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Baxter v. Cobe: Public Use or Secret Prior Art?

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BAXTER V. COBE: PUBLIC USE OR SECRET PRIOR ART?

I. INTRODUCTION

The Patent Clause of The United States Constitution provides that "[t]he Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to . . . Inventors the exclusive Right to their . . . Discoveries."\(^1\) Congress responded by enacting The Patent Statute,\(^2\) which envisions a quid pro quo whereby society, through the federal government, offers an inventor a monopoly of limited duration in his invention in return for full disclosure of the inventor's discovery. Through such patent agreements, the public obtains knowledge of inventions, which in turn fosters technological advancement for the economic and cultural benefit of all. Likewise, the inventor benefits from the patent grant by securing an economic monopoly in his or her invention. If an invention has been disclosed to society through its use, however, the patent grant becomes unnecessary to promote the progress of science and useful arts. Congress included section 102(b)\(^3\) in its enactment of the current patent statute to account for such "public use."

Courts have struggled to develop a Public Use Doctrine that defines what uses of an invention constitute enough public disclosure that the disclosure of the patent system was unnecessary.\(^4\) A narrow definition of public use allows fewer "public" activities to invalidate a patent, while a broad definition of public use may strip inventors of their patents too easily. The courts' definition of public use must find the optimum balance that ensures public disclosure of new inventions, but avoids unnecessarily granting economic monopolies that our free market society so abhors.

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\(^1\) U.S. CONST. art. I, § 8, cl. 8.


\(^3\) 35 U.S.C. § 102(b) (1994).

In *Baxter International, Inc. v. Cobe Laboratories, Inc.*, the Court of Appeals for the Federal Circuit defined public use too broadly. This Recent Development examines how the *Baxter* court strayed from precedent and Congressional intent to broaden the scope of public use and failed to give proper weight to the policy of public disclosure. The Recent Development further argues that such a broad scope of public use makes inventors more likely to forego the patent monopoly for more secretive means of exploiting their invention, thereby diminishing exposure of new technology to the public and impeding the progress of science and useful arts.

II. BACKGROUND

In *Baxter International, Inc. v. Cobe Laboratories, Inc.*, the Federal Circuit found that the use of a centrifuge by a research doctor in his personal laboratory was a public use and therefore invalidated the patent later obtained by an independent inventor of a similar centrifuge. In holding that private laboratory research use was public use under section 102(b) of the patent statute, the court defined the outer boundary of the Public Use Doctrine as a bar to patentability.

*Baxter International, Inc.* was the patent holder on a sealless centrifuge for separating blood into its components. The application for patent was filed on May 14, 1976 and therefore had a critical date of May 14, 1975 for purposes of 35 U.S.C. section 102(b). The alleged prior public use of the patented invention

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6 Baxter International, Inc. was joined in the suit by Baxter Healthcare Corporation. Both companies are collectively referred to as "Baxter" throughout this Note. *Id.* at 1056.
7 *Id.* at 1054.
10 *Id.* at 1061. Baxter was the assignee of patent 4,734,089, which was assigned by inventor Herbert Cullis. *Id.*
11 The "critical date" is the date before which public use of an invention will bar patentability of that invention. *See generally* WORDS AND PHRASES, 10A (1968) (defining "critical" and "criticality" in the patent context).
12 *Baxter*, 88 F.3d at 1056. 35 U.S.C. § 102(b) reads: "A person shall be entitled to a patent unless... the invention was... in public use... in this country, more than one year prior to the date of the application for patent in the United States..." Thus, the "critical date" is set at one year before the filing of the patent.
involved the independent activities of Dr. Jacques Suaudeau, a research scientist for the National Institute of Health (NIH). Dr. Suaudeau was studying isolated heart preservation by perfusion, which required the separation of platelet rich plasma from whole blood. The centrifuge that Suaudeau had been using to accomplish separation of the blood was damaging platelets in the blood due to the rotating seals of the centrifuge. In an attempt to obtain the platelet rich blood needed, Suaudeau began using a sealless centrifuge similar to the one later independently developed and claimed in the Baxter patent.

