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Insights: Alerts

Supreme Court to Review AIA On-Sale Bar

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Yesterday, the U.S. Supreme Court accepted Helsinn Healthcare S.A.'s certiorari petition to consider whether, under the America Invents Act (AIA), an inventor's sale of an invention to a third party that is obligated to keep the invention confidential triggers the on-sale bar to patentability.

In May 2017, the Federal Circuit issued a decision in *Helsinn Healthercare S.A. v. Teva Pharmaceuticals USA, Inc.*, holding that "after the AIA, if the existence of the sale is public, the details of the invention need not be publically disclosed in the terms of the sale." In so doing, the Federal Circuit largely extended application of the pre-AIA case law on the "on sale bar" to patents governed by the AIA. Now the Supreme Court will have its chance to determine whether the Federal Circuit applied the correct standard under the AIA.

Under the so-called "forfeiture doctrine," pre-AIA 35 U.S. C. § 102(b) created a personal bar against the patenting of inventions that were "on sale" more than one year prior to the Applicant's patent filing date, regardless as to whether the sale was public or confidential. The AIA, however, amended § 102 to recite that a person shall be entitled to a patent unless "the claimed invention" was on sale, "or otherwise available to the public" before the effective filing date of the application. According to Helsinn, the legislative history supports interpreting the "or otherwise available to the public" language as modifying the "on sale" language of the statute. As a result, the on-sale bar is triggered, says Helsinn, only if the offer makes the entire "claimed invention . . . available to the public" – a position supported by the USPTO in its Examination Guidelines and its amicus brief to the Federal Circuit.

The Federal Circuit, however, held that the legislative history was not sufficiently clear so as to overturn decades of on sale bar precedent. It disagreed with Helsinn and the USPTO and held that the AIA on-sale bar can be triggered even when the buyer is obligated to keep the invention confidential and the claimed invention is not entirely within the public domain. The decision has created uncertainty as to the scope of the "on sale" bar under the AIA. For example, is the scope of the AIA on sale bar truly the same as it was before the AIA? Must the fact that the sale occurred be publicly known? Or must the entire claimed invention be put in the public domain by the offer for sale?

Now, with the Supreme Court accepting Helsinn's Petition, patent practitioners and stakeholders can look forward to clarification from the Supreme Court on this very important legal issue. Briefing on the case should occur later this year with arguments to be set at the end of 2018 or early 2019.

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