Patent Law

Prof. Roger Ford
March 9, 2015
Class 12 – Statutory bars:
public sale; third-party activity

Recap

Recap

- → Introduction to statutory bars
- → Public use/on sale
- → Exercises

Today's agenda

Today's agenda

- → The on-sale bar
- → Third-party activities

The on-sale bar

35 U.S.C. § 102 — Conditions for patentability; novelty and loss of right to patent (pre-AIA)

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

* * *

35 U.S.C. § 102 — Conditions for patentability; novelty (post-AIA)

(a) Novelty; Prior Art.— A person shall be entitled to a patent unless—

(1) the claimed invention was patented, described in a printed publication, or in public use, **on sale**, or otherwise available to the public before the **effective filing date** of the claimed invention; or

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122 (b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

* * *

Pfaff v. Wells Electronics

- → Nov. 1980: TI contacts Pfaff to design socket
- → Feb./Mar. 1981: Pfaff sends detailed drawings to manufacturer
- → Apr. 8, 1981: TI confirms in writing previously placed oral order for 30,100 sockets
- → Apr. 19, 1981: § 102(b) critical date
- → July, 1981: Pfaff fulfills TI order
- → Apr. 19, 1982: Pfaff files patent application

Pfaff v. Wells Electronics

- → So the key question: when was the invention "on sale" for purposes of § 102?

Pfaff v. Wells Electronics

→ So the key question: when was the invention "on sale" for purposes of § 102?

→ Court: two requirements

- Commercial offer for sale
- Invention must be "ready for patenting"

Pfaff v. Wells Electronics

commercial offer for sale?

→ Nov. 1980: TI cont[illegible]et

→ Feb./Mar. 1981: Pfaff sends detailed drawings to manufacturer

→ Apr. 8, 1981: TI confirms in writing previously placed oral order for 30,100 sockets

→ Apr. 19, 1981: § 102(b) critical date

→ July, 1981: Pfaff fulfills TI order

→ Apr. 19, 1982: Pfaff files patent application

Pfaff v. Wells Electronics

commercial offer for

ready for patenting?

- → Nov. 1980: TI cont
- → Feb./Mar. 1981: Pfaff send drawings to manufacturer
- → Apr. 8, 1981: TI confirms in writing previously placed oral order for 30,100 sockets
- → Apr. 19, 1981: § 102(b) critical date
- → July, 1981: Pfaff fulfills TI order
- → Apr. 19, 1982: Pfaff files patent application

Pfaff v. Wells Electronics

- → What does "ready for patenting" mean?

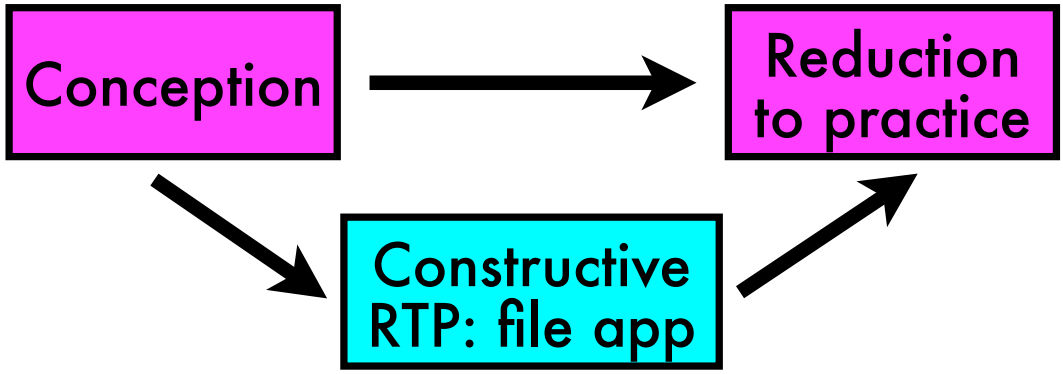
Pfaff v. Wells Electronics

→ What does "ready for patenting" mean?