After finding that the centrifuge worked to separate blood into its components, Suaudeau continued to perform laboratory experiments with the centrifuge to determine if it could produce the platelet rich plasma required for perfusion. This testing occurred before the critical date in Suaudeau's laboratory at NIH in Bethesda, Maryland. Neither Suaudeau nor the inventor of his device had any contact or connection with the inventor named in the Baxter patent.

In 1995, Baxter sued Cobe Laboratories, Inc. for infringement of several claims of the Baxter centrifuge patent. The district court
granted Cobe’s motion for summary judgment and found that Baxter’s representative patent claims were invalid. Over the dissent of Judge Newman, Judge Lourie wrote for the Federal Circuit panel to affirm the district court findings that Suaudeau’s use of the similar centrifuge at the NIH laboratory was non-experimental public use that occurred before the critical date. As such, the majority held the Baxter patent invalid.

III. THE FEDERAL CIRCUIT’S ANALYSIS IN BAXTER

A. THE MAJORITY OPINION

The first issue addressed by Judge Lourie was whether Suaudeau’s research activities at NIH constituted public use under section 102(b) of the patent act. The court defined public use as “any use of [the claimed] invention by a person other than the inventor who is under no limitation, restriction or obligation of secrecy to the

ways for establishing fluid communication with said blood processing chamber, said apparatus comprising, in combination: ...

17. The method of centrifugally processing biological fluid with reduced risk of contamination of the fluids of the outside environment using a closed leak-proof envelope which envelope includes an umbilical having input and output at one side thereof and defining passageways there through, which umbilical includes a flexible segment which is capable of repeated axial twisting and untwisting, and which envelope also includes at least one processing chamber connected at the other side of the umbilical which chamber is in communication with the passageway thereof, comprising the steps of: ...

25. A disposable flow system for use in processing fluids in a centrifugal apparatus of the type having a stationary base, an orbiting assembly mounted to the base for orbiting about an axis at a first rotational speed, and a centrifugating rotor assembly for revolving about said axis at twice the rotational speed of said orbiting assembly, said unit comprising: ...

Baxter, 88 F.3d at 1056-57.

23 Id. See Miles Labs., Inc. v. Shandon Inc., 997 F.2d 870, 879, 27 U.S.P.Q.2d (BNA) 1123, 1129 (Fed. Cir. 1993) (“Where the parties stipulate to ‘representative’ claims, ... a validity resolution for the representative claims applies to the other claims as well”).

24 Baxter, 88 F.3d at 1058 (Federal Circuit adopting findings of the district court in holding that “[t]he [Suaudeau centrifuge] met all the limitations of the representative claims of the [Baxter] patent”).

25 Id. at 1057.

26 Judge Schall joined as the majority. Id. at 1056.

27 Id. at 1061.

inventor. Judge Lourie found that the totality of the circumstances, in light of the underlying policies of the public use doctrine, brought Suaudeau's use within such definition despite Baxter's argument that the use at NIH was not publicly known or accessible.

The majority declared the controlling policy to be that of discouraging removal from the public domain of inventions that the public has come to believe are freely available. It found significant the record's showing of free flow into Suaudeau's lab of people not bound by an obligation of confidentiality after the centrifuge was reduced to practice and determined that these circumstances would lead those who witnessed the invention reasonably to believe that the invention was publicly available.

After characterizing Suaudeau's laboratory use as public use, the court next addressed the issue of whether the use was experimental, thereby negating a finding of public use under section 102(b). The majority adopted the district court finding that Suaudeau was not experimenting with the basic features of the invention, but was only fine tuning the centrifuge for his own particular use. It found significant the fact that Suaudeau conducted his research after the centrifuge was reduced to practice and that Suaudeau was not under the control of the inventor of

