

# What Does CREATE Create? An Examination of the Cooperative Research and Technology Enhancement Act and Its Impact on the Obviousness Requirement in Patent Law

## I. INTRODUCTION

Patent law in the United States has evolved over the centuries into an enigmatic set of rules, regulations, and case law provided by Congress, the Board of Patent and Trademark Appeals, the United States Patent and Trademark Office (“USPTO”), and the Federal Circuit Court of Appeals. The evolution of these laws, like that of many others in this country, consists of a complex intercourse between the members of our tripartite system of government.

On December 10, 2004, the Cooperative Research and Technology Enhancement (CREATE) Act (“CREATE”) was signed into law.<sup>1</sup> CREATE is an amendment to Title 35 of the United States Code and is an attempt by Congress to ameliorate perceived problems generated by *OddzOn Products, Inc. v. Just Toys, Inc.*,<sup>2</sup> a Federal Circuit decision.<sup>3</sup>

In its barest form, the *OddzOn* decision held that in the case of a collaboration that involved researchers from different organizations, the transfer of confidential information from one research team to another could render an invention “obvious” within the meaning of § 103 of Title 35.<sup>4</sup> This finding could render an invention unpatentable if enough of the claimed invention was disclosed in confidential communications between partnered research organizations. The only way to overcome a finding of § 103 obviousness would be for the interested parties to create an obligation to assign their rights to the invention to a single entity in advance of making the invention.<sup>5</sup> This is a difficult scenario for research teams composed of public and private entities because of federal laws that prohibit this type of assignment when federal funds are utilized in the research effort.<sup>6</sup>

CREATE is intended to provide a “safe harbor” for research institutions such that confidential communications would not invalidate patent material.<sup>7</sup> This is accomplished by creating a joint research agreement between interested parties before an invention is made. Once such an agreement is in place, confidential communications between research teams may not be used as prior art to invalidate a patent for reasons of obviousness.<sup>8</sup>

This Comment discusses the history and evolution of the obviousness standard via the interplay between Congress, the Federal Circuit (which has appellate jurisdiction over all patent cases), and the Board of Patent and

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<sup>1</sup>Cooperative Research and Technology Enhancement (CREATE) Act of 2004, Pub. L. No. 108-453, 118 Stat. 3596.

<sup>2</sup>122 F.3d 1396 (Fed. Cir. 1997).

<sup>3</sup>See H.R. REP. NO. 108-425, at 2 (2004).

<sup>4</sup>*OddzOn*, 122 F.3d at 1403.

<sup>5</sup>*Id.*

<sup>6</sup>See 35 U.S.C. § 200 (2000).

<sup>7</sup>H.R. REP. NO. 108-425, at 2.

<sup>8</sup>*Id.* at 3–4.

Trademark Appeals; the potential justification for the Federal Circuit's decision in *OddzOn*; the efficacy of the proposed legislation; any unintended consequences of the proposed legislation; and potential for improvement of the law.

## II. PATENT LAW BASICS

A cursory overview of patent law is helpful in understanding the substantive issues presented in this Comment. The United States' patent system is founded on the assumption that a limited monopoly is needed in order to induce inventors to create at an optimal level of productivity.<sup>9</sup> Because inventive activities are typically extremely costly, finding a commercial method for exploiting an invention requires money as well as a channel of distribution.<sup>10</sup> Absent patent protection, a copier could undercut an inventor in the market place and prevent him from recouping costs or earning a profit.<sup>11</sup> Hence, other inventors would be disincentivized from investing time and money into new and useful innovations which would benefit the public at large.<sup>12</sup>

Congress passed the first patent statute in 1790 followed by various revisions, most notably in 1793, 1836, 1870, and in the presently-used Act of 1952, codified in Title 35 of the United States Code.<sup>13</sup> Many of these revisions were congressional reactions to stringent restraints placed on the patent system by the judiciary.<sup>14</sup>

Current patent law requires that an invention meet four basic conditions to receive patent protection. The invention must be:

- A. statutory subject matter as defined in the patent statute,
- B. useful,
- C. new or novel in relation to the prior inventions, and
- D. not obvious from a previous invention to a person of ordinary skill in the art at the time the invention was made.<sup>15</sup>

The following discussion provides a more detailed explanation of these requirements for patentability.

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<sup>9</sup>ROCHELLE COOPER DREYFUSS & ROBERTA ROSENTHAL K WALL, INTELLECTUAL PROPERTY: TRADEMARK, COPYRIGHT, AND PATENT LAW 553 (1996).

<sup>10</sup>*Id.*

<sup>11</sup>*Id.*

<sup>12</sup>*Id.*

<sup>13</sup>DONALD S. CHISUM & MICHAEL A. JACOBS, UNDERSTANDING INTELLECTUAL PROPERTY LAW §§ 2-9 to -16 (1992).

<sup>14</sup>*Id.*; see also *Reiner v. I. Leon Co.*, 285 F.2d 501, 503 (2d Cir. 1960) (noting in majority opinion authored by Judge Learned Hand that “[t]here can be no doubt that the Act of 1952 meant to change the slow but steady drift of judicial decision that had been hostile to patents”).

<sup>15</sup>CHISUM & JACOBS, *supra* note 13, at § 2-18. More requirements exist for obtaining a patent; however, a detailed discussion of those requirements is beyond the scope of this Comment. For a general discussion of those requirements, see *id.* at §§ 12-19 to -104.

*A. 35 U.S.C. § 101: Inventions Patentable*

Section 101, which defines eligible subject matter for utility patents, states that “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor[e].”<sup>16</sup> The Supreme Court has commented that “anything under the sun that is made by man” qualifies as patentable subject matter.<sup>17</sup>

*B. 35 U.S.C. § 101: Usefulness*

In order to qualify for the second general requirement, a claimed product or process must in fact be useful.<sup>18</sup> The inventor must have discovered the invention’s utility to achieve a reduction to practice for priority date purposes,<sup>19</sup> and the inventor’s patent specification must disclose how to use the claimed invention.<sup>20</sup> To be considered useful, an invention need only be capable of some function which can be considered a benefit to humanity.<sup>21</sup>

*C. 35 U.S.C § 102: Novelty*

Congress intended to grant patents as an incentive mechanism for inventors to disclose new ideas for the betterment of the public. Thus, in order for an invention to be patentable, it must also be novel. In order to meet the novelty requirement, an invention must pass the single source anticipation rule.<sup>22</sup> An invention will be

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<sup>16</sup>35 U.S.C. § 101 (2000).

<sup>17</sup>*Diamond v. Chakrabarty*, 447 U.S. 303, 309 (1980) (quoting H.R. REP. NO. 83-1923, at 6 (1952) and S. REP. NO. 83-1979, at 5 (1952)).

<sup>18</sup>*Brenner v. Manson*, 383 U.S. 519, 528–29 (1966).

<sup>19</sup>*CHISUM & JACOBS*, *supra* note 13, at § 2-50 (citing *Brenner*, 383 U.S. at 534).

<sup>20</sup>*Id.* (citing 35 U.S.C. § 112 (1998)).

<sup>21</sup>*Juicy Whip, Inc. v. Orange Bang, Inc.*, 185 F.3d 1346, 1366 (Fed. Cir. 1999).

<sup>22</sup>Previously, § 102 read as follows:

A person shall be entitled to a patent unless—

(a) the 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

(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

(c) he has abandoned the invention, or the invention was first patented or caused to be patented, or was the subject of an inventor’s certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor’s certificate filed more than twelve months before the filing of the application in the United States, or

(d) the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent, or

considered anticipated by previous inventions only if all of the elements of the claimed invention are present in a product or process disclosed, expressly or inherently, in a single prior art reference.<sup>23</sup> In *Scripps Clinic & Research Foundation v. Genentech, Inc.*,<sup>24</sup> the Federal Circuit reversed a district court's grant of summary judgment claiming that a patent was invalid for anticipation. It stated:

Invalidity for anticipation requires that all of the elements and limitations of the claim are found within a single prior art reference. There must be no difference between the claimed invention and the reference disclosure, as viewed by a person of ordinary skill in the field of the invention. . . . If it is necessary to reach beyond the boundaries of a single reference to provide missing disclosure of the claimed invention, the proper ground is not § 102 anticipation, but § 103 obviousness.<sup>25</sup>

*D. 35 U.S.C. § 103: Non-Obvious Subject Matter*

The last of the four basic conditions, and likely the most difficult to overcome, is the "nonobviousness" requirement.<sup>26</sup> An invention is considered obvious, and hence nonpatentable, if the subject matter of the patent as a whole would have been obvious at the time the invention was made to a person having

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(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language; or

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(g) (1) during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or (2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

35 U.S.C. § 102 (2000 & Supp. II 2002).

<sup>23</sup>RCA Corp. v. Applied Digital Data Sys., Inc., 730 F.2d 1440, 1444 (Fed. Cir. 1984).

<sup>24</sup>927 F.2d 1565 (Fed. Cir. 1991).

<sup>25</sup>*Id.* at 1576-77.

