

strumentality of a State acting in his official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any non-governmental entity.

(i) As used in this section, an “offer for sale” or an “offer to sell” by a person other than the patentee, or any designee of the patentee, is that in which the sale will occur before the expiration of the term of the patent.

(July 19, 1952, ch. 950, §1, 66 Stat. 811; Sept. 24, 1984, Pub. L. 98-417, §202, 98 Stat. 1603; Nov. 8, 1984, Pub. L. 98-622, §101, 98 Stat. 3383; Aug. 23, 1988, Pub. L. 100-418, §9003, 102 Stat. 1563-64; Nov. 16, 1988, Pub. L. 100-670, §201, 102 Stat. 3988-3989; Nov. 19, 1988, Pub. L. 100-703, §201, 102 Stat. 4676; Oct. 28, 1992, Pub. L. 102-560, §2, 106 Stat. 4230; Dec. 8, 1994, Pub. L. 103-465, §533, 108 Stat. 4988.)

### § 272 Temporary presence in the United States

The use of any invention in any vessel, aircraft or vehicle of any country which affords similar privileges to vessels, aircraft or vehicles of the United States, entering the United States temporarily or accidentally, shall not constitute infringement of any patent, if the invention is used exclusively for the needs of the vessel, aircraft or vehicle and is not offered for sale or sold in or used for the manufacture of anything to be sold in or exported from the United States.

(July 19, 1952, ch. 950, §1, 66 Stat. 812; Dec. 8, 1994, Pub. L. 103-465, §533, 108 Stat. 4989.)

### § 273 Defense to infringement based on earlier inventor

(a) *Definitions.*—For purposes of this section—

(1) the terms “commercially used” and “commercial use” mean use of a method in the United States, so long as such use is in connection with an internal commercial use or an actual arm's-length sale or other arm's-length commercial transfer of a useful end result, whether or not the subject matter at issue is accessible to or otherwise known to the public, except that the subject matter for which commercial marketing or use is subject to a premarketing regulatory review period during which the safety or efficacy of the subject matter is established, including any period specified in section 156(g),

shall be deemed “commercially used” and in “commercial use” during such regulatory review period;

(2) in the case of activities performed by a nonprofit research laboratory, or nonprofit entity such as a university, research center, or hospital, a use for which the public is the intended beneficiary shall be considered to be a use described in paragraph (1), except that the use—

(A) may be asserted as a defense under this section only for continued use by and in the laboratory or nonprofit entity; and

(B) may not be asserted as a defense with respect to any subsequent commercialization or use outside such laboratory or nonprofit entity;

(3) the term “method” means a method of doing or conducting business; and

(4) the “effective filing date” of a patent is the earlier of the actual filing date of the application for the patent or the filing date of any earlier United States, foreign, or international application to which the subject matter at issue is entitled under section 119, 120, or 365 of this title.

(b) *Defense to infringement.*—

(1) *In general.*—It shall be a defense to an action for infringement under section 271 of this title with respect to any subject matter that would otherwise infringe one or more claims for a method in the patent being asserted against a person, if such person had, acting in good faith, actually reduced the subject matter to practice at least 1 year before the effective filing date of such patent, and commercially used the subject matter before the effective filing date of such patent.

(2) *Exhaustion of right.*—The sale or other disposition of a useful end product produced by a patented method, by a person entitled to assert a defense under this section with respect to that useful end result shall exhaust the patent owner's rights under the patent to the extent such rights would have been exhausted had such sale or other disposition been made by the patent owner.

(3) *Limitations and qualifications of defense.*—The defense to infringement under this section is subject to the following:

(A) *Patent.*—A person may not assert the defense under this section unless the invention for which the defense is asserted is for a method.

(B) *Derivation.*—A person may not assert the defense under this section if the subject matter on which the defense is based was derived from the patentee or persons in privity with the patentee.

(C) *Not a general license.*—The defense asserted by a person under this section is not a general license under all claims of the patent at issue, but extends only to the specific subject matter claimed in the patent with respect to which the person can assert a defense under this chapter, except that the defense shall also extend to variations in the quantity or volume of use of the claimed subject matter, and to improvements in the claimed subject matter that do not infringe additional specifically claimed subject matter of the patent.

(4) *Burden of proof.*—A person asserting the defense under this section shall have the burden of establishing the defense by clear and convincing evidence.

(5) *Abandonment of use.*—A person who has abandoned commercial use of subject matter may not rely on activities performed before the date of such abandonment in establishing a defense under this section with respect to actions taken after the date of such abandonment.

(6) *Personal defense.*—The defense under this section may be asserted only by the person who performed the acts necessary to establish the defense and, except for any transfer to the patent owner, the right to assert the defense shall not be licensed or assigned or transferred to another person except as an ancillary and subordinate part of a good faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.

(7) *Limitation on sites.*—A defense under this section, when acquired as part of a good faith assignment or transfer of an entire enterprise

or line of business to which the defense relates, may only be asserted for uses at sites where the subject matter that would otherwise infringe one or more of the claims is in use before the later of the effective filing date of the patent or the date of the assignment or transfer of such enterprise or line of business.

(8) *Unsuccessful assertion of defense.*—If the defense under this section is pleaded by a person who is found to infringe the patent and who subsequently fails to demonstrate a reasonable basis for asserting the defense, the court shall find the case exceptional for the purpose of awarding attorney fees under section 285 of this title.

(9) *Invalidity.*—A patent shall not be deemed to be invalid under section 102 or 103 of this title solely because a defense is raised or established under this section.

(Nov. 29, 1999, Pub. L. 106-113, §4302, 113 Stat. 1501A-555).

#### CHAPTER 29—REMEDIES FOR INFRINGEMENT OF PATENT, AND OTHER ACTIONS

SEC.

- 281. Remedy for infringement of patent.
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- 297. Improper and deceptive invention promotion.