

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, D.C.

In the Matter of

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

INV. NO. 337-TA-1264

**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 Jinhe¹ 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 Celanese² 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 a brief in opposition (Opp'n) and a disputed chart of material facts (DCMF).

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.

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). 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.

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.”

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:

(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).

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.

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 Pharms. USA, Inc.*, 139 S. Ct. 628, 633 (2019). First, the invention itself must be 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

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 non-movant.” *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*

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.

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 Pharms. 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 in 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 otherwise 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

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.

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.

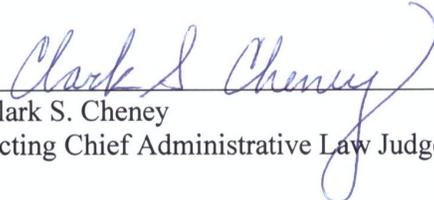
IV. CONCLUSION

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.


Clark S. Cheney
Acting Chief Administrative Law Judge