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ODDZON PRODUCTS, INC. V. JUST TOYS, INC.: PRIOR KNOWLEDGE OF 35 U.S.C. 102(f) CLARIFIED

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I. Introduction

In *OddzOn Products, Inc. v. Just Toys, Inc.*,ⁿ¹ the Federal Circuit addressed the issue of combining 35 U.S.C. 102(f) with 35 U.S.C. § 103 to render a patent invalid. This is a relatively obscure issue of patent law that has been unclear for nearly twenty years. Previously, many believed that 35 U.S.C. § 102(f) was not available art for an obviousness consideration under 35 U.S.C. § 103. That has now changed. This change and its impact on a patent can have significant consequences, especially on companies that often receive confidential disclosures of inventions by third parties.

II. The Statute

§ 102. Conditions for Patentability; Novelty and Loss of Right to Patent

A person shall be entitled to a patent unless-

(f) he did not himself invent the subject matter sought to be patentedⁿ²

Most patent practitioners are quite familiar with 35 U.S.C.

102(a), (b), (e) and (g). These sections are classic prior art provisions as they relate to knowledge "manifested by acts that are essentially public."ⁿ³ Sections 102(c) and (d) relate to loss of rights by the inventor as a means for barring a patent. Sections 102(f) and (g) have been treated similarly in some situations in the past since they relate to a non-public invention by another and its effect on a subsequent invention.ⁿ⁴ Although frequently used in interference practice before the United States Patent and Trademark Office ("PTO"), courts have traditionally been reluctant to treat pre-existing inventions as prior art pursuant to sections 102(f)

[*675] or (g). This is arguably because these sections do not require public acts and therefore contravene the public policy against using "secret prior art."

III. Section 102(g) Case Law

The seminal decision for the question of whether section 102(g) prior art could be combined with other prior art to support a rejection under section 103 was *In re Bass*.ⁿ⁵ Although the majorityⁿ⁶ of the court stated that it was not the first time that they had combined section 102(g) and other art to sustain a section 103 rejection, it was in fact the first time they "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."ⁿ⁷

The *Bass* court provided an extensive review of case law that they believed supported their conclusion that section 102(g) art can be combined with other references to support a section 103 rejection.ⁿ⁸

Additionally, the majority discussed a concurring opinion and in doing so provided many examples why section 102(g) - and inferentially section 102(f) - should preclude a subsequent patent claim on similar subject matter.ⁿ⁹ However, the court stated that "[o]f course, [section 102] ... [has] no relation to

103 and no relevancy to what is prior art under section 103."ⁿ¹⁰ Thus, the issue of using section 102(f) as prior art for section 103 remained unanswered.

The *Bass* decision was followed by *In re Clemens*.ⁿ¹¹ In *Clemens* there was no knowledge of the first invention by the second, would-be patentee. The *Clemens* court ultimately stated that for a prior invention to qualify as prior art under section 102(g), there must be a communication

[*676] of the invention from the inventor of the prior art and the patent holder. n12

A common theme throughout both Bass and Clemens is the public policy against using "secret prior art." The Clemens court declined to extend

102(g) to situations where there was no knowledge of the prior invention. n13 However, the court accepted that there were policy reasons to allow rejections under section 102(e) in two other situations that involve "secret" prior art and lost counts from an interference. n14 The court reasoned that this was different from the section 102(g) situation because the section 102(e) art is presumably public and lost counts in an interference are made available to the other party during the course of the interference. n15

The rule regarding section 102(g) enunciated in Bass and Clemens changed with the Federal Circuit's ruling in Kimberly-Clark Corp. v. Johnson & Johnson Personal Products Co. n16 There, the court stated that section 102(g) art can be considered prior art under section 103 and that the personal knowledge requirement of Clemens was irrelevant in a section 102(g)/103 analysis. n17 The Kimberly-Clark court also stated that the language of section 102(g) contains no requirement of personal knowledge and therefore the Bass and Clemens courts' statements regarding a requirement of personal knowledge were mere dictum. n18

Finally, in E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co., n19 the Federal Circuit cited Kimberly-Clark as controlling authority and held

[*677] that section 102(g) subject matter is, in fact, prior art under section 103 whether or not personal knowledge is proven. n20

IV.

