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Note

COMMIL USA, LLC v. CISCO SYSTEMS: JOINING POLICY AND PROSE TO FOSTER A GOOD FAITH ANALYSIS

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In the technical game of induced patent infringement, subjectivity plays a significant role.¹ Traditionally, defendants accused of patent infringement present a layered defense, asserting both that the patent is invalid and not infringed.² Increasingly, however, alleged infringers include claims of good faith, yet misguided, beliefs of noninfringement and invalidity.³ When effectively argued, these types of affirmative defenses negate the intent requirement, carefully crafted by the legislature and judiciary, necessary to impose liability for induced patent infringement.⁴

In *Commil USA, LLC v. Cisco Systems*,⁵ the United States Supreme Court restricted the extent to which subjectivity shields induced infringement liability.⁶ The Court held that a belief regarding patent invalidity, even one asserted in good faith, is not a defense to a claim of induced infringement under Section 271(b) of the Patent Act.⁷

The *Commil* Court correctly rejected this good faith defense in an effort to streamline induced patent infringement claims and deter future

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1. *See infra* Part II.C.

2. Nathan A. Sloan, *Think It Is Invalid? A New Defense to Negate Intent for Induced Infringement*, 23 FED. CIR. B.J. 613, 613 (2013) (relying on *Fort James Corp. v. Solo Cup Co.*, 412 F.3d 1340, 1343 (Fed. Cir. 2005)).

3. *See infra* Part II.C.

4. *Id.*

5. 135 S. Ct. 1920, 1922 (2015).

6. *Id.*

7. *Id.* Section 271(b) provides that, “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” 35 U.S.C. § 271(b) (2012).

inducers who attempt to game the defense.⁸ Despite reaffirming its holding in *Global-Tech Appliances, Inc. v. SEB S.A.*,⁹ the Supreme Court did not root its analysis in preserving the level of intent required for induced infringement liability.¹⁰ Instead, the Court focused on the distinction between “validity” and “infringement.”¹¹ Although the issues are structurally separate in the Patent Act, scholars argue that dividing validity and infringement is counterintuitive, given their seemingly intertwined existences.¹²

The Court could have strengthened its holding by incorporating the policy rationales underpinning the purposes of Section 271(b).¹³ These rationales would provide clarification of the existing intent requirement, equitable protection for patentees and the free marketplace, and facilitation of the cross-application of intellectual property doctrines.¹⁴ With this approach, the *Commil* holding, inclusive of both substantive law and public policy, could have furthered courts’ understanding of both induced patent infringement and the intellectual property market as a whole.¹⁵

I. THE CASE

Commil USA, LLC (“Commil”) is the patent holder for a method of implementing short-range wireless networks.¹⁶ The patent (“‘395”) specifically relates to the use of time synchronization in order to provide faster and more reliable communication between base stations and mobile devices in a network area.¹⁷

In 2007, Commil brought claims of direct and induced infringement of the ‘395 patent against its competitor, Cisco Systems, Inc. (“Cisco”), a

8. *See infra* Part IV.

9. 131 S. Ct. 2060 (2011). In *Global-Tech*, the Supreme Court held that in order to impose liability for induced infringement, the inducer must have knowledge that the patent exists and that the induced acts would cause infringement. *Id.* at 2068.

10. *See infra* Part III.

11. *Commil*, 135 S. Ct. at 1928.

12. *See infra* Part IV.A.

13. *See infra* Part IV.B.

14. *See infra* Part IV.A–C.

15. *See infra* Part IV.B–C.

16. *Commil USA, LLC v. Cisco Sys., Inc.*, 720 F.3d 1361, 1364 (Fed. Cir. 2013), *vacated*, 135 S. Ct. 1920 (2015). Wireless local area networks (“WLANs”), also known to the public as “WiFi,” provide access points to connect laptops and other mobile devices to the Internet. WiFi connections between base stations and mobile devices require users to remain relatively close to a base station, and thus are short-range. Brief of Petitioner at 4, *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015) (No. 13-896).

17. *Commil*, 720 F.3d at 1364. Patent ‘395 is directed to wireless networks too large to be covered by a single base station (e.g., universities and large corporate buildings). The claimed technique would enable users of mobile devices to move seamlessly throughout the network coverage area. Brief of Petitioner at 4, *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015) (No. 13-896).

major supplier of WiFi access points and controllers.¹⁸ On May 17, 2010, a jury in the United States District Court for the Eastern District of Texas found Cisco liable for direct infringement and awarded Commil \$3.7 million in damages.¹⁹ Following a motion filed by Commil, a second trial was held with respect to induced infringement allegations.²⁰ In September 2011, the jury returned a verdict in favor of Commil, resulting in a final amended judgment granting the company \$63.7 million in actual damages.²¹

Cisco appealed the district court decision on several grounds. Cisco contended that the district court both improperly instructed the jury and erroneously precluded Cisco from presenting evidence of its good faith belief in the invalidity of the patent.²² The United States Court of Appeals for the Federal Circuit ultimately affirmed in part, vacated in part, and remanded the trial for further proceedings.²³ In its majority decision, the court concluded that the district court erred in instructing the jury that Cisco could be liable for “induced infringement based on mere negligence where knowledge is required.”²⁴ Furthermore, the court held that a “good-faith belief of invalidity may negate the requisite intent for induced infringement” and thus is evidence to be considered by the fact-finder.²⁵

The dissent argued that belief as to the invalidity of a patent is irrelevant to the fact and law of infringement.²⁶ “Such a belief, even if held in good faith, does not negate infringement of a valid and enforceable patent.”²⁷ The dissent contended, however, that this belief “may be raised as a defense to willfulness of the infringement.”²⁸ The Supreme Court granted certiorari to decide whether a good faith belief in invalidity is a defense to induced infringement under Section 271(b) of the Patent Act.²⁹

18. *Commil*, 720 F.3d at 1364.

19. *Id.* at 1365.

20. *Id.*

21. *Id.* The final judgment also granted \$10.3 million in prejudgment interest and \$17,738 in costs. *Id.*

22. *Id.* Cisco also presented five other arguments: 1) the district court abused its discretion in granting a new trial; 2) the district court misconstrued the term “short-range communication protocol;” 3) there is insufficient evidence to sustain infringement; 4) Commil’s claims are indefinite, not enabled, and lacking adequate written description; and 5) the damages award based on Commil’s royalty base violates the entire market value rule. *Id.*

23. *Id.* at 1364.

24. *Id.* at 1367. The disputed jury instruction permitted the jury to find inducement if “Cisco knew or should have known that its actions would induce actual infringement.” *Id.* at 1366 (quoting Joint Appendix at 6389, *Commil USA, LLC v. Cisco Sys., Inc.*, 720 F.3d 1361 (Fed. Cir. 2013) (No. 2012-1042) (line numbers 98:24–99:2)).

25. *Id.* at 1368–69.

26. *Id.* at 1374 (Newman, J., concurring in part and dissenting in part).

27. *Id.*

28. *Id.* at 1373.

29. *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015).

II. LEGAL BACKGROUND

Courts have historically struggled with uniformly articulating and applying the knowledge requirement for induced infringement liability.³⁰ Prior to the enactment of the 1952 Patent Act, the concept of induced infringement originated as a tool to infer intent for claims of contributory infringement.³¹ The conduct and knowledge alleged to induce infringement ranged from mere sale of a patented component to active encouragement of infringing behavior.³² These conflicting definitions of induced infringement reflected the judiciary's simultaneous effort to balance interests of patent holders and that of the free marketplace.³³ Disparate holdings eventually prompted legislative action to clarify the limits of contributory infringement in 1952.³⁴

Despite codification of induced infringement in the Patent Act, courts remained divided over the requisite knowledge and intent for a defendant to be held liable for inducement.³⁵ In 2011, the Supreme Court finally settled this ongoing debate in *Global-Tech Appliances v. SEB S.A.*³⁶ Borrowing heavily from copyright law, the *Global-Tech* Court established a dual requirement by which the defendant must have knowledge of both the patent and infringement by a third party.³⁷ Equipped with this new framework, courts presently face the task of navigating good faith defenses and their implications on the knowledge requirement of Section 271(b).³⁸ Given the frequent overlap of patent, copyright, and trademark law, a comparison of knowledge requirements for inducement among intellectual property is helpful in analyzing courts' current approaches to good faith defenses.³⁹

A. Indirect Infringement Functioned as Evidence of Contributory Infringement Before 1952

Prior to legislative action in 1952, indirect infringement functioned as evidence of contributory infringement.⁴⁰ Courts initially determined

30. See *infra* Part II.A–B.

31. See generally *Thomson-Houston Elec. v. Ohio Brass*, 80 F. 712 (6th Cir. 1897) (noting that liability for contributory infringement will attach to defendants inducing or promoting unlawful combinations of patented products).

32. See *infra* Part II.A.

33. See *infra* Part II.A.

34. See *infra* Part II.B.

35. See *infra* Part II.B.

36. 131 S. Ct. 2060 (2011).

37. *Id.* at 2063.

