally, in 1939, the two year grace period was reduced to one year. Patent Act of 1939, ch. 450, 53 Stat. 1212. This is essentially the same statutory bar that exists today in 35 U.S.C. § 102(b) as codified by the Patent Act of 1952. Ch. 950, 66 Stat. 792.

37. 825 F. Supp. 65 (D. Del. 1993).

38. 654 F.2d 55 (Ct. Cl. 1981).

of prolonged sales activity. Next, there is a policy favoring prompt and widespread disclosure of new inventions to the public. . . . A third policy is to prevent the inventor from commercially exploiting the exclusivity of his invention substantially beyond the statutorily authorized 17-year [now 20-year] period. . . . The fourth and final identifiable policy is to give the inventor a reasonable amount of time following sales activity . . . to determine whether a patent is a worthwhile investment.³⁹

The *B.F. Goodrich* court determined that “[a]ll of the circumstances surrounding the sale or offer to sell, including the stage of development of the invention and the nature of the invention, must be considered and weighed against the policies underlying section 102(b).”⁴⁰ Although the *B.F. Goodrich* court recognized that an invention must be more than a “mere concept,”⁴¹ it held the § 102(b) bar applicable to an invention even if it has not been reduced to practice and does not constitute a complete embodiment of the invention. This would be particularly true in those instances where policy concerns arise.⁴²

A. If There Is an “Attempt to Commercialize,” the Surrounding Circumstances Carry Less Weight in the Balancing Test

In evaluating how to balance the underlying policies of § 102(b) against the surrounding circumstances, the *B.F. Goodrich* court looked heavily to *UMC Electronics*.⁴³ In *UMC Electronics*, the court emphasized the fact that UMC, the patent holder, had admitted that its bid on a government contract was for profit and not to conduct experiments.⁴⁴ The *UMC Electronics* court found that this constituted an attempt to commercialize the invention. Furthermore, the court would not consider UMC’s assertions that the product needed further “development.” In dicta, the court noted that if UMC’s actions would not have been commercial in nature the fact that the invention was in the development

39. *B.F. Goodrich*, 825 F. Supp. at 68 (quoting *General Electric*, 654 F.2d at 61-64).

40. *Id.* at 69 (quoting *UMC Electronics Co. v. United States*, 816 F.2d 647, 657 (Fed. Cir. 1987)). The *B.F. Goodrich* court went on to state:

Although an invention need not be reduced to practice in order for the section 102 proscription to apply, it apparently must be beyond the stage of a “mere concept.” . . . Thus, while the Federal Circuit in *UMC Electronics* concluded the a product need not be reduced to practice for the on-sale bar to apply, it subsequently found in *A.B. Chance* [Co. v. RTE Corp., 854 F.2d 1307 (Fed. Cir. 1988)] that there must be something more than a mere concept being commercialized in order to invoke the on-sale bar. It is the Court’s task to determine where on this factual continuum, plaintiff’s admittedly commercialized offers to sell most appropriately fall.

Id. Thus, it is the job of the courts to balance the policies underlying § 102(b) against the factual circumstances surrounding the sale or offer to sell, including the stage of development of the invention and the nature of the invention.

41. *Id.*

42. *Id.* at 71 (citing *UMC Electronics*, 816 F.2d at 656-57).

43. 816 F.2d 647.

44. *Id.* at 657.

phase would have weighed heavily in UMC's favor.⁴⁵

Similar to the *UMC Electronics* court, the *B.F. Goodrich* court found that the offer for sale was for commercial purposes. In considering the surrounding circumstances of the proposals, the court would not give any weight to BFG's contention that the product was not yet fully developed when the sales proposal was made.⁴⁶ Thus, the *B.F. Goodrich* court concluded that the stage of development was insignificant when the purpose of the sales proposal was commercial rather than research oriented.

Most recently, the Federal Circuit in *Mahurkar v. Impra Inc.* also looked to see whether commercialization is the central focus when determining whether the on-sale bar of § 102(b) applies.⁴⁷ In *Mahurkar*, the court found that a "sham sale" of a prototype of an invention was not a sale for purposes of § 102(b) where commercialization was not the central focus.⁴⁸ The *Mahurkar* court also considered the remaining policies in determining that the sale was not a § 102(b) sale. The court found that the invention was not placed in the public domain and that the public was not made aware that the invention was freely available. *Mahurkar* also held that the transaction was consistent with the policy of encouraging widespread disclosure of technology and allowing the inventor a reasonable amount of time following the sales activity to determine the value of a patent.⁴⁹

Thus, the modern courts focus on whether commercialization is the purpose behind the activities in determining which surrounding circumstances should be considered and balanced against the policies underlying § 102(b). Additionally, if commercialization is indeed the underlying motivation, then the courts give less deference to the surrounding circumstances in performing their policy balancing test.

45. *Id.*

46. *B.F. Goodrich*, 825 F. Supp. at 71.

47. 71 F.3d 1573 (Fed. Cir. 1995). "'Foremost [] is the policy of preventing inventors from exploiting the commercial value of their inventions while deferring the beginning of the statutory term.' Consequently, 'the inventor is strictly held to the requirement that he file his patent application within one year of any attempt to commercialize the invention.' (emphasis added)." *Id.* at 1577 (citation omitted) (quoting *Feraq AG v. Quipp, Inc.*, 45 F.3d 1562, 1565 (Fed. Cir. 1995)).

48. *Id.* at 1577; cf. *Timely Prod. Corp. v. Arron*, 523 F.2d 288, 302 (2d Cir. 1975) (finding that § 102(b) prohibits "an application for patent filed more than one year after the solicitation of an order for a specific article to be produced later, where the following requisites are present: (1) The complete invention claimed must have been embodied in or obvious in view of the thing offered for sale. . . . (2) The invention must have been tested sufficiently to verify that it is operable and commercially marketable. . . . (3) Finally, the sale must be primarily for profit rather than for experimental purposes."), cited with approval in *Barnag Barmer Maschinenfabrik AG v. Murata Mach., Ltd.*, 731 F.2d 831, 836-37 (Fed. Cir. 1984).

49. *Mahurkar*, 71 F.3d at 1577. The court found that the Northwest transaction was not "'sales activity' that helped the inventor determine the value of a patent. Selling two unmarketable prototypes with instructions that made them unusable could not provide information as to the value of a patent." *Id.* This suggested to the court that "the transaction did not impermissibly extend the one-year period allowed for inventors to evaluate the value of a patent before filing an application." *Id.* at 1577-78.

B. Modern Courts Similarly Consider Whether There Was an "Intent to Commercialize" When Evaluating and Applying the Geographical Limit of Section 102(b)

When evaluating and applying the geographical limit of § 102(b), the modern courts similarly focus on whether there was an "intent to commercialize" while performing a policy balancing test. In *B.F. Goodrich*, BFG argued that the "on-sale" bar could not apply to the Airbus sales proposal because it was not offered "in this country" as required by § 102(b).⁵⁰ Allied, Inc., the patent challenger, urged the *B.F. Goodrich* court to evaluate the sales proposal in light of the *Robbins Co. v. Lawrence Manufacturing Co.*⁵¹ and *Synair Corp. v. American Industrial Tire, Inc.*⁵² decisions.⁵³ In *Robbins*, the Ninth Circuit held that a "product is 'on sale' in the United States, within the proscription of the statute, if substantial activity prefatory to a sale occurs in the United States. An offer for sale, made in this country, is sufficient prefatory activity occurring here, to bring the matter within the statute."⁵⁴ *Synair* interpreted the "substantial prefatory activity" test to refer only to sales activity rather than product development.⁵⁵ The *Synair* court eventually concluded that since "all the discussions leading to the eventual sale took place in Canada," no "prior sale" occurred in the United States.⁵⁶

In *B.F. Goodrich*, however, the offer was made abroad, but substantial other activities relating to the offer occurred in the United States. "[A] full scale prototype of the invention was built and tested in BFG's facilities in the United States . . . and financial proposal volumes comprising hundreds of pages were generated in and sent from BFG's offices in Troy, Ohio;" there were communications between Airbus and BFG in the United States; and "BFG fielded customer questions from its United States offices."⁵⁷ Following the *Synair* court's interpretation, the *B.F. Goodrich* court did not consider the product development activities associated with the Airbus proposal as sales activity and determined that the communication activities that BFG engaged in were not sufficient to amount to substantial prefatory activity.⁵⁸ The court went on to

50. *B.F. Goodrich*, 825 F. Supp. at 68-69.

