Actual Knowledge of Direct Patent Infringement is Required for Induced Infringement: *Global-TechAppliances, Inc. v. SEB S.A.*

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PATENT LAW—INDUCED INFRINGEMENT—INTENT—WILLFUL BLINDNESS—The United States Supreme Court held that induced patent infringement under 35 U.S.C. § 271(b) requires knowledge that the induced acts would result in the direct infringement of a patent and that the knowledge of the accused infringer could be established through either actual knowledge or by applying the doctrine of willful blindness to the accused infringer’s conduct.


I. THE FACTS OF *GLOBAL-TECH* ........................................ 660

II. THE PROCEDURAL HISTORY OF *GLOBAL-TECH* ............ 661

III. THE UNITED STATES SUPREME COURT OPINION

   IN *GLOBAL-TECH*................................................................ 662
   A. Justice Alito’s Majority Opinion.............................. 662
   B. Justice Kennedy’s Dissent..................................... 667

IV. HISTORY OF INDUCED INFRINGEMENT............................ 668

   B. Intent Required for Induced Infringement Under 35 U.S.C. § 271(b)....................... 670
   C. Manner of Establishing Intent Under 35 U.S.C. § 271(b)............................... 672

V. IMPACT OF THE SUPREME COURT’S DECISION IN *GLOBAL-TECH*.................................................. 673

   A. Intent Required for Induced Infringement Under 35 U.S.C. § 271(b)....................... 673
   B. Manner of Establishing Intent Under 35 U.S.C. § 271(b)............................... 675
   C. The Resulting Erosion of the Credibility of the Federal Circuit............................ 679
I. THE FACTS OF GLOBAL-TECH

The French company SEB S.A. ("SEB") developed a novel deep fryer, obtaining U.S. patent protection for its invention in 1991.\(^1\) SEB's deep fryer was cool to the touch, making it safe and easy for use by consumers in the home, resulting in the fryer's commercial success.\(^2\) Sunbeam Products, Inc. ("Sunbeam") sought to develop a rival product and commissioned petitioner Pentalpha Enterprises, Ltd. ("Pentalpha")\(^3\) to design a deep fryer to certain specifications.\(^4\) To develop the competing product, Pentalpha purchased an SEB fryer in Hong Kong and proceeded to copy the functional aspects of its design.\(^5\) The SEB fryer purchased by Pentalpha in Hong Kong did not possess the markings commonly used in the United States that indicate the U.S. patents protecting the product.\(^6\)

Pentalpha sought to ascertain whether it was able to manufacture the product without infringing any U.S. patents, and it engaged patent attorneys to conduct a freedom-to-use analysis.\(^7\) Pentalpha did not, however, inform its patent counsel that it copied SEB's product in developing its deep fryer.\(^8\) During its freedom-to-use analysis, Pentalpha's counsel attempted to identify any U.S. patents that could block the manufacturing and sale of the fryer, but they failed to identify SEB's patent.\(^9\) Pentalpha's counsel issued an opinion letter to Pentalpha, advising that it was able to manufacture its deep fryer without concern of infringing any U.S. patents that it could identify.\(^10\)

In 1997, Pentalpha began selling its deep fryer to Sunbeam, who, in turn, sold the product in the United States.\(^11\) Because of lower production costs, Sunbeam captured market share from SEB.\(^12\) In March 1998, SEB sued Sunbeam for infringement of its patent, and Sunbeam subsequently informed Pentalpha of the

\(^{2}\) Global-Tech, 131 S. Ct. at 2063-64.
\(^{3}\) Id. at 2064. Pentalpha is a Hong Kong-based, wholly-owned subsidiary of Global-Tech, Inc., the named petitioner in the case. Id.
\(^{4}\) Id.
\(^{5}\) Id.
\(^{6}\) Id.
\(^{7}\) Global-Tech, 131 S. Ct. at 2064. A freedom-to-use analysis evaluates whether a proposed commercial product would infringe any issued patents.
\(^{8}\) Id.
\(^{9}\) Id.
\(^{10}\) Id.
\(^{11}\) Id.
\(^{12}\) Global-Tech, 131 S. Ct. at 2064.
lawsuit. In spite of the suit, Pentalpha continued to market and sell the deep fryer to other third parties, who, in turn, also sold them in the United States.

