No. _____

**IN THE**
**SUPREME COURT OF THE UNITED STATES**

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

v.

INTERNATIONAL TRADE COMMISSION, ET AL.

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# APPLICATION FOR AN EXTENSION OF TIME WITHIN WHICH TO FILE A PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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October 18, 2024

## RULE 29.6 STATEMENT

Celanese (Malta) Company 2 Limited is a wholly owned, indirect subsidiary of Celanese Corporation, a publicly held company. Celanese Sales U.S. Ltd. and Celanese International Corporation are wholly owned subsidiaries of Celanese Corporation. No publicly held corporation holds 10% or more of Celanese Corporation's stock. *See* S. Ct. R. 29.6.

## PARTIES TO THE PROCEEDING

Petitioners below were Celanese International Corporation, Celanese (Malta) 2 Company Limited, and Celanese Sales U.S. Ltd. Respondent below was the International Trade Commission. Intervenors below were Anhui Jinhe Industrial Co., Ltd. and Jinhe USA LLC.

Various other companies were named as respondents in Celanese's complaint before the International Trade Commission, but they were not parties to the appeal in the Federal Circuit.

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# APPLICATION FOR AN EXTENSION OF TIME WITHIN WHICH TO FILE A PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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To the Honorable John G. Roberts, Jr., Chief Justice of the Supreme Court of the United States:

Applicants Celanese International Corporation, Celanese (Malta) Company 2 Limited, and Celanese Sales U.S. Ltd. (collectively "Celanese") request a 30-day extension from November 10, 2024, to and including December 10, 2024, within which to file a petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit in this case.

The Federal Circuit entered judgment on August 12, 2024. App., *infra*, 1a-18a. A petition for a writ of certiorari is currently due on November 10, 2024. This application is being filed more than ten days before that date. *See* S. Ct. R. 13.5.

The jurisdiction of this Court would be invoked under 28 U.S.C. § 1254(1). Attached to this application are the opinion of the court of appeals, the notice from the International Trade Commission ("ITC") of its determination not to review the initial determination of the administrative law judge ("ALJ"), the ALJ's initial determination, and the relevant statutes. App., *infra*, 1a-117a.

1. This case presents an important statutory-interpretation question of first impression: whether, under the Leahy-Smith America Invents Act ("AIA"), the sale of an end product made by a secret process invalidates a subsequently filed patent on the process by placing the process itself "on sale." The AIA entitles an inventor to a patent if, among other things, the claimed invention is novel. 35 U.S.C. § 102.

Under Section 102 of the AIA, Congress defined what qualifies as "prior art" for purposes of determining a claimed invention's "novelty," stating: "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). The statute's plain text thus requires "the claimed invention" itself to be on sale, not a product made using the claimed invention. Yet the Federal Circuit held otherwise—depriving Celanese of patent claims to its process inventions even though the claimed inventions were not on sale. App., *infra*, 1a-18a. Celanese's petition will seek this Court's review of that decision.

2. Celanese owns three process patents for improvements to a conventional method for making acesulfame potassium ("Ace-K"), an artificial sweetener used in foods, drinks, and medicines. App., *infra*, 27a-28a. The patents were filed in 2016 and, as such, are governed by the AIA. App., *infra*, 3a. When prosecuting the patents, Celanese voluntarily disclosed to the U.S. Patent and Trademark Office that its claimed process for making Ace-K had been in secret use and that the Ace-K made using that process had been sold for more than a year before the patents' effective filing date. App., *infra*, 3a, 28a.

3. Celanese filed a complaint at the ITC alleging Anhui Jinhe Industrial Co., Ltd., and Jinhe USA LLC (collectively "Jinhe") violated 19 U.S.C. § 1337 by importing into the United States Ace-K made abroad using a process that infringed Celanese's patents. App., *infra*, 2a. Jinhe moved for a summary determination of no violation. App., *infra*, 3a. Jinhe argued that selling end products made using Celanese's secret process triggered the AIA's on-sale bar, 35 U.S.C. § 102(a)(1). App., *infra*, 3a.

Celanese disagreed, contending that, under the statute's plain text, the on-sale bar was triggered only when the "claimed invention" itself was placed on sale. And there was no dispute that the "claimed invention" here was Celanese's improved process for making Ace-K, not the Ace-K made using that process. Reading Section 102's unambiguous text consistently with other provisions of the AIA, Celanese contended that merely selling end products did not place the claimed process itself on sale, particularly when use of the inventive process remained secret.

4. The ALJ made an initial determination granting Jinhe's motion for summary adjudication. App., *infra*, 26a-45a. Rather than follow this Court's instruction that statutory interpretation begins with the text, the ALJ bypassed the AIA's text and based its decision on the Federal Circuit's interpretation of the pre-AIA patent statute's on-sale bar. App., *infra*, 32a34a. The Federal Circuit had interpreted the pre-AIA statute in two inconsistent ways: (1) to mean that a sale by a patentee of an end product made using the claimed process placed the process on sale, but (2) to mean that a sale by a third party of a product made using the process did not. *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1147-48 (Fed. Cir. 1983); *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1544-46 (Fed. Cir. 1983). The Federal Circuit had not reconciled those inconsistent interpretations with the pre-AIA statute's text.

Despite those atextual decisions—and without addressing their inconsistency—the ALJ here concluded that the AIA had reenacted the Federal Circuit's interpretation of the pre-AIA on-sale bar for sales by patentees. App., *infra*, 32a-34a. While acknowledging that the AIA transformed United States patent law by replacing a first-to-invent system with a first-to-file system, the ALJ reasoned that Congress had made insufficient changes to the on-sale bar provision to "overturn" the Federal Circuit's pre-AIA interpretation. App., *infra*, 34a-37a. The ALJ believed that this application of the reenactment canon was required by this Court's decision in *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, 586 U.S. 123 (2019). That decision addressed the different question of whether an undisputed sale of the

claimed invention places the invention "on sale" when the sale was subject to a confidentiality agreement. *Id.* at 131.

The Commission declined Celanese's petition for review, making the ALJ's decision the final decision of the Commission. App., *infra*, 19a-25a; 5a.

5. Celanese appealed, contending the ALJ had approached the statutory-interpretation question backwards, elevating the reenactment canon over the statutory text and using it to adopt a meaning contrary to the text. Celanese asserted that interpreting the AIA's on-sale bar required looking first to the text's plain meaning. If the text is unambiguous—as the AIA's use of "claimed invention" is here—that should end the inquiry and preclude Jinhe's atextual interpretation. *See Barnhart v. Sigmon Coal Co., Inc.*, 534 U.S. 438, 461-62 (2002). "[T]he reenactment canon does not override clear statutory language." *Oklahoma v. Castro-Huerta*, 142 S. Ct. 2486, 2498 (2022).

The Federal Circuit affirmed. Like the ALJ, it asked not what the text of the AIA's on-sale bar means, but whether Congress had done enough in the AIA to override the Federal Circuit's interpretations of the pre-AIA on-sale bar. App., *infra*, 6a-16a. It, too, concluded that *Helsinn* compelled it to frame the question this way and to hold that the AIA's changes to the on-sale bar were insufficient to displace the reenactment canon. App., *infra*, 9a-10a.

6. Celanese requests a 30-day extension of time within which to file a petition for a writ of certiorari seeking review of the Federal Circuit's decision. Good cause exists for granting the request.

a. This case presents an important question of statutory interpretation. Because the Federal Circuit has exclusive jurisdiction over ITC and patent appeals, its atextual interpretation of the AIA's on-sale bar will bind all future cases. Its holding, however, marks a significant departure from the way courts should interpret statutes.

In particular, the Federal Circuit's elevation of the reenactment canon over the statutory text contravenes this Court's instructions. *See Castro-Huerta*, 142 S. Ct. at 2498. What the statutory text unambiguously requires to be on sale is the "claimed invention" itself—not a product made from use of the invention. 35 U.S.C. § 102(a)(1). And that plain meaning is reinforced by the AIA's structure, purpose, and other provisions. *Celanese* C.A. Opening Br. 22-33; *Celanese* C.A. Reply Br. 18-25. In these circumstances, the reenactment canon does not apply.

The Federal Circuit overread *Helsinn* in using it to justify its atextual approach. *Helsinn* invoked the reenactment canon to answer a different question on which the AIA's on-sale bar's text was ambiguous. 586 U.S. at 131 (addressing "secret sales" of the claimed invention). But this Court did not suggest that the reenactment canon would apply to supersede the text of the AIA on other questions, like the one here, where the text is clear.

The additional time Celanese seeks will allow counsel to adequately prepare a detailed certiorari petition addressing the statutory-interpretation issues posed by this case, while balancing matters involving other clients.

b. Counsel had and have multiple other pending matters that have and will interfere with counsel's ability to file the petition on November 10, 2024. Counsel filed an emergency motion for injunction pending appeal on August 13 in *Novartis Pharmaceuticals Corp. v. Torrent Pharma Inc.*, Nos. 23-2218, et al. (Fed. Cir.); an emergency motion for injunction pending appeal on August 13 in *Novartis Pharmaceuticals Corp. v. MSN Pharmaceuticals, Inc.*, Nos. 24-2211, 24-2212 (Fed. Cir.); an answer in opposition to a Rule 23(f) petition for permission to appeal on August 16 in *Brian Lyngaas DDS, PLLC v. IQVIA Inc.*, No. 24-8028 (3d Cir.); a reply in support of injunction pending appeal on August 19 in *Novartis v. Torrent*; a reply in support of injunction pending appeal on August 19 in *Novartis v. MSN*; an opening brief on August 20 in *Novartis v. MSN*; a reply brief on August 29 in *Novartis v. MSN*; an amicus brief on September 4 in *City of Buffalo v. Hyundai Motor America, Inc.*, No. 24-2350 (9th Cir.); a reply to a supplemental brief on September 20 in *Snap Inc. v. Superior Court of California*, No. B335533 (Cal. Ct. App.); a response/reply brief on September 26 in *Apple Inc. v. MemoryWeb, LLC*, Nos. 23-2361, 24-1043, 24-1050, 24-1318, 24-1320 (Fed. Cir.); an oral argument on October 7 in *Cellspin Soft, Inc. v. Fitbit LLC*, No. 22-2025 (Fed. Cir.); another oral argument on October 7 in a companion case, *Cellspin Soft, Inc. v. Fitbit LLC*, No. 23-1526 (Fed. Cir.); a response brief on October 9 in *Boniface v. Viliena*, No. 24-1411 (1st Cir.); and an intervenor's brief on October 9 in *Petro Star Inc. v. Federal Energy Regulatory Commission*, No. 23-1348 (D.C. Cir.).

Counsel also currently have a reply brief due on October 22 in *In re: Federal Bar Foundation*, No. 24-1071 (Fed. Cir.); a response brief on October 25 in *Wakefield v. Kaltura, Inc.*, Nos. 24-2030, 24-2033 (Fed. Cir.); an oral argument on November 6 in *GeoComply Solutions Inc. v. XPoint Services LLC*, No. 23-1578 (Fed. Cir.); an oral argument on November 13 in *Novartis v. Torrent*; another oral argument on November 13 in *Novartis v. MSN*; and a response brief due on November 20 in *National Abortion Federation v. Center for Medical Progress*, Nos. 21-16983, 22-15102, 24-1948 (9th Cir.).

**CONCLUSION**

For these reasons, Celanese requests that the Court extend the time within which to file a petition for a writ of certiorari in this matter to and including December 10, 2024.

Dated: October 18, 2024

Respectfully submitted,

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# APPENDIX

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**APPENDIX A**

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

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2022-1827

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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*

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

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Decided: August 12, 2024

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DEANNE MAYNARD, Morrison & Foerster LLP, Washington, DC, argued for appellants. Also represented by SETH W. LLOYD, BRIAN ROBERT MATSUI; AARON GABRIEL FOUNTAIN, Austin, TX.

BENJAMIN S. RICHARDS, Office of the General Counsel, United States International Trade Commission, Washington, DC, argued for appellee. Also represented by DOMINIC L. BIANCHI, WAYNE W. HERRINGTON.

NICOLE A. SAHARSKY, Mayer Brown, LLP, Washington, DC, argued for intervenors. Also represented by CLARK BAKEWELL, GARY HNATH, BRYAN NESE, MINH NGUYENDANG; SCOTT MCMURRY, New York, NY.

BRIAN PANDYA, Duane Morris LLP, Washington, DC, for amicus curiae National Association of Manufacturers.

Before REYNA, MAYER, and CUNNINGHAM, *Circuit Judges*.

REYNA, *Circuit Judge*.

Celanese International Corporation, Celanese (Malta) Company 2 Limited, and Celanese Sales U.S. Ltd. appeal a decision of the United States International Trade Commission. The International Trade Commission found Celanese's asserted patent claims invalid under the on-sale bar, 35 U.S.C. § 102(a), because Celanese sold products made using the patented process more than one year before the effective filing dates of the asserted patents. We affirm.

## BACKGROUND

Celanese International Corporation, Celanese (Malta) Company 2 Limited, and Celanese Sales U.S. Ltd. (collectively, "Celanese") filed a petition before the United States International Trade Commission (the "Commission"), alleging that Anhui Jinhe Industrial Co., Ltd., Jinhe USA LLC (collectively, "Jinhe") and other entities violated 19 U.S.C. § 337. *See In the Matter of Certain High-Potency Sweeteners, Processes for Making Same, & Prod. Containing Same*, Inv. No. 337-TA-1264, Order No. 29, 2022 WL 142328, at *1 (Jan. 11, 2022) ("*ITC Decision*"); J.A. 53. Celanese alleged that Jinhe and other entities were importing Ace-K (an artificial sweetener) made using a process that infringed Celanese's patents. J.A. 63. Relevant to this appeal, Celanese asserted 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.[1] *ITC Decision*, 2022 WL 142328, at *1, *4. The asserted patents each have an effective filing date of September 21, 2016, and are thus governed by the America Invents Act ("AIA"). *Id.* at *1.

It is undisputed that Celanese's patented process was in secret use in Europe before the critical date of September 21, 2015, i.e., one year before the effective filing date of the asserted patents. *Id.* at *3. It is also undisputed that Celanese had sold Ace-K made using the patented process in the United States before the critical date. *Id.*

Jinhe moved for a summary determination of no violation of 19 U.S.C. § 337 on the ground that the claims at issue were invalid under the on-sale bar provision, 35 U.S.C. § 102(a)(1). According to Jinhe, because Celanese sold Ace-K more than one year before it applied for the asserted patents, those sales triggered the on-sale bar. Celanese did not dispute that under pre-AIA precedent, sales of products made using a secret process triggered the on-sale bar, precluding the patentability of that process. *See ITC Decision*, 2022 WL 142328, at *3–4. Rather, Celanese argued that the AIA changed pre-AIA law such that its pre-2015 sales of Ace-K made using its secret process would not trigger the on-sale bar. *See id.* at *3.

The presiding Administrative Law Judge ("ALJ") rejected Celanese's argument, concluding that Celanese's prior sales triggered the on-sale bar and that the AIA did not overturn settled pre-AIA precedent. In arriving at that conclusion, the ALJ found the Supreme Court's

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[1] Celanese also asserted several other claims, the validity of which is not at issue in this appeal.

decision in *Helsinn* instructive. *Id.* (citing *Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc.*, 586 U.S. 123 (2019)). Under well-settled pre-AIA precedent, the ALJ explained, a patentee's sale of products made using a secret process, as here, would trigger the on-sale bar to patentability. *Id.* at *3 (collecting relevant pre-AIA precedent). In *Helsinn*, the ALJ continued, the Supreme Court addressed whether Congress altered the on-sale bar when it enacted the AIA. *See id.* at *5. The Supreme Court held that Congress did not. Rather, as the ALJ noted, the *Helsinn* Court concluded that "when Congress reenacted the same language in the AIA, it adopted the earlier judicial construction of that phrase." *Id.* (quoting *Helsinn*, 586 U.S. at 131). The ALJ found the Court's reasoning applied equally to the facts here and supported that the AIA did not overturn long-established judicial precedent as applied to the facts here. *Id.*

The ALJ considered Celanese's contrary arguments and found them unpersuasive. Celanese relied on the AIA's textual changes, primarily Section 102's substitution of "claimed invention" for the pre-AIA reference of "invention." *Id.* at *6. This change, Celanese argued, meant that the AIA on-sale bar could only be triggered by sales of the claimed process itself, not by sales of products made using the claimed process. *Id.* The ALJ found Celanese's position lacked merit. *Id.* Pre-AIA precedent, the ALJ explained, recognized the distinction between a process and a product of a claimed process. *Id.* That precedent established that "a product could embody commercialization of a method invention sufficiently to trigger the on-sale bar." *Id.* Following the reasoning in *Helsinn*, the ALJ concluded that the addition of the word "claimed" was insufficient to show the AIA overturned settled law as applied here. *Id.*

The ALJ also rejected Celanese's argument on the AIA's removal of pre-AIA Section 102(g) and the expansion of prior-user rights under Section 273. *Id.* at *6–7. The ALJ reasoned that these changes were driven by distinct policy rationales, and those sections addressed issues unrelated to patentees' actions or the on-sale bar. *Id.* Lastly, the ALJ rejected Celanese's argument on legislative history. *Id.* at *7–8. Evaluated in context, the ALJ reasoned, the passages cited by Celanese did not show that Congress "thr[ew] out the [existing] understanding of the on-sale bar . . . , even if a few senators wished it were otherwise." *Id.* at *8.

