The Limited Monopoly

The 102(b) On-Sale Bar to Patentability: You Snooze, You Lose.

The Law.

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.

Case in Point – What you don't know CAN hurt you.

The "on-sale bar" prong of 102(b) is well illustrated by the case of Evans Cooling Systems, Inc. v. General Motors Corp.[1] During the late 1980's, GM hired Evans Cooling Systems to assist in solving various engine cooling problems. GM was planning to reintroduce the Corvette LT1 engine option in the 1992 model year, but as of March 1989, the in-house developed cooling system was not meeting performance requirements.

GM asked inventor and company founder Jack Evans to do a "comparison" test of his aqueous reverse-flow cooling system. Evans agreed to a "black box" test in which GM could see test results, but not the components of his system or how it worked. Evans alleges that at some point during the test, GM personnel broke into the test car equipped with his cooling system and observed its structure and function.

The 1992 C4 Corvette with the LT1 engine – and the aqueous reverse-flow cooling system – hit the showroom floor in September 1991. In July 1, 1992 Evans applied for a patent on his cooling system, and on October 26, 2001, Evans was awarded U.S. patent 5,255,636 for "Aqueous reverse-flow engine cooling system." In early 1994, Evans filed lawsuits against GM for patent infringement and for theft of trade secrets.

On September 30, 1996, in the federal District Court for the District of Connecticut, GM obtained a summary judgment in which Evan's patent was invalidated based upon the on-sale bar under 35 USC 102(b). One specific example cited in the case was a sales contract signed on June 13, 1991, between a Chevrolet dealership and a customer for an advance order of a '92 LT1 Corvette. Evans was unaware of this and other early sales. He had filed his patent application about a month too late.

Evans appealed to the Court of Appeals for the Federal Circuit, arguing (among other things) that 102(b) should have an exception so that an offer for sale does not invalidate a patent where the offer stems from a third party secretly stealing an invention while it is a trade secret. The judge did not find the arguments convincing. The summary judgment was upheld.[2]

If your invention is used in public, sold, or even offered for sale, and you don't file a patent application within that one year anniversary of the first public use or sale, your right to a U.S. patent is toast.

The theft-of-trade-secret case in Evans v. GM continues on, and has made its way to the Connecticut Supreme Court. The outcome remains to be determined... but maybe Evans Cooling would be in a different position today if Jack Evans had filed his patent application before he allowed that "black box" test of his cooling system.

Don't Go There.

The moral of the story is that if your invention is used in public, sold, or even offered for sale, and you don't file a patent application within that one year anniversary of the first public use or sale, your right to a U.S. patent is toast, and you are S.O.L.[3] It doesn't matter if it was you – or someone else – who wrote it up, sold it, peddled it, or used it.

It is wise to file your patent application well in advance of any possible one year bar date, and optimally, before any disclosure of your invention to a third party. In today's rapid paced business environment, that can be difficult. On the other hand, cycle times for all business services are compressing in the digital world, and patent preparation is no exception. Your 3D design files, P&ID's, circuit layouts, digital photos, and product instruction manuals can all serve as excellent input to a patent application. An experienced, technically competent patent practitioner equipped with good software tools can often use those files directly in the preparation of a provisional patent application, and can get it on file in far less time than was possible even several years ago.

Don't get whacked by the 102(b) bar – protect your rights by filing your patent application sooner rather than later.

1. Evans Cooling Systems, Inc. v. General Motors Corp., 54 BNA PTC 433 (Fed. Cir. 1996).
2. Evans Cooling Systems, Inc. v. General Motors Corp., No. 97-1146 (Fed. Cir. Sept 16, 1997).
3. Colloquialistic acronym believed by the authors to stand for "Sadly Out of Luck."

Hammond (Patent Innovations, LLC www.patent-innovations.com) and Gunderman (Patent Technologies, LLC www.patenttechnologies.com) are both registered patent agents and licensed professional engineers. They offer a course entitled "Introduction to Patents" that qualifies for one PDH credit hour. More information on the course can be found at www.patenteducation.com.

Note: This short article is intended only to provide cursory background information, and is not intended to be legal advice. No client relationship with the authors is in any way established by this article.