No. 22-1827

United States Court of Appeals for the Federal Circuit

CELANESE INTERNATIONAL CORPORATION, CELANESE (MALTA) COMPANY 2 LIMITED, CELANESE SALES U.S. LTD.,

Appellants,

– v. –

INTERNATIONAL TRADE COMMISSION,

Appellee,

ANHUI JINHE INDUSTRIAL CO., LTD., JINHE USA LLC,

Intervenors.

On Appeal from the United States International Trade Commission, Investigation No. 337-TA-1264

RESPONSE BRIEF FOR INTERVENORS ANHUI JINHE INDUSTRIAL CO., LTD. AND JINHE USA LLC

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U.S. PATENT NO. 10,023,546 CLAIMS 1, 11, 15, AND 27

1. A process for producing a finished acesulfame potassium composition, the process comprising the steps of:

(a) contacting a cyclizing agent and a solvent selected from the group consisting of halogenated aliphatic hydrocarbons, esters of carbonic acid with lower aliphatic alcohols, nitroalkanes, alkyl-substituted pyridines, aliphatic sulfones, acetone, acetic acid, and dimethylformamide to form a cyclizing agent composition;

(b) reacting an acetoacetamide salt with the cyclizing agent in the cyclizing agent composition to form a cyclic sulfur trioxide adduct; and

(c) forming from the cyclic sulfur trioxide adduct the finished acesulfame potassium composition comprising non-chlorinated acesulfame potassium and less than 35 wppm 5-chloro-acesulfame potassium;

wherein contact time from the beginning of step (a) to the beginning of step (b) is less than 60 minutes.

11. The process of claim 1, wherein the finished acesulfame potassium composition comprises from 0.001 wppm to 2.7 wppm 5-chloro-acesulfame potassium.

15. The process of claim 1, wherein the reacting is conducted for a cyclization reaction time, from the start of the reactant feed to the end of the reactant feed, less than 35 minutes.

27. The process of claim 1, wherein the process yields at least 100 grams of finished acesulfame potassium composition per hour.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

CERTIFICATE OF INTEREST

Case Number 22-1827

Short Case Caption Celanese International Corporation v. ITC

Filing Party/Entity Anhui Jinhe Industrial Co., Ltd.; Jinhe USA LLC

Instructions: Complete each section of the form. In answering items 2 and 3, be specific as to which represented entities the answers apply; lack of specificity may result in non-compliance. **Please enter only one item per box; attach additional pages as needed and check the relevant box**. Counsel must immediately file an amended Certificate of Interest if information changes. Fed. Cir. R. 47.4(b).

I certify the following information and any attached sheets are accurate and complete to the best of my knowledge.

Date: 01/27/2023

Signature: /s/ Nicole A. Saharsky

Name: Nicole A. Saharsky

1. Represented Entities. Fed. Cir. R. 47.4(a)(1).	**2. Real Party in Interest.** Fed. Cir. R. 47.4(a)(2).	**3. Parent Corporations and Stockholders.** Fed. Cir. R. 47.4(a)(3).
Provide the full names of all entities represented by undersigned counsel in this case.	Provide the full names of all real parties in interest for the entities. Do not list the real parties if they are the same as the entities. ☑ None/Not Applicable	Provide the full names of all parent corporations for the entities and all publicly held companies that own 10% or more stock in the entities. ☐ None/Not Applicable
Jinhe USA LLC		Anhui Jinhe Industrial Co., Ltd.;
Anhui Jinhe Industrial Co., Ltd.;		None

☐ Additional pages attached

4. Legal Representatives. List all law firms, partners, and associates that (a) appeared for the entities in the originating court or agency or (b) are expected to appear in this court for the entities. Do not include those who have already entered an appearance in this court. Fed. Cir. R. 47.4(a)(4).

☐ None/Not Applicable ☐ Additional pages attached

Mayer Brown LLP	Clark S. Bakewell	Stephen M. Medlock
Courtney M. Krawice	Nicholas J. Ronaldson	Sen (Alex) Wang
Ying-Zi Yang		

5. Related Cases. Provide the case titles and numbers of any case known to be pending in this court or any other court or agency that will directly affect or be directly affected by this court's decision in the pending appeal. Do not include the originating case number(s) for this case. Fed. Cir. R. 47.4(a)(5). See also Fed. Cir. R. 47.5(b).

☑ None/Not Applicable ☐ Additional pages attached

6. Organizational Victims and Bankruptcy Cases. Provide any information required under Fed. R. App. P. 26.1(b) (organizational victims in criminal cases) and 26.1(c) (bankruptcy case debtors and trustees). Fed. Cir. R. 47.4(a)(6).

☑ None/Not Applicable ☐ Additional pages attached

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STATEMENT OF RELATED CASES

No other appeal from U.S. International Trade Commission Investigation No. 337-TA-1264 was previously before this Court or any other court of appeals.

The titles and numbers of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this Court's decision in the pending appeal are:

> *Celanese International Corporation, et al. v. Anhui Jinhe Industrial Co. Ltd. et al.*, No. 2:21-CV-03070-AB-KS (C.D. Cal.)
>
> *Celanese International Corporation, et al. v. Anhui Jinhe Industrial Co. Ltd., et al.*, No. 1:20-cv-1775-RGA (D. Del.)

INTRODUCTION

This appeal presents a straightforward application of the Patent Act's on-sale bar, 35 U.S.C. § 102. It is undisputed that Appellants (collectively, Celanese) sold products made using the claimed process more than one year before the effective filing date of the patents. It also is undisputed that, under this Court's longstanding precedents, the on-sale bar applies when a patentee sells a product made using a secret process more than one year before the patent's filing date. The only question is whether the Leahy-Smith America Invents Act (AIA), Pub. L. No. 112-29, 125 Stat. 284 (2011), abrogated those precedents and changed the meaning of the on-sale bar. The Supreme Court decisively answered that question in *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, 139 S. Ct. 628 (2019), when it held that Congress did not "upset" the "substantial body of law" interpreting the on-sale bar and "did not alter the meaning of 'on sale' when it enacted the AIA." *Id.* at 633-34. *Helsinn* thus resolves this case.

Celanese's response is that *Helsinn* is not controlling because of a factual difference between this case and that one – namely, that *Helsinn* involved a secret sale of a patented *product* and this case involves the sale of a product produced according to a secret patented *process*. But the Supreme Court's analysis in *Helsinn* applies equally to both factual situations. The question the Supreme Court decided was whether Congress intended to change the settled meaning of the on-sale bar when it enacted the AIA. The

Supreme Court thoroughly reviewed the text, history, and purposes of the AIA and answered that question "no." The Supreme Court first determined that Federal Circuit law about the on-sale bar was settled before the AIA, and then determined that Congress did not intend any change when it reenacted the on-sale bar in the AIA. The Supreme Court's reasoning did not depend on whether the secret sale was of a patented product or of a product made using a patented process.

The rule that a patentee's sale of a product made using a secret process triggers the on-sale bar is just as well established as the rule at issue in *Helsinn* (if not more so), and nothing in the AIA suggests that Congress intended to abrogate that rule. Celanese points to a handful of textual changes Congress made in the AIA and a few snippets of legislative history, but none of it shows that Congress intended to change the law on that point.

At bottom, Celanese just does not like *Helsinn*, or the many pre-AIA decisions that established that a patentee's sale of a product made using a secret process triggers the on-sale bar. But those decisions are binding law. And they make sense. The main purpose of the on-sale bar (which has been part of the patent laws since 1836) is to prevent a patentee from commercially exploiting its invention before applying for a patent, effectively extending the patent term. That is exactly what Celanese is attempting to do here. There simply is no reason to believe that Congress wanted to suddenly allow that result when it reenacted the on-sale bar in the AIA.

This is not a close case – the facts are undisputed and the law is clear-cut. This Court should affirm.

STATEMENT OF THE ISSUE

Whether the U.S. International Trade Commission (ITC) correctly determined that claims 11 and 27 of U.S. Patent No. 10,023,546, claims 7, 28, and 33 of U.S. Patent No. 10,208,004, and claims 1, 19, and 34 of U.S. Patent No. 10,590,095 are invalid under the Patent Act's on-sale bar, 35 U.S.C. § 102, because Celanese sold products secretly made using the inventions in the claims more than one year before the effective filing dates for each patent.

STATEMENT OF THE CASE

A. Legal Background

The federal patent system encourages advances in technology by granting inventors exclusive rights to practice their inventions for a set period of years. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 151 (1989). The system seeks to strike a balance between "motivating innovation and enlightenment" and "avoiding monopolies that unnecessarily stifle competition." *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 63 (1998).

One way Congress has struck that balance is by placing conditions on patenting that prevent inventors from extending the statutory patent term.

