No. 02-39

IN THE

Supreme Court of the United States

MICREL, INC.,

Petitioner,

v.

LINEAR TECHNOLOGY CORP.,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

MOTION FOR LEAVE TO FILE BRIEF OF AMICI CURIAE AND BRIEF OF AMICI CURIAE McKECHNIE VEHICLE COMPONENTS USA, INC., HALLMARK CARDS, INCORPORATED, AND CHEMQUE, INC. IN SUPPORT OF PETITIONER

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MOTION FOR LEAVE TO FILE BRIEF OF AMICI CURIAE[1]

Amici curiae McKechnie Vehicle Components USA, Inc., Hallmark Cards, Incorporated, and Chemque, Inc. hereby respectfully move for leave to file the following brief in support of the petition for certiorari. Petitioner has consented to the filing of this brief. Respondent has refused consent, contending that such consent is contrary to its interest.

The interests of *amici* in this case arise from each of their current or former involvement in cases presenting the same issue as presented in this case regarding the scope of the "on-sale" bar, and from the significant impact the Federal Circuit's construction of the bar will have on competitive activities within their various industries. This brief is intended to present to the Court the national significance of the question presented by the petition, and to emphasize how the decision below significantly upsets the balance struck by Congress in formulating the on-sale bar.

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Dated: September 6, 2002.

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[1] Parent companies and companies owning more than 10% of the stock of *amici* are: As to McKechnie Vehicle Components USA, Inc. – DLO Investments, Inc., and McKechnie Investments, Inc.; as to Hallmark Cards, Incorporated – none; and as to Chemque, Inc. – none.

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INTEREST OF AMICI CURIAE[1]

McKechnie Vehicle Components USA, Inc. ("McKechnie"), as its name implies, produces vehicle components such as wheel covers and hub caps for use by major motor vehicle manufacturers around the world. The manufacture of vehicle components is a highly competitive multi-million dollar industry in which manufacturing methods are constantly evolving through the use of both patentable and unpatentable inventions and innovations. McKechnie is a party to an action now pending before the Federal Circuit, *Lacks Industries, Inc.* v. *McKechnie Vehicle Components USA, Inc.*, Nos. 01-1371, 01-1395 & 01-1396, which involves a patent potentially subject to the on-sale bar.

[1] No counsel for a party authored this brief in whole or in part, nor did any person or entity, other than *amici* or their counsel, make a monetary contribution to the preparation or submission of this brief.

Hallmark Cards, Incorporated, is known world-wide for its greeting cards, but also produces or distributes a wide range of gifts, keepsakes, books, and decorative products. The company regularly makes use of new inventions and innovations, both patentable and unpatentable, in the manufacture of its products. Hallmark was the defendant in *Group One, Ltd.* v. *Hallmark Cards, Inc.*, 254 F.3d 1041 (CA Fed. 2001), *cert. denied*, 122 S. Ct. 1063 (2002), wherein the Federal Circuit first pared back the on-sale bar by requiring a formal offer of sale in order to trigger the bar.

Chemque, Inc., is a company that manufactures encapsulants for industrial applications in the telecommunications and other industries. Production of such chemicals is a highly competitive field that involves the use of numerous patentable and unpatentable inventions and innovations. Chemque is a party to an action recently decided before the Federal Circuit in which the on-sale bar played a prominent role. *Minnesota Mining & Mfg. Co.* v. *Chemque, Inc.*, -- F.3d --, 2002 WL 1998044 (CA Fed. Aug. 30, 2002).

SUMMARY OF ARGUMENT

1. The on-sale bar contained in 35 U.S.C. § 102(b) has among its purposes encouraging the prompt disclosure of new inventions and preventing inventors from commercially exploiting the benefits of exclusive patent rights beyond the limited time deemed sufficient by Congress to promote the progress of the useful arts. The limited on-sale grace period for filing a patent serves those purposes by closely tying the commercial exploitation of prospective patent rights to the prompt disclosure of the invention and by starting the clock on exclusive control of an invention when the benefits and burdens of such control begin to accrue. Because both the timely start and the limited duration of patents are as important as the incentive of exclusivity in spurring innovation and economic progress, the on-sale bar plays a vital role in the patent system adopted by Congress.

