

No. 24-635

In The
Supreme Court of the United States

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

v.

INTERNATIONAL TRADE COMMISSION, ET AL.

*On Petition for a Writ of Certiorari
to the United States Court of Appeals
for the Federal Circuit*

REPLY BRIEF FOR PETITIONERS

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CORPORATE DISCLOSURE STATEMENT

The corporate disclosure statement included in the petition for a writ of certiorari remains accurate.

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With no good answer to the actual statutory text, respondents bend over backwards to avoid it. But the statute’s restriction on patenting if “the claimed invention was *** on sale *** before the effective filing date of the claimed invention” plainly restricts only pre-patenting sales of *the claimed invention*—not sales of something else, like products made using that invention. Other parts of the statute compel the same reading, including provisions that expressly distinguish selling an invention from selling a product made using a process invention. By rewriting the statute to go beyond sales of the invention itself, the Federal Circuit has created bad law and sown unnecessary confusion about the scope of interrelated provisions.

Respondents skip over this statutory text, embracing the Federal Circuit’s overreading of *Helsinn Healthcare v. Teva Pharmaceuticals USA*, 586 U.S. 123 (2019). Like the Federal Circuit, respondents seek to enshrine a smattering of old, policy-laden, atextual lower court decisions as the governing law about the “on sale” bar. Respondents wrongly caricature Celanese’s position as turning on the change from “invention” to “claimed invention.” But even before the AIA, Congress required the invention itself to be “on sale,” not something else. The AIA’s changes merely make that doubly clear.

That the Federal Circuit misinterpreted plain pre-AIA statutory text is no reason to leave standing the Circuit’s incorrect interpretation of the AIA. When it comes to patent law, only this Court’s interpretations can settle a statute’s meaning. That is why *Helsinn* turned on whether Congress had reenacted *this* Court’s earlier interpretation. Contrary to

respondents' suggestion, Celanese's complaint is not with *Helsinn*, but with the Federal Circuit's adherence to its own patent policy preferences over the text Congress enacted. This Court has reviewed and reversed in similar circumstances, and it should do so again here. See *TC Heartland v. Kraft Foods*, 581 U.S. 258, 269-270 (2017).

The question is important. Neither response rebuts the significance of process patents to many industries, as confirmed by amicus. This Court will not find a better vehicle. The decision below involved solely the legal statutory question presented here. And because the Federal Circuit has nationwide patent jurisdiction, its precedential decision will be the final word unless this Court intervenes.

I. THE FEDERAL CIRCUIT'S DECISION IS WRONG AND WARRANTS REVIEW

A. *Helsinn* Neither Resolved The Question Here Nor Compels The Federal Circuit's Conclusion

Respondents hinge their opposition on *Helsinn*, but neither its holding nor its analysis resolves this case. *Contra* ITC.Opp.8-12; Jinhe.Opp.7-14.

One need look no further than this Court's statement of the issue there: "This case requires us to decide whether the sale of an invention to a third party who is contractually obligated to keep the invention confidential places the invention 'on sale' within the meaning of §102(a)." *Helsinn*, 586 U.S. at 125. The starting point of *Helsinn*'s analysis was thus an undisputed sale of *the invention*. *Ibid*. Yet here, the question is whether the invention was "on

sale” when the only things sold were end products made using the invention.

Respondents try to sidestep this distinction by arguing *Helsinn*’s “analytical approach controls here.” ITC.Opp.10; Jinhe.Opp.9-10. Once again, this Court’s express statements refute that notion:

More than 20 years ago, this Court determined that an invention was “on sale” within the meaning of an earlier version of §102(a) when it was “the subject of a commercial offer for sale” and “ready for patenting.” We did not further require that the sale make the details of the invention available to the public. In light of this earlier construction, we determine that reenactment of the phrase “on sale” in the AIA did not alter this meaning.

