

No. 24-635

IN THE
Supreme Court of the United States

CELANESE INTERNATIONAL CORPORATION, *et al.*,

Petitioners,

v.

INTERNATIONAL TRADE COMMISSION,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED
STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

**BRIEF FOR AMICUS CURIAE
THE NATIONAL ASSOCIATION
OF MANUFACTURERS
IN SUPPORT OF PETITIONERS**

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STATEMENT OF INTEREST OF AMICUS CURIAE

The National Association of Manufacturers (“NAM”) is the largest manufacturing association in the United States, representing large and small manufacturers in all fifty states and in every industrial sector.¹ Manufacturing employs nearly 13 million Americans, contributes \$2.91 trillion to the United States economy annually, has the largest economic impact of any major sector, and accounts for over half of private-sector research and development in the nation. The NAM is the voice of the manufacturing community and the leading advocate for a policy agenda that helps manufacturers compete in the global economy and create jobs across the United States. That policy agenda includes a global patent system that “set[s] strong, widely enforced standards for IP protection[,]” *Policy Positions*, NATIONAL ASSOCIATION OF MANUFACTURERS, https://nam.org/wp-content/uploads/2024/04/NAM-Policy-Positions_Feb.-2024-FINAL.pdf (last accessed Dec. 20, 2024), so that manufacturers can protect their investments.

NAM supports Celanese’s certiorari petition, which raises important issues about the scope of activities that result in an on-sale bar for process patents. These issues directly concern NAM, its members, and the American manufacturing sector. Manufacturing is a capital-intensive sector that requires significant investments

1. Pursuant to Rule 37.2, all parties received timely notice of amicus curiae’s intent to file this brief. Pursuant to Rule 37.6, amicus curiae affirms that no counsel for a party authored this brief in whole or in part and that no person other than amicus curiae made a monetary contribution to its preparation or submission.

at all phases, from initial research and development to building and maintaining production facilities and distribution channels. Many NAM members also source components and sell products globally. Manufacturers therefore depend on stable intellectual property laws to protect their investments, including knowing that their innovations will be subject to consistent protections worldwide. The Federal Circuit's decision, however, has injected instability and inconsistency about the scope of activities that bar process patents.

SUMMARY OF THE ARGUMENT

Clarifying whether the sale of a product made by a secret process creates an on-sale bar that precludes patenting that process, even when there was no public disclosure of that process, is a critical issue to the manufacturing community. The process by which a product is made is often as valuable as the product itself. The Federal Circuit's interpretation of Section 102 of the Leahy-Smith America Invents Act ("AIA") undermines the predictability and global uniformity that Congress intended to create by passing the AIA. Indeed, while the AIA was intended to bring the United States into conformity with the rest of the world, the Federal Circuit's decision puts American patent law at odds with many other parts of the world. The text and legislative history around the passage of the AIA suggests that, consistent with the patent laws of other jurisdictions, Congress intended to require disclosure of the claimed invention (here, a process) for the on-sale bar to apply to a process.

Certiorari is warranted to clarify the on-sale bar's application to process patents as implemented by the

AIA. The petition raises important issues about the text of the AIA, Congress’s intent in enacting the AIA and the accordant expectations of manufacturers, and historical understandings of the on-sale bar.

ARGUMENT

I. Protecting Innovative Processes Is Critical to Maintaining Global Competitiveness of American Manufacturers

A manufacturing process—the method used to manufacture a product—can be a different type of invention than a product itself. The way a product is manufactured is often as valuable as the resulting end-product itself. New and innovative processes can improve product quality and manufacturing efficiency, allow for the use of less energy, and provide for more environmentally friendly ways of making familiar, essential products. A seminal study by McKinsey & Company on manufacturing process innovation found that because manufacturing “has been particularly hard hit” due to various economic trends and external factors such as the COVID-19 pandemic, “industrial manufacturing processes must become more flexible, efficient, and precise” to ensure continued vitality of the American manufacturing sector. *See Manufacturing process innovation for industrials*, MCKINSEY & CO., (Sept. 16, 2021), <https://www.mckinsey.com/industries/advanced-electronics/our-insights/manufacturing-process-innovation-for-industrials> (last accessed Dec. 30, 2024).