The ALJ concluded that the AIA did not alter the pre-AIA rule that "a patentee's sale of an unpatented product made according to a secret method triggers the on-sale bar to patentability." *Id.* at *9. Accordingly, the ALJ held that Celanese's claims at issue were invalid because Celanese sold Ace-K made using its secret process more than one year before it sought the asserted patents. *Id.* On that basis, the ALJ granted Jinhe's motion for a summary determination of no violation of 19 U.S.C. § 337.

Celanese petitioned for review of the ALJ's decision by the Commission, which the Commission denied. *See In the Matter of Certain High-Potency Sweeteners, Processes for Making Same, & Prod. Containing Same*, Inv. No. 337-TA1264, 2022 WL 1043922, at *1 (Apr. 1, 2022). The ALJ's decision thus became the final decision of the Commission.

Celanese appeals. We have jurisdiction under 28 U.S.C. § 1295(a)(6).

## DISCUSSION

"Application of the on-sale bar under 35 U.S.C. § 102 is ultimately a question of law that we review de novo." *Helsinn Healthcare S.A. v. Teva Pharms. USA, Inc.* ("*Helsinn I*"), 855 F.3d 1356, 1363 (Fed. Cir. 2017), *aff'd*, 586 U.S. 123 (2019).

The question before this court is whether the AIA changed Section 102's on-sale bar such that Celanese's pre-2015 sales of Ace-K made using a secret process would not invalidate its later-sought claims on that process. Consistent with the Supreme Court's holding in *Helsinn*, we agree with the Commission that the AIA did not effect such a change.

### I.

Congress first codified the on-sale bar in the Patent Act of 1836. *See* Patent Act of 1836, ch. 357, § 6, 5 Stat. 117, 119. Since then, every patent statute has retained the on-sale bar as a condition of patentability. *Helsinn*, 586 U.S. at 129; *Medicines Co. v. Hospira, Inc.*, 827 F.3d 1363, 1371–73 (Fed. Cir. 2016) (en banc) (reviewing historical development of the on-sale bar). Before the AIA, Section 102(b) of the predecessor statute barred one from patenting an invention that was "in public use or *on sale* in this country, more than one year prior to the date of the application for patent." 35 U.S.C. § 102(b) (2006) (emphasis added); *see also id.* § 102(b) (1952).

Interpreting the pre-AIA "on sale" provision, this court has long held that sales of products made using a secret process before the critical date would bar the patentability of that process. In *D.L. Auld*, a case we decided four decades ago, we addressed facts strikingly similar to what we have here. *D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1147 (Fed. Cir. 1983).

*D.L. Auld* involved Auld's patent drawn to a method of making cast decorative emblems. *Id.* at 1145–46. More than one year before Auld applied for the patent, Auld used that method to make sample emblems and offered them for sale, while keeping the method secret. *Id.* at 1147. We found Auld's patent invalid. *Id.* We explained that the intent behind the on-sale bar is to preclude an inventor's attempt to profit from commercial exploitation of his invention for more than one year before seeking a patent. *Id.* (citing *Metallizing Eng'g Co. v. Kenyon Bearing & Auto Parts Co.*, 153 F.2d 516 (2nd Cir. 1946)). Because Auld offered for sale emblems made using its method and attempted to profit from such use before the critical date, Auld forfeited "any right to the grant of a valid patent on the method." *Id.* We have reiterated the same holding in other decisions. *See, e.g.*, *Medicines*, 827 F.3d at 1376; *In re Kollar*, 286 F.3d 1326, 1333 (Fed. Cir. 2002); *In re Caveney*, 761 F.2d 671, 675 (Fed. Cir. 1985); *W.L. Gore & Assocs., Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1550 (Fed. Cir. 1983).

Our holding is consistent with Supreme Court precedent going back to the 1800s. In *Pennock*, a seminal decision from 1829, the Supreme Court addressed the situation where an inventor sold products made using a patented process while withholding details of his invention from the public. *Pennock v. Dialogue*, 27 U.S. 1, 19–24 (1829). The Court reasoned that allowing the inventor to expand his exclusive rights by patenting the same invention would "materially retard the progress of science and the useful arts[] and give a premium to those who should be least prompt to communicate their discoveries." *Id.* at 19. In *Metallizing*, a 1946 Second Circuit case addressing the on-sale bar, Judge Learned Hand aptly observed that an inventor "shall not exploit his discovery competitively after it is ready for patenting; he must content himself with

either secrecy, or legal monopoly." *Metallizing*, 153 F.2d at 520. More recently, in *Pfaff*, the Supreme Court reiterated the same. *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 68 (1998) (quoting *Metallizing*, 153 F.2d at 520). As a "limiting provision" on patentability, the on-sale bar prevents one from extending a patent monopoly beyond the statutory term by commercially exploiting an invention *prior to* seeking a patent. *Id.* at 64, 67. An inventor's "voluntary act" of exploiting his invention through a commercial sale before the critical date constitutes "an abandonment of his right" to a patent. *Id.* at 64 (quoting *Pennock*, 27 U.S. at 24); *see also Helsinn*, 586 U.S. at 129 (first citing *Pfaff*, 153 F.2d at 64; and then citing *Pennock*, 27 U.S. at 19). The same rationale reverberates throughout the history of our patent statute, and it holds true today.

As shown above, under long-settled pre-AIA precedent, pre-critical date sales of products made using a secret process would trigger the on-sale bar to patentability and render invalid later-sought patent claims on that process. Under that precedent, Celanese's prior sales of Ace-K made using its secret process, well before the critical date, would have triggered the on-sale bar and invalidated its later-sought patent claims on that process.

II.

A.

In 2011, Congress enacted the AIA, shifting the "first-to-invent" system to a "first-inventor-to-file" regime. Pub. L. No. 112–29, § 3, 125 Stat. 284, 285–94 (2011); *Madstad Eng'g, Inc. v. U.S. Pat. & Trademark Off.*, 756 F.3d 1366, 1368 (Fed. Cir. 2014). In enacting the AIA, Congress amended Section 102, the pertinent part of which now provides that one shall not be entitled to a patent if "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).[2]

In *Helsinn,* both this court and the Supreme Court had the occasion to address the reenactment of the "on sale" bar in the AIA. *Helsinn* involved a patent claiming palonosetron at a particular dosage, which is used to treat chemotherapy-induced nausea and vomiting. *Helsinn I*, 855 F.3d at 1361. Before the critical date, Helsinn contracted to commercially supply the drug at the claimed dosage but asked its marketing partner to keep the dosage confidential. *Id.* at 1362, 1364. The contracted sale, under well-settled pre-AIA on-sale bar precedent, would invalidate the patent. *See id.* at 1367. Helsinn, however, contended that the AIA overturned pre-AIA law. *Id.* We rejected that contention.

The Supreme Court affirmed. The Court explained that Congress reenacted the "on sale" language "against the backdrop of a substantial body of law interpreting § 102's on-sale bar." *Helsinn*, 586 U.S. at 130. This "substantial body of law" encompasses the Federal Circuit's judicial interpretation of the term. *Id.* at 130–31. As the Court recognized, the Federal Circuit has long held that, to trigger the on-sale bar, a sale need not disclose the details of the invention to the public. *Id.* (first citing *Special Devices, Inc. v. OEA, Inc.*, 270 F.3d 1353, 1357 (Fed. Cir. 2001); and then citing *Woodland Tr. v. Flowertree Nursery, Inc.*, 148 F.3d 1368,

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[2] Congress also retained the one-year grace period for certain disclosures made one year or less prior to applying for patent, which was previously codified in pre-AIA Section 102(b) and is now codified in AIA Section 102(b)(1). As discussed *infra*, it is undisputed here that Celanese's prior sales occurred before the critical date and as such, are outside of the one-year grace period. *See, e.g.*, *ITC Decision* at *9.

1370 (Fed. Cir. 1998)); *see id.* at 131 (The Federal Circuit has "made explicit what was implicit in [Supreme Court] precedents."). In view of well-settled pre-AIA precedent, the Court "presume[d] that when Congress reenacted the same language in the AIA, it adopted the earlier judicial construction of that phrase." *Id.* The Court reviewed Helsinn's cited textual changes, statutory structure, and legislative history, and found they failed to show Congress intended to upset that substantial body of long-settled precedent. *See id.* at 132; *see also Helsinn I*, 855 F.3d at 1367–71.

The same reasoning guides our inquiry here. As discussed in the preceding section, under long-settled pre-AIA precedent, the on-sale bar applies when a patentee sells, before the critical date, products made using a secret process. We presume that when Congress reenacted the "on sale" language, Congress was aware of pre-AIA precedent and adopted the settled judicial interpretation of the term. *Helsinn*, 586 U.S. at 131. This presumption is appropriate where, as here, Congress reenacts statutory language that has attained settled judicial interpretation at the time of reenactment. *Id.*; *see also Keene Corp. v. United States*, 508 U.S. 200, 212 (1993). In interpreting the reenacted language, we generally adhere to that settled judicial interpretation unless Congress showed an intention to alter it. *See, e.g., Cent. Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A.*, 511 U.S. 164, 185 (1994) (citations omitted); *Molzof v. United States*, 502 U.S. 301, 307 (1992) (quoting *Morissette v. United States*, 342 U.S. 246, 263 (1952)). With this in mind, we next turn to whether, in reenacting the term "on sale," Congress intended to abrogate the settled construction of the term relevant here.

B.

Celanese contends that, in enacting the AIA, Congress intended to alter the on-sale bar such that its pre-2015 sales of Ace-K would not invalidate its later-sought patent claims. To support its contention, Celanese points us to certain textual changes in Section 102, other AIA sections, and selected excerpts from the legislative history.

i.

Celanese cites several textual changes in AIA Section 102(a) and argues that they indicate congressional intent to alter the on-sale bar. Celanese directs us to AIA Section 102(a)'s (1) use of the phrase "claimed invention," which replaces "invention" used in the pre-AIA version;[3] and (2) addition of the catchall phrase "otherwise available to the public." Appellant Br. 16, 20. Based on these textual changes, Celanese asserts, post-AIA, sales of a product made using a claimed process invention, without publicly disclosing the process, would no longer trigger the on-sale bar. *Id.* at 17, 20. So as a result, Celanese says, its prior sales of Ace-K cannot place its process invention "on sale" to trigger the on-sale bar and invalidate its later-sought patent claims on that process. We are not persuaded.

Starting with the addition of "claimed," Celanese contends that this added word means that the on-sale bar now requires the "claimed invention" *itself* be on sale. *Id.* at 17. There is no dispute that the "claimed invention" here is the *process* Celanese used to make Ace-K. The dispute is: what it means for a claimed

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[3] *Compare* 35 U.S.C. § 102 (2006) ("A person shall be entitled to a patent unless . . . (b) the invention was . . . on sale . . . ."), *with* AIA § 102(a) ("A person shall be entitled to a patent unless—(1) the *claimed* invention was . . . on sale . . . ." (emphasis added)).

process invention to be placed on sale to trigger the on-sale bar. Celanese argues, contrary to pre-AIA precedent, that sales of products made using a secret process cannot trigger the AIA's on-sale bar. *See id.* Celanese's argument would have us find a foundational change to the on-sale bar as a patentability condition for process inventions.

The addition of the word "claimed" does not support the foundational change Celanese would have us find. For Section 102's on-sale bar purposes, whether "invention" or "claimed invention" is used, the statutory language references the same "invention" that an applicant seeks to patent, and nothing else. Our caselaw has, in addressing the on-sale bar, interchangeably referred to the invention at issue as the "claimed" invention. *See, e.g.*, *Pfaff*, 525 U.S. at 68 (discussing sales of products containing elements of "the invention *claimed* in the [patent at issue]" (emphasis added)); *Medicines*, 827 F.3d at 1374 (discussing sales of products made using a "*claimed* processes or methods" (emphasis added)); *Kollar*, 286 F.3d at 1333 (discussing commercialization of a product made using a "*claimed* process" (emphasis added)); *Caveney*, 761 F.2d at 675 (discussing the effect of sales of a "*claimed* invention" on patentability (emphasis added)). Consistent with existing judicial construction, that Congress elected to use the "claimed invention" alternative reflects no more than a clerical refinement of terminology for the same meaning in substance.

Turning next to the added catchall phrase, "or otherwise available to the public," Celanese argues this phrase "confirms that the AIA's on-sale provision excludes sales of a product that do not disclose the inventive process." Appellant Br. 20. Celanese's proposition requires that under the AIA, the details of the

claimed invention must be disclosed to the public for the on-sale bar to apply.

Helsinn posited Celanese's proposition, and the Supreme Court explicitly rejected it. *Helsinn*, 586 U.S. at 131. We conclude the same here. Section 102 enumerates several categories of "conditions for patentability," which include that the invention cannot be previously "patented," "described in a printed publication," or "on sale." The "on sale" category, as the Court explained, has never required that a qualifying commercial sale reveal to the public the details of the claimed invention. *Id.* at 125, 130. The catchall phrase, "or otherwise available to the public," "captures material that does not fit neatly into the statute's enumerated categories but is nevertheless meant to be covered." *Id.* at 132. The addition of this phrase, however, "is simply not enough of a change" to conclude "that Congress intended to alter the meaning of the reenacted term 'on sale.'" *Id.* at 131.

The rationale behind the on-sale bar further confirms our conclusion. Whatever the type of invention, the on-sale bar precludes one from commercially exploiting the invention *and* then continuing that exploitation through a patent, effectively extending the statutory patent term. *See, e.g.*, *Pfaff*, 525 U.S. at 68. Contractually, a commercial sale profiting from a patented product may vary in form from a sale involving a patented process. *See, e.g.*, *Kollar*, 286 F.3d at 1332. The Supreme Court's and this court's precedents have long recognized this distinction and further recognized the importance of this distinction relevant to the on-sale bar. *See, e.g.*, *Pennock*, 27 U.S. at 14 (addressing the on-sale bar as applied to the patented process of "making leather tubes or hose"); *Kollar*, 286 F.3d at 1332–33. As relevant here, for patented processes, the

on-sale bar applies when one commercially exploits the process by seeking compensation from the public for carrying out that process before the critical date. *See, e.g.*, *Medicines*, 827 F.3d at 1374; *see also BASF Corp. v. SNF Holding Co.*, 955 F.3d 958, 969 (Fed. Cir. 2020) (discussing the manners in which a process can be "sold" for on-sale bar purposes).

We discern no support for Celanese's proposition that Congress intended to alter the on-sale bar as applied to process inventions, or to disturb the underlying rationale in our caselaw.

ii.

Celanese next argues that certain other provisions of the AIA, including Sections 102(b), 271(g), and 273(a), indicate that Congress intended to alter the scope of the on-sale bar. We conclude that none of these provisions changes the meaning of the on-sale bar or speaks to the facts here. And they do not support Celanese's argument.

Celanese first points us to the grace-period provision in Section 102(b). Section 102(b)(1) provides a one-year grace period for "disclosures" made "by the inventor" within a year before he seeks a patent.[4] Celanese contends that if the on-sale bar continues to apply to the inventor's "secret commercialization," "[n]o grace period would exist for [Section] 102(a)(1) conduct by the inventor that *involves no disclosure*." Appellant Br. 25 (emphasis added). So according to Celanese, this would cause a "mismatch" between Section 102(a)(1)'s

[4] 35 U.S.C. § 102(b)(1), in pertinent part, provides that "[a] disclosure made [by the inventor] 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1)[.]"

on-sale provision and Section 102(b)(1)'s grace period. *Id.* at 23–25.

Section 102(b)(1) and its grace period do not alter our understanding of the on-sale bar under Section 102(a)(1) here. As Jinhe points out, Section 102(b)(1)'s grace-period provision is not implicated here because Celanese's prior sales at issue occurred well outside of the one-year grace-period window. Intervenor Br. 38. We need not, and decline the invitation to, construe term(s) in Section 102(b)(1). Ultimately, Celanese's argument rests on the proposition that a sale must disclose details of the claimed invention to the public before it triggers the on-sale bar. *See, e.g.*, Appellant Br. 24 (to trigger the on-sale bar under Section 102(a)(1), "the claimed invention must have been disclosed to someone"). As discussed *supra*, we reject that proposition.

