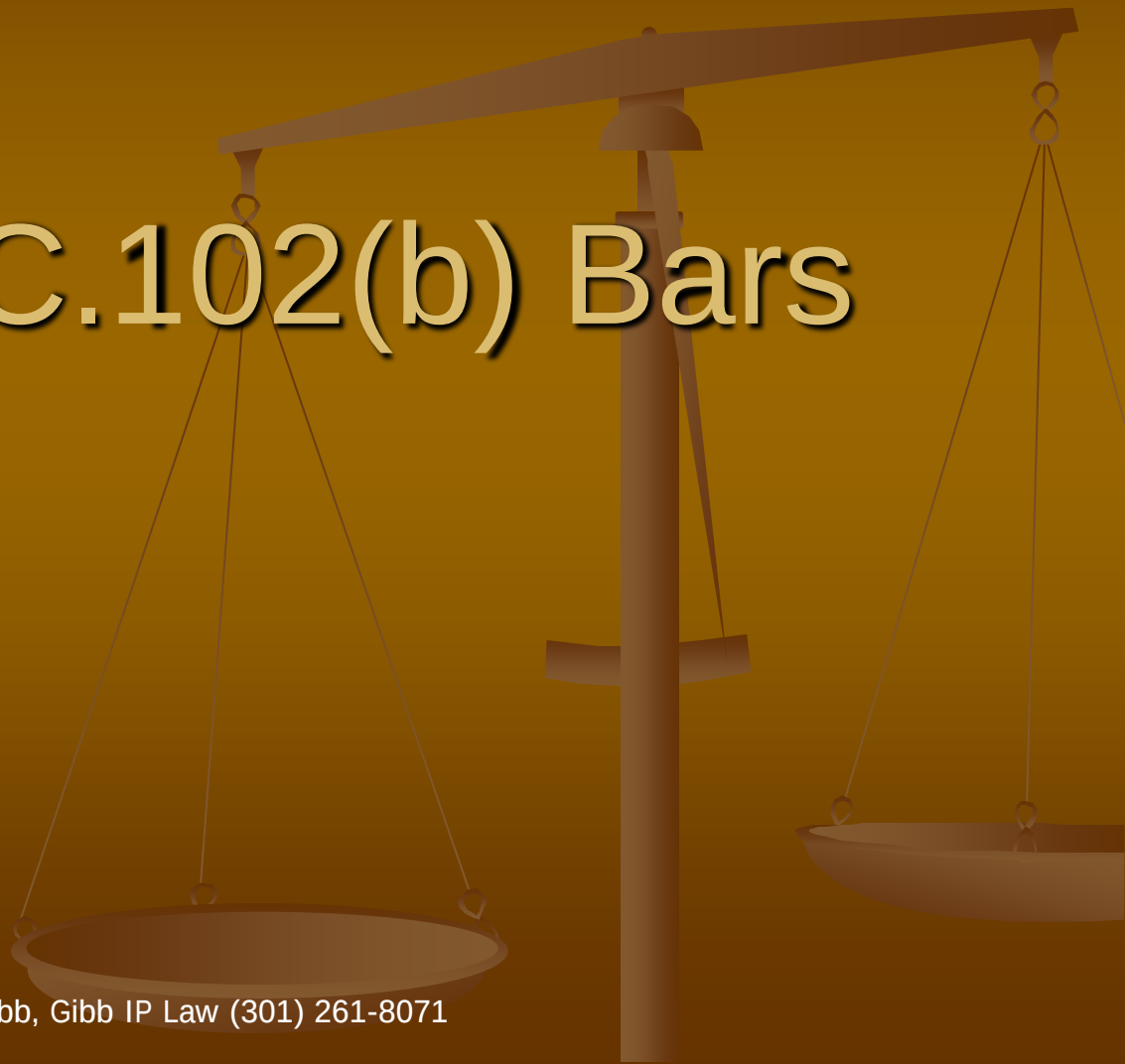
35 U.S.C.102(b) Bars



Statute

- **35 U.S.C. 102 Conditions for patentability; novelty and loss of right to patent.**
- A person shall be entitled to a patent unless . . . (b) the invention was . . . 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

