

## **Grant Submissions and Novelty: A Catch-22 for Startups**

Authors: [Matthew Kinnier](#) and [Amanda Smith, Hoffman Warnick LLC](#)

The [Leahy-Smith America Invents Act of 2011](#) (AIA) brought sweeping changes to the landscape of United States patent law. Among other things, the AIA expanded the scope of potential prior art by explicitly treating [all information which is not only “described in a printed publication” but also “otherwise available to the public” as being a type of public disclosure.](#) However, what is considered “otherwise available to the public” under the expanded definition of prior art has not yet been clearly defined by the courts.

The federal government [sponsors a considerable amount of technology research.](#) Frequently, governmental agencies request technical disclosure submissions from private industry through competitive funding programs. The grant submissions for the funding programs, even under competitive and confidential government funding programs, may be considered a type of public disclosure under the expanded novelty provisions of [35 U.S.C. § 102.](#)

In particular, under the [Freedom of Information Act](#) (FOIA), documentation submitted to the government, such as a grant, is available for public inspection. This situation can create a dilemma for many startups and independent inventors who rely on government funding to develop and protect their technology. That is, funding an invention through competitive grants could also prevent an inventor from obtaining or enforcing a patent because the information is available to the public. Therefore, it is best to develop a comprehensive plan before submitting a grant application, which includes reviewing the rules and regulations for a particular program, and consulting an attorney before submitting a proposal.

## Discussion of Relevant Case Law

Courts have long acknowledged that grant submissions may be considered prior art as at least being a type of “printed publication.” For example, the Northern District of California in 1990 held that publically accessible grant submissions may qualify as prior art, even when the submission is not indexed, or whether its title would disclose its relevance in a field of research.<sup>1</sup> The court reasoned that any person having ordinary skill in the art would have been familiar with the applicant’s name and would know of the application’s relevance, regardless of whether the submission is indexed.

Two more recent decisions by the United States Patent and Trademark Office’s (USPTO) Patent Trial and Appeal Board (PTAB)—*Medtronic, Inc. v. NuVasive, Inc* and *Oxford Nanopore Technologies Ltd. v. University of Washington and UAB Research Foundation*—have also addressed this issue. These cases concluded that even when an inventor’s grant submission is publicly accessible, the existence of measures to redact part of a submission can counteract a finding of public disclosure.<sup>2</sup> Specifically, both cases held that grant submissions do not actually become public disclosures until a member of the public requests them via the FOIA. When a third party requests a submission via the FOIA, the grant applicant in some cases may have an opportunity to remove confidential material from the grant application before a copy of the submission is released to the requester. In both *Medtronic* and *Oxford Nanopore Technologies*, the Board recognized that the confidentiality of a document may change over time. That is, the disclosure in the grant submission may be considered to contain more confidential information at an earlier point in time than at a later point in time. For example, the Board declined to assume that what would have been released before the filing date of a patent

application is the same as what was eventually released pursuant to a FOIA request after a patent application was filed.

These cases stand for the proposition that grant submissions may be considered prior art under [35 U.S.C. § 102](#) due to the FOIA. However, their effect on a patent application or issued patent varies based on whether someone actually requests the submission under the FOIA, and what the government eventually releases in response to the request.

### **Practical Concerns in Government Funding Programs**

Whether an inventor can rely upon the protections of recent case law hinges on whether a program offers procedures for maintaining the confidentiality of an inventor's submission. In practice, there is no bright-line rule for whether the contents of a submission will remain confidential. Consequently, the regulations and procedures of the specific program where an inventor seeks funding will determine the extent to which a submission remains confidential. Although non-disclosure agreements (NDAs) would appear to address inconsistencies between rules and outcomes, an NDA may not be successful or even possible in many cases. For example, an agency may not be obligated to sign or even consider an NDA that accompanies a submission to a competitive grant program. Even if an agency official chooses to sign an NDA, the agreement alone will not bind the agency itself or defend an inventor's technology from FOIA requests without the operation of other confidentiality requirements.

