

The Limited Monopoly™

The 102(b) On-Sale Bar to Patentability and “Experimental Use”

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The 102(b) On-Sale Bar - A refresher¹

Federal statute 35 USC 102 sets forth conditions for patentability of an invention with respect to novelty, and loss of right to a patent. Paragraph (b) of 102, generally known as the “one year bar,” states that a person shall be entitled to a patent *unless*, “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.”

Under 35 USC 102(b), if you have an invention that you wish to patent in the U.S., you must file your patent application within one year of its disclosure in a printed publication such as a scientific journal, a trade magazine, or a web site. Likewise, if your invention is used in public, sold, or even offered for sale in the United States, you must file your patent application within the one year anniversary of that first public use or sale.

The Presence or Absence of a Confidentiality Agreement

In determining whether a public use or on sale bar has occurred, the presence or absence of a confidentiality agreement with a third party to whom the invention is disclosed does not in itself determine whether a bar has occurred, but “is one factor to be considered in assessing all the evidence.”²

The Experimental Use Doctrine

Commercial exploitation, such as sale or use, of an invention requires that a patent application be filed within one year of the commercial exploitation, or the inventor is barred from obtaining a patent in the United States. The on-sale bar of 35 U.S.C. 102(b) is triggered if the invention is both (1) the subject of a commercial offer for sale not primarily for experimental purposes; and (2) ready for patenting. If the activities are not commercial exploitation, but rather, are primarily for experimentation, the bar does not apply. Of course such distinctions are important, and are not always as clear cut as they may at first appear. The Manual of Patent Examining Procedure cites numerous court cases to provide guidelines related to experimental use versus commercial exploitation. Section 2133.03(e) discusses permitted experimental use, and states that experimentation must be the primary purpose. Any concurrent commercial exploitation must be incidental. The primary purpose of the inventor at the time of the sale must be to conduct experimentation. The purpose of the sale must be to perfect the invention and ascertain whether it will answer its intended purpose.

Factors Indicating Experimental Use

The courts have considered a number of

“For some inventions, public experimental use is necessary.”

factors in determining whether a claimed invention was the subject of a commercial offer for sale primarily for the purposes of experimentation. The factors considered by the courts include 1.) 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 to the inventor was made; 6.) whether there was a secrecy obligation by the user to keep the use confidential; 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; and 13.) the nature of contacts made between the inventor and potential customers.

procedures not requiring an inventor’s skills, but rather the skills of a competent technician, are also not within the exception.

The End of Experimental Use

Experimental use means perfecting or completing an invention to the point of determining that it will work for its intended purpose. Therefore, experimental use “ends with an actual reduction to practice.”⁴

The inventor must maintain sufficient control over the invention during testing by third parties. The extent of supervision and control maintained by an inventor over an invention during any alleged period of experimentation, and the customer’s awareness of the experimentation are necessary to prove experimentation. Once a period of experimental activity has ended, and the inventor has relinquished control and supervision over an invention with no restraints on subsequent use of the invention, the unrestricted use of the invention is a 35 U.S.C. 102(b) bar.⁵

The lesson here: if your invention requires the involvement of a customer or other third party to participate in experimental use, you need to understand the protocols to follow in relation to the above factors. When in doubt, consult a qualified patent practitioner before proceeding.

Commercial Exploitation

In contrast to permissible experimental use, commercial exploitation is commercial activity which constitutes 35 U.S.C. 102(b) “on sale” status. This commercial activity is determined by the subjective intent of the inventor. Indicators of commercial exploitation include 1.) preparation of various contemporaneous “commercial” documents such as orders, invoices, receipts, etc.; 2.) preparation of price lists; 3.) display of samples to prospective customers; 4.) demonstration of models or prototypes; 5.) use of an invention where an admission fee is charged; and 6.) advertising in publicity releases, brochures, and various periodicals.

Market Testing is not Experimental Use

Experimentation for the purpose of determining product acceptance, as in market testing, is typical of a trader’s, and not an inventor’s experiment, and is thus not within the area of permitted experimental activity.³ In addition, minor improvements or “tune up”

1. *The Limited Monopoly™*, February 2006, “The 102(b) On-Sale Bar to Patentability: You Snooze, You Lose,” available at www.patenteducation.com/patentarticles.html.

2. *Bernhardt, L.L.C. v. Collezione Europa USA, Inc.*, 386 F.3d 1371, 1380-81, 72 USPQ2d, 1901, 1909 (Fed. Cir. 2004) (quoting *Moleculon Research Corp., v. CBS Inc.*, 793 F.2d 1261, 1266, 229 USPQ 805, 808 (Fed. Cir. 1886)).

3. *Smith & Davis Mfg. Co. v. Mellon*, 58 F. 705, 707, (8th Cir. 1893)

4. *RCA Corp. v. Data Gen. Corp.*, 887 F.2d 1056, 1061, 12 USPQ2d 1449, 1453 (Fed. Cir. 1989).

5. *In re Blaisdell*, 242 F.2d 779, 784, 113 USPQ 289, 293, (CCPA 1957).

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