The lawsuit between SEB and Sunbeam settled, and SEB subsequently sued Pentalpha for patent infringement, asserting that Pentalpha infringed SEB's patent both directly under 35 U.S.C. § 271(a) by selling and offering to sell its deep fryer and under 35 U.S.C. § 271(b) by actively inducing others to infringe through their sales of the infringing deep fryers in the United States.

II. THE PROCEDURAL HISTORY OF GLOBAL-TECH

Following a five-day trial, a jury found that Pentalpha directly infringed SEB's patent under § 271(a), induced infringement under § 271(b), and further found that Pentalpha's infringement was willful. Pentalpha sought a new trial or alternatively, a judgment as a matter of law, asserting that there was insufficient evidence for the jury to conclude that Pentalpha's conduct constituted induced infringement under § 271(b). Pentalpha specifically argued that its ignorance of SEB's patent shielded it from the finding of induced infringement.

The trial court denied Pentalpha's post-trial motions and Pentalpha appealed to the United States Court of Appeals for the Federal Circuit. In affirming the district court's decision, the Federal Circuit found that induced infringement under § 271(b) requires that the alleged infringer knew or should have known that its actions would infringe a patent of which it was aware. Even though SEB presented no direct evidence at trial that Pentalpha was actually aware of SEB's patent, the Federal Circuit

13. Id.
14. Id. Pentalpha's other clients included Fingerhut Corp. and Montgomery Ward & Co. Id.
16. Id.
17. Global-Tech, 131 S. Ct. at 2064.
18. Id.
20. Id. at 2064-65.
held that “Pentalpha deliberately disregarded” the possibility that SEB held patent protection for its deep fryers.\textsuperscript{21} The Federal Circuit held that Pentalpha’s disregard constituted a form of actual knowledge and affirmed the judgment.\textsuperscript{22} Upon Pentalpha’s petition, the Supreme Court granted certiorari.\textsuperscript{23}

III. THE UNITED STATES SUPREME COURT OPINION IN GLOBAL-TECH

A. Justice Alito’s Majority Opinion

The issue confronted by the Court was whether demonstrating induced infringement of a patent under 35 U.S.C. § 271(b) requires proof that the accused party knew that the acts in question constitute patent infringement.\textsuperscript{24} Justice Alito, writing for the Court,\textsuperscript{25} began his analysis with the text of § 271(b), which reads in total: “[w]hoever actively induces infringement of a patent shall be liable as an infringer.”\textsuperscript{26} In construing the statute, the Court defined “induce” as “[t]o lead on; to influence; to prevail on; to move by persuasion or influence” and noted that the use of the term “actively” implied that the inducing includes taking positive steps to bring about the infringing activity, thus inferring a requirement of intent.\textsuperscript{27} The Court noted that the text of § 271(b) is ambiguous in that it is not clear whether the accused must induce a third party to infringe a patent of which the inducer is aware or, instead, could simply knowingly cause the third party to undertake actions that happen to result in infringement of an unknown patent.\textsuperscript{28}

To resolve the ambiguity, the Court analyzed earlier case law that interpreted the relevant patent statutes.\textsuperscript{29} Section 271 was codified in the Patent Act of 1952 (“the Patent Act”).\textsuperscript{30} The Patent Act classifies direct infringement in § 271(a) as the unauthorized

