The big headline from the Supreme Court’s recent decision in Commil USA, LLC v. Cisco Systems, Inc., 135 S. Ct. 1920 (2015), was that a good-faith belief in the invalidity of an asserted patent is no longer a defense to induced infringement. What the Supreme Court gave patent holders with one hand, however, it took away with the other by reaffirming its decision in Global-Tech Appliances, Inc. v. SEB S.A., 131 S. Ct. 2060 (2011). In the first part of its opinion in Commil, the Supreme Court rejected the argument from Commil and the United States government that induced infringement under 35 U.S.C. section 271(b) requires knowledge of only the asserted patent and not knowledge of whether the induced acts are actually infringing. Relying on its prior decision in Global-Tech, the Court confirmed that induced infringement under section 271(b) requires both knowledge of the asserted patent and the infringing nature of the accused acts. With that holding, Commil is the culmination of a series of decisions by the Federal Circuit and the Supreme Court that have steadily restricted claims for induced infringement.

The Evolution of Induced Infringement

For many years, a claim of induced infringement was governed by the Federal Circuit’s decision in Manville Sales Corp. v. Paramount Systems, Inc., 917 F.2d 544 (Fed. Cir. 1990). In that decision, the Federal Circuit held that, to prove induced infringement, the patent holder must show “that the alleged infringer’s actions induced infringing acts and that he knew or should have known his actions would induce actual infringements.” Manville, 917 F.2d at 553.

Sixteen years later, the Federal Circuit revisited the standard for induced infringement in DSU Medical Corp. v. JMS Co., Ltd., 471 F.3d 1293 (Fed. Cir. 2006) (en banc in relevant part). In DSU Medical, the Federal Circuit addressed the question of whether, to prove induced infringement, the patent holder must prove that the alleged infringer intended “to induce the infringement or whether the purported infringer must merely intend to engage in the acts that induce the infringement regardless of whether it knows it is causing another to infringe.” 471 F.3d at 1305. Based on the language of section 271(b), the Federal Circuit adopted the more restrictive option, holding that, to be liable for induced infringement, the alleged inducer must know, or at least should have known, that its actions would induce infringement. The Federal Circuit further held that the accused infringer must know about the patent at issue to know its actions...
would induce actual infringement. *DSU Medical*, 471 F.3d at 1304.

Several years later, the level of knowledge necessary for induced infringement was back before the Federal Circuit in *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360 (Fed. Cir. 2010), better known as *Global-Tech*. In *Global-Tech*, the defendants were found liable at trial for both willful infringement and induced infringement. The defendants, citing *DSU Medical*, argued that they could not be liable for induced infringement because they had no knowledge of the asserted patent during the time of the allegedly infringing sales. *Global-Tech*, 594 F.3d at 1373. The defendants claimed that the *DSU Medical* court’s use of the phrase “knew or should have known his actions would cause actual infringing actions [which] necessarily includes the requirement that he or she knew of the patent” meant that actual knowledge of the asserted patent was required. Whether they “should have known” about the patent, the defendants argued, was irrelevant. *Global-Tech*, 594 F.3d at 1376. The Federal Circuit disagreed, finding that the defendants’ deliberate indifference to the existence of the patent was sufficient to satisfy section 271(b). *Global-Tech*, 594 F.3d at 1377.

The defendants appealed the Federal Circuit’s decision to the Supreme Court. There, the defendants argued that section 271(b) required more than deliberate indifference to a risk of infringement and that actual knowledge of the asserted patent was required. Like the Federal Circuit in *DSU Medical*, the Supreme Court first started with the language of section 271(b) to determine what knowledge must be shown to prove induced infringement. *Global-Tech*, 131 S. Ct. at 2065. Finding the language “induces infringement” in section 271(b) ambiguous, the Supreme Court then turned to case law that predated the Patent Act of 1952. There, the Supreme Court found the law similarly muddled. *Global-Tech*, 131 S. Ct. at 2065–66. Finally, because induced infringement, before it was separated in the Patent Act, was treated as part of contributory infringement, the Supreme Court looked to one of its prior decisions regarding the knowledge element for contributory infringement under section 271(c). *Global-Tech*, 131 S. Ct. at 2067. In *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964), the Court held that, for contributory infringement, an alleged infringer “must know ‘that the combination for which his component was especially designed was both patented and infringing.’” *Global-Tech*, 131 S. Ct. at 2068. Based on *Aro*, the Supreme Court held that “induced infringement under Section 217(b) requires knowledge that the induced acts constitute patent infringement.” *Global-Tech*, 131 S. Ct. at 2068. Consequently, the Supreme Court found that the Federal Circuit had erred in its application of “deliberate indifference.” While not expressly stating so, the Supreme Court appeared to have also rejected the “should have known of the infringing acts” test as well, an issue that would later be taken up in *Commil*.