2. The petition should be granted because delaying the start of the on-sale clock until there has been a formal offer for sale will significantly alter the well-established balance of incentives adopted by Congress in the patent system. The Federal Circuit's new rule will delay the full public disclosure of new inventions, expand the competitive impact of exclusive patent rights well beyond their limited statutory term, and undermine invention and innovation by third parties. The economic consequences of so altering the patent system's balance will be substantial. The new rule will allow inventors to displace sales of competing products well before triggering the on-sale clock and will make it more difficult and uncertain for competitors to develop products to compete with the anticipated but undisclosed patentable invention. Because the on-sale bar arises in numerous cases, and is potentially at issue for every patent filed, the alteration of the competitive balance wrought by the new rule will be felt throughout the country and across numerous industries.

3. The petition also should be granted "because the text of § 102(b) makes no reference to" a formal offer for sale, *Pfaff* v. *Wells Electronics, Inc.*, 525 U.S. 55, 60 (1998), and hence the Federal Circuit has erroneously engrafted a more stringent limit onto the statutory bar than was provided by Congress. Instead of attending to the "on sale" language of § 102(b), the Federal Circuit has mistakenly converted case law finding a "sale or offer to sell" to be *sufficient* to trigger the bar into a restrictive definition of *necessary* behavior for the on-sale clock to begin. The conversion of an "offer to sell" from a sufficient condition to a necessary requirement is unfaithful to the broader "on sale" language used by Congress and lacks historical pedigree. Correctly understood, the "on sale" language of the statute includes, in addition to sales and offers to sell, advertising and marketing that solicit offers to buy, as well as other forms of commercial exploitation of an invention.

Because the Federal Circuit has adopted an erroneous construction of the on-sale bar that will have immediate, extensive, and adverse economic consequences, the petition raises an important national issue that should be resolved by this Court sooner rather than later, and thus should be granted.

ARGUMENT

I. THE ROLE OF THE ON-SALE BAR IN ADVANCING THE PURPOSES OF THE PATENT SYSTEM.

The patent system as authorized by the Constitution and as implemented by Congress "represents a carefully crafted bargain that encourages both the creation and the public disclosure of new and useful advances in technology, in return for an exclusive monopoly for a limited period of time." *Pfaff* v. *Wells Electronics, Inc.*, 525 U.S. 55, 63 (1998). While much attention often is given to the affirmative incentives of exclusive rights for inventors, the conditions and limits placed on those rights for the benefit of the public are no less important to achieving the constitutional purpose of promoting the progress of the useful arts.

The condition of prompt and full disclosure of an invention to be patented ensures initial public access to the invention. The public may then use such disclosure to practice the invention with the permission of the inventor, use it as the basis of further innovation building upon the invention, or use it to design still new means, not covered by the filed patent, to accomplish the same ends in competition with the earlier invention. The limited time allowed for exclusive rights likewise enhances public access to the inventions promoted through the patent system by eventually shifting the inventions to the public domain, lowering the costs and barriers to their use, and clearing the way for future innovators to build upon past progress.

Both the disclosure and the limiting functions of the patent system are served by the "on-sale bar" contained in 35 U.S.C. § 102(b), which provides that a person may not obtain a patent if the invention was "on sale in this country[] more than one year prior to the date of the application for patent in the United States." The bar is designed "to obtain widespread disclosure of new inventions to the public via patents as soon as possible." *RCA Corp.* v. *Data General Corp.*, 887 F.2d 1056, 1062 (CA Fed. 1989); *see also Kock* v. *Quaker Oats Co.*, 681 F.2d 649, 652 (CA9 1982) (Kennedy, J.) (one-year grace period "encourages inventors to place their handiwork in the public domain as soon as possible so all may benefit from it"), *cert. denied*, 459 U.S. 1147 (1983); *Frantz Mfg. Co.* v. *Phenix Mfg. Co.*, 457 F.2d 314, 320 (CA7 1972) (Stevens, J.) ("purpose of the statute is to require the inventor to exercise diligence in filing his patent application"). The on-sale bar achieves that goal by requiring the prompt filing of a patent application once an invention is capable of being patented and has begun to be commercially exploited. *General Electric Co.* v. *United States*, 654 F.2d 55, 61 (Ct. Cl. 1981).