One reason that manufacturing processes are so valuable is that “[a]s the pace of innovation accelerates

across industries, having the flexibility to add product features and functionality becomes paramount.” *Id.* Another reason is that as domestic and global geopolitical trends cause manufacturers to rethink supply chain resilience and on-shore certain capabilities, companies will be required to adopt “[h]igh mix and high configurability” processes that account for “localized supply chains and shorter lead times.” *Id.*

Manufacturers have a significant and continuing reliance on patent protection for manufacturing processes. The USPTO granted approximately 555,000 utility patents relating to manufacturing processes between 2001-2020. *See McKinsey & Co., supra.* This illustrates a trend in which the number of patents issued for manufacturing processes has increased by 150% over that time period. *See id.*

Put simply, protecting manufacturing processes is vitally important to the American economy. *See* NAM Policy Positions, *supra*, at § 1.05 (“IP [is] increasingly important to manufacturers large and small,” and protecting all types of intellectual property is provides “a critical foundation for a globally competitive manufacturing base here at home and U.S. global leadership in manufacturing abroad.”). Indeed, the AIA declares that “[i]t is the sense of Congress that the patent system should promote industries to continue to develop new technologies that spur growth and create jobs across the country. . . .” Leahy-Smith America Invents Act, Pub. L. 112-29, 125 Stat. 284, 112th Cong. § 3 (2011).

II. The Federal Circuit’s Decision Is Inconsistent with the Expectations of Manufacturers Around the Enactment of the AIA

The on-sale bar precludes an invention from being patented if it was on sale for over a year before a patent application is filed. 35 U.S.C. § 102. The explicit changes to the text of Section 102 of the Patent Act made by the AIA confirm that only sales of *claimed inventions*—not the resulting product of a secret process claimed as an invention—create on-sale bars to patentability. The Federal Circuit’s decision that the sale of products made by secret processes creates an on-sale bar is also inconsistent with expectations around the passage of the AIA. One of the major reasons Congress passed the AIA was to harmonize key features of U.S. patent law with global practices, to better encourage American innovation. It is incongruous to now conclude that Congress intended U.S. patent law to contain different standards than other countries for forfeiting patent rights in undisclosed processes.

A. The AIA Was Meant to Harmonize U.S. and Global Patent Law

“[H]armonizing our system for granting patents with the best parts of other major patent systems throughout the industrialized world for the benefit of U.S. patent holders” motivated the enactment of the AIA. *See* S. Rep. No. 111-18 (2009). Although the AIA is best known for moving the United States from a first-to-invent to first-to-file system (that is, the first filer of a patent on an invention, rather than the first inventor irrespective of filing, is now entitled to patent rights), advocates of the

AIA were also aware that “[a] major component of any harmonization treaty should be the maintenance of the right to obtain patent protection so long as the acts of the inventor are not publicly accessible to persons of ordinary skill in the art.” *Hearing on Implementation of the Leahy-Smith America Invents Act Before the H. Comm. on the Judiciary*, 112th Cong., 2012 WL 1703949 (May 16, 2012) (statement of Robert Armitage, Senior Vice President and General Counsel, Eli Lilly & Co.) [hereinafter “Armitage Statement”]. The AIA was intended to also bring the United States patent system into conformity with the rest of the world in its treatment of patenting processes. If the patented process was not disclosed by selling a product made from the process, the process should presumably still be eligible for patenting.²

Despite this clear intent, that has rarely been the case, even when the process is not on sale. “[A] review of the patent systems in other major jurisdictions, that along with the United States account for 90 percent of worldwide patent filings, shows that forfeiture of patent rights due to commercial transactions that do not publicly disclose the invention is unique to the U.S. patent system.” *See Raja Chatterjee, The patent on-sale bar post-Helsinn and its effect on the pharmaceutical industry*, 18 *CHI-KENT J. INTELL. PROP.* 207, 226 (2019). In the European patent system, for example, “the governing principle . . . is that of a public teaching.” *See Dale Bjorkman, Gilbert*

2. At one time there might have been concerns about companies extending their patent portfolios by strategically staggering their patent filings, but with the AIA making the United States a first-to-file patent regime, patentees that wait too long to patent their processes now risk being usurped by other patent filers.