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29 Baxter, 88 F.3d at 1058 (citing In re Smith, 714 F.2d 1127, 218 U.S.P.Q. 976 (Fed. Cir. 1983)).
30 Id. at 1058.
31 Id.
32 The court rejected Baxter's argument that ethical constraints would have limited or precluded those who saw the centrifuge in operation from disclosing their knowledge of it. Id. at 1059.
33 “Reduction to practice” is the stage in the inventive process when the invention has been embodied in its physical or tangible form and works for its intended purpose. See Rooklidge and von Hoffman, supra note 4, at 8-9 (explaining the terminology used in public use cases).
34 Baxter, 88 F.3d at 1058-59.
35 Id. at 1059-60.
36 Id. at 1060.
37 The court reasoned that experimental use as a negation of the public use bar is intended to allow an inventor sufficient time to test his or her own invention before applying for a patent. Since Suaudeau's laboratory testing at NIH was completely independent of the inventor of the Baxter device, Baxter could not rely on such testing to argue experimental use and avoid the public use bar. Id.
the Baxter centrifuge. The court thus concluded that the totality of the circumstances indicated that Suaudeau’s use was both public and non experimental under section 102(b), thereby invalidating the Baxter patent.

B. THE DISSENTING OPINION

Judge Newman disagreed with the majority’s finding of public use under section 102(b) and would have held that Suaudeau’s use was “secret use,” which could not invalidate Baxter’s patent on the later independently developed centrifuge. She argued that Dr. Suaudeau’s private laboratory research use was unknown and unknowable and could not have been discovered by painstaking documentary research. As such, Judge Newman found that a holding of public use under these circumstances was not supported by precedent and was contrary to the intended meaning of “public use” in section 102(b) of the patent act.

Judge Newman first argued that the majority decision was unsupported by precedent. She declared that a finding of public use in Baxter was an unwarranted leap from the majority’s supporting case, which held that public testing of an invention with over two hundred consumers barred patentability under section 102(b). Moreover, Judge Newman argued, the majority’s emphasis on reduction to practice in the public use analysis was also unwarranted. She characterized the majority rule as a finding that all use of a device after its reduction to practice was ipso facto public use. This, Judge Newman argued, was new law.

38 Id. at 1059-60.
39 Baxter, 88 F.3d at 1061.
40 Id. at 1061.
41 Id. at 1061-62.
42 Id.
43 Id. at 1062.
44 In re Smith, 714 F.2d 1127.
45 Baxter, 88 F.3d at 1062.
46 Id. In arguing against a finding of public use, Judge Newman assumed that the device used by Suaudeau was reduced to practice. She noted that this assumption was strongly challenged by Baxter and should not have been decided as factual on summary judgment. Id. at 1061 n.1.
47 Id. at 1061.
48 Id.
The dissent next argued that a finding of public use was contrary to the objective standards set forth in section 102 of the patent act. She first put the case into context as not a case of patentee defending against his own prior use to save his patent, but rather a would be infringer asserting as a defense the invalidating prior use of a similar device by an independent third party. Judge Newman argued that without publication or filing of a patent, the use was unknown and unknowable information in the hands of a third party and therefore "secret prior art." The patent act, she added, allowed such secret prior art to invalidate a patent only under the circumstances of section 102(e) of the patent statute.

Since the majority opinion did not rely on any publication or prior patent as prior art and section 102(e) did not apply in this case, Judge Newman concluded that the majority's finding of public use based on Suaudeau's laboratory use created a new source of unknown or unknowable grounds for invalidating a patent. This, she argued, created unreliability of the patent grant.

IV. THE PUBLIC USE DOCTRINE

Section 102(b) of the United States patent statute provides that a person shall be entitled to a patent on his or her invention unless "the invention was . . . in public use . . . in this country, more than one year prior to the date of the application for patent in the United States." The Supreme Court set out the framework for determining what activities constitute public use in an early case involving a woman's use, before the critical date, of a corset invented by her hus-

50 Baxter, 88 F.3d 1061-62.
51 Id. at 1061.
52 35 U.S.C. § 102(e) (1994) provides that the information contained in a patent application, while secret while the application is pending, becomes invalidating prior art as of the filing date when the patent is granted. See infra note 102.
53 Baxter, 88 F.3d at 1062.
54 Id.
55 Id. at 1063.
57 The applicable statute in this case set the critical date at two years prior to filing for patent. See The Act of Mar. 3, 1839, ch. 88, § 7, 5 Stat. 353 (current version at 35 U.S.C. § 102 (1994)).
Despite the fact that the corset was at all times concealed from public view by overgarments, the Court held that the wearing was public use within the meaning of the statute because the inventor imposed no obligation of secrecy or other restrictions on his wife.\(^9\)