\begin{itemize}
  \item \textsuperscript{21} Id. at 2065 (citing Montgomery Ward, 594 F.3d at 1377).
  \item \textsuperscript{22} Global-Tech, 131 S. Ct. at 2065 (citing Montgomery Ward, 594 F.3d at 1377).
  \item \textsuperscript{23} Id. (citation omitted).
  \item \textsuperscript{24} Id. at 2063.
  \item \textsuperscript{25} Id. Justice Alito was joined by Roberts, C.J. and Scalia, Thomas, Ginsburg, Breyer, Sotomayor, and Kagan, JJ. Id.
  \item \textsuperscript{26} Id. at 2065 (citing 35 U.S.C. § 271(b) (2010)).
  \item \textsuperscript{27} Global-Tech, 131 S. Ct. at 2065 (citing WEBSTER'S NEW INTERNATIONAL DICTIONARY 1269 (2d ed. 1945)).
  \item \textsuperscript{28} Id.
  \item \textsuperscript{29} Id. (citations omitted).
  \item \textsuperscript{30} Id. (citing 35 U.S.C. § 271).
\end{itemize}
making, using, selling, offering for sale, or importing of a patented invention.\(^3\) The Patent Act also established two separate causes of action for indirect infringement of a patent by splitting the traditional patent law concept of “contributory infringement” into (1) induced infringement under § 271(b) and (2) contributory infringement under 35 U.S.C. § 271(c).\(^3\) Unlike induced infringement, contributory infringement under § 271(c) requires that the accused infringer provide a non-patented component of a patented invention to a third party who incorporates that component into a patented invention, thus contributing to the third party's infringement of the patented invention.\(^3\) In undertaking its analysis, the Court noted that the pre-1952 case law more commonly evaluated cases arising under contributory infringement as defined in § 271(c) and initially sought direction from those cases for insight into what kind of awareness was required by the accused infringer.\(^3\)

The pre-1952 decisions, however, proved to be of limited utility in resolving the issue, with cases providing support for both positions.\(^3\) For instance, then-Judge Taft stated that “it was ‘well settled that where one makes and sells one element of a combination covered by a patent with the intention and for the purpose of bringing about its use in such a combination he is guilty of contributory infringement,’” indicating that it was sufficient that the seller of a component merely intended that part be used in a combination that happened to infringe.\(^3\) Alternatively, the Supreme Court stated in Henry v. A.B. Dick Co. that if the accused parties knew of the existence of the patent and that the third party made the infringing product with the intent of having that product used, the accused party was liable for assisting in patent infringement.\(^3\) Consistent with that interpretation, the majority in Global-Tech noted the Court's earlier analysis of the related concept of contributory infringement of copyrights in Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd. where it stated that the “inducement

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\(^3\) 35 U.S.C. § 271(a).
\(^3\) Global-Tech, 131 S. Ct. at 2066-67 (citing 35 U.S.C. §§ 271(b),(c)).
\(^3\) Id. at 2066.
\(^3\) Id.
\(^3\) Id.
\(^3\) Id. (quoting Thomson-Houston Electric Co. v. Ohio Brass Co., 80 F. 712, 721 (6th Cir. 1897)).
\(^3\) Global-Tech, 131 S. Ct. at 2066 (citing Henry v. A.B. Dick Co., 224 U.S. 1, 33 (1912), overruled by Motion Picture Patents Co. v. Universal Film Mfg. Co., 243 U.S. 502, 518 (1917)).
rule . . . premises liability on purposeful, culpable expression and conduct.”

Finding both the statutory language and the pre-1952 case law regarding traditional contributory infringement to be equivocal, the Court considered post-1952 decisions regarding contributory infringement under § 271(c). In Aro Manufacturing Co. v. Convertible Top Replacement Co. (Aro II), the Court considered the issue of the intent required in establishing contributory infringement under § 271(c), which contains the same ambiguity that is present in § 271(b). The majority in Aro II found that to be liable for contributory patent infringement, the accused “must know that the combination for which his component was especially designed was both patented and infringing.” In Aro II, the divided Court’s majority held that knowledge of the patent was needed. While noting that four justices disagreed with that conclusion, Justice Alito’s opinion cited with approval to the analysis that described the holding in Aro II as “‘a fixture in the law of contributory infringement under [§] 271(c).’” In the present case, Justice Alito also observed that Congress had not altered the intent requirement for contributory infringement under § 271(c) articulated in Aro II in the more than fifty years since that case was decided. Deferring to the “special force” of stare decisis as applied to issues of statutory interpretation, the Court held that contributory infringement under § 271(c) requires knowledge of the infringed patent.

