Uncloaking Stealth Prior Art

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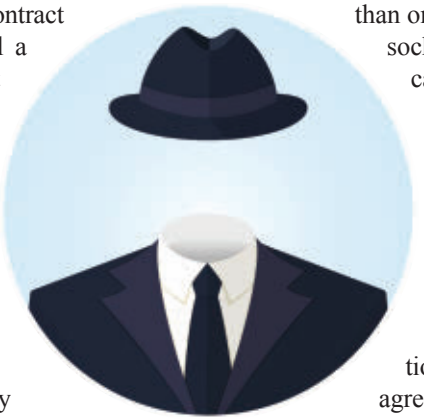

Can you guess what a press release, a contract manufacturer's quote, an offer to sell a new product, a trade show display, a grant application, and a regulatory submission may all have in common when it comes to patenting an invention? They can all be forms of stealth prior art that could prevent patent protection. Stealth prior art is prior art that does not attract attention.

Consider the story of Wayne Pfaff, who filed an application for a patent on a computer chip socket on April 19, 1982. The U.S. Patent and Trademark Office duly examined the application and issued Pfaff a patent on his application in January 1985. Pfaff later filed a patent infringement lawsuit against Wells Electronics, a manufacturer of a competing socket. Wells Electronics defended itself on the basis that Pfaff's patent was invalid, and succeeded in invalidating Pfaff's patent based on stealth prior art. In Pfaff's case, it was his own engineering drawings and his sale of sockets to Texas Instruments (TI) that were used to invalidate his patent.

Pfaff began working on his socket design in November 1980 after TI asked him to develop a new device for mounting and removing semiconductor chip carriers. Pfaff prepared detailed engineering drawings that described the design, dimensions, and materials to make the socket. Pfaff then sent those drawings to a contract manufacturer in February or March 1981. Pfaff next showed a sketch of his concept to TI and, on April 8, 1981, TI ordered 30,100 of the new sockets from Pfaff for a total price of $91,155. The sockets were then delivered to TI in July 1981.

The problem for Pfaff was that under U.S. Patent law, a sale (or even an offer for sale) of an invention that is ready for patenting can be invalidating prior art if it is made over one year prior to filing a patent application. In Pfaff's case, TI ordered the sockets on April 8, 1981. The detailed engineering drawings showed that the invention was ready for patenting. However, Pfaff did not file his patent application until over one year later, on April 19, 1982. Even though Pfaff never publicized his sale to TI and the sockets were delivered within the one-year grace period, the damage was already done.

Pfaff's situation, however, was both entirely of his own doing and preventable. Had Pfaff filed his patent application earlier, either before he sold the sockets to TI or at least within the one-year grace period from that date, Pfaff would have had a valid patent. But by waiting longer than one year after the sale, Pfaff's sale of the sockets invalidated his own patent. The sale can be considered stealth prior art because only he, TI, and the contract manufacturer knew about it. The sale was not publicized and yet it still invalidated the patent.

Stealth prior art can come in many forms. One category of stealth prior art can be deliverables in contracts, proposals, and grants (*e.g.,* federal grant applications, joint development agreements, supply agreements, and engineering/manufacturing service agreements). Another type includes sales of goods embodying the invention, offers for sale (even if the sale is not consummated), and prototype manufacture by a contract manufacturer.

Marketing materials (*e.g.,* catalogs, pre-launch hype materials) and even operating manuals can be forms of stealth prior art. Investor pitches, meetings with potential joint partners, and business plan competitions can all create stealth prior art if no non-disclosure agreement is in place. Regulatory submissions to federal agencies such as the U.S. Securities and Exchange Commission (SEC), Food and Drug Administration (FDA), Environmental Protection Agency (EPA), and others can all be stealth prior art if the public has the right to request them. Testing an invention with the public for marketing and usability poses risks; testing for experimental purposes can be excluded as being prior art, but there are limits to that exclusion when the testing relates to features that are not part of the claimed invention. Lastly, even social media posts on Twitter, LinkedIn, Facebook, Instagram, and other websites can all be stealth prior art.

Now that you know what stealth prior art is and the potential consequences of its existence, what should one do about it? Thankfully, the answer is easy: file your patent application earlier. Patent applications are ideally filed before stealth prior art comes into being. At the very least, the patent application should be filed within the one-year grace period, although some countries do not allow for any grace period at all. That is how you uncloak stealth prior art.

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