Helsinn, 586 U.S. at 125-126 (quoting *Pfaff v. Wells Elecs.*, 525 U.S. 55, 67 (1998)). *Helsinn*’s analytical approach thus depended on a prior interpretation from this Court resolving the issue before it—an interpretation the Court held Congress had not disturbed. *Ibid.*

Here, there is no such on-point interpretation from this Court, as respondents acknowledge by focusing on what they say “[t]he Federal Circuit ‘has long held.’” ITC.Opp.10-12; Jinhe.Opp.11-12. Yet this Court long ago resolved that “[a] question arising in regard to the construction of a statute of the United States concerning patents for inventions cannot be regarded as judicially settled” to the point of “becom[ing] a part of the statute” until “this” Court “pass[es] upon the question.” *Andrews v. Hovey*, 124

U.S. 694, 716-717 (1888). That is the rule *Helsinn* applied, holding Congress had adopted “our pre-AIA interpretation.” 586 U.S. at 132 (emphasis added); *contra* Jinhe.Opp.9-10; ITC.Opp.9-10. The Court’s lone paragraph about Federal Circuit precedent merely confirmed the Circuit had correctly applied this Court’s statutory interpretation. *Helsinn*, 586 U.S. at 131.

Respondents rightly never argue that *Pennock v. Dialogue* settled the interpretive issue here. 27 U.S. 1 (1829). As they concede, no statute at the time of *Pennock* restricted patentability based on whether an invention had previously been “on sale.” ITC.Opp.15; Jinhe.Opp.13. *Pennock* instead interpreted a different statutory requirement: whether the invention had been “used before the application.” 27 U.S. at 18-19. This Court interpreted that language to mean “used by the public,” not the inventor. *Ibid.* Congress later codified that understanding in what has become the prior-public-use requirement, as respondents recognize. ITC.Opp.15; Jinhe.Opp.13. But that requirement is “not at issue here,” and Jinhe disclaimed reliance on it. C.A. Appx8225 n.6. The only statutory-interpretation question presented is what it means for a claimed invention to be “on sale,” an issue *Pennock* did not address.¹

¹ That *Pennock* turned on the invention’s public use also rebuts respondents’ insistence that *Pennock* involved an inventor’s sales of end products made using an invention that remained secret. *Contra* Jinhe.Opp.14-15; ITC.Opp.15. Indeed, in a case that did involve such sales, this Court affirmed a judgment

Ultimately, respondents’ reliance on *Helsinn* cannot be correct because they defend a statutory interpretation at odds with this Court’s. “[O]n sale” requires a “focus on whether the invention had been sold.” *Helsinn*, 586 U.S. at 130. A “commercial offer for sale” is a prerequisite. *Ibid.*; *Pfaff*, 525 U.S. at 65-67 (“invention had been placed on sale”). Yet the Federal Circuit embraced a broader interpretation: any “commercial exploitation of [the] invention.” Pet. App. 7a; Jinhe.Opp.12 (same); ITC.Opp.13-14. No amount of squinting at *Helsinn* supports reading the plain text as not requiring a sale of the invention itself.

B. Respondents Have No Answer For The AIA’s Text And Structure

Respondents’ heavy reliance on *Helsinn* is telling: they effectively concede Celanese is correct about §102(a)(1)’s plain meaning. The statutory text should have ended the “judicial inquiry,” with no role for the reenactment canon. *Barnhart v. Sigmon Coal*, 534 U.S. 438, 461-462 (2002). Congress plainly required the “claimed invention” itself—not a product made using the claimed invention—to be “on sale” to qualify as invalidating prior art. 35 U.S.C. §102(a)(1). The meaning of “claimed invention” is equally plain because Congress defined it: it means “the subject matter defined by a claim” in the patent. *Id.* §100(j).