102(f) Case Law

Historically, section 102(f) derivation required communication of a completed idea to be effective as a reference against a subsequent party. n21 It is this concept of "completed idea" that has often defeated a claim for the use of section 102(f) art as prior art under the section 103 since, by definition, a single reference does not define the complete idea in the section 103 "combination of references" context.

The issue of section 102(f) as prior art recently surfaced in three cases decided in 1996B97 by several of the same judges on the Federal Circuit. These decisions were: Lamb-Weston, Inc. v. McCain Foods, Ltd.; n22 Gambro Lundia AB v. Baxter Healthcare Corp.; n23 and OddzOn Products, Inc. v. Just Toys, Inc. n24

In Lamb-Weston, the primary issue was whether the patent was invalid under prior art that only qualified as such under section 102(f). n25

The patentee had developed an apparatus and a process for preparing frozen potato products after becoming aware of two other inventions

[*678] that were disclosed under a confidentiality agreement. n26 In a footnote, the court declined, however, to decide whether section 102(f) defines prior art for section 103 and stated: "This court need not reach the significant issue of whether section

102(f) of title 35 defines prior art for an obviousness determination under 103" n27

Although the court declined to expressly rule on the issue of whether a reference that qualifies as prior art under section 102(f) can be used as prior art for purposes of section 103, the majority noted that the amendment to section 103 seemed to provide authority for considering section 102(f) in the context of section 103. Judge Newman, in her dissent, responded:

The panel majority cites by footnote the second paragraph of 103 as "authority" for the proposition that 102(f) information is prior art. The cited provision was added to 103 in 1984, to facilitate team research by precluding the citation of the work of one team member as prior art against the invention of another. The majority also cites *Dale Elect. v. R.C.L. Elect.*, which states broadly that all of 102 qualifies as prior art, an oversimplification never endorsed by the Federal

[*679]

Circuit. Nor does the partial quotation from *Chisum*, or the usage in *New England Braiding*, advance consideration of the matter. n28

Judge Newman's dissent reached back to the old language from *In re Bass*:

Section 102(f) relates to "derivation," the taking of the invention of another and patenting it as one's own. It is irrelevant whether or not that invention is also prior art. As explained in *In re Bass*,

102(f) relates to originality, 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." The court explained in *Bass* that

102(f) has "no relation to

103 and no relevancy to what is 'prior art' under

103." n29

Both the majority and the dissent discussed two earlier Federal Circuit cases. In the first, *New England Braiding Co. v. A.W. Chesterton Co.*, n30 an engineer at the defendant company Chesterton had overcome a problem with braided compression packing in the early 1970s. Another engineer, who had worked at Chesterton during this period and then left the company, subsequently filed and obtained his own patent. He licensed his patent to New England Braiding, who, in turn, sued Chesterton. The district court denied New England Braiding's motion for a preliminary injunction on the basis of a section 102(f)/103 combination. The Federal

[*680] Circuit panel, consisting of Judges Nies, Rich and Newman affirmed the lower court but specifically stated that they were not deciding the substantive section 102(f) issue and stated, instead, that they were simply deciding that the district court did not seriously misjudge the evidence. n31

In *Dale Electronics, Inc. v. R.C.L. Electronics, Inc.*, n32 the First Circuit reviewed a district court decision that discussed invalidity under sections 102(a) and (f). The First Circuit stated:

Since

102 is the referent for

103, we draw the conclusion that if the facts that the whole of an invention was known to others or that none of the invention was created by the patent applicant bar entitlement under

102, the condition of knowledge by others or the borrowing by the applicant of a sufficient body of lore to make the invention obvious bars entitlement under

103. n33

Nevertheless, the First Circuit refused to decide the section 102(f) issue stating "we do not have occasion to review the [district] court's conclusion that Hay had met the novelty requirement of 35 U.S.C.

