Patent Law

- Module E
- preAIA Statutory Bars

**preAIA §102(b)**

102(b) – if the applicant does not file within one year of the date of the prior art reference or activity, then the patentee is barred from applying for the patent.

<table>
<thead>
<tr>
<th>Status</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>in public use or on sale</td>
<td>No purposeful hiding of use.</td>
</tr>
<tr>
<td></td>
<td>Experimental use exception.</td>
</tr>
<tr>
<td></td>
<td>Commercial offer for sale and invention ready for patenting</td>
</tr>
<tr>
<td>patented or printed publication</td>
<td>same as 102(a).</td>
</tr>
</tbody>
</table>

"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 "
Framework for preAIA §102(b) public use bar

- Use three categories to sort the effect of the use of the invention:
  - whether it informs the public or others of the invention
  - whether it does not so inform, or
  - whether the use was explicitly the subject of efforts to keep it secret
- The table below is for the following question:
  - Is it a “public use” under §102(b)?

<table>
<thead>
<tr>
<th>Actor</th>
<th>Informing Use</th>
<th>Non-informing Use</th>
<th>Secret Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes Egbert v. Lippman</td>
</tr>
<tr>
<td>Third Party (TP)</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

An area of some uncertainty, but for our purposes, if use is held secret, for example, as a trade secret (TS), such use is not barring when done by a TP; example fact pattern is a manufacturing process or machine sold w/ TS clause requiring buyer to hold it as a TS

On Sale Bar

- Subject of a commercial sale or offer for sale
- Intention is “ready for patenting,” i.e., it is “complete,” satisfied in either of two ways:
  - Actual Reduction to Practice
    - invention in existence and proven to operate for its intended purpose
      - This could mean it has been “built” or could be met though other forms of evidence
  - OR
  - “Ready for patenting”
    - Sufficiently specific information is available to prove that the invention is fully conceived, such as drawings, technical descriptions
      - Must enable a person skilled in the art to practice the invention.
      - Analogous to a “Constructive Reduction to Practice” – a term sometimes used to refer to the filing of a patent application

- Pfaff invents new socket for Texas Instruments (TI)
  - His normal practice is not to make or test a prototype before offering to sell it in commercial quantities
  - District court rejects Wells’ §102(b) On Sale Bar (OSBar) defense

1980

- Pfaff shows sketch to TI (3/17/81)
- Pfaff files for patent (4/19/82)
- CRITICAL DATE is thus 4/19/81

1981

- Pfaff starts working on socket at TI’s request (Nov. 1980)
- Dwgs to mfg. (Feb. / Mar. 1981)
- TI provides Pfaff w/ written conf. of oral PO (4/8/81)
  - 30,000 sockets, $91,155
- Pfaff fills first order (July 1981)
- First Reduced to Practice (RtoP) in summer of 1981

1982

- Pfaff files for patent (4/19/82)
- CRITICAL DATE is thus 4/19/81


- Federal Circuit Opinion
  - Four of Six claims are invalidated by OSBar
  - The remaining two claims are invalid under the obviousness test when the four invalidated claims are considered as prior art references
    - If invalid under the OSBar, these 4 claims would be Prior Art to the two remaining claims

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The 4 invalidated claims become PA as of this date, and thus the 2 remaining claims have to be judged for obviousness against them; this is a tough obviousness situation for Pfaff because the two remaining claims merely add additional elements of minor significance.

**TI provides Pfaff w/ written conf. of oral PO (4/8/81)**

- 30,000 sockets, $91,155

- **Supreme Court**
  - Well settled that an invention may be patented before an Actual Reduction to Practice (ARtoP)
  - Only reference to term RtoP in statute is §102(g)
  - This reference demonstrates that the date of the patent right is keyed to the conception date
  - To file without an ARtoP, the filed application must meet the Specification Requirements (enablement, written description, best mode, definiteness), but this does not always require building a prototype

- Pfaff could have patented the invention at the time of the PO
  - The drawings Pfaff provided to the manufacturers described the invention with "sufficient clearness and precision to enable those skilled in the matter" to produce the invention
  - Thus, the invention was "ready for patenting" at the time of the PO