The Second Circuit further construed section 102(b) when it considered whether a third party’s activity constituted public use so as to invalidate a subsequent independent inventor’s patent on a similar device.\(^6\) The court held that while the third party’s quilting machine was substantially similar to the subsequent patentee’s, the use by the third party was “secret use” that could not invalidate the patentee’s claims on his quilt machine.\(^6\) In finding that the prior inventor actively concealed his invention, the Second Circuit reasoned that the means of obtaining knowledge of the invention were not within the public’s reach.\(^6\) Judge Learned Hand, writing for the panel, adopted the reasoning of an early Supreme Court public use case in stating, “that which had not enriched the arts should not count [to defeat a patent].”\(^6\)

With the establishment of the Federal Circuit in 1982,\(^6\) the new and independent appellate court inherited the inconsistent and often contradictory precedents among the several circuits and the Supreme Court as to what activities constitute public use.\(^6\) The court diminished confusion\(^6\) of the public use doctrine by consis-

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\(^5\) Egbert v. Lippmann, 104 U.S. 333 (1881). During a portion of the public use period, the woman wearing the corset was merely an intimate friend of the inventor. After the couple married, the inventor patented the corset springs and subsequently died. His wife brought an infringement suit against manufacturers of corsets similar to that of her husband’s, which had become widely produced during the woman’s interim use. \(\text{Id. at 335.}\)

\(^6\) \(\text{Id. at 337.}\)

\(^7\) Gillman v. Stern, 114 F.2d 28, 46 U.S.P.Q. (BNA) 430 (2d Cir. 1940).

\(^8\) \(\text{Id. at 31.}\)

\(^9\) \(\text{Id.}\)

\(^6\) \(\text{Id. (discussing Gayler v. Wilder, 51 U.S. (10 How.) 477 (1850), which held a patent valid despite the fact that the patentee’s improvements had been previously invented and used by others since knowledge of such invention was not available to the public).}\)


\(^6\) See Rooklidge & von Hoffman, supra note 4 (noting that two fundamentally different understandings of the public use bar had developed prior to the establishment of the Federal Circuit).

tently employing a test that considered the totality of circumstances in light of four stated policies that defined the boundaries of the public use doctrine. The Federal Circuit early addressed the issue of public use in the case of W.L. Gore and Associates v. Garlock Inc., where a patented process for stretching Teflon was held valid notwithstanding the use by an independent third party of a similar process before the critical date. The court found the activities of the third party to be “secret” and not public use despite the fact that the machine employing the patented process was displayed to persons not bound by a secrecy agreement. Noting testimony that the parties viewing the machine could not thereby learn anything about the process under patent, the court reasoned that the viewing did not make knowledge of the claimed process accessible to the public. In upholding the patent, the Federal Circuit found that the policy of public disclosure, as the “linchpin of the patent system,” required favoring the later publicly disclosed patent over prior use that did not make knowledge of the process available to the public.


70 Id. at 1549-50.

71 This case involved active concealment by use of a secrecy agreement between the machine user's company, its employees, and the inventor. The machine was also shown to employees of an independent interested company (i.e. Du Pont corporation) who were not bound by the secrecy agreement. Id.

72 Id.

73 Id. at 1549.
In *Moleculon Research Corp. v. CBS, Inc.*, the Federal Circuit again considered the issue of public use where an inventor openly displayed his three-dimensional cube puzzle on the desk in his office before the critical date. The court held this display not to be public use despite the free flow of people into the inventor's office and his surrendering possession of the invention to a third party for marketing purposes. Characterizing the inventor's use as private and for his own personal enjoyment, the court explicitly held that the presence or absence (as in this case) of an expressed confidentiality agreement was not dispositive of a finding of public use. The court reasoned that the personal relationship between the inventor and those who had access to his device prevented the use from being unrestricted. The use was therefore held not public under section 102(b).