51. 482 F.2d 426 (9th Cir. 1973).

52. 223 U.S.P.Q. (BNA) 1021 (S.D. Tex. 1983).

53. *B.F. Goodrich*, 825 F. Supp. at 71-72.

54. *Robbins*, 482 F.2d at 434.

55. *Synair*, 223 U.S.P.Q. (BNA) at 1021-22. Once again there appears to be the focus on whether there is commerciality in the activity. If commerciality exists then the courts apply the statute strictly, if the activity is experimental or non commercial, then the courts appear to consider the policies underlying § 102(b) and apply the statute less strictly.

56. *Id.* at 1022.

57. *B.F. Goodrich*, 825 F. Supp. at 72.

58. *Id.* at 72-73. So even in today's age of advanced communications across borders, in contradiction to current commentators viewpoints, the modern courts have not determined that the geographical limitation is outmoded. They have still viewed the geographical limitation as relevant and important and have distinguished between mere communications and actual sales activities. Furthermore,

say that “[t]o find that this activity constitutes ‘substantial prefatory activity’ would mean that virtually every offer made in a foreign country could satisfy the on-sale provision. Such a finding would render the relevant ‘in this country’ language superfluous.”⁵⁹ The *B.F. Goodrich* court distinguished the offer for sale in *Robbins* from the more standard sales activities in *B.F. Goodrich Co.*⁶⁰

Thus, the focus was on where the offer took place in determining whether the prefatory activity was substantial or not. The *B.F. Goodrich* court found the offer to take place outside the United States and the activities that took place inside the United States were not sufficient to rise to the level of substantial prefatory activity. The *B.F. Goodrich* court ultimately held that such a finding would not violate the policy concerns against removing inventions from the public which the public had justifiably come to believe are freely available to all as a consequence of the sales activity since the communications in Europe apparently were confidential.⁶¹

In summary, *B.F. Goodrich* has affirmed that the modern courts *do* consider the same policies as earlier courts considered when they evaluated § 102(b). Thus, the underlying policies which led to the implementation of the geographical limitation within § 102(b) are alive and strongly respected by today’s modern courts and therefore should not be considered to be outdated or outmoded and should be recognized and considered when evaluating a potential legislative change.

IV. THE CURRENT DEBATE

In the current debate, the arguments regarding geographical limitation fall

when the activities are deemed as non commercial the courts have consistently considered the policies underlying § 102(b) as very important. In this situation the court found the activities not to be substantial prefatory activity within the United States and therefore found great respect and importance for the geographical limitation within § 102(b) and thus found no bar to the applicant. In coming to this conclusion, the court determined that the policy of releasing the invention to the public had not been violated and therefore the applicant should not be barred. *Id.*

59. *Id.* at 72.

60. *Id.* at 72-73. The court in *Synair* seemed to indicate that discussions in a particular location may be enough to satisfy the “substantial prefatory activity” requirement. *Synair*, 223 U.S.P.Q. (BNA) at 1022. In *B.F. Goodrich*, there was no evidence that Airbus or Swissair officials came to the United States to discuss the offer. *B.F. Goodrich*, 825 F. Supp. at 72-73. The only possible way discussions occurred in the United States was over the telephone. For instance, the defendant argued that an international telephone call which involved BFG discussing the A310 proposal, pricing, flight testing, and an agenda for future face to face meetings should be considered as prefatory activity in the United States. *Id.* The issue of whether telephone discussions qualify as “in this country” has yet to be addressed by any court. It is important to point out that such discussions may relate to standard sales activities. On the other hand, an offer can potentially be presented over the telephone. In *B.F. Goodrich*, there was no evidence that any of the discussions rose to a significant level (i.e., that an offer was made on the telephone). Therefore the court viewed the telephone communications as standard sales activity and, thus, not rising to the level of sufficient prefatory activity in the United States. *Id.* at 72.

61. *Id.*

into two main categories. First, commentators disagree as to whether the public policy reasons underlying patent law are adequately protected by the geographic limitation within § 102(b). Second, some commentators argue that the initial justifications for implementing the geographical limitation are inapplicable in today's globalized market based on improvements in communications, transportation and technology.⁶²

A. The Public Policy Debate

1. Arguments for the Removal of the Geographic Limitation

The basic policy behind the public use and sale bar is that an inventor should not be allowed to commercially exploit or publicly use an invention for a long period and then apply for a patent, thereby obtaining a monopoly, once competition arises.⁶³ Such activity cuts against the basic justification and policy underlying patent law, which is to disseminate new technology into the world.⁶⁴ In addition, allowing "use or sale" prior to the application for a patent motivates inventors to refrain from applying for a patent until absolutely necessary, which undermines the goal of prompt filing.⁶⁵ Accordingly, the geographical limitation of § 102(b) prompts the question: "[W]hy should an inventor, who has dedicated his invention to the public at large in a foreign country for more than one year, be allowed to obtain an enforceable United States patent against the American public" when his competitor in the United States would be barred for the same conduct, merely because such conduct

62. See Chisum, *supra* note 10, at 48; Bliss, *supra* note 11, at 87.

63. For additional policy justifications for the § 102(b) "public use and on sale" bar, see Rooklidge, *supra* note 35, at 44 (noting "five policies underlying the on sale and public use bars to patentability: avoiding detrimental public reliance; encouraging patent disclosures; discouraging undesirable commercial exploitation; favoring completion of the invention; and giving the inventor a one-year grace period in which to file a patent application. The Federal Circuit has adopted an analysis of the on sale and public use bars based on these five policies. The policy favoring early filing of patent applications is not an operative part of the analysis, but rather a statement of the overall policy underlying the bars. An additional policy, the policy against geographical accessibility, has also been identified.").

64. This logic is also in harmony with the patent law policy of granting exclusive privileges to promote the progress of science and useful arts. Further, patent law was designed to benefit the public and to reward and protect inventors. ROBERT A. CHOATE & WILLIAM H. FRANCIS, CASES & MATERIALS ON PATENT LAW 77 (2d ed. 1981) (citing 1 WILLIAM C. ROBINSON, THE LAW OF PATENTS § 33, at 52-53 (photo. reprint 1972) (1890)). In attaining the objectives of the patent system,

the concession of the patent privilege by the state is an act having a three fold character. As a reward bestowed on the inventor for his past inventions, it is an act of justice. As an inducement to future efforts, it is an act of sound public policy. As a grant of temporary protection in the exclusive use of a particular invention, on condition of its immediate publication and eventual surrender to the people, it is an act of compromise between the inventor and the public, wherein each concedes something to the other in return for that which is conceded to itself.

Id. (quoting 1 ROBINSON, *supra*, § 40, at 58).

65. "[The] ability [of the inventor] to reap financial rewards from the invention . . . reduce[s] the incentive for prompt filing in the United States." Chisum, *supra* note 10, at 43.

took place within the borders of the United States?⁶⁶ Thus, some commentators argue that sound public policy requires that this type of inconsistent treatment be eliminated.