- However, even though Pfaff loses, the Supreme Court agrees that the Federal Circuit’s “substantially complete” Totality of the Circumstances (ToFC) test is the wrong standard

- Inventor can both understand and control the timing of the first commercial marketing of the invention

- Here, there was a commercial offer for sale by Pfaff, a response from TI with a purchase order, and an acceptance; all at a time when the invention was “ready for patenting”
Plumtree Software v. Datamize (Fed. Cir. 2006)

- “subject of” the patented invention
  - commercial sale or offer to sell
- Reduction to Practice
  - RtoP
  - critical
  - 1/17/95, 2/27/95, 3/3/95
- Offer?
- Sale?

bars/novelty – prior art references & anticipation

preAIA: the publication bars the claim if greater than one year
postAIA: the publication invalidates the claim if before the effective filing date

preAIA: the public use bars the claim if greater than one year (if there is anticipation)
postAIA: the public use invalidates the claim if before the effective filing date (if there is anticipation)
Motionless Keyboard v. Microsoft (Fed. Cir. 2007)

- Disclosures of prototype to whom?
- Extent of disclosures
  - visual display versus actual use?
  - sole alleged “use” covered by NDA

_Egbert v. Lippman_ (1881)

- How does _Egbert_ deal with the following considerations in determining whether a use is “public use”?
  - Number of articles in use?
  - Number of users?
  - Significance of public observation?
  - Number of observers?
  - Extent to which observers understand the disclosed technology?
- Significance of efforts to keep it secret?
  - Presence or absence of a confidentiality agreement?
  - Can close personal relationships substitute?
City of Elizabeth v. Pavement Co. (1877)

- Experimental use doctrine
  - If the doctrine applies, then the public use is not a patent defeating statutory bar event under §102
- Fundamental inquiry
  - *is the use necessary to demonstrate workability of the invention, i.e., suitability for its intended purpose*
- Does doctrine apply to Mr. Nicholson’s road pavement invention?
  - Abandonment is not the issue here

City of Elizabeth v. Pavement Co. (1877)

- Must experiment on street pavement in public
  - Some experiments, such as for durability, may take time
- A use is not a “public use,” even if the public benefits, if the use is still an experiment
- Nicholson’s situation
  - He controlled the experiment, had consent and performed it on the premises of the company he had some influence over
  - Experiment had the valid purpose of testing for durability and needed the public venue to properly test this characteristic
  - While it was a long test, the length seems reasonable
  - Users did not pay any additional amounts for the use of the invention, the road was already a toll road
  - Mr. Nicholson was constantly inspecting the road and monitoring its performance, asking the toll gate operator how travelers liked it
**Experimental Use factors**

- Factors for experimental use exception to public use statutory bar – to help determine whether the experiment is leading to an actual reduction to practice:
  - Control by inventor (most important)
  - Confidentiality / secrecy agreements
  - Necessity of public testing
  - Length of test period, number of prototypes
  - Did users pay? Commercial exploitation?
  - Progress reports, monitoring, records of performance
  - The experiment must be for claimed features of the invention, or perhaps for general purpose/utility of the invention
  - Are experiments hidden?

**Electromotive Div. of GM v. Transportation Div. of GE (Fed. Cir. 2005)**

- Pre-Critical Date sales
- Commercial sales or primarily experimental?
- EMD argues it was experimental
  - Durability testing
  - Inspection not possible
  - Returns allowed for feedback on experiment
- Experimental use doesn’t negative the on sale bar
  - Subjective inventor intent doesn’t control
- Factors
  - Control
  - Monitoring
  - Awareness
  - ...
Evans Cooling Sys. v. General Motors (Fed. Cir. 1997)

- Potential prior art event: 2,000 dealer orders for the 1992 Corvette, such orders being before the critical date; some 300 for retail customers.

- Even if there was a rule to not count misappropriated information as a "public use" or an "on sale bar" if later used in those ways, the rule would only run to GM's activity, not the dealers or retail customers.