Respondents’ passing attempts to address this text and mend the Federal Circuit’s reenactment-based reasoning fail. Both purport to find ambiguity

of patent validity as consistent with *Pennock*. *Kendall v. Winsor*, 62 U.S. 322, 326-327, 329-331 (1858).

in what it means for a process invention to be “on sale,” which they say is resolved by interpreting “on sale” to mean “commercializing the patented process in the same sense as would occur when the sale of a tangible patented item takes place.” Jinhe.Opp.12 (quoting *In re Kollar*, 286 F.3d 1326, 1332 (Fed. Cir. 2002)); ITC.Opp.13-14. For starters, that ignores the Federal Circuit’s different interpretation for third-party sales. Pet.27; *infra* pp.7-8. Even so, treating process sales like product sales favors Celanese’s plain-meaning interpretation. When a tangible patented item is sold, the claimed invention is “on sale” because the tangible item “contain[s] all the elements of the invention claimed,” i.e., the elements recited in the patent’s claims. *Pfaff*, 525 U.S. at 68. Commercialization of a process patent in that sense thus requires that the subject of the sale contain all elements of the claimed process—such as by contracting to perform the steps of the process for compensation. Pet.13 (citing *Scaltech v. Retec/Tetra*, 269 F.3d 1321, 1328-1331 (Fed. Cir. 2001)). Mere sales of end products of a patented process are not such “sales.”

Respondents also have no good answer for the other statutory indicia reinforcing the text’s plain meaning. As Celanese explained, other provisions show Congress knows how to capture sales of products made using a patented process, such as by distinguishing between one who “offers to sell, or sells any patented invention” (35 U.S.C. §271(a)) and one who “offers to sell, sells, or uses within the United States a product which is made by a process patented in the United States” (*id.* §271(g)). Pet.14-15; *see* 35 U.S.C. §273(a)(1) (reciting sale of a “useful end result of” invention’s “commercial use”).

Like the Federal Circuit, respondents miss the point in saying “infringement and invalidity are separate matters.” ITC.Opp.18-19; Jinhe.Opp.19; Pet.App. 16a. The point is not that infringement and invalidity must be the same, but that “[w]hen Congress includes particular language in one section of a statute but omits it in another, this Court presumes that Congress intended a difference in meaning.” *Digit. Realty v. Somers*, 583 U.S. 149, 161 (2018). Respondents have no rebuttal to this clear statutory evidence of Congress’s intended meaning. That these other statutory provisions pre-date the AIA only confirms that the Federal Circuit’s atextual interpretation was wrong before the AIA, too. *Contra* ITC.Opp.18-19; Jinhe.Opp.20.

Respondents, like the Federal Circuit, also ignore that invalidity for anticipation under 35 U.S.C. §102 and direct infringement under 35 U.S.C. §271(a) have long been linked: “That which infringes, if later, would anticipate, if earlier.” *Peters v. Active Mfg.*, 129 U.S. 530, 537 (1889). Neither response explains why it would make sense that sales of an end product made using a patented process place the “claimed invention” “on sale” under §102(a)(1) but are not “sell[ing]” the “patented invention” under §271(a). Yet the Federal Circuit embraced that illogical construction.

Nor can respondents explain away the damage the Federal Circuit’s interpretation would do to the AIA’s grace-period and prior-user-defense provisions. Pet.15-20. The Circuit’s atextual interpretation of the “on sale” provision requires either (1) a significant disconnect both with the AIA’s one-year grace period for prior “disclosure[s]” and with the AIA’s defense for

third-party sales of “a useful end result of” a “commercial use” of a process patent (35 U.S.C. §§102(b)(1), 273(a)); or (2) a chain reaction of further atextual interpretations to realign those provisions in the way Congress plainly intended. Pet.15-20. Without contesting these consequences of the Federal Circuit’s interpretation, the ITC largely follows the Circuit by insisting these issues are “irrelevant” and need not be decided. ITC.Opp.17-19. Yet that would violate another of this Court’s settled principles: courts have “a ‘duty to construe statutes, not isolated provisions,’” which requires “read[ing] the words Congress enacted ‘in their context and with a view to their place in the overall statutory scheme.’” *Turkiye Halk Bankasi v. United States*, 598 U.S. 264, 275-276 (2023).