38. See *infra* Part II.C.

39. See *infra* Part II.D.

40. See *infra* Part II.A.1.

liability by examining potential uses of the alleged infringing product and active inducement by the defendant.⁴¹ Over time, however, liability for contributory infringement attached only to a defendant with the requisite knowledge.⁴² This element aided courts in not only targeting culpable parties but also curtailing the monopoly of patent owners over unpatented, unrestricted components and materials.⁴³

1. Extension of Contributory Infringement Liability to Protect Patent Holders

Early judicial decisions preceding the Patent Act categorized infringement as either “direct” or “contributory.”⁴⁴ Liability for contributory infringement was developed “under a theory of joint tortfeasance, wherein one who intentionally caused or aided and abetted the commission of a tort by another was jointly and severally liable with the primary tortfeasor.”⁴⁵ Consequently, model instances of contributory infringement occurred when a third party sold a component in a patented invention that lacked any noninfringing uses. The primary case of *Wallace v. Holmes*⁴⁶ established that one who makes or sells an unpatented component for the sole use in a patented combination or process can be held liable for infringement.⁴⁷ The complainants’ patent in *Wallace* was for an improved lamp that consisted of a burner and a glass chimney.⁴⁸ Defendants argued that because they only made and sold the burner, they could not be held liable.⁴⁹ The circuit court found, however, that the burner was not only the distinguishing feature of the lamp but also was “utterly useless” standing alone.⁵⁰ In addition, the defendants exhibited their burner, furnished with a chimney, and recommended it to customers, thus “inducing the unlawful use of the complainants’ invention.”⁵¹

Decisions following *Wallace* continued to impose liability where a component was useful only in a patented combination.⁵² In cases involving

41. *See infra* Part II.A.1.

42. *See infra* Parts II.A.1–2.

43. *See infra* Part II.A.2.

44. *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1468–69 (Fed. Cir. 1990).

45. *Id.* at 1469 (first citing *Thomson-Houston Elec. Co. v. Ohio Brass Co.*, 80 F. 712, 721 (6th Cir. 1897), and then citing *Tubular Rivet & Stud Co. v. O’Brien*, 93 F. 200, 202–05 (C.C.D. Mass. 1898)).

46. 29 F. Cas. 74 (C.C.D. Conn. 1871) (No. 17,100).

47. *Id.* at 80.

48. *Id.* at 79.

49. *Id.* at 78–79.

50. *Id.* at 79.

51. *Id.* at 80.

52. *See, e.g.*, *N.Y. Scaffolding Co. v. Whitney*, 224 F. 452, 459 (8th Cir. 1915) (“One who makes and sells articles which are only adapted to be used in a patented combination will be presumed to intend the natural consequences of his acts . . .”).

components capable of both infringing and innocent uses, however, courts have found intent of contributory infringement only if the defendants engaged in active inducement, such as instructions or advertising.⁵³ For instance, the circuit court in *Weed Chain Tire Grip Co. v. Cleveland Chain & Manufacturing. Co.*⁵⁴ issued a preliminary injunction where defendants placed in the market, and advertised in circulars, a chain grip that was “substantially identical” to plaintiff’s patented grip.⁵⁵ Conversely, the Sixth Circuit Court of Appeals in *Edison Electric Light Co. v. Peninsular Light, Power & Heat Co.*⁵⁶ dismissed an action for patent infringement against a company that supplied electrical power “suitable for a great variety or methods of use” and sold by the defendant without intent that “it was to be used in an infringing way.”⁵⁷

In *Thomson-Houston Electric Co. v. Kelsey Electric Railway Specialty Co.*,⁵⁸ the Connecticut Circuit Court extended the “intent” element of contributory infringement to include knowledge and indifference as to the consequences of one’s acts.⁵⁹ On appeal, the United States Court of Appeals for the Second Circuit inferred a proposed concert of action between the Kelsey Company and the infringers given that the defendants were willing “to sell to any and all purchasers, irrespective of their character as infringers.”⁶⁰ Moreover, the court in *Kelsey* asserted that defendants have a “duty of careful investigation” as to the character of their purchasers and “an abandonment of indifference as to whether they are seeking” to infringe upon the rights of the patent owner.⁶¹

Ambiguities embedded in the *Kelsey* decision surfaced in the 1898 case of *Tubular Rivet & Stud Co. v. O’Brien*, signaling the first restriction of contributory infringement liability.⁶² The court observed that “[t]he doctrine that one who furnishes materials, knowing their proposed use [is a tort], becomes thereby a tortfeasor . . . is certainly novel.”⁶³ Rather, the court argued, joint and several liability depends “upon the meaning attached

53. See, e.g., *Graham Paper Co. v. Int’l Paper Co.*, 46 F.2d 881, 886 (8th Cir. 1931) (finding liability where a defendant made “sales of mulch paper adapted for use in accordance with the methods covered by both patents, and was expressly recommending and explaining to purchasers how to make use of the paper in accordance with those methods”).

54. 196 F. 213 (C.C.D. Ohio 1910).

55. *Id.* at 214–15.

56. 101 F. 831 (6th Cir. 1900).

57. *Id.* at 833.

58. 72 F. 1016 (C.C.D. Conn. 1896) (relying on *Travers v. Beyer*, 26 F. 450 (C.C.N.Y. 1886)).

59. *Id.* at 1018.

60. *Thomson-Houston Elec. Co. v. Kelsey Elec. Ry. Specialty Co.*, 75 F. 1005, 1008 (2d Cir. 1896).

61. *Id.* at 1010.

62. 93 F. 200 (C.C.D. Mass. 1898).

63. *Id.* at 202.

to the words ‘participation,’ ‘aiding,’ and ‘abetting.’”⁶⁴ The court concluded that the knowledge element of contributory infringement included knowledge of not only the physical destination of the infringing product but also of the patent.⁶⁵ Moreover, “a defendant will be restrained only . . . after it has been judicially determined” that the patent is valid and his action is a tort.⁶⁶

2. *Curtailment of Contributory Infringement Liability to Balance the Rights of Patentees and the Free Marketplace*

Gradual efforts by courts to curtail the monopoly of patent owners over unpatented components and materials accompanied adjudications of contributory infringement claims in the twentieth century.⁶⁷ Courts began to start protecting “the free sale and use of unpatented articles of trade and commerce.”⁶⁸ Before 1917, courts extended contributory infringement remedies to the enforcement of patent restrictions on the use of unpatented materials and supplies.⁶⁹ The Supreme Court affirmed this notion in *Henry v. A.B. Dick Co.*⁷⁰ Although the Court opined that inferring liability from a mere sale of potentially infringing components “would block the wheels of commerce,” it nevertheless held liable a licensee who violated use restrictions of a patented device.⁷¹ Five years later, however, the Supreme Court overruled *Henry*, recognizing its potential to grant patent owners an unbridled monopoly.⁷² In *Motion Pictures Patents Co. v. Universal Film Manufacturing Co.*,⁷³ the Court held:

[T]he exclusive right granted in every patent must be limited to the invention described in the claims of the patent and . . . it is not

64. *Id.*

65. *Id.* at 203.

66. *Id.* at 205.

67. *See, e.g.,* Motion Picture Patents Co., v. Universal Film Mfg. Co., 243 U.S. 502, 510 (1917) (“[T]he patentee receives nothing from the law which he did not have before, and that the only effect of his patent is to restrain others from manufacturing, using or selling that which he has invented. The patent law simply protects him in the monopoly of that which he has invented and has described in the claims of his patent.” (first citing *United States v. Am. Bell Tel. Co.*, 167 U.S. 224, 239 (1897); then citing *Cont'l Paper Bag Co. v. E. Paper Bag Co.*, 210 U.S. 405, 424 (1908); and then citing *Bauer & Cie v. O'Donnell*, 229 U.S. 1, 10 (1913))).

68. *Individual Drinking Cup Co. v. Errett*, 297 F. 733, 739 (2d Cir. 1924).

69. *See* *Heaton-Peninsular Button-Fastener Co. v. Eureka Specialty Co.*, 77 F. 288, 296 (6th Cir. 1896) (“The monopoly in the unpatented staple results as an incident from the monopoly in the use of complainant’s invention, and is therefore a legitimate result of the patentee’s control over the use of his invention by others.”).

70. 224 U.S. 1, 31–32 (1912).

71. *Id.* at 48–49. The complainant sold his patented “Rotary Mimeograph” under a license restriction that the machine be used only with unpatented stencil paper, ink, and other supplies sold by the complainant. *Id.* at 11.

72. *Motion Picture Patents Co., v. Universal Film Mfg. Co.*, 243 U.S. 502, 518 (1917).

73. 243 U.S. 502 (1917).

competent for the owner of a patent by notice attached to its machine to, in effect, extend the scope of its patent monopoly by restricting the use of it to materials necessary in its operation but which are no part of the patented invention⁷⁴

Despite this holding, the doctrine of contributory infringement continued to be misconceived and misapplied.⁷⁵ Congress enacted the Patent Act in 1952 after the Supreme Court in *Mercoïd Corp. v. Mid-Continent Inv. Co.* urged Congress to “define the appropriate limits of the doctrine of contributory infringement.”⁷⁶

B. Following the Patent Act of 1952, Courts Uniformly Imposed a Knowledge Requirement for Induced Infringement

The Patent Act’s division of indirect liability into induced Section 271(b) infringement and contributory Section 271(c) infringement aimed to stabilize and clarify the law.⁷⁷ Section 271(b) provides that, “[w]hoever actively induces infringement of a patent shall be liable as an infringer.”⁷⁸ Although Section 271(b) does not incorporate “the word ‘knowingly,’ [the Federal Circuit] uniformly imposed a knowledge requirement.”⁷⁹ Generally, courts looked for a “specific intent,” rather than mere knowledge of possible infringement by others, to prove contributory infringement.⁸⁰ This intent, however, materialized in different forms among the circuit courts, which remained divided over the requisite level of intent.⁸¹ After decades of diverse decisions, the Supreme Court resolved the split in

74. *Id.* at 516.

75. *See generally* *Mercoïd Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661 (1944) (Frankfurter, J., dissenting) (calling for the definition of the appropriate limits of the doctrine of contributory infringement to prevent its further misapplication).