The on-sale bar, currently codified at 35 U.S.C. § 102(a)(1) and (b)(1),[1] is one of those conditions. It prevents a patentee from obtaining a patent if he or she exploited the claimed invention commercially for one year or more before applying for the patent. *Helsinn*, 139 S. Ct. at 632. The purpose of the on-sale bar is to prevent a patentee from "delaying" in filing for a patent while making money off of the invention, in an attempt to try to "preserv[e] the monopoly to himself for a longer period than is allowed by the policy of the law." *Pfaff*, 525 U.S. at 64 (quoting *Elizabeth v. Am. Nicholson Pavement Co.*, 97 U.S. 126, 137 (1877)). The on-sale bar is a longstanding feature of federal patent law; "[e]very patent statute since 1836 has included an on-sale bar." *Helsinn*, 139 S. Ct. at 633.

This Court consistently has held that the on-sale bar applies even if the patentee's commercial activities do not fully disclose to the public how to practice the invention. For example, the on-sale bar applies if the patentee merely offers the invention for sale and the sale never is consummated. *E.g.*, *Buildex Inc. v. Kason Indus.*, *Inc.*, 849 F.2d 1461, 1464 (Fed. Cir. 1988). The on-sale bar also applies when a product is sold publicly and the sale reveals "no details" about the invention. *Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc.*, 855 F.3d 1356, 1370 (Fed. Cir. 2017) (internal

[1] All citations are to the current version of the statute unless otherwise noted.

quotation marks omitted), *aff'd*, 139 S. Ct. 628. And the on-sale bar applies even if neither party to the sale knows that the product sold embodies the claimed invention. *See Abbott Labs. v. Geneva Pharms., Inc.*, 182 F.3d 1315, 1317-18 (Fed. Cir. 1999).

Further, as relevant here, this Court has long held that the on-sale bar applies to sales where the patentee's attempt to commercialize the patent takes place in secret. For patents for products, this Court has held that the on-sale bar applies when the patentee sells a product embodying the claimed invention, but the buyer is obligated to keep the sale a secret or is obligated to keep the details of the invention a secret. *Helsinn*, 855 F.3d at 1370. For patents for processes, this Court has held that the on-sale bar applies when the claimed process is kept secret but the patentee sells products made using that process. *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1147-48 (Fed. Cir. 1983). This Court's application of the on-sale bar to patented processes, in particular, has a long pedigree. *See* pp. 18-22*, infra*. These rules about secret sales follow from the "overriding" purpose of the on-sale bar, which is to prevent the patentee from effectively extending the patent's term while exploiting the invention commercially. *STX, LLC v. Brine, Inc.*, 211 F.3d 588, 590 (Fed. Cir. 2000).

In 2011, Congress enacted the AIA. The AIA's key change was to convert the federal patent system from a first-to-invent system to a first-inventor-to-file system. *See Return Mail, Inc. v. U.S. Postal Serv.*, 139 S. Ct. 1853, 1860 (2019). Congress "retained the on-sale bar," *Helsinn*, 139 S. Ct. at 633, with only minimal changes to its language. The pre-AIA on-sale bar provision provided:

> A person shall be entitled to a patent unless – . . . (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country . . . .

35 U.S.C. § 102 (2006). The AIA's on-sale bar provision provides:

> A person shall be entitled to a patent unless – (1) the claimed invention was patented, described in a printed publication, or in public use, on sale, or otherwise available to the public . . . .

35 U.S.C. § 102(a).

As explained in detail below, in *Helsinn*, the Supreme Court determined that Congress "did not alter the meaning of 'on sale' when it enacted the AIA." 139 S. Ct. at 633-34. In particular, the Supreme Court reviewed this Court's significant body of law interpreting the on-sale bar and concluded that Congress did not intend to "upset that body of precedent" when it enacted the AIA. *Id.* at 634.

B. Factual Background

This case involves a process for making acesulfame-potassium (Ace-K), an artificial sweetener used in food, drinks, and medicines. Appx6. No facts relevant to this appeal are in dispute. *See* Appx9-10.

Intervenors are Anhui Jinhe Industrial Co., Ltd. and its U.S.-based subsidiary Jinhe USA LLC (collectively, Jinhe). Jinhe is one of the world's leading producers of Ace-K, and it supplies many of the world's major food and beverage companies, including companies in the United States. Appx5335.

Celanese is a competing manufacturer of Ace-K. Celanese has sold Ace-K in the United States since at least 2011. Appx9; *see* Appx11710-11711, 11208. Celanese's process for making Ace-K "has not changed in any material way since 2011." Appx9. For the purposes of this appeal, it is undisputed that the claims at issue cover Celanese's process for making Ace-K. Appx9.

Celanese filed the applications for the patents on September 21, 2016, more than one year after it started selling Ace-K made using its process. Appx9; *see* Appx11206-11209. Celanese kept its process secret until it disclosed the process in its patent applications. Appx9.

C. Procedural History

1. Celanese filed a complaint in the ITC under 19 U.S.C. § 1337, alleging that Jinhe and others were importing Ace-K made by Jinhe using a process that infringes Celanese's patents. *See* Appx43, Appx70-72. During those proceedings, Celanese narrowed the claims asserted to claims 11 and 27 of U.S. Patent No. 10,023,546; claims 7, 28, and 33 of U.S. Patent No. 10,208,004; and claims 1, 19, and 34 of U.S. Patent No. 10,590,095. *See* Appx17. Each patent has an effective filing date of September 16, 2016, so

each is governed by the AIA. Appx9; *see* 35 U.S.C. § 101 note (explaining that the AIA applies to patent applications filed after September 16, 2011).

2. Jinhe moved for summary determination on the ground that the asserted claims are invalid under the on-sale bar because Celanese sold Ace-K more than one year before it sought the asserted patents. Appx5. The ITC's Chief Administrative Law Judge granted Jinhe's motion. Appx5-19. Celanese did not dispute that it sold Ace-K made using its claimed process more than one year before September 16, 2016, the effective filing date of its patents. Appx9. It also did not dispute that this Court's pre-AIA precedents established that a patentee's sale of a product made using a secret process "trigger[s] the on-sale bar" as to that process. Appx9 (citing *In re Caveney*, 761 F.2d 671, 675 (Fed. Cir. 1985)). So the only question before the ALJ was whether the AIA had "changed the meaning of the on-sale bar," such that Celanese's sales no longer trigger the bar. Appx9.

The ALJ recognized that the Supreme Court answered that question in *Helsinn*. *See* Appx10-12. The fundamental question in *Helsinn*, the ALJ observed, was whether Congress intended to change the scope of the on-sale bar when it enacted the AIA. Appx10. The Supreme Court answered that question, the ALJ explained, by first reviewing the pre-AIA law in this Circuit, and by then deciding that Congress "adopted" that settled understanding in the AIA. Appx12 (quoting *Helsinn*, 139 S. Ct. at 633-34). The ALJ accordingly determined that Celanese's position that the AIA abrogated this

Court's precedents involving sales of products made using secret processes is "contrary to" *Helsinn*. Appx10.

The ALJ then carefully considered, and rejected, each of Celanese's arguments. *See* Appx12-17. The ALJ recognized that *Helsinn* involved a slightly different factual scenario than this case, because it involved a patented product, as opposed to a patented process. Appx12. But, the ALJ determined, that difference does not change the analysis under *Helsinn*. In particular, the ALJ rejected Celanese's argument (made for the first time during oral argument) that the substitution of the phrase "claimed invention" for "invention" showed an intent to exclude sales based on secret processes from the on-sale bar. Appx12-13. As the ALJ explained, that would be an awfully "oblique" way to show that Congress intended to overturn "a settled body of law." Appx13 (internal quotation marks omitted).

The ALJ also rejected Celanese's arguments that two other statutory changes in the AIA (the removal of pre-AIA Section 102(g) and the expansion of prior user rights under Section 273) showed that Congress intended to abrogate the rule about secret processes, explaining that neither provision addresses the on-sale bar. Appx13-15. And the ALJ found the isolated snippets of legislative history cited by Celanese to be insufficient to show an intent to overturn settled law, especially when viewed in the context of the overall legislative history and purposes of the AIA. Appx15-16.

Because the ALJ concluded that the AIA did not change the meaning of the on-sale bar with respect to a patentee's sale of a product made using a secret process, the ALJ held that Celanese's claims are invalid. Appx17.

3. Celanese asked the ITC to review the ALJ's decision. *See* Appx13632-13680. It declined to do so, thus making the ALJ's decision the final decision of the ITC. Appx1-2; *see* 19 C.F.R. § 210.42(h)(2).

SUMMARY OF THE ARGUMENT

The question in this case is whether the AIA abrogates the settled rule in this Circuit that the on-sale bar applies when a patentee sells a product made by a secret process more than one year before attempting to obtain a patent on that process. As the ITC correctly recognized, the Supreme Court's decision in *Helsinn* answers that question.