Second, to support its contention that Congress altered the "on sale" provision in Section 102(a), Celanese points to Section 271(g) (infringement by third parties) and Section 273(a) (third-party infringement defense).[5] *Id.* at 19, 26. Regarding section 271(g), Celanese relies on the reference to "a product which is made by a process," a reference that does not appear in Section 102(a)'s on-sale provision. *Id.* at 19–20. This textual difference, Celanese asserts, is further indication that Congress meant for Section 102(a)'s on-sale

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[5] *See* 35 U.S.C. § 271(g) ("Whoever without authority imports into the United States or offers to sell . . . a product which is made by a process patented in the United States shall be liable as an infringer[.]"); *id.* § 273(a)(1) (providing a third-party prior-use defense against infringement if "[it], acting in good faith, commercially used the [patented] subject matter in the United States, either in connection with an internal commercial use or an actual arm's length sale or other arm's length commercial transfer of a useful end result of such commercial use").

bar to no longer encompass sales of products made using a secret process. *See id.* Celanese also contends that if Section 102(a)'s on-sale bar applies to sales of products made using a secret process, it would render Section 273(a)'s prior-use defense superfluous. *Id.* at 26–27. We find scant merit in Celanese's contentions.

Sections 271(g) and 273(a) both concern infringement and third-party actions, and we fail to see how they would govern the interpretation of Section 102(a)'s on-sale bar. The cited sections do not concern patentability, or what actions of *an inventor or applicant* may preclude him from *obtaining* a valid patent, as provided in Section 102. Instead, the cited sections address what actions by *a third party* may lead to the liability for *infringing* a valid patent.

Patentability (or validity) and infringement are distinct issues concerning different actors and actions, governed by different frameworks with different rationales. *Commil USA, LLC v. Cisco Sys., Inc.*, 575 U.S. 632, 644 (2015). As the Commission noted, "Section 273 provides an infringement defense to one using a method prior to the patenting of that method by another; the question of whether the same operative facts will invalidate the patent is entirely distinct." *ITC Decision*, 2022 WL 142328, at *7 (citing *BASF Corp.*, 955 F.3d at 968); *see W.L. Gore*, 721 F.2d at 1550 (distinguishing, relevant to the on-sale bar, the effect of the inventor's own commercialization and that by a third-party). The fact that Congress elected to write *infringement*-related sections in a certain way does not support a conclusion that Congress meant to rewrite sections on *patentability* or *validity*. Accordingly, we are not persuaded the cited sections show that Congress intended to alter Section 102's on-sale bar.

iii.

Celanese also argues that the AIA's legislative history indicates that Congress intended to remove sales like Celanese's prior sales here from the scope of the on-sale bar. We are not persuaded.

Celanese primarily relies on a colloquy between two senators, which was referenced in a footnote accompanying the background section of a committee report. *See* Appellant Br. 45–46 (citing H.R. Rep. No. 112-98, at 43 n.20 (2011)). In that colloquy, Senator Leahy stated his view that "subsection 102(a) 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. S1496–97 (daily ed. Mar. 9, 2011) (cited at H.R. Rep. No. 112-98, at 43 n.20 (2011)). Celanese argues this statement shows that Congress altered pre-AIA law to require that triggering sales under Section 102(a) must disclose details of the invention to the public. *See* Appellant Br. 45–46. We disagree.

Individual *legislators*' views, isolated from the context of years of debate in the legislative process, do not meaningfully establish *congressional* intent. The Supreme Court has repeatedly cautioned against relying on legislative materials like committee reports, or individual legislators' views, to interpret statutory text. *See, e.g.*, *Exxon Mobil Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 568 (2005) ("[L]legislative history is itself often murky, ambiguous, and contradictory.").

Helsinn relied on the same colloquy to support the same proposition extended by Celanese, which both this court and the Supreme Court rejected. *See, e.g.*, *Helsinn I*, 855 F.3d at 1368–69. As we explained, the

cited statements, viewed in context, at most concerned "public use" and failed to support "a foundational change in the theory of the statutory on-sale bar." *See id.* We reach the same conclusion here. And we reiterate the Supreme Court's holding that, to trigger the on-sale bar, a sale need not "make the details of the invention available to the public." *Helsinn*, 586 U.S. at 125; *id.* at 131.

Accordingly, we hold that the enactment of the AIA did not constitute a foundational change in the theory of the statutory on-sale bar provision, 35 U.S.C. § 102(a)(1), in particular, to require that sales of products made using a secret process cannot trigger the on-sale bar. We conclude that Celanese fails to show the AIA overturned settled precedent that pre-critical date sales of products made using a secret process preclude the patentability of that process. Celanese's pre-2015 sales of Ace-K made using its secret process thus trigger the on-sale bar and preclude patentability of that process. Those sales thus render invalid Celanese's later-sought patent claims on that process.

## CONCLUSION

We have considered Celanese's remaining arguments and find them unpersuasive. For the reasons set forth above, we conclude that Celanese's claims at issue are invalid under the on-sale bar in AIA Section 102. Accordingly, the Commission's judgment is affirmed.

## AFFIRMED

## COSTS

Costs against Appellant.

**APPENDIX B**

UNITED STATES INTERNATIONAL
TRADE COMMISSION
Washington, D.C.

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Investigation No. 337-TA-1264

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In the Matter of

CERTAIN HIGH-POTENCY SWEETENERS, PROCESSES FOR MAKING SAME, AND PRODUCTS CONTAINING SAME

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NOTICE OF A COMMISSION DETERMINATION NOT TO REVIEW AN INITIAL DETERMINATION GRANTING SUMMARY DETERMINATION OF NO VIOLATION OF SECTION 337; TERMINATING THE INVESTIGATION

**AGENCY:** U.S. International Trade Commission.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given that the U.S. International Trade Commission "Commission") has determined not to review an initial determination ("ID") (Order No. 29) of the presiding administrative law judge granting summary determination of no violation of section 337. This investigation is terminated.

**FOR FURTHER INFORMATION CONTACT:** Benjamin S. Richards, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street S.W., Washington, D.C. 20436, telephone (202) 708-5453. Copies of non-confidential documents filed in connection with this investigation may be viewed on

the Commission's electronic docket (EDIS) at https://edis.usitc.gov. For help accessing EDIS, please email EDIS3Help@usitc.gov. General information concerning the Commission may also be obtained by accessing its Internet server at https://www.usitc.gov. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

**SUPPLEMENTARY INFORMATION:** The Commission instituted this investigation on May 14, 2021. 86 FR 26544-45 (May 14, 2021). The complaint, as supplemented, was filed by complainants Celanese International Corporation of Irving, Texas; Celanese (Malta) Company 2 Limited of Qormi, Malta; and Celanese Sales U.S. Ltd. of Irving, Texas (collectively "Celanese") and alleged violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain high-potency sweeteners, processes for making same, and products containing same by reason of infringement of certain claims of U.S. Patent No. 10,023,546, U.S. Patent No. 10,208,004, U.S. Patent No. 10,590,098, U.S. Patent No. 10,233,163, and U.S. Patent No. 10,590,095. *Id.* The complaint further alleged that a domestic industry exists. *Id.* The Commission's notice of investigation named twelve respondents, including Anhui Jinhe Industrial Co., Ltd. and Jinhe USA LLC ("Jinhe"). *Id.* On August 6, 2021, the Chief Administrative Law Judge ("CALJ") issued an ID granting a motion by Celanese to add eleven additional respondents to the investigation. Order No. 14, unreviewed by Comm'n Notice (Aug. 23, 2021). On August 26, 2021, Celanese filed an amended complaint adding the eleven additional respondents. The Office

of Unfair Import Investigations ("OUII") is also participating in this investigation. 86 FR at 26544.

On September 2, 2021, respondent Jinhe filed a motion for summary determination of no violation based on the contention that all of the asserted patent claims that Celanese relied on to satisfy the technical prong of the domestic industry requirement are invalid under the "on-sale bar" provisions of 35 U.S.C. 102(a)(1). On September 13, 2021, Celanese filed a brief in opposition. OUII filed a brief in support of Jinhe's motion on the same day. The CALJ held oral argument on Jinhe's motion on September 28, 2021.

The CALJ issued the subject ID granting Jinhe's motion on January 11, 2022. Specifically, the ID found that the on-sale bar applied to invalidate all of the remaining claims that Celanese relied on to establish a domestic industry. Accordingly, the ID found that the investigation should be terminated with a finding of no violation of section 337 due to Celanese's inability to satisfy the domestic industry requirement of section 337. Celanese petitioned for review of the ID on January 21, 2022. Jinhe and OUII submitted responses opposing Celanese's petition on January 28, 2022.

Having examined the record of this investigation, including the ID, the petition for review, and the responses thereto, the Commission has determined not to review the ID. This investigation is terminated in its entirety.

The Commission vote for this determination took place on April 1, 2022.

While temporary remote operating procedures are in place in response to COVID-19, the Office of the Secretary is not able to serve parties that have not retained counsel or otherwise provided a point of

contact for electronic service. Accordingly, pursuant to Commission Rules 201.16(a) and 210.7(a)(1) (19 CFR 201.16(a), 210.7(a)(1)), the Commission orders that the Complainant(s) complete service for any party/parties without a method of electronic service noted on the attached Certificate of Service and shall file proof of service on the Electronic Document Information System (EDIS).

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in Part 210 of the Commission's Rules of Practice and Procedure (19 CFR Part 210).

By order of the Commission.

/s/ Lisa R. Barton
Lisa R. Barton
Secretary to the Commission

Issued: April 1, 2022

**CERTIFICATE OF SERVICE**

I, Lisa R. Barton, hereby certify that the attached document has been served via EDIS upon the Commission OUII Investigative Attorney and the following parties as indicated, upon the date listed below.

| Document | Security | Document Type | Official Rec'd Date | Title |
|---|---|---|---|---|
| 767156 | Public | Notice | 04/01/2022 12:43 pm | Commission Determination Not to Review an Initial Determination Granting Summary Determination of... |

Service Date: April 01, 2022

/s/

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**CERTIFICATE OF SERVICE**

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Internal Service

# APPENDIX C

UNITED STATES INTERNATIONAL
TRADE COMMISSION
Washington, D.C.

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Inv. No. 337-TA-1264

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In the Matter of

CERTAIN HIGH-POTENCY SWEETENERS, PROCESSES FOR MAKING SAME, AND PRODUCTS CONTAINING SAME

---

ORDER NO. 29: INITIAL DETERMINATION GRANTING RESPONDENTS' MOTION FOR SUMMARY DETERMINATION THAT THE ENTIRE INVESTIGATION BE TERMINATED DUE TO INVALIDITY OF THE ASSERTED PATENTS

(January 11, 2022)

On September 2, 2021, respondent Jinhe[1] filed a motion (Mot.) for summary determination of no violation based on a contention all patent claims asserted in this investigation are invalid. Motion Docket No. 1264-007. The motion alleges complainant Celanese[2] sold products produced according to the patent claims more than a year before the effective filing date of the patents, triggering the on-sale bar provision of 35 U.S.C. § 102(a)(1). *Id.* On September 13, 2021, Celanese filed

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[1] "Jinhe" refers collectively to respondents Anhui Jinhe Industrial Co., Ltd. and Jinhe USA LLC.

[2] "Celanese" refers collectively to complainants Celanese International Corporation, Celanese (Malta) Company 2 Limited, and Celanese Sales U.S. Ltd.

a brief in opposition (Opp'n) and a disputed chart of material facts (DCMF). The Commission Investigative Staff filed a brief supporting Jinhe's motion on September 13, 2021.[3] I held oral argument on the motion on September 28, 2021.[4]

## I. BACKGROUND

As listed in the table below, Celanese presently asserts three patents in this investigation (the Asserted Patents):

| U.S. Patent Number | Asserted Claims |
|---|---|
| 10,023,546 (the '546 patent) | 11, 15, and 27 |
| 10,208,004 (the '004 patent) | 7, 11, 28, and 33 |
| 10,590,095 (the '095 patent) | 1, 19, and 34 |

*See* 86 Fed. Reg. 26544 (May 14, 2021); Order No. 20 (Sept. 21, 2021), *unreviewed*, Comm'n Notice (Oct. 14, 2021); Order No. 25 (Nov. 23, 2021), *unreviewed*, Comm'n Notice (Dec. 21, 2021); Order No. 28 (Jan. 10, 2022) (pending Commission review).

The Asserted Patents are grouped into two families: (1) the '546 and '004 patent family and (2) the '095 patent family. The '546 and '004 patent share a single specification. Mot. Ex. 2 ('004 patent) at 1:8-12 (the '004 patent is a continuation of the '546 patent).

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[3] Subsequently, Jinhe moved for leave to submit a reply brief (EDIS Doc. ID 751927) and Celanese moved for leave to submit a sur-reply brief (EDIS Doc. ID 752185). Motion Docket Nos. 1264-009 and -011. Neither motion for leave was opposed. Unopposed Motion Nos. 1264-009 and -011 for leave are granted.

[4] The transcript of the oral argument is available on EDIS as Doc. ID 752887 and is hereinafter referred to as "Tr."

Each Asserted Patent has an effective filing date of September 21, 2016, and claims improvements to a conventional method for making acesulfame potassium (Ace-K), an artificial sweetener used in foods, drinks, and medicines. DCMF 4; *see* Mot. Exs. 2 and 6.

During prosecution of the Asserted Patents, Celanese disclosed to the Patent Office that the claimed process for making Ace-K had been in secret use in Europe and that Ace-K made using that process had been exported and sold in the United States for more than one year before the Asserted Patents' effective filing date. DCMF Nos. 6-12. In other words, Celanese had produced and sold Ace-K before the critical date of September 21, 2015. It is undisputed that Celanese's method of making Ace-K has not changed in any material way since 2011. DCMF Nos. 16-17.

The Asserted Patents all claim priority to provisional applications that were filed after the effective date of amendments to 35 U.S.C. § 102 made by the Leahy-Smith America Invents Act (AIA). Therefore, the AIA version of the on-sale bar recited in § 102(a) governs the pending motion. *Valve Corp. v. Ironburg Inventions Ltd.*, 8 F.4th 1364, 1370 n.3 (Fed. Cir. 2021) (*citing* Leahy-Smith America Invents Act, Pub L. 112-29 § 3(b), (n),[5] 125 Stat. 284, 285-86, 293 (2011)). As explained in more detail below, this motion turns on language found in the AIA version of the on-sale bar that is not present in the pre-AIA statute. The AIA presently defines the on-sale bar as follows:

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[5] Amendments made to 35 U.S.C. § 102 took effect upon expiration of the 18-month period beginning on the date the AIA was enacted. The AIA was enacted on September 16, 2011.

> (a) 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* before the effective filing date of the claimed invention

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

By contrast, the pre-AIA version of the on-sale bar, which remained in effect up to March 16, 2013, did not include the phrase "claimed invention" or the phrase "or otherwise available to the public"; it 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, more than one year prior to the date of the application for patent in the United States

35 U.S.C. § 102(b) (pre-AIA).

Both before and after the AIA amendments, courts were and are in agreement that the on-sale bar applies when two conditions are satisfied before a claim's effective filing date. *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 67 (1998); 35 U.S.C. § 102(a)(1); *see also Helsinn Healthcare S.A. v. Teva Pharmas. USA, Inc.*, 139 S. Ct. 628, 633 (2019). First, the invention itself must the subject of a commercial offer for sale. *Pfaff*, 525 U.S. at 67-68; *BASF Corp. v. SNF Holding Co*., 955 F.3d 958, 969 (Fed. Cir. 2020). Second, the invention must be ready for patenting, which can be shown by proof of reduction to practice. *Pfaff*, 525 U.S. at 67-68.

The Federal Circuit has recognized that a patented process presents particular considerations with respect to the on-sale bar because a process invention consists of acts rather than a tangible item. *BASF*, 955 F.3d at 969 (*citing In re Kollar*, 286 F.3d 1326, 1332 (Fed. Cir. 2002)). In certain circumstances, a patentee's sale of a product made by a later-patented process is considered a sale of the invention, invoking the on-sale bar. *Id*. (*citing Metallizing Eng'g Co., Inc. v. Kenyon Bearing & Auto Parts Co*., 153 F.2d 516 (2d Cir. 1946)); *Medicines Co. v. Hospira, Inc.*, 827 F.3d 1363, 1376 (Fed. Cir. 2016) ("we have held that the sale of products made using patented methods triggers the on-sale bar, even though title to the claimed method itself did not pass"); *D.L. Auld Co. v. Chroma Graphics Corp*., 714 F.2d 1144, 1147-48 (Fed. Cir. 1983) (placing *the product of a method invention* on sale more than one year before filing a patent application bars grant of a valid patent on the method).

Under the pre-AIA version of the on-sale bar, it was well settled that a patentee's sale of an unpatented product made according to a secret method triggered the on-sale bar to patentability. The Federal Circuit explained that even "where a patented method is kept secret and remains secret after a sale of the unpatented product of the method," a sale of a product made by the secret method "prior to the critical date is a bar if engaged in by the patentee or patent applicant . . ." *In re Caveney*, 761 F. 2d 671, 675 (Fed. Cir. 1985). Thus, Celanese's pre-2015 U.S. sales of Ace-K made according to its secret method, which it later claimed in the Asserted Patents, would have triggered the pre-AIA on-sale bar.

Celanese contends that when Congress changed the statute by adding the word "claimed" as a modifier of "invention" and making other amendments it intended

to change existing law and allow patent protection for products made by the patentee using a secret process. *See* Opp'n at 15-17. This motion turns, therefore, on whether the AIA changed the meaning of the on-sale bar provision such that Celanese's pre-2015 sales of Ace-K do not invalidate the Asserted Patents.