76. *Id.*

77. *See generally* *Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176, 203–04 (1980) (“[A]lthough the general purpose of the Act was to clarify existing law, it also included several changes In explaining the provisions of § 271, the Reports stated that they were intended ‘to codify in statutory form the principles of contributory infringement and at the same time [to] eliminate [the] doubt and confusion’ that had resulted from ‘decisions of the courts in recent years.’” (citing H.R. REP. NO. 82-1923, at 9 (1952))).

78. 35 U.S.C. § 271(b) (2012).

79. *Moba, B.V. v. Diamond Automation, Inc.*, 325 F.3d 1306, 1318 (Fed. Cir. 2003) (first citing *Water Techs. Corp. v. Calco, Ltd.*, 850 F.2d 660 (Fed. Cir. 1988); and then citing *C.R. Bard, Inc. v. Advanced Cardiovascular Sys., Inc.* 911 F.2d 670 (Fed. Cir. 1990)); *see also* *Water Techs. Corp.*, 850 F.2d at 668 (“Although section 271(b) does not use the word ‘knowing,’ the case law and legislative history uniformly assert such a requirement.” (citing 4 D. CHISUM, PATENTS §§ 17.-04[2], [3] (1984))).

80. *See* *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 553 (Fed. Cir. 1990) (“It must be established that the defendant possessed specific intent to encourage another’s infringement and not merely that the defendant had knowledge of the acts alleged to constitute inducement.”).

81. *See infra* Part II.B.1.

Global-Tech Appliances, Inc. v. SEB S.A., concluding that induced infringement requires knowledge that the induced acts constitute patent infringement.⁸²

1. A Lack of Clarity Exists in the Federal Circuit Regarding the Required Level of Intent

While the “specific intent” element of Section 271(b) was firmly established in case law, “there [remained] a lack of clarity concerning whether the required intent must be merely to induce the specific acts or additionally to cause an infringement.”⁸³ This splinter arose from two 1990 Federal Circuit decisions reaching contrasting results: *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*⁸⁴ and *Manville Sales Corp. v. Paramount Systems, Inc.*⁸⁵

In *Hewlett-Packard*, defendant Bausch & Lomb sold a license for an infringing product to a third party and indemnified that party for patent liability.⁸⁶ Subsequently, Hewlett-Packard sued Bausch & Lomb for induced infringement.⁸⁷ The court opined that while Section 271(b) does not mention intent on its face, “proof of actual intent to cause [infringing acts] is a necessary prerequisite to finding active inducement.”⁸⁸ *Manville*, on the other hand, articulated a stricter standard.⁸⁹ The inducement claim arose after an employee at Paramount circulated a drawing of the plaintiff’s patented product, which was subsequently used by the defendant to make and sell the infringing product.⁹⁰ In rejecting the claim, the court found that knowledge of the alleged infringing conduct was insufficient; rather, “[t]he plaintiff has the burden of showing that the alleged infringer’s actions induced infringing acts *and* that he knew or should have known his actions would induce actual infringements.”⁹¹

Federal Circuit and district court opinions continued to struggle with this division of authority up until, and even after, the en banc *DSU Medical*

82. *See infra* Part II.B.2.

83. *Insituform Techs., Inc. v. Cat Contracting, Inc.*, 385 F.3d 1360, 1378 (Fed. Cir. 2004) (first citing *Manville Sales Corp.*, 917 F.2d at 553; and then citing *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1424, 1469 (Fed. Cir. 1990)).

84. 909 F.2d 1464 (Fed. Cir. 1990).

85. 917 F.2d 544 (Fed. Cir. 1990).

86. *Hewlett-Packard*, 909 F.2d at 1467.

87. *Id.*

88. *Id.* at 1469 (citing *Water Techs. Corp. v. Calco Ltd.*, 850 F.2d 660 (Fed. Cir. 1988)).

89. *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 553 (Fed. Cir. 1990).

90. *Id.* at 549.

91. *Id.* at 553 (first citing *Water Techs.*, 850 F.2d at 668; then citing *Hewlett-Packard*, 909 F.2d at 1468–69; and then citing *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 488 (1964)).

*Corp. v. JMS Co.*⁹² decision in 2006.⁹³ Plaintiffs DSU Medical Corporation and Medisystems Corporation held a patent for a guarded, winged-needle assembly that reduced the risk of accidental needle-stick injuries.⁹⁴ Defendants sold an identical needle guard, but as a “stand-alone” product without a needle attached.⁹⁵ The Federal Circuit Court of Appeals upheld the *Manville* standard.⁹⁶ Under this standard, a plaintiff must show that the alleged infringer knew of the patent and that she knew or should have known her actions would induce actual infringement.⁹⁷ The court in *DSU Medical* ultimately held that although the defendant was aware of plaintiffs’ patent, it had relied on advice from both the U.S. patent counsel and attorneys that its product was noninfringing.⁹⁸ Therefore, the defendant lacked specific intent.⁹⁹ In formulating this conclusion, the court also relied heavily on the Supreme Court’s decision in a case of induced copyright infringement, *Studios, Inc. v. Grokster, Ltd.*¹⁰⁰ In *Grokster*, the Supreme Court asserted that, “[t]he inducement rule . . . premises liability on purposeful, culpable expression and conduct.” As such, specific intent is evidenced by “affirmative steps taken to foster infringement.”¹⁰¹

2. Resolution of the Intent Requirement in Global-Tech

In the 2011 decision *Global-Tech Appliances, Inc. v. SEB S.A.*, the Supreme Court addressed Section 271(b) for the first time and concluded that induced infringement requires knowledge that the induced acts constitute patent infringement.¹⁰² The facts of the case surround a “cool-touch” deep fryer patented by SEB S.A.¹⁰³ In 1997, Sunbeam Products, Inc., a U.S. competitor of SEB, commissioned Global-Tech Appliances’ Hong Kong subsidiary, Pentalpha Enterprises, Ltd., to supply it with deep fryers meeting certain specifications.¹⁰⁴ Pentalpha copied the cosmetic features of an SEB fryer and sold the product to Sunbeam; in turn, Sunbeam

92. 471 F.3d 1293 (Fed. Cir. 2006) (en banc).

93. See, e.g., *Jamison v. Olin Corp.-Winchester Div.*, No. 03-1036-KI, 2005 WL 7213838, at *12 (D. Or. Oct. 4, 2005) (“But what is it that the inducer must have intended? Quite remarkably, this remains, in Federal Circuit jurisprudence and elsewhere, the major unanswered question about § 271(b).”).

94. *DSU Med. Corp.*, 471 F.3d at 1297.

95. *Id.* at 1298.

96. *Id.* at 1304.

97. *Id.*

98. *Id.* at 1307.

99. *Id.*

100. 545 U.S. 913 (2005); *DSU Med. Corp.*, 471 F.3d at 1305.

101. *Grokster*, 545 U.S. at 937.

102. 131 S. Ct. 2060, 2068 (2011).

103. *Id.* at 2063.

104. *Id.* at 2064.

resold them in the United States at a lower price point.¹⁰⁵ For inducing Sunbeam to infringe, SEB brought suit against Pentalpha.¹⁰⁶

In its decision, the Supreme Court noted that both the statutory text and case law lack a definitive articulation of the knowledge requirement.¹⁰⁷ The Court ultimately invoked its decision in *Aro Manufacturing Co. v. Convertible Top Replacement Co.* (“*Aro II*”),¹⁰⁸ which is now a fixture of contributory infringement.¹⁰⁹ In *Aro II*, the Supreme Court held that a violator “must know ‘that the combination for which his component was especially designed was both patented and infringing.’”¹¹⁰ Considering the historical connection of contributory and induced infringement, the *Global-Tech* Court felt compelled to apply the same knowledge requirement for Section 271(c) to 271(b).¹¹¹ Accordingly, the Court held that induced infringement requires knowledge of the patent and knowledge that the induced acts constitute patent infringement.¹¹²

Furthermore, the Court emphasized that the proper doctrine to determine knowledge is that of “willful blindness” developed in criminal law.¹¹³ The doctrine requires that: (1) “the defendant . . . subjectively believe that there is a high probability that a fact exists” and (2) that “the defendant . . . take deliberate actions to avoid learning of that fact.”¹¹⁴ Under this formulation, a willfully blind defendant can be said to know the critical facts that translate into the requisite intent for induced infringement.¹¹⁵

105. *Id.*

106. *Id.*

107. *Id.* at 2065.

108. 377 U.S. 476 (1964).

109. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011).

110. *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 488 (1964).

111. *Id.*

112. *Id.* at 2068.

113. *Id.*

114. *Id.* at 2070 (first citing *United States v. Perez–Melendez*, 599 F.3d 31, 41 (1st Cir. 2010); then citing *United States v. Svoboda*, 347 F.3d 471, 477–78 (2d Cir. 2003); then citing *United States v. Stadtmayer*, 620 F.3d 238, 257 (3d Cir. 2010); then citing *United States v. Schnabel*, 939 F.2d 197, 203 (4th Cir. 1991); then citing *United States v. Freeman*, 434 F.3d 369, 378 (5th Cir. 2005); then citing *United States v. Holloway*, 731 F.2d 378, 380–81 (6th Cir. 1984) (per curiam); then citing *United States v. Draves*, 103 F.3d 1328, 1333 (7th Cir. 1997); then citing *United States v. Florez*, 368 F.3d 1042, 1044 (8th Cir. 2004); then citing *United States v. Heredia*, 483 F.3d 913, 917, 920 (9th Cir. 2007) (en banc); then citing *United States v. Glick*, 710 F.2d 639, 643 (10th Cir. 1983); then citing *United States v. Perez–Tosta*, 36 F.3d 1552, 1564 (11th Cir. 1994); and then citing *United States v. Alston–Graves*, 435 F.3d 331, 339–41 (D.C. Cir. 2006)).