The Federal Circuit also adopted the pre-Federal Circuit judicially created doctrine of experimental use. Experimental use serves as an exception to the public use doctrine in that it "negates" a finding of public use in circumstances that would otherwise be considered public use under section 102(b). In determining whether an inventor's use is experimental, the Federal Circuit employs the familiar "totality of circumstances in light of public use policies" test. The main policy underlying the experi-

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74 793 F.2d. 1261, 229 U.S.P.Q. (BNA) 805 (Fed. Cir. 1986).
75 Id.
76 Id. at 1265.
77 Id. at 1266.
78 Id.
79 A discussion of public use is not complete without acknowledging the doctrine of experimental use, which serves to "negate" public use. The Federal Circuit found the invalidating use in *Baxter* to be non-experimental. This Recent Development challenges the majority's characterization of Suaudeau's use as "public use," which necessitated its inquiry into the experimental use exception. Therefore, the doctrine of experimental use is not given in-depth analysis. For a discussion of the Federal Circuit's impact on the doctrine of experimental use, see William C. Rooklidge & Stephen C. Jensen, *Common Sense, Simplicity and Experimental Use Negation of the Public Use and On Sale Bars To Patentability*, 29 J. MARSHALL L. REV. 1 (1995).
80 *Baxter Intl, Inc. v. Cobe Lab., Inc.*, 88 F.3d 1054, 1059 (Fed. Cir. 1996) ("Experimental use negates public use; when proved, it may show that particular acts, even if apparently public in the colloquial sense, do not constitute a public use within the meaning of section 102").
81 Factors in determining if a use is experimental include: (1) the length of the test period; (2) whether the inventor received payment for the testing; (3) any agreement by the user to maintain confidentiality; (4) any records of testing; (5) whether a person other than the inventor performed the testing; (6) the number of tests; and (7) the length of the test

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mental use exception is to allow the inventor to reduce his invention to practice before filing for patent. This furthers the public interest by ensuring that inventions disclosed through the patent system have been perfected.

V. ANALYSIS

The Baxter majority erred in holding that private laboratory use of a device reduced to practice is "public use" that invalidates a subsequent patentee's claims on an independently developed similar device. This holding improperly broadens the scope of public use and fails to give proper weight to the policy favoring public disclosure of new inventions. As such, the majority ruling creates unfairness and unreliability of the patent system, making inventors more likely to forego the patent monopoly for trade secret protection of their inventions. This disincentive created by the Baxter ruling diminishes disclosure of new technology to the public thereby impeding the constitutional purpose of promoting the progress of science and useful arts.

The Baxter majority frustrated Federal Circuit precedent and Congressional intent by broadening the scope of invalidating public use to include activities unknown or unknowable to the public. The court first strayed from precedent by reviving an outdated legal definition of public use that emphasized confidentiality of the prior use. The majority opinion rested on a definition of public use as "any use of [the claimed] invention by a person other than the inventor who is under no limitation, restriction or obligation of secrecy to the inventor." This broad definition however, had been significantly diminished by subsequent Federal Circuit rulings.

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period in relation to tests of similar devices. Id. at 1060 (citing TP Labs., Inc. v. Professional Positioners, Inc., 724 F.2d 965 at 971-72, 220 U.S.P.Q. 577 at 582 (Fed. Cir. 1984)).
83 Rookledge & Jensen supra note 79, at 22. See also City of Elizabeth v. American Nicholson Paving Co. 97 U.S. 126, 134 (1877) ("The use of an invention by the inventor himself, or any person under his direction, by way of experiment, and in order to bring the invention to perfection, has never been regarded as [a public use]").
85 Id. at 1058 (emphasis added) (citing In re Smith, 714 F.2d 1127, 1134, 218 U.S.P.Q. (BNA) 976, 983 (Fed. Cir. 1983), which cited Egbert v. Lippmann, 104 U.S. 333 (1881), in forming its definition of public use.).
which retreated from the focus on confidentiality in public use cases.