Further, a barrier to patentability is created once an invention has been disclosed in a patent or printed publication (in the United States or a foreign country), either before the date of invention⁶⁷ or more than one year before the applicant files his application.⁶⁸ This barrier is justified because the invention has been disclosed and given away to the public and granting a patent deprives the public of something they believe they already have. The policy underlying patent law simply will not allow this inventor to be granted a government monopoly.⁶⁹ Thus, the general argument then becomes that there should not be a distinction between publication activities and non-publication activities, such as "public use" and "sales," where the technology is disseminated to the public just as efficiently. Therefore, it should be irrelevant in § 102(b) whether the "public use" or "sales" occurred outside of the United States if the public is deprived of a technology that has become part of the public domain.⁷⁰

2. Arguments to Maintain the Geographic Limitation

Those who favor the "in this country" geographical limitation, however, contest that the original justification for its creation supports its continued existence. The Supreme Court in *Gayler v. Wilder* set forth the underlying

66. Bliss, *supra* note 11, at 75.

67. 35 U.S.C. § 102(a). It should be noted that a § 102(a) reference can be potentially removed with a § 131 affidavit, whereas a § 102(b) reference cannot be removed. See 37 C.F.R. § 1.131 (1996).

68. 35 U.S.C. § 102(b).

69. *Gayler v. Wilder*, 51 U.S. 477, 497 (1850) ("If the foreign invention had been printed or patented, it was already given to the world and open to the people of this country, as well as of others, upon reasonable inquiry. They would therefore . . . confer no benefit upon the community, and the inventor therefore is not considered to be entitled to the reward.").

70. These identical arguments were expressed by the Presidential Commission on Patents in 1966, which recommended the abolition of the geographical limitation to the statutory bar in § 102(b). The Commission's report in pertinent part recommended that:

Foreign knowledge, use and sale would be included as prior art. Present arbitrary geographical distinctions would be eliminated. The same high standard of proof now required for showing domestic public knowledge, use or sale would also be applied to such foreign prior art.

The anomaly of excluding, from prior art, public knowledge, use or sale in a border town of Mexico or Canada, and including the same kind of disclosure in Alaska or Hawaii, would be eliminated.

This change would prevent the granting of valid U.S. patents on inventions which would be unpatentable abroad, because of long use or sale there. It would be another step toward conformity with European patent laws and would promote acceptance of a common definition of universal prior art. Additionally, it would promote the establishment of international scientific data banks, thus eliminating one of the barriers to the useful exchange of search results among patent offices of various countries.

TO PROMOTE THE PROGRESS OF . . . USEFUL ARTS IN AN AGE OF EXPLODING TECHNOLOGY: PRESIDENT'S COMMISSION ON THE PATENT SYSTEM 7 (1966). This report by the President's Commission failed, however, to induce any legislative action, and § 102(b) remained unchanged.

rationale for the idea of a geographical limitation relating to the use/sale statutory bar concept.⁷¹ The *Gayler* court reasoned that if a foreign invention was not patented or described in a printed publication, it was usually known and used only by a small number of persons in a foreign country.⁷² Therefore, the disclosure of the invention would not be easily obtainable by the American public and they would be unable to benefit from the invention.⁷³ Based upon these justifications, the *Gayler* court determined that only uses within the United States would invoke a bar against patentability.⁷⁴ Advocates of the geographical limitation maintain that this rationale continues to effectuate the policy goals of § 102(b) because the American public still would benefit by awarding patents to inventors who bring unpublished invention to the United States regardless of the invention being used or sold elsewhere.⁷⁵

B. Debate Regarding Applicability of Initial Justifications for Geographical Limitations

Second, opponents of the geographical limitation argue that today's increased communications, improved transportation, and advanced technology have made the original policy justifications for the geographical limitation outmoded and outdated. When the geographical limitation was first implemented, there was a meaningful distinction between "printed publication" disclosures and "use or sale" disclosures. In the current environment, the distinction between the different types of disclosures is no longer valid because there are far fewer impediments to discovering foreign use or sale of an invention. Since the original justifications for a geographical limitation have broken down, the argument concludes that the geographical limitation should

71. *Gayler*, 51 U.S. 477.

72. *Id.* at 497.

73. *Id.* The *Gayler* Court focused on the concept of the inaccessibility of unpublished foreign uses and found them to be distinguishable from printed publications and patents:

If the foreign invention had been printed or patented, it was already given to the world and open to the people of this country, as well as of others, upon reasonable inquiry. They would therefore derive no advantage from the invention here. It would confer no benefit upon the community, and the inventor therefore is not considered to be entitled to the reward. But if the foreign discovery is not patented, nor described in any printed publication, it might be known and used in remote places for ages, and the people of this country be unable to profit by it. The means of obtaining knowledge would not be within their reach; and, as far as their interest is concerned, it would be the same thing as if the improvement had never been discovered. It is the inventor here that brings it to them, and places it in their possession. And as he does this by the effort of his own genius, the law regards him as the first and original inventor, and protects his patent, although the improvement had in fact been invented before, and used by others.

Id.

74. *Id.*

75. Many of the same discovery and evidentiary concerns that justified the creation of the geographic limitation with respect to § 102(b) still exist today as can be seen by the concerns that were raised regarding the removal of the geographic limitation in § 104. See *infra* part V.C.2; see generally Robert A. Armitage, *The Uruguay Round & I.P.: Great or GATTastrophic for the United States Patent System—or Both?*, AIPLA BULL., Jan.-Feb. 1995.

be removed.

Additionally, opponents of the geographical limitation assert that the original discovery and evidentiary concerns are no longer an issue. Such problems are minimized due to the modern communications and transportation technologies. Also, based on the fact that

[t]he critical pre-filing date acts are normally those of the inventor-applicant himself or his assignee[, s]uch persons can be expected to keep careful records of the nature and timing of pre-filing activities. Thus, the applicant or patent owner would not face the loss of valuable patent rights on the basis of evidence derived from inaccessible foreign sources.⁷⁶

These arguments, however, may be shortsighted. Today there are still major differences in discovery procedures across the borders of nations. The approach to litigation and acquisition of information is unique to the United States adversarial system. In addition, there are many nations which are just now developing technologically and it is specifically these nations that possess an aggressive attitude toward violating intellectual property rights when given the chance.⁷⁷ Thus, many of the views expressed by the *Gayler* court concerning discovery and evidentiary problems are still applicable today.⁷⁸

V. INTERNATIONAL CONSIDERATIONS

When considering a legislative change to domestic United States Patent Law, it is important to consider international ramifications that the domestic legislative alteration may cause. This is especially true when considering the overall global economic, legal, and political interrelationships that the United States has with other nations and the continued increased effect that other nations have on the United States. The United States as a nation, has come to realize that the increased global economy and international economic dependence is a reality that must be considered when making internal domestic decisions, especially concerning laws such as the Patent Laws, which have such an international impact.⁷⁹

To illustrate the importance of international considerations on United States law, this section examines the impact that several major international trade

76. See Chisum, *supra* note 10, at 43.

77. The Pacific basin countries are a prime example of this. Poor intellectual property enforcement systems in many developing nations was one of the main motivators behind GATT and NAFTA.

78. Many experts in the United States were concerned about the amendments to § 104, specifically pertaining to the lack of geographical accessibility relating to the discovery of information abroad while in an interference. See *infra* part V.C.2. These same concerns could arguably be just as important when thinking about altering the geographical limitation within § 102(b).

79. Many in the field of intellectual property law, however, believe that too many changes were made to United States patent law as a result of GATT and NAFTA. These commentators believe that too much consideration was given to international aspects and that policy makers neglected to realize the importance of certain domestic interests. See *infra* note 107 and accompanying text.

treaties have had on another provision of the Patent Act—specifically § 104 (Inventions made abroad).⁸⁰ A comparison of the changes to § 104 caused by international considerations may prove helpful when contemplating potential changes to § 102(b) because both provisions contain similar geographical limitations language and similar policy justifications.