115. *Id.* at 2070–71.

C. Subjective Good Faith Defenses May Negate the Requisite Intent for Induced Infringement Liability

A demonstration of a good faith, subjective belief by the defendant may preclude a finding of liability for induced infringement.¹¹⁶ Many of these subjective defenses stem from good faith yet misplaced reliance on advice of counsel as to noninfringement and invalidity of a patent.¹¹⁷ Ultimately, a court will consider the defense, if at all, under a totality of the circumstances standard.¹¹⁸

1. Advice of Counsel

Parties invoking subjective belief as a defense to infringement liability often rely on advice of counsel.¹¹⁹ In order to demonstrate a lack of the requisite intent to infringe, a party need “not only to show an opinion from competent counsel [as to noninfringement or invalidity] but also that it had exercised reasonable and good faith adherence to the analysis and advice therein.”¹²⁰ In the same vein, “intentional disregard of . . . counsel’s opinion negates any inference of good faith, placing [a party] in the same position as one who failed to secure the advice of counsel.”¹²¹ Moreover, parties who fail to “obtain competent legal advice from counsel *before* the initiation of any possible infringing activity” or proceed upon a biased opinion will have trouble demonstrating good faith reliance.¹²²

For example, the court in *Manville* found that Paramount’s actions did not amount to knowledge, given that the company was “not aware of [plaintiff’s] patent until suit was filed, and that [its] subsequent infringing acts continued upon . . . [a] ‘good faith belief,’ based on advice of counsel, that [its] product did not infringe.”¹²³ Similarly, the court in *DSU Medical Corp.* held that since defendants demonstrated reliance on opinions of non-infringement from U.S. patent counsel, they did not believe or intend to be

116. See *infra* Part II.C.1–2.

117. See *infra* Part IV.C.1.

118. See *infra* Part IV.C.2.

119. See, e.g., *Universal City Studios, Inc. v. Nintendo Co.*, 109 F.R.D. 121, 123 (S.D.N.Y. 1985) (“The central issue on which . . . testimony [from counsel for Universal] would have been relevant was whether Universal initiated this action in ‘good faith.’”).

120. *Cent. Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1577 (Fed. Cir. 1983).

121. *Id.* (citing *Milgo Elec. Corp. v. United Bus. Commc’ns, Inc.*, 623 F.2d 645, 665 (10th Cir. 1980)).

122. *Underwater Devices, Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380, 1390 (Fed. Cir. 1983) (first citing *Gen. Elec., Co. v. Sciaky Bros.*, 415 F.2d 1068, 1073–74 (1969); and then citing *Marvel Specialty Co. v. Bell Hosiery Mills, Inc.*, 386 F.2d 287 (4th Cir. 1967)).

123. *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F.2d 544, 553 (Fed. Cir. 1990) (citing *Manville Sales Corp. v. Paramount Sys., Inc.*, 14 U.S.P.Q.2d (BNA) 1291, 1298 (E.D. Pa. 1989)).

infringing.¹²⁴ On the other hand, the court in *Central Soya Co. v. Geo. A. Hormel & Co.* found the defendant Hormel liable for induced infringement after it consciously disregarded recommendation by counsel to create a product substantially different from the patented product.¹²⁵ The court opined that Hormel, although on notice of Central Soya's patent rights, ignored its affirmative duty to exercise due care and thus possessed sufficient intent to infringe.¹²⁶

While not as prevalent as opinions of noninfringement, advice of counsel as to patent invalidity has also surfaced in several decisions. In *Kolmes v. World Elastic Corp.*,¹²⁷ the Middle District of North Carolina asserted that defendants, who after consulting counsel maintained a good faith belief in the invalidity of the patent in suit, "did not possess the requisite specific intent . . . for actively inducing infringement."¹²⁸ Moreover, the district court in *VNUS Medical Technologies, Inc. v. Diomed Holdings, Inc.*¹²⁹ denied summary judgment of induced infringement where "each defendant . . . offered evidence that it sought and obtained the opinion of counsel, who . . . provided an opinion . . . [that] the patents were invalid."¹³⁰ Although advice of counsel regarding noninfringement or invalidity weigh in favor of a determination of good faith, many courts do not think reliance on advice of counsel is dispositive.¹³¹

2. Totality of the Circumstances Standard

Reliance on competent legal advice is only one of several steps potential infringers must take to exercise due care and thus demonstrate the good faith of their actions.¹³² A consideration of the totality of the circumstances is necessary "in determining whether a reasonable person

124. 471 F.3d 1293, 1307 (Fed. Cir. 2006) (en banc); see also *Bettcher Indus., Inc. v. Bunzl USA, Inc.*, 661 F.3d 629, 649 (Fed. Cir. 2011) (finding opinion of counsel regarding non-infringement "admissible, at least with respect to [defendant]'s state of mind and its bearing on indirect infringement." (citing *DSU Med. Corp.*, 471 F.3d at 1307)).

125. 723 F.2d 1573, 1577 (Fed. Cir. 1983).

126. *Id.*

127. No. 4:93CV00719, 1995 WL 918081 (M.D.N.C. Sept. 18, 1995), *aff'd sub nom.* *Kolmes v. World Fibers Corp.*, 107 F.3d 1534 (Fed. Cir. 1997).

128. *Id.* at *10 (citing 35 U.S.C. § 271(b) (1994)).

129. No. C-05-2972 MMC, 2007 WL 2900532, at *1 (N.D. Cal. Oct. 2, 2007).

130. *Id.* at *1; see also *DataQuill Ltd. v. High Tech Comput. Corp.*, 887 F.Supp.2d 999, 1012–13 (S.D. Cal. 2011) (indicating that a belief of invalidity may present a triable issue of fact as to intent to induce infringement).

131. *Cent. Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1577 (Fed. Cir. 1983).

132. See, e.g., *Gen. Elec. Co. v. Sciaky Bros.*, 415 F.2d 1068, 1073 (6th Cir. 1969) (recognizing that "a good-faith opinion by competent and independent patent counsel may be important evidence to be weighed on the issue of 'honest doubt' of patent validity" but it was not conclusive (first citing *Cont'l Can Co. v. Anchor Hocking Glass Corp.*, 362 F.2d 123 (7th Cir. 1966); and then citing *Union Carbide Corp. v. Graver Tank & Mfg., Co.*, 282 F.2d 653 (7th Cir. 1960))).

would prudently conduct himself with any confidence that the courts might hold the patent invalid” or conduct noninfringing.¹³³ The court in *Ecolab, Inc. v. FMC Corp.*¹³⁴ found such reasonable belief where the accused party regarded its product as falling outside the scope of the patent.¹³⁵ Therefore, the jury reasonably concluded that Ecolab lacked the intent required for induced infringement.¹³⁶ Similarly, defendants in *Kinetic Concepts, Inc. v. Blue Sky Medical Group, Inc.*¹³⁷ avoided liability because they reasonably believed their product was an invention freely found in the public domain.¹³⁸

3. Negative Opinions Regarding Good Faith Defenses

Several decisions purport a complete eradication of subjective belief from the intent analysis. By following the standard set forth in *Hewlett-Packard*, the district court in *Sandisk Corp. v. Lexar Media, Inc.*¹³⁹ rejected Lexar’s argument that a plaintiff must prove as a matter of law that the defendant subjectively believed its actions were infringing.¹⁴⁰ In *Nordberg Manufacturing Co. v. Jackson Vibrators, Inc.*,¹⁴¹ the defendant claimed that although he was aware of the patent’s existence, he did not know his operations infringed on those protected rights.¹⁴² The court doubted the proposition that liability for contributory infringement could be avoided when an alleged infringer “arrives at its own independent judgment on the legal question of non-infringement;” this would leave a patentee unprotected until the conclusion of litigation.¹⁴³ These decisions reflect how some courts may view subjective, good faith defenses as liability loopholes and thus resist their implementation.

133. *Cent. Soya Co.*, 723 F.2d at 1577 (citing *Underwater Devices, Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380, 1390 (Fed. Cir. 1983)).

134. 569 F.3d 1335, 1351 (Fed. Cir. 2009).

135. *Id.* at 1351.

136. *Id.*

137. 554 F.3d 1010 (Fed. Cir. 2009).

138. *Id.* at 1025; *see also* *Oplus Techs., Ltd. v. Sears Holdings Corp.*, 2013 U.S. Dist. LEXIS 145917, at *21–22 (C.D. Ca. Oct. 2, 2013) (finding defendants’ subjective belief of noninfringement held in good faith given the numerous other methods available to perform the patented process).

139. 91 F. Supp. 2d 1327 (N.D. Cal. 2000).

140. *Id.* at 1335.

141. No. 63 C 2250, 1967 WL 7708 (N.D. Ill. Feb. 7, 1967), *rev’d*, 393 F.2d 192 (7th Cir. 1968).

142. *Id.* at *7.

