

Intellectual Property Alert

Belief That a Patent Is Invalid Is Not a Defense to Inducement Liability

05.28.2015

BY [RICHARD GERVASE, JR.](#), [SANDRA BADIN](#), AND [JAMES WODARSKI](#)

The Supreme Court issued its long-anticipated decision in *Commil USA, LLC v. Cisco Systems, Inc.* on Tuesday holding that a patent infringement defendant's good faith belief that the patent in suit is invalid is not a defense to a claim of induced infringement under 35 U.S.C. §271(b). In so doing, the Court reaffirmed its holding in *Global-Tech Appliances, Inc. v. SEB S. A.* (2011) that liability for induced infringement requires not just knowledge of the patent but knowledge that the induced acts are infringing. It also noted that *Global-Tech* accords with the Court's holding in *Aro Mfg. Co. v. Convertible Top Replacement Co.* (1964) that contributory infringement likewise "requires knowledge of the patent in suit and knowledge of patent infringement."

Writing for the 6-2 majority, Justice Kennedy explained that a belief in a patent's invalidity cannot negate the scienter required under §271(b) because infringement and validity are separate issues under the Patent Act: "When infringement is the issue, the validity of the patent is not the question to be confronted." Interpreting §271(b) to allow as a defense to a claim of infringement a belief in the patent's invalidity would conflate infringement with validity, the Court said. It would also undermine the long-standing presumption that issued patents are valid. "[I]f belief in invalidity were a defense to induced infringement, the force of that presumption would be lessened to a drastic degree, for a defendant could prevail if he proved he reasonably believed the patent was invalid."

In rejecting the defense of a belief in the patent's invalidity, the majority nevertheless acknowledged the "simple truth, both as a matter of logic and semantics" that inducement of an invalid patent is not possible. But, it noted, if the accused infringer proves the patent's invalidity, there is no liability for what would otherwise be infringing conduct. It then reasoned that because invalidity is "not a defense to infringement, [but] a defense to liability," a belief that the patent is invalid "cannot negate the scienter required for induced infringement." The majority went on to observe that the same intuition is reflected in the way the civil law approaches other torts, such as tortious interference with a contract. "While the invalidity of a contract is a defense to tortious interference, belief in validity is irrelevant." The same holds for trespass, which may be committed despite the actor's mistaken belief that he or she is legally entitled to enter the property.

The majority also noted the Court's decision in no way disturbs the many avenues open to alleged infringers to challenge a patent's validity directly, including by way of declaratory judgment actions, *inter partes* review, *ex parte* reexamination, and by raising the affirmative defense of invalidity to a patent infringement action. At the same time, creating a defense of belief in invalidity would have the negative consequence of making litigation more costly and burdensome by increasing the costs of discovery and multiplying the number of issues the jury must resolve.

As a final note, the Court remarked that it is "well aware" that the monetization of patent assets has become an industry, and that "[s]ome companies may use patents as a sword to go after defendants for money, even when their claims are frivolous." Observing that no claim of frivolity has been raised in this case, the Court reminded the districts courts of their "authority and responsibility to ensure frivolous cases are dissuaded," by using the various tools at their disposal, including Rule 11 sanctions and attorney fee awards in "exceptional cases." These safeguards, along with the many avenues still open to accused infringers to challenge the validity of patents, support maintaining the traditional distinction between infringement and validity expressed in the Patent Act, and rejecting the proposed new defense of a belief in patent invalidity, the Court said.



[Richard Gervase, Jr.](#), Member

[Sandra Badin](#), Associate



[James Wodarski](#), Member

RELATED PRACTICES

- ▶ [Intellectual Property](#)
- ▶ [Intellectual Property & Technology Litigation](#)
- ▶ [IP Litigation](#)
- ▶ [Technology Transfer & Licensing](#)
- ▶ [Patent Procurement](#)

RELATED BLOGS

- ▶ [Global IP Matters](#)
- ▶ [Copyright & Trademark Matters](#)

Although they agreed with the majority's characterization of *Global-Tech* as requiring knowledge of the infringing nature of the induced acts and not just knowledge of the patent, Justice Scalia and Chief Justice Roberts disagreed with the Court's holding that good-faith belief in a patent's invalidity is not a defense to induced infringement. Their disagreement centers on the necessary effect of the knowledge requirement on inducement liability.

Writing for the dissent, Justice Scalia observed that "[b]ecause only valid patents can be infringed, anyone with a good-faith belief in a patent's *invalidity* necessarily believes the patent cannot be infringed." And since it is not possible for someone who believes a patent cannot be infringed to induce actions he *knows* are infringing, it must follow that a good faith belief in the patent's invalidity is a defense to induced infringement.

After challenging the reasoning underlying the Court's holding, including the assumption that a defense of a belief in invalidity would undermine the statutory presumption of patent validity, the dissent ended by observing that "if the desirability of the rule we adopt were a proper consideration, it is by no means clear that the Court's holding, which increases the *in terrorem* power of patent trolls is preferable."

The *Commil* decision can reasonably be counted as a win for patent owners, not only because the Court rejected a potential new defense to infringement liability, but also because it seemed to be signaling that no new constraints on patent owners are necessary. To the extent the concern regarding frivolous claims brought by certain patent owners is founded, the district courts are properly armed to deal with them.

If you have any questions about this topic, please contact the author(s) or your principal Mintz Levin attorney.

Boston | London | Los Angeles | New York | San Diego | San Francisco | Stamford | Washington

www.mintz.com

Copyright © 2015 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

4984-0515-NAT-IP