The Doctrine of Willful Blindness

While the Supreme Court rejected the Federal Circuit’s deliberate indifference test, it did not go so far as to require actual knowledge. Instead, the Supreme Court looked to criminal law and its doctrine of willful blindness. The doctrine of willful blindness, the Supreme Court found, is well established in criminal law. In essence, a defendant cannot shield himself or herself from laws requiring that he or she act knowingly or willfully by intentionally ignoring key facts that should be abundantly clear from the given circumstances. In addition, willful blindness is seen as more limited and exceeds both recklessness and negligence. Willful blindness requires taking “deliberate actions to avoid confirming a high probability of wrongdoing.” *Global-Tech*, 131 S. Ct. at 2070. In contrast, recklessness is knowing “of a substantial and unjustified risk” of wrongdoing, while negligence is where a similar risk should have been known but was not seen. *Global-Tech*, 131 S. Ct. at 2071. The Supreme Court further explained that one of the keys to willful blindness is the requirement that an inducer take “active efforts . . . to avoid knowing about the infringing nature of the activities.” *Global-Tech*, 131 S. Ct. at 2070–71.

Applying the doctrine of willful blindness to the defendants in *Global-Tech*, the Supreme Court found the defendants liable for induced infringement where they copied the plaintiff’s product, which they purchased overseas knowing that it would not have any patent markings, and they failed to tell the patent attorney who issued
the right-to-use opinion that the defendants' product was essentially a knockoff of the plaintiff's product.

**Commil: The Culmination of Restricting Claims for Induced Infringement**

Only four years later, the Supreme Court revisited its *Global-Tech* decision in *Commil*. *Commil* was tried in the Eastern District of Texas in 2010. The first trial resulted in a finding of direct infringement against Cisco, but no induced infringement. Commil moved for a new trial on the issues of induced infringement and damages, which the district court granted. At the second trial, the jury found Cisco liable for induced infringement. At that trial, the jury instruction for induced infringement included the “knew or should have known” language from *DSU Medical*. Less than two months after the second jury verdict, the Supreme Court issued its *Global-Tech* decision. Consequently, on appeal, the Federal Circuit reversed and remanded the induced infringement verdict. The Federal Circuit also held that the district court improperly prohibited Cisco from presenting evidence of its good-faith belief in the invalidity of the asserted patent.

At the Supreme Court, Commil argued that *Global-Tech* only required knowledge of the patent and that the “knew or should have known the actions would induce actual infringements” language from *DSU Medical* was still good law. The Supreme Court disagreed and reaffirmed that its holding in *Global-Tech* also required knowledge that “the defendant knew the acts were infringing.” *Commil*, 135 S. Ct. at 1928. While the Supreme Court did not expressly address the issue, its prior application of willful blindness to knowledge of the patent should mean that willful blindness to the infringing nature of the acts is sufficient to satisfy the knowledge of infringing acts requirement.

**Future Application of Commil**

The Supreme Court's ruling that the doctrine of willful blindness applies to both knowledge of the patent and knowledge of the infringing activities has two apparent possible extensions. The first is willful infringement. As articulated in the Federal Circuit's seminal opinion in *In re Seagate Technology, LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007), "proof of willful infringement permitting enhanced damages requires at least a showing of objective recklessness." Given the Supreme Court's finding in *Global-Tech* that willful blindness is a higher standard than recklessness, induced infringement will be harder to prove than willful infringement. On the other hand, a finding of induced infringement should almost always result in a finding of willful infringement. Interestingly, the one instance where induced infringement could be found without a finding of willful infringement is where the accused infringer had a good-faith belief in the asserted patent's invalidity. While, after *Commil*, a good-faith belief is no longer a defense to induced infringement, it is still a defense to willful infringement. *Stryker Corp. v. Zimmer, Inc.*, 782 F.3d 649, 662 (Fed. Cir. 2015).

It remains to be seen if the Supreme Court will raise the standard of willful infringement to be at least commensurate with induced infringement. Intuitively, willful infringement should require more culpable conduct than induced infringement. Indeed, returning to the doctrine of criminal law, knowing is a lesser standard than willful, with knowing only requiring intent to commit the act while willful requires knowledge that the act was illegal. See, e.g., *United States v. McCullough*, 348 F.3d 620, 626–27 (7th Cir. 2003).