143. *Id.*

D. Intent for Induced Infringement and Applicability of Good Faith Defenses Within Patent Law Function Similarly in Copyright and Trademark Law

Intellectual property law—patent, trademark, and copyright law—share similar approaches to both induced infringement and good faith defenses.¹⁴⁴ Like patent law, trademark and copyright law demand a showing of “specific intent” to impose liability for induced infringement.¹⁴⁵ Moreover, the merit of subjective, good faith defenses aid courts in determining the “willfulness” of alleged infringers.¹⁴⁶

1. Intent for Induced Infringement in Copyright and Trademark Law

Cases of copyright and trademark induced infringement demand a similar level of knowledge to impose liability.¹⁴⁷ For instance, legislative history of the Copyright Act supports that mere “evidence of reproduction or distribution of a copyrighted work, by itself, shall not be sufficient to establish willful infringement.”¹⁴⁸ Upon passage of the 1997 amendment, Senator Hatch clarified that, “‘willful’ ought to mean the intent to violate a known legal duty.”¹⁴⁹ In the aforementioned *Grokster* opinion, the Supreme Court adapted the inducement rule to impose liability on distributors whose words and deeds “show[] a purpose to cause and profit from third-party acts of copyright infringement.”¹⁵⁰ The *Grokster* Court clarified that such purpose cannot arise from mere knowledge of a product’s characteristics or that it might be put to infringing use, but rather a higher level of intent.¹⁵¹

In addition, the Ninth Circuit Court of Appeals, in *United States v. Liu*,¹⁵² recently explored the intent requirement for trafficking counterfeit

144. See *infra* Part II.D.1–2.

145. See *infra* Part II.D.1.

146. See *infra* Part II.D.2.

147. See, e.g., *Universal Commc’ns Sys., Inc. v. Lycos, Inc.*, 478 F.3d 413, 420–21 (1st Cir. 2007) (“[C]opyright liability could be premised on a theory of active inducement of infringement, so that ‘one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.’” (quoting *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936–37 (2005))).

148. 17 U.S.C. § 506(a)(2) (2012). See generally 143 CONG. REC. S12,689 (daily ed. Nov. 13, 1997) (statement of Sen. Orrin Hatch) (noting that the Act does not intent to include persons who honestly believed they were not infringing).

149. 143 CONG. REC. S12,689 (daily ed. Nov. 13, 1997) (statement of Sen. Orrin Hatch).

150. *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 941 (2005).

151. *Id.* at 935.

152. 731 F.3d 982 (9th Cir. 2013).

labels.¹⁵³ The defendant Liu commercially replicated CDs and DVDs on a large scale without permission from the copyright holder.¹⁵⁴ Nevertheless, the court declined to impose liability.¹⁵⁵ The government could not prove that the “defendant knew he was acting illegally rather than simply that he knew he was making copies.”¹⁵⁶ Despite acknowledging “the general rule . . . that ignorance of the law or a mistake of law is no defense,” the *Liu* court opted for a higher intent requirement.¹⁵⁷ Given that average citizens may not readily comprehend the complicated structure of modern statutes and regulations, the government must prove “specific intent.”¹⁵⁸

Trademark cases have similarly extended liability “beyond those who actually mislabel goods with the mark of another.”¹⁵⁹ Despite lacking direct control over the chain of distribution, manufacturers and suppliers who intentionally induce others to infringe a patent will be contributorily responsible for any resulting harms.¹⁶⁰ This intent required in trademark law falls at a lower standard than patent and copyright law. A finding of induced infringement in trademark will impute liability to defendants supplying “its product to one whom it knows or has reason to know is engaging in trademark infringement.”¹⁶¹

2. Good Faith Defenses

While defenses premised on subjective belief rarely preclude liability in cases of copyright and trademark infringement, such defenses do play a central role in determining the “willfulness” of a defendant’s conduct.¹⁶² Exceptional cases in which a defendant engages in “‘malicious,’ ‘fraudulent,’ ‘deliberate,’ or ‘willful’” conduct may result in attorney’s fees for the prevailing party.¹⁶³ Attorney’s fees are inappropriate, however,

153. *Id.* at 985.

154. *Id.*

155. *Id.*

156. *Id.*

157. *Id.* at 989 (quoting *Cheek v. United States*, 498 U.S. 192, 199–200 (1991)).

158. *Id.*

159. *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 853 (1982).

160. *Id.* at 853–54.

161. *Id.* (first citing *William R. Warner & Co. v. Eli Lilly & Co.*, 285 U.S. 526 (1924); and then citing *Coca-Cola Co. v. Snow Crest Beverages, Inc.*, 64 F. Supp. 980 (Mass. 1946), *aff’d*, 162 F.2d 280 (1st Cir. 1946)).

162. *See, e.g., Buca di Bacco, Inc. v. Buca di Bacc’, Inc.*, 828 F. Supp. 31, 32 (S.D. Tex. 1993) (“[A] case may not be exceptional, even when deliberate copying occurs, if ‘the party presents what it in good faith believes may be a legitimate defense.’” (quoting *CJC Holdings, Inc. v. Wright & Lato, Inc.*, 979 F.2d 60, 66 (5th Cir. 1992))).

163. *Martin’s Herend Imps., Inc. v. Diamond & Gem Trading USA, Co.*, 112 F.3d 1296, 1305 (5th Cir. 1997) (quoting *Tex. Pig Stands, Inc. v. Hard Rock Cafe Int’l, Inc.*, 951 F.2d 684, 697 (5th Cir. 1992)).

“where the infringer believed in good faith that he could lawfully use the plaintiff[’s]” product.¹⁶⁴

Moreover, subjectivity is highly relevant in analyzing the potential fraudulency of trademark application oaths. In a case before the Trademark Trial and Appeal Board, California pizza company Woodstock’s Enterprises, Inc. alleged that an Oregon-based company bearing the same name obtained its registration knowing that the mark “Woodstock’s” was already used by the petitioner.¹⁶⁵ In denying the allegation, the Board noted that application oaths are “phrased in terms of a subjective belief, thereby making it extremely difficult to prove fraud so long as the signer had an honestly held, good faith belief.”¹⁶⁶ Given a reasonably held and honest, although incorrect, good faith belief that a party is the senior user of the registered mark, a defendant will escape liability for trademark fraud.¹⁶⁷

In light of seemingly well-established intent requirements for induced infringement liability among intellectual property law, there remains disparate treatment of subjective good faith defenses.¹⁶⁸ Consequently, both patent holders and courts struggle with adequately protecting patent rights.¹⁶⁹ In order to provide more transparency to the patent market, the Supreme Court was forced to established a uniform approach to subjective, good faith defenses.¹⁷⁰

III. THE COURT’S REASONING

In *Commil USA, LLC v. Cisco Systems, Inc.*, the Supreme Court vacated the judgment of the Federal Circuit and held that a defendant’s good faith belief regarding patent validity was not a defense to a claim of induced infringement.¹⁷¹ Relying on the long-accepted truth that “[v]alidity and infringement are distinct issues, bearing different burdens, different presumptions, and different evidence,” the Court declined to recognize a good faith belief of invalidity as negating the scienter requirement for induced infringement under Section 271(b).¹⁷²

The Court began its analysis by reaffirming the decision in *Global-Tech Appliances, Inc. v. SEB S.A.*,¹⁷³ which held that, “liability for induced

164. Philip Morris USA Inc. v. Lee, 547 F. Supp. 2d 667, 681 (W.D. Tex. 2008).

165. Woodstock’s Enters. (Calif.) v. Woodstock’s Enters. (Ore.), 43 U.S.P.Q.2d (BNA) 1440, 1443 (T.T.A.B. 1997).

166. *Id.* at 1444.

167. *Id.* at 1444–45.

168. *See supra* Part II.C.

169. *See supra* Part II.

170. *See infra* Part III.

171. 135 S. Ct. 1920, 1922 (2015).

172. *Id.* at 1929 (quoting *Commil USA, LLC v. Cisco Sys., Inc.*, 720 F.3d 1361, 1374 (Fed. Cir. 2013) (Newman, J., dissenting)).

173. 563 U.S. 754 (2011).

infringement can only attach if the defendant knew of the patent and knew as well that ‘the induced acts constitute patent infringement.’”¹⁷⁴ Contrary to assertions made by Commil and the Government in its supporting amicus brief, the Court emphasized that inducement liability requires a higher mental state and thus proof that the defendant knew the acts were infringing.¹⁷⁵

In light of this twofold scienter requirement, the Court then considered whether a defendant’s belief regarding patent validity is a defense to a claim of induced infringement.¹⁷⁶ Through analysis of precedent¹⁷⁷ and the organization of the Patent Act,¹⁷⁸ the Court determined that infringement and validity are distinct issues; thus, “permitting a defense of belief in invalidity . . . would conflate [the two].”¹⁷⁹ Moreover, the Court contended that allowing this new defense would undermine the core presumption presented in the Patent Act and case law that a patent is “presumed valid.”¹⁸⁰ If a defendant could prevail by reasonably proving his belief in invalidity, the Court argued, he would circumvent the high standard of clear and convincing evidence chosen by Congress.¹⁸¹ Consequently, the Court regarded invalidity as an affirmative defense to liability for otherwise infringing conduct, not infringement itself.¹⁸²

The Court also indicated several practical reasons not to create a defense based on a good faith belief in invalidity.¹⁸³ For instance, the Court pointed to other methods available to accused inducers wishing to invalidate a patent, such as filing a declaratory judgment action or seeking *inter partes* review at the Patent Trial and Appeal Board.¹⁸⁴ In addition, the Court claimed that the defense could render litigation more burdensome.¹⁸⁵ According to the Court, every accused inducer would be incentivized to put forth a theory of invalidity, resulting in increased discovery costs and a

174. *Commil*, 135 S. Ct. at 1926 (quoting *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011)).

175. *Id.* at 1927–28.

176. *Id.* at 1928.