102(f)" n34

In *Gambro Lundia AB v. Baxter Healthcare Corp.*, n35 Federal Circuit Judges Archer, Lourie and Rader reviewed the *New England Braiding* decision, characterized part of it as dictum and added a new twist:

Citing *New England Braiding Co. v. A.W. Chesterton Co.*, the district court concluded that Baxter did not need to prove communication of the entire conception, but rather only so much of the invention "as would have made it obvious to one of ordinary skill in the art." Based on this reasoning, the district court applied the obviousness standard in 35 U.S.C.

103 (1994) to determine that the named inventors received enough information to make the invention obvious to one skilled in the [relevant] art. This reasoning, however, misconstrues the dictum in *New England Braiding* and introduces incorrectly an obviousness analysis into the test for derivation. n36

The *Gambro Lundia* court went on to quote and discuss the dictum in *New England Braiding*:

"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." *New England Braiding*, 970 F.2d at 883. This dictum did not in fact incorporate a determination

[*681] of obviousness into a Section 102(f) analysis. Indeed, this court in *New England Braiding* did not apply such a test. n37

As such, the section 102(f) issue was not resolved and the stage was set for the decision in *OddzOn Products*. n38

V. The *OddzOn Products* Decision

In *OddzOn Products*, n39 the plaintiff obtained a design patent for a football shaped ball with a tail structure called the "Vortex." The defendant, *Just Toys, Inc.*, sold a competing item. *Just Toys* asserted that *OddzOn's* patent was invalid and leveled a charge of inequitable conduct based on the fact that certain confidential designs were disclosed to the inventors before they developed the patented design. n40

The district court held that these confidential designs were prior art under section 102(f) and could, in fact, be combined with other prior art to challenge the validity of the patent. n41 Nevertheless, the district court held that the patent was valid in spite of the prior art cited by *Just Toys*. n42 In doing so, the district court noted that the Federal Circuit declined to rule on this particular issue in *Lamb-Weston*. In supporting its decision, however, the district court relied on the fact that the PTO interprets prior art under section 103 as including section 102(f). n43

On appeal, *OddzOn* challenged the lower court's finding that subject matter encompassed by section 102(f) could qualify as prior art for purposes of section 103. The issue was set forth by the Federal Circuit as follows:

OddzOn challenges the court's determination that subject matter encompassed within

102(f) is prior art for purposes of an obviousness inquiry under

103. *OddzOn* asserts that because these disclosures are not known to the public, they do not possess the usual hallmark of prior art, which is that they provide actual or constructive public knowledge. *OddzOn* argues that

[*682]

while the two disclosures constitute patent-defeating subject matter n44 under 35 U.S.C.

102(f), they cannot be combined with "real" prior art to defeat patentability under a combination of

102(f) and

103. n45

In response to OddzOn's argument, the Federal Circuit acknowledged that:

The prior art status under

103 of subject matter derived by an applicant for patent within the meaning of

102(f) has never expressly been decided by this court. We now take the opportunity to settle the persistent question whether

102(f) is a prior art provision for purposes of

103. As will be discussed, although there is a basis to suggest that

102(f) should not be considered as a prior art provision, we hold that a fair reading of

103, as amended in 1984, leads to the conclusion that

102(f) is a prior art provision for purposes of

103. n46

The court analyzed *In re Bass* n47 and noted that:

The principal opinion added, in dictum (

102(f) not being at issue), that "[o]f course, [

102](c), (d), and (f) have no relation to

103 and no relevancy to what is 'prior art' under

103." There is substantial logic to that conclusion. After all, the other prior art provisions all relate to subject matter that is, or eventually becomes, public. Even the "secret prior art" of

102(e) is ultimately public in the form of an issued patent before it attains prior art status. n48

The court determined with the issue of secret prior art n49 as being antithetical to patent policy using the court's *Kimberly-Clark* decision and stated as follows:

[Prior art is] 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 . . . public use or on sale "in this country." That is the real meaning of "prior art" in legal theory - it

[*683] 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. n50

However, the court noted that there was a change in the law after Bass. Section 103 was amended in 1984 to state that certain subject matter "which qualifies as prior art only under subsection (f) or (g) of section 102 of this title," would not create a bar to patentability if there was common ownership between the art and the invention. n51 The court stated that the 1984 amendment was designed to remove barriers to team research which were created by Bass and Clemens. n52 The court reasoned that this language inferred that section 102(f) subject matter was available as prior art:

The statutory language 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.

