

EXPERIMENTAL USE REQUIRES TESTING CLAIM ELEMENTS OR EVALUATING OVERALL SUITABILITY



BY: WILLIAM J. FISHER

Under U.S. law, an applicant is barred from obtaining a patent if the invention was on-sale or in public use more than one year prior to the filing of a patent application.¹ An exception to this rule is public experimental use of the invention.

BASIS FOR EXPERIMENTAL USE EXCEPTION: *CITY OF ELIZABETH*

The U.S. Supreme Court established the law of experimental use in the *City of Elizabeth v. American Nicholson Pavement Co.*² The Supreme Court noted that an inventor was entitled to publicly experiment, to perfect the invention and ensure that the invention meets its purpose. To establish experimental use, the inventor must keep control of the invention, not sell the invention without requiring evaluation, and not voluntarily allow others to use the invention.³

THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT RECENTLY ADDRESSED EXPERIMENTAL USE IN *CLOCK SPRING*

The Court of Appeals for the Federal Circuit held that public demonstration of a process was a public use under 35 U.S.C. § 102(b). In *Clock Spring, L.P. v. Wrapmaster, Inc.*,⁴ the court found that all elements of the claimed method were publicly performed⁵ outside the inventor's control, but did not base the holding on only this finding.⁶ Rather, the court also found that there was no evaluation of the demonstration. Therefore, the demonstration was not an experimental use, and the court affirmed the summary judgment of invalidity.

The court affirmed the grant of a summary judgment of invalidity on a ground supported in the trial record but rejected by the district court.⁷ The court noted that affirmance of "a grant of summary judgment on a ground supported in the record but not adopted by the district court"⁸ is appropriate "if we conclude that 'there [wa]s no genuine issue as to any material fact and...the movant [wa]s entitled to a judgment as a matter of law.'"⁹

CLOCK SPRING'S LAWSUIT

Clock Spring alleged that Wrapmaster infringed the claims of U.S. Patent No. 5,632,307. Clock Spring was the exclusive licensee and paid royalties to the Gas Technology Institute (formerly GRI).¹⁰ Claim 1 of the patent was directed to a method for repairing damaged high-pressure gas pipes with filler in which three limitations were at issue: that (1) the pipe have a cavity to which (2) filler is applied (3) uncured.

WRAPMASTER'S MOTION FOR SUMMARY JUDGMENT

Wrapmaster filed a motion for summary judgment of invalidity for prior public use in view of an October 1989 demonstration by Norman C. Fawley, an inventor, more than one year before the patent application was filed, and for obviousness.¹¹ In support of the motion, Wrapmaster submitted a 1994 GFI report describing the demonstration.¹²

In opposition, Clock Spring "did not dispute that the 1989 demonstration was public, or that it involved the limitations of the patent"¹³ except the uncured filler limitation. Clock Spring also argued that the claims were not obvious and that the use had been an experimental use.¹⁴ **MORE>**

1 35 U.S.C. § 102(b).

2 *City of Elizabeth v. American Nicholson Pavement Co.*, 97 U.S. 126 (1878).

3 *Id.* at 135.

4 *Clock Spring, L.P. v. Wrapmaster, Inc.*, No. 2008-1332 (Fed. Cir., Mar. 25, 2009).

5 *Id.* at 15.

6 *Id.* at 13.

7 *Id.*

8 *Id.* at 8.

9 *Id.*, citing Fed. R. Civ. P. 56(c); and *Aqua Tex Indus., Inc. v. Techniche Solutions*, 479 F.3d 1320, 1328 Fed. Cir. 2007). The court also affirmed a summary judgment rejecting Clock Spring's Lanham Act false advertising claims. The Lanham Act claim is not discussed herein.

10 *Id.* at 2, 4.

11 *Id.* at 4.

12 *Id.*

13 *Id.*

14 *Id.*

[DEMONSTRATION, FROM PAGE 9]

THE DISTRICT COURT'S DECISION

A magistrate judge recommended grant of summary judgment of invalidity for public use and for obviousness.¹⁵ The magistrate judge found that the 1994 GRI report precluded any issue of material fact regarding the 'uncured filler' limitation¹⁶ and rejected Clock Spring's experimental use argument.¹⁷

Clock Spring objected to the recommendations, asserting that the three limitations were not present in the demonstration.¹⁸ Clock Spring submitted 1993 and 1998 GRI reports and an NCF Industries, Inc., report describing the 1989 demonstration.¹⁹

The district court found that these three new reports raised a genuine issue of material fact regarding experimental use²⁰ and therefore rejected the public use recommendation, but accepted the prior art recommendation.²¹

THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT AFFIRMS ON THE BASIS OF PUBLIC USE

On appeal, Wrapmaster argued that the court could affirm the grant of summary judgment of invalidity on the ground of public use because the 1989 demonstration was not an experimental use.²² There was no dispute that the 1989 demonstration was a public event accessible to the public without obligation of secrecy,²³ or that, except for the three limitations, all limitations of Claim 1 were involved.²⁴

