

## Patent Experimental Use

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### INTRODUCTION

Imagine that you are a car mechanic. You notice that engine coolant frequently corrodes a part of the motors. As a mechanic, you have to replace this part once a year. To address this problem, you design a new part to contain the coolant. Hopefully, the part you made will last longer.

To find out if the part works, you decide to test your invention. You install the part into your friends' cars, explaining to them that you want to see if the part will help keep the motor from corroding. Your friends use their cars for two years, with no problems. Therefore, your invention outperforms existing products. You decide to patent your invention.

Some time later, a car maker begins selling a new car motor with a device like your part installed in the car. Believing that the company illegally used your patented invention, you sue to enforce your patent. However, before you have a chance to present evidence, the car manufacturer asks the court to dismiss your lawsuit. In a motion for summary judgment, the car maker argues that a trial is not necessary because the car maker has not violated the Patent Code, even if everything you say is correct. The car maker claims that you gave up your patent rights because, contrary to patent law, you spent more than a year testing your invention in public. In other words, the car maker argues that the Patent and Trademark Office should never have given you a patent.

However, you believe that you needed the two years to test your invention to ensure that your device would work as you intended. You tell the judge that a jury should decide whether a long period of testing prevents patenting an invention. You argue that whether you spent too long testing the device in public, making your patent invalid, is not a question that a judge can decide without hearing evidence on the issue.

However, the judge agrees with the car maker that this is a question of law. This ruling means that a judge decides the question without hearing evidence. Despite your objection, the judge grants the car manufacturer's motion for a summary judgment. This means that you did not get a chance to have a jury trial because the judge ruled on a question of law without hearing your evidence.

This scenario could happen in real life. Just like the hypothetical court, the Federal Circuit Court of Appeals in *Lough v. Brunswick Corp.*, considered whether an inventor's testing of an invention was a question of fact or a question of law. The *Lough* court held that determining an invention's use in testing is a question of law. The *Lough* court's decision has failed to remove confusion on the time limit to apply for a patent. Fortunately, the United States Supreme Court will soon consider the Patent Code's time limit for patent filing in *Pfaff v. Wells Electronics*. Hopefully, the Supreme Court will settle this area of patent law.

This Note will show some of the *Lough* court's errors that created the current confusion on the time limit for patent filing. The Note begins by explaining the United States patent system, including bars to an inventor's use of an invention before filing for a patent. Part II reviews the Supreme Court's holding in *Kendall v. Winsor* that these bars on the use of an invention before patenting are questions of fact. Part III shows how the Federal Circuit overlooked this Supreme Court precedent. Part IV then describes *Lough v. Brunswick*

*Corp.*'s facts, procedure, holding, and reasoning. Part V analyzes the Federal Circuit's *Lough* decision. Specifically, Part V argues that the Federal Circuit departed from Supreme Court case law when the court held that bars on the use of an invention before patenting are questions of law. Also, the Federal Circuit committed a sequence of errors leading up to *Lough*. This Note concludes that the Federal Circuit Court misinterpreted the case law and states that whether an inventor tested the invention should be a question of fact.

## I. STATE OF THE LAW

### *A. General Patent Law*

Under certain conditions, the Patent Code grants inventors exclusive rights to their inventions. If an inventor obtains a patent, the Patent Code gives an inventor monopoly rights for twenty years after applying for a patent. During this time, the patentee has the sole right to make, sell, import, or use the invention in the United States.

To avoid unfairly prolonging these monopoly rights, an inventor has only a limited time to apply for a patent to protect an invention. The reference point for this time limit is the date on which the inventor applied for a patent. The patent system creates a one-year grace period during which the inventor may use the invention before applying for a patent.

### *B. Public Use*

If the inventor uses the invention in public more than a year before applying for a patent, an inventor loses the right to obtain a patent. If the inventor does not apply for a patent within one year after using the invention in public, the law assumes that the inventor did not want patent protection and that the inventor donated the invention to the public. As a result, the inventor is unable to obtain a patent after a year of use in public.

"Public use" of an invention occurs when anyone uses the invention in its natural and intended manner. The public use of an invention need not be publicly accessible. For example, if an airline's domestic commercial flight has an inventor's unpatented navigation device installed on the plane, the device is in public use. The public use doctrine is codified in 102(b) of the Patent Code. Section 102(b) of the Patent Code bars an inventor from obtaining a patent if any public use of a completed invention occurs more than one year before the inventor applies for a patent.