Section 102 Analysis

- 35 U.S.C. § 102(a)
  - Known or used, patented or described in a printed publication "by others", before the "invention thereof by the applicant"
  - Use or publication must be "by another" and the printing date of the publication or patent must pre-date applicant's filing date
- **35 U.S.C. § 102(b)**
  - Patented or described in a printed publication (by anyone, including the applicant), **in public use or on sale more than one year before invention** by applicant
  - Sale, use, or publication can be by applicant, but activity and printing date must pre-date filing date by one year
- 35 U.S.C. § 102(c) Applicant must not have abandoned the invention
- 35 U.S.C. § 102(d) Foreign application filed by applicant more than 12 months prior to U.S. application
- 35 U.S.C. § 102(e)
  - Published Applications and Patents "by another" that have a "filing date" before applicant's filing date
  - Applies to another's patents that were printed after, but were filed before, applicant's filing date
- 35 U.S.C. § 102(f): Inventor "did not himself invent" (usually confidential documents)
- 35 U.S.C. § 102(g): Interferences and previous invention by another that were "not abandoned, suppressed, or concealed" (usually confidential documents)

Policy Considerations

- **Encourage Quick Filing.** One policy underlying the on-sale bar is to obtain widespread disclosure of new inventions to the public via patents as soon as possible." *RCA Corp. v. Data Gen. Corp.*, 887 F.2d 1056, 1062, 12 USPQ2d 1449, 1454 (Fed. Cir. 1989).
- **Limit Monopoly Extensions.** Another policy underlying the public use and on-sale bars is to prevent the inventor from commercially exploiting the exclusivity of his or her invention substantially beyond the statutorily authorized period. *RCA Corp. v. Data Gen. Corp.,* 887 F.2d 1056, 1062, 12 USPQ2d 1449, 1454 (Fed. Cir. 1989). See MPEP § 2133.03(e)(1).
- **Prevent Public Confusion.** Another underlying policy for the public use and on-sale bars is to discourage "the removal of inventions from the public domain which the public justifiably comes to believe are freely available." *Manville Sales Corp. v. Paramount Sys., Inc.,* 917 F.2d 544, 549, 16 USPQ2d 1587, 1591 (Fed. Cir. 1990)

Keeping Secrets

- **Secrecy or Non-Secrecy is not Necessarily Dispositive on the Issue of "Public Use"**
  - The fact that the device was not hidden from view does not necessarily make the use public. *TP Labs., Inc. v. Professional Positioners, Inc.*, 724 F.2d 965, 972, 220 USPQ 577, 583 (Fed. Cir. 1983)
  - Similarly, just because a device is kept secret does not necessarily make the use non-public. *TP Labs., Inc. v. Professional Positioners, Inc.*, 724 F.2d 965, 972, 220 USPQ 577, 583 (Fed. Cir. 1983). An inventor who puts a machine or article embodying the invention in public view is barred from obtaining a patent, even though the invention was secretly hidden in the machine. *In re Blaisdell*, 242 F.2d 779, 783, 113 USPQ 289, 292 (CCPA 1957); *Hall v. Macneale,* 107 U.S. 90, 96-97 (1882); *Ex parte Kuklo*, 25 USPQ2d 1387, 1390 (Bd. Pat. App. & Inter. 1992)

Experimental Use Doctrine

- **Experimental Use Doctrine**
  - The doctrine provides that even if the use or sale was public, if it was experimental, there is no bar under 35 U.S.C. 102(b).
  - For example, an inventor may need to “test” the invention to see how the public uses the invention (or if the public is even capable of using the invention as designed). This otherwise public use does not operate as a bar.
  - A use or sale is experimental for purposes of section 102(b) if it represents a bona fide effort to perfect the invention or to ascertain whether it will answer its intended purpose. Any commercial exploitation activities must be merely incidental to the primary purpose of experimentation LaBounty Mfg. v. United States Int'l Trade Comm'n, 958 F.2d 1066, 1071, 22 USPQ2d 1025, 1028 (Fed. Cir. 1992) (quoting Pennwalt Corp. v. Akzona Inc., 740 F.2d 1573, 1581, 222 USPQ 833, 838 (Fed. Cir. 1984)).

Experimental Use Doctrine

- **How Can Any "Sale" Not Be A Commercial Exploitation?**
  - Answer: when the "sale" is made to others in the hope to find 35 U.S.C. 101 "utility" if the invention (e.g., some chemical composition) otherwise has no known utility, and the profit made off the same is insignificant. *General Motors Corp. v. Bendix Aviation Corp.*, 123 F. Supp. 506, 521, 102 USPQ 58, 69 (N.D.Ind. 1954).
  - The experimental use exception does not include market testing where the inventor is attempting to gauge consumer demand for his claimed invention. This is commercial exploitation and not experimentation." In re Smith, 714 F.2d 1127, 1134, 218 USPQ 976, 983 (Fed. Cir. 1983).