## II. UNDISPUTED FACTS

I find the following facts are not in dispute.

Celanese's process to make Ace-K claimed in the Asserted Patents has been in secret use in Europe since before the undisputed critical date, which is September 21, 2015. DCMF Nos. 6-12. The Ace-K product made using Celanese's process has been exported and sold in the United States since before September 21, 2015. DCMF Nos. 6-12. Celanese's method of making Ace-K has not changed in any material way since 2011. DCMF Nos. 16-17.

Celanese's process to make Ace-K practices (at least) the following asserted claims:

- '546 patent: claims 11 and 27;
- '004 patent: claims 7, 28, and 33;
- '095 patent: claims 1, 19, and 34.

Mot. Exs. 10-11 (Celanese's domestic industry technical prong contention charts for the '546 and '004 patents); Mot. Ex. 14 (Celanese's domestic industry technical prong contention charts for the '095 patent); *see* DCMF No. 38.[6]

[6] Celanese does not contend that it practices the process in asserted claim 15 of the '546 patent or the process in asserted claim 11 of the '004 patent when it makes Ace-K. Mot. Exs. 10-11; DCMF No. 38.

## III. ANALYSIS

Summary determination is appropriate when there is no genuine issue as to any material fact and the moving party is entitled to a determination as a matter of law. *See* 19 C.F.R. § 210.18. In determining whether there is a genuine issue of material fact, "the evidence must be viewed in the light most favorable to the party opposing the motion with doubts resolved in favor of the nonmovant." *Crown Operations Int'l, Ltd. v. Solutia, Inc.*, 289 F.3d 1367, 1374 (Fed. Cir. 2002) (citations omitted).

Celanese contends that the AIA's amendments to § 102 overturn long-held precedent that a patentee's sale of an unpatented product made according to a secret method triggers the on-sale bar to patentability. As discussed below, Celanese's position is contrary to the Supreme Court's decision in *Helsinn*, where the Court held that Congress did not alter the meaning of the on-sale bar provision when it enacted the AIA. 139 S. Ct. at 628.

Helsinn, a pharmaceutical company, licensed the sale of its patented chemotherapy drug at a specific dose but required licensees to keep the dosage information confidential. 139 S. Ct. at 631. Helsinn subsequently filed a provisional patent application covering the specific drug dose more than two years after it had entered into the sales agreement with its licensee. *Id.* Helsinn asserted the resulting '219 patent in an enforcement suit against generic drug manufacturer Teva, who raised an on-sale bar defense to infringement. *Id.* Specifically, Teva asserted that the '219 patent was invalid because the specific dose claimed in the patent was "on sale" more than one year before Helsinn filed the provisional patent application that matured into the '219 patent. *Id.*

The district court that first heard the dispute between Helsinn and Teva determined that the AIA's on-sale bar provision did not render the '219 patent invalid. 139 S. Ct. at 632 (citing *Helsinn Healthcare S.A. v. Dr. Reddy's Labs. Ltd.*, 387 F. Supp. 3d 439 (D.N.J. 2016)). The district court concluded that, "under the AIA, an invention is not 'on sale' unless the sale or offer in question made the claimed invention available to the public." *Id.* As the sale from Helsinn to its licensee did not disclose the specific dose claimed in the '219 patent, the district court found that the claimed invention was not "on-sale" before the '219 patent's critical date. *Id.*

The Federal Circuit reversed the district court's holding that the on-sale bar did not apply. *Helsinn Healthcare S.A. v. Teva Pharmas. USA, Inc.*, 855 F.3d 1356, 1360 (Fed. Cir. 2017). It concluded that "if the existence of the sale is public, the details of the invention need not be publicly disclosed in the terms of sale" to fall within the AIA's on-sale bar. *Id.* at 1371. Because the sale between Helsinn and its licensee was publicly disclosed, the Federal Circuit held that the on-sale bar applied. *Id.* at 1364, 1371.

The Supreme Court granted certiorari to determine "whether, under the AIA, an inventor's sale of an invention to a third party who is obligated to keep the invention confidential qualifies as prior art for purposes of determining the patentability of the invention." 139 S. Ct. at 632. The Court's opinion reviews the constitutional and philosophical underpinnings of the federal patent system and notes that "[e]very patent statute since 1836 has included an on-sale bar." *Id.* at 633 (citing *Pfaff*, 119 S. Ct. at 304). The opinion further notes that "Congress enacted the AIA in 2011 against the backdrop of a substantial body of law interpreting

§ 102's on-sale bar" and identifies Federal Circuit precedents holding that "secret sales" can invalidate a patent. *Id.* (citing *Woodland Trust v. Flowertree Nursery, Inc.*, 148 F.3d 1368, 1370 (1998) ("Thus an inventor's own prior commercial use, albeit kept secret, may constitute a public use or sale under § 102(b), barring him from obtaining a patent."). In view of "this settled pre-AIA precedent on the meaning of 'on sale,'" the *Helsinn* court concluded that "when Congress reenacted the same language in the AIA, it adopted the earlier judicial construction of that phrase" and affirmed the Federal Circuit's determination that an inventor's sale of an invention to a third party who is obligated to keep the invention confidential can trigger the on-sale bar under § 102(a). *Id.* at 633-34; *see also id.* at 634 ("[W]e determine that Congress did not alter the meaning of 'on sale' when it enacted the AIA.").

Thus, the Supreme Court's *Helsinn* opinion, although not addressing the exact fact pattern arising this investigation, supports a conclusion that Congress's enactment of the AIA did not overturn long-established precedent holding that a patentee's sale of an unpatented product made according to a secret method triggers the on-sale bar to patentability under § 102. *See, e.g.*, *Caveney*, 761 F. 2d at 675.

Celanese contends otherwise, arguing that textual changes to § 102 enacted with the AIA overturned the long history of judicial precedent interpreting the on-sale bar. Specifically, Celanese takes the position that the AIA's use of the phrase "claimed invention" in the on-sale bar provision, in contrast to the pre-AIA version's use of the standalone word "invention," means that the on-sale bar can now only be triggered by the public sale or use of the claimed invention itself, and not by the public sale or use of a product made according to a

claimed method. *See, e.g.*, Tr. at 44:22-45:17, 49:1-10, 50:2-6. Celanese's argument lacks merit, however, because pre-AIA precedent already recognized the distinction that Celanese contends was created by the amendment. Pre-AIA cases recognized that the product of a claimed method was distinct from the steps of a method invention, but precedents also recognized that a product could embody commercialization of a method invention sufficiently to trigger the on-sale bar. *See, e.g.*, *D.L. Auld*, 714 F.2d at 1148 ("a party's placing of ***the product of a method invention*** on sale more than a year before that party's application filing date must act as a forfeiture of any right to the grant of a valid patent on the method to that party if circumvention of the policy animating §102(b) is to be avoided in respect of patents on method inventions") (emphasis added). The AIA's addition of the word "claimed" to modify "invention"—with no indication in other statutory text or legislative history about what change was intended—"would be a fairly oblique way of attempting to overturn" a settled body of law that a patentee's sale of a product made by its use of a secret process bars the patenting of that process. *Cf. Helsinn*, 139 S. Ct. at 634 (quoting with approval *amicus* United States, who argued the AIA amendment adding the words "or otherwise available to the public" did not change the previous interpretation of the on-sale bar). Following the lead of the Supreme Court in *Helsinn*, I decline to interpret the AIA as working a change in the on-sale bar as applied to these facts.

Celanese also contends that the pre-AIA § 102(g) "codified the legal principle that the sale by another of a product made by a secret process was not a bar to patentability under pre-AIA § 102(b)," and that the AIA's elimination of § 102(g) "repeal[ed] any distinction between an inventor's own activities and those of

another with regard to use and sale of the invention." *See* Opp'n at 10. In Celanese's view, the change to § 102(g) "demonstrates Congress's intention to treat the secret use of processes that result in commercialized products by patentees and third parties the same." *See id*. at 11. Celanese's argument fails to recognize the distinct policies motivating the pre-AIA on-sale bar and pre-AIA § 102(g). The Federal Circuit described "the intent" behind the pre-AIA on-sale bar was "to preclude attempts by the inventor or his assignee to profit from commercial use of an invention for more than a year before an application for patent is filed," including the sale of the product of a method. *See D.L. Auld*, 714 F.2d 1144, 1147 (Fed. Cir. 1983). Pre-AIA § 102(g), in contrast, operated "to ensure that a patent is awarded only to the 'first' inventor," even if a different applicant was the first to file a patent application concerning the invention. *Apotex USA, Inc. v. Merck & Co*., 254 F.3d 1031, 1035 (Fed. Cir. 2001). The legislative history of the AIA is express that the change to § 102(g) was driven by the congressional preference to convert the U.S. patent system to a "first-inventor-to-file" system. *See* 157 Cong. Rec. S5402-02 (daily ed. Sept. 8, 2011) (statement of Sen. Patrick Leahy) ("One of the key provisions of the legislation transitions the United States patent system from a first-to-invent system to a first-inventor-to-file system."); *see also id.* (statement of Sen. Roy Blunt) (elimination of § 102(g) was a result of the change to a first-inventor-to-file system). There is no indication in the text of the new statute or in its legislative history that the elimination of § 102(g) was intended to harmonize treatment of patentees and what Celanese calls "third parties" with respect to the on-sale bar.

Celanese contends the AIA's expansion of prior user rights under § 273 also demonstrates that the secret

use of a process by a patentee no longer creates a statutory bar under the AIA version of § 102. *See* Opp'n at 11-15 (examining 35 U.S.C. § 273). As enacted in the AIA, § 273 provides a personal defense to individuals accused of patent infringement if the following criteria are met: (1) commercial use of the patented subject matter in the United States in connection with an internal commercial use or in connection with a sale or transfer of the end result of the foregoing commercial use and (2) the commercial use occurred more than one year before the effective date of the claimed invention. *See* 35 U.S.C. § 273. Celanese argues that the prior use protection of § 273 added by the AIA would be unnecessary if such a use would also be invalidating art under the AIA version of § 102(a)(1). Opp'n at 13. But Celanese's argument again conflates two distinct issues. Section 273 provides an infringement defense to one using a method prior to the patenting of that method by another; the question of whether the same operative facts will invalidate the patent is entirely distinct. *See BASF Corp.*, 955 F.3d at 968 (noting that "Congress has considered the implications of patenting secret processes" when enacting the AIA and a successful prior-use defense under § 273 "does not necessarily establish invalidity"). A patentee may very well retain a valid patent even after successful invocation of the § 273 prior use defense by an accused infringer. Thus, the prior use defense of § 273 is entirely consistent with the *Caveney* rule that states "where a patented method is kept secret and remains secret after a sale of the unpatented product of the method[,] [the] sale prior to the critical date is a bar if engaged in by the patentee or patent applicant, but not if engaged in by another." *See* 761 F.2d at 675.

Celanese also contends that certain passages from the legislative history of the AIA demonstrate Congress's

intent that the sale of a product made by a secret process should no longer be a bar to the patentability of that process under § 102(a)(1). Opp'n at 15-17. In particular, Celanese cites the following passage from the House Committee Report on H.R. 1249 (the AIA) in support of its position:

> Prior art will be measured from the filing date of the application and will typically include all art that ***publicly exists*** prior to the filing date, other than disclosures by the inventor within 1 year of filing. Prior art also will no longer have any geographic limitations. Thus, in section 102 the "in this country" limitation as applied to "public use" and "on sale" is removed, and the phrase "available to the public" is added to clarify the broad scope of relevant prior art, as well as ***to emphasize the fact that it must be publicly accessible.***

H.R. Rept. No. 112-98 at 42-43 (2011) (emphases added by Celanese at Opp'n at 15). Celanese also relies on statements made by Senators Kyl and Leahy in support of its position. Opp'n at 15-17.

The legislative history cited by Celanese must be evaluated in context. As described an Amici Curiae brief submitted by 45 intellectual property law professors in connection with the *Helsinn* case before the Supreme Court,[7] the original bill leading to the AIA was introduced in Congress in 2005. It would have eliminated the former prior art categories of "public use" and "on sale" altogether, defining prior art as only things "patented, described in a printed publication, or other-

[7] The amicus brief submitted by the intellectual property law professors is attached as Exhibit 1 to Jinhe's reply brief, EDIS Doc. ID 751927.

wise publicly known." H.R. 2795, 109th Cong. § 3 (2005). But that language was not the language Congress adopted.

During the course of six years of congressional debate, Congress added the terms "public use" and "on sale" back into the definition of prior art. The House Report accompanying the 2007 bill that reintroduced those terms stated the bill used "the current § 102(b) as the template from which to define the scope of prior art in the Act, 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 (2007). That—coupled with the fact that the final language of § 102 in the AIA was adopted over the objections of senators who wanted to get rid of the very rule being advanced by Jinhe here—suggests that Congress did not deliberately throw out the understanding of the on-sale bar as it had existed for decades, even if a few senators wished it were otherwise.

This interpretation of the legislative history is also consistent with guidance given by the U.S. Patent and Trademark Office to patent examiners determining whether or not to reject a patent application based on an on-sale bar:

> The pre-AIA 35 U.S.C. 102(b) "on sale" provision has been interpreted as including commercial activity even if the activity is secret. *See* MPEP § 2133.03(b), subsection III.A. AIA 35 U.S.C. 102(a)(1) uses the same "on sale" term as pre-AIA 35 U.S.C. 102(b) and is treated as having the same meaning. In *Helsinn Healthcare S.A. v. Teva Pharmaceuticals USA, Inc.*, 139 S.Ct. 628 (2019), the Supreme Court "determine[d] that Congress did not alter the meaning of 'on sale' when it enacted

> the AIA, [and held] that an inventor's sale of an invention to a third party who is obligated to keep the invention confidential can qualify as prior art under [AIA 35 U.S.C.] § 102(a)." *Id.* at 634. Thus, a sale or offer for sale that does not disclose the subject matter of an invention or make the invention available to the general public may nevertheless qualify as prior art in an anticipation or obviousness rejection, regardless of whether the application or patent under consideration is subject to the FITF provisions of the AIA or the first to invent provisions of pre-AIA law.

Manual of Patent Examining Procedure § 2152.02(d).

In sum, the AIA did not alter the pre-AIA on-sale bar as set forth in *Caveney*: a patentee's sale of an unpatented product made according to a secret method triggers the on-sale bar to patentability.

It is undisputed that Celanese sold in the United States, more than one year before the effective filing date, Ace-K manufactured according to the inventions in the following claims:

- '546 patent: claims 11 and 27;
- '004 patent: claims 7, 28, and 33;
- '095 patent: claims 1, 19, and 34.

I therefore determine that the claims listed above are invalid pursuant to the on-sale bar provision of 35 U.S.C. § 102(a)(1):

Apart from these invalid claims, Celanese contends that Jinhe infringes the following two claims, which have not been shown to have been practiced more than one year before each claim's effective filing date:

- '546 patent: claim 15;
- '004 patent: claim 11.

Celanese does not contend, however, that its current production of Ace-K satisfies the technical prong of the domestic industry requirement by practicing either of these two claims. Mot. Exs. 10-11; DCMF No. 38. As discussed at oral argument, the parties agreed that I could decide in the context of the pending motion whether the technical prong of the domestic industry requirement has been satisfied on this record. *See* Tr. at 90:6-15. I therefore determine that Celanese does not practice any valid claim of the Asserted Patents and therefore has not met its burden to show satisfaction of the technical prong of the domestic industry requirement. Accordingly, I determine that no violation of section 337 of the Tariff Act of 1930 can be proved based on the undisputed facts and summary determination to that effect is appropriate.

## IV. CONCLUSION

For the reasons set forth above, it is my initial determination that Motion No. 1264-007 is granted with a finding of no violation of section 337. This initial determination, along with supporting documentation, is hereby certified to the Commission.

Pursuant to 19 C.F.R. § 210.42(h), this initial determination shall become the determination of the Commission unless a party files a petition for review of the initial determination pursuant to 19 C.F.R. § 210.43(a), or the Commission, pursuant to 19 C.F.R. § 210.44, orders on its own motion a review of the initial determination or certain issues herein.

All pending hearings and deadlines set forth in the procedural schedule issued as Order No. 10 on June

23, 2021, and all subsequent modifications to that schedule made by order are hereby stayed pending a final resolution by the Commission of the issues addressed in this initial determination. All other motions pending in this investigation are denied as moot.

**SO ORDERED.**

/s/ Clark S. Cheney
Clark S. Cheney
Acting Chief Administrative Law Judge

**CERTIFICATE OF SERVICE**

I, Lisa R. Barton, hereby certify that the attached document has been served via EDIS upon the Commission OUII Investigative Attorney and the following parties as indicated, upon the date listed below.

| Document | Security | Document Type | Official Rec'd Date | Title |
|---|---|---|---|---|
| 760224 | Public | ID/RD - Other Than Final on Violation | 01/11/2022 01:22 PM | Initial Determination Granting Respondents' Motion for Summary Determination That the Entire Investigation Be Terminated Due to Invalidity of the Asserted Patents |

Service Date: January 11, 2022

/s/

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U.S. International Trade Commission
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## APPENDIX D

### 35 U.S.C. § 100 (Current)

**§ 100. Definitions**

When used in this title unless the context otherwise indicates-

(a) The term "invention" means invention or discovery.