<sup>26</sup>CHISUM & JACOBS, *supra* note 13, at §§ 2-56 to -57.

ordinary skill in the art to which the subject matter relates.<sup>27</sup> Prior to amendment, § 103(a) provided as follows:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art in the art to which said subject matter pertains. Patentability shall not be negated by a manner in which the invention was made.<sup>28</sup>

The following section was added in 1984, and amended in 1999:

(c) Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.<sup>29</sup>

The novelty requirements of patent law are intended to secure to the public domain inventions that were already available to the public before the application of the inventor.<sup>30</sup> This protection is limited by the requirement that every claim in an invention proposed for patent protection be found in a single prior disclosure in order to qualify as prior public domain information.<sup>31</sup> Essentially, some inventions that are available to the public may be ineligible for patent protection if ordinary artisans pull together available information and make only a modest advance in technology.<sup>32</sup>

Prior to the Patent Act of 1952, courts wrestled with a pseudo-nonobviousness test. In *Hotchkiss v. Greenwood*,<sup>33</sup> the Supreme Court held that inventions which could have been constructed with the “skill . . . possessed by an ordinary mechanic acquainted with the business” could not be removed from the public domain via patent protection.<sup>34</sup> Additionally, in *Cuno Engineering Corp. v. Automatic Devices Corp.*,<sup>35</sup> the Court held that in order to qualify for patent protection, a “new device, however useful it may be, must reveal [a] flash of

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<sup>27</sup>35 U.S.C. § 103 (2000).

<sup>28</sup>*Id.*

<sup>29</sup>*Id.* § 103(c), amended by the Cooperative Research and Technology Enhancement (CREATE) Act of 2004, Pub. L. No. 108-453, 118 Stat. 3596.

<sup>30</sup>DREYFUSS & KWALL, *supra* note 9, at 648.

<sup>31</sup>RCA Corp. v. Applied Digital Data Sys., Inc., 730 F.2d 1440, 1444 (Fed. Cir. 1984).

<sup>32</sup>DREYFUSS & KWALL, *supra* note 9, at 648.

<sup>33</sup>52 U.S. (11 How.) 248 (1851).

<sup>34</sup>*Id.* at 267.

<sup>35</sup>314 U.S. 84 (1941).

creative genius, not merely the skill of the calling.”<sup>36</sup> *Cuno* was followed by *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*,<sup>37</sup> which noted that “[t]he conjunction or concert of known elements must contribute something; only when the whole in some way exceeds the sum of its parts is the accumulation of old devices patentable.”<sup>38</sup> In his concurring opinion, Justice Douglas added:

Every patent is the grant of a privilege of exacting tolls from the public. The Framers plainly did not want those monopolies freely granted. The invention, to justify a patent, had to serve the ends of science—to push back the frontiers of chemistry, physics, and the like; to make a distinctive contribution to scientific knowledge. That is why through the years the opinions of the Court commonly have taken “inventive genius” as the test. It is not enough that an article is new and useful. The Constitution never sanctioned the patenting of gadgets. Patents serve a higher end—the advancement of science.<sup>39</sup>

The latest interpretation of the obviousness standard, presently followed by the USPTO,<sup>40</sup> was outlined by the Supreme Court in *Graham v. John Deere*.<sup>41</sup>

While the ultimate question of patent validity is one of law, the § 103 condition . . . lends itself to several basic factual inquires. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unresolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquires may have relevancy.<sup>42</sup>

The Court further noted:

This is not to say, however, that there will not be difficulties in applying the nonobviousness test. What is obvious is not a question upon which there is likely to be uniformity of thought in every given

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<sup>36</sup>*Id.* at 91.

<sup>37</sup>340 U.S. 147 (1950).

<sup>38</sup>*Id.* at 152.

<sup>39</sup>*Id.* at 154–55 (Douglas, J., concurring).

<sup>40</sup>U.S. DEP’T OF COMMERCE, PATENT & TRADEMARK OFFICE, MANUAL OF PATENT EXAMINING PROCEDURE § 2141 (8th ed. 2001), available at <http://www.uspto.gov/web/offices/pac/mpep/mpep.htm>.

<sup>41</sup>383 U.S. 1 (1965).

<sup>42</sup>*Id.* at 17–18. The Supreme Court has reaffirmed and relied upon the *Graham* test for obviousness in *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 279 (1976), and *Anderson’s-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 61–62 (1969).

factual context. The difficulties, however, are comparable to those encountered daily by the courts in such frames of reference as negligence and scienter, and should be amenable to a case-by-case development. We believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act.<sup>43</sup>

The prior art utilized in evaluating obviousness under the *Graham* test includes any and all pertinent references, no matter how old or obscure and regardless of whether a person actually working in the field knew of the references.<sup>44</sup>

In sum, § 101 provides information on what type of subject matter is eligible for patent protection, § 102 details the qualifying novelty requirements, and § 103 details how subject matter may be rendered unpatentable when it is only an obvious variation of some prior invention.

### III. BACKGROUND OF THE CURRENT PROBLEM

The primary issue in this Comment relates to the Federal Circuit's use of § 102(f)-defined material for a § 103 obviousness rejection or patent invalidation. Section 102(f) requires originality of invention of the subject matter sought to be patented.<sup>45</sup> One may argue that § 102 was never intended to be a "loss of right" provision.<sup>46</sup> This argument is buttressed by the Revision Note of § 102, which states that paragraph (f) is in place to require the inventor to be the party applying for the patent.<sup>47</sup> This was required because only the inventor could make the necessary oath or declaration that he believed he was the original and first inventor of the subject matter sought to be patented.<sup>48</sup> Whether the subject matter was known to the public seems immaterial based on this reading of the statute because the purpose and intent of the provision was merely to guarantee that the applicant/patentee in question did indeed make the invention.<sup>49</sup> One commentator noted that the Senate Judiciary Committee Report for the 1952 Act,

could only have been made if the drafters of the statute had intended to limit statutory prior art to that which was publicly available and, therefore, theoretically available to anyone and everyone regardless

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<sup>43</sup>*Graham*, 383 U.S. at 18.

<sup>44</sup>*See* *Kimberly-Clark Corp. v. Johnson & Johnson*, 745 F.2d 1437, 1442 (Fed. Cir. 1984) (rejecting presumption that inventor knows all prior art, and finding, instead, that relevant person for determining obviousness is not inventor but "the statutory hypothetical person having ordinary skill in the art").

<sup>45</sup>35 U.S.C. § 102(f) (2000).

<sup>46</sup>A loss of right provision defines disqualifying subject matter.

<sup>47</sup>35 U.S.C. § 102 note (Historical and Revision Notes).

<sup>48</sup>35 U.S.C. § 115. This provision remains essentially unchanged from the 1952 version. *See* 35 U.S.C. § 115 note (Historical and Revision Notes).

<sup>49</sup>James B. Gambrell, *The Impact of Private Prior Art on Invention, Obviousness, and Inequitable Conduct*, 12 FED. CIR. B.J. 425, 428 (2003).

of whether the patentee actually had knowledge of it. Conversely, because a patentee's actual personal knowledge of a prior invention by another is fundamental to section 102(f) invalidity, the drafters did not appear to have intended section 102(f) to be considered prior art under section 103.<sup>50</sup>

#### A. Section 102 Case Law

In 1973 the Court of Customs and Patent Appeals (predecessor to the present Board of Patent Appeals) introduced jurisprudence regarding § 102(g), which eventually led to *OddzOn*'s characterization of § 102(f) material as prior art. In *In re Bass*,<sup>51</sup> the court held that

the use of the prior invention of another who had not abandoned, suppressed, or concealed it under the circumstances of this case which include the disclosure of such invention in an issued patent, is available as "prior art" within the meaning of that term in § 103 by virtue of § 102(g).<sup>52</sup>

While the majority noted that it was not the first time the court had combined § 102(g) and other art to sustain a § 103 rejection, it was the first time that it "considered combining § 102(g) and § 103 in the context of an *ex parte* rejection entirely divorced from the award of priority in an interference which established the prior inventorship relied on in rejecting."<sup>53</sup> The court distinguished a prior ruling by a district court that refused to consider the prior invention of another as prior art under § 103 when the prior inventor had kept his work secret.<sup>54</sup> Attacking the proposition that § 102 material can be considered as prior art, Judge Rich noted:

The concurrence makes the erroneous statement that in past cases we have based our thinking on "the proposition that *everything* in section 102 is prior art." The anatomy of § 102 is fairly clear. As forecast in its heading, it deals with the two questions of "novelty and loss of right." It also deals with originality in subsection (f) which says that one who "did not himself invent the subject matter" (i. e., he did not originate it) has no right to a patent on it. Subsections (c) on abandonment and (d) on first patenting the invention abroad, before the date of the U. S. application, on an application filed more than a year

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<sup>50</sup>Brian P. Murphy, *OddzOn Products and Derivation of Invention: At Odds with the Purpose of Section 102(f) of the Patent Act of 1952?*, 9 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 529, 533 (1999) (noting different purposes of sections 102 and 103).