A. The National Treatment Principle of the Paris Convention

Prior to GATT and NAFTA, the Paris Convention was (and still is) one of the key treaties concerning the protection of industrial property on the international level. The United States acceded to the Paris Convention in 1887.

One of the most significant and valued rights provided under the Paris Convention is the right of “national treatment.” The national treatment principle requires that “[n]ationals of each of the countries of the Union shall . . . enjoy in all the other countries of the Union the advantages that their respective laws now grant . . . to nationals [of these countries].”⁸¹ This principle is a significant aspect of the Paris Convention for the reason that:

[the] Paris [Convention] does not impose a comprehensive set of substantive obligations that would make the various patent systems of the world consistent. Rather, through its narrow national treatment perspective, the Paris Convention serves to ensure consistency of treatment of inventors in the often divergent and inconsistent national patent systems of the world.⁸²

Thus, it is important to remember that the right of national treatment does not require uniform levels of protection in Paris Union Countries, but only requires that foreigners are treated the same as nationals under national law.

An issue that drew considerable interest in international debates relating to the question of national treatment was “evidence of foreign inventive activity” under § 104 in the United States domestic first inventor system. Section 104 provided that “an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with

80. See *infra* part V.C.2 and accompanying text. Historically, foreign inventors applying for a United States patent were precluded, under § 104, from using non-United States inventive activity to prove they were the first to invent under the United States’ first-to-invent system. This practice by the United States was purposeful discrimination against foreign inventors in favor of domestic inventors.

81. Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, art. 2(1), 13 U.S.T. 1, revised, July 14, 1967, 21 U.S.T. 1583 [hereinafter Paris Convention]. What is the meaning of “laws” referred to in Article 2(1) of the Paris Convention? The addition of the phrase, “without prejudice to the rights specially provided by this Convention,” makes it clear that “laws” does not include the application of the Convention itself, wherever such direct application is possible. See G.H.C. BODENHAUSEN, GUIDE TO THE APPLICATION OF THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY 30 (1968). The word “laws” must therefore be interpreted as meaning “national laws,” not including international treaties, unless and in so far, of course, as such treaties have been incorporated in the national law. *Id.*

82. PAUL E. SALMON ET AL., COMPARATIVE PATENT LAW: COURSE MATERIALS FOR INTERNATIONAL AND COMPARATIVE PATENT LAW, GEORGE WASHINGTON UNIVERSITY NATIONAL LAW CENTER 36 (1993).

respect thereto, in a foreign country.”⁸³ Many believed that the United States provision of § 104, allowing only evidence of inventive activity in the United States, was a violation of the national treatment principle of the Paris Convention. It was argued that in certain instances the United States domestic law treated similarly situated United States inventors differently than foreign inventors. United States courts, however, held that the statute did not violate the Paris Convention national treatment principle.⁸⁴ The courts, nonetheless, acknowledged that § 104 may be outmoded in today’s age of modern technology.⁸⁵

Recently, as a result of GATT and NAFTA, § 104 has been amended to expand the geographical limitations.⁸⁶ As amended, § 104 includes all WTO and NAFTA member countries in the geographical jurisdictions where evidence of inventive activity can be found for purposes of proving the date of invention.⁸⁷ While this change to United States law was treaty motivated, it may very well be that it was the direct result of the long debate over the national treatment principle of the Paris Convention. Acknowledging the national treatment principle is important because the relationship between the national treatment principle and the § 104 geographical limit may be closely analogous to the relationship between the national treatment principle and the § 102(b) geographical limit.

B. Harmonization

A possible future goal of international treaties is the harmonization of the patent laws. The Paris Convention and the national treatment principle are important to consider with respect to potential patent law harmonization. A

83. 35 U.S.C. § 104 (1988).

84. See *Monoco v. Hoffman*, 189 F. Supp. 474, 481-82 (D.D.C. 1960), *aff’d*, 293 F.2d 883 (D.C. Cir. 1961) (per curiam) (“Actually, however, there is no repugnancy between the Treaty and the statute. The treaty requires that each country shall extend to nationals of the other, the same rights as are accorded to its own nationals. The statute does not differentiate between citizens of the United States and citizens of Italy. It distinguishes between inventions made in the United States and those developed in a foreign country. A citizen of the United States who lives in Italy and makes his invention there, would be subject to the limitations of section 104 to the same extent as a citizen of Italy. On the other hand, a citizen of Italy who makes an invention in this country would not be bound by the restrictions.”); accord *Shurie v. Richmond*, 699 F.2d 1156, 1158 (Fed. Cir. 1983).

85. See *Monoco*, 189 F. Supp. at 482 (“Today with modern means of travel and communication, . . . it might well be argued that the reason for the rule no longer exists. The patent law is, however, entirely statutory and, unlike the common law, may not be molded and adjusted by judicial decisions to meet shifting needs and changing conditions. The Congress alone may afford the remedy, if one is deemed needed.”); accord *Shurie*, 699 F.2d at 1158.

86. North American Free Trade Agreement Implementation Act, Pub. L. No. 103-182, 107 Stat. 2057 (1993); Uruguay Round Agreements Act, Pub. L. No. 103-465, 108 Stat. 4809 (1994).

87. Section 104 now permits reliance on inventive activities occurring in a NAFTA country (U.S., Canada, and Mexico) after December 8, 1993, and in any WTO country after January 1, 1996, in proving a date of invention for purposes of obtaining a United States patent. See *infra* note 104 for the amended text of § 104.

key topic concerning patent law harmonization is the international grace period.⁸⁸ Under the Paris Convention, members of the treaty are required to provide some protection against prejudicial disclosure of inventions at officially recognized international exhibitions held in the territory of any Paris Union country. Beyond this limited situation, however, countries are free to vary widely in their grace period provisions.⁸⁹

Indeed, a cursory review of several nations' patent laws reveals that grace periods vary widely from country to country. Europe, for example, currently has no grace period. The principle of absolute novelty is practiced.⁹⁰ The only exceptions to this rule are found in Article 55 of the European Patent Convention (EPC):⁹¹

- 1) disclosure from a breach of confidence, if the applicant files within six months; and
- 2) disclosure is due to display by the applicant at an official international exhibition, if the applicant files within six months.⁹²

Japan provides a six-month grace period to file for a patent in the limited situation where the inventor conducts an experiment, makes a presentation in a printed publication, or makes a written presentation to a study meeting of a body of the government patent office.⁹³ In Japan this limited grace period is tied to a geographical limitation. The disclosure must become *known in Japan* in order to qualify for the six-month grace period under Article 30 of the

88. SALMON ET AL., *supra* note 82, at 261.

89. *Id.*

90. Prior to the European Patent Convention (EPC), Germany had a rather broad grace period, but this was lost to the principle of "absolute novelty" when the EPC was crafted. *Id.* at 262.

91. The EPC, which concluded in Munich in 1973, was the first 'harmonization' treaty of sorts, because it effectively accommodated the divergent patent systems of several European countries. The original six countries forming the European Economic Community (EEC), established by the Treaty of Rome in 1958, undertook the task of drafting harmonized patent legislation for the Common Market in 1959. . . . [T]hese early efforts . . . ultimately gave birth to the EPC in 1973

....
Basically, the EPC permits the filing of a single patent application in the European Patent Office designating any of the member countries of the EPC . . . where prosecution may be desired. The application that undergoes a single examination which can effectively result in a 'bundle' of patents, one for each country designated in the application. These resulting patents are separately enforceable under the laws of the respective countries

Id. at 105.

