

# Patent Law

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Novelty and statutory bars:  
third-party activity; experimental use

# Recap

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- more § 102 problems
- priority of invention
- diligence and abandonment

**Today's agenda**

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- third-party activity
- experimental use
- pre-AIA § 102(c), (d), & (f)

**Third-party  
activity**

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

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

\* \* \*

## **Third-party activity**

→ § 102(a) and (b) are motivated by different concerns:

- § 102(a): Ensure an inventor really did invent something new
- § 102(b): Prevent an inventor from exploiting an invention commercially and later filing for a patent, extending the patent monopoly

→ So the question is whether this difference should affect how we interpret § 102

# *Lorenz v. Colgate-Palmolive*

- Jan. 24, 1920: Lorenz files application
- Then: Lorenz discloses invention to Colgate, which tells him it isn't interested
- Then: Lorenz abandons application
- **1931-32: Colgate uses invention**
- Nov. 8, 1934: Lorenz petitions to revive application
  - For reasons, can't rely on original filing date

# *Lorenz v. Colgate-Palmolive*

- **What is the policy justification for denying Lorenz a patent?**

# Lorenz v. Colgate-Palmolive

→ What is the policy justification for denying Lorenz a patent?

- Granting a patent would take an invention out of the public domain
- The statute is clear
- How or why Colgate wound up using the invention isn't relevant to that policy justification

“Colgate’s position in this regard is not really an issue in the instant case. The scope which Congress intended the public use statute to have is the important question. **Here the defense of prior public use in reality is asserted on behalf of the public, albeit by Colgate.**”

“The prior-public-use proviso of R.S. § 4886 was enacted by Congress in the public interest. **It contains no qualification or exception which limits the nature of the public use.** We think that Congress intended that if an inventor does not protect his discovery by an application for a patent within the period prescribed by the Act, and an intervening public use arises from any source whatsoever, the inventor must be barred from a patent or from the fruits of his monopoly, if a patent has issued to him. **There is not a single word in the statute which would tend to put an inventor, whose disclosures have been pirated, in any different position from one who has permitted the use of his process.**”

*Lorenz, Nard at 459*

## **Lorenz v. Colgate-Palmolive**

→ **So what could Lorenz have done to protect himself?**

# Lorenz v. Colgate-Palmolive

→ So what could Lorenz have done to protect himself?

- File a patent application within a year of any disclosure – but he did!
- Not abandon that application – but the idea of the statutory bar is to give him time to assess the invention!
- Make Colgate sign an NDA or sue for misappropriation?

# Evans Cooling Systems

- 1984: Evans conceives invention
- 1986: Evans reduces invention to practice
- 1989: Evans demonstrates invention to GM
- April/May 1991: GM sends "Order Guide" to dealers offering 1992 Corvette for sale, containing embodiment of Evans' invention
- July 1, 1992: Evans files application



# Evans Cooling Systems

→ Does the policy underlying the on-sale bar apply here?

- Unlike public use, printed publication, &c, on-sale bar only applies to § 102(b)!
- Doesn't that suggest the real concern is efforts by the inventor to exploit her invention?

# Evans Cooling Systems

→ Does the policy underlying the on-sale bar apply here?

- Like with the public-use bar, the concern is removing something from the public domain
- Note that if Corvettes are infringing, then GM infringes, and GM dealers infringe, and Corvette drivers infringe

# Evans Cooling Systems

- 1836 Act: An invention is not patentable if, at filing, it was “in public use or on sale with consent or allowance”
- 1839 Act: An invention is not patentable if, at filing, “such purchase, sale, or prior use has been for more than two years”
- Why this change in language? Do these provisions have the same policy justifications?

## Secret uses and sales

- The most important distinction between inventor activity and third-party activity concerns secret uses and sales

# Secret uses and sales

- W.L. Gore v. Garlock: Commercial trade-secret use by a third party is not “public use”
  - Use of patented process to stretch Teflon tape, to manufacture product for commercial sale
- Metallizing Eng'g: Commercial trade-secret use by the inventor is “public use”
  - Use of patented process to refinish metal surface in commercial equipment

# Secret uses and sales

- Does this make any sense?

# Secret uses and sales

→ Does this make any sense?

- The big concern is an inventor extending her monopoly
- A secret use by a third party is undiscoverable; the public doesn't get the benefit of the bargain
- But there is no statutory basis for the distinction

# Secret uses and sales

→ And remember: It's an open question whether the AIA changes this rule

- "in public use, on sale, or otherwise available to the public"

# Experimental use

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

A person shall be entitled to a patent unless —

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(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

\* \* \*

# *City of Elizabeth*

- The claimed invention (a kind of wooden pavement) was used by the public on a private street, in Boston, for 6 years
- **Is this a public use under our ordinary test?**

# *City of Elizabeth*

- The claimed invention (a kind of wooden pavement) was used by the public on a private street, in Boston, for 6 years
- **Is this a public use under our ordinary test?**
  - Absolutely – non-secret use by at least one person for its ordinary purpose

# *City of Elizabeth*

→ So why exempt it from the public-use statutory bar?