Voortmans, & Lindsay M. Block, “*Made available to the public*”—*Understanding the differences of the America Invents Act from the European patent convention in its definition of prior art*, 4 CYBARIS, AN INTELL. PROP. L. REV. 191, 211 (2013). “[T]he concept of forfeiture as barring patentability is not recognized by the [European Patent Convention].” *Id.* Thus, under the European regime, “a secret/non-disclosing use of an invention does not make the invention ‘available to the public’” and therefore does not bar patentability. *Id.*

Similarly, “[in] Chinese patent law, prior art encompasses inventions that are ‘known to the public both domestically and abroad before the date of application.’ The disclosure of an invention made by selling an embodiment can only serve as prior art if it makes the ‘technical content available to the public.’” Chatterjee, *supra*, at 227 (quoting Patent Law of the People’s Repub. of China, art. 22 (1984) (amended Dec. 2008), available at http://english.sipo.gov.cn/laws/lawsregulations/201101/t20110119_566244.html; Guidelines for Patent Examination (promulgated by the State Intellectual Property Office of the People’s Republic of China, 2010), ch. 3 § 2.1.2.2, available at <http://www.sipo.gov.cn/zlsqzn/sczn2010eng.pdf>). Likewise, “Japan utilizes a definition like South Korea for prior-art ‘inventions that were publicly known in Japan [or] publicly worked in Japan or a foreign country, prior to the filing.’” Chatterjee, *supra*, at 227 (citing Tokkyoh [Patent Act], Law No. 121 of 1959, amended by Law No. 36 of 2014, art. 29(1)).

It is unlikely that Congress intended to endorse a different regime for patenting processes in the United States than elsewhere in the world. Certiorari should be granted to correct this anomalous interpretation of the AIA.

B. The Text Added to Section 102 of the Patent Act Confirms the Federal Circuit Overextended the On-Sale Bar

The AIA modified Section 102 of the Patent Act by inserting the word “claimed” before “invention” and stating that the AIA’s patentability bars apply only where the “claimed invention” was “patented, described in a printed publication, or in public use, on sale, or otherwise available to the public” before the patent was filed. *Compare* 35 U.S.C. § 102 (pre-AIA) *with id.* (post-AIA). The AIA defines “claimed invention” as “the subject matter defined by a claim in a patent or an application for a patent.” 35 U.S.C. § 100(j). The plain terms of the AIA render Section 102’s on-sale bar inapplicable to a claimed invention of an undisclosed process used to create an unpatented end-product placed on sale.

1. Secret processes are not prior art

The AIA reaffirmed “the fact that [prior art] must be *publicly accessible*” for the on-sale bar to apply. *See* H.R. Rep. No. 112-98, at 43 (2011) (emphasis added). Advocates of the AIA explained the policy rationale behind why “non-public acts of the inventor” cannot be prior art:

The ‘available to the public’ standard was employed in part, according to this analysis, to overrule old ‘loss of right to patent’ provisions, most notable among which were the ‘forfeiture provisions’ in pre-AIA 102(b) in which an inventor’s . . . secret use of an invention, once deemed ‘ready for patenting,’ would bar the inventor from seeking a valid patent for the

invention unless the patent was sought within the one-year period from the date of such a secret undertaking. . . . Thus, one of the primary objectives of . . . the supporters of H.R 1249 was to assure that secret, private, confidential or otherwise non-public acts of the inventor would no longer constitute a ‘forfeiture’ of the inventor’s right to secure a patent on the invention.

Armitage Statement. It therefore follows that as it pertains to processes, Congress only intended *processes* that were sold or that were otherwise available to the public and not secret in nature to be prior art.

Manufacturers would reasonably expect that a process that remains undisclosed to the public should remain patentable even if the end-product resulting from the process is disclosed or sold. Significantly, the legislative history of AIA indicates that “contrary construction of section 102(a)(1), which allowed private and non-disclosing uses to constitute invalidating prior art, would be *fairly disastrous* for the U.S. patent system.” 157 Cong. Rec. S1360-02 (March 8, 2011) (statement of Sen. Kyl) (emphasis added).

When an entity sells its end product without disclosing the process through which that end product is created, only the end product—not the process—is sold to the public. In such a transaction, the purchaser of the product, and the public at large, remain unaware of any secret process used in manufacturing the end product. The phrase “available to the public” confirms this understanding and allows the sale of an end product, without disclosure of the secret

process by which the product was made, to occur without creating a bar to patenting of that process. *See* 35 U.S.C. § 102; H.R. Rep. 112-98, at 43; 157 Cong. Rec. S1360-02; Armitage Statement. Because the Federal Circuit’s decision is inconsistent with this important statutory restriction on the patentability bars, it should be reversed.

