

THIS OPINION WAS NOT WRITTEN FOR PUBLICATION

The opinion in support of the decision being entered today (1) was not written for publication in a law journal and (2) is not binding precedent of the Board.

Paper No. 31

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte WILLIAM T. KLINE, GEORGE V. NEILSON
and ROBERT F. MITTELSTADT

Appeal No. 1996-0910
Application 08/118,368¹

ON BRIEF

Before PATE, McQUADE and BAHR, Administrative Patent Judges.

McQUADE, Administrative Patent Judge.

DECISION ON APPEAL

William T. Kline et al. appeal from the final rejection of claims 15 through 38, all of the claims pending in the application. We reverse.

THE INVENTION

The invention relates to "a hand assisted lamination

¹ Application for patent filed September 7, 1993.

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(HAL) system process and apparatus for forming and compacting composite material in order to make laminated articles that may have three-dimensional (3-D) contoured surfaces" (specification, page 1). A copy of the appealed claims appears in the appendix to the appellants' main brief (Paper No. 18).

THE EVIDENCE

Boeing Purchase Order No. B 258096.²

"HAL BEGINS MAKING 777 PARTS," BOEING 777 NEWS BULLETIN, Vol. 3, No. 28 (August 11, 1992).³

The 37 CFR § 1.132 Declaration of David M. Walter.⁴

The 37 CFR § 1.132 Declaration of William T. Kline.⁵

THE REJECTION

Claims 15 through 38 stand finally rejected under 35 U.S.C. § 102(b) as being directed to an invention on sale in this country more than one year prior to the date of

² A copy of this item appears in the record as part of Paper No. 4.

³ A copy of this item appears in the record as part of Paper No. 4.

⁴ This item appears in the record as part of Paper No. 10.

⁵ This item appears in the record as Paper No. 22.

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application for

patent in the United States.⁶ As explained by the examiner,

Boeing purchase order B 258096 discloses a sale of a single-station hand-assisted lamination cell on June 10, 1992 and July 10, 1992, both of which occurred more than one year prior to Applicant's [sic] U.S. filing date. The HAL Cell is described in a Boeing news bulletin dated August 11, 1992 as using a laser to project the correct position of plies on a mandrel, as is now claimed [examiner's answer, Paper No. 19, page 3].

DISCUSSION

A claimed invention is considered to be on sale within the meaning of 35 U.S.C. § 102(b) when two conditions are met before the critical date (i.e., more than one year prior to the filing date to which the claim is entitled). First, the product must be the subject of a commercial offer for sale. Second, the invention must be ready for patenting. The second condition may be satisfied in at least two ways: by proof of reduction to practice before the critical date or by proof

⁶ The final rejection (Paper No. 11) also included a 35 U.S.C. § 103 rejection of claims 15 through 38 as being unpatentable over Mittelstadt et al. (U.S. Patent No. 4,475,976) in view of Sarh et al. (U.S. Patent No. 4,512,837) and Heine (U.S. Patent No. 4,284,462). Upon reconsideration, the examiner has withdrawn this rejection (see the advisory action dated June 21, 1995, Paper No. 15).

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that prior to the critical date the inventor had prepared drawings or other descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention.

See Pfaff v. Wells Electronics Inc., 119 S.Ct. 304, 311-12, 48 USPQ2d 1641, 1646-47 (1998). If, however, the primary purpose underlying an offer for sale is experimental rather than commercial, then the product is not on sale within the meaning of the statute. See In re Hamilton, 882 F.2d 1576, 1579, 11 USPQ2d 1890, 1893 (Fed. Cir. 1989).

The copy of Boeing Purchase Order No. B 258096 of record conveys few details regarding the transaction between Boeing and Ingersoll Milling Machine Co. (Ingersoll) which forms the basis for the examiner's rejection. It is not disputed, however, that the transaction involved the "purchase" by Boeing from Ingersoll of two single station HAL cells made pursuant to Boeing specification # L-2433, and that the "purchase" occurred more than one year prior to the critical

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date. The appellants' counsel is on record as explaining that

Boeing (the assignee of the present application) contracted with a supplier (Ingersoll Milling Machine Co.) to build and deliver to Boeing the first two HAL Cell systems according to Boeing specification #L-2433 which had earlier been sent out for competitive bidding by the machine tool builders. . . . [T]he inventors are employees of Boeing" [Paper No. 14, pages 1 and 2].

