KILPATRICK TOWNSEND

5 KEY TAKEAWAYS

Helsinn v. Teva: The Status of Secret Prior Art and the On-Sale Bar

Kilpatrick Townsend attorneys Justin Krieger and Nicki Kennedy recently spoke at the Kilpatrick Townsend Intellectual Property Seminars on the topic of "*Helsinn v. Teva*: The Status of Secret Prior Art and the On-Sale Bar."

Key takeaways from the presentation include:

1

The issue of whether the AIA changed the on-sale bar to eliminate the Pre-AIA forfeiture doctrine is currently before the Supreme Court in *Helsinn Healthcare v. Teva Pharmaceuticals*. Oral arguments are set for Dec. 4, 2018. *Helsinn's* position, supported by many amici, is that the AIA changed the law and that the so called "on-sale bar" no longer encompasses secret sales, thus eliminating the forfeiture doctrine. *Teva's* position is that the statutory language and procedural history of the AIA support retaining the pre-AIA meaning on the on-sale bar.

2

Secret Prior Art: Pre-AIA 102(b) created a personal bar to patentability for secret inventions once 1 year had passed from the first offer for sale (the on-sale bar). This personal bar is referred to the forfeiture doctrine, meaning that the inventor has forfeited his or her rights to patent the invention once the 1-year period had expired. A secret, non-reverse engineerable process to make a product is one clear example of such secret prior art. The Pre-AIA forfeiture doctrine was unique to U.S. law.

3

The Choice: Trade Secret of Patent: The forfeiture doctrine forced inventors to (i) choose to keep the invention as a trade secret and risk having it used by other or (ii) file for a patent and have a limited term patent right. No prior user rights existed at the time, making the trade secret approach risky since another party could independently develop and patent the process, thereby preventing the original inventors from practicing the process.

4

AIA and the Forfeiture Doctrine: The AIA introduced prior user rights and included a phrase "or otherwise available to the public" in its 102 statute. The legislative history and global harmonization support that the AIA eliminated the forfeiture doctrine. The USPTO agreed, stating in its examination guidelines that the "sale" must make the claimed invention available to the public. (78 Fed. Ref. No. 31, 11,059, 11,075 (Feb. 14, 2013)).

5

What now? 1. Continue to evaluate your IP portfolio. Assume that the old on-sale bar still applies. Go through the traditional trade secret or patent analysis, assuming that once the decision is made, it cannot be changed once the 1 year period from first offer for sale has expired. 2. Consider having prior user rights opinions to supplement a freedom to operate position. 3. Monitor the status of the *Helsinn* case.

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