The on-sale bar also "serves as a limiting provision, * * * confining the duration of the monopoly to the statutory period." *Pfaff*, 525 U.S. at 64. During the term of a patent, the monopoly that creates benefits for the inventor conversely imposes burdens upon the public and other inventors that would either use or improve upon the patented invention. The on-sale bar complements the limits provided by the patent term itself by ensuring that the term begins to run within reasonable proximity of the onset of the private benefits and public burdens created by commercial exploitation of a prospectively patentable invention.

As this Court, quoting Learned Hand, summarized matters, the on-sale bar precludes an inventor from "exploit[ing] his discovery competitively after it is ready for patenting; he must content himself with either secrecy or legal monopoly." *Pfaff*, 525 U.S. at 68 (quoting *Metallzing Engineering Co.* v.

Kenyon Bearing & Auto Parts Co., 153 F.2d 516, 520 (CA2), *cert. denied*, 328 U.S. 840 (1946)). If an inventor chooses legal monopoly, he may not then continue the period of commercial benefits from the *anticipation* of exclusive rights without performing his side of the public bargain by filing a patent application. Rather than allowing an inventor to "acquire[] an undue advantage over the public by delaying to take out a patent, * * * thereby preserve[ing] the monopoly to himself for a longer period than is allowed by the policy of the law," the on-sale bar enforces the bargain of the patent system by providing that "[a]ny attempt to use [an invention] for a profit, and not by way of experiment, for a longer period than [provided by statute] before the application, would deprive the inventor of his right to a patent." *Elizabeth* v. *American Nicholson Pavement Co.,* 97 U.S. 126, 137 (1877).

With the policies and purposes of the on-sale bar in mind, the consequences of the Federal Circuit's new rule can better be understood. The balance struck by Congress between inventor incentives and public access has been significantly changed by allowing inventors to reap the benefits and impose the burdens of commercialization and promotional activity in anticipation of patent rights without starting the clock on disclosure and the eventual patent term.

II. REQUIRING A FORMAL OFFER TO TRIGGER THE ON-SALE BAR WILL HAVE SUBSTANTIAL AND ADVERSE ECONOMIC CONSEQUENCES.

The Federal Circuit's new rule triggering the on-sale bar only upon a sale or formal offer to sell has the primary consequence of prolonging the period during which an inventor can commercially exploit an invention later to be patented. Under the prior rule, commercial exploitation – such as the marketing, solicitation, and stockpiling of purchase orders in this case, Pet. App. 3a-8a – sufficed to demonstrate that an invention was "on sale" even absent a sale or formal offer to sell under the niceties of contract law. *See, e.g., RCA*, 887 F.2d at

1062 (requirement of on-sale bar "may be met by a patentee's commercial activity which does not rise to the level of a formal 'offer' under contract law principles"). The new rule, by contrast, would start the § 102(b) clock only upon "'an offer which rises to the level of a commercial offer for sale * * * which the other party could make into a binding contract by simple acceptance (assuming consideration).'" Pet. App. 11a (quoting *Group One, Ltd.* v. *Hallmark Cards, Inc.*, 254 F.3d 1041, 1048 (CA Fed. 2001), *cert. denied*, 122 S. Ct. 1063 (2002)). According to the current Federal Circuit rule, "pre-release commercialization activity" may not be "a predicate to a legal conclusion of an on-sale bar." Pet. App. 13a; *see also Group One*, 254 F.3d at 1048 ("advertising and promotion of a product may be nothing more than an invitation for offers," and thus excluded as a triggering event for the on-sale bar). The higher threshold for a product to be deemed "on sale" means that significant promotional activities could go on for many years before a legally effective formal "offer" or sale was made.