### *C. Experimental Use*

Courts extend the one-year time limit if the inventor tests the invention. Section 102(b) does not explicitly consider an inventor's need to test an invention. Instead, "experimental use" is a judicially-created doctrine intended to give an inventor extra time to refine an invention. During this time, an inventor may conduct experiments in public without losing Patent Code protections. Patent law determines that experimental use occurs when the inventor, or anyone else, tests an invention in such a manner. Experimental use of an invention may negate a 102(b) claim that a patent is invalid. This gives an inventor one year of public use, plus any reasonable period of experimental use, before 102(b) bars the inventor from obtaining a patent.

## II. SUPREME COURT HELD PUBLIC USE AND EXPERIMENTAL USE ARE QUESTIONS OF FACT

When deciding public use and experimental use questions, the Supreme Court has uniformly treated 102(b) bars as questions of fact. A jury usually determines a factual question. In *Kendall v. Winsor*, the Supreme Court has held that a jury should decide whether trial evidence is sufficient under the law to cause the loss of patent rights.

In *Kendall*, an inventor used workers to help test and develop a textile machine. Before completing the invention, one employee left the inventor's business to build a similar machine for a textile company. The question for the trial jury was whether the inventor's experimental use of the machine before applying for a patent made the patent invalid. The jury found that the patent was valid because the inventor's work in his business was experimental, which negated the defendant's allegation of public use.

The defendant appealed. The Supreme Court held that public use and experimental use were questions of fact and that the law supported the jury's holding that the patent was valid because Kendall was experimenting with the invention before applying for a patent. The Supreme Court noted that only a jury could properly weigh the many facts needed to determine experimental use. This fact led the Supreme Court to reason that only a jury could determine whether an inventor had proven that experimental use negated a claim of public use. Therefore, the Supreme Court implicitly held that experimental use is a question of fact because jurors can only decide factual questions.

### III. FEDERAL CIRCUIT DEPARTURE FROM *KENDALL*

The Federal Circuit took a different approach than the *Kendall* court regarding whether experimental use is a question of fact or law. Over time, the Federal Circuit decided three cases that eventually led it to conclude that experimental use is a question of law. This section will discuss these three cases to demonstrate the path the Federal Circuit took to lead to its outcome.

Federal Circuit law regarding whether experimental use is a question of fact or a question of law is not entirely consistent. The Federal Circuit has sometimes held that experimental use is a question of fact. At other times the Federal Circuit has held that experimental use is a question of law. Generally, the Federal Circuit has not provided a rationale for choosing one rather than the other. This chain of inconsistency started with one Federal Circuit case, *In re Foster*.

#### *A. In re Foster*

In *Foster*, the Patent Office Board of Appeals ("Board") rejected an appeal of a patent denial. The Board denied the appeal because the invention was too obvious to justify a patent. After the applicant appealed, the United States Court of Customs and Patent Appeals, a predecessor to the Federal Circuit, affirmed the Board's denial of the patent. The only issue before the court was whether the invention, a synthetic rubber material, was an obvious improvement under 103. Section 103 bars patents for improvements that are obvious to anyone familiar with the appropriate field. Thus, if Foster's rubber material was an obvious improvement, then it would be barred under 103 from patent protection. The *Foster* court held that the synthetic rubber was only an insignificant, obvious improvement. *Foster* did not state whether 102(b) bars are questions of fact or questions of law.

## B. *In re Corcoran*

The Court of Customs and Patent Appeals relied on *Foster* to decide *In re Corcoran*. *Corcoran* was an appeal of a Board rejection of a patent on a different issue than the one in *Foster*. *Corcoran* involved a combined 102(b)/103 bar. The Board held that an inventor's competitor sold a device that made *Corcoran*'s device merely an obvious improvement. The issue was whether the facts supported the Board denying a patent because *Corcoran* exceeded the one year deadline of 102(b) coupled with the 103 bar. The invention was plastic sheeting for use in window blinds. If *Corcoran*'s plastic sheeting component was an obvious improvement, then 103 would bar patenting the invention. The *Corcoran* court affirmed the Board's denial of a patent because similar plastic sheeting had been on sale, making *Corcoran*'s later invention only an obvious improvement as a matter of law. The *Corcoran* court based the decision on the law mentioned in *Foster*.

The *Corcoran* court relied on the *Foster* holding to decide that the coupled question of public use and obviousness is a question of law. However, *Foster* did not address this issue of public use coupled with obviousness. Its holding related to a completely separate issue -- whether obviousness is a question of law.