177. *See, e.g.*, *Cardinal Chem. Co. v. Morton Int’l, Inc.*, 508 U.S. 83, 96 (1993) (“A party seeking a declaratory judgment of invalidity presents a claim independent of the patentee’s charge of infringement.”).

178. Part III of the Act relates to “Patents and Protection of Patent Rights,” including the protection from infringement, while Part II, “Patentability of Inventions and Grants of Patents,” defines what constitutes a valid patent. *Commil*, 135 S. Ct. at 1928 (citing 35 U.S.C. §§ 100–212, 251–329 (2012)).

179. *Id.*

180. *Id.* at 1929 (quoting 35 U.S.C. § 282(a) (2012)).

181. *Id.* (citing *Microsoft Corp. v. i4i Ltd. P’ship*, 131 S. Ct. 2238, 2245–47 (2011)).

182. *Id.*

183. *Id.*

184. *Id.* (citing *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 137 (2007)).

185. *Id.*

higher likelihood that the defendant will prevail.¹⁸⁶ Lastly, the Court rejected the defense in light of general principles, such as an act being “intentional” for purposes of civil liability despite the actor lacking actual knowledge and “that ignorance of the law or a mistake of law is no defense to criminal prosecution.”¹⁸⁷

At the conclusion of its opinion, the majority stressed the importance of dissuading frivolous claims made by companies wielding patents as “a sword to go after defendants for money.”¹⁸⁸ Through safeguards outlined by the Court, such as sanctioning attorneys and awarding fees to prevailing parties, courts can ensure the abatement of this tactic.¹⁸⁹ The Court argued that these precautions, along with the other avenues available to dispute validity, “militate in favor of maintaining the separation . . . between infringement and validity.”¹⁹⁰ As such, the Court concluded that a belief in invalidity is no defense to a claim of induced infringement.¹⁹¹

In dissent, Justice Scalia agreed that Section 271(b) requires knowledge of the infringing nature of the induced acts but disagreed with the majority’s holding.¹⁹² He argued that only valid patents confer exclusive rights susceptible to infringement.¹⁹³ Consequently, “anyone with a good-faith belief in a patent’s *invalidity* necessarily believes the patent *cannot* be infringed” and thus lacks the scienter element necessary for induced infringement.¹⁹⁴ The majority’s arguments contrary to this position, Justice Scalia opined, were unpersuasive.¹⁹⁵ First, Justice Scalia asserted that while infringement and validity are separate issues, this distinction is irrelevant.¹⁹⁶ “Recognizing that infringement requires validity” would not conflate the issues.¹⁹⁷ Furthermore, a defense based on a good faith belief in invalidity would not undermine the statutory presumption of validity.¹⁹⁸ An accused inducer who succeeds with this

186. *Id.* at 1929–30 (citing Nathan A. Sloan, *Think It Is Invalid? A New Defense to Negate Intent for Induced Infringement*, 23 FED. CIR. B.J. 613, 618 (2013)).

187. *Id.* at 1930 (first quoting *Jerman v. Carlisle, McNellie, Rini, Kramer & Ulrich, L.P.A.*, 559 U.S. 573, 582–83 (2010); and then quoting *Cheek v. United States*, 498 U.S. 192, 199 (1991)).

188. *Id.*

189. *Id.* at 1930–31 (first citing FED. R. CIV. P. 11; then citing 35 U.S.C. § 285 (2012); and then citing *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 134 S. Ct. 1749, 1755–56 (2014)).

190. *Id.* at 1931.

191. *Id.*

192. *Id.* (Scalia, J., dissenting).

193. *Id.*

194. *Id.*

195. *Id.*

196. *Id.*

197. *Id.* (quoting *id.* at 1928 (majority opinion)).

198. *Id.*

defense, he explained, would merely escape liability, not call into question that patent's validity.¹⁹⁹

Lastly, Justice Scalia noted that the Court does not *create* defenses but rather interprets the Patent Act to decide whether a defense is sound.²⁰⁰ The Patent Act, Justice Scalia points out, requires knowledge of infringement for induced infringement liability.²⁰¹ Given that “there can be no infringement (and hence no knowledge of infringement) of an invalid patent[, a] good-faith belief in invalidity is a defense.”²⁰² Therefore, Justice Scalia urged that proper interpretation of the Patent Act calls for the acceptance of a good faith belief of invalidity as a viable defense to induced infringement.²⁰³

IV. ANALYSIS

In *Commil USA, LLC v. Cisco Systems, Inc.*, the Supreme Court found that invalidity was a defense to liability, not to infringement. The Supreme Court therefore held that a belief as to invalidity could not negate the scienter required for induced infringement.²⁰⁴ Although the *Commil* Court reached the appropriate conclusion, its reasoning was misguided.²⁰⁵ The majority shaped its argument primarily around the structural and historical separation of “validity” and “infringement” under patent law.²⁰⁶ This tenuous distinction, however, poses logistical hurdles for courts and scholars alike.²⁰⁷

The *Commil* Court could have further clarified the existing intent requirement by including the following policy rationales that support Section 271(b).²⁰⁸ Both the judiciary and the legislature have made extensive efforts to formulate an intent requirement for induced infringement that favors protection of patentees and the free marketplace equally.²⁰⁹ Permitting a good faith defense in invalidity would not only obfuscate infringement claims against potential inducers but also could permit defendants to evade liability entirely.²¹⁰ Furthermore, the policy justifications behind induced infringement closely resemble inducement in

199. *Id.* at 1932.

200. *Id.*

201. *Id.*

202. *Id.*

203. *Id.*

204. *Id.* at 1931 (majority opinion).

205. *See infra* Part IV.

206. *See infra* Part IV.A.

207. *See infra* Part IV.A.

208. *See infra* Part IV.B.

209. *See infra* Part IV.B.

210. *See infra* Part IV.B.

copyright and trademark law.²¹¹ By making this correlation, the *Commil* Court would have made additional strides in aligning the doctrines of intellectual property law.²¹² Given the current pattern of judicial cross-application of these doctrines, this result would facilitate the ability of courts to seek guidance from other areas of intellectual property law.²¹³ With this alternative line of reasoning, the Supreme Court's holding would have also furnished further clarity and consistency to both patent law and intellectual property law as a whole.²¹⁴

A. *The Tenuous Distinction Between "Infringement" and "Validity" Provides a Weak Foundation for the Holding in Commil*

The crux of the Supreme Court's decision in *Commil*, distinguishing "infringement" and "validity" as separate issues, provided a weak foundation for the ultimate holding. The *Commil* Court attempted to clarify the "axiom" articulated by the Federal Circuit—"that one cannot infringe an invalid patent."²¹⁵ In doing so, the majority itself acknowledged that "[t]o 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."²¹⁶ Nevertheless, the Court maintained that the two issues are entirely distinct.²¹⁷ This language alone reflects two competing representations of the relationship between "infringement" and "validity." On one hand, as endorsed in *Commil*, infringement and validity are independent claims. On the other hand, infringement logically presupposes the existence of a valid patent. Given the following range of influential evidence on both sides of this argument, this controversial distinction ultimately undermines the Supreme Court's reasoning.

The structure of the Patent Act and prior case law demonstrate "the long-accepted truth . . . that infringement and invalidity are separate matters under patent law."²¹⁸ First, the Patent Act of 1952 incorporates two chapters, "Infringement of Patents"²¹⁹ and "Remedies for Infringement of

211. See *infra* Part IV.C.

212. See *infra* Part IV.C.

213. See generally Lorelei D. Ritchie, *Is "Willful Blindness" the New "Recklessness" After Global-Tech?*, 21 FED. CIR. B.J. 165, 170 (2011).

214. See *infra* Part IV.C.

215. *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920, 1925 (2015) (quoting *Commil USA, LLC v. Cisco Sys.*, 720 F.3d 1361, 1368 (Fed. Cir. 2013)).

216. *Id.* at 1929 (citing *M. Swift & Sons, Inc. v. W.H. Coe Mfg. Co.*, 102 F.2d 391, 396 (1st Cir. 1939)).

217. *Id.* at 1928.

218. *Id.* (citing *Pandrol USA, LP v. Airboss Ry. Prods., Inc.*, 320 F.3d 1354, 1365 (Fed. Cir. 2003)).

219. 35 U.S.C. §§ 271–273 (2012).

Patent, and Other Actions,”²²⁰ into Part III of Title 35, “Patents and Protection of Patent Rights.”²²¹ While the former chapter defines what constitutes infringement of a patent,²²² the latter chapter pertains to defenses to liability, including those based on invalidity.²²³ By separating the statutory requirements for both, Congress presumably intended for the issues to remain separate. Second, precedent similarly purports that the two claims are independent, serving as “alternative grounds” for dismissing suits.²²⁴

Moreover, the issue of infringement is “capable of determination without regard to its validity.”²²⁵ To determine infringement, courts compare the asserted patent claims, regardless of validity, to the accused products or process.²²⁶ Validity, however, is governed by separate tests. Preliminarily, a patent is presumed valid; next, “the party attacking validity has the burden of proving facts supporting a conclusion of invalidity by clear and convincing evidence.”²²⁷ A defendant can argue invalidity on several grounds, including anticipation, obviousness, indefiniteness, and insufficient description.²²⁸ In addition, most courts consider deciding validity and infringement independently a better practice “to avert unnecessary remand in the event” claims are held valid on appeal.²²⁹ Consequently, “[c]ourts constantly hold claims infringed but invalid.”²³⁰

Conversely, the Patent Act and prior case law equally demonstrate that a finding of infringement presupposes patent validity.²³¹ For instance, Section 271(b) defines induced infringement by referring to a patent being

220. 35 U.S.C. §§ 281–299 (2012).

