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NOTE

SECRET METHODS, PUBLIC SALES: REIMAGINING THE ON-SALE BAR FOR PROCESS PATENTS

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I. INTRODUCTION

The on-sale bar has long served as a critical boundary in patent law, defining when commercial activity extinguishes an inventor's right to patent protection.[1] According to AIA 35 U.S.C § 102(a)(1), an inventor is "entitled to a patent unless the claimed invention was… on sale…before the effective date of the claimed invention."[2] In recent years, the interpretation of the on-sale bar has been broadened.[3] For example, the Supreme Court in *Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc.* held that a sale or offer for sale, even if confidential or "secret," could still trigger the on-sale bar to patentability.[4] Recently, the Federal Circuit in *Celanese Int'l Corp v. Int'l Trade Comm'n*, relying on the Supreme Court's *Helsinn* decision, found that sales of a product made using a secret process prior to the critical date would invalidate later-sought claims for the process.[5]

This interpretation creates a troubling dilemma for small businesses: either file patent applications before adequately testing market viability or risk losing patent rights entirely. Small businesses feel this burden most acutely, as they typically need to test market viability before committing to the substantial expense of patent prosecution.[6] The *Celanese* ruling forces these small businesses to choose between premature patenting of unrefined processes or permanent reliance on trade secrecy—neither of which serves the patent system's fundamental purpose of promoting innovation.[7]

Part II of this Note will dive into the history of the on-sale bar as well as explore the pre-AIA and AIA interpretation of the on-sale bar. Part III of this Note will examine the *Celanese's* interpretation of the on-sale bar. The analysis explores five critical aspects: 1) the statutory language requiring the "claimed invention" itself be on sale, 2) the significance of the phrase "available to the public," 3) legislative history supporting a more limited interpretation than *Celanese* provides, 4) why *Helsinn* doesn't justify the Federal Circuit's broad application, and 5) the misapplication of the reenactment canon to preserve pre-AIA precedent. In Part IV, this Note proposes a concrete legislative solution through an amendment to § 102(a)(1) that would create a specific carveout for method claims when product sales don't disclose the underlying process. This final section explains how the proposed amendment would advance the AIA's goal of international

1 35 U.S.C. § 102(a)(1).

2 *Id.*

3 Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc., 586 U.S. 123, 132 (2019).

4 *Id.*

5 Celanese Int'l Corp. v. Int'l Trade Comm'n, 111 F.4th 1338, 1348–49 (Fed. Cir. 2024).

6 *See* Stuart J.H. Graham et al., *High Technology Entrepreneurs and the Patent System: Results of the 2008 Berkeley Patent Survey*, 24 BERKELEY TECH. L.J. 1255, 1310 (2009) ("[A]mong technology startups, the cost of getting a patent is the most common reason for not patenting a major technology.").

7 Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 480–81 (1974).

harmonization while creating a more level playing field for small businesses that currently face barriers under the Federal Circuit's interpretation.

II. BACKGROUND

The requirement that an invention be novel has been a fundamental prerequisite for one to obtain a patent in the United States.[8] Under the novelty requirement, one cannot obtain a patent if their invention is on sale.[9] This novelty requirement first showed up in the Patent Act of 1836, which made the first formal attempt to define novelty.[10] In particular, the Patent Act of 1836 required that a patent could not be granted for an invention if the invention was in "public use" or "on sale" at the time of one's application for a patent.[11] After the Patent Act of 1836, the Patent Act of 1952 introduced significant revisions to U.S. patent law and clarified the novelty requirement under § 102 of Title 35 of the United States Code.[12]

Under the Patent Act of 1952, 35 U.S.C. § 102(b) established a clear and comprehensive framework for assessing whether an invention was novel.[13] According to this section, an invention would not be considered novel if it had been previously disclosed in a patent, a printed publication, or if it had been "in public use" or "on sale" more than one year before the filing date of the patent application in the United States.[14]

After the Patent Act of 1952, The Leahy-Smith America Invents Act (referred to herein as "AIA") marked the most significant overhaul of the U.S. patent system.[15] The AIA maintained the on-sale bar in § 102(a)(1) which states that "A person shall be entitled to a patent unless, the claimed invention was patented… in public use, on-sale, or otherwise available to the public before the effective filing date of the claimed invention."[16] The AIA does not alter the "on sale" language of the pre-AIA statute.[17] However, § 102 introduces significant changes compared to the pre-AIA version. First, the AIA eliminates the "in this country" geographic constraint from pre-AIA § 102(b), thereby extending the public use and on-sale statutory bars to encompass activities that take place anywhere in the world.[18] Second, the AIA shifts the critical date for prior art

8 *See e.g.*, 35 U.S.C. § 102(a) (2012) (requiring that an invention is not novel if the invention is described in printed publication, patent or is in public use before the inventor files for a patent)

9 *Id.*

10 Patent Act of 1836, Ch. 357, 5 Stat. 117, § 6.

11 *Id.*

12 *See* 35 U.S.C. § 102 (1952).

13 35 U.S.C. § 102(b) (1952).

14 *Id.*

15 Return Mail, Inc. v. United States Postal Serv., 587 U.S. 618, 623 (2019).

16 *Compare* 35 U.S.C. § 102(b) (1952) *with* 35 U.S.C. § 102(a)(1) (2012).

17 *Id.*

18 *Id.*

references from "one year prior to the date of application" to "the effective filing date."[19] Third, the AIA incorporates a comprehensive catch-all provision through the phrase "or otherwise available to the public."[20]

Before the establishment of the AIA, Federal Circuit precedent had ruled that a sale or offer for sale of a product could trigger an on-sale bar to patentability even if the sale or offer was "secret" and did not make the invention publicly available.[21] However, numerous legal scholars and practitioners contended that the AIA's addition of the phrase "or otherwise available to the public" fundamentally altered the interpretation of "on-sale." The new interpretation established a new requirement that a sale or offer for sale must make the invention "available to the public" to activate a statutory bar.[22]

In January 2019, the Supreme Court confronted this question in *Helsinn*, determining that the AIA had not transformed the established meaning of "on-sale" under § 102(a)(1).[23] The Court concluded that a sale or offer for sale, even if confidential or "secret," could still trigger the on-sale bar to patentability, affirming the interpretation of "on sale" as it existed under the pre-AIA statute. [24]

However, *Helsinn* did not answer whether a secret manufacturing process can be patented after the sale of the resulting product under the AIA. Under the pre-AIA, a patentee's sale of a product made by a secret process barred a patent on the process under the "on-sale" bar.[25]

The recent Federal Circuit decision, in *Celanese*, addressed this issue.[26] In particular, by relying on *Helsinn*, the Federal Circuit found that the pre-AIA interpretation of the "on-sale" bar is not altered by the AIA.[27] The next Section will provide an overview of the pre-AIA and post-AIA cases that led to the decision in *Celanese*.

A. Pre-AIA Interpretation of the "On-Sale" Bar

Under Pre-AIA precedent, two scenarios can trigger the on-sale bar to process claims. The first scenario is "an offer to perform a process in return for monetary compensation."[28] The second scenario triggers the on-sale bar when a

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19 *Id.*

20 *Id.*

21 Christoper M. Holman, *Helsinn v. Teva: Lingering Ambiguity After the U.S. Supreme Court Holds the AIA Did Not Alter the On-Sale Bar to Patentability*, 38 Biotechnology L. Rep. 76, 77 (2019).