# *City of Elizabeth*

→ So why exempt it from the public-use statutory bar?

- The bar prevents inventors from commercially exploiting inventions and only later filing for a patent
- But some inventions need public testing
- Doing so isn't commercial exploitation

# *City of Elizabeth*

→ But this pavement was used on a private toll road, from which he profited – why isn't this commercial exploitation?

# *City of Elizabeth*

→ But this pavement was used on a private toll road, from which he profited – why isn't this commercial exploitation?

- It was limited in scale to the use needed for testing
- He controlled and monitored it
- Incidental benefit is okay if it's not the purpose



# EMD v. TSD

## → Compression bearings:

- June 17, 1989: Finished in-house testing
- July 19, 1989: Substituted into current orders for Norfolk Southern, EZ Transit, and LXO
- August 28, 1989: Sold spare parts to Norfolk Southern
- November 27, 1990: Patent application

## → Planetary bearings:

- March 1993: Finished in-house testing
- August, 1993: Installed in locomotives for Union Pacific
- September 29, 1994: Patent application

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# EMD v. TSD

- So was long-term durability testing of planetary bearings in Union Pacific locomotives experimental use?

# EMD v. TSD

→ So was long-term durability testing of planetary bearings in Union Pacific locomotives experimental use?

- Nope
- Highly fact-dependent inquiry
- 13-factor test, with control and monitoring most important

1. the necessity for public testing
2. the amount of control over the experiment retained by the inventor
3. the nature of the invention
4. the length of the test period
5. whether payment was made
6. whether there was a secrecy obligation
7. whether records of the experiment were kept
8. who conducted the experiment
9. the degree of commercial exploitation during testing
10. whether the invention reasonably requires evaluation under actual conditions of use
11. whether testing was systematically performed
12. whether the inventor continually monitored the invention during testing
13. the nature of the contacts made with potential customers

# *EMD v. TSD*

→ Why wasn't EMD's testing good enough?

- No dispute that long-term durability testing is necessary
- No dispute that planetary bearings aren't accessible during use
- No dispute that customers would send back broken ones

# *Lisle Corp. v. A.J. Mfg.*

→ Isn't this exactly the same as *EMD v. TSD*?

- Use in the ordinary course of business for its intended purpose
- No confidentiality obligation
- No control over how mechanics used the invention

# *Lisle Corp. v. A.J. Mfg.*

→ Possible differences:

- More persuasive evidence of monitoring
- Implicit control?
- More need for testing in the wild, e.g., on a variety of cars?

**Pre-AIA § 102(c),  
(d), & (f)**

**(pre-AIA) 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 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

\* \* \*

## ***Macbeth-Evans Glass***

- 1903: Macbeth begins using secret process to make glass products
- May 1910: Macbeth employee leaves and takes secret process to Jefferson Glass Co.
- Dec. 1910: Jefferson Glass Co. begins using secret process to make glass products
- May 1913: Macbeth files patent application

# *Macbeth-Evans Glass*

- Court: Macbeth-Evans has abandoned its patent rights
  - Otherwise, the patent holder could extend his or her monopoly beyond the 20-year limit

“This, however, inevitably concedes an intent either to **abandon the right to secure protection under the patent laws**, or to retain such right and if necessity should arise then to obtain through a patent a **practical extension of any previous exclusive use** (secured through secrecy) into a total period beyond the express limitation fixed by those laws.”

*Macbeth-Evans*

# *Macbeth-Evans Glass*

- Today, would be a public use under (pre-AIA) § 102(b):
  - Under *Metallizing*, use of a trade secret – by the patent applicant only – to make a commercial product more than a year before the filing date counts as a public use

## Pre-AIA § 102(c)

- Abandonment has little practical importance today
  - § 102(b) public use has expanded to cover the usual case, commercial exploitation of a trade secret



## Pre-AIA § 102(c)

- Today, abandonment matters in two scenarios:
- Inventor expressly abandons her invention to the public, and then changes her mind
  - Inventor commercially exploits the invention as a trade secret for less than a year

## Pre-AIA § 102(c)

- Today, abandonment is not a problem in two scenarios:
- Inventor keeps the invention secret and uses it for noncommercial purposes
  - Inventor files patent application, “abandons” the application, then starts prosecution again

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

A person shall be entitled to a patent unless —

\* \* \*

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(c) he has abandoned the invention, or