(b) The term "process" means process, art or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.

(c) The terms "United States" and "this country" mean the United States of America, its territories and possessions.

(d) The word "patentee" includes not only the patentee to whom the patent was issued but also the successors in title to the patentee.

(e) The term "third-party requester" means a person requesting ex parte reexamination under section 302 who is not the patent owner.

(f) The term "inventor" means the individual or, if a joint invention, the individuals collectively who invented or discovered the subject matter of the invention.

(g) The terms "joint inventor" and "coinventor" mean any 1 of the individuals who invented or discovered the subject matter of a joint invention.

(h) The term "joint research agreement" means a written contract, grant, or cooperative agreement entered into by 2 or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.

(i)(1) The term "effective filing date" for a claimed invention in a patent or application for patent means-

(A) if subparagraph (B) does not apply, the actual filing date of the patent or the application for the patent containing a claim to the invention; or

(B) the filing date of the earliest application for which the patent or application is entitled, as to such invention, to a right of priority under section 119, 365(a), 365(b), 386(a), or 386(b) or to the benefit of an earlier filing date under section 120, 121, 365(c), or 386(c).

(2) The effective filing date for a claimed invention in an application for reissue or reissued patent shall be determined by deeming the claim to the invention to have been contained in the patent for which reissue was sought.

(j) The term "claimed invention" means the subject matter defined by a claim in a patent or an application for a patent.

## 35 U.S.C. § 102 (Current)

**§ 102. Conditions for patentability; novelty**

(a) **NOVELTY; PRIOR ART**.-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 before the effective filing date of the claimed invention; or

(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

(b) **EXCEPTIONS**.-

(1) **DISCLOSURES MADE 1 YEAR OR LESS BEFORE THE EFFECTIVE FILING DATE OF THE CLAIMED INVENTION**.-

A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if-

(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

(2) **DISCLOSURES APPEARING IN APPLICATIONS AND PATENTS**.-A disclosure shall not be prior art to a claimed invention under subsection(a)(2) if-

(A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;

(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were owned by the same person or subject to an obligation of assignment to the same person.

(c) **COMMON OWNERSHIP UNDER JOINT RESEARCH AGREEMENTS**.-Subject matter disclosed and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of subsection (b)(2)(C) if-

(1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, 1 or more parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;

(2) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

(3) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

(d) **PATENTS AND PUBLISHED APPLICATIONS EFFECTIVE AS PRIOR ART**.-For purposes of determining whether a patent or application for patent is prior art to a claimed invention under subsection (a)(2), such patent or application shall be considered to have been effectively filed, with respect to any subject matter described in the patent or application-

(1) if paragraph (2) does not apply, as of the actual filing date of the patent or the application for patent; or

(2) if the patent or application for patent is entitled to claim a right of priority under section 119, 365(a), 365(b), 386(a), or 386(b), or to claim the benefit of an earlier filing date under section 120, 121, 365(c), or 386(c), based upon 1 or more prior filed applications for patent, as of the filing date of the earliest such application that describes the subject matter.

## 35 U.S.C. § 102 (2006)

### § 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless-

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(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, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented, or was the subject of an inventor's certificate, by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application for patent or inventor's certificate filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for the purposes of this subsection of an application filed in the United States only if the international application designated the United States

and was published under Article 21(2) of such treaty in the English language;[1] or

(f) he did not himself invent the subject matter sought to be patented, or

(g)

(1) during the course of an interference conducted under section 135 or section 291, another inventor involved therein establishes, to the extent permitted in section 104, that before such person's invention thereof the invention was made by such other inventor and not abandoned, suppressed, or concealed, or

(2) before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it. In determining priority of invention under this subsection, there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

[1] So in original. The semicolon probably should be a comma.

## 35 U.S.C. § 102 (1952)

**§ 102. Conditions for patentability; novelty and loss of right to patent.**

A person shall be entitled to a patent unless-

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(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, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable

diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

## 35 U.S.C. § 271 (Current)

### § 271. Infringement of patent

(a) Except as otherwise provided in this title, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

(b) Whoever actively induces infringement of a patent shall be liable as an infringer.

(c) Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

(d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement; (4) refused to license or use any rights to the patent; or

(5) conditioned the license of any rights to the patent or the sale of the patented product on the acquisition of a license to rights in another patent or purchase of a separate product, unless, in view of the circumstances, the patent owner has market power in the relevant market for the patent or patented product on which the license or sale is conditioned.

(e)

(1) It shall not be an act of infringement to make, use, offer to sell, or sell within the United States or import into the United States a patented invention (other than a new animal drug or veterinary biological product (as those terms are used in the Federal Food, Drug, and Cosmetic Act and the Act of March 4, 1913) which is primarily manufactured using recombinant DNA, recombinant RNA, hybridoma technology, or other processes involving site specific genetic manipulation techniques) solely for uses reasonably related to the development and submission of information under a Federal law which regulates the manufacture, use, or sale of drugs or veterinary biological products.

(2) It shall be an act of infringement to submit-

(A) an application under section 505(j) of the Federal Food, Drug, and Cosmetic Act or described in section 505(b)(2) of such Act for a drug claimed in a patent or the use of which is claimed in a patent,

(B) an application under section 512 of such Act or under the Act of March 4, 1913 (21 U.S.C. 151-158) for a drug or veterinary biological product which is not primarily manufactured using recombinant DNA, recombinant RNA, hybridoma technology, or other processes involving site specific genetic

manipulation techniques and which is claimed in a patent or the use of which is claimed in a patent, or

(C)

(i) with respect to a patent that is identified in the list of patents described in section 351(l)(3) of the Public Health Service Act (including as provided under section 351(l)(7) of such Act), an application seeking approval of a biological product, or

(ii) if the applicant for the application fails to provide the application and information required under section 351(l)(2)(A) of such Act, an application seeking approval of a biological product for a patent that could be identified pursuant to section 351(l)(3)(A)(i) of such Act, if the purpose of such submission is to obtain approval under such Act to engage in the commercial manufacture, use, or sale of a drug, veterinary biological product, or biological product claimed in a patent or the use of which is claimed in a patent before the expiration of such patent.

(3) In any action for patent infringement brought under this section, no injunctive or other relief may be granted which would prohibit the making, using, offering to sell, or selling within the United States or importing into the United States of a patented invention under paragraph (1).

(4) For an act of infringement described in paragraph (2)-

(A) the court shall order the effective date of any approval of the drug or veterinary biological

product involved in the infringement to be a date which is not earlier than the date of the expiration of the patent which has been infringed.

(B) injunctive relief may be granted against an infringer to prevent the commercial manufacture, use, offer to sell, or sale within the United States or importation into the United States of an approved drug, veterinary biological product, or biological product,

(C) damages or other monetary relief may be awarded against an infringer only if there has been commercial manufacture, use, offer to sell, or sale within the United States or importation into the United States of an approved drug, veterinary biological product, or biological product, and

(D) the court shall order a permanent injunction prohibiting any infringement of the patent by the biological product involved in the infringement until a date which is not earlier than the date of the expiration of the patent that has been infringed under paragraph (2)(C), provided the patent is the subject of a final court decision, as defined in section 351(k)(6) of the Public Health Service Act, in an action for infringement of the patent under section 351(l)(6) of such Act, and the biological product has not yet been approved because of section 351(k)(7) of such Act.

The remedies prescribed by subparagraphs (A), (B), (C), and (D) are the only remedies which may be granted by a court for an act of infringement described in paragraph (2), except that a court may award attorney fees under section 285.

(5) Where a person has filed an application described in paragraph (2) that includes a certification under subsection (b)(2)(A)(iv) or (j)(2)(A)(vii)(IV) of section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355), and neither the owner of the patent that is the subject of the certification nor the holder of the approved application under subsection (b) of such section for the drug that is claimed by the patent or a use of which is claimed by the patent brought an action for infringement of such patent before the expiration of 45 days after the date on which the notice given under subsection (b)(3) or (j)(2)(B) of such section was received, the courts of the United States shall, to the extent consistent with the Constitution, have subject matter jurisdiction in any action brought by such person under section 2201 of title 28 for a declaratory judgment that such patent is invalid or not infringed.

(6)(A) Subparagraph (B) applies, in lieu of paragraph (4), in the case of a patent

> (i) that is identified, as applicable, in the list of patents described in section 351(l)(4) of the Public Health Service Act or the lists of patents described in section 351(l)(5)(B) of such Act with respect to a biological product; and
>
> (ii) for which an action for infringement of the patent with respect to the biological product
>
> > (I) was brought after the expiration of the 30-day period described in subparagraph (A) or (B), as applicable, of section 351(l)(6) of such Act; or
> >
> > (II) was brought before the expiration of the 30-day period described in subclause (I), but

which was dismissed without prejudice or was not prosecuted to judgment in good faith.

(B) In an action for infringement of a patent described in subparagraph (A), the sole and exclusive remedy that may be granted by a court, upon a finding that the making, using, offering to sell, selling, or importation into the United States of the biological product that is the subject of the action infringed the patent, shall be a reasonable royalty.

(C) The owner of a patent that should have been included in the list described in section 351(l)(3)(A) of the Public Health Service Act, including as provided under section 351(l)(7) of such Act for a biological product, but was not timely included in such list, may not bring an action under this section for infringement of the patent with respect to the biological product.

(f)(1) Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

(2) Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use, where such component is uncombined in whole or in part,

knowing that such component is so made or adapted and intending that such component will be combined outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

(g) 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 shall be liable as an infringer, if the importation, offer to sell, sale, or use of the product occurs during the term of such process patent. In an action for infringement of a process patent, no remedy may be granted for infringement on account of the noncommercial use or retail sale of a product unless there is no adequate remedy under this title for infringement on account of the importation or other use, offer to sell, or sale of that product. A product which is made by a patented process will, for purposes of this title, not be considered to be so made after

(1) it is materially changed by subsequent processes; or

(2) it becomes a trivial and nonessential component of another product.

(h) As used in this section, the term "whoever" includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.

(i) As used in this section, an "offer for sale" or an "offer to sell" by a person other than the patentee, or any designee of the patentee, is that in which the sale will occur before the expiration of the term of the patent.

## 35 U.S.C. § 273 (Current)

### § 273. Defense to infringement based on prior commercial use

(a) **IN GENERAL**.-A person shall be entitled to a defense under section 282(b) with respect to subject matter consisting of a process, or consisting of a machine, manufacture, or composition of matter used in a manufacturing or other commercial process, that would otherwise infringe a claimed invention being asserted against the person if-

(1) such person, acting in good faith, commercially used the subject matter in the United States, either in connection with an internal commercial use or an actual arm's length sale or other arm's length commercial transfer of a useful end result of such commercial use; and

(2) such commercial use occurred at least 1 year before the earlier of either-

(A) the effective filing date of the claimed invention; or

(B) the date on which the claimed invention was disclosed to the public in a manner that qualified for the exception from prior art under section 102(b).

(b) **BURDEN OF PROOF**.-A person asserting a defense under this section shall have the burden of establishing the defense by clear and convincing evidence.

(c) **ADDITIONAL COMMERCIAL USES**.-

(1) **PREMARKETING REGULATORY REVIEW**.-Subject matter for which commercial marketing or use is subject to a premarketing regulatory review

period during which the safety or efficacy of the subject matter is established, including any period specified in section 156(g), shall be deemed to be commercially used for purposes of subsection (a)(1) during such regulatory review period.

(2) **NONPROFIT LABORATORY USE**.-A use of subject matter by a nonprofit research laboratory or other nonprofit entity, such as a university or hospital, for which the public is the intended beneficiary, shall be deemed to be a commercial use for purposes of subsection (a)(1), except that a defense under this section may be asserted pursuant to this paragraph only for continued and non-commercial use by and in the laboratory or other nonprofit entity.

(d) **EXHAUSTION OF RIGHTS**.-Notwithstanding subsection (e)(1), the sale or other disposition of a useful end result by a person entitled to assert a defense under this section in connection with a patent with respect to that useful end result shall exhaust the patent owner's rights under the patent to the extent that such rights would have been exhausted had such sale or other disposition been made by the patent owner.

(e) **LIMITATIONS AND EXCEPTIONS**.-

(1) **PERSONAL DEFENSE**.-

(A) In general.-A defense under this section may be asserted only by the person who performed or directed the performance of the commercial use described in subsection (a), or by an entity that controls, is controlled by, or is under common control with such person.

(B) Transfer of right.-Except for any transfer to the patent owner, the right to assert a defense under this section shall not be licensed or assigned or transferred to another person except as an ancillary and subordinate part of a good-faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.

(C) Restriction on sites.-A defense under this section, when acquired by a person as part of an assignment or transfer described in subparagraph (B), may only be asserted for uses at sites where the subject matter that would otherwise infringe a claimed invention is in use before the later of the effective filing date of the claimed invention or the date of the assignment or transfer of such enterprise or line of business.

(2) **DERIVATION**.-A person may not assert a defense under this section if the subject matter on which the defense is based was derived from the patentee or persons in privity with the patentee.

(3) **NOT A GENERAL LICENSE**.-The defense asserted by a person under this section is not a general license under all claims of the patent at issue, but extends only to the specific subject matter for which it has been established that a commercial use that qualifies under this section occurred, except that the defense shall also extend to variations in the quantity or volume of use of the claimed subject matter, and to improvements in the claimed subject matter that do not infringe additional specifically claimed subject matter of the patent.

(4) **ABANDONMENT OF USE**.-A person who has abandoned commercial use (that qualifies under this

section) of subject matter may not rely on activities performed before the date of such abandonment in establishing a defense under this section with respect to actions taken on or after the date of such abandonment.

(5) **UNIVERSITY EXCEPTION**.-

(A) In general.-A person commercially using subject matter to which subsection (a) applies may not assert a defense under this section if the claimed invention with respect to which the defense is asserted was, at the time the invention was made, owned or subject to an obligation of assignment to either an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)),[1] or a technology transfer organization whose primary purpose is to facilitate the commercialization of technologies developed by one or more such institutions of higher education.

(B) Exception.-Subparagraph (A) shall not apply if any of the activities required to reduce to practice the subject matter of the claimed invention could not have been undertaken using funds provided by the Federal Government.

(f) **UNREASONABLE ASSERTION OF DEFENSE**.-If the defense under this section is pleaded by a person who is found to infringe the patent and who subsequently fails to demonstrate a reasonable basis for asserting the defense, the court shall find the case exceptional for the purpose of awarding attorney fees under section 285.

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[1] So in original. Another closing parenthesis should precede the comma.

(g) **INVALIDITY**.-A patent shall not be deemed to be invalid under section 102 or 103 solely because a defense is raised or established under this section.

**Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011), §§ 3, 6, 18**

**SEC. 3 FIRST INVENTOR TO FILE.**

(a) DEFINITIONS.--Section 100 of title 35, United States Code, is amended--

(1) in subsection (e), by striking "or inter partes reexamination under section 311"; and

(2) by adding at the end the following:

"(f) The term 'inventor' means the individual or, if a joint invention, the individuals collectively who invented or discovered the subject matter of the invention.

"(g) The terms 'joint inventor' and 'coinventor' mean any 1 of the individuals who invented or discovered the subject matter of a joint invention.

"(h) The term 'joint research agreement' means a written contract, grant, or cooperative agreement entered into by 2 or more persons or entities for the performance of experimental, developmental, or research work in the field of the claimed invention.

"(i)

(1) The term 'effective filing date' for a claimed invention in a patent or application for patent means--

"(A) if subparagraph (B) does not apply, the actual filing date of the patent or the application for the patent containing a claim to the invention; or

"(B) the filing date of the earliest application for which the patent or application is entitled,

as to such invention, to a right of priority under section 119, 365(a), or 365(b) or to the benefit of an earlier filing date under section 120, 121, or 365(c).

"(2) The effective filing date for a claimed invention in an application for reissue or reissued patent shall be determined by deeming the claim to the invention to have been contained in the patent for which reissue was sought.

"(j) The term 'claimed invention' means the subject matter defined by a claim in a patent or an application for a patent.".

(b) CONDITIONS FOR PATENTABILITY.--

(1) IN GENERAL.--Section 102 of title 35, United States Code, is amended to read as follows:

"§ **102. Conditions for patentability; novelty**

"(a) NOVELTY; PRIOR ART.--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 before the effective filing date of the claimed invention; or

"(2) the claimed invention was described in a patent issued under section 151, or in an application for patent published or deemed published under section 122(b), in which the patent or application, as the case may be, names another inventor and was effectively filed before the effective filing date of the claimed invention.