The Federal Circuit first indicated its retreat from the majority's cited definition in the case of *W.L. Gore and Associates v. Garlock, Inc.*, 86 which involved the prior use of an independent inventor. 87 While *Gore* involved use by parties to a secrecy agreement, the machine employing the patented process at issue was also displayed to employees of an interested company not bound by such agreement. 88 Significantly, the *Gore* court held this use was "secret use" which did not invalidate the later patent despite the absence of a secrecy obligation. 89

The emphasis on confidentiality was more significantly reduced by the court in *Moleculon Research Corp. v. CBS, Inc.*, 90 involving prior use by the patentee and his colleagues. 91 In acknowledging that no party who witnessed the inventor's cube puzzle was bound to secrecy, the court explicitly held that lack of an express confidentiality agreement is not determinative to public use. 92 While the court reasoned that the inventor's personal relationship with those who freely used the puzzle prevented the use from being unrestricted, 93 the holding effectively diminished the focus on confidentiality that is inherent in the *Baxter* majority's definition. 94 The majority failed to consider either *Moleculon* or *Gore* when it revived a

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86 721 F.2d 1540 (Fed. Cir. 1983).
87 Id.
88 Id. See supra note 71 and accompanying text.
89 Id.
90 793 F.2d 1261 (Fed. Cir. 1986).
91 Id.
92 Id. at 1266 (citing TP Laboratories, Inc. v. Professional Positioners, Inc., 724 F.2d 965, 972, 220 U.S.P.Q. 577, 583 (Fed. Cir.)).
93 Id.
94 The majority definition owes its roots to the early Supreme Court case of *Egbert v. Lippmann*. See supra note 85. Although the use in *Egbert* was that of an intimate friend who later married the inventor, the Court held that the use was under "no restrictions" and therefore invalidated the patent. *Egbert*, 104 U.S. at 337. The *Moleculon* court distinguished *Egbert*, reasoning the "personal relationship" between the cube invention and his friends and colleagues prevented their use from being unrestricted. Since the marital relationship in *Egbert* is arguably far more personal than the relationship in *Moleculon*, the *Moleculon* court's rationale diminishes the significance of confidentiality to the public use analysis by allowing user-inventor relationships to easily be characterized as confidential. It is not insignificant that the Supreme Court acquiesced to this deviation from *Egbert* by denying certiorari in *Moleculon*. CBS, Inc. v. Moleculon Research Corp., 479 U.S. 1030 (1987).
definition of public use that predated both cases.

*Moleculon* and *Gore* also reveal the unprecedented weight that the majority placed on "reduction to practice" in broadening the scope of public use. Employing the totality of the circumstances test, the majority revealed three circumstances that led to its finding of public use: (1) free flow of people into the lab where the centrifuge was being used; (2) lack of an obligation to confidentiality; and (3) the device used had been reduced to practice. The free flow of people into the cube inventor's office in *Moleculon* is directly analogous to the free flow of people into Suaudeau's lab in *Baxter*, yet the majority parted with the *Moleculon* court in finding public use. Similarly, the *Baxter* court's reliance on the lack of a secrecy agreement was colored by both *Moleculon* and *Gore* which, as previously discussed, found use not to be public despite lack of such an agreement. With these two circumstances undercut by Federal Circuit precedent, the majority ruling is left to stand largely upon its finding that Suaudeau's device was reduced to practice.

The majority offered no cases supporting this addition of reduction to practice to the public use analysis which, as the dissent properly declared, amounts to a holding that all laboratory use of a device is public use as soon as the device is reduced to practice. Since reduction to practice merely defines a stage in the inventive process, a fact independent of exposure of the invention to the public, the majority rule allows a finding of public use without regard to whether the use discloses knowledge of the invention to the public. As such, the majority's addition of reduction to practice to the public use analysis is not only new law, but is contrary to Congressional intent that public use be that which makes the invention known to the public.