In *Helsinn*, the Supreme Court held that the AIA did not abrogate this Court's longstanding precedents about the on-sale bar, in particular its holding that a secret sale of the claimed invention triggers the on-sale bar. The Supreme Court explained that the statutory phrase "on sale" had "acquired a well-settled meaning when the AIA was enacted." 139 S. Ct. at 634. The Court then reviewed the AIA's changes to the statutory text, as well as the legislative history and purposes of the AIA, and concluded that Congress "did not alter the meaning of 'on sale' when it enacted the AIA." *Id.*

Celanese barely addresses *Helsinn*, preferring to act as if that binding Supreme Court decision does not exist. But it does, and it is equally applicable here. Like the rule about secret sales of a patented product, this Court's rule that a patentee's sale of a product made using a secret process triggers the on-sale bar was well established before the AIA. Indeed, the rule about secret processes has been the law in this Circuit for forty years. *See D.L. Auld*, 714 F.2d at 1147-48. That rule follows directly from the main purpose of the on-sale bar, which is to prevent a patentee from commercializing an invention before seeking a patent, thereby effectively extending the term of the patent. *STX*, 211 F.3d at 590. Celanese advances a handful of arguments that the rule was not settled law, but its arguments are wrong, foreclosed by binding precedents, or both. So, just as in *Helsinn*, this Court should "presume" that Congress intended to incorporate this Court's rule about secret processes when it reenacted the on-sale bar in the AIA. 139 S. Ct. at 633-34.

Also as in *Helsinn*, nothing in the AIA's text, history, or purposes shows that Congress intended to abrogate this Court's longstanding rule about sales of products made using secret processes when it enacted the AIA. Many of Celanese's arguments are new on appeal and therefore forfeited, and the ITC correctly rejected the arguments that are not new. Celanese mainly relies on Congress's replacement of the word "invention" with the phrase "claimed invention" in the on-sale bar, 35 U.S.C. § 102(a). But "invention" and "claimed invention" mean the same thing in this context. Besides, this Court's rule about secret processes is grounded in the phrase "on sale," not the word "invention," so the change to "invention" does not show any intent to change the meaning of the on-sale bar.

Celanese points to other wording changes Congress made in the AIA. But those changes are in provisions *other* than the on-sale bar, and none shows that Congress intended to deviate from this Court's clear and settled understanding of the on-sale bar. Celanese also relies on snippets of legislative history and arguments about the on-sale bar's purposes. But the legislative history also does not establish that Congress intended to change the on-sale bar. Further, continuing to apply the on-sale bar to sales of products made using secret processes furthers the AIA's purposes, because it prevents patentees from effectively extending the statutory patent term – exactly what Celanese is attempting to do in this case.

This Court should affirm the ITC's determination that the asserted claims are invalid under the on-sale bar.

ARGUMENT

THE ITC CORRECTLY DETERMINED THAT THE ASSERTED CLAIMS ARE INVALID UNDER THE ON-SALE BAR

The question in this case is whether the sale of a product produced using a secret process triggers the on-sale bar. Before the AIA, this Court already had determined that it does. So the only question is whether Congress evidenced its intention to change that result in the AIA. Here, as in *Helsinn*, there is no reason to believe Congress intended to cast aside this Circuit's settled precedents when it reenacted the on-sale bar in the AIA.

A. *Helsinn* Establishes That Congress Did Not Change The On-Sale Bar When It Enacted The AIA

In *Helsinn*, the Supreme Court addressed whether the AIA abrogated this Court's pre-AIA rule that a secret sale of the claimed product triggers the on-sale bar. 139 S. Ct. at 630. *Helsinn* involved a patent for a drug that treats chemotherapy-induced nausea. *Id.* The claims involved a particular dosage of that drug. *Id.* at 631. More than one year before filing the application for the patent, the patent owner agreed to supply a third party with the drug at the claimed dosage. *Id.* The agreement specified that dosage, but required the third party to keep that information confidential. *Id.* The patent owner and the third party publicly announced their agreement, but that announcement did not disclose the precise dosage. *Id.* Several years later, the defendant sought to market a generic version of the drug at the dosage at issue, and the patent owner sued for infringement. *Id.*

The defendant in *Helsinn* asserted that the claims were invalid under the on-sale bar. It was undisputed that the patent owner's agreement to sell the drug to the third party would have triggered the on-sale bar under this Court's pre-AIA precedents, even though the sale did not disclose to the public the claimed dosage. 139 S. Ct. at 634 (patent owner "d[id] [not] dispute the Federal Circuit's determination that the invention claimed . . . was 'on sale' within the meaning of the pre-AIA statute"). But the patent owner argued that the AIA changed the meaning of the on-sale bar, to require that a sale make all of the details of the invention public in order to trigger the on-sale bar. *Id.* at 632. The Supreme Court rejected the patent owner's argument and held that Congress intended to incorporate this Court's settled precedents when it reenacted the on-sale bar in the AIA. *Id.* at 633-34.

The Supreme Court followed a two-step framework to analyze the issue. First, recognizing that Congress enacted the AIA "against the backdrop of a substantial body of law interpreting § 102's on-sale bar," the Court asked whether the pre-AIA rule about the on-sale bar's application to a secret sale of a patented product was well established. *Helsinn*, 139 S. Ct. at 633. The Supreme Court found the rule well established, noting that this Court had "long held that 'secret sales' can invalidate a patent." *Id.* (citing *Special Devices, Inc. v. OEA, Inc.*, 270 F.3d 1353, 1357 (Fed. Cir. 2001), and *Woodland Tr. v. Flowertree Nursery, Inc.*, 148 F.3d 1368, 1370 (Fed. Cir. 1998)). In light of that "settled pre-AIA precedent on the meaning of 'on sale,'" the Supreme Court "presume[d] that when Congress reenacted the same language in the AIA, [Congress] adopted the earlier judicial construction of that phrase." *Id.* at 633-34.

Second, the Supreme Court considered whether any of the changes Congress made to the on-sale bar in the AIA showed that Congress intended to abrogate the pre-AIA rule. *See Helsinn*, 139 S. Ct. at 634. The Court found only one "relevant" change, the addition of the catchall clause "or otherwise available to the public" to the provision containing the on-sale bar. *Id.*; *see* 35 U.S.C. § 102(a) ("A person shall be entitled to a patent unless – (1) the claimed invention was . . . in public use, on sale, *or otherwise available to the public*." (emphasis added)). That change, the Court determined, was too "oblique" to show that "Congress intended to alter the meaning of the reenacted term 'on sale.'" *Helsinn*, 139 S. Ct at 634 (internal quotation marks omitted).

The Supreme Court accordingly concluded that "Congress did not alter the meaning of 'on sale' when it enacted the AIA," and thus that the patent owner's secret sale had triggered the on-sale bar, invalidating the claims. *Helsinn*, 139 S. Ct at 634. In the years since *Helsinn*, Congress has not acted to amend the on-sale bar in response to that decision, evidencing its agreement with the Supreme Court's decision. *See Monessen Sw. Ry. Co. v. Morgan*, 486 U.S. 330, 338 (1988).

The ITC correctly recognized that *Helsinn* governs the analysis here. Appx9-12. Yet Celanese barely addresses *Helsinn* in its opening brief. It instead argues (Br. 42-45) that *Helsinn* does not apply, because that case involved the sale of a patented product, whereas this case involves the sale of a product made using the patented process. But the Supreme Court's reasoning in *Helsinn* is just as binding as its particular holding. *See Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 67 (1996) ("When an opinion issues for the [Supreme Court], it is not only the result but also those portions of the opinion necessary to that result by which [courts] are bound."); *see also, e.g.*, *Bucklew v. Precythe*, 139 S. Ct. 1112, 1126 (2019); *Dalton v. Specter*, 511 U.S. 462, 470 (1994).

Further, nothing in the Supreme Court's reasoning depended on the difference between secret sales of products and sales of products made using secret processes. Instead, the Court focused on the settled construction of the phrase "on sale," and concluded that by reenacting that phrase, Congress intended to adopt the settled construction. *Helsinn*, 139 S. Ct. at 633-34. The Supreme Court's approach in *Helsinn* is not novel; it is an application of the canon that when Congress reenacts a statutory phrase with a settled judicial construction, courts "adhere to that construction in interpreting the reenacted statutory language." *Cent. Bank, N.A. v. First Interstate Bank, N.A.*, 511 U.S. 164, 185 (1994); *see George v. McDonough*, 142 S. Ct. 1953, 1959 (2022) ("Where Congress employs a term of art . . . , it brings the old soil with it." (internal quotation marks omitted)).

Notably, one of the decisions that the Supreme Court cited in *Helsinn* (139 S. Ct. at 633) was this Court's decision in *Woodland Trust*, which involved a sale of a product made using a claimed process. *See* 148 F.3d at

1369-70 (construing the public-use bar). This shows that the Supreme Court's analysis was not strictly limited to patented products.

The ITC is not alone in recognizing that *Helsinn* applies here. As the ITC noted (Appx16-17), the Patent & Trademark Office (PTO) – the expert agency charged with administering the patent laws – similarly has concluded that *Helsinn* governs the analysis of the AIA's on-sale bar. *See* U.S. PTO, *Manual of Patent Examining Procedure* § 2152.02(d) (2020). In light of *Helsinn*, the PTO concluded that the AIA did not change the on-sale bar with respect to patented processes. *Id.* Celanese argues (Br. 50) that the PTO's views on the on-sale bar are irrelevant. But as one of Celanese's own citations acknowledges, the PTO's views should be considered for their persuasive force. *Merck & Co. v. Kessler*, 80 F.3d 1543, 1550 (Fed. Cir. 1996) (citing *Skidmore v. Swift & Co.*, 323 U.S. 134, 140 (1944)). The ITC thus did not err in citing the PTO's views as one data point supporting its conclusion. Appx17.

