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# On-Sale Bar Arguments Fizzle Out at the Federal Circuit

***Celanese Int'l Corp. v. Int'l Trade Comm'n, No. 2022-1827, 2024 WL 3747277, at *1 (Fed. Cir. Aug. 12, 2024)***

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Manufacturers beware! Your sales of products based on secret manufacturing processes may invalidate your patents. The Court of Appeals for the Federal Circuit ("CAFC") recently affirmed an International Trade Commission ("ITC") decision that invalidated process patent claims because the patentee sold products—manufactured based on the secret process claims—more than one year before the filing date of the patent.


Celanese International Corporation, Celanese (Malta) Company 2 Limited, and Celanese Sales U.S. Ltd. (collectively, "Celanese") filed a petition in the International Trade Commission ("ITC") against Anhui Jinhe Industrial Co., Ltd., and Jinhe USA LLC (collectively, "Jinhe") arguing that Jinhe was importing into the United States sweeteners that were made using a process that infringed Celanese's product-by-process patents. Jinhe moved for summary determination on the basis that Celanese's process patent claims were invalid under the on-sale bar because Celanese sold a product that was secretly made using the claimed process more than one year prior to the effective filing date of Celanese's patent. Celanese argued that its sweeteners, produced in secret, did not trigger the on-sale bar because the America Invents Act (the "AIA") overturned pre-AIA precedent supporting that sales of products made in secret triggered the on-sale bar. The ITC agreed with Jinhe and held that Celanese's process claims were invalid. Celanese appealed, arguing that (1) the AIA's use of "claimed invention" and "otherwise available to the public" within Section 102 meant that Congress intended only processes which were publicly disclosed to trigger the on-sale bar, (2) Sections 102(b), 271(g), and 273(a) of the AIA changed the scope of the on-sale bar; and (3) the AIA's legislative history indicated Congress wanted to protect an inventor's secret commercialization of an invention. The CAFC rejected each of Celanese's arguments.

First, the CAFC held that the use of the word "claimed" within the phrase "claimed invention" did not change the on-sale bar doctrine. The CAFC explained that the words "claimed invention" and "invention" are used interchangeably for the same invention and that there was no indication that Congress's use of "claimed" changed the purpose of the on-sale bar doctrine. Additionally, the phrase "otherwise available to the public" does not require sales of the invention to explicitly disclose the process because this argument was explicitly rejected by the Supreme Court in *Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc.*, 586 U.S. 123, 139 S. Ct. 628, 202 L. Ed. 2d 551 (2019). The CAFC further held that Congress's changes to Sections 102(b), 271(g), and 273(a) did not change the scope of the on-sale bar. Celanese argued that Section 102(b)'s grace period only applies to scenarios where the inventor disclosed the invention, but the CAFC rejected this argument because Celanese's interpretation of Section 102(b) would put Section 102(b) at odds with Section 102(a)'s on-sale bar provision. Furthermore, the CAFC held that Sections 271(g) and 273(a) concern infringement and the actions of third parties and do not have any impact on the patentability provisions within Section 102. Finally, the CAFC rejected Celanese's legislative history argument because a legislator's views on what the AIA means is not enough to establish that Congress intended to modify the on-sale bar doctrine.

Businesses are often confronted with the dilemma to either protect their inventions as a trade secret or to seek patent protection. In this case, Celanese tried to have it both ways, but the CAFC was clear that businesses need to pick one or the other. If a business decides to protect a process as a trade secret for more than one year, the business may forfeit the ability to see patent protection over the process in the future.