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CLIENT ALERT

District Court Reversed for Misinterpreting the "Known or Used" Prong of § 102(a) and the Public-Use and On-Sale Bar Standards of § 102(b)

APRIL 8, 2020

BASF Corp. v. SNF Holding Co. et al., No. 2019-1243 (Fed. Cir. Apr. 8, 2020)

The Federal Circuit reversed and remanded the district court's grant of summary judgment, which had misinterpreted the "known or used" prong of 35 U.S.C. § 102(a) and the public-use and on-sale bar standards of § 102(b).

The alleged infringer (of a patent directed to a process for preparing polymers) moved for summary judgment on invalidity, asserting that a third party's process anticipated and rendered obvious certain patent claims. The third party had provided information about its process to a U.S. company in an exclusive and confidential license. Granting summary judgment, the district court found this sufficient under the "known or used" prong of § 102(a), holding that "whether prior use is secret or confidential is immaterial." The district court also granted summary judgment on both the public-use and on-sale bars of § 102(b), finding that the third party's exclusive license and technical assistance amounted to a sale.

The Federal Circuit reversed and remanded, holding that the district court's interpretation of § 102(a) was erroneous because the "known or used" prong of § 102(a) means "knowledge or use which is accessible to the public." The Federal Circuit further held that the district court misinterpreted the public-use bar of § 102(b) to apply to a third party's secret commercial use, instead clarifying that the public-use bar applies to uses of the invention "not purposefully hidden." Because the parties disputed whether the third party's process was confidential, summary judgment was inappropriate.

The Federal Circuit also reversed the district court on the § 102(b) on-sale defense, holding that the third party's exclusive license was not a "sale" under § 102(b) because the "essential features" of the claimed process were not embodied in a product sold or offered for sale. The Federal Circuit reaffirmed that granting a license to practice a patented invention—with or without accompanying technical information—does not itself create an on-sale bar.

A copy of the opinion can be found here.

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