92. *Id.* at 262.

93. The Japanese Patent Act provides:

In the case of an invention which has fallen under any of the paragraphs of Section 29(1) by reason of the fact that the person having the right to obtain a patent has conducted an experiment, has made a presentation in a printed publication, or has made a presentation in writing at a study meeting held by a scientific body designated by the Director General of the Patent Office, such invention shall be deemed not to have fallen under any of the paragraphs referred to, provided that such person has filed a patent application *within six months* from the date on which the invention first fell under those paragraphs.

Patent Law of Japan, art. 30, *translated in* JAPANESE LAWS RELATING TO INDUSTRIAL PROPERTY (Japanese Group of AIPPI 1988) (emphasis added) [hereinafter Patent Law of Japan].

Japanese Patent Law.⁹⁴ Thus, in Japan and Europe, there is no equivalent to the United States one year grace period of § 102(b).⁹⁵

1. Harmonization—World Intellectual Property Organization⁹⁶ Draft Treaty

In October of 1989, Canada proclaimed in force the amended Canadian Patent Act, which adopted a first to file system. This amended Patent Act adopted a new Canadian grace period modeled on the WIPO Draft Treaty international grace period.⁹⁷ The WIPO Draft Treaty defines an international grace period in Article 12, which provides in pertinent part:

(1) Disclosure of information which otherwise would affect the patentability of an invention claimed in that application shall not affect the patentability of that invention where the information was disclosed, during the *12 months* preceding the filing date or, where priority is claimed, the priority date of the application,

(i) by the inventor,

(ii) by an Office and the information was contained (a) in another application filed by the inventor [sic] and should not have been disclosed by the Office, or (b) in an application filed without the knowledge or consent of the inventor by a third party which obtained the information direct [sic: directly] or indirectly from the inventor,

(iii) the information was contained in another application filed by the inventor and should not have been disclosed by that office, or

(iii) [sic] by a third party which obtained the information direct [sic: directly]

94. See SALMON ET AL., *supra* note 82, at 262. The pertinent part of Article 30 of the Japanese Patent Law "provides a six month grace period . . . if the invention has become publicly known in Japan." *Id.* (citing Patent Law of Japan, art. 30) (emphasis added). Thus, the geographical limit that is applied in Japan operates differently than the geographical limit in the United States. In Japan the inventor cannot benefit from the six month grace period at all, unless the disclosure occurs or is made known in Japan. In the United States, if the disclosure "use or sale" occurs outside of the United States, the one year grace period never kicks in at all and the applicant is not subject to the bar.

95. The Japanese government recognizes that the grace period will be a key bargaining chip during negotiations over the harmonization of patent laws and will probably be willing to trade a new "grace period" in Japan for "first to file" in the United States. HAROLD C. WEGNER, *PATENT HARMONIZATION BY TREATY OR DOMESTIC REFORM*, § 910, at 90-91 (Mori Press 1993). Therefore, if the United States has a desire to keep a grace period at the international level if harmonization occurs, the United States has an interest in protecting its domestic grace period as it stands today by preventing any domestic erosion. If the United States allows any erosion of its grace period, it may lose a very valuable bargaining chip in the future when attempting to negotiate a patent law harmonization treaty.

96. The World Intellectual Property Organization (WIPO) is one of 16 specialized agencies of the United Nations system of international organizations. WIPO is charged with promoting the protection of intellectual property worldwide and administering various international treaties governing intellectual property. WIPO's headquarters are located in Geneva, Switzerland, near the Palace of Nations. WIPO also has a Liaison Office at the United Nations headquarters in New York.

97. See SALMON ET AL., *supra* note 82, at 264.

In the most recent WIPO efforts toward harmonization, Germany is now exerting pressure to reinstate a grace period in German and European law. As it currently stands in Europe there is no issue of the "geographical limitation" because there is no grace period at all. However, if a grace period is implemented pursuant to WIPO harmonization efforts it probably will not specify criteria as to a geographical limitation. This does not mean that a country would not be free to implement such a limitation if they chose to do so. Therefore, it is entirely possible that if an international grace period is implemented into a WIPO or WIPO type harmonization treaty, countries may be free to implement a geographical limitation with respect to the grace period.

or indirectly from the inventor.⁹⁸

Since prior art is defined by the filing date and not by the invention date in a first to file system, only disclosures by the inventor are saved by the grace period.⁹⁹ Therefore, effectively what has occurred in Canada by switching to a first to file system is that the grace period has become more directly tied to conduct of the inventor and completely independent of actions or conduct by third parties. In addition, this simultaneously eliminated the geographical limitation which existed in the old Canadian Patent Act, which was very similar to the current United States grace period. This is important to recognize, because it can be used as a model for the United States in the event that a first to file system is ultimately adopted in the event of the onset of harmonization.

2. Harmonization and 35 U.S.C. § 102(b)

If harmonization occurs in accord with the WIPO draft treaty, it is almost certain that the United States will adopt a first to file system. It is also almost certain that a one year international grace period will be included as well. The United States has expressed its strong desire to keep its grace period in its domestic law.¹⁰⁰

98. *Id.* at 263-64 (emphasis added) (citing *Draft Treaty Supplementing the Paris Convention for the Protection of Industrial Property As Far As Patents Are Concerned*, art. 12(1), WIPO Doc. No. PLT/DC/3 (Dec. 21, 1990), reprinted in *Records of the Diplomatic Conference for the Conclusion of a Treaty Supplementing the Paris Convention for the Protection of Industrial Property As Far As Patents Are Concerned*, 30 INDUS. PROP. 118 (1991)).

99. *Id.* at 264 ("Because prior art is defined as of the filing date (rather than the invention date) in a first-to-file system, disclosures by others are not saved by the grace period (i.e., there is no ability to prove a date of invention prior to the filing date). Disclosures by the inventor or resulting from abuse are excused by this 'international' grace period.").

100. The following excerpt manifests the United States viewpoint:

Long and firmly established traditions in the United States scientific community encourage open and free communication through early publication and dissemination of the results of scientific research. Yet, prior public disclosure of the substance of an invention serves as the most fundamental bar to the ability of an inventor to obtain patent protection. The U.S. patent laws provide a compromise to these two opposing principles through a grace period—an explicit right of an inventor to prevent the patent defeating effect of an earlier publication or public disclosure of the invention for a one-year period following the disclosure. . . . The grace period is, therefore, of critical importance to the scientific community in facilitating early dissemination of research results, while preserving the patenting opportunity of the inventor for a reasonable period. . . .

The grace period also is essential to protect entities which have limited financial resources for speculative patent application filing and prosecution. Such entities must have some time after a publication or other public disclosure to validate the commercial viability of an innovation, often by finding a prospective licensee as a precondition to making any significant financial commitment toward obtaining patent protection for that innovation. The U.S. grace period helps to ensure equal access for such entities to the benefits of U.S. patent protection, and protects against inadvertent loss of U.S. patent rights during the initial period of testing or promotional activities.

The absence of parallel protection for the inventor who has published or otherwise publicly disclosed the invention abroad has caused many United States inventors to unnecessarily or inadvertently forfeit their patent rights in much of the rest of the world. *Because of this, U.S. negotiators in the WIPO patent law harmonization exercise have struggled to incorporate an*

Thus, Canada becomes an excellent model to predict the effect harmonization will have on 35 U.S.C. § 102(b). Canada has adopted a first to file system. A grace period modeled on the WIPO draft treaty has also been adopted in Canada, which ties the grace period directly to the inventor's conduct and is independent of third party conduct. Thus, in Canada the geographical limitation on "use or sale" has been eliminated from the grace period. This is very similar to what the situation would be in the United States if the United States adopts a first to file system.

