When Inventors Have Their Cake, the Public Goes Hungry:
The On-Sale Bar to Patents on Secret Processes

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Imagine this: you invent a process for making an artificial sweetener.[1] You keep the process a secret but start selling the sweetener.[2] After more than a year has passed, you decide to seek a patent covering your then-secret process.[3]

A wise patent attorney tells you that the purpose of granting patents is to promote the progress of science.[4] One way to achieve this goal is by teaching the public about your invention through a patent disclosure, thereby "stimulat[ing] ideas and the eventual development of further significant advances."[5] Since nobody could reverse engineer your sweetener to learn how you made it, disclosing your secret process amounts to teaching new knowledge to the public.[6] Thus, you believe your sweet, new process is worthy of patent protection.[7] In many countries, you would be correct,[8] but not in the United States.[9]

Before the United States patent system was reformed by the America Invents Act (AIA), the sale of a product made by a secret process barred patenting of that process.[10] This restriction aimed to prevent inventors from making money on an invention they have developed to a point

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* Thank you to Dennis Crouch for his Patently-O article that inspired this blog post. Dennis Crouch, *No Sugar-Coating: Post-AIA Patent on Secret Process Barred by Pre-Filing Sale of Product*, PATENTLY-O (Aug. 12, 2024), https://patentlyo.com/patent/2024/08/coating-process-product.html [https://perma.cc/FJ6G-GRA5].

[1] This fact pattern is based upon Celanese Int'l Corp. v. Int'l Trade Comm'n, 111 F.4th 1338, 1341 (Fed. Cir. 2024).

[2] *Id.*

[3] *Id.*

[4] U.S. CONST. art. I, § 8, cl. 8 (Congress shall have power to "promote the Progress of Science . . . by securing for limited Times to . . . Inventors the exclusive Right to their . . . Discoveries[.]").

[5] Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 481 (1974) ("When a patent is granted and the information contained in it is circulated to the general public . . . such additions to the general store of knowledge" are assumed "will stimulate ideas and the eventual development of further significant advances in the art.").

[6] Brief for Nat'l Ass'n of Mfrs. as Amicus Curiae Supporting Appellants at 14–15, Celanese Int'l Corp. v. Int'l Trade Comm'n, 111 F.4th 1338 (Fed. Cir. 2024) (No. 22-1827), 2022 WL 16860501 ("When an entity sells its end product without disclosing the process through which that end product is created, only the end product—not the process—is available to the public. . . . [T]he public at large remain[s] unaware of any secret process used in manufacturing the end product.").

[7] *Id*. ("[A]ddition of 'available to the public' to [35 U.S.C.] Section 102 . . . allows the sale of an end product, without disclosure of the secret process by which the product was made, without creating a bar to patenting of that process.").

[8] Dale Bjorkman et. al., *"Made Available to the Public" — Understanding the Differences of the America Invents Act from the European Patent Convention in Its Definition of Prior Art*, 4 CYBARIS, AN INTELL. PROP. L. REV. 191, 211 (2013) (Within the European Patent Convention, as well as under national patent laws of European countries, "a secret/non-disclosing use of an invention does not make the invention 'available to the public.'").

[9] *Celanese*, 111 F.4th at 1344 ("on-sale bar applies when a patentee sells, before the critical date, products made using a secret process").

[10] Quest Integrity USA, LLC v. Cokebusters USA Inc., 924 F.3d 1220, 1227 (Fed. Cir. 2019) ("Sale of a product . . . produced by performing a claimed process implicates the on-sale bar.").

where it is “ready for patenting.”[11] Inventors “must content [themselves] with either secrecy, or legal monopoly,” via patent protection.[12] In the United States, inventors cannot have their cake and eat it too.