"(b) EXCEPTIONS.--

"(1) Disclosures made 1 year or less before the effective filing date of the claimed invention.--A disclosure made 1 year or less before the effective filing date of a claimed invention shall not be prior art to the claimed invention under subsection (a)(1) if--

"(A) the disclosure was made by the inventor or joint inventor or by another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

"(B) the subject matter disclosed had, before such disclosure, been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor.

"(2) Disclosures appearing in applications and patents.--A disclosure shall not be prior art to a claimed invention under subsection (a)(2) if--

"(A) the subject matter disclosed was obtained directly or indirectly from the inventor or a joint inventor;

"(B) the subject matter disclosed had, before such subject matter was effectively filed under subsection (a)(2), been publicly disclosed by the inventor or a joint inventor or another who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor; or

"(C) the subject matter disclosed and the claimed invention, not later than the effective filing date of the claimed invention, were

owned by the same person or subject to an obligation of assignment to the same person.

"(c) COMMON OWNERSHIP UNDER JOINT RESEARCH AGREEMENTS.--Subject matter disclosed and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of subsection (b)(2)(C) if--

"(1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, 1 or more parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;

"(2) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and

"(3) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.

"(d) PATENTS AND PUBLISHED APPLICATIONS EFFECTIVE AS PRIOR ART.--For purposes of determining whether a patent or application for patent is prior art to a claimed invention under subsection (a)(2), such patent or application shall be considered to have been effectively filed, with respect to any subject matter described in the patent or application--

"(1) if paragraph (2) does not apply, as of the actual filing date of the patent or the application for patent; or

"(2) if the patent or application for patent is entitled to claim a right of priority under section 119, 365(a), or 365(b), or to claim the benefit of an earlier filing date under section 120, 121, or 365(c), based upon 1 or more prior filed applications for patent, as of the filing date of the earliest such application that describes the subject matter.".

(2) CONTINUITY OF INTENT UNDER THE CREATE ACT.--The enactment of section 102(c) of title 35, United States Code, under paragraph (1) of this subsection is done with the same intent to promote joint research activities that was expressed, including in the legislative history, through the enactment of the Cooperative Research and Technology Enhancement Act of 2004 (Public Law 108-453; the "CREATE Act"), the amendments of which are stricken by subsection (c) of this section. The United States Patent and Trademark Office shall administer section 102(c) of title 35, United States Code, in a manner consistent with the legislative history of the CREATE Act that was relevant to its administration by the United States Patent and Trademark Office.

(3) CONFORMING AMENDMENT.--The item relating to section 102 in the table of sections for chapter 10 of title 35, United States Code, is amended to read as follows:

"102. Conditions for patentability; novelty.".

(c) CONDITIONS FOR PATENTABILITY; NON-OBVIOUS SUBJECT MATTER.--Section 103 of title 35, United States Code, is amended to read as follows:

"§ **103. Conditions for patentability; non-obvious subject matter**

"A patent for a claimed invention may not be obtained, notwithstanding that the claimed invention is not identically disclosed as set forth in section 102, if the differences between the claimed invention and the prior art are such that the claimed invention as a whole would have been obvious before the effective filing date of the claimed invention to a person having ordinary skill in the art to which the claimed invention pertains. Patentability shall not be negated by the manner in which the invention was made.".

(d) REPEAL OF REQUIREMENTS FOR INVENTIONS MADE ABROAD.--Section 104 of title 35, United States Code, and the item relating to that section in the table of sections for chapter 10 of title 35, United States Code, are repealed.

(e) REPEAL OF STATUTORY INVENTION REGISTRATION.--

(1) IN GENERAL.--Section 157 of title 35, United States Code, and the item relating to that section in the table of sections for chapter 14 of title 35, United States Code, are repealed.

(2) REMOVAL OF CROSS REFERENCES.--Section 111(b)(8) of title 35, United States Code, is amended by striking "sections 115, 131, 135, and 157" and inserting "sections 131 and 135".

(3) EFFECTIVE DATE.--The amendments made by this subsection shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act, and shall apply to any request for a statutory invention registration filed on or after that effective date.

(f) EARLIER FILING DATE FOR INVENTOR AND JOINT INVENTOR.--Section 120 of title 35, United States Code, is amended by striking "which is filed by an inventor or inventors named" and inserting "which names an inventor or joint inventor".

(g) CONFORMING AMENDMENTS.--

(1) RIGHT OF PRIORITY.--Section 172 of title 35, United States Code, is amended by striking "and the time specified in section 102(d)".

(2) LIMITATION ON REMEDIES.--Section 287(c)(4) of title 35, United States Code, is amended by striking "the earliest effective filing date of which is prior to" and inserting "which has an effective filing date before".

(3) INTERNATIONAL APPLICATION DESIGNATING THE UNITED STATES: EFFECT.-- Section 363 of title 35, United States Code, is amended by striking "except as otherwise provided in section 102(e) of this title".

(4) PUBLICATION OF INTERNATIONAL APPLICATION: EFFECT.-- Section 374 of title 35, United States Code, is amended by striking "sections 102(e) and 154(d)" and inserting "section 154(d)".

(5) PATENT ISSUED ON INTERNATIONAL APPLICATION: EFFECT.--The second sentence of section 375(a) of title 35, United States Code, is amended by striking "Subject to section 102(e) of this title, such" and inserting 'Such".

(6) LIMIT ON RIGHT OF PRIORITY.--Section 119(a) of title 35, United States Code, is amended by striking "; but no patent shall be granted" and all that follows through "one year prior to such filing".

(7) INVENTIONS MADE WITH FEDERAL ASSISTANCE.--Section 202(c) of title 35, United States Code, is amended--

(A) in paragraph (2)--

(i) by striking "publication, on sale, or public use," and all that follows through "obtained in the United States" and inserting "the 1-year period referred to in section 102(b) would end before the end of that 2-year period"; and

(ii) by striking "prior to the end of the statutory" and inserting "before the end of that 1-year"; and

(B) in paragraph (3), by striking "any statutory bar date that may occur under this title due to publication, on sale, or public use" and inserting "the expiration of the 1-year period referred to in section 102(b)".

(h) DERIVED PATENTS.--

(1) IN GENERAL.--Section 291 of title 35, United States Code, is amended to read as follows:

"§ **291. Derived Patents**

"(a) IN GENERAL.--The owner of a patent may have relief by civil action against the owner of another patent that claims the same invention and has an earlier effective filing date, if the invention claimed in such other patent was derived from the inventor of the invention claimed in the patent owned by the person seeking relief under this section.

"(b) FILING LIMITATION.--An action under this section may be filed only before the end of the 1-year period beginning on the date of the issuance

of the first patent containing a claim to the allegedly derived invention and naming an individual alleged to have derived such invention as the inventor or joint inventor.".

(2) CONFORMING AMENDMENT.-- The item relating to section 291 in the table of sections for chapter 29 of title 35, United States Code, is amended to read as follows:

"291. Derived patents.".

(i) DERIVATION PROCEEDINGS.--Section 135 of title 35, United States Code, is amended to read as follows:

"§ **135. Derivation proceedings**

"(a) INSTITUTION OF PROCEEDING.--An applicant for patent may file a petition to institute a derivation proceeding in the Office. The petition shall set forth with particularity the basis for finding that an inventor named in an earlier application derived the claimed invention from an inventor named in the petitioner's application and, without authorization, the earlier application claiming such invention was filed. Any such petition may be filed only within the 1-year period beginning on the date of the first publication of a claim to an invention that is the same or substantially the same as the earlier application's claim to the invention, shall be made under oath, and shall be supported by substantial evidence. Whenever the Director determines that a petition filed under this subsection demonstrates that the standards for instituting a derivation proceeding are met, the Director may institute a derivation proceeding. The determination by the Director whether to institute a derivation proceeding shall be final and nonappealable.

"(b) DETERMINATION BY PATENT TRIAL AND APPEAL BOARD.--In a derivation proceeding instituted under subsection (a), the Patent Trial and Appeal Board shall determine whether an inventor named in the earlier application derived the claimed invention from an inventor named in the petitioner's application and, without authorization, the earlier application claiming such invention was filed. In appropriate circumstances, the Patent Trial and Appeal Board may correct the naming of the inventor in any application or patent at issue. The Director shall prescribe regulations setting forth standards for the conduct of derivation proceedings, including requiring parties to provide sufficient evidence to prove and rebut a claim of derivation.

"(c) DEFERRAL OF DECISION.--The Patent Trial and Appeal Board may defer action on a petition for a derivation proceeding until the expiration of the 3-month period beginning on the date on which the Director issues a patent that includes the claimed invention that is the subject of the petition. The Patent Trial and Appeal Board also may defer action on a petition for a derivation proceeding, or stay the proceeding after it has been instituted, until the termination of a proceeding under chapter 30, 31, or 32 involving the patent of the earlier applicant.

"(d) EFFECT OF FINAL DECISION.--The final decision of the Patent Trial and Appeal Board, if adverse to claims in an application for patent, shall constitute the final refusal by the Office on those claims. The final decision of the Patent Trial and Appeal Board, if adverse to claims in a patent, shall, if no appeal or other review of the decision has been or can be taken or had, constitute cancellation of those claims, and notice of such cancellation shall be

endorsed on copies of the patent distributed after such cancellation.

"(e) SETTLEMENT.--Parties to a proceeding instituted under subsection (a) may terminate the proceeding by filing a written statement reflecting the agreement of the parties as to the correct inventors of the claimed invention in dispute. Unless the Patent Trial and Appeal Board finds the agreement to be inconsistent with the evidence of record, if any, it shall take action consistent with the agreement. Any written settlement or understanding of the parties shall be filed with the Director. At the request of a party to the proceeding, the agreement or under-standing shall be treated as business confidential information, shall be kept separate from the file of the involved patents or applications, and shall be made available only to Government agencies on written request, or to any person on a showing of good cause.

"(f) ARBITRATION.--Parties to a proceeding instituted under subsection (a) may, within such time as may be specified by the Director by regulation, determine such contest or any aspect thereof by arbitration. Such arbitration shall be governed by the provisions of title 9, to the extent such title is not inconsistent with this section. The parties shall give notice of any arbitration award to the Director, and such award shall, as between the parties to the arbitration, be dispositive of the issues to which it relates. The arbitration award shall be unenforceable until such notice is given. Nothing in this subsection shall preclude the Director from determining the patent-ability of the claimed inventions involved in the proceeding.".

(j) ELIMINATION OF REFERENCES TO INTERFERENCES.-- (1) Sections 134, 145, 146, 154, and 305 of title 35, United States Code, are each amended by striking "Board of Patent Appeals and Interferences" each place it appears and inserting "Patent Trial and Appeal Board".

(2)(A) Section 146 of title 35, United States Code, is amended--

(i) by striking "an interference" and inserting "a derivation proceeding"; and

(ii) by striking "the interference" and inserting "the derivation proceeding".

(B) The subparagraph heading for section 154(b)(1)(C) of title 35, United States Code, is amended to read as follows:

"(C) GUARANTEE OF ADJUSTMENTS FOR DELAYS DUE TO DERIVATION PROCEEDINGS, SECRECY ORDERS, AND APPEALS.--".

(3) The section heading for section 134 of title 35, United States Code, is amended to read as follows:

"§ **134. Appeal to the Patent Trial and Appeal Board".**

(4) The section heading for section 146 of title 35, United States Code, is amended to read as follows:

"§ **146. Civil action in case of derivation proceeding".**

(5) The items relating to sections 134 and 135 in the table of sections for chapter 12 of title 35, United States Code, are amended to read as follows:

"**134. Appeal to the Patent Trial and Appeal Board.**

**“135. Derivation proceedings.".**

(6) The item relating to section 146 in the table of sections for chapter 13 of title 35, United States Code, is amended to read as follows:

**“146. Civil action in case of derivation proceeding.”.**

(k) STATUTE OF LIMITATIONS.--

(1) IN GENERAL.-- Section 32 of title 35, United States Code, is amended by inserting between the third and fourth sentences the following: “A proceeding under this section shall be commenced not later than the earlier of either the date that is 10 years after the date on which the misconduct forming the basis for the proceeding occurred, or 1 year after the date on which the misconduct forming the basis for the proceeding is made known to an officer or employee of the Office as prescribed in the regulations established under section 2(b)(2)(D).”.

(2) REPORT TO CONGRESS.-- The Director shall provide on a biennial basis to the Judiciary Committees of the Senate and House of Representatives a report providing a short description of incidents made known to an officer or employee of the Office as prescribed in the regulations established under section 2(b)(2)(D) of title 35, United States Code, that reflect substantial evidence of misconduct before the Office but for which the Office was barred from commencing a proceeding under section 32 of title 35, United States Code, by the time limitation established by the fourth sentence of that section.

(3) EFFECTIVE DATE.-- The amendment made by paragraph (1) shall apply in any case in which the

time period for instituting a proceeding under section 32 of title 35, United States Code, had not lapsed before the date of the enactment of this Act.

(l) SMALL BUSINESS STUDY.--

(1) DEFINITIONS.-- In this subsection--

(A) the term "Chief Counsel" means the Chief Counsel for Advocacy of the Small Business Administration;

(B) the term "General Counsel" means the General Counsel of the United States Patent and Trademark Office; and

(C) the term "small business concern" has the meaning given that term under section 3 of the Small Business Act (15 U.S.C. 632).

(2) STUDY.----

(A) IN GENERAL.-- The Chief Counsel, in consultation with the General Counsel, shall conduct a study of the effects of eliminating the use of dates of invention in determining whether an applicant is entitled to a patent under title 35, United States Code.

(B) AREAS OF STUDY.-- The study conducted under subparagraph (A) shall include examination of the effects of eliminating the use of invention dates, including examining--

(i) how the change would affect the ability of small business concerns to obtain patents and their costs of obtaining patents;

(ii) whether the change would create, mitigate, or exacerbate any disadvantages for applicants for patents that are small business concerns relative to applicants for patents that are not

small business concerns, and whether the change would create any advantages for applicants for patents that are small business concerns relative to applicants for patents that are not small business concerns;

(iii) the cost savings and other potential benefits to small business concerns of the change; and

(iv) the feasibility and costs and benefits to small business concerns of alternative means of determining whether an applicant is entitled to a patent under title 35, United States Code.

(3) REPORT.-- Not later than the date that is 1 year after the date of the enactment of this Act, the Chief Counsel shall submit to the Committee on Small Business and Entrepreneurship and the Committee on the Judiciary of the Senate and the Committee on Small Business and the Committee on the Judiciary of the House of Representatives a report on the results of the study under paragraph (2).

(m) REPORT ON PRIOR USER RIGHTS.--

(1) IN GENERAL.-- Not later than the end of the 4-month period beginning on the date of the enactment of this Act, the Director shall report, to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives, the findings and recommendations of the Director on the operation of prior user rights in selected countries in the industrialized world. The report shall include the following:

(A) A comparison between patent laws of the United States and the laws of other industrialized countries, including members of the European Union and Japan, Canada, and Australia.

(B) An analysis of the effect of prior user rights on innovation rates in the selected countries.

(C) An analysis of the correlation, if any, between prior user rights and start-up enterprises and the ability to attract venture capital to start new companies.

(D) An analysis of the effect of prior user rights, if any, on small businesses, universities, and individual inventors.

(E) An analysis of legal and constitutional issues, if any, that arise from placing trade secret law in patent law.

(F) An analysis of whether the change to a first-to-file patent system creates a particular need for prior user rights.

(2) CONSULTATION WITH OTHER AGENCIES.-- In preparing the report required under paragraph (1), the Director shall consult with the United States Trade Representative, the Secretary of State, and the Attorney General.

(n) EFFECTIVE DATE.--

(1) IN GENERAL.-- Except as otherwise provided in this section, the amendments made by this section shall take effect upon the expiration of the 18-month period beginning on the date of the enactment of this Act, and shall apply to any application for patent, and to any patent issuing thereon, that contains or contained at any time--

(A) a claim to a claimed invention that has an effective filing date as defined in section 100(i) of title 35, United States Code, that is on or after the effective date described in this paragraph; or

(B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.

(2) INTERFERING PATENTS.-- The provisions of sections 102(g), 135, and 291 of title 35, United States Code, as in effect on the day before the effective date set forth in paragraph (1) of this subsection, shall apply to each claim of an application for patent, and any patent issued thereon, for which the amendments made by this section also apply, if such application or patent contains or contained at any time--

(A) a claim to an invention having an effective filing date as defined in section 100(i) of title 35, United States Code, that occurs before the effective date set forth in paragraph (1) of this subsection; or

(B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.

(o) SENSE OF CONGRESS.-- It is the sense of the Congress that converting the United States patent system from "first to invent" to a system of "first inventor to file" will promote the progress of science and the useful arts by securing for limited times to inventors the exclusive rights to their discoveries and provide inventors with greater certainty regarding the scope of protection provided by the grant of exclusive rights to their discoveries.

(p) SENSE OF CONGRESS.-- It is the sense of the Congress that converting the United States patent system from "first to invent" to a system of "first

inventor to file" will improve the United States patent system and promote harmonization of the United States patent system with the patent systems commonly used in nearly all other countries throughout the world with whom the United States conducts trade and thereby promote greater international uniformity and certainty in the procedures used for securing the exclusive rights of inventors to their discoveries.