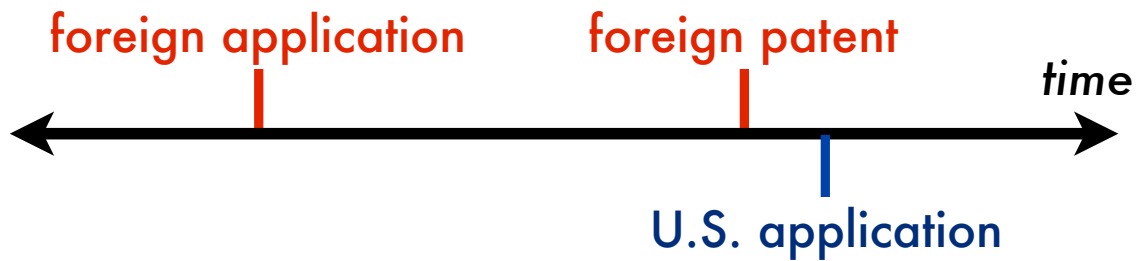
(d) the invention was **first patented** or caused to be patented, or was the subject of an inventor's certificate, **by the applicant** or his legal representatives or assigns **in a foreign country** prior to the **date of the application for patent in this country** on an **application for patent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

\* \* \*

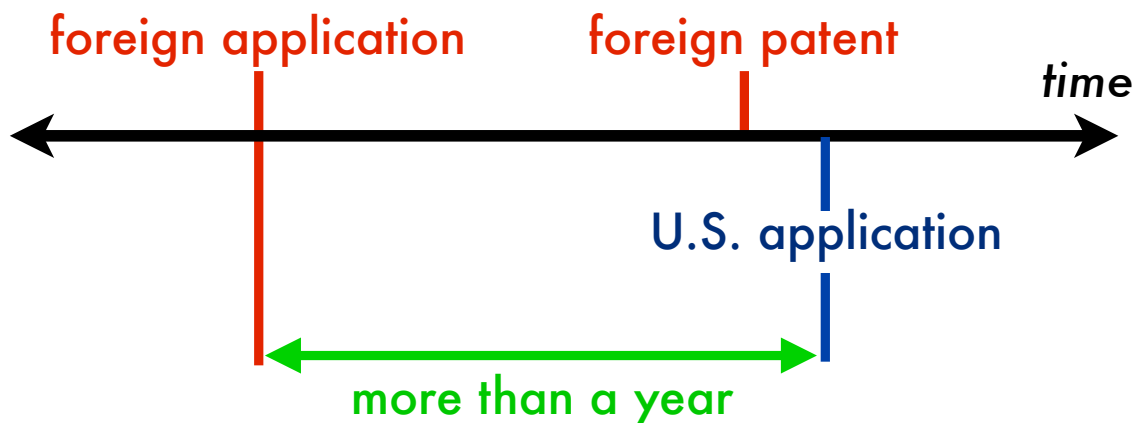
## Pre-AIA § 102(d)

- Same invention, same applicant
- Foreign patent issued before U.S. application filed
- Foreign application filed more than a year before U.S. application filed

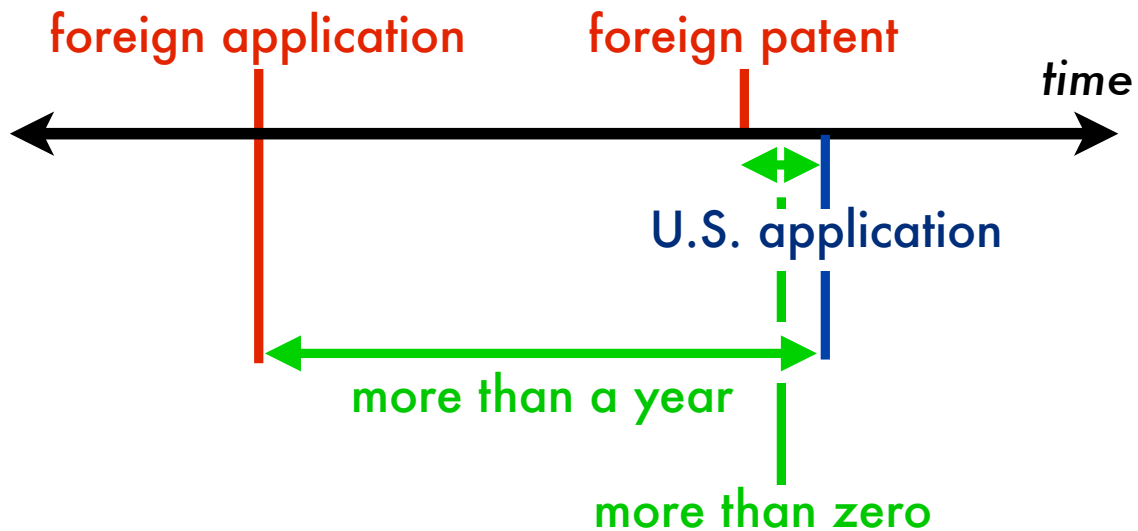
# Pre-AIA § 102(d)



# Pre-AIA § 102(d)



# Pre-AIA § 102(d)



## § 102(d) problems

- June 17, 2000: French application
- July 8, 2001: U.S. application
- October 15, 2002: French patent
- Barred by § 102(d)?