Jinhe’s different tack fares no better. It embraces further atextual interpretations—arguing sales that never disclose a claimed process invention to anyone somehow amount to a “disclosure” because *Helsinn* held that a secret sale triggers the on-sale bar. Jinhe.Opp.18-19. But unlike here, *Helsinn* involved a disclosure of the invention to someone besides the inventor: the buyer of the invention-embodiment product. 586 U.S. at 126-127. Nothing in *Helsinn* (or any of respondents’ decisions) suggests Congress intended the term “disclosure” to refer to acts disclosing a claimed invention to no one.

C. The Federal Circuit’s Flouting Of Bedrock Interpretive Principles Warrants Review

1. The incorrect interpretation of 35 U.S.C. §102(a)(1) alone warrants review, but the Federal

Circuit’s misguided methodological approach bolsters the need for intervention. Its reliance on the reenactment canon defies this Court’s unequivocal directive that “the reenactment canon does not override clear statutory language.” *Oklahoma v. Castro-Huerta*, 597 U.S. 629, 644 (2022). That defiance is particularly troubling given the Federal Circuit’s primary reliance on its own past decisions, with no on-point statutory interpretation from this Court.

The responses have no answer, despite Celanese devoting an entire section of its petition to this issue based on significant precedent. Pet.22-23. Both merely assume that because this Court applied the reenactment canon to the different issue in *Helsinn*, it should be applied here too. That is wrong for all the reasons explained (Part I.A, *supra*), and also because *Helsinn*’s interpretation was consistent with the statutory language, not at odds with it. 586 U.S. at 131-132.

2. Even were the reenactment canon available here, review would still be warranted because the Federal Circuit misapplied it. Respondents argue otherwise by alleging a purportedly widespread pre-AIA understanding that sales of end products made using a patented process place the invention “on sale.” ITC.Opp.10-12; Jinhe.Opp.11-16. Yet neither response contradicts Celanese’s assertion that only two decisions—*Auld* and *Metallizing*—actually faced the question and held that sales of end products made using a patented invention placed the invention on sale. ITC.Opp.10-12 (citing *D.L. Auld v. Chroma Graphics*, 714 F.2d 1144 (Fed. Cir. 1983); *Metallizing Eng’g v. Kenyon Bearing & Auto Parts*, 153 F.2d 516 (2d Cir. 1946)); Jinhe.Opp.11-16. Even “unequivocally

state[d]” dicta is still dicta. *Contra* Jinhe.Opp.15 n.2 (baldly asserting dicta somehow “essential”).

The ITC also wrongly asserts a lack of decisions going against its view. ITC.Opp.15. *Metallizing* itself recognized the lack of uniformity, acknowledging the district court had been bound by an earlier decision to reject reliance on end-product sales as placing a process invention “on sale.” 153 F.2d at 517-518 (citing *Peerless Roll Leaf v. Griffin & Sons*, 29 F.2d 646 (2d Cir. 1928)). *Metallizing* reversed only after overruling *Peerless*. *Ibid.*

Similarly, the Federal Circuit’s *Auld* decision departed from its own precedent. 714 F.2d at 1147-1148. The Court of Customs and Patent Appeals (the Circuit’s patent predecessor) had rejected a rule that an inventor’s actions in “secretly using his process as a commercial process, for profit” for more than two years before patenting “amount[ed] to a forfeiture in law of his right to a patent.” *Stresau v. Ipsen*, 77 F.2d 937, 943-945 (1935) (basing conclusion on what “[a]ll courts ha[d] consistently” held at the time). Respondents are thus mistaken that pre-AIA decisions on this issue uniformly went their way.²

Other problems plague the Circuit’s reenactment rationale, as *Celanese* showed. Pet.23-30. For instance, *Auld* and *Metallizing* relied on freestanding