221. 35 U.S.C. §§ 251–350 (2010).

222. 35 U.S.C. §§ 271–273 (2012).

223. 35 U.S.C. §§ 281–299 (2012).

224. *See* *Cardinal Chem. Co. v. Morton Int’l*, 508 U.S. 83, 98 (1993) (“The Federal Circuit’s decision to rely on one of two possible alternative grounds (noninfringement rather than invalidity) did not strip it of *power* to decide the second question . . .”) (emphasis added).

225. *Medtronic, Inc. v. Cardiac Pacemakers, Inc.*, 721 F.2d 1563, 1583 (Fed. Cir. 1983).

226. *See, e.g., Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 374 (1996) (“Victory in an infringement suit requires a finding that the patent claim ‘covers the alleged infringer’s product or process’ . . .” (first quoting H. SCHWARTZ, *PATENT LAW AND PRACTICE* 1, 33 (2d ed. 1995); and then citing 3 LIPSCOMB § 11:2, 288–90)).

227. *Golf Tech, LLC v. Edens Techs., LLC*, 592 F. Supp. 2d 167, 175 (D. Me. 2009) (citing *RYCO, Inc. v. Ag-Bag Corp.*, 857 F.2d 1418, 1423 (Fed. Cir. 1988)).

228. *Id.*

229. *Sanford Research Co. v. Eberhard Faber Pen & Pencil Co.*, 379 F.2d 512, 516 (7th Cir. 1967).

230. *Unique Concepts, Inc. v. Brown*, 939 F.2d 1558, 1565 (Fed. Cir. 1991) (Rich, J., dissenting); *see also CEATS, Inc. v. Cont’l Airlines, Inc.*, 755 F.3d 1356, 1357–58 (Fed. Cir. 2014) (“[T]he case went to trial where a jury found that CEATS’s patents were infringed, but invalid.”).

231. *See, e.g., U.S. Pipe & Foundry Co. v. James B. Clow & Sons*, 205 F. Supp. 140, 148 (N.D. Ala. 1962) (“Logically, it would seem since infringement presupposes validity that validity should be the first order of decision.”).

infringed.²³² As implemented in Section 271, a “patent” is not merely a paper certificate, but rather “the conferral of rights in a particular claimed set of elements.”²³³ Those rights exist under a valid patent that entitle its holder to privileges bestowed by the Patent Act.²³⁴ This interpretation coincides with the understanding of “infringement” in *Black’s Law Dictionary*—“[a]n act that interferes with one of the exclusive rights of a patent.”²³⁵ In addition, the Committee on the Judiciary noted that an explicit definition of “infringement” within the Patent Act was unnecessary since the granting clause Section 154(a)(1) already “creates certain exclusive rights and infringement would be any violation of those rights.”²³⁶

Both before and after the enactment of the Patent Act, courts regularly recognized that invalidity renders patent claims void.²³⁷ In *Linde Air Products Co. v. Morse Dry Dock & Repair Co.*,²³⁸ the Second Circuit asserted as a “plain principle that there can be no such thing as infringement of an invalid patent.”²³⁹ Almost ninety years later, the court in *Prima Tek II, LLC v. Polypap, S.A.R.L.*,²⁴⁰ upheld the same concept with regards to induced infringement.²⁴¹ After rendering a judgment of invalidity, the *Prima Tek* court, like many others, considered the cross-claim of infringement moot.²⁴² Given the vastly disparate characterizations of the relationship between validity and infringement, the *Commil* Court should have placed less emphasis on the distinction and more on the underlying policy.

B. A Good Faith Belief in Invalidity Defense Contravenes the Purposes and Policies Underlying 35 U.S.C. Section 271(b)

Creating a new good faith belief in invalidity defense to inducement would undermine the purposes and policies underlying Section 271(b) for two reasons. First, a good faith belief in invalidity functions as a complete defense. Consequently, a good faith belief deprives patent owners of a

232. 35 U.S.C. § 271(b) (2012) (“Whoever actively induces infringement of a patent shall be liable as an infringer.”).

233. *Limelight Networks, Inc. v. Akamai Techs., Inc.*, 134 S. Ct. 2111, 2117 (2014).

234. *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 522 (1972).

235. *Infringement*, BLACK’S LAW DICTIONARY (10th ed. 2014).

236. H.R. REP. NO. 82-1923, at 9 (1952).

237. *See, e.g., Miehle Printing Press & Mfg. Co. v. Publ’n Corp.*, 166 F.2d 615, 617 (7th Cir. 1948) (“[O]bviously, there can be no infringement of an invalid patent.”).

238. 246 F. 834 (2d Cir. 1917).

239. *Id.* at 837.

240. 412 F.3d 1284 (Fed. Cir. 2005).

241. *Id.* at 1291 (“[T]here can be no contributory or induced infringement of invalid patent claims.”).

242. *Id.*; *see also Shelcore, Inc. v. Durham Indus.*, 745 F.2d 621, 628 (Fed. Cir. 1984) (“[T]he issue of infringement is now moot. Durham can incur no liability for ‘infringement’ of invalid claims.”).

meaningful remedy against actors who game the defense by inducing third parties to directly infringe while evading the “the actual knowledge standard set forth in *Global-Tech*.”²⁴³ Second, including yet another subjective defense to induced infringement overextends an intent requirement that already sufficiently protects innocent defendants.

Congress codified an indirect infringement in order “[t]o provide for the protection of patent rights where enforcement against direct infringers is impracticable.”²⁴⁴ During the consideration of the 1952 Patent Act, primary drafter Mr. Giles Rich explained that the practical way to stop infringement “by a large number of scattered individuals all of whom have been caused to infringe by the same person . . . is to sue the man who caused the infringement, rather than the multitude.”²⁴⁵ In considering *Commil*, however, the Supreme Court downplayed the role of Section 271(b). Chief Justice Roberts and Justice Scalia opined, respectively, that “once you have a few successful suits against users rather than inducers, both . . . will get the message” and that Section 271(b) is a “supplemental cause of action.”²⁴⁶ This oversimplification fails to recognize that actions of induced infringement should target “the brains of the enterprise” rather than “innocent end user[s].”²⁴⁷ A significant amount of third-party purchasers have no real knowledge of the accused products and thus cannot adequately defend their actions.²⁴⁸ Targeting manufacturers, however, resolves issues of infringement in one comprehensive trial.²⁴⁹

This efficient remedy becomes obscured, however, when manufacturers can claim a good faith belief in invalidity as a defense to the intent requirement of induced infringement. In *Global-Tech*, the Supreme Court set forth a dual standard of knowledge in which the inducer must have knowledge that the patent exists and that the induced acts would cause

243. Laura Burton Perry, *Understanding the Good-Faith Belief in Invalidity: How Commil Has Impacted the Law of Induced Infringement*, 24 FED. CIR. B.J. 699, 710 (2015).

244. *Contributory Infringement in Patents-Definition of Inventions: Hearings on H.R. 5988 Before the Subcomm. on Patents, Trademarks, & Copyrights of the H. Comm. on the Judiciary*, 80th Cong., 2d Sess., ser. 21, at 15 (1948) (statement of Robert W. Byerly, Chairman, Committee on Patents).

245. *Id.* at 3 (statement of Giles S. Rich, attorney representing New York Patent Law Association).

246. Transcript of Oral Argument at 8:11, 22:21–23, *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015) (No. 13-896).

247. John W. Osborne, *Justice Breyer’s Bicycle and the Ignored Elephant of Patent Exhaustion: An Avoidable Collision in Quanta v. LGE*, 7 J. MARSHALL REV. INTELL. PROP. L. 245, 279 (2008) (quoting *Patent Law Codification and Revision: Hearings Before Subcomm. No. 3 of the Comm. on the Judiciary H.R., 82nd Cong. On H.R. 3760*, 82d Cong. 160 (1951) (statement of Giles S. Rich, primary drafter of the Patent Act)).

248. Brief of Petitioner at 33, *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015) (No. 13-896).

249. *Id.* at 34.

infringement.²⁵⁰ In factoring a good faith belief in invalidity into its intent analysis, the Federal Circuit in *Commil* devised a conflicting holding that would prove onerous for patentees. The Federal Circuit held that such a defense would negate the requisite intent for induced infringement but would not preclude a finding of induced infringement.²⁵¹

Following the lower court's decision, several courts attempted to apply what seemed like an absolute bar to liability. For example, in *Halo Electronics Inc. v. Pulse Electronics Inc.*,²⁵² the district court stated that a good faith belief in invalidity does not preclude a finding of induced infringement.²⁵³ Nevertheless, the court ultimately deemed proper jury instructions that clearly stated that the defendant could not be liable for inducement if he believed the patents were invalid.²⁵⁴ *Halo* indicates that the Federal Circuit in *Commil* effectively created a loophole from the *Global-Tech* knowledge requirement that eliminates culpability of an infringer.

In light of this ambiguity, patent holders faced with this defense would have difficulty proving that a defendant's alleged good faith belief was not truly genuine. Much like in *Halo*, accused inducers would argue to the jury that even if a patent is valid, a belief in invalidity prevents liability. Despite parallel litigations and ex parte reexaminations by the United States Patent and Trademark Office ("USPTO") confirming a patent's validity, defendants maintain an opportunity to avoid punishment. Moreover, already crippled by "a slew of defenses including non-infringement, multiple grounds of invalidity . . . and various equitable defenses," patentees would also confront a defense of a good faith belief of invalidity based on opinion from counsel.²⁵⁵ Without insight into a defendant's subjective knowledge, a patent holder can never truly ascertain whether such reliance was held in good faith.

