



Belief As To A Patent's Validity Is Not A Defense To Induced Infringement

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Following last year's decision in *Limelight Networks, Inc. v. Akamai Technologies, Inc. et al.*, 572 U.S. ____ (2014) (holding that a finding of induced infringement requires that all infringing acts be performed by a single actor), the Supreme Court further addressed induced infringement in this week's decision in *Commil USA, LLC v. Cisco Systems, Inc.*, No. 13-896, 575 U.S. _____, slip op. (2015). The issue addressed by the *Commil* court was "whether knowledge of, or belief in, a patent's validity is required for induced infringement under [35 U.S.C.] § 271(b)." 575 U.S., at ____ (slip op. at 6).

As an initial matter, the *Commil* court affirmed its holding in *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. ____ (2011). That is, liability for induced infringement "can only attach if the defendant knew of the patent and knew as well that 'the induced acts constitute patent infringement.'" *Id.* at 6-8 (citing *Global-Tech*, 563 U.S., at ____ (slip op., at 10)). Indeed, the Federal Circuit has held that a good-faith belief as to noninfringement of the patent-in-suit is a defense to inducement. See, e.g., *Microsoft Corp. v. DataTern, Inc.*, 755 F.3d 899, 904 (Fed. Cir. 2014) (explaining that "[a]bsent the knowledge and affirmative act of encouragement, no party could be charged with inducement").

In the Federal Circuit *Commil* decision, the Federal Circuit had expanded the reasonable belief defense to include reasonable belief in patent invalidity. The Supreme Court in *Commil* disagreed, holding that a defendant's belief regarding patent invalidity is not a defense to a claim of induced infringement. *Id.* at 9. In making its determination, the Court noted that "[t]he scienter element for induced infringement concerns infringement; that is a different issue than validity. . . . And because infringement and validity are separate issues under the [Patent] Act, belief regarding validity cannot negate the scienter required under §271(b)." *Id.* at 9-10. The Supreme Court in *Commil* did, however, confirm that a reasonable belief in noninfringement is a defense to inducement. In support of its decision, the *Commil* court explained:



- Noninfringement and invalidity are two separate defenses under §§ 282(b)(1) and (2);
- Allowing this defense would undermine the presumption of validity under § 282 by lessening such presumption “for a defendant could prevail if he provided he reasonably believed the patent was invalid” thus circumventing the clear and convincing standard for proving invalidity;
- “[I]nvalidity is not a defense to infringement, it is a defense to liability;” and
- Allowing such a defense would lead to more burdensome and expensive litigations.

Id. at 10-12. Moreover, the Supreme Court noted that there exists numerous “practical reasons” for not creating a defense to infringement based on the belief of invalidity of the patents-in-suit. *Id.* at 12. Indeed, the alleged infringer may attack the validity of the patent *via* (1) declaratory judgment, (2) *inter partes* review, (3) *ex parte* reexamination, or (4) an affirmative defense of invalidity. *Id.* Thus, invalidity is not to be conflated with noninfringement.

Notably, two Justices dissented (Scalia and Roberts). The dissent is based on the understanding that liability for infringement can only be premised on valid patents: “Because only valid patents can be infringed, anyone with a good-faith belief in a patents invalidity necessarily believes the patent cannot be infringed. And it is impossible for anyone who believes that a patent cannot be infringed to induce actions that he knows will infringe it. A good-faith belief that a patent is invalid is therefore a defense to induced infringement of that patent.”

With the Supreme Court’s latest clarification on the issue of induced infringement, patent holders and alleged patent infringers are now provided guidance as to the requisite scienter under § 271(b), that a reasonable belief in noninfringement can act as a defense, while a reasonable belief in invalidity cannot.

For more information on the matters discussed in this *Locke Lord QuickStudy*, please contact the authors:

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