22 *Id.*

23 *Helsinn*, 586 U.S. at 132.

24 *Id.*

25 *See, e.g.*, D.L. Auld Co. v. Chroma Graphics Corp., 714 F.2d 1144, 1147 (Fed. Cir. 1983).

26 *See, e.g.*, *Celanese*, 111 F.4th at 1348.

27 *Id.*

28 Holman, *supra* note 21, at 79.

process is used to produce a product, and the resulting product is sold afterwards. [29]

Before the Patent Act of 1952 and the creation of the Federal Circuit, the Second Circuit ruled on how the on-sale bar should apply to process claims.[30] The Second Circuit ruled that the patentee's sale of a product created using a secret process prevented the patent from being granted for that process.[31] In *Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co.,* the inventor had employed his confidential process for metal part treatment, subsequently selling these treated components for more than a year before submitting his patent application.[32] Despite recognizing that the patent covered the process itself (rather than the commercial products) and acknowledging the process had remained secret, the court nevertheless invalidated the patent.[33] The court explained that an inventor forfeits their right to a patent if they use their invention commercially for longer than the statutory grace period, even if the public has not widely learned about the invention.[34] The Second Circuit explained that the rule was motivated by two key factors: Congress's goal of ensuring the public benefits from the disclosure of inventions as soon as possible, and the need to prevent inventors from extending the duration of their patent monopoly unfairly.[35]

Following the passage of the Patent Act of 1952, the Federal Circuit, in *D.L. Auld Co. v. Chroma Graphics Corp*, adopted the rationale from *Metallizing*.[36] In *Auld*, the Federal Circuit determined that a patentee surrendered their right to patent an inventive method, despite the method itself remaining undisclosed, when they had "produced an emblem by the method of the invention and offered that emblem for sale before the critical date."[37] The court based its decision on the principles of loss-of-rights, explaining that the *Metallizing* decision established a "forfeiture theory" that aligns with the purpose of 35 U.S.C. § 102(b).[38] The court explained that this statutory provision aims to prohibit inventors or their assignees from deriving commercial benefit from their invention for a period exceeding one year before submitting a patent application.[39] The Federal Circuit emphasized that when a party commercially distributes the product resulting from a method

[29] *Id.*

[30] *See* Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co., 153 F.2d 516, 519 20 (2d Cir. 1946).

[31] *Id.* at 520.

[32] *Id.* at 517–18.

[33] *Id.* at 520.

[34] *Id.*

[35] *Id.*

[36] *See* D.L. Auld, 714 F.2d at 1148.

[37] *Id.* at 1147.

[38] *Id.*

[39] *Id.*

invention more than one year prior to patent filing, they relinquish all rights to secure a valid patent on that method.[40]

In a subsequent case, the Federal Circuit established a distinct rule regarding third-party sales of products manufactured using a secret patented process, despite § 102(b) not explicitly distinguishing between sales by patentees and third parties.[41] In *W.L. Gore & Assoc., Inc. v. Garlock*, Gore filed a lawsuit against Garlock, alleging infringement of Gore's patent for a process to stretch TEFLON tape.[42] Garlock challenged the patent's validity, claiming the invention had been "in public use [and] on sale" because Budd Company, a third party, had sold tape made using Gore's process more than one year before Gore filed his patent application.[43] The Federal Circuit rejected Garlock's defense, ruling that while a patentee's sale of products made via a secret process can prevent patenting of that process, a third-party sale does not create the same barrier.[44]

The Federal Circuit's ruling was grounded in the plain language of pre-AIA § 102(b), highlighting that Budd's sale of tape did not amount to a sale of the patented process itself.[45] Since Budd only sold the tape, and no evidence indicated that the public could discern the patented process by examining the tape, the court found no legal grounds for treating Budd's secret use of the process as an impediment to Gore's patent rights.[46] The Federal Circuit further clarified that the law prioritizes the rights of a later inventor who files a patent application promptly, making the process publicly available, over an earlier inventor who commercializes a process but keeps it concealed.[47]

The Supreme Court decision i*n Pfaff v. Wells Electronics, Inc., remains* the most significant Supreme Court ruling specifically addressing the on-sale bar prior to *Helsinn*.[48] *Pfaff* began when Texas Instruments (TI) approached Wayne Pfaff to develop a semiconductor chip carrier mounting and removal device.[49] Pfaff prepared detailed engineering drawings with specifications on design, dimensions, and materials, which he sent to a manufacturer before the critical date—more than one year before filing his patent application.[50] Pfaff also showed TI a concept sketch, and before the critical date, TI placed a purchase order for 30,100 sockets valued at $91,155.[51] Notably, Pfaff did not create a prototype before

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40 *Id.*

41 W.L. Gore & Assocs., Inc. v. Garlock, 721 F.2d 1540, 1549–50 (Fed. Cir. 1983).

42 *Id.* at 1545–46.

43 *Id.* at 1549.

44 *Id.* at 1550.

45 *Id.*

46 *W.L. Gore*, 721 F.2d at 1550.

47 *Id.*

48 *See generally* Pfaff v. Wells Elecs., Inc., 525 U.S. 55 (1998).

49 *Id.* at 57–58.

50 *Id.*

51 *Id.* at 58.

offering the device for sale, nor did he reduce the invention to practice until after the critical date.[52]

Pfaff filed an infringement lawsuit against Wells after securing a patent on his device.[53] At the district court level, the judge ruled in Pfaff's favor, finding that his patent claims remained valid despite the on-sale bar challenge.[54] The court reasoned that since the invention had not been reduced to practice prior to the critical date, the on-sale bar did not apply.[55] The Federal Circuit, however, overturned this ruling, concluding that reduction to practice was not a prerequisite for triggering the on-sale bar.[56] Instead, the appellate court applied the bar based on its finding that Pfaff's invention was "substantially complete" at the time it was offered to TI.[57] Given the significant disagreement between circuit courts on this issue, the Supreme Court granted certiorari to provide definitive guidance.[58]

The Supreme Court, in its ruling, explicitly rejected the Federal Circuit's "substantially complete" standard, finding no basis for such terminology in the statutory language.[59] The Justices noted that this criterion would compromise a fundamental purpose of patent law—providing inventors with clear guidelines—and would create uncertainty regarding when patent applications must be filed.[60] Instead, the Supreme Court clarified that actual reduction to practice was not a prerequisite for invoking the on-sale bar.[61] The Court established a new, more precise standard: the invention need only be "ready for patenting" at the time of the sale.[62]

The Court's "ready for patenting" standard establishes a middle ground between mere conceptualization and full reduction to practice.[63] To meet this threshold, an inventor can proceed through one of two pathways: either by demonstrating actual reduction to practice prior to the critical date, or by producing evidence that, before this deadline, the inventor had developed drawings or descriptions with sufficient detail to allow a person skilled in the relevant field to reproduce the invention.[64] The Court further refined its analysis by holding that the on-sale bar is triggered only when the invention becomes the

52 *Id.* at 58–59.

53 *Pfaff*, 525 U.S. at 59.

54 *Id.* at 59–60.

55 *Id.* at 60.

56 *Id.* at 59–60.

57 *Id.* at 60.

58 *Pfaff*, 525 U.S. at 60.

59 *Id.* at 65–66.

