Recent Cases for the On Sale Bar under 35 USC 102(b)

Recently, several important cases have been decide that refine the law for one year On Sale Bar

On Sale Bar under 102(b) and the Pfaff two prong test

Under 35 USC 102(b) of the Patent Act of 1952, no person is entitled to patent an "invention" that has been "on sale" more than one year before filing a patent application.

In *PFAFF v. WELLS ELECTRONICS*, the Supreme Court developed a two prong test where the on-sale Br one year clock starts ticking when :

(1) the product is "the subject of a commercial offer for sale"; and

(2) the invention is "ready for patenting."

See PFAFF v. WELLS ELECTRONICS, INC. 525 U.S. 55 (1998).

The Supreme Court also explained that the second condition – ready for patenting – "may be satisfied in at least two ways: by proof of reduction to practice before the critical date; or by proof that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention."

Recent cases further define PFAFF's two prongs test.

***Space Systems/Loral, Inc. v. Lockheed Martin Corp*.** (November 13, 2001) In *Pfaff,* the Court explained that two ways to show that an invention is ready for patenting are if it has been actually reduced to practice, or if "prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention." To be "ready for patenting" the inventor must be able to prepare a patent application, that is, to provide an enabling disclosure as required by 35 U.S.C. 112.

The court held that the mere disclosure of the conception of an invention in an engineering proposal was not sufficient to be a statutory bar when the invention is sufficiently complex that development and verification are needed before a patent application could be filed.

Linear Tech. Corp. v. Micrel, Inc. Docket 99-1598, 00-1045, 275 F.3d 1040; 61 USPQ2d 1225 (Fed.Cir 2001) In this test, the offer must meet the level of an offer for sale in the contract sense. The CAFC held that the pre-release marketing activity did not constitute an offer, since none of the pre-critical date communications between LTC and its sales representatives or between the sales representatives and customers rose to the level of an offer for sale that would form a contract if accepted. The Federal Circuit held that the patentee's pre-sale announcements to distributors did not constitute an offer that the distributors could have made into a binding contract by simple acceptance.

Robotic Vision Systems Inc. v. View Engineering Inc., 249 F.3d 1307, 58 U.S.P.Q.2D (BNA) 1723 *(*Fed. Cir. 2001) Under Pfaff, the on-sale bar applies when an invention is: (1) the subject of a commercial offer for sale before the critical date; and (2) ready for patenting before the critical date. The second prong may be satisfied even though the inventor was skeptical regarding whether the claimed invention would work. Such confidence often must await a reduction to practice, which is a separate basis on which an invention may be shown to be ready for patenting. The court found that the invention was ready for patenting more than a year before the filing date, because one of the inventors explained the invention to someone sufficiently for him to write code to implement the invention.

In *Group One Ltd v. Hallmark Cards, Inc*., 254 F.3d 1041, 59 U.S.P.Q.2D (BNA) 1121 (Fed. Cir. 2001), (June 15, 2001) the Federal Circuit found that only an offer which rises to the level of a commercial offer for sale(under contract law), one which the other party could make into a binding contract by simple acceptance, constitutes an offer for sale under 35 U.S.C. 102(b).

Space Systems/Loral Inc. v. Lockheed Martin Corp., 271 F.3d 1076; 60 U.S.P.Q.2D (BNA) 1861 (Fed. Cir., 2001). (November 13, 2001) The Court held that an invention is not "ready for patenting" under the 2nd prong of *Pfaff v. Wells*, if the inventor has not yet been able to provide an enabling disclosure that would satisfy the requirements of 35 U.S.C. § 112, first paragraph. Only disclosure of the conception of an invention in an engineering proposal was not sufficient to be a statutory bar where further development and verification were needed before a patent application could be filed.

Special Devices, Inc. v. OEA, Inc., 270 F.3d 1353; 60 U.S.P.Q.2D (BNA) 1537, (Fed. Cir. 2001) (October 26, 2001) The Fed Circuit held that the 35 U.S.C. § 102(b) on-sale bar applies even where the inventor buys his invention from a supplier. There is no "supplier exception" to the on-sale bar provision.

EZ Dock Inc. v. Schafer Systems Inc., 276 F.3d 1347; 61 U.S.P.Q.2D (BNA) 1289 (Fed. Cir. 2002). The court stressed that experimental use is not a freestanding doctrinal exception to the on-sale bar of 35 U.S.C. § 102(b), but rather, it is a negation of commercial sale evidence. The court decides only a single issue: Was it a public use under 102(b)? Since the experimental use negates the commercial sale prong of the test for a statutory bar, a finding of experimental use is not inconsistent with a finding that an invention was "ready for patenting."