SOLVAY S.A. v. HONEYWELL INTERNATIONAL, INC., Appeal No. 2012-1660 (Fed. Cir. February 12, 2014). Before Rader, Newman, and Dyk. Appealed from D. Del. (Judge Robinson).

Background:

Solvay sued Honeywell for infringing claims of its patent. Honeywell counterclaimed seeking a declaration of invalidity of the claims under former §102(g)(2). In its first ruling, the district court found the claims infringed, but invalid under §102(g)(2) on the ground that Honeywell was a prior inventor who made the invention in this country without abandoning, suppressing, or concealing it. The Federal Circuit affirmed the district court's holding of infringement, but reversed the invalidity holding on the ground that Honeywell could not qualify as an inventor because they did not conceive the invention, but derived it from Russian engineers, who first conceived the invention in Russia.

On remand, Honeywell argued that §102(g)(2) applied because the Russian engineers made the invention in this country by sending instructions to Honeywell, who used the instructions to reduce the invention to practice in the United States before the priority date of Solvay's patent. The district court denied summary judgment on the invalidity issue because of genuine issues of material fact as to whether the Russian engineers disclosed their invention in a prior Russian patent application rather than abandoning, suppressing, or concealing it. Based on a jury verdict that the Russian engineers did not abandon, suppress, or conceal the invention, the district court held the claims of the Solvay patent invalid under §102(g)(2). Solvay appealed.

Issue/Holding:

Did the district court err in holding that the claims of Solvay's patent were invalid under §102(g)(2)? No, affirmed.

Discussion:

The Federal Circuit agreed with the district court that the invention conceived by the Russian engineers qualified as prior art under §102(g)(2) because it was made in this country when Honeywell reduced the invention to practice by following the Russian engineers' instructions prior to the date of Solvay's invention. The majority opined that §102(g)(2) allows conception to occur in another country, but requires that reduction to practice be performed in the United States by or on behalf of the inventor.

Judge Newman dissented, stating that the majority's decision creates a new class of secret prior art by holding that a privately performed experiment, without publication, public knowledge, use, or sale is invalidating prior art under §102(g)(2). Judge Newman argued that the issue is not whether Honeywell has a personal defense to infringement, but whether the Russian secret invention is prior art against the world when Honeywell secretly reproduced it in the United States. In this regard, Judge Newman notes that in the prior appeal of this case, the Federal Circuit confirmed that the Russian invention was conceived and reduced to practice in Russia, and that Honeywell's replication of the process in the United States was not an invention made in the United States, but instead was a derivation of the Russian invention. Judge Newman opined that the private/secret replication of the Russian invention by Honeywell does not convert either the Russian invention or Honeywell's replication into prior art.