60 *Id.*

61 *Id.* at 67–68.

62 *Id.*

63 *Pfaff*, 525 U.S. at 67–68.

64 *Id.*

subject of a genuine "commercial offer" for sale.[65] Though the Court provided limited elaboration on what constitutes a "commercial offer," it indicated that such an offer should involve marketing the invention for commercial purposes.[66] Applying these principles to the facts at hand, the Court determined that Pfaff had indeed extended a commercial offer, pointing to the purchase order that TI had accepted before the critical date—a transaction that bore commercial rather than experimental characteristics.[67] Following *Pfaff*, the Federal Circuit has further refined the "commercial offer" requirement in its jurisprudence, interpreting it to necessitate an offer with sufficient definiteness to constitute a valid "offer" within the framework of general contract law principles.[68] In summary, *Pfaff* established two conditions that must be met before the critical date for the on-sale bar to apply: (1) the invention must be the subject of a commercial offer for sale, and (2) the invention must be ready for patenting.[69]

B. AIA Interpretation of the "On-Sale" Bar

After the enactment of the AIA, there was some question as to whether the interpretation of the on-sale bar had changed due to the addition of the "otherwise available to the public" language in 35 U.S.C. § 102(a)(1).[70]

The Supreme Court examined this issue in *Helsinn.*[71] The case involved Helsinn, a pharmaceutical company based in Switzerland, which had created palonosetron—a drug designed to combat nausea and vomiting that often accompanies chemotherapy treatments.[72] During the early 2000s, Helsinn initiated the regulatory process by requesting FDA permission to conduct clinical studies on palonosetron at two particular dosage levels: 0.25 mg and 0.75 mg.[73]

On April 6, 2001, nearly two years before filing a patent application for these specific doses, Helsinn entered into certain agreements regarding the drug with MGI Pharma, Inc.[74] Later, when Helsinn sued Teva for patent infringement related to the 0.25 mg and 0.75 mg doses, Teva defended itself by arguing that Helsinn's patent claims were inval*id.*[75] Teva's defense relied on the "on-sale" provision under 35 U.S.C. § 102, claiming that the invention had been commercially available prior to the patent application.[76]

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65 *Id.* at 67.

66 *Id.*

67 *Id.* at 68–69.

68 *See* Grp. One, Ltd. v. Hallmark Cards, Inc.., 254 F.3d 1041, 1047–48 (Fed. Cir. 2001).

69 *Pfaff*, 525 U.S. at 67.

70 *Holman*, *supra* note 21, at 79.

71 *Helsinn*, 586 U.S. at, 125–26.

72 *Id.* at 127.

73 *Id.*

74 *Id.* at 125–27.

75 *Id.* at 127.

76 *Helsinn*, 586 U.S. at 127.

Helsinn formalized its business relationship with MGI Pharma, Inc. through the execution of two separate contracts: a License Agreement and a Supply and Purchase Agreement.[77] These contractual arrangements were subsequently made public through multiple channels—the companies issued a joint press release announcing their partnership, and MGI Pharma fulfilled its regulatory obligations by disclosing the transaction in an SEC Form 8-K filing.[78] The SEC filing included copies of both agreements, though certain portions were redacted to protect confidential information.[79]

The License Agreement established between the two companies granted MGI comprehensive commercial rights for the palonosetron formulations at both the 0.25 mg and 0.75 mg dosage levels, including distribution, promotion, marketing, and sales privileges.[80] Concurrently, the Supply and Purchase Agreement created mutual obligations—MGI committed to sourcing these products exclusively from Helsinn, while Helsinn pledged to fulfill MGI's inventory requirements for either or both dosage strengths, contingent upon which formulation(s) ultimately received FDA approval.[81] All details of this business arrangement were disclosed to the public, with only two specific elements remaining confidential: the financial terms of the deal and the precise dosage formulations (0.25 mg and 0.75 mg) that were subject to these agreements.[82]

The Supreme Court determined that when an inventor sells their invention to a third party—even when that party is bound by confidentiality obligations—such a transaction can still constitute prior art under § 102(a).[83] This ruling stemmed from the Court's analysis that in passing the America Invents Act (AIA), Congress had preserved rather than modified the established legal interpretation of what constitutes an invention being "on sale" for patent purposes.[84]

The Court emphasized that the AIA was enacted within the context of an extensive body of established jurisprudence interpreting the on-sale bar of § 102.[85] While acknowledging it had not previously ruled on this specific question, the Court noted that its prior decisions indicated that a sale or offer for sale does not necessarily need to make an invention publicly available to trigger the bar.[86] As an example, the Court referenced its *Pfaff* decision, which established that an inventor could forfeit patent rights through an offer for sale, regardless of whether that offer

[77] *Id.* at 126.

[78] *Id.*

[79] *Id.* at 126–27.

[80] *Id.* at 126.

[81] *Helsinn*, 586 U.S. at 126.

[82] *Id.* at 126–27.

[83] *Id.* at 132.

[84] *Id.*

[85] *Id.* at 130.

[86] *Helsinn*, 586 U.S. at 130.

revealed all aspects of the invention.[87] The court further observed that what had been implied in its own precedents had been explicitly articulated in Federal Circuit rulings.[88]

The Court considered it significant that the revised § 102 retained the identical "on sale" terminology that appeared in the pre-AIA legislation, concluding that the mere addition of the phrase "or otherwise available to the public" represented insufficient grounds to infer Congressional intent to modify the established meaning of the term.[89] Despite urging from the Solicitor General and various other parties to interpret this newly added catch-all phrase as disrupting existing precedent regarding the definition of "on sale," the Court declined to do so.[90] Instead, it determined that "otherwise available to the public" merely "captures material that does not fit neatly into the statute's enumerated categories but is nevertheless meant to be covered."[91]

In the wake of the Supreme Court's *Helsinn* decision, the Federal Circuit confronted a related but distinct question in the *Celanese* case. The court examined whether the America Invents Act had altered the on-sale bar provision of 35 U.S.C. § 102 in a specific context: situations where products manufactured by confidential processes were sold before the critical date, and whether such sales would invalidate subsequently filed patent claims covering those processes.[92]

In this case, the appellant, Celanese, alleged that Jinhe and other parties were importing an artificial sweetener called Ace-K that was produced using methods that violated Celanese's patent rights.[93] All of the patents in question had September 21, 2016, as their effective filing date, placing them within the jurisdiction of the America Invents Act (AIA).[94]

Both parties acknowledged that Celanese had employed its patented process confidentially at European facilities prior to September 21, 2015—the critical date marking one year before the filing date of the patents in dispute.[95] Moreover, Celanese had commercialized Ace-K products within the United States that were manufactured using this patented process before this critical date.[96] In its analysis, the Federal Circuit concluded that the America Invents Act had not changed the established legal doctrine concerning the “on-sale” bar.[97]

The Federal Circuit initiated its analysis by tracing the evolution and underlying rationale of the "on-sale" bar, which, as the court explained, is designed

[87] *Id.*

[88] *Id.* at 131.

[89] *Id.*

[90] *Id.* at 131–32.

[91] *Id.* at 132.

[92] *See Celanese*, 111 F.4th at 1345.

[93] *Id.* at 1341.