<sup>51</sup>474 F.2d 1276 (C.C.P.A. 1973), *superseded by statute as stated in* *Kimberly-Clark Corp. v. Proctor & Gamble Dist. Co.*, 973 F.2d 911, 917 (Fed. Cir. 1992).

<sup>52</sup>*Id.* at 1286–87.

<sup>53</sup>*Id.* at 1283.

<sup>54</sup>*Id.* at 1286 (citing *Grinnell Corp. v. Va. Elec. Power Co.*, 277 F. Supp. 507, 511 (E.D. Va. 1967)).

before filing in the U. S., are loss of right provisions and in no way relate to prior art. Of course, (c), (d), and (f) have no relation to § 103 and no relevancy to what is “prior art” under § 103. Only the remaining portions of § 102 deal with “prior art.” Three of them, (a), (e), and (g), deal with events prior to applicant’s *invention* date and the other, (b), with events more than one year prior to the U. S. *application* data. These are the “prior art” subsections.<sup>55</sup>

*Bass* was followed by *In re Clemens*.<sup>56</sup> The *Clemens* court stated that in order for a prior invention to qualify as prior art under § 102(g), it must be shown that either the public or the applicants had knowledge of another’s prior invention.<sup>57</sup> Arguably, one may infer from *Clemens* that the communication of an invention from a first inventor to a subsequent party implicates § 102(f).

In *Kimberly-Clark Corp. v. Johnson & Johnson*,<sup>58</sup> the Federal Circuit modified the rules enunciated in *Bass* and *Clemens* noting that § 102(g) art could be considered prior art under § 103 and that the personal knowledge requirement of *Clemens* was irrelevant in a § 102(g)/103 analysis.<sup>59</sup> Following his previous denunciation of use of prior art under § 103, Judge Rich emphasized that the use of “secret prior art” under § 103 was disfavored for public policy reasons.<sup>60</sup> Additionally, in his concurring opinion, Judge Kashiwa, concerned that the court was unduly expanding the scope of prior art under § 103, noted that “to be available as prior art for a section 103 determination, [the invention] must have been disclosed in an issued U.S. patent.”<sup>61</sup>

Ultimately, the Federal Circuit put its stamp of approval on the use of § 102(g) for § 103 applications in *E.I. Du Pont de Nemours & Co. v. Phillips Petroleum Co.*,<sup>62</sup> where the court cited *Kimberly-Clark* as controlling authority and held that § 102(g) subject matter is, in fact, prior art under § 103 whether or not personal knowledge is proven.<sup>63</sup> The result of the Federal Circuit’s use of § 102(f) material as prior art for an obviousness rejection was a perceived chilling effect on team research. Congress was quick to reply.

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<sup>55</sup>*Id.* at 1290.

<sup>56</sup>622 F.2d 1029, 1033 (C.C.P.A. 1980), *superseded by statute as stated in Kimberly-Clark Corp.*, 973 F.2d at 917.

<sup>57</sup>*Id.* at 1039–40.

<sup>58</sup>745 F.2d 1437 (Fed. Cir. 1984).

<sup>59</sup>*Id.* at 1445–46.

<sup>60</sup>*Id.* at 1446.

<sup>61</sup>*Id.* at 1461. True to Judge Kashiwa’s concern, in *New England Braiding Co. v. A.W. Chesterton Co.*, 970 F.2d 878 (Fed. Cir. 1992), the Federal Circuit declared that a patent is invalid under § 102(f) if “at least so much of the claimed invention as would have made it obvious to one of ordinary skill in the art” is derived from another. *Id.* at 883. The court cited to *Agawam Co. v. Jordan*, 74 U.S. (7 Wall.) 583, 602–03 (1868) and *Degroff v. Roth*, 412 F.2d 1401, 1405–06 (C.C.P.A. 1969) to support its decision. *New England Braiding*, 970 F.2d at 883.

<sup>62</sup>849 F.2d 1430 (Fed. Cir. 1988).

<sup>63</sup>*Id.* at 1436–37.

## IV. CONGRESS TO THE RESCUE

In 1984 Congress reacted to the judicial interpretation of how to fit § 102 into § 103 by passing the Patent Law Amendments Act.<sup>64</sup> Public Law 98-622 was codified on November 8, 1984.<sup>65</sup> It was designated as “[a]n Act to amend Title 35, United States Code, to increase the effectiveness of the patent laws, and for other purposes.”<sup>66</sup> Section 3 of the analysis of the 1984 amendments, entitled Team Research, reads as follows:

Section 104 of the bill changes a complex body of case law which discourages communication among members of research teams working in corporations, universities or other organizations.

“Prior art” is the existing body of technical information against which the patentability of an invention is judged. Publicly known information is always considered in determining whether an invention is obvious. However, under *In re Bass* . . . and *In re Clemens* . . . an earlier invention which is not public may be treated under section 102(g), and possibly under section 102(f), as prior art with respect to a later invention made by another employee of the same organization.

New technology often is developed by using background scientific or technical information known within an organization but unknown to the public. The bill, by disqualifying such background information from prior art, will encourage communication among members of research teams, and lead to more public dissemination through patents of the results of team research.

The subject matter which is disqualified as prior art under section 103 is strictly limited to the subject matter which qualifies as prior art only under sections 102(f) or 102(g). . . .

The amendment applies only to consideration of prior art for purposes of section 103. It does not apply to or affect subject matter which qualifies as prior art under section 102. A patent applicant urging that subject matter was disqualified would have the burden of establishing that it was commonly owned at the time the claimed invention was made.<sup>67</sup>

In sum, the bill amended § 103 such that subject matter included under the material incorporated in § 102(f)<sup>68</sup> and § 102(g)<sup>69</sup> cannot be used as prior art in

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<sup>64</sup>S. REP. NO. 98-663, at 5 (1984), *reprinted in* 1984 U.S.C.C.A.N. 5827, 5833.

<sup>65</sup>Patent Law Amendments Act of 1984, Pub. L. No. 98-622, 98 Stat. 3383 (codified as amended at 35 U.S.C. § 103(c) (2000)).

<sup>66</sup>*Id.* § 103, 98 Stat. at 3383.

<sup>67</sup>S. REP. NO. 98-663, at 7 (1984), *reprinted in* 1984 U.S.C.C.A.N. 5827, 5833-34.

<sup>68</sup>Section 102(f) acts as a loss of right to patent if the applicant did not himself invent the subject matter sought to be patented. *See* 35 U.S.C. § 102(f).

<sup>69</sup>Section 102(g) acts as a loss of right to patent based on priority date of a previous invention. *See* 35 U.S.C. § 102(g).

determining whether claimed subject matter is obvious under § 103.<sup>70</sup> The bill was intended to “encourage communication among members of research teams, and lead to more public dissemination through patents of the results of team research.”<sup>71</sup> Moreover, it would “help university and corporate research teams, where the free exchange of information and ideas between colleagues is hampered by prior art considerations.”<sup>72</sup>

The 1984 amendment to § 103 added that

[s]ubject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 . . . shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.<sup>73</sup>

This provision was interpreted to mean that information that passes from A to B will not be prior art that can be combined with another prior art reference for purposes of determining obviousness as to B’s attempt to obtain a patent if A and B, at the time of B’s invention, owe a legal obligation to assign any patent rights on inventions to a single person (such as A and B’s mutual employer).<sup>74</sup> Information could still be used to show anticipation of B’s invention pursuant to the novelty requirements of § 102 because the 1984 amendment applies only to prior art for purposes of obviousness under § 103.

#### V. JUDICIAL RESPONSE TO THE 1984 AMENDMENTS

Prior to the *OddzOn* decision, three cases pertinent to the issue at hand came before the Federal Circuit: *New England Braiding Co. v. A.W. Chesterton Co.*,<sup>75</sup> *Lamb-Weston, Inc. v. McCain Foods Ltd.*,<sup>76</sup> and *Gambro Lundia AB v. Baxter Healthcare Corp.*<sup>77</sup> In *New England Braiding*, the Federal Circuit affirmed a district court’s denial of a plaintiff’s preliminary injunction request based on a defendant’s claim of § 102(f) and § 103 prior art.<sup>78</sup> The court did not squarely decide the issue of § 102(f) material as prior art. However, and of particular import, it stated that “[t]o invalidate a patent for derivation of invention, a party must demonstrate that the named inventor in the patent acquired knowledge of the claimed invention from another, or at least so much of the claimed invention as would have made it obvious to one of ordinary skill in the art.”<sup>79</sup>

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<sup>70</sup>S. REP. NO. 98-663, at 7, reprinted in 1984 U.S.C.C.A.N. at 5833–34.

<sup>71</sup>*Id.*

<sup>72</sup>*Id.* at 3.

<sup>73</sup>35 U.S.C. § 103(c) (2000).

<sup>74</sup>37 C.F.R. § 1.106(d) (1996).

<sup>75</sup>970 F.2d 878 (Fed. Cir. 1992).

<sup>76</sup>78 F.3d 540 (Fed. Cir. 1996).

<sup>77</sup>110 F.3d 1573 (Fed. Cir. 1997).

<sup>78</sup>970 F.2d at 883–84.

<sup>79</sup>*Id.* at 883.