² The ITC incorrectly suggests *Celanese* “initially did not dispute” the existence of a settled pre-AIA interpretation of “on sale.” ITC.Opp.15 (citing Pet. App. 3a). *Celanese* merely acknowledged that its patent would have been invalid under the Federal Circuit’s “pre-AIA precedent.” Pet. App. 3a.

policy determinations rather than actual textual analysis. *Auld*, 714 F.2d at 1147-1148; *Metallizing*, 153 F.2d at 520. That led the Federal Circuit to adopt an inconsistent policy for third-party sales of end products made by a secret process. *W.L. Gore v. Garlock*, 721 F.2d 1540, 1549-1550 (Fed. Cir. 1983). The responses concede the Federal Circuit considers third-party sales only “under the public-use bar” and not as “on sale” but cannot identify any statutory basis for that differential treatment. ITC.Opp.16; Jinhe.Opp.14. That inconsistent interpretation of “on sale” further negates reenactment.

The Federal Circuit’s mistreatment of the AIA’s many changes compounds its errors. Pet.28-30. Tellingly, both responses are silent about Congress’s elimination of the pre-AIA “loss of right” provisions. Pet.7-8, 29-30. Yet *Metallizing*’s and *Auld*’s rationales hinged on loss-of-right principles. *Metallizing*, 153 F.2d at 517-520; *Auld*, 714 F.2d at 1147-1148. And although respondents address other changes, like the newly defined “claimed invention,” neither rebuts that Congress, in making this change, reinforced the very term the Circuit’s atextual interpretation ignored. *See Heartland*, 581 U.S. at 269-270 (rejecting similar argument that AIA “ratified” flawed Federal Circuit interpretation given changes undercutting interpretation). Respondents identify no better way for Congress to show its rejection of the Circuit’s interpretation.

II. THE QUESTION IS IMPORTANT AND THIS IS AN IDEAL VEHICLE

This Court's intervention is urgently needed because the Federal Circuit's ruling threatens untold numbers of issued process patents in vital industries. The chemical and biotechnology industries patent innovations in making compounds; the pharmaceutical industry patents the fruits of lengthy and costly research into making drugs; and America's manufacturing industry patents improvements in ways of making products. The decision below clouds the value of existing patents in these and other industries. And it risks putting American industries at a disadvantage relative to competitors in countries that give clearer protections for inventive processes. NAM.Amicus.3-5.

The decision also risks uncertainty and unpredictability where the opposite is required. That is clear from the ITC's shifting narrative. It previously told the Federal Circuit that the upshot of interpreting the AIA as that court ultimately did would leave process inventors without the benefit of §102(b)(1)(A)'s one-year grace period. C.A. ITC Response Br. 33-36. Without recanting, the ITC now appears to distance itself from that view, saying "the proper interpretation of Section 102(b)(1)(A) is irrelevant here." ITC.Opp.17-18 (also citing case about §102(b)(1)(B) to wrongly suggest Federal Circuit has addressed). This head-in-the-sand approach to the troubles with the Circuit's statutory interpretation is precisely the problem—left uncorrected, the decision will sow uncertainty and impose unnecessary burdens on current and future process inventors.

Inventors must make decisions now about investing in costly patent protection. Yet they cannot be certain whether they can rely on any grace period nor about the effects of third-party sales. *Supra* pp.7-8. And Jinhe’s insistence that pre-AIA law resolves any uncertainty ignores that the Federal Circuit expressly “decline[d]” to provide that assurance. Pet. App. 15a; Jinhe.Opp.21-23.

Finally, neither response undermines Celanese’s showing that this case presents an ideal vehicle for resolving this purely legal issue. Contrary to Jinhe’s policy preference (Jinhe.Opp.23-24), the AIA’s plain text shows Congress chose an “on sale” bar that encourages greater disclosure of process inventions, not less. Pet.34-35; *Kewanee Oil v. Bicron*, 416 U.S. 470, 484 (1974) (“disclosure” is “quid pro quo” of patent law).

CONCLUSION

The petition should be granted.

Respectfully submitted,

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