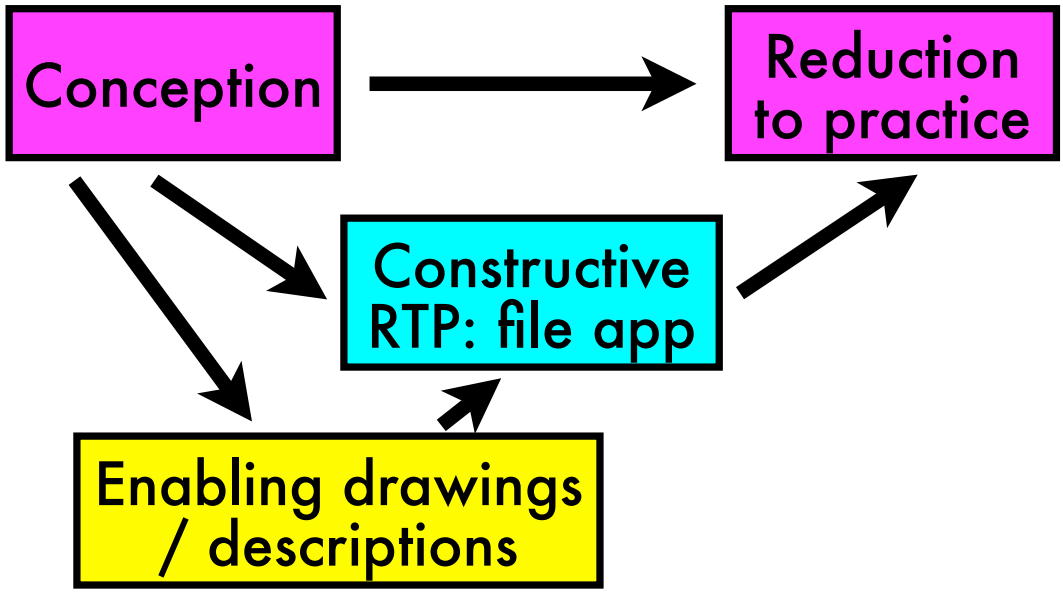
- Court: EITHER (a) reduction to practice or (b) drawings or descriptions sufficient to enable someone to practice the invention

Pfaff v. Wells Electronics

Pfaff v. Wells Electronics



Pfaff v. Wells Electronics



Pfaff v. Wells Electronics

→ Had Pfaff invented the socket yet when it was "on sale" for purpose of § 102(b)?

Pfaff v. Wells Electronics

Invention (§ 102(g))	On sale (§ 102(b))
Conception, AND	Conception, AND
Reduction to practice, OR filing a patent application	Reduction to practice, OR being ready to file a patent application

"[I]t is evident that Pfaff could have obtained a patent on his novel socket when he accepted the purchase order from Texas Instruments for 30,100 units. At that time he provided the manufacturer with a **description and drawings that had 'sufficient clearness and precision to enable those skilled in the matter' to produce the device**."

Pfaff v. Wells Electronics, Merges & Duffy at 526

Pfaff v. Wells Electronics

→ Who knew of TI's purchase of the sockets? How "public" was the sale?

Pfaff v. Wells Electronics

→ Who knew of TI's purchase of the sockets? How "public" was the sale?

- No one, as far as we know
- Not at all public

Pfaff v. Wells Electronics

→ Two anomalies of the on-sale bar:

- It can apply even before the inventor has invented the invention, for purposes of priority – even though § 102(b) refers to "the claimed invention"
- It can apply to purely "private" sales – a truly secret form of prior art

→ Do these make sense?

Pfaff v. Wells Electronics

→ Why apply the on-sale bar before the invention has been reduced to practice?

Pfaff v. Wells Electronics

→ Why apply the on-sale bar before the invention has been reduced to practice?

- Otherwise, inventors would have an incentive to wait and not file for patents earlier – we want people to file quickly
- Inventor has everything needed to reduce to practice – has an enabling disclosure

Pfaff v. Wells Electronics

→ Why not require sales to be "public" to count?

Pfaff v. Wells Electronics

→ Why not require sales to be "public" to count?

- Otherwise, inventors would have an incentive to make private sales and delay filing – we want people to file quickly
- Worst-case scenario: an inventor extends his or her monopoly indefinitely

Examples

→ Pfaff comes up with the general idea for the socket, and contracts with TI to make and sell it, but hasn't worked out all the details

→ Does the one-year period start?

Examples

→ Pfaff comes up with the general idea for the socket, and contracts with TI to make and sell it, but hasn't worked out all the details

→ Does the one-year period start?

- No – not ready for patenting since there is no enabling description yet

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and offers it for sale, but no one buys it

→ Does the one-year period start?

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and offers it for sale, but no one buys it

→ Does the one-year period start?

- Yes – an offer for sale does not require acceptance

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and advertises it in a catalog, but never formally offers it for sale

→ Does the one-year period start?

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and advertises it in a catalog, but never formally offers it for sale

→ Does the one-year period start?

- No – advertising is not an offer for sale

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and offers an "improved socket" for sale

→ Does the one-year period start?

Examples

→ Pfaff comes up with the idea for the socket, makes detailed drawings, and offers an "improved socket" for sale

→ Does the one-year period start?

- Yes – buyers do not have to understand what makes the invention interesting

Examples

→ Pfaff comes up with the idea for a cheaper socket, makes detailed drawings, and offers a "socket" for sale

→ Does the one-year period start?

Examples

→ Pfaff comes up with the idea for a cheaper socket, makes detailed drawings, and offers a "socket" for sale

→ Does the one-year period start?