Accordingly, this Court should follow the two-step framework the Supreme Court set out in *Helsinn*. Under that framework, it is clear that the on-sale bar applies here: This Court's pre-AIA rule about sales of products made by secret processes is well established, and nothing in the AIA suggests that Congress intended to abrogate that rule.

B. The Rule That A Patentee's Sale Of A Product Made Using A Secret Process Triggers The On-Sale Bar Is Well Established

As in *Helsinn*, the pre-AIA rule that a patentee's sale of a product made using a secret process triggers the on-sale bar was well established at the time Congress enacted the AIA. As a result, the presumption is that Congress adopted that rule when it reenacted the on-sale bar in the AIA.

Celanese does not dispute that, before the AIA, this Court held that a patentee's sale of a product made by a secret process triggers the on-sale bar. Instead, Celanese halfheartedly argues that the rule was not sufficiently settled. It was.

1. This Court Has Consistently And Repeatedly Held That The On-Sale Bar Applies When A Patentee Sells A Product Made Using A Secret Process

Every federal patent statute since 1836 has contained an on-sale bar. *Helsinn*, 139 S. Ct. at 633. In its current form, the on-sale bar provides that a person "shall be entitled to a patent" unless "the claimed invention was . . . on sale . . . before the effective filing date of the claimed invention," except if that sale was one year or less before the effective date. 35 U.S.C. § 102(a)(1), (b)(1). The key statutory term "on sale" has been in every iteration of the on-sale bar since the beginning. *See* Patent Act of 1836, § 6, 5 Stat. 117, 119 ("any person" may apply for a patent on an invention that is "not, at the time of his application for a patent, . . . on sale").

The main purpose of the on-sale bar is to prevent a patentee from commercially exploiting an invention before applying for a patent, thereby extending the patent monopoly beyond "the statutory term." *Pfaff*, 525 U.S. at 64; *see STX, LLC*, 211 F.3d at 590 ("The overriding concern of the on-sale bar is an inventor's attempt to commercialize his invention beyond the statutory term."). A related purpose is to encourage early disclosures of inventions. *See King Instrument Corp. v. Otari Corp.*, 767 F.2d 853, 860 (Fed. Cir. 1985).

In keeping with those purposes, this Court has long held that the on-sale bar applies when a patentee sells an unpatented product made using a secret process (the facts here). This Court first adopted this rule forty years ago in *D.L. Auld Co. v. Chroma Graphics Corp., supra.* That case involved a claimed process for making "cast decorative emblems"; this Court held that the claims were invalid under the on-sale bar because the patentholder had tried to sell emblems made using the process. 714 F.2d at 1146-49. The Court concluded that a process is "on sale" when a patentee sells a product made using the process. *Id.* The Court explained that a contrary rule would allow the patentholder to "circumvent[] . . . the policy animating" the on-sale bar, by allowing the patentee to "profit from commercial use of an invention" before seeking a patent and thereby extending the patent term. *Id.*

This Court has repeatedly restated *D.L. Auld*'s holding, and it is now settled law. *See, e.g.*, *BASF Corp. v. SNF Holding Co.*, 955 F.3d 958, 969

(Fed. Cir. 2020); *Quest Integrity USA, LLC v. Cokebusters USA Inc.*, 924 F.3d 1220, 1227-28 (Fed. Cir. 2019); *Meds. Co. v. Hospira, Inc.*, 827 F.3d 1363, 1376 (Fed. Cir. 2016) (en banc); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 866 (Fed. Cir. 2010); *In re Kollar*, 286 F.3d 1326, 1333 (Fed. Cir. 2002); *Brasseler, USA I, LP v. Stryker Sales Corp.*, 182 F.3d 888, 891 (Fed. Cir. 1999); *Caveney*, 761 F.2d at 675; *see also* 2A *Chisum on Patents* § 6.02[f] (2022). Celanese does not dispute that; it concedes (Br. 16) that "this Court interpreted the pre-AIA on-sale bar to cover" sales by patentees of products "made using claimed inventions."

This Court has explained the textual basis for its rule. The question, the Court explained, is what it means for a process to be "on sale." The Court recognized that when compared with a tangible product, a process "is . . . not sold in the same sense as is a tangible item." *Kollar*, 286 F.3d at 1332; *see Minton v. Nat'l Ass'n of Sec. Dealers, Inc.*, 336 F.3d 1373, 1378 (Fed. Cir. 2003). Instead, a process should be considered "on sale" when the patentee "is commercializing the patented process in the same sense as would occur when the sale of a tangible patented item takes place." *Kollar*, 286 F.3d at 1333; *see Meds. Co.*, 827 F.3d at 1372-34.

That result comports with the ordinary meaning of "on sale." A person can "sell" intangible services by agreeing to perform the services to produce a tangible result. For example, a lawyer who prepares a brief can be said to have "sold" his or her legal services; a photographer who creates a wedding album can be said to have "sold" his or her photography services. In the context of the on-sale bar, to "sell" is to "commercialize." *Atlanta Attachment Co. v. Leggett & Platt, Inc.*, 516 F.3d 1361, 1365 (Fed. Cir. 2008). Here, Celanese indisputably commercialized its process for making Ace-K by performing that process in exchange for money. That is a "sale" of the process. *Meds. Co.*, 827 F.3d at 1374.

The *D.L. Auld* Court did not pull the rule about secret processes from thin air. Instead, the Court drew on the Second Circuit's decision in *Metallizing Engineering Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2d Cir. 1946). *See* 714 F.2d at 1147. *Metallizing* also involved a patentee who had sold products made using a secret process. 153 F.2d at 517-18. In a decision authored by Judge Learned Hand, the Second Circuit held that the patentee had "forfeit[ed] his right to a patent" to the process by making those sales. *Id.* at 518-20. The Second Circuit explained that the on-sale bar puts inventors to a choice: they can choose "either secrecy, or legal monopoly," but not both, as that would serve only to "extend the period of [the] monopoly." *Id.*

The Second Circuit also was not writing on a blank slate. It relied on the reasoning of even earlier decisions of the Supreme Court and the courts of appeals, *see Metallizing*, 153 F.2d at 518-20, starting with *Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1 (1829). In *Pennock*, the Supreme Court held that a patent on a process for making a hose was invalid because the patent owner had allowed a licensee to sell thousands of feet of hose made using that process before seeking to obtain the patent, *id.* at 6, 13.[2] Although *Pennock* involved an issue of prior use rather than the on-sale bar (as Congress had not yet enacted the on-sale bar), both the Supreme Court and this Court have recognized that *Pennock* laid the foundations for the on-sale bar. *See Helsinn*, 139 S. Ct. at 632-33 (citing *Pennock*, 27 U.S. at 13); *Pfaff*, 525 U.S. at 64 (citing *Pennock*, 27 U.S. at 16); *Helsinn*, 855 F.3d at 1369 (describing *Pennock* as "the seminal Supreme Court decision" on the "theory of the statutory on-sale bar").

Thus, the rule that a patentee's sale of a product made using a secret process triggers the on-sale bar is firmly established, resting on nearly two centuries of precedents in this Circuit and the Supreme Court. In fact, that rule is even more clearly established than the rule at issue in *Helsinn*. This Court in *Helsinn* did not cite any precedent that had involved the exact fact pattern at issue in that case (a public sale where one key detail about the claimed product was kept confidential by both the buyer and the seller). *See*

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[2] Celanese argues (Br. 36-37) that *Pennock* actually involved a patent for the hose itself, rather than for the process for making the hose. That is incorrect; Justice Story's opinion for the Court describes the invention as an "improvement *in the art of making* leather tubes or hose." 27 U.S. at 11 (emphasis added); *see id.* at 1 (headnote) (describing the "invention" as "the mode of making the hose"); *see also Pennock v. Dialogue*, 19 F. Cas. 171, 171 (C.C.E.D. Pa. 1825) (synopsis) (summarizing the claims), *aff'd*, 27 U.S. 1.

855 F.3d at 1370-71. Instead, this Court cited a number of decisions that more generally demonstrated "that the details of the invention" need not be disclosed by a sale for the sale to trigger the on-sale bar. *Id.* In contrast, this Court *directly* addressed the fact pattern at issue here in *D.L. Auld*, holding that a patentee's sales of products made by a secret process trigger the on-sale bar. 714 F.2d at 1147-48; *see* Appx9. And this Court has repeatedly restated that holding since *D.L. Auld*, including in decisions issued after the enactment of the AIA (that involved pre-AIA patents). *See, e.g.*, *BASF Corp.*, 955 F.3d at 969.