The Federal Circuit recently announced this on-sale bar remains unchanged in the post-AIA patent system.[13] In reaching this holding, the court was not swayed by the patentee’s textualist arguments that statutory changes in the AIA command a different result.[14]

Under the AIA, an inventor is entitled to a patent unless “the *claimed* invention was . . . on sale, or *otherwise available to the public*,” before the inventor applied for the patent.[15] The patentee in *Celanese* argued that Congress’s new specification that the *claimed* invention must be on sale means the on-sale bar is only triggered where the claimed invention is the subject of a sale.[16] Citing pre-AIA caselaw, the Federal Circuit found that since courts have interchangeably used the terms “invention” and “claimed invention,” Congress meant this additional modifier to be nothing more than a “clerical refinement of terminology for the same meaning in substance.”[17] This construction may be open to criticism for failing to “give effect . . . to every clause and word of a statute”[18] because it rendered the word “claimed” to be insignificant.[19]

The patentee also argued the statute’s catch-all category—“otherwise available to the public”—means the on-sale bar does not apply to a secret process undiscernible upon inspection of the publicly-available product.[20] The Federal Circuit found that this catch-all category was “simply not enough of a change” (*i.e.*, too insignificant) to modify on-sale bar doctrine.[21] Notwithstanding the law’s present footing, the question remains whether non-enabling commercialization *should* bar later patenting.[22]

The sale of a product made by an undiscernible process does not add knowledge of that process to the public domain.[23] Absent the possibility of patent protection, inventors might be incentivized to retain their processes as trade secrets indefinitely, thereby starving the public of

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[11] Pfaff v. Wells Elecs., Inc., 525 U.S. 55, 68 (1998) (“[I]t is a condition upon an inventor's right to a patent that he shall not exploit his discovery competitively after it is ready for patenting; he must content himself with either secrecy, or legal monopoly.” (quoting Metallizing Eng’g Co. v. Kenyon Bearing & Auto Parts Co., 153 F.2d 516, 520 (2d Cir. 1946))).
[12] *Id.*
[13] *Celanese*, 111 F.4th at 1348–49.
[14] *Id.* at 1345 (holding changes in 35 U.S.C. § 102(a) do not indicate congressional intent to alter on-sale bar).
[15] 35 U.S.C. § 102(a)(1) (emphasis added).
[16] *Celanese*, 111 F.4th at 1345.
[17] *Id.* at 1345–46.
[18] United States v. Menasche, 348 U.S. 528, 538–39 (1955) (quoting Inhabitants of Montclair Tp. v. Ramsdell, 107 US 147, 152 (1883).
[19] Washington Mkt. Co. v. Hoffman, 101 U.S. 112, 115–16, (1879) (holding “a statute ought . . . to be so construed that . . . no clause, sentence, or word shall be superfluous, void, or insignificant”).
[20] *Celanese*, 111 F.4th at 1346 (noting patentee’s argument that “this phrase confirms that the AIA's on-sale provision excludes sales of a product that do not disclose the inventive process”).
[21] *Id.*
[22] Dennis Crouch, *Policy Considerations: The On-Sale Bar for Secret Processes*, PATENTLY-O (Aug. 15, 2024), https://patentlyo.com/patent/2024/08/secret.html [https://perma.cc/82JS-9SU5].
[23] Brief for Nat’l Ass’n of Mfrs. as Amicus Curiae Supporting Appellants, *supra* note 6.

this knowledge.[24] Thus, applying the on-sale bar to secret processes might disincentivize patent disclosures and detract from the patent system's aim to promote progress of the useful arts and sciences.[25]

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[24] *Id.* at 6–7 ("If one jurisdiction forces a manufacturer to decide prematurely between filing a patent or losing patent rights, that manufacturer may decide to forgo pursuing patent protections—depriving the public of the benefits of the patent disclosure—and instead opt for trade secret protections.").
[25] *Id.* at 8 ("Instead of promoting the development of new technology, the ITC's decision weakens patent rights by finding a common industry practice to be invalidating and risks 'cutting off . . . innovation.'").