This result is not illogical. 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. n53

[*684] The court stated that there were reasonable conflicting interpretations of the law. But, they specifically held that "subject matter derived from another not only is itself unpatentable to the party who derived it under

102(f), but, when combined with other prior art, may make a resulting obvious invention unpatentable to that party under a combination of

102(f) and 103." n54

In view of OddzOn Products, both sections 102(f) and (g) subject matter are now considered prior art that may be combined with other art to support a section 103 rejection. The ban on using "secret prior art" may be disfavored, but if the "secret" art is either known to the applicant (under section 102(f)) or will become known to the public (i.e. under section 102(g)) the underlying policy reasons that were articulated in Bass and Clemens will not be violated.

Judging by the decisions in Lamb-Weston and Gambro Lundia, the Federal Circuit appeared to have had some difficulty reaching its ultimate decision in OddzOn Products. n55 At least two of the same judges (Lourie, Michel and Rader) were in the majority in Gambro Lundia and Lamb-Weston, and all were present to decide OddzOn Products. The ultimate outcome of this issue appears to be consistent with public policy as it provides a reward to the true inventor.

VI. Inequitable Conduct after OddzOn

A related issue of a finding of prior art pursuant to section 102(f) is the potential for an inequitable conduct defense. In OddzOn Products, Just Toys argued that the confidential disclosures that qualified as prior art should have been cited to the PTO by the patent holder, OddzOn. n56

[*685]

Citing *Lamb-Weston*, the district court held that section 102(f) subject matter was prior art which should have been disclosed to the PTO, n57 but, as mentioned, that holding was reversed without deciding the fraud issue. n58

The *OddzOn Products* court similarly refused to declare the patent invalid due to inequitable conduct on the following grounds:

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. n59

Consequently, the *OddzOn Products* patentees avoided a charge of inequitable conduct in this situation. 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 submitting these disclosures to the PTO irrespective of how they are ultimately viewed by the Examiner.

VII. Practical Considerations

Since *OddzOn Products* has clarified that section 102(f) subject matter may be combined with section 103 art to render an invention obvious, counsel will need to analyze past and future patent positions to determine if there are any problems with regard to their portfolios. For example, situations arise where a party having no obligation to assign to the client discloses some subject matter to that client, and then the client, in turn, develops the subject matter and later files an application covering the development.

A situation may create problems in assessing patentability and prosecuting applications because the disclosure may be poorly documented by the client, but still known to the person disclosing the information. Practically speaking, it is hard to identify past activity that may never come to light until litigation. A client might not consider

[*686] confidential disclosures as prior art and may not disclose them to his or her attorney. These disclosures may be difficult to avoid unless the client chooses to refrain from accepting such disclosures from others altogether. In an area where rejections under section 102(e) can escape a counsel's observation, this area appears to represent an even greater threat to patent validity.

In addition, further complexities arise in joint collaborations between companies. Problems can be eliminated for inventions that are developed during the course of the collaboration. n60 However, prior or subsequent activity may prove more difficult. For example, two parties may agree that future inventions will be assigned to one party, but that they will retain the title to prior technology. The prior technology may be the basis of a section 102(f) rejection to defeat the patentability of an invention developed during the course of the collaboration. n61 This situation can become even more complicated if one company has concurrent or sequential independent collaborations. For example, after the first two parties have worked together, either of the companies can work with a third company. If title to the prior work is retained, it will be prior art even if there is an agreement for mutual assignment of future inventions in the second collaboration. As a result, any inventions developed by the second collaboration would be subject to the first work qualifying as prior art.