Upon adoption of a first to file system, the definition of prior art changes from the date of invention to the date of filing, and as a result affects the interpretation of the grace period.¹⁰¹ Thus, only the conduct of the inventor is relevant, which is not true under the current grace period in § 102(b). Section 102(b) currently provides that if a "public use or sale" occurred in the United States by the inventor *or by anyone else* within one year of the applicant's filing, the applicant could still benefit from the grace period and not be barred from a patent under § 102(b). Under WIPO and potential harmonization, the inventor could not benefit from the grace period for any "uses or disclosures" made by a third party. Only if the disclosure was made by the inventor himself would he be able to benefit from the grace period as defined by WIPO.¹⁰²

Additionally, the grace period would not be geographically limited because in a first to file system the policy justifications for the geographical limitation evaporate. Courts no longer need be concerned about difficulty of discovery of evidence in far away places based on conduct of third parties. The conduct of third parties would no longer be relevant in a first to file system with a WIPO type grace period. Therefore, a geographical limitation would no longer be justified. Conduct by the inventor would trigger the one year clock, and this

international grace period into the draft harmonization treaty. The grace period under consideration in the current text of the draft treaty provides a limited grace period which extends only to acts by the inventor, or by another party who obtained the disclosed information from the inventor. . . . Most significantly, the treaty would mandate that all foreign patent systems recognize an international grace period so that such "self-created" prior art would not destroy patentability in any country. . . .

. . . The Advisory Commission considers a grace period to be an essential element of any first-to-file system. . . . Thus, the harmonization treaty could provide a significant direct benefit for all U.S. inventors.

Therefore, if the United States adopts the first-to-file system, this Commission recommends that the United States retain a grace period during which public disclosure of an invention by the inventor would not affect the patentability of that invention if claimed in an application filed in any country offering reciprocal benefits within 12 months of the disclosure. If the first-to-invent system is retained, the current grace period under 35 U.S.C. § 102(b) is preferred.

ADVISORY COMMISSION ON PATENT LAW REFORM, REPORT TO THE SECRETARY OF COMMERCE 47-48 (1992).

101. See SALMON ET AL., *supra* note 82, at 264.

102. See *supra* note 99.

It should be noted that publication or other public disclosure of an invention caused independently of the patent applicant prior to the filing date would be considered prior art, and would not be protected by the contemplated "personal" grace period. Only "self-created" prior art would be protected under the first-to-file grace period because, in a first-to-file system, prior art is defined in terms of the filing date of an application, rather than the invention date.

SALMON ET AL., *supra* note 82, at 266 n.31.

clock would be triggered no matter where the conduct took place.

C. GATT & NAFTA Considerations

The geographical limitation in § 102(b) should also be considered in light of NAFTA and GATT. Since the underlying purpose and objective of treaties like NAFTA and GATT is to promote free trade, create one economic market and promote the effective protection of intellectual property rights, it could be argued that the geographical limitation in § 102(b) should be amended to include Canada, Mexico and WTO member countries within the § 102(b) "in this country" limitation.¹⁰³

In addition, GATT and NAFTA made other changes to the United States Patent Laws that have bearing on potential changes to § 102(b). Specifically, § 104 was amended to allow inventors to use evidence of foreign inventive activity that occurred in NAFTA and WTO member countries.¹⁰⁴ These changes to § 104 now could give foreign inventors seeking a United States Patent an advantage over a similarly situated inventor in the United States.

103. With respect to the NAFTA agreement:

Chapters 1 and 2 are opening provisions declaring the overall objectives of NAFTA and defining certain terms that appear throughout the Agreement. . . . In Chapter 1, the three NAFTA Parties formally establish a free trade area ("FTA"). They list the objectives of the Agreement as:

- elimination of barriers to trade in goods and services;
- promotion of "conditions of fair competition" within the free trade area;
- increasing investment opportunity within the FTA;
- effective protection and enforcement of intellectual property rights;
- creation of a framework for further cooperation to enhance the benefits of the agreement;

PAUL, HASTINGS, JANOFSKY & WALKER, NORTH AMERICAN FREE TRADE AGREEMENT: SUMMARY AND ANALYSIS 3 (Hamilton Loeb & Michael Owen eds., 1992, 1993).

104. As amended, the statute states:

§ 104. Invention made abroad

(a) In General.—

(1) Proceedings.—In proceedings in the Patent and Trademark Office, in the courts, and before any other competent authority, an applicant for a patent, or a patentee, may not establish a date of invention by reference to knowledge or use thereof, or other activity with respect thereto, in a foreign country other than a NAFTA country or a WTO member country, except as provided in sections 119 and 365 of this title.

(2) Rights.—If an invention was made by a person, civil or military—

(A) while domiciled in the United States, and serving in any other country in connection with operations by or on behalf of the United States,

(B) while domiciled in a NAFTA country and serving in another country in connection with operations by or on behalf of that NAFTA country, or

(C) while domiciled in a WTO member country and serving in another country in connection with operations by or on behalf of that WTO member country, that person shall be entitled to the same rights of priority in the United States with respect to such invention as if such invention had been made in the United States, that NAFTA country, or that WTO member country, as the case may be.

35 U.S.C. § 104(a) (1994) (emphasis added).

1. 35 U.S.C. § 104—Comparison to 35 U.S.C. § 102(b)

Prior to GATT and NAFTA, § 104 required that inventorship acts be “in this country,” that is, in the United States, just as § 102(b) currently requires commercial exploitation activity to be “in this country.” Under NAFTA and GATT regimes, the United States law now recognizes foreign inventive activity as providing a date of invention.¹⁰⁵ Essentially, the geographical limitation of § 104 has been expanded to include Canada, Mexico and WTO member countries.

Under the modified § 104, an inventor who invents outside of the United States may now bring forth foreign evidence of conception, diligence and reduction to practice to prove a date of invention to defeat a competing United States inventor who may have had an earlier United States filing date of the same invention or to swear behind a patent defeating reference. At the same time, however, this foreign inventor has the advantage of not being barred under § 102(b) for commercial exploitation activity that occurred outside the United States greater than one year before filing his application in the United States. A similarly situated United States inventor, however, would be denied the United States patent on § 102(b) grounds. Thus, foreign inventors have been put on equal footing with United States inventors with respect to § 104, but have an unequal advantage with respect to § 102(b). Accordingly, a strong argument exists to amend § 102(b) to equalize the treatment of United States and foreign inventors under United States Patent Law.¹⁰⁶

2. 35 U.S.C. § 104—Discovery and Evidentiary Concerns

By expanding the geographical limit of § 104 to include WTO and NAFTA countries, concerns were raised in the United States regarding the availability

105. *Id.*

106. It has also been presented that § 102(g) should be altered to maintain consistency and balance in United States patent law. Technically, neither NAFTA or GATT require any amendment to § 102(g), but confusion and litigation is nonetheless likely to occur. Section 102 provides that “[a] person shall be entitled to a patent unless . . . before the applicant’s invention thereof the invention was made *in this country* by another who had not abandoned, suppressed or concealed it.” 35 U.S.C. § 102(g) (emphasis added). Section 102(g) determines the date of invention for purposes of determining prior art, as well as determining who was the first to invent in an interference proceeding. If a party loses in an interference proceeding based on foreign inventive activity, the doctrine of interference estoppel would provide the patent examiner with a basis to reject the lost claims and thus preclude that same party from claiming the foreign inventive acts do not constitute prior art *in this country* under § 102(g). Thomas L. Irving and Stacy D. Lewis, *Proving a Date of Invention and Infringement After GATT/TRIPS*, 22 AIPLA Q.J. 309, 321-22 (1994). Outside the context of an interference proceeding and interference estoppel, the ability to prove an earlier date of invention outside the United States has no effect as patent-defeating prior art. *Id.* at 323-24. In amending § 104, Congress did not intend to expose U.S. inventors to patent invalidity based on worldwide secret prior art. *Id.* at 324.