**SEC. 6. POST-GRANT REVIEW PROCEEDINGS.**

(a) INTER PARTES REVIEW.--Chapter 31 of title 35, United States Code, is amended to read as follows:

**"CHAPTER 31--INTER PARTES REVIEW**

"Sec.

"311. Inter partes review.

"312. Petitions.

"313. Preliminary response to petition.

"314. Institution of inter partes review.

"315. Relation to other proceedings or actions.

"316. Conduct of inter partes review.

"317. Settlement.

"318. Decision of the Board.

"319. Appeal.

**"§ 311. Inter partes review**

"(a) IN GENERAL.-- Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute an inter partes review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the review.

"(b) SCOPE.-- A petitioner in an inter partes review may request to cancel as unpatentable 1 or more claims of a patent only on a ground that could be raised under section 102 or 103 and only on the basis of prior art consisting of patents or printed publications.

"(c) FILING DEADLINE.-- A petition for inter partes review shall be filed after the later of either--

"(1) the date that is 9 months after the grant of a patent or issuance of a reissue of a patent; or

"(2) if a post-grant review is instituted under chapter 32, the date of the termination of such post-grant review.

**"§ 312. Petitions**

"(a) REQUIREMENTS OF PETITION.-- A petition filed under section 311 may be considered only if--

"(1) the petition is accompanied by payment of the fee established by the Director under section 311;

"(2) the petition identifies all real parties in interest;

"(3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, including--

"(A) copies of patents and printed publications that the petitioner relies upon in support of the petition; and

"(B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on expert opinions;

"(4) the petition provides such other information as the Director may require by regulation; and

"(5) the petitioner provides copies of any of the documents required under paragraphs (2), (3), and (4) to the patent owner or, if applicable, the designated representative of the patent owner.

"(b) PUBLIC AVAILABILITY.--As soon as practicable after the receipt of a petition under section 311, the Director shall make the petition available to the public.

**"§ 313. Preliminary response to petition**

"If an inter partes review petition is filed under section 311, the patent owner shall have the right to file a preliminary response to the petition, within a time period set by the Director, that sets forth reasons why no inter partes review should be instituted based upon the failure of the petition to meet any requirement of this chapter.

**"§ 314. Institution of inter partes review**

"(a) THRESHOLD.-- The Director may not authorize an inter partes review to be instituted unless the Director determines that the information presented in the petition filed under section 311 and any response filed under section 313 shows that there is a reasonable likelihood that the petitioner would prevail with respect to at least 1 of the claims challenged in the petition.

"(b) TIMING.--The Director shall determine whether to institute an inter partes review under this chapter pursuant to a petition filed under section 311 within 3 months after--

"(1) receiving a preliminary response to the petition under section 313; or

"(2) if no such preliminary response is filed, the last date on which such response may be filed.

"(c) NOTICE.-- The Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a), and shall make such notice available to the public as soon as is

practicable. Such notice shall include the date on which the review shall commence.

"(d) NO APPEAL.-- The determination by the Director whether to institute an inter partes review under this section shall be final and nonappealable.

**"§ 315. Relation to other proceedings or actions**

"(a) INFRINGER'S CIVIL ACTION.—

"(1) INTER PARTES REVIEW BARRED BY CIVIL ACTION.-- An inter partes review may not be instituted if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

"(2) STAY OF CIVIL ACTION.-- If the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent on or after the date on which the petitioner files a petition for inter partes review of the patent, that civil action shall be automatically stayed until either--

"(A) the patent owner moves the court to lift the stay;

"(B) the patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the patent; or

"(C) the petitioner or real party in interest moves the court to dismiss the civil action.

"(3) TREATMENT OF COUNTERCLAIM.--A counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection.

"(b) PATENT OWNER'S ACTION.--An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent. The time limitation set forth in the preceding sentence shall not apply to a request for joinder under subsection (c).

"(c) JOINDER.-- If the Director institutes an inter partes review, the Director, in his or her discretion, may join as a party to that inter partes review any person who properly files a petition under section 311 that the Director, after receiving a preliminary response under section 313 or the expiration of the time for filing such a response, determines warrants the institution of an inter partes review under section 314.

"(d) MULTIPLE PROCEEDINGS.--Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of an inter partes review, if another proceeding or matter involving the patent is before the Office, the Director may determine the manner in which the inter partes review or other proceeding or matter may proceed, including providing for stay, transfer, consolidation, or termination of any such matter or proceeding.

"(e) ESTOPPEL.--

"(1) PROCEEDINGS BEFORE THE OFFICE.-- The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before

the Office with respect to that claim on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

"(2) CIVIL ACTIONS AND OTHER PROCEEDINGS.-- The petitioner in an inter partes review of a claim in a patent under this chapter that results in a final written decision under section 318(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that inter partes review.

**"§ 316. Conduct of inter partes review**

"(a) REGULATIONS.-- The Director shall prescribe regulations--

"(1) providing that the file of any proceeding under this chapter shall be made available to the public, except that any petition or document filed with the intent that it be sealed shall, if accompanied by a motion to seal, be treated as sealed pending the outcome of the ruling on the motion;

"(2) setting forth the standards for the showing of sufficient grounds to institute a review under section 314(a);

"(3) establishing procedures for the submission of supplemental information after the petition is filed;

"(4) establishing and governing inter partes review under this chapter and the relationship of such review to other proceedings under this title;

"(5) setting forth standards and procedures for discovery of relevant evidence, including that such discovery shall be limited to--

"(A) the deposition of witnesses submitting affidavits or declarations; and

"(B) what is otherwise necessary in the interest of justice;

"(6) prescribing sanctions for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or to cause unnecessary delay or an unnecessary increase in the cost of the proceeding;

"(7) providing for protective orders governing the exchange and submission of confidential information;

"(8) providing for the filing by the patent owner of a response to the petition under section 313 after an inter partes review has been instituted, and requiring that the patent owner file with such response, through affidavits or declarations, any additional factual evidence and expert opinions on which the patent owner relies in support of the response;

"(9) setting forth standards and procedures for allowing the patent owner to move to amend the patent under subsection (d) to cancel a challenged claim or propose a reasonable number of substitute claims, and ensuring that any information submitted by the patent owner in support of any amendment entered under subsection (d) is made available to the public as part of the prosecution history of the patent;

"(10) providing either party with the right to an oral hearing as part of the proceeding;

"(11) requiring that the final determination in an inter partes review be issued not later than 1 year after the date on which the Director notices the institution of a review under this chapter, except that the Director may, for good cause shown, extend the 1-year period by not more than 6 months, and may adjust the time periods in this paragraph in the case of joinder under section 315(c);

"(12) setting a time period for requesting joinder under section 315(c); and

"(13) providing the petitioner with at least 1 opportunity to file written comments within a time period established by the Director.

"(b) CONSIDERATIONS.--In prescribing regulations under this section, the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.

"(c) PATENT TRIAL AND APPEAL BOARD.-- The Patent Trial and Appeal Board shall, in accordance with section 6, conduct each inter partes review instituted under this chapter.

"(d) AMENDMENT OF THE PATENT.--

"(1) IN GENERAL.-- During an inter partes review instituted under this chapter, the patent owner may file 1 motion to amend the patent in 1 or more of the following ways:

"(A) Cancel any challenged patent claim.

"(B) For each challenged claim, propose a reasonable number of substitute claims.

"(2) ADDITIONAL MOTIONS.-- Additional motions to amend may be permitted upon the joint request of the petitioner and the patent owner to materially advance the settlement of a proceeding under section 317, or as permitted by regulations prescribed by the Director.

"(3) SCOPE OF CLAIMS.-- An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter.

"(e) EVIDENTIARY STANDARDS.-- In an inter partes review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.

**"§ 317. Settlement**

"(a) IN GENERAL.-- An inter partes review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. If the inter partes review is terminated with respect to a petitioner under this section, no estoppel under section 315(e) shall attach to the petitioner, or to the real party in interest or privy of the petitioner, on the basis of that petitioner's institution of that inter partes review. If no petitioner remains in the inter partes review, the Office may terminate the review or proceed to a final written decision under section 318(a).

"(b) AGREEMENTS IN WRITING.--Any agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in

connection with, or in contemplation of, the termination of an inter partes review under this section shall be in writing and a true copy of such agreement or understanding shall be filed in the Office before the termination of the inter partes review as between the parties. At the request of a party to the proceeding, the agreement or understanding shall be treated as business confidential information, shall be kept separate from the file of the involved patents, and shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause.

**"§ 318. Decision of the Board**

"(a) FINAL WRITTEN DECISION.--If an inter partes review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 316(d).

"(b) CERTIFICATE.-- If the Patent Trial and Appeal Board issues a final written decision under subsection (a) and the time for appeal has expired or any appeal has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.

"(c) INTERVENING RIGHTS.-- Any proposed amended or new claim determined to be patentable and incorporated into a patent following an inter partes review under this chapter shall have the

same effect as that specified in section 252 for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented by such proposed amended or new claim, or who made substantial preparation therefor, before the issuance of a certificate under subsection (b).

"(d) DATA ON LENGTH OF REVIEW.-- The Office shall make available to the public data describing the length of time between the institution of, and the issuance of a final written decision under subsection (a) for, each inter partes review.

**"§ 319. Appeal**

"A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 318(a) may appeal the decision pursuant to sections 141 through 144. Any party to the inter partes review shall have the right to be a party to the appeal.".

(b) CONFORMING AMENDMENT.-- The table of chapters for part III of title 35, United States Code, is amended by striking the item relating to chapter 31 and inserting the following:

"31. Inter Partes Review ..... 311".

(c) REGULATIONS AND EFFECTIVE DATE.--

(1) REGULATIONS.-- The Director shall, not later than the date that is 1 year after the date of the enactment of this Act, issue regulations to carry out chapter 31 of title 35, United States Code, as amended by subsection (a) of this section.

(2) APPLICABILITY.----

(A) IN GENERAL.-- The amendments made by subsection (a) shall take effect upon the expiration

of the 1-year period beginning on the date of the enactment of this Act and shall apply to any patent issued before, on, or after that effective date.

(B) GRADUATED IMPLEMENTATION.-- The Director may impose a limit on the number of inter partes reviews that may be instituted under chapter 31 of title 35, United States Code, during each of the first 4 1-year periods in which the amendments made by subsection (a) are in effect, if such number in each year equals or exceeds the number of inter partes reexaminations that are ordered under chapter 31 of title 35, United States Code, in the last fiscal year ending before the effective date of the amendments made by subsection (a).

(3) TRANSITION.----

(A) IN GENERAL.--Chapter 31 of title 35, United States Code, is amended--

(i) in section 312--

(I) in subsection (a)--

(aa) in the first sentence, by striking "a substantial new question of patentability affecting any claim of the patent concerned is raised by the request," and inserting "the information presented in the request shows that there is a reasonable likelihood that the requester would prevail with respect to at least 1 of the claims challenged in the request,"; and

(bb) in the second sentence, by striking "The existence of a substantial new question of patentability" and inserting "A showing that there is a reasonable likelihood that

the requester would prevail with respect to at least 1 of the claims challenged in the request"; and

(II) in subsection (c), in the second sentence, by striking "no substantial new question of patentability has been raised," and inserting "the showing required by subsection (a) has not been made,"; and

(ii) in section 313, by striking "a substantial new question of patentability affecting a claim of the patent is raised" and inserting "it has been shown that there is a reasonable likelihood that the requester would prevail with respect to at least 1 of the claims challenged in the request".

(B) APPLICATION.-- The amendments made by this paragraph--

(i) shall take effect on the date of the enactment of this Act; and

(ii) shall apply to requests for inter partes reexamination that are filed on or after such date of enactment, but before the effective date set forth in paragraph (2)(A) of this subsection.

(C) CONTINUED APPLICABILITY OF PRIOR PROVISIONS.-- The provisions of chapter 31 of title 35, United States Code, as amended by this paragraph, shall continue to apply to requests for inter partes reexamination that are filed before the effective date set forth in paragraph (2)(A) as if subsection (a) had not been enacted.

(d) POST-GRANT REVIEW.-- Part III of title 35, United States Code, is amended by adding at the end the following:

**"CHAPTER 32--POST-GRANT REVIEW**

"Sec.

"321. Post-grant review.

"322. Petitions.

"323. Preliminary response to petition.

"324. Institution of post-grant review.

"325. Relation to other proceedings or actions.

"326. Conduct of post-grant review.

"327. Settlement.

"328. Decision of the Board.

"329. Appeal.

**"§ 321. Post-grant review**

"(a) IN GENERAL.-- Subject to the provisions of this chapter, a person who is not the owner of a patent may file with the Office a petition to institute a post-grant review of the patent. The Director shall establish, by regulation, fees to be paid by the person requesting the review, in such amounts as the Director determines to be reasonable, considering the aggregate costs of the post-grant review.

"(b) SCOPE.-- A petitioner in a post-grant review may request to cancel as unpatentable 1 or more claims of a patent on any ground that could be raised under paragraph (2) or (3) of section 282(b) (relating to invalidity of the patent or any claim).

"(c) FILING DEADLINE.-- A petition for a post-grant review may only be filed not later than the date that is 9 months after the date of the grant of the patent or of the issuance of a reissue patent (as the case may be).

**"§ 322. Petitions**

"(a) REQUIREMENTS OF PETITION.-- A petition filed under section 321 may be considered only if--

"(1) the petition is accompanied by payment of the fee established by the Director under section 321;

"(2) the petition identifies all real parties in interest;

"(3) the petition identifies, in writing and with particularity, each claim challenged, the grounds on which the challenge to each claim is based, and the evidence that supports the grounds for the challenge to each claim, including--

"(A) copies of patents and printed publications that the petitioner relies upon in support of the petition; and

"(B) affidavits or declarations of supporting evidence and opinions, if the petitioner relies on other factual evidence or on expert opinions;

"(4) the petition provides such other information as the Director may require by regulation; and

"(5) the petitioner provides copies of any of the documents required under paragraphs (2), (3), and (4) to the patent owner or, if applicable, the designated representative of the patent owner.

"(b) PUBLIC AVAILABILITY.-- As soon as practicable after the receipt of a petition under section 321, the Director shall make the petition available to the public.

**"§ 323. Preliminary response to petition**

"If a post-grant review petition is filed under section 321, the patent owner shall have the right to file a preliminary response to the petition, within a time period set by the Director, that sets forth reasons

why no post-grant review should be instituted based upon the failure of the petition to meet any requirement of this chapter.

**"§ 324. Institution of post-grant review**

"(a) THRESHOLD.-- The Director may not authorize a post-grant review to be instituted unless the Director determines that the information presented in the petition filed under section 321, if such information is not rebutted, would demonstrate that it is more likely than not that at least 1 of the claims challenged in the petition is unpatentable.

"(b) ADDITIONAL GROUNDS.--The determination required under subsection (a) may also be satisfied by a showing that the petition raises a novel or unsettled legal question that is important to other patents or patent applications.

"(c) TIMING.-- The Director shall determine whether to institute a post-grant review under this chapter pursuant to a petition filed under section 321 within 3 months after--

"(1) receiving a preliminary response to the petition under section 323; or

"(2) if no such preliminary response is filed, the last date on which such response may be filed.

"(d) NOTICE.-- The Director shall notify the petitioner and patent owner, in writing, of the Director's determination under subsection (a) or (b), and shall make such notice available to the public as soon as is practicable. Such notice shall include the date on which the review shall commence.

"(e) NO APPEAL.-- The determination by the Director whether to institute a post-grant review under this section shall be final and nonappealable.

**"§ 325. Relation to other proceedings or actions**

"(a) INFRINGER'S CIVIL ACTION.--

"(1) POST-GRANT REVIEW BARRED BY CIVIL ACTION.-- A post-grant review may not be instituted under this chapter if, before the date on which the petition for such a review is filed, the petitioner or real party in interest filed a civil action challenging the validity of a claim of the patent.

"(2) STAY OF CIVIL ACTION.-- If the petitioner or real party in interest files a civil action challenging the validity of a claim of the patent on or after the date on which the petitioner files a petition for post-grant review of the patent, that civil action shall be automatically stayed until either--

"(A) the patent owner moves the court to lift the stay;

"(B) the patent owner files a civil action or counterclaim alleging that the petitioner or real party in interest has infringed the patent; or

"(C) the petitioner or real party in interest moves the court to dismiss the civil action.

"(3) TREATMENT OF COUNTERCLAIM.-- A counterclaim challenging the validity of a claim of a patent does not constitute a civil action challenging the validity of a claim of a patent for purposes of this subsection.

"(b) PRELIMINARY INJUNCTIONS.-- If a civil action alleging infringement of a patent is filed within 3 months after the date on which the patent is granted, the court may not stay its consideration of the patent owner's motion for a preliminary

injunction against infringement of the patent on the basis that a petition for post-grant review has been filed under this chapter or that such a post-grant review has been instituted under this chapter.