In sum, when Congress reenacted the on-sale bar in the AIA, it did so against the backdrop of very well-established precedents on this point. So here, as in *Helsinn*, this Court should "presume that when Congress reenacted" the on-sale bar in the AIA, Congress "adopted" the rule about sales of products made using secret processes. 139 S. Ct. at 633-34.

2. Celanese's Attempts To Undermine This Court's Settled Rule About Secret Processes Are Unavailing

Celanese argues that the pre-AIA rule about secret processes was not sufficiently settled for Congress to have adopted the rule when Congress enacted the AIA. Celanese makes essentially four arguments, each of which is mistaken.

First, Celanese attempts to downplay this Court's decisions by repeatedly describing them as "judicial gloss." *See, e.g.*, Opening Br. 22. But they are precedential, binding, statutory interpretation decisions of this Court. And the decisions could not be more clear: A patentee's "sale of the unpatented product of [a] method" more than one year before applying for a patent on that method triggers the on-sale bar, even "where [the] patented method is kept secret and remains secret after [the] sale." *Caveney*, 761 F.2d at 675. Celanese may not like this rule, but it is bound to follow it.

Second, Celanese suggests in passing that this Court's precedents about the pre-AIA on-sale bar are wrongly decided because they are "atextual." *See, e.g.*, Opening Br. 32. That too is wrong; the decisions are grounded in the statutory term "on sale." In particular, this Court explained that a patentee's sale of a product made using a claimed process should be considered a "sale" of the process itself because the patentee "is commercializing the patented process" in the same way he or she would by selling a patented item. *Kollar*, 286 F.3d at 1333. The Court thus defined the phrase "on sale," in the context of a patented process, as the situation where "the (1) inventors sought compensation (2) from the buying public for (3) performing the claimed processes or methods." *Meds. Co.*, 827 F.3d at 1374. The Court therefore has a firm textual basis for its rule. (Besides, any arguments about the correctness of this Court's precedents should be directed to the *en banc* Court or the Supreme Court, not this panel.)

Third, Celanese argues (Br. 38) that this Court's precedents about sales of products made using secret processes were not well settled because this Court adopted two meanings of "on sale," one for when the patentee makes the sale and one for when a third party makes the sale. That is wrong. This Court has explained that it evaluates third-party use under the separate "public use" bar, not the on-sale bar. *Caveney*, 761 F.2d at 675 n.5; *see W.L. Gore & Assocs. v. Garlock, Inc.*, 721 F.2d 1540, 1550 (Fed. Cir. 1983) (third party's sale of a product made using the claimed process was not a "public use" that bars patenting). Thus, there was only one relevant construction of "on sale" for Congress to adopt. Anyway, even if both rules were relevant here, both rules equally were well established at the time Congress enacted the AIA. *See, e.g.*, *Caveney*, 761 F.2d at 675. So Congress should be presumed to have adopted both rules.

Finally, Celanese argues (Br. 37-38, 44-45) that only the Supreme Court, and not this Court, can establish a "settled construction" of a statute. It also contends (*id.* at 35, 37-38) that the Supreme Court's pre-AIA precedents do not support the rule that a patentee's sale of a product made using a secret process triggers the on-sale bar. Celanese is wrong on both counts. To begin with, the Supreme Court in *Helsinn* relied principally on this Court's precedents, in part because this Court "has exclusive jurisdiction over patent appeals." 139 S. Ct. at 633 (internal quotation marks omitted). This Court has clearly and consistently has held that the on-sale bar applies when a patentee seeks to sell a product made using the claimed process. *See, e.g.*, *D.L. Auld*, 714 F.2d at 1146-48.

In any event, the Supreme Court's precedents support the rule that a patentee's sale of a product made using a secret process triggers the on-sale bar. The Supreme Court in *Helsinn* explained that its precedents had "suggest[ed]" that a sale "need not make an invention available to the public" to trigger the on-sale bar. 139 S. Ct. at 633. For example, the Supreme Court noted that in *Elizabeth*, it had stated that "[i]t is not a public knowledge of his invention that precludes the inventor from obtaining a patent for it, but a public use or sale of it." *Id.* (quoting *Elizabeth*, 97 U.S. at 136). That principle is equally relevant here; like a secret sale of a product embodying an invention, a sale of a product made using a secret process does not reveal the details of the claimed invention to the public.[3]

Further, Supreme Court precedents provide on-point support for the rule about secret processes. In particular, *Pfaff* quoted with approval the reasoning in *Metallizing*, which involved a patentee's sale of a product made using a secret process. *See* 525 U.S. at 68. The *Pfaff* Court also stated broadly that "*[a]ny attempt* to use [an invention] for a profit, and not by way of experiment" would trigger the on-sale bar. *Id.* at 65 (emphasis omitted)

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[3] Celanese argues (Br. 35) that the Supreme Court's pre-*Helsinn* precedents suggested that secret sales could not trigger the on-sale bar. But the Supreme Court said exactly the opposite in *Helsinn*. *See* 139 S. Ct. at 633 (explaining that its earlier precedents "suggest[ed]" that secret sales can trigger the on-sale bar).

(quoting *Elizabeth*, 97 U.S. at 137). In *Pennock* – the "seminal" decision on the "theory" behind the on-sale bar, *Helsinn*, 855 F.3d at 1369 – the Supreme Court held that a sale of a product made by a claimed process precluded patenting, *Pennock*, 27 U.S. at 11. And *Helsinn* itself cited one of this Court's precedents about patented processes. 139 S. Ct. at 633 (citing *Woodland Tr.*, 148 F.3d at 1370). Thus, Celanese's assertion (Br. 45) that "no Supreme Court precedent had implied" that an inventive process is on sale when the patentee attempts to sell a product made by that process blinks reality.

In sum, the rule about secret processes was well established at the time Congress enacted the AIA.

C. In The AIA, Congress Did Not Abrogate The Rule That A Patentee's Sale Of A Product Made Using A Secret Process Triggers The On-Sale Bar

Here, as in *Helsinn*, Congress did nothing in the AIA to show an intention to abrogate the rule that a patentee's sale of a product made using a secret process triggers the on-sale bar. In arguing to the contrary, Celanese makes arguments based on the text, structure, legislative history, and purposes of the AIA. Some of those arguments are ones the Supreme Court already considered and rejected in *Helsinn*. Other arguments were never presented below and therefore are forfeited. And none of them has merit.

1. The Text Of The AIA Does Not Show That Congress Changed The On-Sale Bar

Celanese points to textual changes that Congress made when it enacted the AIA. It makes two arguments about the text of the on-sale bar itself, one (about the substitution of "claimed invention" for "invention") that the ITC correctly rejected, and one (about "otherwise available to the public") that the Supreme Court already rejected in *Helsinn*. Then it makes a handful of arguments about text outside the on-sale bar; none of the arguments shows that Congress intended to abrogate the rule about sales of products made using secret processes.

Replacement of "invention" with "claimed invention." AIA Section 102(a) replaces the word "invention" with the phrase "claimed invention." *Compare* 35 U.S.C. § 102 (2006) ("A person shall be entitled to a patent unless – . . . (b) the *invention* was . . . on sale." (emphasis added)), *with id.* § 102(a) ("A person shall be entitled to a patent unless – (1) the *claimed invention* was . . . on sale." (emphasis added)). Celanese argues (Br. 17, 39-40) that a "claimed invention" must itself be on sale for the on-sale bar to apply, and that an offer to sell a product made using a claimed process is not an offer to sell the process itself.

The ITC correctly rejected this argument. *See* Appx13. To begin, pre-AIA Section 102(b)'s reference to "invention" already meant "claimed invention"; the statute could not have referred to anything else. *See* Appx11736

(ALJ rejecting Celanese's argument because it implies "that 102(b) pre-AIA, when it used the word 'invention,' did not mean claimed invention"). Indeed, this Court has used "claimed invention" in connection with the on-sale bar long before the enactment of the AIA, including in *Caveney* when it described the rule that a patentee's sale of a product made using a secret process triggers the on-sale bar. *See* 761 F.2d at 675 ("[S]ales or offers by one person of a *claimed invention* will bar another party from obtaining a patent." (emphasis added)). So this minor revision to the statute does not signal a sea change in the law about the on-sale bar. *See* Appx13. Rather, Congress was simply updating and standardizing the terminology in the patent laws; the term "claimed invention" is now used throughout the AIA. *See, e.g.*, 35 U.S.C. § 103.

Anyway, this Court already has held that the invention itself should be considered to be "on sale" when the patentee sells a product made using that process. *Meds. Co.*, 827 F.3d at 1374. Those precedents interpret the phrase "on sale," not "invention." *Id.* (a claimed process is "on sale" when "the (1) inventors sought compensation (2) from the public for (3) performing the claimed process[]"); *Kollar*, 286 F.3d at 1332-33 ("[A] 'sale'" of a claimed process "within the meaning of § 102(b)" occurs if the process has been "carried out or performed as a result of the transaction."); *see* pp. 20-21, 24, *supra*. So Congress's change to "invention" did not affect those precedents.

