THE ON-SALE BAR:
Has It Changed?

A common barrier to patentability is an inventor's unawareness of the on-sale bar. The on-sale bar falls within 35 U.S.C. § 102 and may serve as way for a patent examiner to reject a patent application or invalidate a patent if the disclosure was on sale more than one year before the application was filed. Section 102 is an absolute bar to patentability, meaning that there are no remedial measures the applicant can take. However, when Congress passed the America Invents Act (AIA) there was a small change in the precise language of § 102. With this small change, some thought that "secret sales" may no longer be counted as a bar to patentability. To resolve this inconsistency, the Supreme Court granted certiorari to hear *Helsinn Healthcare S.A. v. Teva Pharmaceutical USA, Inc*.

Secret Sale

In *Helsinn*, litigation concerned two agreements, a license agreement and a purchase sale agreement, into which Helsinn entered almost two years prior to applying for a patent. The "sales" in question were publicized in a joint press release and in a filing with the Securities and Exchange Commission (SEC). The filing with the SEC showed a redacted copy of the agreements, but omitted some key details, such as the price terms and the specific formulations.

The district court ruled that the agreements did not qualify as a "sale" under the new provisions of the AIA because there was no public disclosure of the details of the invention. After the appeal, the United States Court of Appeals for the Federal Circuit reversed the holding that the public disclosure was enough to qualify as a "sale" because there was a public disclosure of the invention.

Supreme Court Decision

The ultimate issue that the Court decided was whether the on-sale bar changed because of the AIA's new catch-all provision:

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

Helsinn's position, which was consistent with the United States Patent and Trademark Office's (USPTO's) published regulations, was that the AIA's "otherwise available to the public" required a sale to be available to the public rather than a private or "secret" one.

Unconvinced by Helsinn's position, a unanimous Supreme Court held that the AIA did not change the scope of the on-sale bar from pre-AIA law. The Court held that the meaning had not changed for two reasons. The first being that Congress enacted the AIA with plenty of precedent interpreting the pre-AIA law, meaning that if Congress wanted to change the law to Helsinn's position, then it would have. The second being that when Congress enacts a new law with the same statutory language of the pre-existing law, it is presumed that it intended to adopt the earlier judicial construction of the phrase. The Court did note that the exact phrasing of § 102 contained the new catch-all provision but concluded that the addition would be a poor attempt to overturn the well-settled body of law.

Conclusion

Now that the Supreme Court has spoken, any potential debate about the on-sale bar has been put to rest. The on-sale bar remains an obstacle to patentability, and now it is clear that secret sales are not enough to protect an applicant from the bar.

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