

Holbrook on Offers to Sell Inventions and Territoriality of Patent Law

Timothy Holbrook, who is a professor of law at Emory Law School, has posted *Territoriality and Tangibility after Transocean* on SSRN.

Patent law is generally considered the most territorial forms of intellectual property. The extension of infringement to include “offers to sell” inventions opened the door to potential extraterritorial expansion of U.S. patent law. In Transocean Offshore Deepwater Drilling, Inc. v. Maersk Contractors USA, Inc., the U.S. Court of Appeals walked through the door by concluding (1) that the location of the ultimate sale, not the location of the offer, determines whether patent infringement occurred and (2) that there can be infringement by selling or offering to sell an invention based solely on diagrams and schematics. The one-two punch of these holdings works a considerable expansion of the territorial scope of a U.S. patent and of these infringement provisions generally. This essay explores the consequences of these holdings, making the following conclusions. First, the elimination of a tangibility requirement for infringement, while ultimately correct, creates a number of problems when coupled with the court’s holding on extraterritoriality. Because the sale need not be consummated for there to be an infringing offer to sell, the court extended infringement to circumstances where no activity has taken place within the United States. Moreover, if this standard is used to inform the scope of the on-sale bar patentability, then the court greatly expanded potential sources of prior art that could be used to invalidate existing U.S. patents. Additionally, comparing Transocean to the territoriality standards in trademark law demonstrates that the holding of Transocean may not be as extensive if it is limited to offers made abroad by U.S. citizens or corporations. Regardless of the citizenship factor, this comparative analysis also demonstrates that the Federal Circuit should take into account potential conflicts with the law in foreign locations where the negotiations take place.

The paper is forthcoming in the *Emory Law Journal*.