2. Congress chose to exclude language that would render the “useful end result” of a process prior art for that process

Not only did Congress include new language in Section 102, it also chose to *exclude* from Section 102 language covering sales of the “useful end result” of a claimed process. Where “Congress has shown that it knows how to adopt . . . omitted language,” it is inappropriate for courts to insert absent language into a statutory provision. *Rotkiske v. Klemm*, 140 S. Ct. 355, 361 (2019). Indeed, “[w]hen Congress includes particular language in one section of a statute but omits it in another, [courts] presume that Congress intended a difference in meaning,” *Digital Realty Tr., Inc. v. Somers*, 138 S. Ct. 767, 777 (2018), and “courts should not read into the patent laws limitations and conditions which the legislature has not expressed[.]” *Bilski v. Kappos*, 561 U.S. 593, 602 (2010) (quoting *Diamond v. Diehr*, 450 U.S. 175, 182 (1981)).

Two sections of the Patent Act indicate that Congress did not intend for sales of the end product resulting from a secret process to trigger the on-sale bar of the AIA. First, in § 273, Congress created a prior-use infringement defense which applies to the use of “subject matter consisting of a process” which “would otherwise infringe a claimed invention.” 35 U.S.C. § 273(a). Under that section,

it is a defense to patent infringement where the defendant, “acting in good faith, commercially used the subject matter in the United States . . . in connection with . . . an actual arm’s length sale . . . of a *useful end result* of such commercial use. . . .” *Id.* Congress could have included this “useful end result” language in the AIA’s on-sale bar but chose not to. The Court should therefore “presume that Congress intended a difference in meaning” in declining to state that sales of a “useful end result” would trigger the on-sale bar for a patented process. *See Digital Realty Tr., Inc.*, 138 S. Ct. at 777.

Second, Section 271 indicates that Congress understood how to refer to sales of a patented process and chose not to do so in the AIA’s on-sale bar. Section 271(a) states that “whoever without authority . . . offers to sell, or sells any *patented invention*, within the United States . . . infringes the patent.” Historically, under this provision, the “sale of a product made by a patented process does not itself infringe the patent.” *U.S. v. Studiengesellschaft Kohle, m.b.H.*, 670 F.2d 1122, 1127-28 (D.C. Cir. 1981). Section 271(g), by contrast, provides for liability as an infringer to whoever “without authority imports into the United States or offers to sell, sells, or uses within the United States a product which is made by a process patented in the United States.” Thus, specific language was needed in Section 271(g) to create a different result from § 271(a) to allow a finding of liability based on the sale of a product created by a patented process. *Compare* 35 U.S.C. § 271(g) *with* 35 U.S.C. § 271(a). Certiorari is warranted to clarify Congress’s decision to not expressly distinguish products and processes in Section 102 indicates that certain sales are not included in the AIA’s on-sale bar.

3. Congress intended to restrict the forfeiture doctrine

Changes to Section 102's subsection title further reflect Congress's intent to exclude from the on-sale bar's reach an undisclosed process used to create a product for public sale. The "title of a statute and the heading of a section are tools available for the resolution of a doubt about the meaning of a statute." *Porter v. Nussle*, 534 U.S. 516, 528, 122 S. Ct. 983, 990 (2002).

When the AIA amended Section 102, the "loss of right" language was deleted from the section heading. AIA, § 3(b)(1) (2011); 35 U.S.C. § 102. Under the original Section 102 and earlier statutes, courts found that sale of the end product derived from a secret process resulted in the forfeiture—the "loss of right" to patent that process. *See, e.g., Metallizing Eng'g Co., Inc. v. Kenyon Bearing & Auto Parts Co., Inc.*, 152 F.2d 516, 520 (2d Cir. 1946); *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1147 (Fed. Cir. 1983). The elimination of the "loss of right" language from the title of Section 102 stands in stark contrast to the judicially-created forfeiture doctrine. Thus, Congress's explicit elimination of "loss of right" from the title of Section 102 suggested an intent to eliminate the forfeiture doctrine. At minimum, certiorari is warranted to clarify this point.