Legislative history indicates that Congress intended prior art, under which public use falls, to be that which was "known before as described in section 102." The Supreme Court acknowledged this general rule when it carved out an exception for pending

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95 *Baxter*, 88 F.3d at 1058-59.
96 *Id.* at 1062.
97 *See supra* note 33.
98 H.R. Rep. No. 82. 1923, 2d Sess. 7 (1952) (emphasis added).
patent applications. The Court held that patents pending at the patent office can act as prior art for subsequent inventions even though such applications are kept secret. The Supreme Court reasoned that while secret information generally will not invalidate a patent, the delay of the patent application process should not defeat the prior applicant's filing date. In later codifying this exception for "secret prior art" in section 102(e), Congress effectively confirmed that section 102(b) public use is that which makes the invention known or knowable to the public. This meaning of section 102(b) is frustrated by Baxter's outdated emphasis on confidentiality and new reduction to practice analysis, which broaden the scope of public use to include unknown and unknowable activities. Judge Newman properly declared this expansion of public use as "dramatically new law.'

In expanding the scope of public use, the Baxter court also failed to give proper weight to the policy favoring public disclosure of new inventions. The Federal Circuit has properly described public disclosure as the "linchpin of the patent system," for it is the primary means of advancing the constitutional purpose of promoting the progress of science. Of the four underlying policies of public use frequently cited by the Federal Circuit, the majority found the controlling policy to be that against removing inventions from the public that the public has come to believe are freely available. While the majority was correct in excluding from its


100 Id. 35 U.S.C. § 122 (1994) requires the Patent Office to keep patent applications secret unless the Commissioner determines that there are special circumstances.

101 Id.

102 35 U.S.C. 102(e) (1994): "A person shall be entitled to a patent unless the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent. . . ."

103 See Baxter, 88 F.3d at 1061 ("majority's holding] creates a new and mischievous category of 'secret' prior art" in section 102(b) public use) (Newman, J., dissenting).

104 Id. at 1063.

105 Gore, 721 F.2d at 1550.

106 See infra note 117 and accompanying text.

107 See supra notes 67 and 68 and accompanying text.

108 Baxter, 88 F.3d at 1058.
analysis those policies inapplicable to third party situations, it was incorrect in excluding the policy favoring prompt and widespread disclosure of inventions to the public. Consideration of this policy is integral to a public use analysis and is dispositive when the use is that of an independent third party.

When the prior use at issue is that of the patentee trying to uphold his patent, the Federal Circuit's four policy analysis seeks to advance public disclosure while preventing the inventor from abusing the patent system. A patentee who first exploits his invention and later obtains a patent on that invention effectively extends the patent monopoly by the time of his exploitation. Section 102(b) allows this exploitation for only one year before requiring full disclosure through the patent system. Where a patentee exploits his invention for more than one year, a finding of public use may be necessary to prevent abuse of the patent system despite the fact that such use disclosed little about the invention to the public.

For an inventor who does not actively exploit his invention however, the policy of public disclosure should favor a finding of no public use. Such an inventor who later discloses his invention through the patent system should not have his personal use before the critical date invalidate his patent. This conclusion is inherent in the *Moleculon* decision where the cube inventor's non-exploiting use before the critical date was characterized as "personal and for his own enjoyment" and therefore non-invalidating. Thus, where the use at issue is that of the patentee's, the policy favoring disclosure of new inventions should be diminished only to the extent that it prevents an inventor from abusing the patent system by extending the patent monopoly.

When the use at issue is that of an independent third party, public disclosure becomes dispositive of a finding of no public use because the policies preventing a patentee from extending his

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109 By setting the critical date at one year prior to the patent application, section 102(b) allows the extension of the patent grant by one year. *See supra* note 12. This effectuates the Federal Circuit's public use policy of allowing the inventor a reasonable amount of time to determine the economic value of his invention before incurring the expense of patenting it.

110 *Moleculon*, 793 F.2d at 1261.
monopoly are inapplicable. In the Baxter situation, where an inventor neither exploits his invention nor patents it, and a subsequent inventor independently develops and patents a similar device, the law should favor the subsequent inventor who disclosed the invention. Allowing an independent party’s use that does not achieve the widespread disclosure of the patent system to invalidate a subsequent patent leaves society wanting of the benefits it can receive through the patent system. In finding that Dr. Suaudeau’s private lab use made the Baxter invention “freely available” to the public, the majority failed to consider the prompt and widespread public disclosure achieved by the Baxter patent. In doing so, the majority overlooked the importance of public disclosure of new inventions to the constitutional purpose of promoting the progress of science and useful arts. Indeed, the majority ruling is likely to diminish such disclosure and thereby impede the progress of science.