The court found that the 1994 GRI report and the NCF report had photographs illustrating pinholes through the pipe and described the purpose of the demonstration as "to closely document the *entire process* of bell-hole repair."²⁵

The court noted that the 1989 demonstration was described in an Information Disclosure Statement and both the 1994 GRI report and

the NCF report as involving uncured filler.²⁶ Thus, the court found that there was no issue of material fact regarding the three allegedly missing elements.²⁷

The court identified factors²⁸ for distinguishing between experimental and commercial use, as set forth in *Allen Engineering Corp. v. Bartell Industries, Inc.*:

1. The 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 was made;
6. Whether there was a secrecy obligation;
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 with potential customers.²⁹

Clock Spring asserted that Fawley's detailed reports were proof that the inventor tightly controlled the 1989 demonstration. However, the court was not convinced because an independent observer analyzed and recorded the 1989 demonstration and some tests were done by the pipeline owner and Fawley did not control, or even watch, these demonstrations.³⁰

However, the court did not rely on control as dispositive³¹ and looked to whether the inventor sought to perfect the invention.³² The NCF and 1994 GRI reports described different purposes of the 1989 demonstration.³³ The court found

15 *Id.* at 4–5.

16 *Id.*

17 *Id.* at 5.

18 *Id.* at 6.

19 *Id.* Fawley was president of NCF Industries.

20 *Id.*

21 *Id.* at 6–7.

22 *Id.* at 8.

23 *Id.*

24 *Id.* at 9–10.

25 *Id.*

26 *Id.* at 10–11.

27 *Id.* at 11.

28 *Id.* at 12.

29 *Id.*, citing *Allen Engineering Corp. v. Bartell Industries, Inc.*, 299 F.3d 1336, 1353 (Fed. Cir. 2002). Even though *Allen Engineering* involved a prior commercial sale, the court described these factors as equally relevant when evaluating a use event to determine whether the event is an experimental use.

30 *Id.* at 13.

31 *Id.* Lack of control over alleged testing events was found dispositive in *Atlanta Attachment Co. v. Leggett & Pratt, Inc.*, 516 F.3d 1361, 1366 (Fed. Cir. 2008).

32 *Id.* at 14, citing *EZ Deck, Inc. v. Schafer Sys. Inc.*, 276 F.3d 1347, 1352 (Fed. Cir. 2002).

33 *Id.* at 14.

[DEMONSTRATION, FROM PAGE 10]

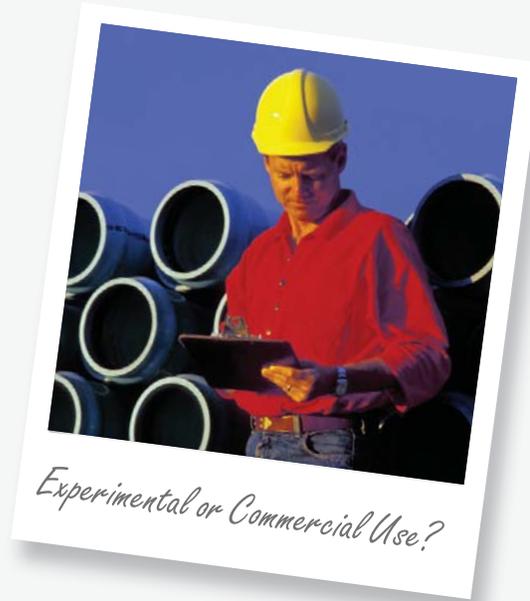
that the 1994 GRI report suggested that the demonstration was for durability testing but found that this testing was not tied to the patent application³⁴ because the installation was inspected only after the application was filed.

Thus, the court held the '307 patent invalid for prior public use,³⁵ and did not address the question of obviousness.³⁶

PRACTICAL APPLICATION

The doctrine of experimental use provides a negation of a public use, or a sale or on-sale event, that would otherwise be a statutory bar under 35 U.S.C. § 102(b). The court identified 13 instructive factors, some of which may be dispositive. A use must test claimed features of the invention or evaluate the entirety of the invention to determine whether the invention will work for its intended purpose. Testing to determine whether a customer will buy is a statutory bar. Further, testing should be evaluated before the application is filed.

Thus, the patentee is wise to keep control of the experiment, ensure that only the inventor or an authorized tester has access to the invention under an obligation of secrecy, and to make observations about the invention and whether it is fit for its purpose, not whether a potential customer finds the invention suitable or whether the invention will be commercially successful. ■



³⁴ *Id.* at 15.

³⁵ *Id.* at 15–16.

³⁶ *Id.* The court also rejected Clock Spring's argument that the 1989 demonstration must have been an experimental use because it was not legal to practice the claimed method on an operating pipeline.