Such a potentially lengthy marketing period will not count toward, but instead will be *added* to, the on-sale grace period and patent term, with several significant effects.

First, the lengthened pre-patent marketing period will not only increase the immediate benefits to the inventor anticipating a patent, it also will increase the immediate burdens to the public. The benefits to the inventor arise from the build-up in demand for the invention that such marketing can generate. But the detriment to the public likewise arises from that same buildup of demand and the delayed satisfaction of such demand as the inventor postpones any "formal" offers or sales. Generating demand for an impending patentable product simultaneously can undercut sales of existing products or the development of competitive products. *Cf.* Pet. App. 5a (newsletter describing how product will be a "big hit at accounts facing the decision of whether to 'make or buy' their next power supply"). The effect is particularly acute where the inventor solicits offers to buy, receives such offers without "accepting" them, and thus stockpiles market share.

This case itself is a good example of the impact of pre-offer marketing. Respondent's marketing efforts were targeted at obtaining "design-ins" for its invention, effectively causing competing products to be designed *out* by the customer. Pet. App. 34a, 69a. Such marketing has the same economic consequences to competitors as formal offers or sales would have had, supplanting sales of competing products. And from a more general public perspective, the effect may be to reduce net economic activity by blocking current purchases while delaying provision of the alternative product.

Second, extending the excluded pre-filing commercial exploitation of a patentable invention severely handicaps the inventive and competitive activities of other market participants. Because of the anticipated but undisclosed patent claims, a delayed start of the "on-sale" period will lengthen the time during which a competitor will be forced to guess whether its own inventions or product improvements will lawfully compete with the new invention or will infringe the eventual patent. The uncertainty is magnified if the inventor uses extended promotional activities to smoke out the competitive response to his invention and then write aggressive claims to threaten infringement against competing products.[2]

In addition, where previously the indicators of an invention being on sale were often public and visible to competitors, under the new rule most public promotional activity is now irrelevant and competitors will remain in the dark as to

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[2] Given potentially lengthy production cycles for end-products incorporating patented components, the uncertainty regarding the scope of a patent on an invention already making inroads into the market but not yet disclosed can effectively kill an array of non-infringing products that fall within the zone of uncertainty, harming both the producers of such products as well as the potential customers (through loss of competition, higher prices, risk of infringement) of the invention or the alternative products.

whether a formal offer or sale has occurred. Regardless whether the Federal Circuit's new rule increases certainty for inventors, as it purports to do, it undoubtedly increases *uncertainty* for all others in the market seeking to use or compete with a commercialized invention. The economic consequences for companies that would either seek alternatives to or compete with a patented invention thus can be tremendous. And while such consequences also exist during the one-year grace period under either rule, Congress has factored that level of consequences into its balance and, indeed, saw fit to reduce the old two-year grace period to one year presumably in consideration of the impact of pre-filing activities. Lengthening the period of commercial exploitation prior to the one-year grace period thus expands whatever existing costs are inevitable and substantially alters the congressional balance.

Third, the on-sale bar is not merely an incidental or occasional issue under the patent system, but rather impacts virtually every patent filed and results in frequent litigation. During the 2 years preceding the new rule, 90 cases contained reference to the on-sale bar.[3] And since the Federal Circuit announced its new rule, numerous reported case have been decided under that rule. *See, e.g.*, *Netscape Communications Corp.* v. *Konrad*, 295 F.3d 1315, 1323 (CA Fed. 2002) (applying *Group One*); *Schreiber Foods, Inc.* v. *Beatrice Cheese, Inc.*, 31 Fed. Appx. 727, 733, 2002 WL 315187, at *6 (CA Fed. 2002) (unpub.) (applying *Group One*), *pet. for cert. filed*, No. 02-129 (July 23, 2002); *Dana Corp.* v. *American Axle & Mfg., Inc.*, 279 F.3d 1372, 1377 (CA Fed. 2002) (remanding in light of *Group One*); *Scaltech, Inc*. v. *Retec/Tetra*, LLC, 269 F.3d 1321, 1328 (CA Fed. 2001) (applying *Group One*); *MLMC, Ltd*. v. *Airtouch Communications, Inc.*, -- F. Supp.2d --, 2002 WL 1856335, at *11 (D. Del. June 14, 2002) (applying *Linear Technology Corp.* v. *Micrel, Inc.,* 275 F.3d 1040