[94] *Id.*

[95] *Id.*

[96] *Id.*

[97] *Id.* at 1342.

to prevent inventors from improperly extending patent protection by commercializing their inventions prior to seeking patent protection.[98] The court emphasized that both its own jurisprudence and the Supreme Court's decision in *Helsinn* acknowledged that Congress's reenactment of the "on-sale" provision in the America Invents Act was undertaken with full awareness of the well-established judicial interpretation of this term.[99] Consequently, the court explained that there is a legal presumption that Congress intended to preserve the historically established definition of "on sale" rather than create a new interpretation under the AIA framework.[100]

The court then examined Celanese's arguments that Congress intended to modify the on-sale bar in three ways: (1) through textual changes in § 102; (2) through other provisions of the AIA; and (3) based on certain legislative history excerpts.[101]

First, Celanese highlighted two key modifications in AIA § 102(a): the shift from "invention" to "claimed invention" and the introduction of "otherwise available to the public."[102] Celanese contended that under the AIA framework, selling products manufactured using a patented process that wasn't publicly disclosed shouldn't activate the on-sale bar.[103] However, the Federal Circuit found no support for this argument.[104] The court determined that replacing "invention" with "claimed invention" represented merely a terminological change without substantive impact.[105] Additionally, the court found that the phrase "otherwise available to the public" was designed to encompass activities not clearly fitting within other statutory categories, rather than to modify the on-sale bar's application.[106]

The Federal Circuit examined Celanese's argument that additional AIA provisions—specifically §§ 102(b), 271(g), and 273(a)—demonstrated Congressional intent to modify the on-sale bar.[107] Celanese asserted that § 102(b)(1)'s one-year grace period for inventor disclosures created an inconsistency with § 102(a)'s on-sale provision.[108] The court dismissed this reasoning, emphasizing that the on-sale bar does not require public disclosure of the invention and noting that the sales at issue occurred outside the grace period.[109]

98 *Celanese*, 111 F.4th at 1343.

99 *Id.* at 1344.

100 *Id.* at 1346.

101 *Id.* at 1345–48.

102 *Id.* at 1345.

103 *Id.*

104 *Celanese*, 111 F.4th at 1345–46.

105 *Id.* at 1346.

106 *Id.*

107 *Id.* at 1346–47.

108 *Id.* at 1347.

109 *Id.*

Regarding § 271(g), which addresses third-party infringement, Celanese contended that its reference to "a product made by a process" indicated Congress meant to exclude sales of products made with confidential processes from the on-sale bar.[110] The Federal Circuit rejected this interpretation, distinguishing that § 271(g) concerns patent infringement while § 102(a) pertains to patent validity, concluding that infringement provisions should not guide the interpretation of the on-sale bar.[111]

The Federal Circuit concluded its analysis by evaluating Celanese's claim that the AIA's legislative history demonstrated Congress intended to exempt pre-critical date Ace-K sales from the on-sale bar.[112] In its ruling, the court stressed that individual legislators' statements cannot be presumed to represent Congress's collective intent, and it reinforced this position by citing relevant precedent from both the Federal Circuit and the Supreme Court.[113] The Federal Circuit affirmed that the pre-AIA interpretation that a patentee's sale of a product made by a secret process barred a patent on the process under the "on-sale" bar.[114]

Having examined the evolution of the on-sale bar from pre-AIA legislation through AIA legislation, we now turn to analyzing the *Celanese's* interpretation of § 102(a)(1) under the AIA. This next Section will focus on four key areas: (1) the statutory requirement that the "claimed invention" itself be on sale, (2) the meaning of "available to the public," (3) how legislative history supports a narrower interpretation than Celanese provides, (4) and why *Helsinn* does not justify the Federal Circuit's expansive reading.

III. ANALYSIS

A. THE PLAIN MEANING OF § 102(A)(1) REQUIRES THE "CLAIMED INVENTION" TO BE ON-SALE

The Supreme Court has repeatedly emphasized that statutory interpretation begins with examining the actual text, 'assuming that the ordinary meaning of the language accurately expresses the legislative purpose.'[115] When statutory language presents no ambiguity, courts must follow that language, and the judicial analysis is finished.[116] In this case, § 102(a)(1) stipulates that "[a] person shall be entitled to a patent unless . . . the claimed invention was . . . in public use, on sale, or otherwise available to the public before the effective filing date of the

110 *Celanese*, 111 F.4th at 1347.

111 *Id.* at 1347–48.

112 *Id.* at 1348.

113 *Id.*

114 *Id.*

115 Hardt v. Reliance Standard Life Ins. Co., 560 U.S. 242, 251 (2010) (quoting Gross v. FBL Fin. Servs., Inc., 557 U.S. 167, 175 (2009)).

116 Conn. Nat'l Bank v. Germain, 503 U.S. 249, 254 (1992); *see* Rotkiske v. Klemm, 589 U.S. 8, 13 (2019) ("If the words of a statue are unambiguous, this first step interpretive inquiry is our last.").

claimed invention."[117] The AIA explicitly defines "claimed invention" as "the subject matter specified by the claim in a patent or a patent application."[118] Additionally, the Supreme Court ruling in *Helsinn* established that a claimed invention is considered "on sale" under § 102(a)(1) when it is "subject to a commercial offer for sale" and "ready for patenting."[119] Therefore, the literal interpretation of § 102(a)(1) mandates that "the subject matter specified by a claim in a patent or a patent application" must be "subject to a commercial offer for sale.

The Supreme Court has also stated that "when Congress acts to amend a statute, we presume it intends its amendment to have real and substantial effect."[120] Therefore, the amendment from "invention" as recited in pre-AIA § 102(b) to "claimed invention" as recited under AIA § 102(a)(1) should have "real and substantial effect."[121] In order to have "real and substantial effect," a claimed method should only be barred from patentability when the claimed method itself is on sale before the critical date of the patent.[122]

B. The Plain Meaning of § 102(a)(1) Requires the On-Sale to be "Available to the Public"

The Supreme Court has utilized the doctrine of *noscitur a sociis* as an interpretive strategy for understanding statutory language.[123] This legal principle asserts that a term's definition should be derived from its contextual relationship with adjacent words and expressions.[124] In the context of patent novelty requirements, the statutory language states that "a person shall be entitled to a patent unless the claimed invention was patented, described in a printed publication, or in public use, on sale, or *otherwise available to the public* before the effective filing date of the claimed invention."[125] An analysis of the prior art categories indicates that patents, "printed publications," and "public use" all exhibit a shared characteristic: they require public disclosure of the claimed invention.[126] Adhering to the *noscitur a sociis* principle, the "on-sale" clause should consequently be construed as requiring public disclosure of a claimed method's sale, since this interpretation harmonizes with the public nature of the surrounding statutory terminology.

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117 35 U.S.C. § 102 (1952).

118 35 U.S.C. § 100(j).

119 Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc., 586 U.S. 123, 130 (2019).

120 *See* Pierce Cnty. v. Guillen, 537 U.S. 129, 145 (2003) (quoting Stone v. INS, 514 U.S. 386, 397 (1995)).

121 35 U.S.C. § 102(b) (1952); *Pierce*, 537 U.S. at 145.

122 *Pierce*, 537 U.S. at 145.

123 *See* Gustafon v. Alloyd Co., 513 U.S. 561, 575 (1995).

124 *Id.*

125 35 U.S.C. § 102(a)(1) (emphasis added).