Further complexities arise when one considers that patent applicants must submit information that constitutes section 102(f) subject matter to the PTO or risk a charge of inequitable conduct. Even though OddzOn Products found no inequitable conduct, a reading of the case law suggests that a charge of inequitable conduct can flow from the lack of disclosure. Submission to the PTO may not be possible if the client learned of it under the terms pursuant to a confidentiality agreement. There is, however, a standard exception in the law of confidentiality agreements that permits disclosures "required by law," and it could possibly be argued that disclosure may be excused under these circumstances. Counsel should now consider whether to include this exception into particular agreements.

In situations where a non-employee comes to a company with an idea, it would be preferable to review the idea/invention and assign it to the company so that it will not be considered prior art to subsequent

[*687] inventions. It may be optimistic to think that the company can get an assignment (in order to create a single inventive entity) of the idea at such an early stage, however, one possible solution might be to create an assignment and provide the non-employee with a license. This would make the receiving party and the non-employee a single inventive entity and thereby avoid the section 102(f) situation. Otherwise, the company will need to accept the realities that any subsequent invention is measured against this earlier idea and the resulting consequences of the disclosure potentially being used at a later time as section 102(f) prior art.

n1 *122 F.3d 1396, 43 U.S.P.Q.2d (BNA) 1641 (Fed. Cir. 1997).*

n2 *35 U.S.C. § 102 (1996 & Supp. 1998).* In full, *35 U.S.C. § 102* provides:

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

(d) 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

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before 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

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention 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.

Id.

n3 *OddzOn Products, 122 F.3d at 1401, 43 U.S.P.Q.2d at 1644.*

n4 Generally, the most significant differences between sections 102(f) and (g) are that section 102(f) requires communication of the idea between the first and subsequent parties, section 102(f) acts may occur anywhere, and section 102(f) art does not need to be publicly disclosed, whereas section 102(g) mandates that the first invention cannot be abandoned, suppressed, or concealed, section 102(g) acts must occur in this country, and section 102(g) art will eventually be disclosed

through an interference and an issued patent. 474 F.2d 1276, 177 U.S.P.Q. (BNA) 178 (C.C.P.A. 1973).

n6 There were three separate opinions. A concurring opinion suggested that the decision was limited to the facts of the case. See *Id. at 1306B07*, 177 U.S.P.Q. at 201 (Lane, J., concurring). This statement has been relied on in subsequent decisions described in this article.

n7 *Id. at 1350*, 177 U.S.P.Q. at 183.

n8 *Id. at 1351*, 177 U.S.P.Q. at 184B86.

n9 *Id. at 1358B60*, 177 U.S.P.Q. at 187B89.

n10 *Id. at 1360*, 177 U.S.P.Q. at 189.

n11 622 F.2d 1029, 206 U.S.P.Q. (BNA) 289 (C.C.P.A. 1980).

n12 *Id. at 1039*, 206 U.S.P.Q. at 299. This holding appears to inject an element of section 102(f) which requires communication of the invention from the first inventor to a subsequent party.

n13 *Id.*

n14 *Id. at 1040*, 206 U.S.P.Q. at 299. The Doctrine of Lost Counts is a doctrine used in interferences under which the losing party's claims which define inventions that would have been obvious in view of the invention defined by the interference counts are rejected as unpatentable over the counts. For instance, the Clemens court stated in footnote 23 that lost counts are prior art against the losing party of an interference. *Id.*, n. 23. Cases discussed below state that section 102(g) subject matter applies to third parties as well.

n15 *Id.*, nn. 22B23.

n16 745 F.2d 1437, 223 U.S.P.Q. (BNA) 603 (Fed. Cir. 1984).

n17 *Id. at 1445B46*, 223 U.S.P.Q. at 606B07.

n18 *Id. at 1445*, 223 U.S.P.Q. at 607. Chisum suggests that the court's logic applies to section 102(f). Donald S. Chisum, Chisum on Patents 5.03[3][d] (1994 & Supp. 1997).

