



UNIVERSITY OF
MARYLAND
SCHOOL OF LAW

**PATENT LAW
UPDATE**

Scaltech, Inc.
v.
Retec/Tetra,
L.L.C.

Nos. 01-1005,
-1009
Federal Circuit
Oct. 23, 2001

“[For purposes of 35 U.S.C. § 102(b)] it is not necessary . . . to show that all embodiments of the invention were on sale more than one year before filing. It is sufficient to show that one embodiment of the invention was offered for sale during the one-year period.”

On October 23, 2001, the Federal Circuit affirmed the district court’s summary judgment that U.S. Patent No. 5,443,717 is invalid under 35 U.S.C. § 102(b) because the claimed invention was offered for sale more than one year before the filing of the patent application. The patented technology related to a process for treating oil refinery waste by introducing the waste into the coking process, which oil refiners use to produce coke, a porous solid or charcoal-like residue that is frequently burned as a fuel. The Federal Circuit noted:

Recently, this court has defined what constitutes an offer for sale for purposes of this statutory bar. “Only an offer which rises to the level of a commercial offer for sale, one which the other party could make into a binding contract by simple acceptance (assuming consideration), constitutes an offer for sale under § 102(b).” . . . To determine if the offer is sufficiently definite, one must examine the language of a proposal in accordance with the principles of general contract law. An important relevant source of general contract law for determining whether a “communication or series of communications rises to the level of a commercial offer for sale” is the Uniform Commercial Code (“UCC”). An offer for sale does not have to be accepted to implicate the on sale bar.

[T]he invention that is the subject matter of the offer for sale must satisfy each claim limitation of the patent, though it may do so inherently. Inherency is established if “the natural result flowing from the operation as taught would result in the performance of the questioned function” However, . . . “[i]nherency may not be established by probabilities or possibilities.” . . . It is sufficient to show that one embodiment of the invention was offered for sale during the one-year period. [A]ppreciation of the invention is not a requirement to trigger the statutory bar. “If the process that was offered for sale inherently possessed each of the claim limitations, then the process was on sale, whether or not the seller recognized that his process possessed the claimed characteristics.” Therefore, although Scaltech may not have recognized either the workings of its invention or its full potential in 1988, the invention was still offered for sale within the meaning of § 102(b).

The second step in our analysis is determining whether the invention was ready for patenting. [T]his can be proved by (1) reduction to practice or (2) a showing that the inventor’s drawings or descriptions enabled someone skilled in the art to practice the invention. . . .

Scaltech argues that . . . an invention cannot be ready for patenting until the inventor has conceived of each of the claim limitations of the patent. . . . Scaltech asserts that it could not have reduced the invention to practice before it even conceived of the claim limitations in the summer of 1992. [W]here an invention is on sale, conception is not required to establish reduction to practice. [T]he sale of the [invention] in question obviates any need for inquiry into conception. . . .

In any event, the invention also was ready for patenting before the critical date of January 19, 1992, because the inventor had prepared drawings or a description sufficient for enablement.