126 *See* Minerva Surgical, Inc. v. Hologic, Inc., 59 F.4th 1371, 1373 (Fed. Cir. 2023) (finding demonstration of device as public use when attendees at a conference was allowed to see the device and how it operated).

Additionally, interpretive frameworks established through Supreme Court jurisprudence inform our understanding of the statutory catch-all provision.[127] When analyzing statutory construction, courts routinely examine how concluding phrases illuminate the meaning of preceding elements.[128] This doctrine illustrates that when legislation contains specific terms followed by a broader catch-all expression, that final phrase helps identify essential qualities shared by the enumerated items.[129]

This interpretive methodology finds particular reinforcement in a key Supreme Court ruling.[130] Specifically, the Court's reasoning in *Seatrain Lines Inc. v. United States* established that individual statutory categories should be comprehended through the perspective of their accompanying catch-all provision.[131]

Implementing these principles here, the phrase "or otherwise available to the public" functions to highlight the common thread connecting the preceding prior art categories.[132] This catch-all clause reveals that public accessibility constitutes the unifying feature that the statute intends to capture.

C. THE LEGISLATIVE HISTORY OF § 102(A)(1) REQUIRES THE ON-SALE TO BE "AVAILABLE TO THE PUBLIC"

In *Celanese*, the Federal Circuit in its decision stated that "individual legislators' views, isolated from the context of years of debate in the legislative process, do not meaningfully establish congressional intent."[133] Nevertheless, these individual legislators' perspectives shaped the actual wording of § 102(a)(1). Specifically, Senator Leahy emphasized that the legislation aimed to reverse previous court decisions that considered confidential offers or undisclosed uses of proprietary processes as potentially invalidating prior art for patents.[134] Representative Smith reinforced this viewpoint, stating that to trigger the bar under the newly crafted § 102(a), an action must make the patented subject matter "available to the public" prior to the effective filing date.[135]

Furthermore, committee reports demonstrate that public disclosure of an invention is necessary for the on-sale bar to be applicable.[136] Specifically, these committee reports elucidate that the phrase "available to the public" was

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[127] *See generally* Circuit City Stores, Inc. v. Adams, 532 U.S. 105, 114–15 (2001).

[128] *Id.*

[129] *Id.*

[130] *See* United States v. Seatrain Lines, Inc., 329 U.S. 424, 432 (1947).

[131] *Id.*

[132] 35 U.S.C. § 102(a)(1).

[133] *Celanese*, 111 F.4th at 1348 (citing Exxon Mobil Corp. v. Allapattah Servs., Inc., 545 U.S. 546, 568 (2025)).

[134] 157 CONG. REC. 3415 (2011).

[135] 157 CONG. REC. 9782 (2011).

[136] H.R. REP. NO. 112-98, pt. 1 (2011).

incorporated to expand the scope of relevant prior art while emphasizing the requirement for public accessibility.[137] Additionally, the House Report states that prior art generally encompasses all information publicly available before the filing date, with the exception of disclosures made by the inventor within the year preceding filing.[138]

The Senate Colloquies, which document the perspectives of AIA supporting senators, present viewpoints consistent with this interpretation.[139] Senator Kyl cautioned against precisely the interpretation the Federal Circuit would later adopt, asserting that construing § 102(a)(1) to include private and undisclosed uses and sales as invalidating prior art would undermine the U.S. patent system's effectiveness.[140] Senator Leahy clarified his interpretation of "disclosure" under § 102(a)(1) as necessarily meaning "public disclosure." [141]He elaborated that such "public disclosure" encompasses scenarios where "the claimed invention is described in a printed publication, or in public use, on sale, or otherwise accessible to the public."[142]

These statements from the Leahy-Smith legislation sponsors, reinforced by conclusions in the House Report, offer a persuasive indication that Congress deliberately modified the prior art definition in § 102(a)(1) to remove non-public, undisclosed sales from classification as invalidating prior art.

D. *HELSINN* DOES NOT SUPPORT THE FEDERAL CIRCUIT'S DECISION IN *CELANESE*

In *Celanese*, the Federal Circuit took a broad approach to interpreting the Supreme Court's *Helsinn* decision. However, the factual contexts of *Helsinn* and *Celanese* are quite different, which makes applying *Helsinn* to *Celanese* more complex. In *Helsinn*, the case focused on the sale of a finished product—specifically, the sale of 0.25 mg and 0.75 mg doses of palonosetron—and whether such a sale, even when the details of the invention remained confidential, could trigger the on-sale bar under § 102(a) of the AIA.[143] In contrast, *Celanese* raised a distinct issue: whether the AIA's version of § 102 changed the longstanding interpretation of the on-sale bar, particularly in the context of a sale of a product made using a secret process.[144]

Thus, while *Helsinn* dealt with the sale of a product, *Celanese* involved the interaction between product sales and the patentability of a method or process.[145] This distinction is crucial because the question in *Celanese* is not just about the sale

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[137] *Id.*

[138] *Id.* at 43.

[139] 157 CONG. REC. 3424 (2011).

[140] *Id.*

[141] *Id.*

[142] *Id.*

[143] *Helsinn*, 586 U.S. at 131.

[144] *Celanese*, 111 F.4th at 1340, 1342.

[145] *Id.* at 1340.

of a tangible product, but whether the secret process used to produce that product can affect the patentability of the process itself, particularly when the details of the process have not been publicly disclosed.[146] Consequently, *Celanese* demands a more sophisticated interpretation of *Helsinn*, expanding considerations of how the on-sale bar applies to process claims and whether the AIA changes previous understandings in such contexts.

In *Celanese*, the Federal Circuit claimed that *Helsinn* confirmed the incorporation of pre-AIA on-sale bar jurisprudence into the AIA framework.[147] This interpretation, however, extends beyond *Helsinn's* actual scope, which addressed a much more specific question: whether selling an invention to a third party bound by confidentiality obligations triggers the on-sale bar under § 102(a)(2).[148] The Supreme Court in *Helsinn* concluded that such confidential sales could indeed place an invention "on sale" under the AIA.[149] Yet this narrow holding—that commercial sales requiring confidentiality may activate the on-sale bar—does not directly address the circumstances presented in *Celanese*.[150] Importantly, the Supreme Court never examined whether other pre-AIA on-sale bar interpretations were established precedent compatible with the AIA's statutory language.

Helsinn specifically addressed when an invention is considered "on sale" under § 102(a), but did not establish that all pre-AIA on-sale bar interpretations automatically transfer to the AIA framework.[151] The Supreme Court's analysis in *Helsinn* relied on the established pre-AIA definition that an invention is "on sale" when commercially offered for sale and ready for patenting.[152] This interpretation required only a commercial offer and readiness for patenting, not public disclosure of the invention's details.

The Federal Circuit's conclusion in *Celanese* —that selling a product made using a secret process before the critical date can invalidate claims to the process itself—represents a significant extension beyond *Helsinn's* holding.[153] The critical distinction lies in what was actually offered for sale: in *Celanese*, the secret process for manufacturing Ace-K was never commercially offered; only the resulting Ace-K product was sold.[154] This fundamental difference separates *Celanese* from *Helsinn* in both legal principle and statutory interpretation.

In conclusion, the Federal Circuit in *Celanese* has overextended the reach of *Helsinn*. The Supreme Court's narrow ruling in *Helsinn* addressed only whether a sale to a third party with confidentiality obligations could place an invention "on

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[146] *Id.* at 1342.