n19 849 F.2d 1430, 7 U.S.P.Q.2d 1129 (Fed. Cir. 1989)

n20 *Id. at 1436*, 7 U.S.P.Q.2d at 1134. On remand, the district court used the section 102(g) data and the public references as prior art. *E.I. du Pont de Nemours & Co. v. Phillips Petroleum Co.*, 711 F. Supp. 1205, 1217, n. 44, 11 U.S.P.Q.2d (BNA) 1081, 1091, (Fed. Cir. 1989). In 1984, 35 U.S.C. 103 was amended to eliminate some of the problems demonstrated in Bass. Pub. L. No. 98B622, 103, 98 Stat. 3384 (Nov. 8, 1984). The new language is embodied in current section 103(c). It provides: (c) Patentability shall not be negated by the manner in which the invention was made. Subject matter developed by another person, which qualifies as prior art only under subsection (f) or (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. 35 U.S.C. 103 (1996 & Supp. 1998). *Agawam Woolen v. Jordan*, 74 U.S. (7 Wall) 583 (1868); *Ex parte Billottet*, 192 U.S.P.Q. (BNA) 413 (Bd. Pat. App. & Intf. 1976); see also Chisum, supra note 18, at 5.03[3][d]. For a very complete discussion of the historical treatment of section 102(f) up until 1984, see M. Buonaiuto,

The Use of Derived Information as Prior Art Under Section 103 of the Patent Act, 70 *Nw. U. L. Rev.* 423 (1984).

n22 78 *F.3d* 540, 37 *U.S.P.Q.2d* (BNA) 1856 (*Fed. Cir.* 1996).

n23 110 *F.3d* 1573, 42 *U.S.P.Q.2d* (BNA) 1378 (*Fed. Cir.* 1997).

n24 122 *F.3d* 1396, 43 *U.S.P.Q.2d* (BNA) 1641 (*Fed. Cir.* 1997).

n25 78 *F.3d* at 544, 37 *U.S.P.Q.2d* at 1859.

n26 *Id.* at 541B42, 37 *U.S.P.Q.2d* at 1857.

n27 *Id.* at 543, 37 *U.S.P.Q.2d* at 1860.

n28 *Id.* at 549, n. 5, 37 *U.S.P.Q.2d* at 1863B64 (citations omitted).

n29 *Id.* at 549, 37 *U.S.P.Q.2d* at 1863 (citations omitted).

n30 970 *F.2d* 878, 23 *U.S.P.Q.2d* (BNA) 1622 (*Fed. Cir.* 1992).

n31 *Id.* at 884, 23 *U.S.P.Q.2d* at 1626.

n32 488 *F.2d* 382, 180 *U.S.P.Q.* (BNA) 225 (*1st. Cir.* 1973).

n33 *Id.* at 386, 180 *U.S.P.Q.* at 227 (citations omitted).

n34 *Id.* at 388, 180 *U.S.P.Q.* at 229.

n35 110 *F.3d* 1573, 42 *U.S.P.Q.2d* (BNA) 1378 (*Fed. Cir.* 1996).

n36 *Id.* at 1577, 42 *U.S.P.Q.2d* at 1382.

n37 *Id.* at 1578, 42 *U.S.P.Q.2d* at 1382.

n38 A charge of inequitable conduct was also raised for failure to cite this relevant art. *OddzOn Prods., Inc. v. Just Toys, Inc.*, 122 *F.3d* 1396, 43 *U.S.P.Q.2d* (BNA) 1641 (*Fed. Cir.* 1997).

n40 *Id.* at 1399, 43 *U.S.P.Q.2d* at 1642B43.

n41 See *Id.* at 1401, 43 *U.S.P.Q.2d* at 1644 (citing *OddzOn Prods., Inc. v. Just Toys, Inc.*, No. 95-CV-1077 (N.D. Cal. July 29, 1996)).

n42 See *Id.* (citing *OddzOn Prods., Inc. v. Just Toys, Inc.*, No. 95-CV-1077 (N.D. Cal. July 29, 1996)).

n43 See *Id.* (citing *OddzOn Prods., Inc. v. Just Toys, Inc.*, No. 95-CV-1077 (N.D. Cal. July 29, 1996)).

n44 It is surprising that *OddzOn* would have made an admission such as this, especially in light of the court's holding that "none of the cited designs, including the two confidential disclosures render the patented design obvious, either individually or in combination" which is what the district court also held. *OddzOn Products*, 122 *F.3d* at 1404, 43 *U.S.P.Q.2d* at 1646.