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[3] Based on a Westlaw search of "on sale" and "patent" and "102(b)" between June 15, 1999 and June 15, 2001.

(CA Fed. 2001), *pet. for cert. filed*, No. 02-39 (July 3, 2002), and *Group One*). Indeed, a Westlaw search shows 20 cases quoting the new rule.[4]

Reported cases, of course, represent just a fraction of the patents influenced by the on-sale bar. Many potential cases involving the bar likely settle prior to a reported decision, and much economic behavior will be influenced *ex ante* by the scope of the bar and thus never reach court in the first place.

In considering whether to grant certiorari, therefore, what should weigh in favor of a grant is that the on-sale bar is frequently at issue in and out of the courts, the competing rules lead to different results across a wide range of activity, and thus the differences in economic behavior driven by the choice of a rule are substantial. Regardless of what policy arguments might be made in favor of one rule versus the other, the long-standing prior construction of the on-sale determination most likely best reflects Congress' judgment as to the proper balance, and a mistaken interpretation of § 102(b) disrupts the balanced incentives created by the system. If longer periods of exploitation are thought necessary, they should be had through legislative extension of the grace period or patent term, not through judicial revision of the on-sale requirements. Because the balance struck by the old and new views of § 102(b) is so very different, it behooves this Court to determine for itself whether the Federal Circuit's new approach is faithful to the balance struck by Congress.

III. REQUIRING A FORMAL OFFER TO TRIGGER THE ON-SALE BAR MISINTERPRETS THE STATUTORY PHRASE "ON SALE" IN SECTION 102(B).

The substantial consequences of the Federal Circuit's new interpretation of § 102(b) are all the more troubling given that

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[4] Based on a search of "offer for sale" and "Micrel" or "Group One" with a date after June 16, 2001, excluding petitioner's own case.

the interpretation is wrong. *Amici* agree with petitioner's arguments on the merits of the Federal Circuit's construction, Pet. 10-26, and would simply highlight some additional points illustrating the Federal Circuit's error and thus the need for corrective action by this Court.

First, while the Federal Circuit recognizes that much advertising and the solicitation of offers to buy would not satisfy its formal "offer to sell" requirement, *Group One*, 254 F.3d at 1048, it entirely ignores that such activities are well-accepted indicia of a product or service being on sale in numerous commercial contexts. For example, *amicus* McKechnie supplies vehicle components to the major automobile manufacturers, and the sales process for such components is driven by the market power of the automakers. While the process typically ends in fulfillment of a purchase order submitted immediately prior to delivery (*i.e.*, acceptance of an offer to buy), it can be preceded by the expenditure over several years of hundreds of hours and thousands of dollars in arranging how best to provide the component to a specific customer and in tooling up for production. Such extensive activity preceding the final delivery of a component amply illustrates that it was on sale throughout that process even if the buyer prefers the process technically to end with an offer to buy rather than an offer to sell. Other industries will likewise have their own mating rituals for the formation of contracts, but the fact that negotiations may end in an offer from the buyer rather than the seller has nothing whatsoever to do with whether the product subject to negotiation is "on sale."