The majority opinion in *Lamb-Weston* also expressly declined to decide if § 102(f) information could be utilized as prior art for purposes of a § 103 obviousness rejection.<sup>80</sup> The court noted that the 1984 amendments appeared to make § 102(f) information available as prior art under § 103 when inventions were not commonly assigned.<sup>81</sup> There was a strong dissent on this point, however, which reached back to language in *Bass*<sup>82</sup> and the purpose of the 1984 amendment to § 103.<sup>83</sup> Judge Newman stated:

The district court held that “the derived information constitutes prior art under Section 102(f) even if it is secret, has not been reduced to practice, or is abandoned.” That is not a correct general statement, for secret or abandoned knowledge is not prior art. Derived knowledge can indeed be invalidating, but it is not properly described as “prior art,” which is defined as actual or presumed public knowledge.<sup>84</sup>

Newman continued, noting that the district court erred because while § 102(f) “prohibits the patenting of an invention made by someone else,” no allegations were made that defendants attempted to obtain a patent on something that they themselves did not invent.<sup>85</sup> “[E]ven if the disclosure . . . spurred *Lamb-Weston* into action, . . . ‘[w]hen prior art references require selective combination by the court to render obvious a subsequent invention, there must be some reason for the combination other than the hindsight gleaned from the invention itself.’”<sup>86</sup>

The following year, the Federal Circuit reversed a district court’s findings that an inventor was guilty of inequitable conduct and that a patent was obvious pursuant to § 103.<sup>87</sup> On the obviousness issue, the district court used information derived from another inventor in combination with prior art to reject the patent for

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<sup>80</sup>*Lamb-Weston*, 78 F.3d at 544.

<sup>81</sup>*Id.* at 549 n.5 (Newman, J., dissenting) (citing *Dale Elec. v. R.C.L. Elec.*, 488 F.2d 382, 386 (1st Cir. 1973)).

<sup>82</sup>*Id.* at 549 (Newman, J., dissenting) (“[S]ection 102(f) relates to originality, that one who did not himself invent the subject matter . . . has no right to a patent on it.” (internal quotation marks and citation omitted)).

<sup>83</sup>*Id.* at 549 n.5 (Newman, J., dissenting).

<sup>84</sup>*Id.* at 548–49 (Newman, J., dissenting). The dissent goes on to say that

no patent should be granted which withdraws from the public domain technology already available to the public. It is available, in legal theory at least, when it is described in the world’s accessible literature, including patents, or has been publicly known or in the public use or on sale in this country. That is the real meaning of prior art in legal theory—it is knowledge that is available, including what would be obvious from it, at a given time, to a person of ordinary skill in the art.

*Id.* at 549 (Newman, J., dissenting) (internal quotation marks and citation omitted).

<sup>85</sup>*Id.* at 549 (Newman, J., dissenting) (noting that “[a] patented invention is not ‘derived’ from another person unless that other person was in possession of the invention”).

<sup>86</sup>*Id.* at 548 (Newman, J., dissenting) (quoting *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132, 1143 (Fed. Cir. 1985)).

<sup>87</sup>*Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573, 1574 (Fed. Cir. 1997).

obviousness.<sup>88</sup> To do so, it relied on dictum from *New England Braiding*, which the Federal Circuit admitted had led the district court astray:<sup>89</sup>

This court recognizes that the district court's incorrect derivation standard springs from dictum in this court's *New England Braiding* decision. In that case, this court noted: "To invalidate a patent for derivation of invention, a party must demonstrate that the named inventor in the patent acquired knowledge of the claimed invention from another, or at least so much of the claimed invention as would have made it obvious to one of ordinary skill in the art." This dictum did not in fact incorporate a determination of obviousness into a Section 102(f) analysis.<sup>90</sup>

#### VI. THE *ODDZON* DECISION

Shortly after *Gambro Lundia*, the Federal Circuit decided *OddzOn Products, Inc. v. Just Toys, Inc.*<sup>91</sup> The plaintiffs in *OddzOn* had obtained a design patent on the "Vortex," a football-shaped toy with a unique tail.<sup>92</sup> The defendant, Just Toys, Inc., sold a similar item that competed with *OddzOn*'s patented product.<sup>93</sup> Just Toys asserted a claim of inequitable conduct against *OddzOn* because some confidential designs were disclosed between joint inventors before they developed the final patented design.<sup>94</sup> The district court rejected the defendant's claim of inequitable conduct, holding instead that the confidential designs disclosed between the inventors were prior art under § 102(f) and that prior art could be combined with other prior art to challenge the validity of the patent under a § 103 obviousness claim.<sup>95</sup> The district court noted that the Federal Circuit had chosen not to rule on the issue of combining § 102(f) material with prior art for a § 103 obviousness rejection in *Lamb-Weston*.<sup>96</sup> Rather, the Federal Circuit relied on USPTO decisions interpreting prior art under § 103 to include disclosures which qualify under § 102(f).<sup>97</sup>

The Federal Circuit noted that the prior art status as used for a § 103 obviousness rejection of derived information encompassed within § 102(f) had never been expressly decided by the court.<sup>98</sup> The court continued, stating that it was taking "the opportunity to settle the persistent question whether § 102(f) is a

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<sup>88</sup>*Id.* at 1578–79.

<sup>89</sup>*Id.* at 1578.

<sup>90</sup>*Id.* (citation omitted)

<sup>91</sup>122 F.3d 1396 (Fed Cir. 1997).

<sup>92</sup>*Id.* at 1399.

<sup>93</sup>*Id.*

<sup>94</sup>*Id.* at 1404; *see also infra* Part VII.B. (discussing inequitable conduct further).

<sup>95</sup>*OddzOn*, 122 F.3d at 1401–03.

<sup>96</sup>*Id.* at 1401.

<sup>97</sup>*Id.* at 1401–03.

<sup>98</sup>*Id.* at 1401.

prior art provision for purposes of § 103.”<sup>99</sup> The court began its analysis by explaining that § 102(f)

is a derivation provision, which provides that one may not obtain a patent on that which is obtained from someone else whose possession of the subject matter is inherently “prior.” It does not pertain only to public knowledge, but also applies to private communications between the inventor and another which may never become public.<sup>100</sup>

The court then discussed Judge Rich’s language in *Bass*—noting that it was dictum—that § 102(f) (as well as (c) and (d)) had no relation to § 103 and no relevancy to the definition of prior art under § 103.<sup>101</sup> The court stated that there was substantial logic to this conclusion, quoting language from a subsequent case, *Kimberly-Clark*, defining prior art as something that is generally accessible to the public.<sup>102</sup> The court further stated that the policy of the law was to reward an inventor who discloses rather than conceals information, “[t]hus, prior, but non-public, inventors yield to later inventors who utilize the patent system.”<sup>103</sup> Quoting a case it had decided the previous year, the Federal Circuit noted that “[e]arly public disclosure is a linchpin of the patent system. As between a prior inventor [who does not disclose] and a later inventor who promptly files a patent application[,] . . . the law favors the latter.”<sup>104</sup>

The court then changed direction and noted that substantive patent law changed after *Bass*. It described the changes made to the Patent Act by the 1984 amendments,<sup>105</sup> namely, that subject matter developed by another person is disqualified as prior art for § 103 obviousness purposes only if “the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.”<sup>106</sup>

In direct contradiction to the holding it subsequently announced, the court stated:

It is historically very clear that this provision was intended to avoid the invalidation of patents under § 103 on the basis of the work of fellow employees engaged in team research. . . . There was no clearly apparent purpose in Congress’s inclusion of § 102(f) in the amendment other than

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<sup>99</sup>*Id.*

<sup>100</sup>*Id.* at 1401–02.

<sup>101</sup>*Id.* at 1402.

<sup>102</sup>The court stated that the “‘real meaning of ‘prior art’ in legal theory” is “‘knowledge that is available, including what would be obvious from it, at a given time, to a person of ordinary skill in the art.’” *Id.* (quoting *Kimberly-Clark Corp. v. Johnson & Johnson*, 745 F.2d 1437, 1453 (Fed. Cir. 1984)).

<sup>103</sup>*Id.*

<sup>104</sup>*Id.* (quoting *W.L. Gore & Assocs. v. Garlock, Inc.*, 721 F.2d 1540, 1550 (Fed. Cir. 1983) (second alteration in original)).

<sup>105</sup>Patent Law Amendments Act of 1984, Pub. L. No. 98-622, 98 Stat. 3383 (codified as amended at 35 U.S.C. § 103(c) (2000)).