n45 *Id.* at 1401, 43 *U.S.P.Q.2d* at 1644.

n46 *Id.* (emphasis added).

n47 See *supra* notes 5B10 and accompanying text.

n48 *Id.* at 1401, 43 *U.S.P.Q.2d* at 1645.

n49 However, it must be noted that section 102(f) art is not secret to the recipient as it requires communication of the idea to the recipient. Section 102(f) is not concerned with benefit to the public, as are other more typical prior art provisions; but rather it protects the rights of the original inventor. It does not contain a requirement of public disclosure. See *Buonaiuto*, supra note 22, at 453B55.

n50 *OddzOn Products*, 122 F.3d at 1402, 43 U.S.P.Q.2d at 1645; See also *Kimberly-Clark Corp. v. Johnson & Johnson Personal Prods. Co.*, 745 F.2d 1437, 1453, 223 U.S.P.Q. (BNA) 603, 614 (*Fed. Cir.* 1984).

n51 *OddzOn Products*, 122 F.3d at 1402, 43 U.S.P.Q.2d at 1645.

n52 *Id.* at 1403, 43 U.S.P.Q.2d at 1645-1646. 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. See Section-by-Section Analysis: Patent Law Amendments Act of 1984, 130 Congr. Rec. 28069, 28071 (Oct. 1, 1984), reprinted in 1984 U.S.C.C.A.N. 5827, 5833 (stating that the amendment, which encourages communication among members of research teams, was a response to *Bass* and *In re Clemens*, in which "an earlier invention which is not public may be treated under Section 102(g), and possibly under 102(f), as prior art"). There was no clearly apparent purpose in Congress's inclusion of 102(f) in the amendment other than 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. *Id.* (citation omitted).

n53 *Id.* at 1402B03, 43 U.S.P.Q.2d at 1646.

n54 *Id.* at 1403, 43 U.S.P.Q.2d at 1646.

n55 The court stated: Although there is a basis to suggest that section 102(f) should not be considered a prior art provision . . . [i]t is sometimes more important that a close question be settled one way or another than which way it is settled. We settle the issue here (subject of course to any later intervention by Congress or review by the Supreme Court), and do so in a manner that best comports with the voice of Congress. Thus, while there is a basis for an opposite conclusion, principally based on the fact that 102(f) does not refer to public activity, as do the other provisions that clearly define prior art, nonetheless we cannot escape the import of the 1984 amendment. *Id.* at 1401, 1403, 43 U.S.P.Q.2d at 1644, 1646. The court stated: Just Toys argues that the two confidential disclosures known to the inventor, but not disclosed to the PTO, were "material to patentability" and hence should have been disclosed. Just Toys therefore asks this court to remand the case so that the district court can hear its mooted motion for summary judgment on the issue of inequitable conduct. We decline to do so. *Id.* at 1404, 43 U.S.P.Q.2d at 1646.

n56 The court stated:

Just Toys argues that the two confidential disclosures known to the inventor, but not disclosed to the PTO, were "material to patentability" and hence should have been disclosed. Just Toys therefore asks this court to remand the case so that the district court can hear its mooted motion for summary judgement on the issue of inequitable conduct. We decline to do so.

n57 See *Id.* at 1401, 43 U.S.P.Q.2d at 1644 (citing *OddzOn Prods., Inc. v. Just Toys, Inc.*, No. 95-CV-1077 (N.D. Cal. July 29, 1996)).

n58 *Lamb-Weston, Inc. v. McCain Foods, Ltd.*, 78 F.3d 540, 546, 37 U.S.P.Q.2d (BNA) 1856, 1860 (*Fed. Cir.* 1991).

n59 *OddzOn Products*, 122 F.3d at 1404, 43 U.S.P.Q.2d at 1646.

n60 Assignment of any patentable inventions that arise during the course of a collaboration to one entity can obviate prior art problems under section 103(c).

n61 To avoid this problem, the parties could assign the technology that existed before the collaboration to one entity. Thereafter, they would also assign the future developments to the same entity.