If Celanese were correct, then no patented process would trigger the on-sale bar. That is, Celanese's view of "claimed invention" would seem to exclude all processes, regardless of whether they are kept secret. There simply is no reason to believe Congress intended such a significant change in the U.S. patent system.

Addition of "otherwise available to the public." The pre-AIA on-sale bar applied when the invention was "on sale," 35 U.S.C. § 102(b) (2006), whereas the AIA's on-sale bar applies when the invention is "on sale[] or otherwise available to the public," *id.* § 102(a)(1). Celanese argues (Br. 40) that this addition shows that Congress did not intend the on-sale bar to apply to sales that take place in secret. Celanese did not present this argument to the ALJ or to the ITC in its petition for review of the ALJ's decision, so it is forfeited. *See Game & Tech. Co. v. Wargaming Grp. Ltd.*, 942 F.3d 1343, 1350-51 (Fed. Cir. 2019). Also, this argument does not actually help Celanese, because even if the addition of "otherwise available to the public" in the AIA changed the on-sale bar so that it no longer applies to secret sales, here Celanese's sales of Ace-K were known to the public, Appx13, and so the AIA's on-sale bar still would apply.

Anyway, Celanese's argument is wrong on the merits. The Supreme Court thoroughly considered and rejected this exact argument in *Helsinn*. The Court determined that the addition of "otherwise available to the public" was too "oblique" to show that "Congress intended to alter the meaning of the reenacted term 'on sale.'" *Helsinn*, 139 S. Ct at 634 (internal quotation marks omitted). That holding applies equally here.

Removal of pre-AIA Section 102(c) and Section 102(g). Pre-AIA Section 102(c) had provided that a person was not entitled to a patent if he or she had "abandoned the invention." 35 U.S.C. § 102(c) (2006). Pre-AIA Section 102(g) had provided that when two inventors separately develop an invention, the earlier inventor can obtain a patent even if he or she files after the later inventor, so long as the earlier inventor had not "abandoned, suppressed, or concealed" the invention. *Id.* § 102(g) (2006). Congress removed those provisions when it enacted the AIA because they are not needed in a first-inventor-to-file system; the first inventor to file has the right to the patent, no matter when someone else may have developed the invention. *See* Appx14.

Celanese argues that the removal of Section 102(c) and Section 102(g) shows that Congress intended to change the meaning of the on-sale bar. In its view (Br. 41-42), pre-AIA Section 102(c) and Section 102(g) provided the textual support for the rule distinguishing sales of a product made using a secret inventive process by the patentee and those made by a third party. It argues (*id.*) that now that Congress has removed those provisions, there no longer is any justification for treating sales by patentees differently to sales by third parties.

But this Court has never relied on pre-AIA Section 102(c) or Section 102(g) to justify the different treatment of sales by patentees and sales by third parties. *See, e.g.*, *W.L. Gore*, 721 F.2d at 1550. Instead, this Court explained that those sales implicate different statutory bars and different policy concerns – sales by patentees implicate the on-sale bar, because they are attempts to extend the statutory term, whereas sales by others implicate the public-use bar, because they show whether the invention is novel. *See Caveney*, 761 F.2d at 675 n.5. So the removal of pre-AIA Section 102(c) and Section 102(g) has nothing to do with the on-sale bar. *See* Appx14.

Change to Section 102's heading. The AIA changed Section 102's heading, from "Conditions for patentability; novelty and loss of right to patent," 35 U.S.C. § 102 (2006), to "Conditions for patentability; novelty," *id.* § 102. Celanese advances a convoluted argument about how this change shows that Congress intended to change the on-sale bar. It argues that pre-AIA, the on-sale bar was based on a loss-of-right theory – that is, an inventor who placed an invention on sale lost the right to seek a patent. Opening Br. 21. In contrast, it says, other conditions for patenting (such as the condition that the invention must not be known) were based on a novelty theory. *Id.* In Celanese's view, by changing the heading to Section 102, the AIA did away with the loss-of-right theory, leaving only the novelty theory. *Id.* But, its argument goes, for the on-sale bar to be consistent with a novelty theory, there must be a public use of the patent; a secret use would not destroy novelty. *Id.* Thus, it concludes, the removal of the loss-of-right theory undercuts this Court's justification for its rule that a patentee's sale of a product made using a secret process triggers the on-sale bar. *Id.*; *see* NAM *Amicus* Br. 17-18.

That is far too much weight to put on a change in a heading. Although a section heading can help a court "resol[ve] doubt about the meaning of a statute," it "cannot substitute for the operative text of the statute." *Fla. Dep't of Revenue v. Piccadilly Cafeterias, Inc.*, 554 U.S. 33, 47 (2008) (internal quotation marks omitted). Here, the relevant operative text – the term "on sale" – has not changed. So it would be inappropriate to use the change in the heading to "limit" that term. *Penn. Dep't of Corr. v. Yeskey*, 524 U.S. 206, 212 (1998). Further, the principal heading for Section 102 both before and after the AIA is "Conditions for patentability," *see* 35 U.S.C. § 102; *id.* § 102 (2006), and the on-sale bar is "[o]ne such condition," *Helsinn*, 139 S. Ct. at 632-33. The main heading thus did not change, and the main heading includes the on-sale bar, so the change in the heading does not show any intention to change the on-sale bar.

Ultimately, Congress did not explain why it removed "loss of right" from AIA Section 102's secondary heading, so Celanese's argument is nothing but speculation. The change could be designed to reflect the move to a first-inventor-to-file system (because there is no longer a "right" to patent), or it could have been an oversight during the AIA's long drafting history.

Either way, there is no reason to think the change to the heading has anything to do with the on-sale bar – let alone that it shows Congress's intention to abrogate the settled understanding of that bar.

In any event, the legislative history confirms that Congress did not change the rationale for the on-sale bar. The "overriding concern" of the on-sale bar is preventing "an inventor's attempt to commercialize his invention beyond the statutory term." *Atlanta Attachment*, 516 F.3d at 1365. The legislative history explains that that concern remains post-AIA, so there remains a "need[]" to "maintain[]" the on-sale bar. H.R. Rep. No. 110-314, at 57 (2007); *see* pp. 44-45, *infra*. There thus is no indication that the AIA undermined the rationale for the rule about secret processes.

Section 271(a) and Section 271(g). Section 271(a) provides that an unauthorized "offer[] to sell" or "s[ale]" of a "patented invention" infringes the patent. 35 U.S.C. § 271(a). This Court and other courts of appeals had held that Section 271(a) does not apply to a sale of a product made using a patented process. *See, e.g.*, *Zoltek Corp. v. United States*, 672 F.3d 1309, 1322 (Fed. Cir. 2012) (en banc). In response, Congress enacted Section 271(g) to expressly provide that a sale of a product made using a patented process constitutes infringement. *See* 35 U.S.C. § 271(g) ("Whoever . . . offers to sell, sells, or uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer."). Celanese argues (Br. 19-20) that the language of the on-sale bar is more similar to the language in Section 271(a) than to the language in Section 271(g), so like Section 271(a), the on-sale bar should be read to exclude sales of products made by claimed processes.

This argument is new on appeal and therefore forfeited. It also is wrong. Unlike Section 271(a), the on-sale bar has long been understood to include both patented products and patented processes. So there is no need for a separate provision to apply the on-sale bar to processes (like Section 271(g) for infringement). Further, this Court has directly rejected the argument that Section 271(a) and the on-sale bar should be construed similarly. *See 3d Sys., Inc. v. Aarotech Labs, Inc.*, 160 F.3d 1373, 1379 n.4 (Fed. Cir. 1988). Validity and infringement "are distinct issues, bearing different burdens, different presumptions, and different evidence." *Commil USA, LLC v. Cisco Sys., Inc.*, 575 U.S. 632, 644 (2015) (internal quotation marks omitted). It thus is not surprising that "sale" may have one meaning for purposes of infringement and a different meaning for purposes of the on-sale bar. That difference long predates both the AIA and this Court's decision in *D.L. Auld*. *See, e.g.*, *Koratron Co. v. Lion Uniform, Inc.*, 449 F.2d 337, 338 (9th Cir. 1971). Nothing *in the AIA* shows that Congress intended to amend the on-sale bar to reflect the understanding of "sale" in Section 271(a).

Section 273(a). AIA Section 273(a) provides a defense against infringement to a prior user of a patent who sold the "useful end result" of the patent. 35 U.S.C. § 273(a)(1). Celanese argues (Br. 18-19) the "useful end result" language shows that Congress knew how to distinguish between an invention and the end result of that invention when it enacted the AIA. Because Congress did not include "useful end result" in the AIA's on-sale bar, Celanese says (*id.*) that Congress did not intend the on-sale bar to apply to a patentee's sale of a product made using a claimed process.

This argument is new on appeal and therefore forfeited. It also is wrong. "[U]seful end result" already existed in the pre-AIA version of Section 273. *See* 35 U.S.C. § 273(a)(1) (2006). So contrary to Celanese's telling, the Congress that enacted the AIA did not affirmatively choose to insert that term only into AIA Section 273 and not into the AIA's on-sale bar provision; rather, it was working with what was already in Section 273.

