Preserving Patent Rights: Impact of Public Use on Patenting

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For a business planning to market a product that incorporates an invention, having an enforceable patent to protect the invention is often desirable.

Two recent federal circuit cases reiterate what many patent holders and patent practitioners alike have observed: It is important to understand the deadlines that may dictate when a patent application should or must be filed to maintain exclusive rights to an invention.

Caselaw Background: Invalid Patent Examples

In *Celanese International Corporation, et al. v. International Trade Commission* (Aug. 12, 2024), a patent on a process for making an artificial sweetener was found to be invalid because products made using that process were sold more than one year prior to filing the patent application.

In *Crown Packaging Tech. Inc. v. Belvac Prod. Mach., Inc.* (Dec. 10, 2024), two patents for necking machines were found to be invalid because the company sent a quote with terms of sale to a potential customer more than one year prior to filing the patent application.

PATENT FILING BEST PRACTICES

The best practice to maintain patent rights worldwide is to file a patent application prior to any publication, sale, offer for sale, or other public disclosure of the invention. In many countries, public disclosure an invention prior to the patent application filing date can render any resulting patent invalid. In others, like the U.S., Canada, and Mexico, the first public disclosure starts a one-year clock within which to file the patent application.

WHEN DOES PUBLIC USE CROSS THE LINE?

In business, however, there is always pressure to market new products and it is not always clear when actions to spread the news about an invention are cross the line and harm patent rights. Moreover, because patent offices around the

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world typically do not scrutinize pre-filing activities by patent seekers, the consequences are often not realized years later, perhaps during costly litigation, and only after significant investments have been made relying on having patent rights.

Situations that have been found to trigger the one-year filing period:

- A single sale or offer to sell the invention.
- A signed purchase agreement even if delivery of goods or payment come later.
- A rejected or cancelled offer for sale.
- An offer for sale sent to a potential customer, even if not received by the potential customer.
- An offer for sale even though the goods were not transferred at that time.
- An agreement to purchase and distribute inventive product conditioned on FDA approval (with requirement to keep invention confidential).
- A sale of product made by inventive process.

Notably, a product incorporating an invention must generally be 1) on sale or in public use and 2) ready for patenting to start the clock. Readiness for patenting can be shown by a reduction to practice—put simply, taking an invention that would work for its intended purpose from thought to tangible creation—or drawings or descriptions detailed enough to teach a person with ordinary skill how to create the invention.

Situations that have been found to not trigger the one-year filing period:

- A license offer for future sales of an invention not yet developed.
- A contract for a manufacturer to create embodiments of an inventive product for the inventor.
- An assignment of the rights in the invention.
- A sale of an invention within a corporate family where the seller controls the purchaser and the invention remains out of the public's hands.
- Experimental use (e.g., to determine whether invention would work).

Key Takeaways

Determining which activities may cause the clock to start ticking has kept patent owners and challengers, attorneys, and courts very busy for decades and likely will continue to do so for decades more. Actions that might seem inconsequential or required may actually be triggering events.

Additionally, varying patent laws create situations where rights in the U.S. may still be valid, but not so elsewhere. As a result, it is critical to take some time to consider the potential consequences of actions. An experienced patent attorney should be consulted regularly during the development of any invention in order to assist in assuring the preservation of patent rights.