One difficulty in extending the doctrine of willful blindness to willful infringement is the language of the statute itself. The phrase "actively induces" in section 271(b) directly led to the Supreme Court's holding in *Commil*. In contrast, the statutory basis for willful infringement merely states “the court may increase the damages up to three times the amount found or assessed.” 35 U.S.C. § 284. Significantly, the development of section 284 appears to be based on existing law for punitive or exemplary damages. Moreover, because the standard for direct infringement is strict liability, a recklessness standard may be more appropriate for heightened damages. At least one district court has adopted this position. See *Koninklijke Philips Elecs. N.V. v. Cinram Int’l*, Inc., Nos. 08-0515, -4068, -4070, -4071, 2012 WL 4074419, at *4 n.13 (S.D.N.Y. Aug. 23, 2012).
The second logical extension of Commil is to apply the doctrine of willful blindness to the level of knowledge required to find contributory infringement under section 271(c). While the intent element is inferred from the use of “induce” in section 271(b), the Supreme Court’s application of the doctrine of willful blindness was in connection with its finding that section 271(b) “requires knowledge that the induced acts constitute patent infringement.” Global-Tech, 131 S. Ct. at 2068. Prior to Commil, at least one district court found the distinction between the intent necessary for induced infringement and the knowledge required for contributory infringement significant. Unisone Strategic IP, Inc. v. Lite Techs. Corp., No. 3:13-cv-1278-GPC-JMA, 2013 WL 5729487, at *4 (S.D. Cal. Oct. 22, 2013). However, given the Supreme Court’s statement in Commil that “[l]ike induced infringement, contributory infringement requires knowledge of the patent in suit and knowledge of patent infringement,” 135 S. Ct. at 1926, the distinction between intent and knowledge appears to increasingly be without difference.

In contrast to section 271(b), section 271(c) expressly requires knowledge of the infringement. However, application of the doctrine of willful blindness would result in restricting claims for contributing infringement. For example, in its recent decision in Smith & Nephew, Inc. v. Arthrex, Inc., 502 F. App’x 945, 950 (Fed. Cir. 2013), the Federal Circuit relied, in part, on evidence showing that the defendant made no attempt to compare its accused product to the patent at issue. Under Commil, a failure to compare is unlikely to rise to the level of willful blindness. Similarly, in i4i Ltd. Partnership v. Microsoft Corp., 598 F.3d 831, 851 (Fed. Cir. 2010), the Federal Circuit found evidence that the defendant’s employees were “familiar” with the asserted patent and the plaintiff’s product and believed that the defendant’s product would make the plaintiff’s product “obsolete,” supported a finding of contributory infringement. Again, while perhaps reckless, that conduct does not appear to be willful blindness. As a district court recently found in the context of induced infringement, the fact that the accused infringer did not take up a duty to investigate “is not evidence that it took deliberate actions to avoid learning the answer.” Largan Precision Co., Ltd. v. Genius Elec. Optical Co., Ltd., No. 13-cv-02502-JD, 2015 WL 2063988, at *4 (N.D. Cal. May 4, 2015).

Strategies for Patent Holders Litigating Induced Infringement

Having to prove that the accused infringer actually knew, or was willfully blind to, the existence of the patent at issue and that the acts were infringing is no easy task for the patent holder. The type of egregious behavior found in Global-Tech is not the norm in patent infringement cases, and whether anything short of direct copying can constitute induced infringement remains to be seen.

The best strategy for a patent holder appears to be sending the accused infringer a detailed letter enclosing a copy of the asserted patent, a description of what the patent holder contends the patent covers, and an analysis of how the accused product infringes. While such a detailed letter risks sparking a declaratory judgment action and giving perhaps premature insight into its case, it is difficult to see how a patent holder, in the absence of copying, could establish that the accused infringer had the requisite knowledge. Moreover, relying on a complaint to provide the accused infringer with knowledge of the infringing acts is risky given that some district courts have held that the complaint alone cannot satisfy the knowledge requirement. See Proxyconn Inc. v. Microsoft Corp., No. SACV 11-1681 DOC (ANx), 2012 WL 1835680, at *6 (C.D. Cal. May 16, 2012).

Strategies for Accused Infringers Defending Against Induced Infringement

While it eliminated a good-faith belief in invalidity as a defense to induced infringement, Commil undoubtedly made an accused infringer’s life easier. The most obvious defensive strategy is to obtain a noninfringement opinion. Assuming the opinion was prepared in good faith, and all pertinent information was shared with the attorneys who prepared the opinion, it is difficult to see how a patent holder, faced with such an opinion, could sustain a claim for induced infringement.
However, a noninfringement opinion may not even be necessary given two key sentences in *Commil*. In characterizing Commil’s losing argument, the Supreme Court said, “In other words, even if the defendant reads the patent’s claims differently from the plaintiff, and that reading is reasonable, he would still be liable because he knew the acts might infringe. *Global-Tech requires more.*” *Commil*, 135 S. Ct. at 1928. Given that almost all patent cases involve disputes over claim construction, and that the accused infringer typically does not infringe under its proposed constructions, if district courts and the Federal Circuit enforce this view, a finding of induced infringement outside of outlandish claim construction positions (or direct copying) appears all but impossible. Arguably, assuming an accused infringer’s denial of infringement (and any noninfringement counterclaim) satisfies Federal Rule of Civil Procedure 11, then the accused infringer should not be liable for induced infringement. Although future defendants are now more likely to move to dismiss induced infringement claims, whether courts will restrict such claims even further remains to be seen.

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