Neither *Corcoran* nor *Foster* was solely an experimental use case. When faced with a purely experimental use case, the Federal Circuit used the *Corcoran* court's reading of *Foster* to decide that all 102(b) bars are questions of law. This mistake became more salient when the Federal Circuit again misinterpreted the law in *Barmag Barmer Maschinenfabrik AG v. Murata Machinery, Ltd.*

## C. *Barmag Barmer Maschinenfabrik AG v. Murata Machinery, Ltd.*

In *Barmag*, a machine manufacturer sued a competitor for patent infringement. The parties disputed whether a yarn processing machine was in experimental use. The district court ruled the patent invalid as a matter of law. After *Barmag* appealed, the Federal Circuit affirmed, finding *Barmag*'s patent invalid because *Barmag* violated a 102(b) bar. The Federal Circuit ruled that all 102(b) bars, including public use, are questions of law. *Barmag* did not refer to *Kendall*, the Supreme Court precedent that found experimental use is a factual question. Instead, the *Barmag* court based its ruling on a reading of *In re Corcoran*. However, *Corcoran* did not address all 102(b) bars. *Corcoran* related to a completely separate issue -- whether the coupled question of public use and obviousness is a question of law or fact. The Federal Circuit relied on the mistaken analyses in these three cases when it decided *Lough v. Brunswick Corp.*

## IV. LOUGH V. BRUNSWICK CORP.

*Lough v. Brunswick Corp.* was a patent infringement dispute over a boat part. A jury found that the defendant infringed the plaintiff's patent. On appeal, the Federal Circuit reversed and ruled that whether experimental use negates public use is a question of law, properly reserved for a judge to decide.

### A. *Facts*

In 1986, Steven G. Lough was a mechanic for a boat dealership in Sarasota, Florida. As part of his job, Lough worked with Brunswick inboard/outboard motors. While repairing those motors, he noticed that a particular seal often corroded from contact with sea water.

Lough designed a new seal to prevent this corrosion. After making six prototypes, he installed the seals in his boat and in friends' boats. At trial, Lough claimed that he used the prototypes to test them. For more than a year Lough did not ask anyone if the seals worked well.

Lough did not patent his invention during this time either. Instead, he took more than two years to find out if the seals were adequate. His test results showed that Lough's seal was superior to any other available at the time. Lough filed for a patent in June 1988 and the Patent and Trademark Office issued a patent a year later.

Lough then sued Brunswick for patent infringement and won a jury verdict. The issue was whether Lough's testing the seals by placing them in friends' boats was a public use. The jury found that Brunswick did not prove that Lough's invention was in public use one year before the patent filing date. The trial court denied Brunswick's subsequent motion for a Judgment as a Matter of Law. Brunswick had argued that the jury verdict was incorrect because the public use of the invention happened more than one year before Lough filed for a patent.

### *B. Federal Circuit Decision*

In its de novo review upon appeal, the court considered whether the jury properly decided that the use of Lough's prototypes in 1986 was experimental. The court held that whether an invention was in public use more than a year before applying for a patent under 102(b) is a question of law. The Federal Circuit Court based this holding on *Manville Sales Corp. v. Paramount Systems, Inc.* In *Manville*, the Federal Circuit mentioned that experimental use is a question of law. However, the *Manville* court did not cite authority for this dictum.

After ruling that experimental use was a question of law, the *Lough* court found that Lough's six prototypes were indeed in public use. The court reasoned that Lough provided the prototype seals to members of the public for their free and unrestricted use. The *Lough* court concluded that the jury's finding of experimental use was incorrect as a matter of law.

## V. ANALYSIS

The *Lough* court erred in its ruling. The court did not follow Supreme Court precedent. It incorrectly held that experimental use is a question of law because of a chain of errors. The *Lough* court should have followed *Kendall*, which held that experimental use is a question of fact. Instead, the Federal Circuit followed a chain of errors to find that experimental use is a question of law.

### *A. The Lough Court Incorrectly Chose Not To Follow The Supreme Court's Kendall Decision*

The United States Supreme Court held that experimental use is a question of fact in *Kendall*. Despite this binding precedent, the *Lough* court held that public use is a question of law, then compounded that mistake by also holding that experimental use is a question of law. The Supreme Court has already decided the proper analysis for public use and experimental use disputes. The Supreme Court has uniformly treated public use and experimental use as questions of fact. The need for consistency in United States patent law is a compelling reason to follow the *Kendall* holding that public use and experimental use are questions of fact.

Striving for consistency, the Supreme Court instructed courts to defer to trial courts' findings of fact when deciding cases involving 102(b) bars. The Supreme Court has never referred to statutory bars only as questions of law. The Supreme Court precedent provided guidance for experimental use questions before the Federal Circuit.

#### *B. Federal Circuit Erred When Reading Foster-Corcoran-Barmag Trio*

The Federal Circuit has mistaken its own precedent on experimental use. The mistake in *Barmag* was the culmination of a chain of errors. In *Barmag*, the Federal Circuit held that a 102(b) bar is a question of law. *Barmag* did not refer to *Kendall* which found that experimental use is a factual question. The *Barmag* court's ruling was based on an erroneous reading of *In re Corcoran*, which the *Barmag* court thought to state that 102(b) bars are questions of law.