Just Having Some Fun With Your Invention?

- There is no “public use” if inventor restricted use to locations where there was a reasonable expectation of privacy and the use was for his or her own enjoyment, even if others saw the invention. Moleculon Research Corp. v. CBS, Inc., 793 F.2d 1261, 1265, 229 USPQ 805, 809 (Fed. Cir. 1986).

What About Other's Activities?

- Related Third Parties (Those Working With the Inventor)
  - "Public use" of a claimed invention under 35 U.S.C. 102(b) occurs when the inventor allows another person to use the invention without limitation, restriction or obligation of secrecy to the inventor. In re Smith, 714 F.2d 1127, 1134, 218 USPQ 976, 983 (Fed. Cir. 1983).
  - Contrast with situations where there is a reasonable expectation of privacy and there is no public use. Moleculon Research Corp. v. CBS, Inc., 793 F.2d 1261, 1265, 229 USPQ 805, 809 (Fed. Cir. 1986).

Third Parties

- **Unrelated Third Parties** (Those Independently Developing the Same Invention)
  - Any "nonsecret" use of an invention by someone unconnected to the inventor, such as someone who has independently made the invention, in the ordinary course of a business for trade or profit may be a "public use," *Bird Provision Co. v. Owens Country Sausage, Inc.*, 568 F.2d 369, 374-76, 197 USPQ 134, 138-40 (5th Cir. 1978).
  - If the details of an inventive process are not ascertainable from the product sold or displayed and the third party has kept the invention as a trade secret then that use is not a public use and will not bar a patent issuing to someone unconnected to the user. *W.L. Gore & Assocs. v. Garlock, Inc.*, 721 F.2d 1540, 1550, 220 USPQ 303, 310 (Fed. Cir. 1983). Contrast this with the Inventor's activities, where an opposite result is reached.
  - The experimental use doctrine does not apply to experimental activities of a third unrelated party and is personal to the applicant. *Magnetics v. Arnold Eng'g Co.*, 438 F.2d 72, 74, 168 USPQ 392, 394 (7th Cir. 1971), *Bourne v. Jones*, 114 F.Supp. 413, 419, 98 USPQ 206, 210 (S.D. Fla. 1951), *aff"d.*, 207 F.2d 173, 98 USPQ 205 (5th Cir. 1953), *cert. denied*, 346 U.S. 897, 99 USPQ 490 (1953); contra, *Watson v. Allen*, 254 F.2d 342, 117 USPQ 68 (D.C.Cir. 1957).

HR 2795

- **Possible Future 102(b) Changes**
  - H.R. 2795, if enacted in current form, would alter the “one-year grace period” to apply only to inventor activities.
  - Third parties activities (public uses, offers for sale, etc.) would have no grace period.

How Much Public Use Is Needed?

- **Some Actual Public Use is Needed**
  - 35 U.S.C. 102(b) bars public use or sale, not public knowledge. *TP Labs., Inc., v. Professional Positioners, Inc.*, 724 F.2d 965, 970, 220 USPQ 577, 581 (Fed. Cir. 1984). Note, however, that public knowledge may provide grounds for rejection under 35 U.S.C. 102(a). See MPEP § 2132.
- **But, Only One Instance is Needed.**
  - It is not necessary that more than one of the patent articles should be publicly used. The use of a great number may tend to strengthen the proof, but one well defined case of such use is just as effectual to annul the patent as many." Likewise, it is not necessary that more than one person use the invention. *Egbert v. Lippmann,* 104 U.S. 333, 336 (1881).

How Complete Does The Invention Have to Be?

- For Public Use
  - It is assumed that the invention is substantially complete if it can be used in public, so most of the cases deal with the "on sale" aspect of a partially developed invention.
- However, Obviousness Applies
  - 35 U.S.C. 103 may create a bar to patentability if the device in public use or placed on sale would have made the claimed invention obvious (in conjunction with prior art). *LaBounty Mfg. v. United States Int'l Trade Comm'n,* 958 F.2d 1066, 1071, 22 USPQ2d 1025, 1028 (Fed. Cir. 1992)