The appellants, relying on the Walter and Kline declarations, take the position on appeal that

Boeing could have built in-house the first machine system intended for production use, but instead elected to have an outside contractor (Ingersoll Milling Machine Co.) build this complex machine for Boeing. If Boeing had elected to build the first production machine in-house, the on-sale issue would not have occurred. But because Boeing elected to have an outside contractor build the first machine system, there was a sale (a non-public sale) of the machine system. Applicants contend that the private sale was an experimental sale because the machine system was in an experimental mode until it had met all the required Boeing qualification tests and became a qualified machine [main brief, Paper No. 18, page 2].

Both the examiner and the appellants have characterized the transaction between Boeing and Ingersoll as a "sale" of

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the appellants' invention.⁷ From our perspective, the facts of record relating to the transaction do not support this characterization. The facts merely show a situation wherein a first party, the appellants/inventors and their employer, Boeing, paid a second party, Ingersoll, for its services in fabricating for the first party an invention made by the first party. Any

notion that Ingersoll sold the invention to the inventors/Boeing under these circumstances is illogical. All that the facts of record establish here is that Ingersoll sold its services, not the invention, to the inventors/Boeing.

This interpretation of the Boeing-Ingersoll transaction finds support in Brasseler, U.S.A. I L.P. v. Stryker Sales Corp., 182 F.3d 888, 51 USPQ2d 1470 (Fed. Cir. 1999) wherein the court, distinguishing activity which was found to constitute a § 102(b) on-sale bar, stated "[t]his is not a case in which an individual inventor takes a design to a

⁷There is some dispute as to whether all of the appealed claims read on the HAL cells involved in the transaction (see pages 3 and 4 in the appellants' reply brief, Paper No. 21). Given our decision in the appeal, this issue is moot.

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fabricator and pays the fabricator for its services in fabricating a few sample products" (182 F.3d at 891, 51 USPQ2d at 1473). Also of interest is M & R Marking Sys., Inc. v. Top Stamp, Inc., 926 F. Supp. 466 (D.N.J. 1996) wherein the district court declined to apply the on-sale bar to a transaction between an inventor's employer and a manufacturer paid by the employer to make the invention for it. Although the court in Brasseler took notice of the M & R Marking case and observed that "we have no obligation to follow the

district court's reasoning" (182 F.3d at 891, 51 USPQ2d at 1473), it went on to distinguish the transaction in M & R Marking from the on-sale activity before it.

In light of the foregoing, we are of the opinion that the facts of record relating to the transaction between Boeing and Ingersoll are not sufficient to establish that the appellants' invention was on sale or sold before the critical date.

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Moreover, even if it is assumed for the sake of argument that the transaction between Boeing and Ingersoll did involve a sale of the invention before the critical date, the appellants' 37 CFR § 1.132 declarations constitute convincing evidence that such sale was merely a precursory event necessary to carry out experimentation to determine whether the invention would work for its intended purpose. The examiner's contention that "the inventors had knowledge that these devices would work for their intended purpose" (answer, pages 4 and 5) is based on a statement in the Walter declaration taken out of context and has been squarely refuted by the Kline declaration. Thus, even if the transaction between Boeing and Ingersoll did constitute a sale of

the invention, the evidence of record shows that the transaction took place in the context of experimental use and thus does not constitute on sale activity within the meaning of 35 U.S.C. § 102(b).

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In summary and for the above reasons, the decision of the examiner to reject claims 15 through 38 under 35 U.S.C. § 102(b) is reversed.

REVERSED

WILLIAM F. PATE III)
Administrative Patent Judge)
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)
) BOARD OF PATENT
JOHN P. McQUADE)
Administrative Patent Judge) APPEALS AND
)
) INTERFERENCES
)
JENNIFER D. BAHR)
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