However, *In re Corcoran* used the label "matter of law" regarding a combined 102(b)/103 question. In other words, the *In re Corcoran* court never held that a purely 102(b) question was a question of law. Instead, the court cited *In re Foster* for the proposition that whether a 102(b) bar exists is a question of law.

*Foster* does not stand for this proposition. Section 102(b) bars were not even at issue in *Foster*. The only issue before the court was whether the invention was an obvious improvement. If it were an obvious improvement, then it would be barred from patent protection under 103, not 102. *Barmag's* weak holding resulted from stacking error upon error.

#### *C. Federal Circuit's Confusion Led To More Confusion*

The Federal Circuit's confusion in the *Foster-Corcoran-Barmag* trio led to more confusion. The *Barmag* court erred in using *Corcoran* and *Foster* to hold that courts may reexamine experimental use findings de novo upon appeal. These cases do not address whether 102(b) bars are questions of law or questions of fact. Unaware of this chain of errors, the *Lough* court committed a remarkably similar error by supporting the holding on experimental use with an unsupported authority.

*Lough* cited a dictum in *Manville* as authority for holding that experimental use is a question of law. *Manville* mentioned this proposition nonchalantly without citing any authority. As it did in the *Foster-Corcoran-Barmag* trio, the Federal Circuit again stacked error upon error by reading a case out of context. This mistake resulted in the *Lough* court erroneously holding that experimental use is a question of law. Furthermore, the Circuit's mistaken interpretation in the *Foster-Corcoran-Barmag* trio and in *Manville* should require a Supreme Court reassessment of the experimental use doctrine to restore sense to 102(b) bars.

#### *D. Why Experimental Use Should Be A Question Of Fact*

The Supreme Court should reassess the experimental use doctrine by analyzing why experimental use should be a question of fact. The Supreme Court should reexamine its holding in *Kendall* that a jury should decide questions of experimental use. When a jury decides experimental use under a judge's guidance, the practice will lead to consistency in experimental use decisions. In *Kendall*, the Court did not overrule the jury because it reasoned that limitless review of many conflicting facts could result in inconsistent rulings. If

the Federal Circuit's review of a jury decision is unlimited, the Circuit could select and choose various facts and produce inconsistent results, as it did in the *Foster-Corcoran-Barmag* trio.

Also, if the Federal Circuit could freely reexamine jury findings of experimental use, appeals to the Federal Circuit would likely increase. Appellate courts should minimize case loads by not opening the floodgates to anyone that disagrees with a jury verdict. In sustaining jury findings on experimental use that are not clearly incorrect, the Federal Circuit would prevent wasting lower court resources used to decide experimental use for the first time. Limiting review of jury experimental use decisions would also minimize excessive use of the Federal Circuit's resources.

However, the *Lough* court held that applying experimental use as a question of fact to be a mistake. The *Lough* court explained that juries are unpredictable. The *Lough* court further commented that appellate findings will provide consistency that jury findings often lack.

Indeed, consistency may be more likely if judges decide questions of experimental use. On different cases with similar facts, different juries could give different verdicts. If judges, patent attorneys, and business people could predict a patent's validity, appeals on experimental use would be less likely. Consequently, the *Lough* court held that judges should decide experimental use questions.

However, the Supreme Court aptly considered and rebutted these concerns in *Kendall*. Congress created the patent system to benefit the public through providing temporary rewards to the inventor in exchange for public disclosure of the technological advancement. Undue deference to a patent challenger may disrupt the bargain between the inventor and the public. As flawed as the jury system is, the best way to determine experimental use is still to have multiple jurors checked by an experienced trial judge.

Prior cases have held likewise after considering inventors' practices and trial fact-finding procedures. De novo review of experimental use verdicts is difficult and demanding. Since reviewing courts do not have the benefit of the trial testimony, and because frequently conflicting trial evidence requires findings of credibility, experimental and public use should be questions of fact.

## CONCLUSION

In *Lough v. Brunswick*, the Federal Circuit incorrectly decided that experimental use is a question of law. The *Lough* court ignored the Supreme Court's *Kendall* case and misconstrued other precedent. The ignored case law provides better reasoning and guidance to the use of the experimental use doctrine. Soon the Supreme Court will have the opportunity to adopt a standard on experimental use when it rules on *Pfaff v. Wells Electronics*. The trier of fact, whether it be a judge or a jury, should determine whether an inventor's use of an invention before applying for a patent constitutes experimental use.