Sale or Offer for Sale of Partially Complete Invention

- Invention Must Be "Ready for Patenting" at the Time of the Sale or Offer
  - *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 66-68, 119 S.Ct. 304, 311-12, 48 USPQ2d 1641, 1647 (1998).
- So What Could "Ready for Patenting" Possibly Mean?
  - An actual reduction to practice.
    - Actual reduction to practice in the context of an on-sale bar issue usually requires testing under actual working conditions in such a way as to demonstrate the practical utility of an invention for its intended purpose beyond the probability of failure, unless by virtue of the very simplicity of an invention its practical operativeness is clear. *Field v. Knowles*, 183 F.2d 593, 601, 86 USPQ 373, 379 (CCPA 1950); *Steinberg v. Seitz*, 517 F.2d 1359, 1363, 186 USPQ 209, 212 (CCPA 1975)
  - Drawings, etc. that would allow one ordinarily skilled in the art to practice the invention.
    - The invention need not be ready for satisfactory commercial marketing for sale to bar a patent. *Atlantic Thermoplastics Co. v. Faytex Corp.*, 970 F.2d 834, 836-37, 23 USPQ2d 1481, 1483 (Fed. Cir. 1992).
    - Affidavits or declarations submitted under 37 CFR 1.131 to swear behind a reference may constitute, among other things, an admission that an invention was "complete" more than 1 year before the filing of an application. See In re Foster, 343 F.2d 980, 987-88, 145 USPQ 166, 173 (CCPA 1965); Dart Indus. v. E.I. duPont de Nemours & Co., 489 F.2d 1359, 1365, 179 USPQ 392, 396 (7th Cir. 1973). Also see MPEP § 715.10

Strange But True!

- If a product that is offered for sale inherently possesses each of the limitations of the claims, then the invention is on sale, whether or not the parties to the transaction recognize that the product possesses the claimed characteristics." *Abbott Laboratories v. Geneva Pharmaceuticals, Inc.,* 182 F.3d 1315, 1319, 51 USPQ2d 1307, 1310 (Fed. Cir. 1999) .

Sales and Method Claims

- Sale of a product made by the claimed process by the patentee or a licensee would constitute a sale of the process within the meaning of 35 U.S.C. 102(b). In re Kollar, 286 F.3d 1326, 1333, 62 USPQ2d 1425, 1429 (Fed. Cir. 2002); D.L. Auld Co. v. Chroma Graphics Corp., 714 F.2d 1144, 1147-48, 219 USPQ 13, 15-16 (Fed. Cir. 1983).
- Even though the sale of a product made by a claimed method before the critical date did not reveal anything about the method to the public, the sale resulted in a "forfeiture" of any right to a patent to that method); W.L. Gore & Assocs., Inc. v. Garlock, Inc., 721 F.2d 1540, 1550, 220 USPQ 303, 310 (Fed. Cir. 1983).
- The application of 35 U.S.C. 102(b) would also be triggered by actually performing or offering to perform the claimed process itself for consideration. See Scaltech, Inc. v. Retec/Tetra, L.L.C., 269 F.3d 1321, 1328, 60 USPQ2d 1687, 1691(Fed. Cir. 2001) where the patentee made an offer to perform the claimed process for treating oil refinery waste more than one year before filing the patent application.
- The sale of a device embodying a claimed process can trigger the on-sale bar. Minton v. National Ass'n. of Securities Dealers, Inc., 336 F.3d 1373, 1378, 67 USPQ2d 1614, 1618 (Fed. Cir. 2003). Sale of a fully operational computer program implementing and thus embodying the claimed method (potentially within a device) triggered the on-sale bar.

Non-Disclosure/Confidentiality Agreements

- The presence or absence of a confidentiality agreement is not dispositive of the public use issue, but is one factor to be considered in assessing all the evidence. It is necessary to analyze the totality of circumstances in the case against policies that underlie the public use and on sale bar. *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386 F.3d 1371, 1380-81, 72 USPQ2d, 1901, 1909 (Fed. Cir. 2004)

“Sale” Not Tied to “Public Use”

- Either the “public use” or “on sale” activity may apply when the other does not. *Dart Indus. v. E.I. du Pont de Nemours & Co.*, 489 F.2d 1359, 1365, 179 USPQ 392, 396 (7th Cir. 1973).
- There may be a public use of an invention absent any sales activity. Likewise, there may be a nonpublic, e.g., "secret," sale or offer to sell an invention which nevertheless constitutes a statutory bar. *Hobbs v. United States*, 451 F.2d 849, 859-60, 171 USPQ 713, 720 (5th Cir. 1971)

The End

- Thank You.

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