<sup>106</sup>*OddzOn*, 122 F.3d at 1403 (quoting 35 U.S.C. § 103(c) (1994)).

an attempt to ameliorate the problems of patenting the results of team research. However, the language appears in the statute; it was enacted by Congress. We must give effect to it.<sup>107</sup>

The court then explained that the language of § 103

provides a clear statement that subject matter that qualifies as prior art under subsection (f) or (g) cannot be combined with other prior art to render a claimed invention obvious and hence unpatentable when the relevant prior art is commonly owned with the claimed invention at the time the invention was made. While the statute does not expressly state in so many words that § 102(f) creates a type of prior art for purposes of § 103, nonetheless that conclusion is inescapable; the language that states that § 102(f) subject matter is not prior art under limited circumstances clearly implies that it is prior art otherwise. That is what Congress wrote into law in 1984 and that is the way we must read the statute.<sup>108</sup>

Besides the language of the statute, the Federal Circuit cited to the USPTO's adoption of this interpretation in finding that it is a reasonable interpretation of the statute.<sup>109</sup> The court noted that the result of its legal reasoning was not without logic:

It means that an invention, A', that is obvious in view of subject matter A, derived from another, is also unpatentable. The obvious invention, A', may not be unpatentable to the inventor of A, and it may not be unpatentable to a third party who did not receive the disclosure of A, but it is unpatentable to the party who did receive the disclosure.<sup>110</sup>

Then, displaying, perhaps, significant doubt in its own legal reasoning, the court stated that "[i]t is sometimes more important that a close question be settled one way or another than which way it is settled."<sup>111</sup> The court therefore held that subject matter derived from another is not only itself unpatentable to the party who derived it under § 102(f), but, when combined with other prior art, may render a resulting obvious invention unpatentable to that party under a combination of § 102(f) and 103.<sup>112</sup>

Judge Learned Hand noted that the Patent Act of 1952 was largely "meant to change the slow but steady drift of judicial decision that had been hostile to

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<sup>107</sup>*Id.* (citing S. REP. NO. 98-663, at 5 (1984), reprinted in 1984 U.S.C.C.A.N. 5827, 5833).

<sup>108</sup>*Id.*

<sup>109</sup>*Id.* (citing 37 C.F.R. § 1.106(d) (1996)).

<sup>110</sup>*Id.*

<sup>111</sup>*Id.* The court invited Congress or the Supreme Court to visit the matter if it was wrong.

*Id.*

<sup>112</sup>*Id.* at 1403-04.

patents.”<sup>113</sup> The logical inference from the Federal Circuit’s ambivalence towards the eventual outcome of *OddzOn* suggests that a proper clarification of congressional policies relating to the Patent Act of 1952 will likely again require congressional intervention.

## VII. COMMENTARY AND RESPONSE TO *ODDZON*

A brief survey of district and appellate court decisions reveals that of the fifty-six courts that have cited the *OddzOn* decision, not one has relied on it for authority to contribute § 102(f) information to material qualifying a patent for a § 103 obviousness rejection.<sup>114</sup> The reason for the apparent lack of use of *OddzOn* as controlling authority may be that lower courts are hesitant to adopt the holding, or that the USPTO and courts have generally allowed correction of inventorship so long as there is not a lack of good faith. Whatever the reason, several commentators have identified problems resulting from the *OddzOn* decision. These concerns include the need for an assignment of common ownership, increased complexity with claims of inequitable conduct, and correction of inventorship.

### A. Common Ownership

The obvious impact of *OddzOn* was increased attention to assignment of common ownership prior to invention, which had particular impact on joint ventures. Jeffrey R. Kuester noted:

As a preliminary matter, confidentiality and nondisclosure agreements often are already present before joint-venture agreements are developed . . . . [S]ome confidentiality agreements include an ownership provision in which it is agreed that a disclosing party automatically owns any new developments based on the disclosed information.<sup>115</sup>

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<sup>113</sup>Reiner v. I. Leon Co., 285 F.2d 501, 503 (2d Cir. 1960).

<sup>114</sup>See, e.g., Spotless Enter., Inc. v. A & E Prods. Group L.P., 294 F. Supp. 2d 322, 344 (E.D.N.Y. 2003) (citing rule from *OddzOn* regarding which features design patents protect); ADC Telecomm., Inc. v. Panduit Corp., 200 F. Supp. 2d 1022, 1033 (D. Minn. 2002) (citing rule from *OddzOn*, 122 F.3d at 1405, regarding that which fact finder must find during comparison step); Bose Corp. v. JBL, Inc., 112 F. Supp. 2d 138, 152 (D. Mass. 2000) (citing statement in *OddzOn*, 122 F.3d at 1402–03, that “section 102(a), (b), (e), (f), and (g) . . . ‘relate to knowledge manifested by acts that are essentially public’”); Moen Inc. v. Foremost Int’l Trading, Inc., 38 F. Supp. 2d 680, 682 (N.D. Ill. 1999) (citing *OddzOn* rule regarding nonfunctional elements); Five Star Mfg., Inc. v. Ramp Lite Mfg., Inc., 44 F. Supp. 2d 1149, 1154 (D. Kan. 1999) (citing *OddzOn* rule regarding proving infringement of design patents); Five Star Mfg., Inc. v. Ramp Lite Mfg., Inc., 14 F. Supp. 2d 1228, 1232 (D. Kan. 1998) (same); Child Craft Indust., Inc. v. Simmons Juvenile Prods. Co., 990 F.Supp. 638, 640 (S.D. Ind. 1998) (citing rule from *OddzOn*, 122 F.3d at 1405, limiting patent scope to “overall ornamental visual impression”).

<sup>115</sup>Jeffrey R. Kuester, *Recent Federal Circuit Case on Patent Prior Art Has Important Implications for Joint Ventures*, 20 NAT’L L.J., Mar. 2, 1998, at C8 (explaining further that these agreements provide for automatic ownership “[u]nless ownership of that improvement is already

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Based on [*OddzOn*], it is now extremely important for new developments in a joint-venture arrangement to be subject to an obligation of assignment to one “person,” in the legal sense. Otherwise, it could be extremely difficult, if not impossible, to prove the patentability of the new developments.<sup>116</sup>

.....  
Precise attention should be paid to defining ownership distinctions between pre-existing technology and newly developed technology. Most important, however, the agreement should unequivocally subject new developments to an obligation of assignment to a single legal person.<sup>117</sup>

As important as assignment of ownership is to avoid an *OddzOn* rejection for obviousness, it is extremely difficult under § 200 for public entities to get an assignment of common ownership to inventions because, unlike private parties, they cannot freely assign their rights to inventions, especially before an invention is made.<sup>118</sup> Under the Bayh-Dole Act,<sup>119</sup> if the invention is made, in whole or in part, with federal funds, universities may not freely transfer rights to any commercial entity.<sup>120</sup> As a result, universities cannot create the legal structures that will qualify their external research collaborations for the protection offered by § 103(c).<sup>121</sup>

This restriction invariably limits the options available to a university and its private sector partner. For example, a private company could transfer all of its rights to any inventions arising out of the collaboration to a university partner in advance. This option, however, is usually extremely unattractive to potential commercial partners. Shareholders are predominantly reluctant to unconditionally convey rights before an invention with potentially significant commercial value has been made. Given the requirements of insulating the results of a research collaboration from future challenge under § 103, some might simply reject the opportunity of working with universities. Others may elect to keep their innovations as trade secrets rather than risk disclosure and patent invalidation precluding the disclosure of the information and ultimate conveyance to the public domain.

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clearly outlined, such as through a well-drafted confidentiality agreement, an ownership controversy may immediately ensue”).

<sup>116</sup>*Id.* at 3 (explaining that “the best joint-venture agreement will create this obligation of assignment well before either party receives confidential information sufficient to allow creation of new inventions”).

<sup>117</sup>*Id.*

<sup>118</sup>35 U.S.C. § 200 (2000).

<sup>119</sup>Bayh-Dole Act of 1980, Pub. L. No. 96-517, 94 Stat. 3015 (codified as amended in scattered sections of 35 U.S.C.).

<sup>120</sup>35 U.S.C. §§ 200–210.

<sup>121</sup>*Id.* § 200.

*B. Questions Regarding Inequitable Conduct*

Another product of the *OddzOn* fall out is new fuel for allegations of inequitable conduct. Inequitable conduct is derived from the equitable principle that “he who comes into equity must come with clean hands.”<sup>122</sup> If an inventor is granted a limited monopoly by the government for disclosing his invention to the public, he must have done so in a fair and equitable manner so as to render the greatest benefit to the public. If an inventor is found guilty of inequitable conduct, his entire patent may be rendered invalid.

In order “[t]o prove inequitable conduct in the prosecution of a patent, [the defendant] must have provided evidence of affirmative misrepresentations of a material fact, failure to disclose material information, or submission of false material information, coupled with an intent to deceive.”<sup>123</sup> The Federal Circuit has defined information to be material “if a reasonable examiner would consider the omission or misrepresentation important in deciding whether to issue the patent. A reference which merely replicates references already before the examiner, however, is not material.”<sup>124</sup>

In *OddzOn*, Just Toys argued that the confidential disclosures between inventors that had been considered prior art under the new ruling should have been cited to the USPTO by the patent holder during prosecution, and that this withholding should have substantiated a claim of inequitable conduct.<sup>125</sup> The Federal Circuit rejected this argument:

In light of the ambiguous nature of the statute and the unclear development of the case law regarding the prior art status of § 102(f) subject matter until this point, we hold as a matter of law that *OddzOn* could not have acted with deceptive intent when it failed to disclose this information to the PTO.<sup>126</sup>

One commentator noted that the next court

however, may not be as forgiving now that the Federal Circuit has finally settled the section 102(f) law in this area. In that regard, practitioners should note that the *OddzOn Products* court did *not* say that patent applications should not submit section 102(f) confidential disclosures. Consequently, a prudent counsel should seriously consider

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<sup>122</sup>Precision Instruments Mfg. Co. v. Auto. Maint. Mach. Co., 324 U.S. 806, 814 (1945).