Further, the key statutory term in the on-sale bar provision is "on sale," not "invention," and this Court had long interpreted "on sale" to include sales of products made using claimed processes. *See* pp. 20-21, 24, *supra*. So Congress did not need to insert "useful end result" into the AIA's on-sale bar provision to cover sales of products made using claimed processes; the provision already covered those sales. And Congress's failure to insert that term into the AIA's on-sale bar provision should not be viewed as a sign that Congress affirmatively sought to remove those sales from the on-sale bar; that would be an exceptionally "oblique" way for Congress to legislate. *Helsinn*, 139 S. Ct. at 634 (internal quotation marks omitted).

In sum, nothing in the text of the AIA shows that Congress intended to abrogate the rule that a patentee's sale of a product made using a secret process triggers the on-sale bar.

2. The Structure Of The AIA Does Not Show That Congress Changed The On-Sale Bar

Celanese argues (Br. 22-29) that three structural features of the AIA support its view of the on-sale bar. It cites the symmetry between AIA Section 102(a) and Section 102(b); the AIA's prior user defense in Section 273; and the AIA's creation of streamlined post-grant review proceedings. Celanese's first and third arguments are new on appeal and therefore forfeited, and all of the arguments are incorrect.

Section 102(a) and Section 102(b). AIA Section 102(a)(1) sets out the various types of prior art that can bar patentability, including sales that trigger the on-sale bar. *See* 35 U.S.C. § 102(a)(1). Then, AIA Section 102(b)(1) states that a "disclosure" made one year or less before the effective filing date "shall not be prior art" under Section 102(a)(1). *Id.* § 102(b)(1). The purpose of AIA Section 102(b)(1) is to provide a "grace period" for the bars to patentability in AIA Section 102(a)(1). H.R. Rep. No. 112-98, at 43 (2011). For example, without AIA Section 102(b)(1), a sale of the claimed invention within one year of the effective filing date will bar patenting. But under AIA Section 102(b)(1), that "disclosure" will not be considered prior art and thus will not prevent the patentee from obtaining a patent.

Celanese argues (Br. 23-25) that continuing to adhere to the rule about secret processes would destroy the symmetry between AIA Section 102(a)(1) and Section 102(b)(1). It contends that under that rule, a sale of a product made using a secret process would trigger the on-sale bar under Section 102(a)(1) but would not be considered a "disclosure" that qualifies for the grace period under Section 102(b)(1). It bases this argument on its view that for an act to be a "disclosure," the act must "expose to view" or "make known" the information at issue (and that was "heretofore kept secret"). Opening Br. 23 (quoting *American Heritage Dictionary* (5th ed. 2011) (definition of disclose)). In its view, "a sale of a product of a secret inventive process involves no disclosure of the claimed invention" and thus would eliminate the grace period for seeking a patent on that process. *Id.* at 24-25.

Celanese's argument is misplaced, because this case does not implicate the grace period. Celanese admitted that it sold Ace-K made using its claimed process several years before it applied for the asserted patents. Appx9. So this Court need not address the meaning of "disclosure" in this appeal.

In any event, Celanese is wrong. The context indicates that Congress did not intend "disclosure" in AIA Section 102(b)(1) to take the meaning Celanese suggests. *See Gonzales v. Carhart*, 550 U.S. 124, 152 (2007) (courts follow the meaning of terms "require[d]" by the "context"). Rather, it is more likely that Congress intended for "disclosure" in AIA Section 102(b)(1) to be coextensive with AIA Section 102(a)(1). *See* H.R. Rep. No. 112-98, at 43 (grace period is supposed to apply to each type of prior art). So if a sale, use, or other act creates a bar to patentability under AIA Section 102(a)(1), it likely will be a "disclosure" that can qualify for the grace period under AIA Section 102(b)(1). Anyway, a patentee's sale of a product made using a process is a "disclosure" of that process even under Celanese's proffered definition, because the sale makes known that the patentee has a process even if it does not reveal any details about the process.

Prior user defense in Section 273. AIA Section 273(a)(1) provides a defense against an infringement claim to certain prior users of the patented invention who used the invention more than one year before the effective filing date of the patent. *See* 35 U.S.C. § 273(a)(1). Celanese contends (Br. 26-27) that the ITC's decision makes this provision superfluous when the patent is for a process and the prior user sold products made using the patented process. Celanese argues (*id.*) that under the ITC's decision, that prior user would be able to invoke the on-sale bar, and so would always choose to pursue invalidity over non-infringement under Section 273(a)(1).

Celanese is wrong twice over. First, the prior user would not be able to invoke the on-sale bar. Under this Court's precedents, a sale of a product made using a secret process triggers the on-sale bar only when the seller is the patentee, and not when the seller is a third party. *Caveney*, 761 F.2d at 675. So the prior user (who by definition is a third party) would not be able to invoke the on-sale bar based on his or her own sales. Celanese asserts (Br. 26) that the ITC's decision applies equally to sales by third parties, but that is wrong. All the ITC held (Appx12) was that the AIA did not abrogate this Court's pre-AIA precedents, which include the distinction between sales by patentees of products made using secret processes and sales by third parties. The ITC had no reason to address sales by third parties, as its decision does not involve those sales.

Second, there is no superfluity here. An interpretation renders a statutory provision superfluous only if there is *no* situation in which the provision would apply. *See United States v. Turkette*, 452 U.S. 576, 583 n.5 (1981). Here, Celanese's argument is restricted to situations in which the patent is for a process and the prior user is accused of infringing the patent by selling products made using that process. *See* Opening Br. 26. Prior users in other situations would not be able to invoke the on-sale bar even under Celanese's view of the ITC's decision. Those prior users would still seek to use Section 273(a)(1), so that provision would not be superfluous.

The AIA's post-grant review proceedings. The AIA created processes for challenging the validity of patents in post-grant administrative proceedings before the Patent Trial and Appeal Board. *See* 35 U.S.C. § 321(a). Those post-grant review proceedings are limited to patents obtained under the AIA. *See id.* § 321 note. Celanese contends (Br. 27-29) that Congress enacted this restriction because post-grant administrative review proceedings are supposed to be streamlined, and that validity challenges to pre-AIA patents often are too discovery intensive for those proceedings. It asserts (*id.*) that disputes about sales of products made using secret processes would require the type of extensive discovery that Congress sought to avoid in post-grant review proceedings, which shows that Congress did not intend for those sales to trigger the AIA's on sale-bar.

That is incorrect. Celanese does not explain why litigants will require complex discovery to determine whether patentholders sold products made using claimed processes more than one year before the effective filing date. It should just be a matter of asking the patentholders; simple interrogatories should be enough. In fact, discovery may not even be necessary – in this case, for example, Celanese told the PTO during patent prosecution that it had sold Ace-K made using its claimed process more than one year before filing for its patents. *See* Appx7. So there is no reason to believe that upholding the ITC decision's will lead to unduly complex discovery in post-grant review proceedings.

In any event, Congress's goal in creating post-grant proceedings was not only avoiding discovery. Congress's principal aim was to create a process that will help "improve patent quality" by weeding out invalid patents. H.R. Rep. No. 112-98, at 48. Doing that correctly can require discovery into the alleged basis for invalidity; indeed, the PTO's rules for post-grant proceedings allow for taking discovery, including discovery "directly related to the factual assertions advanced by either party." 37 C.F.R. § 42.51(b)(2)(i). So the fact that some discovery may be required to determine whether the patentee sold products made using the claimed process does not suggest that Congress intended to abrogate that rule.

3. The Legislative History Of The AIA Does Not Show That Congress Changed The On-Sale Bar

Celanese argues (Br. 45-49) that the legislative history of the AIA shows that Congress intended to abrogate the rule about sales of products made using secret processes. It does not.

Celanese principally relies (Br. 46) on a colloquy between Senators Leahy and Hatch, two sponsors of the AIA. In that colloquy, Senator Leahy expresses his view that the AIA "was drafted in part to do away with precedent under current law that private offers for sale or private uses or secret processes practiced in the United States . . . may be deemed patent-defeating prior art." 157 Cong. Rec. S1496 (daily ed. Mar. 9, 2011). As the ITC explained (Appx15-16), that colloquy cannot bear the weight Celanese places on it.

To begin with, the Supreme Court repeatedly has warned against relying on "the views of a single legislator," even when the legislator is the "bill's sponsor." *Mims v. Arrow Fin. Servs., LLC*, 565 U.S. 368, 385 (2012);

see, e.g., *Exxon Mobil Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 568 (2005). Celanese notes (Br. 46) that one of the committee reports issued in connection with the AIA cited the Senators' colloquy in a footnote, but that does not make the colloquy any more reliable. The report cited the colloquy only for the proposition that under the AIA, "all actions by the patent owner during the year prior to filing" will not bar patenting; the report does not mention secret sales. H.R. Rep. No. 112-98, at 42-43. So the report did not adopt all of Senator Leahy's views about secret sales.