By broadening the scope of public use, the Baxter decision creates unfairness and uncertainty in the patent system and makes inventors more likely to forego patent protection for more secretive means of exploiting their inventions. As Judge Newman’s dissent noted, a broad definition of public use will lead to invalidating

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111 The policy allowing the inventor a reasonable amount of time following sales activity to determine the economic value of a patent and the policy prohibiting the inventor from commercially exploiting the invention beyond the statutorily prescribed period are inapplicable when the invalidating use is that of a third party. By definition, an independent subsequent patentee cannot determine the value of his patent nor extend his statutory monopoly by the use of an unknown prior inventor. See generally Harris A. Pitlick, "On Sale" Activities of an Independent Third Party Inventor, Or--Whose Widget is it?, 64 J. OF PAT. OFF. SOC’Y 138 (March 1982) (arguing that these same policies, used by the Federal Circuit in "on sale" bar cases, are inapplicable to independent third party sales).

112 See Gore, 721 F.2d at 1540 ("As between a prior inventor who benefits from a process by selling its product but suppresses, conceals, or otherwise keeps the process from the public, and a later inventor who promptly files a patent application from which the public will gain a disclosure of the process, the law favors the latter"). While this analysis presumes active concealment by the prior inventor, it indicates the Federal Circuit's willingness to favor the full disclosure of the patent system over prior uses resulting in minimal disclosure of an invention to the public.

113 See Thomas G. De Jonghe, When is Commercial Use a 102(b) Bar?, 51 J. PAT. & TRADEMARK OFF. SOC’Y 706 (1969) (arguing that only use by third parties which makes an invention accessible to the public at large should be considered "public use" under 35 U.S.C. § 102(b)).
"public" uses that are incapable of discovery by inventors. A patentee therefore is now less sure that his patent will not be invalidated by earlier unknown and unknowable use of a similar device. While such unreliability may be justified for pending patents since disclosure is delayed only by Patent Office backlog, the unreliability is unjustified to strip the patentee, who expends money to disclose his invention to the public, of the economic benefit of his monopoly. Moreover, by allowing use which is unknown to the public to be invalidating public use, the majority rule creates a trap for unwary inventors who patent their inventions only to have their own personal prior use invalidate the patent.

Such unreliability and unfairness makes the patent grant less attractive to inventors faced with the significant expense of obtaining a patent. The inventor after Baxter is thus more likely to choose trade secret protection for his invention and prevent the dissemination of the invention's technical information that the patent system provides. By depriving those skilled in the arts of such up to date technical information, the progress of science and useful arts, which fosters industrial growth for the benefit of society, is likely to be impeded.

VI. CONCLUSION

The Federal Circuit erred in holding that private laboratory use of an invention after the invention is reduced to practice constitutes invalidating "public use" under section 102(b). In so holding, the Baxter court defined public use too broadly and failed to give proper weight to the public policy favoring prompt and widespread

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114 Baxter, 88 F.3d at 1062.
115 See supra notes 98-100 and accompanying text.
116 See Boston's Nutter, McClennen & Fish Last Month Initiated a Novel Seminar Program to Reduce the Cost of Obtaining a Patent 9 No. 24 OF COUNSEL 14 (1990) ("the cost of patents has risen so high that companies have taken to limiting the number of applications they file . . .").
117 See Trajtenberg, A Penny For Your Quotes: Patent Citations and the Value of Innovations, 21 RAND J. ECON 172 (1990) (indicating the importance of the patent system's disclosure of new technology to those skilled in the arts by showing a correlation between the economic value of a patent and the number of times the patent is cited by subsequent patent documents).
Disclosure of new inventions to the public. This broadened scope of public use creates unfairness and uncertainty in the patent grant by invalidating patents for "secret prior art" in the form of prior use that is unknown and unknowable to the public. As such, the Baxter decision should lead to diminished disclosure of new inventions to the public and a resulting impediment to the progress of science and useful arts as more inventors choose trade secret protection over the patent grant.

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