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- June 17, 2000: French application
- July 8, 2001: U.S. application
- October 15, 2002: French patent
- Barred by § 102(d)?
  - No. U.S. application was filed more than a year after foreign application, but before foreign patent had issued.

## § 102(d) problems

- June 17, 2000: Estonian application
- October 15, 2000: Estonian patent
- May 14, 2001: U.S. application
- Barred by § 102(d)?

## § 102(d) problems

- June 17, 2000: Estonian application
- October 15, 2000: Estonian patent
- May 14, 2001: U.S. application
- Barred by § 102(d)?
  - No. U.S. application was filed within a year of the foreign application. So it doesn't matter that the foreign patent had already issued.

## § 102(d) problems

- June 17, 2000: Japanese application
- January 1, 2001: Japanese patent
- December 30, 2001: U.S. application
- Barred by § 102(d)?

# § 102(d) problems

- June 17, 2000: Japanese application
- January 1, 2001: Japanese patent
- December 30, 2001: U.S. application
- Barred by § 102(d)?
  - Yes. U.S. application was more than a year after the Japanese application, and after Japanese patent had issued.

## Pre-AIA § 102(d)

- Remaining questions:
  - What counts as “patented”?
  - What counts as the same “invention”?

# *In re Kathawala*

- Nov. 22, 1982: Kathawala files U.S. application
- Nov. 21, 1983: Kathawala files applications in Spain and Greece, including claims covering ester derivatives not included in U.S. application
- Oct. 2, 1984: Greek patent issues
- Jan. 21, 1985: Spanish patent issues
- Apr. 11, 1985: Kathawala files U.S. continuation-in-part application adding ester derivatives

# *In re Kathawala*

- What counts as “patented”?
  - Kathawala: The Spanish patent was not publicly available
  - Court: Too bad. What matters is when you have exclusive rights.
  - *But*: secret patents don’t count for § 102(a)/(b)



# *In re Kathawala*

- What counts as the same invention?
  - Kathawala: The esters were not patented in Greece because the Greek patent was invalid, or in Spain because that patent only covered the process, not the compounds as products
  - Court: Nope.
  - *But*: patents only cover what's in the scope of the claims under § 102(a)/(b)

# Pre-AIA § 102(d)

- It's easy to avoid any § 102(d) problems!
  - Just file in the U.S. within a year of any foreign filings

**(pre-AIA) 35 U.S.C. § 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 patented, or

\* \* \*

## Derivation

- If you steal the invention, the patent is invalid
- Clear-and-convincing evidence
- Corroboration rule

# Derivation

- Comes up in two scenarios:
  - Fraud
  - Inventorship disputes

# Derivation

- Post-AIA: no derivation provision in § 102
  - But, it might be implicit: only an "inventor" can get a patent
- Instead: administrative derivation proceeding (§ 291) or civil cause of action (§ 135)

**(post-AIA) 35 U.S.C. § 135 — Derivation proceedings**

(a) Institution of Proceeding.—

(1) In general.— An applicant for patent may file a petition with respect to an invention to institute a derivation proceeding in the Office. The petition shall set forth with particularity the **basis for finding that an individual named in an earlier application as the inventor or a joint inventor derived such invention from an individual named in the petitioner’s application as the inventor or a joint inventor** and, without authorization, the earlier application claiming such invention was filed. \* \* \*

(2) Time for filing.— A petition under this section with respect to an invention that is the same or substantially the same invention as a claim contained in a patent issued on an earlier application, or contained in an earlier application when published or deemed published under section 122(b), may not be filed unless such petition is filed **during the 1-year period following the date on which the patent containing such claim was granted or the earlier application containing such claim was published, whichever is earlier.** \* \* \*

**(post-AIA) 35 U.S.C. § 291 — Derived patents**

(a) In General.— The owner of a patent may have relief by **civil action against the owner of another patent that claims the same invention and has an earlier effective filing date**, if the invention claimed in such other patent was **derived from the inventor** of the invention claimed in the patent owned by the person seeking relief under this section.

(b) Filing Limitation.— An action under this section may be filed only before the end of the **1-year period beginning on the date of the issuance of the first patent** containing a claim to the allegedly derived invention and naming an individual alleged to have derived such invention as the inventor or joint inventor.

**Next time**

**Next time**

→ **Obviousness**