

# CLIENT ALERTS

---

Have a good faith belief a patent is invalid? Slow down! You may still be inducing infringement...

5.27.2015

## **The US Supreme Court Weighs In**

Vacating the Federal Circuit's judgment and remanding for further proceedings, the US Supreme Court held (6-2) that a defendant's good faith belief that a patent is invalid is not a defense to induced infringement.

## **A Brief History**

Commil's patent relates to a method of implementing short-range wireless networks. Commil sued Cisco Systems, Inc. for, *inter alia*, inducing infringement by selling equipment to Cisco customers who directly infringe. At the first trial, the jury found no liability for induced infringement. At a second trial for induced infringement, \$63.7 million was awarded to Commil. Cisco's evidence of a good faith belief of invalidity was excluded. The Federal Circuit affirmed in part, vacated in part, and remanded. At issue with the Supreme Court was the Federal Circuit holding that the district court erred in excluding Cisco's evidence.

## **Why the Reversal?**

Section 271(b) of the Patent Act establishes liability for a defendant who "actively induces infringement." That language requires intent to bring about the desired result, which is patent infringement.

When infringement is the issue, validity is not the question to be confronted. Infringement and validity are different concepts from different parts of the Patent Act, and non-infringement and invalidity are separate defenses. Allowing a good faith belief of invalidity as a defense would lessen the statutory presumption of patent validity. In all, validity and infringement are distinct issues, bearing different burdens, different presumptions, and different evidence.

## **Related Services**

Intellectual Property

## CLIENT ALERTS

---

To say that an invalid patent cannot be infringed, or that someone cannot be induced to infringe an invalid patent, is in one sense a simple truth, both as a matter of logic and semantics. But the questions courts must address when interpreting and implementing the statutory framework require a determination of the procedures and sequences that parties must follow to prove the act of wrongful inducement and any related issues of patent validity.

Invalidity is not a defense to infringement; rather, it is a defense to liability. And because of that fact, a belief as to invalidity cannot negate the scienter required for induced infringement.

### **What does this mean for you?**

*Review your existing opinions of counsel!* If you have exposure as potential inducer of patent infringement, make sure you rely on an opinion that includes a competent non-infringement analysis. If the opinion does not include one, you may very quickly want to commission a non-infringement and/or design-around analysis.

[Click here to read the complete decision.](#)