[147] *Id.* at 1345.

[148] *Helsinn*, 586 U.S. at 131.

[149] *Id.*

[150] *Id.*; *Celanese*, 111 F.4th at 1345–46.

[151] *Helsinn*, 586 U.S. at 131–32.

[152] *Id.* at 131; *see Pfaff*, 525 U.S. at 67–68.

[153] *Celanese*, 111 F.4th at 1345–46.

[154] *Id.* at 1345.

sale" under the AIA.[155] It did not establish a broader rule about the application of the on-sale bar and did not resolve the larger statutory interpretation questions central to *Celanese*.

E. The Inapplicability of the Reenactment Canon in *Celanese*

The reenactment canon states that when Congress reenacts or does not change the language of a statute, Congress adopts the settled judicial interpretation of the term, unless Congress shows an intention to alter it.[156] In *Celanese*, the Federal Circuit employs the reenactment canon to conclude that the AIA's on-sale bar applies to products made using secret processes, citing "long-settled pre-AIA precedent."[157] This reasoning mirrors the Supreme Court's approach in *Helsinn*, where the Court found Congress had adopted earlier judicial constructions by reenacting the same statutory language.[158] However, the reenactment cannon should not apply in *Celanese*.

The Supreme Court in *Helsinn* did not universally reaffirm every interpretation of pre-AIA § 102(b). Rather, it specifically endorsed the narrow *Pfaff* framework, which established that the on-sale bar applies only when: (1) the invention is subject to a commercial offer for sale, and (2) the invention is ready for patenting.[159] Importantly, the interpretation that sales of products made through secret processes trigger the on-sale bar was neither well-settled nor endorsed by the Supreme Court when Congress enacted § 102(a)(1).

The Federal Circuit in *Celanese* overstates the support provided by Supreme Court cases such as *Pennock v. Dialogue*.[160] *Pennock* did not interpret the on-sale bar of pre-AIA § 102(b) but rather addressed jury instructions regarding public use and abandonment.[161] Moreover, the sale in *Pennock* ultimately made the invention publicly available, unlike the scenario in *Celanese*.[162]

While the Federal Circuit in *Celanese* claims its interpretation was well-settled before the AIA, its own precedent reveals a more nuanced reality.[163] The court cites *Auld*, which held that selling products of a method invention more than a year before filing forfeits patent rights.[164] Even though the Federal Circuit's pre-AIA interpretation of the on-sale bar in *Auld* supports the court's interpretation of the on-sale bar in § 102(a)(1), the Federal Circuit did not maintain a uniform interpretation of the pre-AIA on-sale bar. In fact, the court developed two distinct

155 *Helsinn*, 586 U.S. at 131.

156 Molzof v. United States, 502 U.S. 301, 307 (1992) (quoting Morissette v. United States, 342 U.S. 246, 263 (1952)).

157 *Celanese*, 111 F.4th at 1344–45.

158 *Helsinn*, 586 U.S. at 131.

159 *Id.* at 130.

160 *Celanese*, 111 F.4th at 1344–45.

161 Pennock v. Dialogue, 27 U.S. 1, 3, 14–15 (1829).

162 *Id.* at 19.

163 *Celanese,* 111 F.4th at 1344.

164 D.L. Auld Co. v. Chroma Graphics Corp., 714 F.2d 1144, 1147 (Fed. Cir. 1983).

interpretations based on who sold the product.[165] In *W.L. Gore & Assoc.*, the Federal Circuit ruled that the pre-AIA § 102(b) on-sale bar does not apply when a third party sells products made using a secret patented process, even though § 102(b) made no textual distinction between sales by patentees and third parties.[166] As such, the Federal Circuit has interpreted the on-sale bar to be different when an inventor sells a product made by a secret process and when a third party sells a product made by a secret process.

The Federal Circuit, in *Celanese,* cites several cases that recognized the principle established in *Auld*.[167] However, these cases primarily focused on different aspects of the on-sale bar.

For example, in *Medicines Co. v. Hospira, Inc.*, the court found that a sale of manufacturing services to create embodiments of the invention did not amount to the commercial sale of the invention itself.[168] In reviewing the history of the on-sale bar, the Federal Circuit in *Medicines* recognized that "we have held that the sale of products made using patented methods triggers the on-sale bar, even though title to the claimed method itself did not pass."[169] However, even though the court in *Medicines* recognized this principle, the case was primarily about what constitutes a commercial offer for sale.[170]

In re Kollar was another case cited by the Federal Circuit in *Celanese* for reiterating their interpretation of the on-sale bar.[171] However, the court in *Kollar* held that the licensing of a process, under which development of the claimed would have to occur before the process was successfully commercialized, does not constitute a sale that triggers the on-sale bar under § 102(b).[172] Again, like in *Medicines*, the court in *Kollar* recognized the holding in *Auld*.[173] However, the case in *Kollar* was primarily about whether a license of a process constitutes a sale to trigger the on-sale bar, not whether the sale of products made using patented methods triggers the on-sale bar.[174]

In re Caveney was another case cited by the court in *Celanese* as reinforcing their interpretation of the on-sale bar. The court in *Caveney* recognized the

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165 *Compare D.L. Auld*, 714 F.2d at 1147 *with* W.L. Gore & Assoc., Inc. v. Garlock, 721 F.2d 1540, 1550 (Fed. Cir. 1983).

166 *W.L. Gore*, 721 F.2d at 1550.

167 *Celanese,* 111 F.4th at 1343–34.

168 Medicines Co. v. Hospira, Inc., 827 F.3d 1363, 1371–73 (Fed. Cir. 2016).

169 *Id.* at 1377 (citing *D.L. Auld*, 714 F.2d at 1147).

170 *Id.* at 1373.

171 *Celanese,* 111 F.4th at 1343.

172 *In re Kollar,* 286 F.3d 1326, 1334 (Fed. Cir. 2002).

173 *In re Kollar*, 286 F.3d at 1333 ("[S]ale by the patentee or a licensee of the patent of a product made by the claimed process would constitute such a sale because that party is commercializing the patented process in the same sense as would occur when the sale of a tangible patented item takes place.").

174 *Id.* at 1334.

principle established in *D.L. Auld*.[175] However, the case in *Caveney* was about third-party sales of a patent invention.[176] As such, these three Federal Circuit cases recognize the holding in *Auld*, but do not apply it in their respective cases. Therefore, the reenactment canon cannot be applied, as the interpretation of the on-sale bar is not "well settled," as demonstrated by these three Federal Circuit cases.

The reenactment canon is also inapplicable because Congress did not reenact pre-AIA § 102(b) "without change."[177] Several modifications were made to § 102, including the introduction of the term "claimed invention," the phrase "or otherwise available to the public," the removal of "loss of rights" from the title, and the establishment of a grace period that refers to the prior-art categories in § 102(a)(1) as "disclosures."[178] These substantive changes demonstrate that Congress did not simply reenact the previous statutory language, but rather made deliberate alterations that potentially signal a different intent regarding what constitutes prior art.

In conclusion, the Federal Circuit's application of the reenactment canon in *Celanese* rests on a flawed premise: that the interpretation of the on-sale bar as covering sales of products made through secret processes was well-settled before the AIA. Supreme Court precedent provides limited support for this view, Federal Circuit cases reveal inconsistent interpretations, and Congress significantly modified the statutory language of § 102.

