



FICPI

**Sell And Be Ruined -
U.S. Status**

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On-Sale Bar:

In the U.S., a patent is invalid if the invention was on-sale more than one year prior to the application date (critical date).

Two Conditions That Will Trigger the On-sale Bar:

1. Invention must be ready for patenting; and
2. Commercial offer for sale or an actual sale.

The “Ready for Patenting” Prong Is Satisfied in at Least Two Ways:

1. Proof of reduction to practice
before the critical date.

Patenting Prong (Cont'd):

2. Proof that prior to the critical date, the inventor had prepared drawings or descriptions sufficiently specific to enable a p.s.a. to practice the invention. (reduction to practice is not necessary)

Claim Limitations

The invention being offered for sale must either satisfy all claim limitations (may do so inherently), or would have rendered the claimed invention obvious.

One Embodiment Is Enough

It is not necessary for all embodiments of an invention to be on-sale - - one embodiment is enough to trigger the on-sale bar.

No Confidence Needed

No requirement that the inventor is confident that her invention will work for its intended purpose.

To Determine Whether There Is an Offer for Sale:

1. There must be a commercial offer;
and
2. The offer is for the patented invention.

What Is an Offer?

A commercial offer must be an offer that the other party could make into a binding contract by simply accepting the offer-- provided there is consideration.

Issues With Offers

- Offer for sale does not have to be accepted
- A single offer is enough to bar patentability
- No requirement that seller makes a profit

Joint Inventor Issues:

No joint development exception exists - - the bar applies to sales between joint inventors.

Braseller v. Stryker, 267 F3d. 1370 (Fed. Cir. 2001).

What Does Not Constitute a Sale or an Offer?

1. Assignment and License of Patent Rights
 - (a) It's okay to:
 - grant a license in the invention
 - sell/transfer ownership to the invention

Sale/Offer (cont'd):

- (b) It's not okay to:
- sell a product made by a claimed process before the critical date.

In re Kollar, 286 F.3d 1326 (Fed. Cir. 2002)

Sale/Offer (cont'd):

2. Seeking assistance in Patenting an Invention
 - seeking advice in developing an invention may not be an on-sale event

Sale/Offer (cont'd):

3. Preparing to Commercialize

- preparing to place invention on-sale does not give rise to the bar

Sale/Offer (cont'd):

3. Preparing to Commercialize (cont'd):

- advertising is not a bar if it informs customers of sales in the future;
- if after the offer is made, additional development is needed.

Public Use

- Under 102 (b), a patent is invalid if the invention was publicly used in the United States more than 1 year before the date on which the application was filed.

Public Use Requires:

- The invention was used in the public; and
- The use was not primarily experimental in purpose.
- Netscape v. Konrad, 295 F.3d 1315 (Fed. Cir. 2002)

Public Use Factors to Consider:

- Nature of public activity;
- Public access to the use;
- Confidentiality on person who observed the use;
- Number and type of testing;
- Progress records on testing.

Experimental Use Exception:

- Evidence that an offer for sale or sale of an invention prior to the critical date was primarily experimental may negate the bar;
- Experimental use negates the bar when the inventor tests claimed features of the invention;
- Caution: Experimental use does not defeat the on-sale bar once the invention is reduced to practice.

Factors for Determining Experimental Use:

- Tests are needed to convince the inventor that invention is capable performing its intended purpose.
- Inventor must make a bona fide effort to bring the invention to perfection.

Objective Evidence is Needed

Examples include:

- Inventor inspected the invention regularly.
- Inventor retained control over invention.
- Commercial sale was incidental to primary purpose of experiment.
- Confidentiality/secretcy is important.

More on Objective Evidence:

- Customers must be aware of the experimentation.
- Failure of inventor to inform customer of experimental use was fatal to inventor.
- Lack of control over testing or lack of progress records are indications of non-experimental sale.

Repairs and Changes:

- Free repairs - shows inventor is still working on it.
- Inventor can show changes made during experimentation that results in claimed features.
- Ez Dock v. Schafer, 276 F.3d. 1347 (Fed Cir. 2002).

Sale in R&D Context:

- Be careful - not necessarily experimental use

Marketing Testing:

- Not considered experimental use as the purpose is commercialization.
- Test - Is the inventor testing the invention or the exploitation of the invention?

Substantive Patent Law Treaty

SPLT, like the US law for public use and on-sale, provides an inventor with a one-year grace period to file his/her invention.

SPLT's Grace Period Alternative A:

Under Proposed Article 9,
“information, which would affect the
patentability of a claimed invention”,
shall not, if the information was
“made available to the public
anywhere in the world” during the 12
months preceding the claim date.

SPLT's Grace Period Alternative B:

“The prior art shall not include information made available to the public anywhere in the world in any form during the 12 months preceding the claim date...”

SPLT's Definition of Prior Art:

Prior art consists of all information made available to the public anywhere in the world in any form before the relevant claim date.

Form of Information

Information may be made available to the public in written form, through oral communication, and/or through use, display or sale.

Who is the Public?

The public is any person who is free to disclose the information. (Draft Reg. 8(1)(2)(b).

Single person not skilled in the art is a part of the “public” (Guideline 2.07)

Made Available to the Public:

Draft regulation 8(1)(2) provides that information is available to the public if there is a [reasonable] possibility that it could be accessed by the public.

Guidelines Interpret Public Use:

According to Guideline 2.04, if a inventor sells a device unconditionally to a member of the public without any limitations, the device is “made available to the public”.

Experimental Use Exception

Nothing explicit in SPLT, however look to the phrase “made available to the public”. If experimental use or sale was under confidentiality provision, no bar.

Finished Invention Needed?

- In U.S., the on-sale/public use invention must satisfy all claim limitations or render the invention obvious.
- Under SPLT, “every and each element or step of the claimed invention is found” in the prior art, or if the prior art would have motivated a PSA to reach the claimed invention by substituting, combining or modifying the PA.

On-Sale v. Available to Public

The on-sale bar can render a patented invention invalid in the U.S., but under SPLT, the same invention claimed may not have been “available to the public” and, therefore, is subject to patent protection.



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