of information to prove or disprove an invention date.¹⁰⁷ Additionally, many United States experts expressed concerns that the amendment to § 104 created an advantage to foreign inventors over domestic inventors in interference practice. This shift in advantage in interference practice could cause a significant increase in the amount of interference cases that are filed,¹⁰⁸ and in addition could significantly disadvantage the small domestic inventor who generally does not have the financial resources to support expensive interference proceedings.¹⁰⁹

These difficulties are compounded by logistic opportunities to foreign inventors.¹¹⁰ One of the logistic opportunities to foreign inventors is the newly created “provisional application” to prevent against § 102(b) bars.¹¹¹ This

107. Armitage, *supra* note 75, at 197-98 (“There is more than just a cloud in the GATT TRIPs silver lining. The § 104 amendments required under the Uruguay Round Agreements Act are likely to produce not just a cloud on the U.S. patent system, but a deep, pervasive overcast. . . . AIPLA vigorously opposed the concessions made in the TRIPs that resulted in these § 104 amendments—both on Capitol Hill and with Bush Administration officials. This change to the U.S. patent system is more than just unwise. That U.S. patent law should have changed on a legislative ‘fast track’ in a manner supported by no domestic interest is more than just unfortunate.”).

108. *Id.* at 199 (“If foreign inventors can get into interferences and stay in interferences in numbers proportional to the applications for patent they file, the number of interference contests could double or even triple over the next few years. By the year 2000, three-quarters of all interferences could involve foreign inventors and foreign invention date proofs.”).

109. *Id.* (“A substantial percentage of domestic inventors are small entities. For these inventors the financial and evidentiary hurdle of a patent interference may prove too expensive and too protracted an obstacle to overcome in getting a patent.”).

110. *Id.* (“The opportunities that favor the foreign-based inventor may be complemented by logistics that will disadvantage a domestic inventor. The foreign invention date proofs that will be placed in evidence here will be based in many cases on documents and records in foreign languages. In order to rebut evidence—even evidence provided in translation—the foreign language documents must be grappled with. In many cases, U.S.-based inventors will have significant difficulties in effectively challenging documents. Alterations may be more difficult to detect, fabrication of documents less easy to uncover.”).

111. The provisional application can be used to the advantage of the foreign inventor to assist in eliminating patent defeating references that it once had no ability to eliminate. *See* Darryl Mexic & Marc Kaufman, *Filing Provisional Applications By Foreign Inventors as a Strategy to Eliminate Certain Prior Art*, THE LAW WORKS, Vol. II, No. 9, Sept. 1995, at 6. For foreign applicants, in the context of a United States interference proceeding, evidence of inventive activity can be relied upon for purposes of establishing a date of invention prior to an applicant’s foreign priority date established under § 119. *See id.* In the context of prosecution, evidence of inventive activity can be relied upon for purposes of antedating or “swearing behind” a reference that has an effective date that is before the applicant’s § 119 foreign priority date. *See id.* (citing 37 C.F.R. § 1.131). It should be noted however, that reliance on such evidence of inventive activity outside the United States will not remove a § 102(b) reference that can bar an applicant from obtaining a patent in the U.S. *See id.* The § 102(b) reference need not be the applicant’s, but can be an independent third parties. *See id.* at 17. For, instance, if a publication disclosing a similar but not identical invention was printed anywhere prior to the filing of a German application, and the German applicant waited just under one year to file in the U.S. to obtain § 119 priority, “the U.S. application is barred under 35 U.S.C. § 102(b),” because the earlier third party publication disclosed the invention greater than one year before the actual United States filing. *Id.* Evidence of inventive activity could not be used to remove this § 102(b) reference. *See id.* Thus, if the German applicant had obtained an earlier actual United States filing date, the § 102(b) reference in question now merely becomes § 102(a) prior art, which can be removed by relying on evidence of inventive activity pursuant to § 104. *See id.* In other words, it now benefits the foreign inventor to have an actual United States filing date as early as possible to prevent against a possible § 102(b) bar and to exercise the new right to use evidence of foreign inventive activity. *See id.* Obtaining the earliest filing date can be achieved by either going forward as soon as possible with the United States application or in the

seems highly ironic given that the reason the provisional application procedure was created was to help put the United States inventor on equal footing with the foreign applicant who was able to use a § 119 foreign priority date filing procedure.¹¹² The foreign inventor will not only be able to have an additional edge in interference proceedings, but will have an additional tool to challenge the patentability of U.S. applications.¹¹³

The legislature in attempting to respond to the concerns of the United States patent community and to *prima facie* compensate for the possibility of an imbalance in discovery capabilities and the inability to equally obtain information, incorporated a special adverse inference provision into amended 35 U.S.C. § 104.¹¹⁴ This special adverse inference provision applies in patent proceeding where information in a WTO member or NAFTA country that is relevant to "proving or disproving" an invention date is not as available for use as it would be in the United States.¹¹⁵ This situation may arise because other countries may not have discovery procedures comparable to those in the United States.¹¹⁶ The amended statute directs the PTO or other authority to "draw appropriate inferences, or to take other action permitted by statute, rule, or regulation, in favor of the party that requested the information in the proceeding."¹¹⁷

alternative using the new provisional application. *See id.* This provisional application will not only protect against possible § 102(b) references but will preserve an early actual United States filing date without reducing the United States patent term, which is now measured 20 years from the first filing of the regular United States application under 37 C.F.R. § 1.53(b)(1), "not a provisional application." *Id.*

112. PATENT & TRADEMARK OFFICE, U.S. DEPT. OF COMMERCE, MANUAL OF PATENT EXAMINING PROCEDURE § 201.04(b), at 200-10 to -11 (6th ed. 1995) ("[E]ffective as of June 8, 1995, is the establishment of a domestic priority system. The Act provides a mechanism to enable domestic applicants to quickly and inexpensively file provisional applications. Under the provisions of 35 U.S.C. 199(e), applicants are entitled to claim the benefit of priority in a given application in the United States. The domestic priority period will not count in the measurement of the 20-year patent term. *See* U.S.C. 154(a)(3). Thus, domestic applicants are placed on equal footing with foreign applicants with respect to the patent term.").

113. Armitage, *supra* note 75, at 199 ("The U.S. patent system is both a priority and a *patentability* proceeding. A foreign inventor may file a belated application *solely* in the United States for the primary purpose of contesting patentability in the interference, not priority.").

114. As amended § 104 provides:

To the extent that any information in a NAFTA country or a WTO member country concerning knowledge, use, or other activity relevant to proving or disproving a date of invention has not been made available for use in a proceeding in the Patent and Trademark Office, a court, or any other competent authority to the same extent as such information could be made available in the United States, the Commissioner, court, or such other authority shall draw appropriate inferences, or take other action permitted by statute, rule, or regulation, in favor of the party that requested the information in the proceeding.

35 U.S.C. § 104(a)(3) (1994).

Certain commentators believe that the adverse inference provision may have little impact in proceedings such as a PTO interference or court litigation to the extent that parties from other countries provide all information relevant to an issue and fully subject themselves to the compulsory process of a United States court or agency. CHISUM, *supra* note 13, Vol. III, § 10.03[3][e], at 10-70.

115. *Id.*

116. *Id.*

117. 35 U.S.C. § 104(a)(3).

These issues created by the amendment § 104 should be thoroughly addressed when considering a potential change to § 102(b). Expanding the geographical limit of § 102(b) to include all GATT and NAFTA countries may raise many of the same discovery problems as with § 104. When asserting a “use or sale” to defeat a patent, evidence must be brought forth to show such conduct. If this “use or sale” occurred where discovery procedures are cumbersome, difficult or unequal, a severe disadvantage to the United States applicant may result.