<sup>123</sup>Dayco Prods., Inc. v. Total Containment, Inc., 329 F.3d 1358, 1371 (Fed. Cir. 2003) (quoting Purdue Pharma L.P. v. Boehringer Ingelheim GMBH, 237 F.3d 1359, 1366 (Fed. Cir. 2001) (alterations in original)).

<sup>124</sup>Gambro Lundia AB v. Baxter Healthcare Corp., 110 F.3d 1573, 1580 (Fed. Cir. 1997) (citations omitted).

<sup>125</sup>See *OddzOn*, 122 F.3d at 1401, 1403 (arguing that “confidential disclosures known to inventor, but not disclosed to the PTO, were ‘material to patentability’ and hence should have been disclosed”).

<sup>126</sup>*Id.* at 1404.

submitting these disclosures to the PTO irrespective of how they are ultimately viewed by the Examiner.<sup>127</sup>

In sum, the *OddzOn* decision creates yet another avenue for litigious entities to claim inequitable conduct on the part of the inventor in an effort to invalidate otherwise patentable inventions.

### C. Correction of Inventorship

Other commentators have noted that “a better way to resolve the issue of derivation,” that is, who really made the invention, is already “provided for in Title 35 of Section 256.”<sup>128</sup> Section 256 states:

Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent and such error arose without any deceptive intention on his part, the Director may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue[] a certificate correcting such error.

The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred

....<sup>129</sup>

An error on the patent application which may have omitted an inventor may thus be changed to include individuals who have materially contributed to the invention. Brian P. Murphy notes that using a correction of inventorship analysis under § 256 rather than a § 102(f)/103 analysis comports with patent policy reasons: “If there are entirely separable inventions or a joint invention with no deceptive intent . . . an otherwise patentable invention remains patentable.”<sup>130</sup> He notes that an inventor has thus made a valid contribution to the existing pool of knowledge that would otherwise have remained undetected.<sup>131</sup> An inventor “should be rewarded rather than penalized because he has used the patent system to promote the progress of science for the public’s benefit without withdrawing *any* information from the public domain and without committing a fraudulent or inequitable taking.”<sup>132</sup>

The actual fall out from *OddzOn* regarding assignment of common ownership, claims of inequitable conduct or the simpler approach to § 102(f) problems of correction of inventorship will likely never be fully understood.

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<sup>127</sup>Phillip L. McGarrigle, Comment, *OddzOn Products, Inc. v. Just Toys, Inc.: Prior Knowledge of 35 U.S.C. § 102(f) Clarified*, 38 IDEA 673, 684 (1998).

<sup>128</sup>Murphy, *supra* note 50, at 545 n.94 (explaining that patent is valid when it adequately discloses information and when trait is readily identifiable by persons trained in prior art).

<sup>129</sup>35 U.S.C. § 256 (2000).

<sup>130</sup>Murphy, *supra* note 50, at 545.

<sup>131</sup>*Id.*

<sup>132</sup>*Id.*

Backed by the research community and patent attorneys across the country, Congress has responded, yet again, to the perceived anti-patent sentiment of the judicial branch.

### VIII. CREATE

In response to the Federal Circuit's invitation to restate its intentions in making the 1984 amendments, Congress passed, and the President signed into law, the Cooperative Research and Technology Enhancement (CREATE) Act of 2004.<sup>133</sup> The intended purpose of CREATE is to "ameliorate the effects of the [*OddzOn*] decision by clarifying Congress's intent to permit the patenting of inventions that result from collaborative or 'team research.'"<sup>134</sup> The legislation, as proposed, amends § 103(c) of Title 35 to read:

(c)(1) Subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the claimed invention was made, owned by the same person or subject to an obligation of assignment to the same person.

(2) For purposes of this subsection, subject matter developed by another person and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person if—

(A) the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the date the claimed invention was made;

(B) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

(C) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

(3) For purposes of paragraph (2), the term "joint research agreement" means a written contract, grant, or cooperative agreement entered into by two or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.<sup>135</sup>

The legislative history of CREATE states that "[c]ollaborative research among private, public, and non-profit entities [has become] an essential pillar of

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<sup>133</sup>Cooperative Research and Technology Enhancement (CREATE) Act of 2004, Pub. L. No. 108-453, 118 Stat. 3596.

<sup>134</sup>H.R. REP. NO. 108-425, at 2 (2004).

<sup>135</sup>Cooperative Research and Technology Enhancement (CREATE) Act § 103, 118 Stat. at 3596–97. *Compare id.* (detailing amended § 103), *with* sources cited *supra* notes 28–29, and accompanying text (discussing § 103 prior to amendment).

the economy of the United States.”<sup>136</sup> Further, the proposed legislation notes that it has always been congressional policy to encourage collaboration between commercial and non-profit organizations including universities.<sup>137</sup> While the legislative history states that the court’s ruling in *OddzOn* was arguably required by the language of the 1984 amendments, the “*OddzOn* [decision] represents a significant potential threat to inventors who engage in collaborative research and development projects.”<sup>138</sup> The proposed legislation notes that, as currently adopted by the courts, parties who enter into a research agreement but do not “define a common ownership interest . . . can unwittingly create an obstacle to patent protection by simply exchanging *secret* information among themselves.”<sup>139</sup> This is a problem because many states, as well as the federal government, have laws which prohibit the assignment of inventive rights from public institutions to private research partners, which “*OddzOn* putatively requires.”<sup>140</sup>

Thus, the goal of the legislation is to define, once again, Congress’s policies of encouraging collaboration among research organizations and protecting patentability. More specifically, “Congress intends that subject matter developed by another person, which qualifies as prior art only under one or more of subsections (e), (f), and (g) of § 102 of title 35, and a claimed invention shall be deemed to be owned by the same person. . . .”<sup>141</sup> Furthermore, “[t]he revised standard will permit one party to a joint research agreement who owns an invention to claim the benefit of 35 U.S.C. § 103(c) without requiring the potentially disqualifying subject matter and the invention be owned by a single entity or subject to an obligation of common assignment.”<sup>142</sup>

Parties must comply with several factors in order for the proposed provisions of § 103(c) to take effect. The invention must be made after the date of an eligible joint research agreement,<sup>143</sup> derived from work performed by or on behalf of persons that are party to the eligible joint research agreement,<sup>144</sup> and the identity of the parties to the joint research agreement must be disclosed in the patent.<sup>145</sup> The

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<sup>136</sup>H.R. REP. NO. 108-425, at 3 n.2 (noting that, in 2000, “sales from products developed from inventions that were transferred from university research centers [generated] revenues of about \$42 billion”).

<sup>137</sup>*Id.* (quoting Bayh-Dole Act of 1980, Pub. L. No. 96-517, 94 Stat. 3015 (codified as amended in scattered sections of 35 U.S.C.) and Stevenson-Wyder Technology Innovation Act, Pub. L. No. 96-2180, 94 Stat. 2311 (1980) (codified as amended in scattered sections of 15 U.S.C.)). For a more detailed discussion of the Bayh-Dole Act and the Stevenson-Wyder Technology Act, see Wendy H. Schact, *RL30320: Patent Ownership and Federal Research and Development (R&D): A Discussion on the Bayh-Dole Act and the Stevenson-Wylder Act*, Cong. Res. Serv. Rep. (CRS) 1-6 (Dec. 11, 2000), available at <http://www.ncseonline.org/nle/crsreports/science>.

<sup>138</sup>H.R. REP. NO. 108-425, at 5.

<sup>139</sup>*Id.*

<sup>140</sup>*Id.*

<sup>141</sup>*Id.*

<sup>142</sup>*Id.* at 6.

<sup>143</sup>Cooperative Research and Technology Enhancement (CREATE) Act of 2004, Pub. L. No. 108-453, § 103(c)(2), 118 Stat. 3596, 3596.

<sup>144</sup>*Id.*

<sup>145</sup>*Id.*

legislative history of the proposed legislation also notes that by defining joint research agreement as a written contract, grant, or cooperative agreement, “Congress does not intend to prescribe the specific form of the agreement parties must use to benefit from this Act nor to require the writing be contained in a single instrument.”<sup>146</sup>

Congress has once again been forced to clarify the congressional policy of incentivizing collaborative research via CREATE. Whether CREATE has been drafted with sufficient foresight and clarity to avoid another judicial debacle remains to be seen.

#### IX. PROBABLE CONSEQUENCES AND UNFORESEEN PROBLEMS

A survey of the Congressional Record and floor debates regarding the adoption of CREATE into § 103 of the patent act reveals that the legislation has been met with little to no opposition. There has been some concern over the precise wording of the statute, but most critics agree that the *OddzOn* decision was indeed counter to legislative policies regarding patent protection.<sup>147</sup> The potential impacts of the newly enacted legislation are discussed below.