Clarity is important. Many manufacturers assumed that eliminating the forfeiture doctrine removed sales which do not publicly disclose a secret process from the scope of prior art. As Senator Leahy, the AIA's co-author, explained:

[S]ubsection 102(a) was drafted in part to do away with precedent under current law that . . . private uses or secret processes practiced in the United States that result in a product or service that is then made public may be deemed patent-defeating prior art. That will no longer be the case. In effect, the new paragraph 102(a)(1) imposes an overarching requirement for availability to the public, that is a public disclosure, which will limit paragraph 102(a)(1) prior art to subject matter meeting the public accessibility standard.

157 Cong. Rec. S1496-97 (March 8, 2011) (statement of Sen. Leahy).

This is thus an important case to clarify whether manufacturers can rely on the understanding that sales of end products made by secret processes are not meant to trigger the on-sale bar.

III. The Federal Circuit’s Decision Is Inconsistent with Historical Cases on the Treatment of Secret Processes

The Federal Circuit relied on *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, 139 S. Ct. 628 (2019) to conclude that the AIA’s on-sale bar precluded patentability. Certiorari is warranted to clarify the narrow scope of *Helsinn*, which concerned whether the public sale of a product that did not disclose the details of the claimed invention could trigger Section 102’s on-sale bar. The Court found such sales to invalidate product patents in part because “Congress did not alter the

meaning of ‘on sale’ when it enacted the AIA.” 139 S. Ct. at 630, 634. But the issue here is not the meaning of the phrase “on sale,” which the AIA did not modify. Instead, this case turns on other language that Congress added to the on-sale bar, including “claimed invention” and “available to the public.” And unlike in *Helsinn*, here, there was no sale of the claimed invention at issue—a confidential manufacturing process—only a sale of the product created by that process.

The Court’s explanation of the pre- and post-AIA on-sale bar in *Helsinn* demonstrates why the outcome should be different here. To create an on-sale bar, the invention must be “the subject of a commercial offer for sale” and “ready for patenting.” *Id.* at 630 (quoting *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 67 (1998)). Thus, while a confidential process may be ready for patenting when an end-product made using the process is sold, most manufacturers would not assume that the process is the subject of an offer for sale. Clarifying this point is important, because the Court has long construed section “102 of the Patent Act . . . as a limiting provision, both excluding ideas that are in the public domain from patent protection and confining the duration of the monopoly to the statutory term.” *Pfaff*, 525 U.S. at 64.

Clarification is also important for the sake of ensuring ongoing innovation—a key goal of the AIA. *See* 157 Cong. Rec. S1360-02 (March 8, 2011) (statement of Sen. Leahy) (“I want to emphasize that this is legislation that should promote innovation, help create jobs, and help energize the economy as we continue our recovery.”). Unless corrected, the Federal Circuit’s decision will lead to less process innovation. Manufacturers may be less incentivized to

develop new processes if they cannot patent the process. Processes that are innovative, more efficient, and more environmentally friendly may never be disclosed to the public through patenting.

Clarity is also important because, contrary to the decision below, a high degree of certainty was traditionally required to waive patent rights. For example, in *Kendall v. Winsor*, 62 U.S. 322 (1858), “the plaintiff constructed a machine in substantial conformity with his specification as early as 1846, and . . . in 1849 he had several such machines in operation, on which he made harness to supply all such orders as he could obtain . . . he continued to run these machines until he obtained his letters patent . . . he repeatedly declared to different persons that the machine was so complicated that he preferred not to take a patent, but to rely on the difficulty of imitating the machine, and the secrecy in which he kept it.” *Id.* at 324. By keeping “the machines from the view of the public, allow[ing] none of the hands employed in the mill to introduce persons to view them, and . . . the hands pledg[ing] themselves not to divulge the invention,” the invention was maintained under conditions of secrecy such that the inventor’s patent rights were not compromised. *Id.* That is the situation here, and the outcome today should have been no different.

CONCLUSION

The issues presented in this case are of economic significance to the manufacturing community and address whether manufacturers can rely on certain assumptions of the AIA when making investments in manufacturing processes. Certiorari should be granted to clarify the

scope of the on-sale bar as it pertains to the sales of products made by confidential processes.

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