Thus, many of the concerns and policy considerations surrounding the expansion of geographical limitations in United States Patent Law are very similar, if not identical to, the concerns and policy considerations that arose when the statutes were originally enacted.¹¹⁸ Therefore, in contrast to what has been suggested by current scholars,¹¹⁹ these same policy considerations are not outmoded in light of today’s rapidly expanding communications and transportation technologies and should be taken into account and given great deference when proposing an alteration to § 102(b).

VI. PROPOSAL: QUALIFIED MODIFICATION OF SECTION 102(B)

Some commentators recommend the complete removal of the geographical limitation in § 102(b). While their argument is justifiable to a certain degree, a complete removal of the geographical limitation would be overly broad and undermine the underlying policy justifications of § 102(b). This article proposes an amendment to § 102(b) that is not as drastic as a complete removal of the geographical limitation, but will remedy the double standard dilemma. As amended, § 102(b) would read:

A person shall be entitled to a patent unless-

b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in *this or a foreign* country, more than one year prior to the date of the application for a patent in the United States, or ... *if said public use or sale was performed by a third party outside this country and unknown to the applicant or generally to the U.S. market, then the applicant is not barred under this provision . . .*

This proposed modification to § 102(b) would alter the code to tie the geographical limitation more closely to the inventor’s conduct. The geographical limitation should be considered removed when the inventor engages in the barring activity for more than one year. For example, conduct by an inventor in Canada would trigger the one year clock. If the inventor’s conduct prior to filing for a patent in the United States exceeded the one year grace period, the

118. See *Gayler v. Wilder*, 51 U.S. 477, 497 (1850) where the Supreme Court articulated the notion of inaccessibility of unpublished foreign uses. See also *supra* note 69.

119. See Chisum, *supra* note 10; Bliss, *supra* note 11.

inventor would be barred from a patent under § 102(b). Additionally any activity that was tied to the inventor's communications or knowledge would also cause the geographical limitation to be removed. If however, the activity is engaged in by a third party outside the United States and outside the knowledge of the inventor, the geographical limitation would remain intact.

By making this qualified alteration, as opposed to a complete removal of the geographical limitation from § 102(b), the policy considerations on both sides of the argument are satisfied. In this way the hypothetical inventor who uses or sells his invention in Canada or another location outside the United States for more than one year prior to filing in United States, would be barred under § 102(b) if he applied for a patent in the United States. However, the inventor's application would not be barred by § 102(b) provided that: (1) the invention was used or sold by an independent third party; (2) in any location outside of the United States where discovery was difficult; and (3) neither the inventor nor the United States market was aware of the invention. Thus, when undiscovered third party conduct takes place outside the country, the geographical limitation would be triggered and the United States inventor would not be barred from filing for a patent in the United States.

This proposed modification would not only satisfy the double standard concerns but would also protect the applicant from undiscovered third party conduct. Further, this qualified modification of § 102(b) is consistent with the original policies which led to the creation of the geographical limitation within § 102(b) for several reasons.¹²⁰ First, this proposal provides an incentive to bring unknown technologies to the United States market by rewarding the inventor with a potential patent. Second, under this proposal an inventor has the incentive to file promptly for a patent in the United States or otherwise risk the bar of § 102(b) if the inventor had knowledge of the commercial exploitation of the invention in a foreign geographical location for greater than one year before filing. Third, if the United States market had knowledge of the use or sale, the applicant would also be barred; thereby, eliminating the situation of granting a patent when the public already had the technology in its possession. Finally, the only instance where the geographical limitation would remain intact, is when the use or sale was engaged by an undiscovered third party.¹²¹ Thus, the "double standard" dilemma recited by current commentators would be eliminated, but not at the expense of the underlying policies of § 102(b).

Additionally, this proposed modification creates a greater balance between the United States and similarly situated foreign inventors. Under this proposal,

120. See *supra* notes 67-69 and accompanying text.

121. Here undiscovered third party conduct would cause the geographical limitation to remain intact, thus preventing the implementation of the statutory bar. This situation of unknown use must be distinguished from secret commercial exploitation. Where secret commercial exploitation by an applicant, not a third party, takes place, the § 102(b) bar would still be implemented. See *Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516, 520 (2d. Cir. 1946).

most foreign inventor-applicants would be subject to the § 102(b) bar. Thus, while the foreign inventors are now on more equal footing with respect to § 104, they would now also be subject to the responsibility of the § 102(b) statutory bar.

The proposed modification also would unilaterally move United States patent law closer to the harmonization goal of international trade agreements. If harmonization occurs, Canada is an excellent model to extrapolate the effect in the United States. This model shows that harmonization essentially ties the grace period directly to the inventor's conduct and makes third parties' conduct irrelevant. This is exactly what the proposed modification to 35 U.S.C. § 102(b) would accomplish. Therefore, altering section § 102(b) by tying the geographical limitation more directly to the inventor's conduct and knowledge will not create any barriers to potential harmonization in the event that harmonization occurs.

VII. CONCLUSION

The geographical limitation of 35 U.S.C. § 102(b) should not be completely removed as suggested by current scholars. This author, however, recognizes the "double standard" dilemma articulated by some scholars and, therefore, proposes a qualified modification to § 102(b). This proposed alteration to § 102(b) is more precise and surgical than a complete removal of the geographical limit as urged by current scholars. This qualified change ties the absence of the geographical limitation more closely to the inventor's conduct.

A qualified modification of § 102(b) is superior to both a complete removal of the geographical limitation and to the statute as it currently stands. Not only does this qualified alteration to the code satisfy the argument of those who propose a complete removal of the geographical limitation, but by maintaining the geographical limitation in situations of undiscovered third party conduct, the original underlying policy justifications of the geographical limitation would be protected.

This qualified statutory alteration also moves the United States one step closer to global patent law harmonization without compromising the domestic grace period. Since this qualified modification ties the grace period closer to inventor's conduct, the United States patent law would be one step closer to harmonization if the United States changed to a first to file system. This is evident by looking to Canada as a model. Canada's patent law has a grace period with a geographical limit similar to that of the United States. However, in light of Canada's recent adoption of a first to file system, prior art is no longer keyed off the invention date but is referenced from the filing date. Therefore, a WIPO type international grace period has been adopted which is tied more directly to inventor conduct and free from a geographical limitation. Since tying the grace period to the inventor's conduct is exactly what this

proposed qualified amendment of § 102(b) will accomplish, the United States will be in a better position for harmonization if a first to file system is adopted. In the alternative, if harmonization does not occur, the interests of those protected by the geographical limitation and the underlying policies of § 102(b) are still preserved, which would not be the case if the geographical limitations were completely removed.

The underlying policies of § 102(b) should not be overlooked as unimportant or outdated in today's modern technological environment. The core underlying policies that were considered when section § 102(b) was originally enacted are still important considerations today. This is evidenced by modern courts acknowledgment of these underlying policies when resolving § 102(b) issues. Therefore, it is of the utmost importance to give sufficient weight to these underlying policies when considering any potential alteration to § 102(b).

Finally, with the implementation of GATT and NAFTA, it is now easy to make an argument to expand the geographical limit in § 102(b) to include Canada, Mexico and WTO member countries. This argument can be buttressed by looking to the amendments made to the geographical limitation in § 104 as a result of NAFTA and GATT and analogizing it to the § 102(b) situation. A strong argument can be made that the amendments to § 104 have given the foreign inventors an unequal advantage over the similarly situated United States inventors by allowing the foreign inventors to continue to enjoy an exemption to § 102(b) while providing them with the benefits of § 104. Therefore, a change to § 102(b) is needed now more than ever to re-establish a balance between the foreign and United States inventors.