##### A. Positive Impact

As per its purpose and intent, CREATE will likely improve the environment governing collaborative research, particularly between university researchers and their private sector partners.<sup>148</sup> This is accomplished by eliminating risks associated with potentially patent-disqualifying confidential communications among members of a research team before the necessary legal mechanisms linking various research organizations are in place, satisfying the *OddzOn* requirements.<sup>149</sup> In particular, CREATE addresses problems unique to the university sector, imposed by the Bayh-Dole Act and the *OddzOn* decision, by foreclosing challenges to patents by disqualifying confidential communications as prior art that can be discovered prior to litigation.<sup>150</sup> This may reduce the complexity and cost of patent litigation for patents that are the product of collaborative research. As beneficial as CREATE may seem, unforeseen problems may open new doors and create new opportunities for litigation by parties seeking to invalidate patents that arise out of collaborative arrangements.

##### B. Different Standard for Different Sciences

As proposed, the new addition to § 103 may amplify and further confuse the judicially created double standard for different types of inventions seeking patent

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<sup>146</sup>H.R. REP. NO. 108-425, at 9.

<sup>147</sup>H.R. REP. NO. 108-425, at 15–16 (2004).

<sup>148</sup>*See id.* at 2.

<sup>149</sup>*See* Cooperative Research and Technology Enhancement (CREATE) Act of 2004, Pub. L. No. 108-453, 118 Stat. 3596.

<sup>150</sup>*See id.*

protection. As it pertains to potentially unanticipated problems, the critical element in the language of the proposed statute can be found in § 103(c)(2)(A): “[S]ubject matter developed by another and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person if . . . the claimed invention was made by or on behalf of parties to a joint research agreement that was in effect on or before the date the claimed invention was made.”<sup>151</sup>

This language begs the question: when is an invention made? In terms of a § 102 claim for priority of invention, § 102(g) states:

In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.<sup>152</sup>

That is, an invention is made when it is conceived of if there is reasonable diligence in attempting to reduce the conception to practice after the conception of the idea. Reasonable diligence is usually a factual issue resolved by a jury.<sup>153</sup>

Conception is the “formation in the mind of the inventor, of a definite and permanent idea of the complete and operative invention, as it is hereafter to be applied in practice.” . . . Actual reduction to practice requires that the claimed invention work for its intended purpose. . . . And, as has long been the law, constructive reduction to practice occurs when a patent application on the claimed invention is filed.<sup>154</sup>

The Federal Circuit has further attempted to clarify its ambiguous construction of when an invention is conceived, stating that “[c]onception requires [both] the idea of the [invention’s] structure and possession of an operative method of making it.”<sup>155</sup> The court also stated that “[i]n some instances, an inventor is unable to establish a conception until he has reduced the invention to practice through a successful experiment. This situation results in a simultaneous conception and reduction to practice.”<sup>156</sup>

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<sup>151</sup>*Id.* § 103(c)(2)(A), 118 Stat. 3569, 3596.

<sup>152</sup>35 U.S.C. § 102(g) (2000).

<sup>153</sup>*Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1376 (Fed. Cir. 1986).

<sup>154</sup>*Id.* (citing *Great N. Corp. v. Davis Core & Pad Co.*, 782 F.2d 159, 165 (Fed. Cir. 1986)); *see also* *Williames v. Barnard*, 41 F. 358, 360–61 (S.D.N.Y. 1890) (discussing that where invention was embodied in complete machine in actual, though private, use at certain date, that date may be taken as date of invention).

<sup>155</sup>*Oka v. Youssefyeh*, 849 F.2d 581, 583 (Fed. Cir. 1988); *see also* *Colt v. Mass. Arms Co.*, 6 F.Cas. 161, 161 (C.C. Mass. 1851) (No. 3030) (stating that “date of the invention is the date of the discovery of the principle involved, and the attempt to embody that in some machine—not [necessarily] the date of the perfecting of the instrument”).

<sup>156</sup>*Amgen, Inc. v. Chugai Pharm. Co.*, 927 F.2d 1200, 1206 (Fed. Cir. 1991).

Many inventors seek to have priority of invention based on conception of the invention in order to secure an earlier date of patent protection for their ideas and investments. A competing entity who can prove that it has priority of invention will receive patent protection, while one with a later date of invention will not. However, those entities engaged in joint research may find this desire to have priority of invention based on conception of the idea to be a double-edged sword. If an invention is considered made at the date of conception, so long as the inventors have diligently reduced the conception to practice, it follows that a joint research agreement must be signed prior to the date of conception. This may prove unrealistic and impractical and may also open the door to more litigation for those attempting to invalidate a patent seeking refuge under CREATE.

Those attempting to take advantage of a joint research program do so with a particular end in mind. That is, different teams have ideas as to what inventive concept they are attempting to achieve, and therefore could be said to have “a definite and permanent idea of the complete and operative invention, as it is hereafter to be applied in practice.”<sup>157</sup> Thus, an inventor is faced with the dual challenge of attempting to show priority date by showing date of conception while seeking to ensure that the conception date does not predate any joint research agreement. In order to optimize its alternatives, an inventive entity may argue that the date of conception is the date of the joint research agreement. However, a group seeking to invalidate a patent could easily argue that research teams would not be party to a joint research agreement unless they both understood the fundamental inventive idea as well as the objective to be achieved by their joint research. In order to achieve this level of agreement, some conception of the invention would have to have taken place prior to the creation of a joint research agreement, and would assuredly be subject to factual dispute. At a minimum, a dispute would provide adverse parties with the opportunity to invalidate a patent by disqualifying it from § 103 protection by, ironically, attempting to show that the date of conception predates the joint agreement. In turn, the defending party would be forced to prove that the date of conception occurred at some later time, at least after a joint research agreement was entered into.

Inventors in the biochemical sciences are unlikely to experience this problem due to the art’s unique standard regarding conception and reduction to practice. The Federal Circuit has stated that

conception of a chemical compound requires that the inventor be able to define it so as to distinguish it from other materials, and to describe how to obtain it. Conception does not occur unless one has a mental picture of the structure of the chemical, or is able to define it by its method of preparation, its physical or chemical properties, or whatever characteristics sufficiently distinguish it. It is not sufficient to define it solely by its principal biological property, *e.g.*, encoding human erythropoietin, because an alleged conception having no more specificity than that is simply a wish to know the identity of any material

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<sup>157</sup>*Hybritech*, 802 F.2d at 1376 (internal quotation marks and citations omitted).

with that biological property. We hold that when an inventor is unable to envision the detailed constitution of a gene so as to distinguish it from other materials, as well as a method for obtaining it, conception has not been achieved until reduction to practice has occurred, *i.e.*, until after the gene has been isolated.<sup>158</sup>

Therefore, for those practicing in the biochemical sciences, conception has not been achieved until reduction to practice has occurred. There is no standard of reasonable due diligence employed as it is in other sciences.<sup>159</sup> This appears to be a harsh standard for those attempting to get priority of invention; one must have reduced their invention to practice before it was conceived since the priority date is ultimately based on the date of reduction to practice rather than the date of conception. However, this apparent disadvantage provides research and development companies in the biochemical field with a distinct advantage over those practicing in other scientific fields. Those wanting to take advantage of the safety provided by the new language in § 103<sup>160</sup>—signing a joint agreement before an invention is made—must sign a joint agreement before conceiving the invention. As discussed above, this may be a hard thing to do for those, for example, in the mechanical arts. In the biochemical sciences, ideas may be tossed back and forth between research groups long before the idea is reduced to practice without any harm resulting from failing the requirement imposed by § 103. So long as a joint research agreement is signed before the invention is actually reduced to practice, the research team will enjoy the protection proposed by the new addition to § 103.

### *C. Obviousness-Type Double Patenting*

The judicially created doctrine of obviousness-type double patenting precludes claims in a second patent which define an obvious variation of an invention claimed by the same inventor in an earlier patent. Pursuant to statute, an applicant's own patent is not prior art against him if it issued on an application which was copending with the application in question.<sup>161</sup> The doctrine of obviousness-type double patenting prevents an extension of a patent right beyond the statutory time limit, and requires rejection of an application claim when the claimed subject matter is not distinct from the subject matter claimed in a commonly-owned patent.<sup>162</sup> A patentee may overcome this problem with a terminal disclaimer.<sup>163</sup> That is, a patentee may disclaim any terminal part of a patent applied for or issued to eliminate obviousness-type double patenting.<sup>164</sup> In

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<sup>158</sup>*Amgen*, 927 F.2d at 1206 (citations omitted).

<sup>159</sup>*See* 35 U.S.C. § 102(g) (2000).

<sup>160</sup>*See* Cooperative Research and Technology Enhancement (CREATE) Act of 2004, Pub. L. No. 108-453, § 103(c)(2)(B), 118 Stat. 3569, 3596.

<sup>161</sup>35 U.S.C. § 119 (2000).

