

A Patent Friendly Marketing Strategy

Under U.S. law, a person is entitled to a patent unless, among other things, the invention was on sale in this country more than one year prior to the date of the application for patent. This law applies to both actual sales and offers for sale. Thus, companies conducting extensive marketing campaigns must be careful not to destroy valuable patent rights. Ideally, applications should be filed before any sales activity occurs. However, as this is often not practical, the next best strategy is to know what kind of activity starts the one year clock ticking so that it can be avoided or so timely filings can be made.

The one year clock begins to run when two conditions are met: the invention must be "ready for patenting," and the subject of a "commercial offer for sale." An invention was "ready for patenting" if, at the time of the offer for sale, it could be shown that the inventor, had prepared drawings or other descriptions of the invention that were sufficient to enable a person skilled in the technology to practice the invention. Traditional contract law principles provide guidance in deciding whether there has been a "commercial offer for sale."

Recent case law indicates that none of the following activities constitutes an offer for sale under contract law principles: solicitation of customer pricing information from distributors and sales representatives; publication of preliminary data sheets and promotional information on invention features; communications to sales representatives (e.g., newsletters and conferences); sales representatives providing customers with preliminary data sheets; and sales representatives' requests for customer samples. Rather, such activity is indicative of invitations for offers to buy. The seller of the invention must then manifest assent to the buyer to accept the offer to buy thereby forming a contract.

Thus, marketing activity that falls short of manifesting an intent to be contractually bound can be conducted without triggering the one year clock. Note, however, that such activity should be analyzed by counsel, and the law can change to a less favorable state at any time - caution is warranted.

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