The following Part addresses why congressional action is now necessary, proposing a specific amendment to § 102(a)(1) that would provide a clear carveout for method claims and resolve the interpretation problems created by the Celanese decision.

IV. CONGRESS SHOULD AMEND § 102(A)(1) TO PROVIDE A SPECIFIC CARVEOUT FOR METHOD CLAIMS

Congress has the power to implement laws that override the Federal Circuit's decision in *Celanese*.[179] In particular, Congress should amend § 102(a)(1) to provide a specific carveout for when a sale of a product does not disclose a method. A legislative solution is necessary rather than waiting for judicial correction because the Federal Circuit has demonstrated its unwillingness to reconsider its position on this issue. Furthermore, the Supreme Court's limited holding in *Helsinn* does not directly address the method claims problem, making it unlikely that courts will self-correct this misinterpretation in the foreseeable future. Without Congressional action, small businesses will continue to face

175 *In re Caveney*, 761 F.2d 671, 675 (Fed. Cir. 1985) ("An exception to this general rule exists where a patented method is kept secret and remains secret after a sale of the unpatented product of the method. Such a sale prior to the critical date is a bar.").

176 *Id.*

177 Jama v. Immigr. & Customs Enf't, 543 U.S. 335, 349 (2005).

178 *See* 35 U.S.C. § 102(a).

179 U.S. CONST. art. 1, § 8, cl. 8.

unnecessary uncertainty and barriers to innovation that contradict the AIA's fundamental purposes.

A possible amendment Congress could make would be to amend § 102(a)(1) to say, "a person shall be entitled to a patent unless the claimed invention itself was patented, described in a printed publication, or in public use, on sale in a manner that makes the claimed invention available to the public, or otherwise available to the public before the effective filing date of the claimed invention. *For process or method claims, the sale of a product made by the claimed process or method shall not constitute placing the claimed invention 'on sale' unless the sale explicitly discloses the claimed process or method to the public*." In contrast to the Federal Circuit's interpretation in *Celanese*, this amendment emphasizes that the "claimed invention," in this case a method or process, must be on sale and clarifies that "on-sale" requires making the invention available to the public.

The proposed amendment to § 102(a)(1) would offer a clear, specific solution to address the problems created by the Federal Circuit's interpretation in *Celanese*. This amendment would not only correct the statutory misinterpretation but would also bring significant practical benefits to the U.S. patent system. The following sections examine these practical benefits and how this targeted legislative change would advance two critical objectives: international harmonization of patent standards and the creation of a level playing field for small businesses.

A. THIS AMENDMENT ALIGNS WITH THE PUBLIC POLICY & PURPOSE OF THE AIA

The proposed amendment to § 102(a)(1) would significantly advance the AIA's explicit goal of "promot[ing] harmonization of the United States patent system with the patent systems commonly used in nearly all other countries throughout the world with whom the United States conducts trade and thereby promote greater international uniformity."[180] The current interpretation established in *Celanese*–that non-public sales of products made using secret methods can trigger the on-sale bar for those methods–diverges sharply from international standards.[181] This amendment would realign U.S. patent law with major global jurisdictions.

For example, in China, the prior art determination encompasses inventions known to the public domestically and internationally before the application date.[182] Critically, a sale only constitutes prior art when it makes the "technical content available to the public."[183] European patent law similarly

[180] Leahy-Smith America Invents Act, Pub. L. No. 112-29, § 3(p), 125 Stat. 284, 293 (2011) (to be codified in scattered sections of 35 U.S.C.).

[181] *Celanese,* 111 F.4th at 1343.

[182] CHINA NAT'L INTELL. PROP. ADMIN., PATENT EXAMINATION GUIDELINES, ch. 2, art. 22, (2008) https://english.cnipa.gov.cn/transfer/lawpolicy/patentlawsregulations/915574.htm [https://perma.cc/LJ8U-PH85] [hereinafter CHINA PATENT EXAMINATION GUIDELINES 2008].

[183] CHINA NAT'L INTELL. PROP. ADMIN., PATENT EXAMINATION GUIDELINES, pt. II, ch. 3, § 2.1.2.2, (2010)

requires that information be "available to the public" before the filing date to be considered prior art.[184] By explicitly stating that "the sale of a product made by the claimed process or method shall not constitute placing the claimed invention 'on sale' unless the sale explicitly discloses the claimed process or method to the public," this amendment would harmonize U.S. law with these international standards, fulfilling a core objective of the AIA.

A potential argument against the proposed amendment could be that inventors would improperly extend their patent exclusively period beyond the statutory limit. However, the enactment of the AIA has eliminated this concern. In the era preceding the AIA, inventors could strategically extend their effective patent protection period by deliberately postponing their patent application filing, as inventors could establish that they were the first to invent their invention.[185] Under the first-to-invent system, they maintained confidence that their rights would supersede those of any subsequent inventor who independently developed the same innovation and filed later.[186] The on-sale bar functioned as a critical check against this strategic delay by denying patent protection to inventors who waited more than a year after commercializing their invention before filing.

The landscape fundamentally changed when the AIA instituted a first-to-file system in place of the previous regime.[187] This paradigm shift grants patent rights to the first inventor who submits an application, regardless of whether their inventive activity occurred later.[188] This transformation has eliminated the incentive to delay patent filing as a means of extending exclusivity periods, since inventors now operate with the awareness that competitors can secure patent rights simply by filing before them.

The proposed amendment would also remedy two harmful outcomes created by the current interpretation of the on-sale bar. First, *Celanese* pressures inventors to file patents prematurely, before fully optimizing their processes.[189] This results in the disclosure of less refined inventions. Manufacturing processes naturally evolve through iteration and refinement,[190] and this amendment would allow inventors an appropriate time to perfect their methods before filing, leading to higher-quality patents that provide greater value to society.

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https://www.wipo.int/wipolex/en/legislation/details/6511 [https://perma.cc/7LEJ-MY2K] [hereinafter CHINA PATENT EXAMINATION GUIDELINES 2010].

184 Convention on the Grant of European Patents art. 54(2), Oct. 5, 1973, 1065 U.N.T.S. 199.

185 35 U.S.C. § 102(g).

186 Raja Chatterjee, *The Patent On-Sale Bar Post-Helsinn and its Effect on the Pharmaceutical Industry*, 18 CHI. KENT J. INTELL. PROP. 207, 223 (2019).

187 Vance Woodward, *Patent Innovation: The Leahy-Smith America Invents Act Has Introduced Many Welcome Reforms to American Patent Law*, 38 L.A. LAW 21, 21 (2015).

188 *Id.*

189 *See supra* Part III.

190 Brief of the Nat'l Ass'n of Mfrs. as Amici Curiae Supporting Appellant at 14, *Celanese Int'l. Corp. v. Int'l Trade Comm'n*, 111 F.4th 1338 (Fed. Cir. 2024).

Second, the amendment would reduce inventors' incentives to abandon the patent system entirely in favor of trade secret protection. The current interpretation forces inventors into an untenable choice: file patents on early-stage, incompletely developed processes or lose patent eligibility altogether.[191] Many would rationally choose trade secrecy, which undermines the constitutional purpose of patent law—"to promote the progress of science and useful arts"—by keeping valuable manufacturing advancements permanently hidden from public view.[192] When valuable manufacturing methods remain permanently hidden within corporate walls, competitors cannot improve upon them, adjacent industries cannot adapt them to new contexts, and the public loses access to technological advancements that might otherwise enter the public domain after a patent expires. Moreover, this knowledge fragmentation can slow the pace of innovation across entire sectors, as firms must independently rediscover manufacturing techniques that would otherwise be documented in the patent literature.

