

ALERT

Federal Circuit Patent Bulletin: *Solvay S.A., v. Honeywell Int'l Inc.*

February 12, 2014

[For purposes of 35 U.S.C. § 102(g)(2),] inurement does not require that the inventor expressly request or direct the non-inventor to perform reductive work. To be sure, no inurement can arise from a third party's 'unwarranted and hostile use' of another's invention, but an express request or direction is not required. The request may be 'implicit[.]'"

On February 12, 2014, in *Solvay S.A., v. Honeywell Int'l Inc.*, the U.S. Court of Appeals for the Federal Circuit (Rader, Newman, Dyk*) affirmed the district court's judgment that claim 1 of U.S. Patent No. 6,730,817, which related to an improved method of making the hydrofluorocarbon 1,1,1,3,3-pentafluoropropane also known as HFC-245fa, was invalid under 35 U.S.C. § 102(g)(2) because engineers working at the Russian Scientific Center for Applied Chemistry ("RSCAC") first conceived the invention, which was reduced to practice in this country by Honeywell personnel pursuant to the RSCAC's instructions, and did not abandon, suppress, or conceal it. The Federal Circuit stated:

The question at the heart of this appeal is when an invention conceived by a foreign inventor and reduced to practice in the United States qualifies as prior art under § 102(g)(2). That section provides, "[a] person shall be entitled to a patent unless . . . before such person's invention thereof, the invention was made in this country by another inventor who had not abandoned, suppressed, or concealed it." Although section 102(g) initially was designed for determining priority of invention in interference proceedings, it is settled that the section has "independent significance as a basis for prior art outside of the interference context." A patent is invalid under that section if the claimed invention was made in this country by another inventor before the patent's priority date. Making the invention requires conception and reduction to practice. While conception is the "formation, in the mind of the inventor, of a definite and permanent idea of a complete and operative invention," reduction to practice "requires that the claimed invention work for its intended purpose." It is also necessary that the invention not be suppressed, abandoned, or concealed.

Our prior cases have illuminated what is meant by "made in this country." Although the inventors may reside in a foreign country and conceive the invention abroad, a reduction to practice made outside the United

States is beyond the scope of § 102(g)(2) prior art. In other words, § 102(g)(2) allows conception to occur in another country, but in such circumstances requires the work constituting the reduction to practice to be performed in the United States by or on behalf of the inventor. However, “there is no requirement that the inventor be the one to reduce the invention to practice so long as the reduction to practice was done on his behalf” in the United States. Consistent with that principle, “[a]cts by others working explicitly or implicitly at the inventor’s request will inure to his benefit.”

Here, Honeywell contends that the invention was conceived by Russian inventors outside the United States and reduced to practice in the United States by Honeywell personnel following the Russian inventors’ instructions before the ‘817 patent’s priority date. . . . Solvay does not dispute that Honeywell fully performed the RSCAC’s process for making HFC-245fa in the United States before the ‘817 patent’s October 1995 priority date. Nor is it disputed that, under the district court’s claim construction, the RSCAC process corresponds to the invention claimed by the ‘817 patent. Instead, Solvay argues that (1) the doctrine of inurement, defining when the activities of others inure to the benefit of the inventor, controls the question of whether Honeywell’s work can be attributed to the RSCAC engineers, and (2) the undisputed facts do not establish inurement because the RSCAC engineers did not expressly ask the Honeywell researchers to perform the inventive process.

Assuming that the inurement doctrine governs, inurement does not require that the inventor expressly request or direct the non-inventor to perform reductive work. To be sure, no inurement can arise from a third party’s “unwarranted and hostile use” of another’s invention, but an express request or direction is not required. The request may be “implicit[.]” [O]ur case law does not support Solvay’s contention that an inventor must make an express directive or request to benefit from a third party’s reduction to practice. Rather, inurement exists if the inventor authorizes another to reduce his invention to practice. Here, the research agreement between the RSCAC and Honeywell confirms that the RSCAC authorized Honeywell to practice its invention in the United States and contemplated that Honeywell would do so. The contract stated that “RSCAC will assist [Honeywell] in the development of manufacturing processes for hydrofluorocarbon compounds (HFCs) . . . or hydrofluorocarbon ethers (HFC ethers).” Pursuant to that agreement, Honeywell promised to provide yearly compensation, information, and equipment, while the Russians agreed to produce 1,000 kg of HFC-245fa, develop production processes, and send regular reports to Honeywell detailing their results and progress. While title and rights to inventions would belong to Honeywell, the RSCAC could make, use, and sell those inventions in Russia. . . .

Solvay argues that there can be no inurement here because Honeywell independently benefited from performing the RSCAC process. Solvay in particular points to Honeywell’s subsequent filing of its own patent application [T]he mere filing of a related patent application does not in itself preclude inurement. Here, the Russians applied for and received a patent in Russia, while Honeywell filed a patent application in the United States. The parties did not view these applications as rivals, providing that Honeywell was entitled to exclusive rights to inventions resulting from the collaboration while the Russians were entitled only to

sublicenses. We therefore agree with the district court that the process invented by the Russian engineers was made in this country when Honeywell successfully performed the process because the Russians authorized Honeywell personnel to practice the invention and specifically contemplated that they would do so. We affirm the district court's judgment that the '817 patent is invalid under § 102(g)(2).