"(c) JOINDER.-- If more than 1 petition for a post-grant review under this chapter is properly filed against the same patent and the Director determines that more than 1 of these petitions warrants the institution of a post-grant review under section 324, the Director may consolidate such reviews into a single post-grant review.

"(d) MULTIPLE PROCEEDINGS.-- Notwithstanding sections 135(a), 251, and 252, and chapter 30, during the pendency of any post-grant review under this chapter, if another proceeding or matter in-volving the patent is before the Office, the Director may determine the manner in which the post-grant review or other proceeding or matter may proceed, including providing for the stay, transfer, consolidation, or termination of any such matter or proceeding. In determining whether to institute or order a proceeding under this chapter, chapter 30, or chapter 31, the Director may take into account whether, and reject the petition or request because, the same or substantially the same prior art or arguments previously were presented to the Office.

"(e) ESTOPPEL.--

"(1) PROCEEDINGS BEFORE THE OFFICE.-- The petitioner in a post-grant review of a claim in a patent under this chapter that results in a final written decision under section 328(a), or the real party in interest or privy of the petitioner, may not request or maintain a proceeding before the Office with respect to that claim on any ground that the

petitioner raised or reasonably could have raised during that post-grant review.

"(2) CIVIL ACTIONS AND OTHER PROCEEDINGS.-- The petitioner in a post-grant review of a claim in a patent under this chapter that results in a final written decision under section 328(a), or the real party in interest or privy of the petitioner, may not assert either in a civil action arising in whole or in part under section 1338 of title 28 or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 that the claim is invalid on any ground that the petitioner raised or reasonably could have raised during that post-grant review.

"(f) REISSUE PATENTS.-- A post-grant review may not be instituted under this chapter if the petition requests cancellation of a claim in a reissue patent that is identical to or narrower than a claim in the original patent from which the reissue patent was issued, and the time limitations in section 321(c) would bar filing a petition for a post-grant review for such original patent.

**"§ 326. Conduct of post-grant review**

"(a) REGULATIONS.-- The Director shall prescribe regulations--

"(1) providing that the file of any proceeding under this chapter shall be made available to the public, except that any petition or document filed with the intent that it be sealed shall, if accompanied by a motion to seal, be treated as sealed pending the outcome of the ruling on the motion;

"(2) setting forth the standards for the showing of sufficient grounds to institute a review under subsections (a) and (b) of section 324;

"(3) establishing procedures for the submission of supplemental information after the petition is filed;

"(4) establishing and governing a post-grant review under this chapter and the relationship of such review to other proceedings under this title;

"(5) setting forth standards and procedures for discovery of relevant evidence, including that such discovery shall be limited to evidence directly related to factual assertions advanced by either party in the proceeding;

"(6) prescribing sanctions for abuse of discovery, abuse of process, or any other improper use of the proceeding, such as to harass or to cause unnecessary delay or an unnecessary increase in the cost of the proceeding;

"(7) providing for protective orders governing the exchange and submission of confidential information;

"(8) providing for the filing by the patent owner of a response to the petition under section 323 after a post-grant review has been instituted, and requiring that the patent owner file with such response, through affidavits or declarations, any additional factual evidence and expert opinions on which the patent owner relies in support of the response;

"(9) setting forth standards and procedures for allowing the patent owner to move to amend the patent under subsection (d) to cancel a challenged claim or propose a reasonable number of substi-

tute claims, and ensuring that any information submitted by the patent owner in support of any amendment entered under subsection (d) is made available to the public as part of the prosecution history of the patent;

"(10) providing either party with the right to an oral hearing as part of the proceeding;

"(11) requiring that the final determination in any post-grant review be issued not later than 1 year after the date on which the Director notices the institution of a proceeding under this chapter, except that the Director may, for good cause shown, extend the 1-year period by not more than 6 months, and may adjust the time periods in this paragraph in the case of joinder under section 325(c); and

"(12) providing the petitioner with at least 1 opportunity to file written comments within a time period established by the Director.

"(b) CONSIDERATIONS.-- In prescribing regulations under this section, the Director shall consider the effect of any such regulation on the economy, the integrity of the patent system, the efficient administration of the Office, and the ability of the Office to timely complete proceedings instituted under this chapter.

"(c) PATENT TRIAL AND APPEAL BOARD.-- The Patent Trial and Appeal Board shall, in accordance with section 6, conduct each post-grant review instituted under this chapter.

"(d) AMENDMENT OF THE PATENT.--

"(1) IN GENERAL.-- During a post-grant review instituted under this chapter, the patent owner

may file 1 motion to amend the patent in 1 or more of the following ways:

"(A) Cancel any challenged patent claim.

"(B) For each challenged claim, propose a reasonable number of substitute claims.

"(2) ADDITIONAL MOTIONS.-- Additional motions to amend may be permitted upon the joint request of the petitioner and the patent owner to materially advance the settlement of a proceeding under section 327, or upon the request of the patent owner for good cause shown.

"(3) SCOPE OF CLAIMS.-- An amendment under this subsection may not enlarge the scope of the claims of the patent or introduce new matter.

"(e) EVIDENTIARY STANDARDS.-- In a post-grant review instituted under this chapter, the petitioner shall have the burden of proving a proposition of unpatentability by a preponderance of the evidence.

**"§ 327. Settlement**

"(a) IN GENERAL.-- A post-grant review instituted under this chapter shall be terminated with respect to any petitioner upon the joint request of the petitioner and the patent owner, unless the Office has decided the merits of the proceeding before the request for termination is filed. If the post-grant review is terminated with respect to a petitioner under this section, no estoppel under section 325(e) shall attach to the petitioner, or to the real party in interest or privy of the petitioner, on the basis of that petitioner's institution of that post-grant review. If no petitioner remains in the post-grant review, the Office may terminate the post-grant review or proceed to a final written decision under section 328(a).

"(b) AGREEMENTS IN WRITING.-- Any agreement or understanding between the patent owner and a petitioner, including any collateral agreements referred to in such agreement or understanding, made in connection with, or in contemplation of, the termination of a post-grant review under this section shall be in writing, and a true copy of such agreement or understanding shall be filed in the Office before the termination of the post-grant review as between the parties. At the request of a party to the proceeding, the agreement or understanding shall be treated as business confidential information, shall be kept separate from the file of the involved patents, and shall be made available only to Federal Government agencies on written request, or to any person on a showing of good cause.

**"§ 328. Decision of the Board**

"(a) FINAL WRITTEN DECISION.-- If a post-grant review is instituted and not dismissed under this chapter, the Patent Trial and Appeal Board shall issue a final written decision with respect to the patentability of any patent claim challenged by the petitioner and any new claim added under section 326(d).

"(b) CERTIFICATE.-- If the Patent Trial and Appeal Board issues a final written decision under subsection (a) and the time for appeal has expired or any appeal has terminated, the Director shall issue and publish a certificate canceling any claim of the patent finally determined to be unpatentable, confirming any claim of the patent determined to be patentable, and incorporating in the patent by operation of the certificate any new or amended claim determined to be patentable.

"(c) INTERVENING RIGHTS.-- Any proposed amended or new claim determined to be patentable and incorporated into a patent following a post-grant review under this chapter shall have the same effect as that specified in section 252 of this title for reissued patents on the right of any person who made, purchased, or used within the United States, or imported into the United States, anything patented by such proposed amended or new claim, or who made substantial preparation therefor, before the issuance of a certificate under subsection (b).

"(d) DATA ON LENGTH OF REVIEW.-- The Office shall make available to the public data describing the length of time between the institution of, and the issuance of a final written decision under subsection (a) for, each post-grant review.

**"§ 329. Appeal**

"A party dissatisfied with the final written decision of the Patent Trial and Appeal Board under section 328(a) may appeal the decision pursuant to sections 141 through 144. Any party to the post-grant review shall have the right to be a party to the appeal.".

(e) CONFORMING AMENDMENT.-- The table of chapters for part III of title 35, United States Code, is amended by adding at the end the following:

"32. Post-Grant Review ..... 321".

(f) REGULATIONS AND EFFECTIVE DATE.--

(1) REGULATIONS.-- The Director shall, not later than the date that is 1 year after the date of the enactment of this Act, issue regulations to carry out chapter 32 of title 35, United States Code, as added by subsection (d) of this section.

(2) APPLICABILITY.----

(A) IN GENERAL.-- The amendments made by subsection (d) shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and, except as provided in section 18 and in paragraph (3), shall apply only to patents described in section 3(n)(1).

(B) LIMITATION.-- The Director may impose a limit on the number of post-grant reviews that may be instituted under chapter 32 of title 35, United States Code, during each of the first 4 1-year periods in which the amendments made by subsection (d) are in effect.

(3) PENDING INTERFERENCES.----

(A) PROCEDURES IN GENERAL.-- The Director shall determine, and include in the regulations issued under paragraph (1), the procedures under which an interference commenced before the effective date set forth in paragraph (2)(A) is to proceed, including whether such interference--

(i) is to be dismissed without prejudice to the filing of a petition for a post-grant review under chapter 32 of title 35, United States Code; or

(ii) is to proceed as if this Act had not been enacted.

(B) PROCEEDINGS BY PATENT TRIAL AND APPEAL BOARD.-- For purposes of an interference that is commenced before the effective date set forth in paragraph (2)(A), the Director may deem the Patent Trial and Appeal Board to be the Board of Patent Appeals and Interferences, and may allow the Patent Trial and Appeal Board to conduct any further proceedings in that interference.

(C) APPEALS.-- The authorization to appeal or have remedy from derivation proceedings in sections 141(d) and 146 of title 35, United States Code, as amended by this Act, and the jurisdiction to entertain appeals from derivation proceedings in section 1295(a)(4)(A) of title 28, United States Code, as amended by this Act, shall be deemed to extend to any final decision in an interference that is commenced before the effective date set forth in paragraph (2)(A) of this subsection and that is not dismissed pursuant to this paragraph.

(g) CITATION OF PRIOR ART AND WRITTEN STATEMENTS.--

(1) IN GENERAL.-- Section 301 of title 35, United States Code, is amended to read as follows:

**"§ 301. Citation of prior art and written statements**

"(a) IN GENERAL.-- Any person at any time may cite to the Office in writing--

"(1) prior art consisting of patents or printed publications which that person believes to have a bearing on the patentability of any claim of a particular patent; or

"(2) statements of the patent owner filed in a proceeding before a Federal court or the Office in which the patent owner took a position on the scope of any claim of a particular patent.

"(b) OFFICIAL FILE.-- If the person citing prior art or written statements pursuant to subsection (a) explains in writing the pertinence and manner of applying the prior art or written statements to at least 1 claim of the patent, the citation of the prior art or written statements and the explana-

tion thereof shall become a part of the official file of the patent.

"(c) ADDITIONAL INFORMATION.-- A party that submits a written statement pursuant to subsection (a)(2) shall include any other documents, pleadings, or evidence from the proceeding in which the statement was filed that addresses the written statement.

"(d) LIMITATIONS.-- A written statement submitted pursuant to subsection (a)(2), and additional information submitted pursuant to subsection (c), shall not be considered by the Office for any purpose other than to determine the proper meaning of a patent claim in a proceeding that is ordered or instituted pursuant to section 304, 314, or 324. If any such written statement or additional information is subject to an applicable protective order, such statement or information shall be redacted to exclude information that is subject to that order.

"(e) CONFIDENTIALITY.-- Upon the written request of the person citing prior art or written statements pursuant to subsection (a), that person's identity shall be excluded from the patent file and kept confidential.".

(2) CONFORMING AMENDMENT.-- The item relating to section 301 in the table of sections for chapter 30 of title 35, United States Code, is amended to read as follows:

"301. Citation of prior art and written statements.".

(3) EFFECTIVE DATE.-- The amendments made by this subsection shall take effect upon the expiration of the 1-year period beginning on the date of the

enactment of this Act and shall apply to any patent issued before, on, or after that effective date.

(h) REEXAMINATION.—

(1) DETERMINATION BY DIRECTOR.----

(A) IN GENERAL.-- Section 303(a) of title 35, United States Code, is amended by striking "section 301 of this title" and inserting "section 301 or 302".

(B) EFFECTIVE DATE.-- The amendment made by this paragraph shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and shall apply to any patent issued before, on, or after that effective date.

(2) APPEAL.----

(A) IN GENERAL.-- Section 306 of title 35, United States Code, is amended by striking "145" and inserting "144".

(B) EFFECTIVE DATE.-- The amendment made by this paragraph shall take effect on the date of the enactment of this Act and shall apply to any appeal of a reexamination before the Board of Patent Appeals and Interferences or the Patent Trial and Appeal Board that is pending on, or brought on or after, the date of the enactment of this Act.

**SEC. 18. TRANSITIONAL PROGRAM FOR COVERED BUSINESS METHOD PATENTS.**

(a) TRANSITIONAL PROGRAM.--

(1) ESTABLISHMENT.-- Not later than the date that is 1 year after the date of the enactment of this Act, the Director shall issue regulations establishing and implementing a transitional post-grant review proceeding for review of the validity of covered business method patents. The transitional proceeding implemented pursuant to this subsection shall be regarded as, and shall employ the standards and procedures of, a post-grant review under chapter 32 of title 35, United States Code, subject to the following:

(A) Section 321(c) of title 35, United States Code, and subsections (b), (e)(2), and (f) of section 325 of such title shall not apply to a transitional proceeding.

(B) A person may not file a petition for a transitional proceeding with respect to a covered business method patent unless the person or the person's real party in interest or privy has been sued for infringement of the patent or has been charged with infringement under that patent.

(C) A petitioner in a transitional proceeding who challenges the validity of 1 or more claims in a covered business method patent on a ground raised under section 102 or 103 of title 35, United States Code, as in effect on the day before the effective date set forth in section 3(n)(1), may support such ground only on the basis of--

(i) prior art that is described by section 102(a) of such title of such title (as in effect on the day before such effective date); or

(ii) prior art that--

(I) discloses the invention more than 1 year before the date of the application for patent in the United States; and

(II) would be described by section 102(a) of such title (as in effect on the day before the effective date set forth in section 3(n)(1)) if the disclosure had been made by another before the invention thereof by the applicant for patent.

(D) The petitioner in a transitional proceeding that results in a final written decision under section 328(a) of title 35, United States Code, with respect to a claim in a covered business method patent, or the petitioner's real party in interest, may not assert, either in a civil action arising in whole or in part under section 1338 of title 28, United States Code, or in a proceeding before the International Trade Commission under section 337 of the Tariff Act of 1930 (19 U.S.C. 1337), that the claim is invalid on any ground that the petitioner raised during that transitional proceeding.

(E) The Director may institute a transitional proceeding only for a patent that is a covered business method patent.

(2) EFFECTIVE DATE.-- The regulations issued under paragraph (1) shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act and shall apply to any covered business method patent issued before, on, or

after that effective date, except that the regulations shall not apply to a patent described in section 6(f)(2)(A) of this Act during the period in which a petition for post-grant review of that patent would satisfy the requirements of section 321(c) of title 35, United States Code.

(3) SUNSET.----

(A) IN GENERAL.-- This subsection, and the regulations issued under this subsection, are repealed effective upon the expiration of the 8-year period beginning on the date that the regulations issued under to paragraph (1) take effect.

(B) APPLICABILITY.-- Notwithstanding subparagraph (A), this subsection and the regulations issued under this subsection shall continue to apply, after the date of the repeal under subparagraph (A), to any petition for a transitional proceeding that is filed before the date of such repeal.

(b) REQUEST FOR STAY.--

(1) IN GENERAL.-- If a party seeks a stay of a civil action alleging infringement of a patent under section 281 of title 35, United States Code, relating to a transitional proceeding for that patent, the court shall decide whether to enter a stay based on--

(A) whether a stay, or the denial thereof, will simplify the issues in question and streamline the trial;

(B) whether discovery is complete and whether a trial date has been set;

(C) whether a stay, or the denial thereof, would unduly prejudice the nonmoving party or present

a clear tactical advantage for the moving party; and

(D) whether a stay, or the denial thereof, will reduce the burden of litigation on the parties and on the court.

(2) REVIEW.-- A party may take an immediate interlocutory appeal from a district court's decision under paragraph (1). The United States Court of Appeals for the Federal Circuit shall review the district court's decision to ensure consistent application of established precedent, and such review may be de novo.

(c) ATM EXEMPTION FOR VENUE PURPOSES.-- In an action for infringement under section 281 of title 35, United States Code, of a covered business method patent, an automated teller machine shall not be deemed to be a regular and established place of business for purposes of section 1400(b) of title 28, United States Code.

(d) DEFINITION.--

(1) IN GENERAL.-- For purposes of this section, the term "covered business method patent" means a patent that claims a method or corresponding apparatus for performing data processing or other operations used in the practice, administration, or management of a financial product or service, except that the term does not include patents for technological inventions.

(2) REGULATIONS.-- To assist in implementing the transitional proceeding authorized by this subsection, the Director shall issue regulations for determining whether a patent is for a technological invention.

(e) RULE OF CONSTRUCTION.-- Nothing in this section shall be construed as amending or interpreting categories of patent-eligible subject matter set forth under section 101 of title 35, United States Code.