By focusing on the non-statutory phrase "sale or offer for sale" rather than on the statutory language and commercial realities, the Federal Circuit generates the absurd result that a product advertised "For Sale" at a specific price would nonetheless not be "on sale" because such an advertisement is technically a request for offers to buy, rather than an offer to sell. Indeed, even if such an ad produced a concrete offer to buy that could be accepted and made into a binding contract, the product still would not be "on sale."[5] While such niceties of offer and acceptance have a purpose in the context of contract formation – allowing different parties to cede or maintain control over final contract formation – they make no sense as applied to whether something is "on sale" in the patent context. Given the facially bizarre consequences, merely to describe the implications of the Federal Circuit's narrow construction of the phrase "on sale" is to indict it.

Second, prior cases discussing a sale or offer to sell initially addressed those factors as being *sufficient* to show an invention was on sale, not as being *necessary* to make such a showing. For example, in *Chromalloy American Corp*. v. *Alloy Surfaces Co*., 339 F. Supp. 859, 869 (D. Del. 1972), the court held that "[w]hen an invention is offered for sale more than a year before the patent application is filed, it is 'on sale,'" thus articulating only the sufficiency, not the necessity, of an offer for sale. The court's continuing discussion confirms that it certainly did not require a formal offer that could be accepted to form a contract, given that the bar could be triggered even when "the prices are only estimated rather than established." *Id*. Of course, the failure of an "offer" to establish a material term such as price would preclude it from being a formal offer capable of acceptance to form a contract.[6]

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[5] A similarly absurd result under the Federal Circuit's rule is that an invention could be placed up for public auction yet still not be "on sale" given that when "an auctioneer puts property up for sale to the highest bidder, he is taken, in the absence of a contrary understanding or usage, to be interested in entertaining offers in the form of bids, not in making an offer." E. Allen Farnsworth, CONTRACTS §3.10, at 130 (1982).

[6] Some very earlier cases discussed the bar as triggered by an *actual* sale, rather than by merely placing an object "on sale." *See Consolidated Fruit-Jar Co.* v. *Wright*, 94 U.S. 92, 94 (1876) (patentee may forfeit his right if he "'vends it to others to use'" or derives any benefit "'from the sale or the use of his machine.'") (quoting *Pitts* v. *Hall*, 19 F. Cas. 754, 757 (C.C.N.Y. 1851)). But those early cases involved quite different statutory language that provided invalidity due to the "'purchase, sale or prior use'" more than two years prior to the patent application. *Pitts*, 19 F. Cas.

Subsequent cases through the mid-1980s likewise made clear that an offer was a sufficient, though not necessary, indicia of an invention being "on sale." *See, e.g.*, *In re Brigance*, 792 F.2d 1103, 1107 (CA Fed. 1986) ("an offer to sell a completed invention is *sufficient* to support" the on-sale bar; involving a "brochure" which, while described as offering the invention for sale, just as likely was soliciting orders for purchase) (emphasis added); *In re Caveney*, 761 F.2d 671, 676 (CA Fed. 1985) ("single sale or offer to sell is enough to bar patentability"); *D.L. Auld Co.* v. *Chroma Graphics Corp*., 714 F.2d 1144, 1150 (CA Fed. 1983) ("offer to sell is sufficient under the policy animating the statute, which proscribes not a sale, but a placing 'on sale'"); *General Electric*, 654 F.2d at 60 (product actually sold prior to critical date; alternative holding that "mere offer for sale is *sufficient* to constitute a bar to patentability") (emphasis added); *Dart Industries, Inc.* v. *E.I. Du Pont de Nemours & Co.*, 489 F.2d 1359, 1364 n. 8 (CA7 1973) (Stevens, J.), (phrase "sale or offer to sell" used in an illustrative sense), *cert. denied*, 417 U.S. 933 (1974).

The first time a sale or offer to sell is characterized as necessary, rather than merely sufficient, to trigger the bar is in *UMC Electronics Co*. v. *United States*, 816 F.2d 647, 656 (CA Fed. 1987), *cert. denied*, 484 U.S. 1025 (1988), where the court stated in *dicta* that "the challenger has the burden of proving that there was a definite sale or offer to sell more than one year before the application for the subject patent."