- Maybe – depends on whether the fact finder thinks he intended to exploit the cheaper socket when he made the offer (*Tec Air,* Merges & Duffy at 532)

Third-party activities

35 U.S.C. § 102 — Conditions for patentability; novelty and loss of right to patent (pre-AIA)

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

* * *

35 U.S.C. § 102 — Conditions for patentability; novelty (post-AIA)

(a) Novelty; Prior Art.— A person shall be entitled to a patent unless—

(1) the claimed invention was patented, described in a printed publication, or **in public use**, **on sale**, or otherwise available to the public before the **effective filing date** of the claimed invention; or

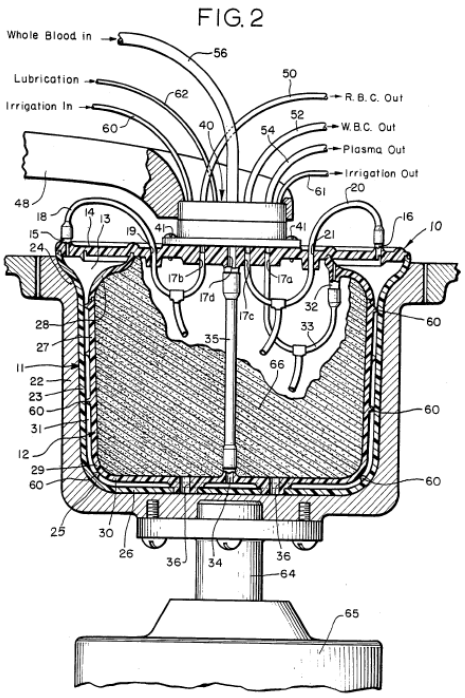
(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122 (b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

* * *

Baxter Int'l v. COBE Labs

→ Technology: seal-less centrifuge for artificial hearts

→ Apparently independently invented by two different teams, simultaneously



Baxter Int'l v. COBE Labs

- → (?): Suaudeau has problems with centrifuge
- → (?): Ito recommends Suaudeau try a seal-less centrifuge Ito had designed
- → (?): Suaudeau has NIH shop make centrifuge
- → (?): Suaudeau successfully uses seal-less sentrifuge
- → May 14, 1975: critical date for § 102(b)
- → May 14, 1976: Grant (rival) application filed

Baxter Int'l v. COBE Labs

- → How public was this use?
- → …compared to *Moleculon* (Rubik's cube)?
- → …compared to *Rosaire* (oil prospecting)?

Baxter Int'l v. COBE Labs

→ Court: this was not an "experimental" use

→ Why not?

Baxter Int'l v. COBE Labs

→ Court: this was not an "experimental" use

→ Why not?

- Contained all the elements of the invention
- Was not tinkering with basic invention; was adapting it to a specialized purpose

Baxter Int'l v. COBE Labs

→ Should we exempt experimental uses from the public-use bar?

Baxter Int'l v. COBE Labs

→ Should we exempt experimental uses from the public-use bar?

- Experiments to develop the invention give the inventor time to work
- Don't need to incentivize quick filing if the invention isn't finalized yet

Baxter Int'l v. COBE Labs

→ Bottom line

- This is another in a basic category of cases we've seen a few times: non-secret uses are public uses, and so can be prior art, even if they're obscure
- *Rosaire*
- *Beachcombers*

WL Gore & Assocs. v. Garlock, Inc.

→ Technology: method of stretching PTFE (Teflon) to give GoreTex

→ A couple of prior sales/uses by Cropper:

- Offer to sell machine to company in Massachusetts
- Use to manufacture thread seal tape, which was then sold commercially

WL Gore & Assocs. v. Garlock, Inc.

→ Starting with the offer for sale: why is it not prior art?

WL Gore & Assocs. v. Garlock, Inc.

→ Starting with the offer for sale: why is it not prior art?

- Not clear
- Not in United States?
- Maybe secret?
- Third-party sale – not an attempt to expand the patent monopoly?

WL Gore & Assocs. v. Garlock, Inc.

→ Public use: why is the use to manufacture tape not prior art?

WL Gore & Assocs. v. Garlock, Inc.

→ Public use: why is the use to manufacture tape not prior art?

- It was confidential use
- It was a trade-secret use — end product was not reverse-engineerable

WL Gore & Assocs. v. Garlock, Inc.

→ Counterargument?

WL Gore & Assocs. v. Garlock, Inc.

→ Counterargument?

- It was a use to make a commercial product – just like in *Metallizing*
- (Also similar to *Rosaire*)

WL Gore & Assocs. v. Garlock, Inc.

→ Bottom line

- UNLIKE *Baxter*
- Here the rules for use by the inventor and a third party are different
- Inventor: Commercial exploitation of the invention is prior art
- Third party: not so much

Reconciling the cases

→ "Public use"

- All about protecting the public's reliance on being able to use things that are in the public domain

→ "Public sale"

- All about preventing the inventor from exploiting his invention for longer than the patent monopoly
- (Thus the exception for experimental use)

→ Public disclosure

- Always an important secondary consideration

Next time

Next time

→ Statutory bars: party-specific bars; the AIA grace period