Adopting a Conservative Approach to On-Sale Exposure in the Aftermath of *Pfaff V. Wells Electronics, Inc.*

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The United States Supreme Court decision in *Pfaff v. Wells Electronics, Inc.* (525 U.S. 55, 119 S.Ct. 304 (1998)) late last year has been widely reported and analyzed as establishing the principle that the 1 year period of the on-sale bar of the Patent Law (35 USC §102) begins to run when a "ready to patent" invention is the subject of a commercial offer for sale of the invention. Concerning the ready for patenting condition, the Supreme Court declared:

"That condition 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."119 S.Ct. 311; emphasis added

The "ready to patent" standard thus has been left open-ended in character, as regards the events that may define it.

Reduction to practice may be carried out by either an actual reduction to practice – putting the invention into tangible form/operation, or constructive reduction to practice – filing a patent application on the invention. Since the Supreme Court decision refers to reduction to practice before the critical date (the critical date being 1 year before the patent application filing date), it is apparent that the type of reduction to practice contemplated is the actual reduction to practice.

The other identified event triggering the on sale bar when the invention has been offered for sale before the critical date is the existence, at the time of such sales offer, of the inventor's "drawings *or other descriptions of the invention* that were sufficiently specific to enable a person skilled in the art to practice the invention" (emphasis added).

Although most commentators on this case have focused on drawings and written descriptions of the invention, the declaration of the Supreme Court is not so limited, and *oral* descriptions of the invention that are conveyed to another (who may or may not be the prospective purchaser) may also constitute sufficient basis to start the clock running for §102(b) purposes. Further, transitory depictions of the invention (e.g., overhead transparencies depicting a flow scheme of a process, briefly flashed on a screen at a technical association meeting) would also fit into this category of triggering events. In fact, "ready for patenting" can be read broadly under the Supreme Court's decision as being susceptible of proof by any evidence that conception of the invention has taken place, *since conception enables a constructive reduction to practice of the invention to take place* (by the simple act of filing a patent application on the subject matter of the conception).

Conception is the fixed and definite idea in the mind of the inventor of the complete and operative invention as it thereafter is reduced to practice.

Without waxing too metaphysical about the ideation of the invention and the tangible affirmation of such ideation, it is clear that any evidence of the "pre-critical date" conception of the invention and any operative "pre-critical date" offer for sale of the invention, can combine to disable the inventor from securing valid patent rights under §102(b).

From an evidentiary standpoint, the "pre-critical date" conception of the invention can be shown by elicited testimony of the inventor or those with whom the inventor has interacted, e.g., in prototyping or testing of the invention.

The lesson of the foregoing analysis is clear. File at the earliest possible point in time after conception of the invention. Avoid the circumstance where purchase or sale rights exist for deliverables under long-term development contracts, and patenting efforts are not initiated until late in the contract effort or even at the time of delivery of product (since the conception may be over a year earlier when someone remembers to contact a patent attorney, while the contract may be construed as putting the invention on sale at the point of its conception).

In every instance, focus on the offer side of the "on sale" issue. Avoid situations that may be construed as communicating to others, prior to the critical date, any commercial availability (for purchase, distribution, or any other commercial exploitation), of an invention, regardless of whether the invention has been tangibly embodied, or is simply an operative concept in its inventor’s mind.