By carving out process claims from the on-sale bar when product sales don't disclose the underlying method, this amendment would encourage inventors to eventually seek patent protection rather than rely on trade secrets. This would enhance public disclosure, facilitate knowledge transfer, accelerate industrial progress, promote cross-industry fertilization of ideas, and prevent the concentration of technological advantage within established firms that can independently develop and protect manufacturing methods.

B. The Proposed Amendment Creates an Even Playing Field for Small Companies

Under the current interpretation in *Celanese*, the on-sale bar limits a small company from marketing their invention to see if they want to continue to produce their product.[193] Even if a small company makes a *private* sale of a product that does not reveal how they make the product to a third-party, they still run the risk of not being able to benefit from the protection of a patent to the method of making the product if they do not file early enough. As such, the small company will not be able to gain the necessary funds to continue to develop their method or test the market to gain feedback about their product. A large company, in contrast, has wider access to resources. For example, a large company may be able to engage in market research or focus groups without offering the product for sale. Moreover, because large companies usually have extensive product portfolios, the impact of losing patent rights for one product might be less significant than for a small inventor, who might only have one invention to protect. The current interpretation also forces small businesses to file earlier in the development cycle, when commercial viability remains uncertain, or rely on trade secrets rather than entering the patent system, directly contrary to the constitutional purpose of promoting disclosure for public benefit.[194] These hastily filed applications may fail

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[191] *See supra* Part III.

[192] U.S. CONST. art. 1, § 8, cl. 8.

[193] *See supra* Part III.

[194] Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 480–81 (1974).

to capture the full breadth of the innovation as it would eventually develop through market feedback and iterative improvement.

The proposed amendment to § 102(a)(1) would exempt secret manufacturing processes from the on-sale bar, allowing inventors to patent their methods even after selling products made using those methods, provided the sales don't disclose the underlying process to the public. This change would directly address the barriers that the current on-sale bar interpretation creates for small businesses, restoring the patent system's constitutional mandate to "promote the Progress of Science and useful Arts."[195] Small businesses, despite controlling a smaller portion of the overall patent landscape, represent a vital source of innovation, with research suggesting they often demonstrate greater innovative capacity than larger counterparts in certain sectors.[196] The proposed amendment would eliminate systemic barriers that currently harm these smaller businesses by providing a specific carveout for method claims. This change would allow small companies to market products made using their innovative processes without risking the loss of patent rights for the underlying methods.

This amendment would correct the financial asymmetry currently forcing small businesses to file patents earlier in the development cycle when commercial viability remains uncertain. Furthermore, this amendment would allow small businesses to sell products made using their innovative processes without immediately triggering the on-sale bar, as long as the sales don't disclose the actual process. This amendment, therefore, eliminates the perverse incentive structure where innovators with the fewest resources must make the riskiest patent investments, while larger corporations can delay filing until market validation is assured**.** The proposed amendment would allow these businesses to first validate market demand through initial product sales, then direct their patent investments toward only those innovations demonstrating commercial potential. This approach better aligns patent filing decisions with business reality, particularly for startups and small manufacturers who cannot afford to maintain extensive patent portfolios covering speculative technologies. Additionally, the amendment recognizes that innovation often progresses iteratively, with manufacturing processes being refined based on real-world production experience and market feedback—a development pathway currently penalized by the *Celanese* interpretation of the on-sale bar but protected under the proposed amendment.

Moreover, small companies frequently depend on strategic partnerships to provide essential funding, testing capabilities, or regulatory navigation expertise that they cannot maintain internally.[197] By clarifying that product sales do not invalidate method patents unless they explicitly disclose the method, the amendment would make these vital collaborations legally safer, removing the

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195 U.S. CONST. art. 1, § 8, cl. 8.

196 Tyler Richards, *Small Business Facts*, U.S. SMALL BUS. ADMIN., https://advocacy.sba.gov/wp-content/uploads/2022/09/Fact-Sheet_Small-Business-Innovation-Measured-by-Patenting-Activity-1.pdf [https://perma.cc/AWD6-2M8C].

197 John C. Williams, *Giving Meaning to "Otherwise Available to the Public": How Helsinn Perpetuates a Version of the On-Sale Bar to Patentability that Disproportionately Burdens Small Inventors*, 97 TEX. L. REV. 421, 441 (2018).

effective penalty small inventors face for lacking vertical integration. While partnerships could theoretically be structured to circumvent the current on-sale bar by avoiding title transfer, this approach creates significant challenges: increased transaction costs through complex legal arrangements, substantial uncertainty about what constitutes an invalidating sale, and resistance from third-party partners who often require title transfer as compensation for investment risk.

By providing clear statutory protection for method patents when product sales don't reveal the underlying process, the proposed amendment would level the playing field between small inventors and larger, vertically integrated competitors. This change would also encourage greater knowledge sharing in innovation ecosystems, as small businesses would face fewer risks when seeking manufacturing partners or engaging in pilot production runs with potential customers. The resulting environment would foster more collaborative innovation models where specialized expertise from different organizations can combine more freely without creating patent vulnerabilities. This change would realign the patent system with its fundamental purpose of promoting innovation across all segments of the market, regardless of size or resources.

V. CONCLUSION

The Federal Circuit's interpretation of the on-sale bar in Celanese misconstrues the AIA's statutory language and undermines its core policy objectives. By holding that sales of products made using secret processes trigger the on-sale bar for those processes, the court has disregarded the AIA's plain text requirement that the "claimed invention" itself—not merely products resulting from it—be "on sale" and "available to the public."198

The court's reliance on *Helsinn* is misplaced, as that decision addressed only whether confidential sales could trigger the on-sale bar, not whether the sale of products made through undisclosed processes invalidates later process claims. This expansive reading contradicts Congress's deliberate modification of § 102(a)(1) and ignores substantial legislative history indicating intent to require public accessibility.

The *Celanese* interpretation creates a significant competitive disadvantage for small businesses and startups, who must now either file patent applications prematurely—before market validation and process optimization—or forfeit patent protection entirely. This disproportionate burden forces precisely those entities with the fewest resources to make the riskiest patent investments or rely permanently on trade secrecy.

The consequences extend beyond individual inventors to the patent system itself, undermining the AIA's international harmonization goals by creating dissonance with major patent jurisdictions that require public disclosure to be classified as prior art. More fundamentally, by incentivizing trade secrecy over patent disclosure, the current interpretation frustrates the constitutional purpose of patent law: promoting progress through the public dissemination of innovation.

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[198] *Celanese*, 111 F.4th at 1344.

Congressional action is therefore necessary to correct this misinterpretation through a targeted amendment to § 102(a)(1) that would exempt method claims from the on-sale bar when product sales don't disclose the underlying process. Such an amendment would restore the balance of the patent system, encourage greater disclosure of valuable manufacturing innovations, and create a more level playing field for inventors regardless of size—ultimately fulfilling the promise of the AIA and the constitutional mandate of the patent system to promote scientific and technological progress.