

# Supreme Court Holds AIA Did Not Alter the Settled Meaning of “On Sale”

Article By:

Brad M. Scheller

Peter F. Snell

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Today the United States Supreme Court unanimously [affirmed](#) the Federal Circuit and held that it remains the law under the America Invents Act (AIA) that a confidential sale to a third party can trigger the “on sale” bar to patentability.

Whether the AIA changed the contours of the “on sale” bar was first addressed by the United States District Court for the District of New Jersey, then the Federal Circuit and now the Supreme Court. As previously [reported](#), the Federal Circuit reversed the district court and held that 35 U.S.C. § 102(a)(1), as revised by the AIA, did not change settled law that a sale to a third party can invalidate a patent even if the sale does not disclose the details of the invention. The Supreme Court granted *certiorari* on June 25, 2018 and heard oral arguments on December 4, 2018, as previously [reported](#).

In reaching its decision, the Supreme Court noted that the pre-AIA patent statute included an “on sale” bar that did not contain an exception for “secret sales” to a third party. Accordingly, as an initial matter, the Supreme Court presumed that the phrase “on sale” carried the same meaning in the AIA. Slip Op. at 6-7. “In light of this settled pre-AIA precedent on the meaning of ‘on sale,’ we presume that when Congress reenacted the same language in the AIA, it adopted the earlier judicial construction of that phrase.” *Id.* at 7.

The Supreme Court then addressed whether the new “catchall clause” added by the AIA—“*or otherwise available to the public*”—altered this settled pre-AIA precedent. The Court answered that question in the negative, reasoning that the addition of the catchall “is simply not enough of a change for us to conclude that Congress intended to alter the meaning of the reenacted term ‘on sale.’” Slip Op., at 8. The Court found that the broad “catchall clause” captures circumstances that do not fit neatly into the statute’s enumerated categories and does not limit the preceding terms in Section 102, as argued by Helsinn. *Id.*

This decision from the Supreme Court puts the question to rest and confirms that even a confidential sale to a third party can trigger the “on sale” bar under the AIA.

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