But that case turned on the issue of reduction to practice, the court did not discuss any rationale for its shift to the language of necessity rather than sufficiency, and the citation the court gave for the proposed requirement, *D.L. Auld*, 714 F.2d at 1150, said nothing of the sort, but rather discussed only the "sufficien[cy]" of a sale or offer to sell. And even other parts

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at 756 (quoting 1839 Act, 5 Stat. 354). Of course, such cases do not limit the later-enacted and broader language addressing whether an invention was "on sale," otherwise they would exclude even formal "offers" as well.

of *UMC* itself refer to an offer for sale as sufficient, rather than necessary. *UMC*, 816 F.2d at 649, 653 (discussing relevance of "commercial exploitation" of an invention and stating that an "*offer* to sell a later-claimed invention may be sufficient to invoke the bar whether the offer is accepted or rejected") (emphasis in original).

After *UMC*'s initial shift in language, cases began quoting the *UMC* formulation, generally without applying, and hence without endorsing, the limiting aspect of the new language. *See, e.g.*, *RCA*, 887 F.2d at 1062 (using *UMC* formulation, but rejecting requirement of a "formal 'offer' under contract law principles"); *Buildex Inc*. v. *Kason Industries, Inc*., 849 F.2d 1461, 1462, 1464 (CA Fed. 1988) (reciting *UMC* formulation, but later citing *UMC* for the proposition that a "firm offer to sell may be sufficient" to place a product on sale).

Converting what were merely examples of when an invention is on sale into the exclusive limits of the on-sale bar is a step that has no basis in the statute or in the jurisprudence. As this Court observed in *Pfaff*, however, just because a particular type of proof represents "sufficient evidence" for the on-sale bar, "it does not follow that [such] proof * * * is necessary in every case." 525 U.S. at 66.

Third, tying the on-sale determination to newly-made national contract law under the Uniform Commercial Code, Pet. App. 11a, will only increase the uncertainty the Federal Circuit claims to reject. Creating a body of law that is misleadingly similar to state contract law will serve only as a trap when federal law differs from a particular State's law and a party has made a binding offer under one but not the other.

It would be far better to have patent law stick to the construction of statutory language and follow its own unique concerns and policies, rather than partially piggyback on state contract law. For example, it simply makes no sense for patent purposes that an "offer" has to be technically sufficient to bind. An offer that was too indefinite as to price or delivery location, for example, might not be enforceable under the UCC, but if it is otherwise plainly an "attempt" to sell or to make an offer, it is mere sophistry to suggest that the product was not on sale merely because the attempt failed for contract reasons unrelated to patent-law concerns. Given that the success of an offer is not the measure of the on-sale bar – an offer can be rejected and still trigger the bar – there is no reason why a technical deficiency in an offer would become the measure. And there is likewise no reason why the solicitation of offers to buy would not be an equal indicia of a product being on sale as a formal offer to sell.

Fourth, nothing in *Pfaff* indicates that a formal offer to sell is the necessary minimum for an invention to be on sale. This Court's passing reference to the product needing to be "the subject of a commercial offer for sale," 525 U.S. 67, does not identify the basis or pedigree of that formulation, which is not contained in § 102(b) itself, and does not indicate that it was meant to exclude alternative formulations from earlier cases. And this Court's immediately following reference to the "first commercial marketing" of an invention, 525 U.S. 67, makes clear that the Court was not setting out some formalistic rule regarding an offer as opposed to other forms of marketing.[7] The Federal Circuit's reliance on *Pfaff* as driving its conclusion thus is not only error, but it is error that requires this Court to correct.

CONCLUSION

For the foregoing reasons, the petition for writ of certiorari should be granted.

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[7] Indeed, the Court's statement that "the acceptance of the purchase order" in *Pfaff* "makes clear that such an offer had been made," 525 U.S. at 67, actually suggests a more casual use of the notion of an offer, because the purchase order and its eventual acceptance could just as easily have been the result of a solicitation of offers to buy, as was the situation in this case.

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