The [Advanced Research Projects Agency-Energy](#) (ARPA-e), a sub-agency of the [Department of Energy](#) (DOE), is an entity that offers competitive grant programs to promote the research and development of technology for a number of other agencies. ARPA-e is an example of how the same entity may have different confidentiality rules for the submissions it considers. Grant programs offered through ARPA-e are entitled "funding opportunities," and submissions

by an inventor to a funding opportunity are known as “concept papers.” ARPA-e communicates funding opportunities to the public via documents known as [Funding Opportunity Announcements](#) (FOAs). In many cases, ARPA-e will hold all or part of an inventor’s submission under an FOA in confidence, even if the submission is not successful. Following the submission of a concept paper, the U.S. Government can use a paper’s non-confidential information for any purpose.

Differences between FOAs may create patent novelty issues in at least two situations. First, ARPA-e and other agencies have significant latitude to determine whether any portion of a submission can be marked as confidential, and what procedures an inventor needs to follow to take advantage of these protections. Each FOA individually defines the applicable confidentiality procedures, meaning that these rules may be subject to change without action by Congress. Different confidentiality rules can affect all or part of an inventor’s submission under an FOA. For example, ARPA-e may require the inventor to mark each page as “confidential” to prevent the submission from being subject to a FOIA request, and in addition may require each line with confidential information to be marked with highlighting or square brackets. To reduce risks, attorneys with clients who seek funding through an FOA should review the documents before submission and note any relevant deadlines before the client supplies an FOA submission. In addition, IP attorneys should review drafts to determine whether any sensitive language can be reworded or removed entirely. For more fully developed technologies, it may be appropriate to file a provisional patent application before preparing any submissions to an agency. An inventor may wish to consult an attorney or agency official before proceeding under certain programs if the confidentiality guidelines in an FOA or similar announcement are unclear. As detailed above, the ability to redact portions of a document could protect the submission from being

treated as a printed publication or “otherwise available to the public.” To avoid uncertainty, attorneys should also be aware of confidentiality procedures in an FOA or similar document, and follow them while taking other appropriate steps to protect confidentiality of the underlying technology.

A second patent novelty concern in a grant submission is the frequent requirement of a summary section. Regardless of the confidentiality procedures detailed in an FOA, ARPA-e in some cases may require the inventor to draft and submit “objectives” or a “summary for public release.” Writing a summary may require the inventor to describe technical information on how to make or use the invention.<sup>3</sup> No portion of the inventor’s public summary can be marked as confidential, and is therefore freely available to the public through FOIA or simply by public dissemination provided by ARPA-e. Information in a public summary would thus qualify as being a printed publication “[otherwise available to the public](#)” under AIA. Since public summaries provide no mechanism for an inventor to treat its contents as confidential, safeguards in case law for maintaining the confidentiality of a submission would not apply.

Most FOAs, or similar programs offered by other agencies, will include measures for keeping an inventor’s submission confidential. However, an agency is not necessarily required to provide these measures. In addition, some portions of a submission may be exempt from confidentiality even when an inventor follows all relevant procedures. To protect inventions, inventors and their attorneys should carefully review or request clarification of all confidentiality rules. Teams should mark any relevant pages as confidential in accordance with confidentiality guidelines to prevent the submission from being treated as a printed publication or considered “otherwise available to the public.” Although the USPTO and courts have been generous in allowing grant submissions to be treated as confidential when measures exist for preventing

public dissemination, using all available protections against public disclosure is safer. In addition, teams should carefully review any public summaries in a document to make sure that this information does not undermine efforts elsewhere in the document to keep an invention secret. As government-funded technology transfer continues to play an important role in the IP landscape, more case law interpreting AIA (and possible changes) may be on the way.

---

<sup>1</sup> *DuPont de Nemours & Co. v. Cetus Corp.*, 19 U.S.P.Q.2d 1174, n.7 (1990).

<sup>2</sup> *Medtronic, Inc. v. NuVasive, Inc.*, Case IPR2014-00076 (PTAB April 8, 2014); *Oxford Nanopore Technologies Ltd. v. University of Washington and UAB Research Foundation*, Case IPR2014-00513 (September 15, 2014).

<sup>3</sup> See [Advanced Research Projects Agency – Energy \(ARPA-E\), TRANSPORTATION ENERGY RESOURCES FROM RENEWABLE AGRICULTURE \(TERRA\) FUNDING OPPORTUNITY ANNOUNCEMENT](#), Modification 01, pages 55–56, (last visited Feb. 23, 2015).