As described *supra* in Part II.A.2, the intent requirement of induced infringement balances "the public's access to non-infringing uses of products against the patent owner's right to a remedy when the use is infringing."²⁵⁶ By stipulating a two-part standard that requires both knowledge of the patent and intent to cause a third party to directly infringe,

250. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011).

251. *Commil USA, LLC v. Cisco Sys., Inc.*, 720 F.3d 1361, 1368–69 (Fed. Cir. 2013).

252. No. 2:07-CV-00331-PMP, 2013 WL 4458754 (D. Nev. Aug. 16, 2013).

253. *Id.* at *6.

254. *Halo Electronics Inc. v. Pulse Electronics Inc.*, No. 2:07-CV-00331-PMP, WL 4458754, at *18 (D. Nev. Aug. 16, 2013). The relevant jury instructions stated: "If you find that Pulse was aware of the patents, but believed the acts it encouraged did not infringe the patents, or that the patents were invalid, Pulse cannot be liable for inducement." *Id.* at *18–19.

255. Brief of Petitioner at 41, *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015) (No. 13-896).

256. *Id.* at 43.

Section 271(b) provides patent holders protection from induced infringement, yet forces them to meet a higher standard of proof to demonstrate culpability. In overruling *Henry*,²⁵⁷ the Supreme Court limited the scope of exclusive rights to the invention and processes described in the patent. This decision enabled the public to use unpatented components or engage in the sale of products equally capable of infringing or non-infringing uses without retribution.²⁵⁸ To effectuate this outcome, the intent requirement ensures that patent holders cannot capitalize on mere “misuse” of a product. Instead, patent holders must demonstrate that the manufacturer or supplier had actual knowledge of their infringing actions.²⁵⁹

Incorporating a defense of good faith belief in invalidity into induced infringement proceedings disrupts this carefully formulated balance in favor of potential infringers. As evidenced by precedent culminating in the *Global-Tech* standard, culpability for induced infringement flows from actual knowledge of infringement, not mere misuse.²⁶⁰ A defense of subjective belief in invalidity would insulate from liability defendants who admit to knowledge of both the patent and infringing behavior. Under this approach, however, defendants with good faith, but mistaken beliefs in invalidity, would proceed with otherwise illegal action in the hope that the patent is invalid. Moreover, the new defense “only serve[s] to limit the rights of patentees with valid patents and meritorious claims.”²⁶¹ In circumstances where a patent has withstood all challenges of invalidity and unenforceability, and a patentee has proved both direct infringement by third parties and intentional inducement by a defendant who had knowledge of the patent, the defendant can nevertheless escape liability by invoking this defense. This would be nearly impossible to overcome.

*C. Engaging in a Cross-Application of Protectability Doctrines
Provides Clarity for Future Intellectual Property Adjudications*

Given the merits of aligning patent law with copyright and trademark jurisprudence, the *Commil* Court could have drawn a correlation between the policy rationales set forth under each body of law. Although the Supreme Court incorporated analogies of tortious interference and criminal law, they did so “[a]s a final note” and without a nod to patent law’s sisters,

257. See *supra* notes 60–61 and accompanying text.

258. See, e.g., *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 932–33 (2005) (“[T]he doctrine absolves the equivocal conduct of selling an item with substantial lawful as well as unlawful uses, and limits liability to instances of more acute fault than the mere understanding that some of one’s products will be misused.”).

259. See *supra* Part II.B.2.

260. *Id.*

261. Reply Brief of Petitioner at 23, *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920 (2015) (No. 13-896).

copyright and trademark.²⁶² This omission is particularly troublesome in light of *Global-Tech's* reliance on the *Grokster* copyright opinion. Had the *Commil* Court made such connections, the resulting opinion would have been bolstered by uniformity and consistency.

Patent, trademark, and copyright law share common legislative and historical origins in the United States. For instance, patent and copyright law appear “hand-in-hand in the Constitution and Congress enacted the first patent and copyright acts in 1790.”²⁶³ Patent and trademark law similarly are both adjudicated by the USPTO and Federal Circuit.²⁶⁴ Given this “historic kinship,”²⁶⁵ courts frequently engage in cross-application of doctrines within each discipline. In the 2006 decision *eBay Inc. v. MercExchange, LLC.*,²⁶⁶ the Supreme Court endorsed this practice by “discard[ing] nearly a century of patent precedent [concerning viability of presumptive injunctions] in favor of a better standard articulated in copyright law.”²⁶⁷

Continuing the cross-application of intellectual property doctrines will ultimately balance the various incentives of right holders and the free marketplace. Past examples of courts applying one doctrine of intellectual property to another include cases of contributory infringement,²⁶⁸ misuse,²⁶⁹ and first sale.²⁷⁰ Given its importance, protectability should similarly “be examined in a unified and functional fashion across [the laws], rather than as separate regimes.”²⁷¹ Determining protectability of patents, copyrights, and trademarks “is the key to whether particular works can reap the benefits of intellectual property protection and, correspondingly, whether the availability of protection will encourage the production of such works in the

262. *Commil USA, LLC v. Cisco Sys., Inc.*, 135 S. Ct. 1920, 1930 (2015).

263. Ritchie, *supra* note 213, at 170 (citing U.S. CONST. art. I, § 8, cl. 8).

264. *Id.*

265. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 439 (1984) (“The closest analogy is provided by the patent law cases to which it is appropriate to refer because of the historic kinship between patent law and copyright law.” (first citing *United States v. Paramount Pictures, Inc.*, 334 U.S. 131, 158 (1948); then citing *Fox Film Corp. v. Doyal*, 286 U.S. 123, 131 (1932); and then citing *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 657–58 (1834))).

266. 547 U.S. 388 (2006).

267. Ritchie, *supra* note 213, at 171 (citing *Cont'l Paper Bag Co. v. E. Paper Bag Co.*, 210 U.S. 405, 430 (1908)).

268. *See, e.g., Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 439 (1984) (applying the concept of contributory infringement in patent law to copyright law for the imposition of vicarious liability).

269. *See, e.g., Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 973 (4th Cir. 1990) (finding that a misuse of copyright defense is inherent in the law of copyright just as a misuse of patent defense is inherent in patent law).

270. *See, e.g., Allison v. Vintage Sports Plaques*, 136 F.3d 1443, 1448 (11th Cir. 1998) (noting that the first-sale doctrine limits all three principal forms of intellectual property rights).

271. *Id.* at 1448 n.8 (citing Rochelle Cooper Dreyfuss, *A Wiseguy's Approach to Information Products: Muscling Copyright and Patent Law into a Unitary Theory of Intellectual Property*, 1992 SUP. CT. REV. 195, 221–23).

first instance.”²⁷² Therefore, the *Commil* holding would have benefitted from the cross-application of trademark and copyright protectability doctrines to patent law.

In *Commil*, the Supreme Court missed an opportunity to create such a unified regime in clarifying the intent requirement and applicable defenses for induced infringement. The *Commil* Court initiated its analysis with a reaffirmation of the intent standard articulated in *Global-Tech*, a decision aided in large part by the previously discussed copyright case *Grokster*.²⁷³ Settling on a two-part knowledge requirement for copyright infringement, *Grokster* distinguished mere knowledge of infringing potential and ordinary acts incident to product distribution from purposeful, culpable conduct. In doing so, the Supreme Court ensured that the inducement rule would do “nothing to compromise legitimate commerce or discourage innovation having a lawful promise.”²⁷⁴ The *Commil* Court should have, in addition to its structural analysis of the Patent Act, invoked policy rationales to better align the purposes of intellectual property law.²⁷⁵

V. CONCLUSION

In *Commil USA LLC v. Cisco Systems, Inc.*, the Supreme Court held that the requisite intent for induced infringement liability cannot be negated by a good faith belief in invalidity.²⁷⁶ At the outset of its opinion, the Court purposefully reiterated its prior holding in *Global-Tech Appliances, Inc. v. SEB S.A.*²⁷⁷ Induced patent infringement, the Court emphasized, demands a higher mental state in which the defendant knew of the patent, and that the induced acts constitute infringement.²⁷⁸ Without proof of this dual knowledge, liability cannot attach.²⁷⁹ After this introduction, however, the *Commil* Court strayed from the significance of the intent requirement under Section 271(b), choosing instead to expound on the contentious distinction between “validity” and “infringement.”²⁸⁰

The Court could have bolstered its reasoning by reinforcing and advancing the policy rationales underlying Section 271(b). Permitting a good faith defense in patent invalidity would disrupt not only the carefully formulated marketplace balance of rights but also the cross-application of

272. Jeanne C. Fromer, *A Psychology of Intellectual Property*, 104 NW. U. L. REV. 1441, 1442 (2010) (citing Diane Leenheer Zimmerman, *It’s an Original! (?): In Pursuit of Copyright’s Elusive Essence*, 28 COLUM. J.L. & ARTS 187, 189–90 (2005)).

273. *See supra* Part II.B.2.

274. *MGM Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 937 (2005).

275. *See supra* Part IV.B.

276. 135 S. Ct. 1920, 1922 (2015).

277. *Id.* at 1926.

278. *Id.*

279. *Id.*

280. *Id.* at 1928.

intellectual property doctrines by courts. Applying the protectability mechanisms of trademark and copyright law to induced patent infringement would facilitate a uniform standard of intent that would guide courts in future adjudications.²⁸¹ Given this alternative analysis, the *Commil* holding could have promoted both clarification of the intent requirement and increased protectability within the intellectual property market, resulting in a decision truly made in good faith.²⁸²

281. *See supra* Part IV.

282. *Id.*