Anyway, the Supreme Court and this Court already have considered the cited colloquy, and both have concluded that it does not show an intention to change the settled understanding of the on-sale bar. The petitioner in *Helsinn* expressly quoted the colloquy in its merits brief, *see* Pet. Br. 8, 28, *Helsinn, supra*, 2018 WL 4043179; the Supreme Court rejected all of the petitioner's arguments and did not even discuss the colloquy in its opinion. This Court addressed the colloquy in its *Helsinn* decision, explaining that the Senators were referring only to precedents involving the public-use bar, not the on-sale bar. 855 F.3d at 1368-69. This Court accordingly declined to give the colloquy any weight in cases involving the on-sale bar. *Id.* at 1369. Like *Helsinn*, this case concerns only the on-sale bar and not the public-use bar, so the colloquy is just as irrelevant here.

Celanese also cites (Br. 48-49) floor statements from two other legislators. *See* 157 Cong. Rec. S1370-71 (daily ed. Mar 8, 2011) (statement of

Sen. Kyl); *id.* at H4439 (daily ed. June 22, 2011) (statement of Rep. Smith). But neither statement mentions secret sales or secret processes, so neither bears on the issue in this case.

Celanese's selective focus on a few statements misses the broader legislative history of the AIA, which overall supports the ITC's conclusion. The ITC assessed that history with the help of an amicus brief filed on behalf of intellectual property professors in *Helsinn* that comprehensively canvassed the legislative history of the AIA with respect to secret sales. *See* Appx16 (citing Intellectual Professors *Amicus* Br., *Helsinn*, *supra*, 2018 WL 4941710). That legislative history shows that during the AIA's six-year drafting process, Congress considered removing the on-sale bar (along with the public-use bar) altogether. Appx16. But Congress ultimately decided to keep the bars and expressly used pre-AIA Section 102(b) – the provision that had contained the on-sale bar – "as the template" "primarily because of how the terms 'in public use' and 'on sale' have been interpreted by the courts." H.R. Rep. No. 110-314, at 57.[4]

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[4] Celanese argues (Br. 48) that the ITC should not have considered this report because it was issued in connection with an earlier draft of the AIA. But the draft was one of the precursors to the AIA, so the report is part of the legislative history of the AIA. Celanese also notes (Br. 48-49) that a later committee report clarified that a "secret collaborative agreement[]" should not bar patenting. S. Rep. No. 110-259, at 39 (2008). That has no application here; this case does not involve a "collaborative agreement."

Further, the committee report accompanying the reintroduction of the on-sale bar explained that the rationales for the on-sale bar remained relevant post-AIA. H.R. Rep. No. 110-314, at 57. In fact, the report addressed the exact situation here, explaining "there is nothing inherent in a first-to-file system that will deter inventors from making use of their inventions as trade secrets and then some time later filing a patent application for the invention." *Id.* The report accordingly recognized a "need[]" to "maintain[]" the on-sale bar to "prevent such activity." *Id.* This history shows that Congress intended to retain the on-sale bar and suggests that it specifically intended to retain this Court's precedents about sales of products made by secret processes. *See* Intellectual Professors *Amicus* Br. at 10, *Helsinn*, *supra*, 2018 WL 4941710 ("Congress did not deliberately throw out the definitions of 'public use' and 'on sale' as they have existed for decades, even if a few Senators wished it were otherwise."). It does not support Celanese's view that Congress sought to abrogate those precedents.

4. The Purposes Of The AIA And The On-Sale Bar Do Not Show That Congress Changed The On-Sale Bar

Celanese's final arguments (Br. 29-33) are that abrogating the rule about sales of products made using secret processes would advance Congress's objectives in enacting the AIA, and that keeping the rule is not required to advance the objectives of the on-sale bar. Here again, Celanese is mistaken. And if Celanese thinks that it would be better policy to abrogate the rule, that argument should be addressed to Congress, not to this Court.

Objectives of the AIA. Celanese identifies (Br. 29) two objectives of the AIA: harmonizing U.S. patent laws with the laws of the United States' major trading partners and simplifying patent litigation. It argues (*id.* at 29-31) that abrogating the rule about secret processes better serves those purposes than retaining the rule.

Celanese first argues (Br. 29-30) that no other country treats the sale of a product made using a secret process as a bar to patentability, so abrogating the rule better promotes international harmony. *See* NAM *Amicus* Br. 9-11.[5] But other major patent systems do not even have an on-sale bar. *See, e.g.*, Convention on the Grant of European Patents art. 54(2), Oct. 5, 1973, 1065 U.N.T.S. 199; Patent Law of the People's Republic of China, art. 22 (1984) (amended Oct. 2020). Given that fundamental difference in approaches, making one change to the scope of the on-sale bar will not do much to help harmonize the U.S. patent system with other systems.

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[5] Relatedly, Celanese asserts (Br. 30-31) that affirming the ITC's decision would increase the differences between the U.S. system and other patent systems. It bases this assertion on its incorrect arguments that (1) under the ITC's decision, a third party's sale of a product made using the claimed process will trigger the on-sale bar; and (2) AIA Section 102(b)(1)'s grace period does not apply to a sale of a product made using a secret process. As explained, those arguments are meritless. *See* pp. 38-40, *supra*.

In any event, Congress did not pursue harmonization at all costs in enacting the AIA. On the contrary, the legislative history explains that the goal of the AIA was to create a new patent system that "[d]raw[s] on the best aspects" of existing systems. H.R. Rep. No. 112-98, at 42. One committee report recognized that there still would be major differences between the AIA and other patent systems. *Id.* Indeed, Congress retained the on-sale bar when other systems do not have that concept. That suggests that Congress did not intend to abrogate any of this Court's precedents about the scope of the on-sale bar in the name of international harmony.

Celanese next argues (Br. 30) that adopting its view would simplify patent litigation, because of the supposed need for "fact-intensive discovery" to investigate secret uses of the claimed invention. As explained, it is wholly unclear why that discovery would be fact-intensive. *See* p. 41, *supra*. In fact, the rule about secret processes can provide a straightforward basis for invalidating a patent and terminating a litigation before evaluating infringement, which simplifies the litigation – as it did in this case.

Objectives of the on-sale bar. Celanese argues (Br. 32-33) that the AIA's move to a first-inventor-to-file system addresses Congress's objectives in enacting the on-sale bar, so there is no need to keep the rule about sales of products made using secret processes. That is incorrect.

Congress's main objective in enacting the on-sale bar was preventing inventors from attempting to extend the statutory term. *See, e.g.*, *Atlanta*

Attachment, 516 F.3d at 1365; *Metallizing*, 153 F.2d at 520. A related objective was to encourage inventors to make early disclosures of their inventions, so that the invention enters the public domain as soon as possible. *See W.L. Gore*, 721 F.2d at 1550. Celanese's position is directly contrary to both objectives; it wants to be able to secretly use its claimed process for years and then obtain a patent to secure a monopoly on the process for the full patent term, which further delays the entry of the claimed process into the public domain.

Celanese argues (Br. 32-33) that the AIA's move to a first-inventor-to-file system addresses both objectives, because it incentivizes patentees to apply for patents as soon as they are able. But, as explained, "there is nothing inherent in a first-to-file system that will deter inventors from making use of their inventions as trade secrets and then some time later filing a patent application for the invention." H.R. Rep. No. 110-314, at 57. That is why Congress "maintain[ed]" the on-sale bar in the AIA. *Id.*

Celanese also suggests (Br. 32) that the concern about extending the patent monopoly is illusory, because the patentee cannot obtain extra monopoly profits. It argues (*id.*) that before the patentee obtains the patent, the patentee must sell the products at competitive market prices. This argument misses the mark, in two ways. First, the patentee still can earn additional profits even while charging market prices, by using the comparative advantage from the inventive process to lower costs. *See Pennock*, 27 U.S. at 13.

Second, and more importantly, Celanese misconstrues Congress's concern. Congress's principal concern was not that the patentee gains additional profits, but that the patentee gains additional *time*. *See Atlanta Attachment*, 516 F.3d at 1365. Allowing a patentee to commercialize a process in secret for years – as Celanese did here – and then obtain a patent for the full patent term when the patentee senses that rivals are about to catch up effectively allows the patentee to add those extra years to the patent monopoly. That delays when the invention enters the public domain, which would "materially retard the progress of science and the useful arts." *Pennock*, 27 U.S. at 13. That is precisely what Celanese seeks here. This Court should not facilitate that gamesmanship.

CONCLUSION

This Court should affirm the decision of the United States International Trade Commission.

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

Pursuant to Federal Rule of Appellate Procedure 32(a)(7)(C), the undersigned counsel for Appellant certifies that this brief:

(i) complies with the type-volume limitation of Federal Circuit Rule 32(a) because it contains 12,016 words, including footnotes and excluding the parts of the brief exempted by Federal Circuit Rule 32(b) and Federal Rule of Appellate Procedure 32(f); and

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Dated: January 27, 2023

/s/ *Nicole A. Saharsky*