<sup>162</sup>*Eli Lilly & Co. v. Barr Labs., Inc.*, 251 F.3d 955, 967–68 (Fed. Cir. 2001).

<sup>163</sup>*In re Robeson*, 331 F.2d 610, 614 (C.C.P.A. 1964).

<sup>164</sup>The pertinent statute states:

essence, a patentee disclaims the time period during which the second patent would otherwise be in force beyond the expiration date of the first patent.<sup>165</sup> A primary factor in this process—and one that CREATE does not adequately address—is that this disclaimer is conditioned on an assignment of common ownership between the two patents.<sup>166</sup>

A potentially legally confounding obviousness-type double patenting scenario which CREATE may create might involve research entities under a joint research agreement protected by § 103(c) language. If research entity AB (comprising two distinct members, A and B) enters into a qualifying joint research agreement and thereafter produces an invention comprising X+Y, any “secret” information passed from A to B not claimed in X+Y could be utilized by B in a subsequent patent application, potentially extending the life of similarly-protected subject matter. Such information could not be utilized in an obviousness rejection because at the time the information was passed between the entities the information was transferred for the purpose of making invention X+Y, which, according to the § 103(c) standard, eliminates that transfer of information as prior art because X+Y was technically subject to an obligation of common assignment. The problem gets exponentially more complicated as the number of parties engaged in joint research agreements increases. One may argue that because the information passed between A and B was never publicly disclosed, it is not subject to use for an obviousness rejection. However, such confidential information is exactly what *OddzOn* declared as prior art for purposes of an obviousness rejection.

Under ideal conditions (those intended by Congress), if research entity AB enters into a qualifying joint research agreement and thereafter makes an invention comprising X, the subject matter developed by A and B “shall be deemed to have been owned by the same person or subject to an obligation of assignment.”<sup>167</sup>

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Whenever, without any deceptive intention, a claim of a patent is invalid the remaining claims shall not thereby be rendered invalid. A patentee, whether of the whole or any section interest therein, may, on payment of the fee required by law, make disclaimer of any complete claim, stating therein the extent of his interest in such patent. Such disclaimer shall be in writing, and recorded in the Patent and Trademark Office; and it shall thereafter be considered as part of the original patent to the extent of the interest possessed by the disclaimant and by those claiming under him. *In like manner any patentee or applicant may disclaim or dedicate to the public the entire term, or any terminal part of the term, of the patent granted or to be granted.*

35 U.S.C. § 253 (2000) (emphasis added).

<sup>165</sup>For example, entity A obtains a patent claiming X. A seeks a patent claiming Y, an obvious modification of X. A files a disclaimer noting that the term of protection of any patent claim to Y shall terminate when the term of X’s protection expires.

<sup>166</sup>*See In re Van Ornum*, 686 F.2d 937, 939–44 (C.C.P.A. 1982) (holding disclaimer ineffective where first patent had been assigned to one company and application in question had been assigned to different company); *see also Merck & Co. v. U.S. Int’l Trade Comm’n*, 774 F.2d 483, 487–88 (Fed. Cir. 1985) (remanding to determine if disclaimer stating patent not valid unless owned with four other patents affected only patent at issue, or affected other four patents also).

<sup>167</sup>Cooperative Research and Technology Enhancement (CREATE) Act of 2004, Pub. L. No. 108-453 § 103(c)(2), 118 Stat. 3569, 3596.

Entity A and entity B (as separate and distinct entities from AB) could then file a terminal disclaimer on X for an application relating to X + Y (an obvious variation of X) and X + Z (also an obvious variation of X), respectively, and receive obviousness-type patents for the term of X.<sup>168</sup> This would limit the obvious variations to the term of the first patent and allow an inventor some freedom with his own invention. However, just because Congress intended a statute to function in a specified matter does not mean that entrepreneurs seeking to fulfill their fiduciary duty to shareholders will not attempt to capitalize on their inventions in any way possible.

One may argue that a well-drafted joint research agreement would preclude or discourage parties of joint research efforts from engaging in double-patenting behavior. However, language in the body of the resolution at issue states that “Congress does not intend to prescribe the specific form of the agreement parties must use to benefit from this Act nor require the writing be contained in a single instrument.”<sup>169</sup> Given the less than stringent requirements for qualifying joint research agreements, research entities, especially those with shareholders, will likely draft agreements to maximize their profits, rather than attempt to adhere to the spirit of Congress’s intent.

Congress was certainly aware of the potential for abuse when drafting the House Resolution. The report accompanying the resolution states:

The doctrine of “obviousness-type double patenting,” a judicial doctrine used by courts to prevent patentees from obtaining an unjustifiable extension of the amount of time to exercise a patent’s right to exclude, shall apply to such patents.

.....  
Congress intends that parties who seek to benefit from this Act to waive the right to enforce any patent separately from any earlier patent that would otherwise have formed the basis for an obviousness-type double patenting rejection. Further, Congress intends that parties with an interest in a patent that is granted solely on the basis of the amendments made pursuant to this Act to waive requirements for multiple licenses. In other words, the requirements under current law for parties to terminally disclaim interests in patents that would otherwise be invalid on “obviousness-type” double patenting grounds are to apply, *mutatis mutandis*, to the patents that may be issued in circumstances made possible by this Act.<sup>170</sup>

However well-intentioned Congress may be, without clear language in the statute, the Federal Circuit is left to give effect to its plain meaning. The infamous language from *OddzOn* may once again be heard in the hallowed halls of the

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<sup>168</sup>See 35 U.S.C. § 253.

<sup>169</sup>H.R. REP. NO. 108-425, at 9 (2004).

<sup>170</sup>*Id.* at 6 (citations omitted).

Federal Circuit: “That is what Congress wrote into law . . . and that is the way we must read the statute.”<sup>171</sup>

#### X. POTENTIAL IMPROVEMENTS

The problems associated with the language of the proposed statute and the cavalier attitude the Federal Circuit occasionally adopts towards clearly stated legislative intent may potentially be curbed by express changes in the language of the proposed statute. One example may be the problem associated with the double standard for mechanical inventions and biochemical inventions. As described above, the double standard is more a function of the evolution of law governing determination of priority dates for novelty claims, not § 103 obviousness claims. However, more definitive language that details the stage in the development of a research project in which a joint research agreement must be made would eliminate the problem of lengthy and expensive proof of conception litigation. This task may appear much easier than it seems given the complexity of biochemical research, which was likely the reason for the Federal Circuit’s adoption of the *Amgen* standard.<sup>172</sup> However, a possible solution might consist of a definition, tailored specifically for § 103(c), of when an invention is made. That is, for priority of invention, the current law, as it has evolved, would remain intact. For purposes of § 103(c), the more difficult of the two standards, the date of invention, could be adopted for all sciences such that an invention is made or conceived of when it is reduced to practice. Thus, no question would remain as to whether an invention is deemed “made” by date of conception or reduction to practice for purposes of § 103(c) protection.

The obviousness-type double patenting problem could likely be defused by incorporating language within § 103(c) clarifying congressional intent. CREATE itself is a congressional response to the Federal Circuit’s minimization of legislative history not expressly embodied within the statute. Expressly adopting language in the legislative history defining the intent of the proposed statute might eliminate the possibility of judicially sanctioned double-patenting. For example, the language of the following excerpt, taken from the proposed act’s legislative history, might be used: “[A] ‘terminal disclaimer’ of the type required when double patenting is determined to exist for two or more claimed inventions must be filed for any such patent claiming the benefit of § 103(c).”<sup>173</sup> Without such express language, the Federal Circuit is left to the words of the statute itself, which may lead to an increase in litigation.

#### XI. CONCLUSION

Consistent with its stated purposes, CREATE will likely “foster improved communication among researchers, provide additional certainty and structure for those who engage in collaborative research, reduce patent litigation, and spur

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<sup>171</sup>*OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 F.3d 1396, 1403 (Fed Cir. 1997).

<sup>172</sup>*See Amgen, Inc. v. Chugai Pharm. Co.*, 927 F.2d 1200, 1206 (Fed. Cir. 1991).

<sup>173</sup>H.R. REP. NO. 108-425, at 6.

innovation and investment.”<sup>174</sup> However, the goal of reducing patent litigation incentives may not be so easily achieved. Indeed the incentive to invalidate an otherwise enforceable patent containing subject matter developed by research entities unable to assign the rights to a single entity has likely been eliminated. However, CREATE may open new doors to litigation for parties seeking to invalidate a patent by proving that the date of conception of an invention predates a qualifying joint research agreement. It also gives incentive to parties engaged in joint research programs to pursue obviousness-type double patents in order to maximize the return on their research investment. This will likely result in more litigation by parties attempting to prevent such an abuse.

While Judge Learned Hand’s assessment that new patent law is “meant to change the slow but steady drift of judicial decision that [has] been hostile to patents,”<sup>175</sup> may be true, additional language within CREATE may prevent future intervention by Congress to clarify the purpose of § 103.

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<sup>174</sup>H.R. REP. NO. 108-425, at 2 (2004).

<sup>175</sup>Reiner v. I. Leon Co., 285 F.2d 501, 503 (2d Cir. 1960).