Justice Alito then returned to the fact that the two types of infringement codified in 1952 in § 271(b) and § 271(c) (i.e., induced and contributory infringement, respectively) arose from the same pre-1952 concept of “contributory infringement.” Noting that both sections of the Patent Act possessed the same ambiguity and had the same pre-1952 origins, the Court concluded that both sec-
tions have the same requirements for intent of the infringer.\textsuperscript{47} Accordingly, the majority held that induced infringement under § 271(b) requires that the accused infringer know that the induced acts would infringe a patent.\textsuperscript{48} The Court then focused on how to establish the element of actual knowledge of an infringed patent by importing the doctrine of willful blindness from criminal law.\textsuperscript{49} The concept of willful blindness was not previously applied in patent law cases, and accordingly, the Court sought direction from criminal law.\textsuperscript{50} Similar to induced infringement under § 271(b), many criminal laws include the requirement that the accused acted knowingly or willfully in committing the crime.\textsuperscript{51} Under these laws, defendants may not be absolved from guilt "by deliberately shielding themselves from clear evidence of critical facts that are strongly suggested by the circumstances."\textsuperscript{52} Justice Alito also noted that defendants "who know enough to blind themselves to direct proof of critical facts, in effect, have actual knowledge of those facts."\textsuperscript{53} The majority also cited to the Model Penal Code, where the knowledge of a fact includes "a situation in which 'a person is aware of a high probability of [the fact's] existence, unless he actually believes that it does not exist.'"\textsuperscript{54} The Court noted the broad endorsement of the concept of using willful blindness as a substitute for actual knowledge of a fact by both the Supreme Court as well as nearly every United States Court of Appeals, and accordingly applied it to induced infringement under § 271(b).\textsuperscript{55} The Court defined the doctrine of willful blindness as having two requirements: "(1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact."\textsuperscript{56} By satisfying both of these prongs, an accused infringer "can almost be said to have actually known the critical facts."\textsuperscript{57}

\begin{thebibliography}{9}
\bibitem{47} Global-Tech, 131 S. Ct. at 2068.
\bibitem{48} Id.
\bibitem{49} Id.
\bibitem{50} Id.
\bibitem{51} Id.
\bibitem{52} Global-Tech, 131 S. Ct. at 2068-69.
\bibitem{53} Id. at 2069 (citing United States v. Jewell, 532 F.2d 697, 700 (9th Cir. 1976)).
\bibitem{54} Id. (quoting \textit{Model Penal Code} § 2.02(7) note on status of section (Proposed Official Draft 1962)).
\bibitem{55} Id. (citations omitted).
\bibitem{56} Id. at 2070 (internal citations omitted).
\bibitem{57} Global-Tech, 131 S. Ct. at 2070-71 (internal citations omitted).
\end{thebibliography}
Using these standards, the Court criticized the Federal Circuit below on two grounds for employing an improper test to establish knowledge of an infringed patent. First, the Federal Circuit's more permissive test allowed a finding of knowledge of an infringed patent when there is a "known risk" (as opposed to a high probability) that the induced acts are infringing. Second, the Federal Circuit required simply "deliberate indifference," rather than active efforts by an accused to avoid learning of the infringement. Even though the Federal Circuit used an inappropriate test for determining actual knowledge, the majority nonetheless concluded that Pentalpha's conduct here would constitute willful blindness "to the infringing nature of the sales it encouraged Sunbeam to make."

The Court found that Pentalpha's conduct would satisfy its newly identified standard for willful blindness, thereby establishing that Pentalpha had actual knowledge of the infringed patent. The Court noted that Pentalpha conducted a market search and was aware of the commercial success of SEB's deep fryer. Further, Justice Alito inferred that the deliberate copying of the substantive portions of SEB's deep fryer evidenced Pentalpha's belief that it "embodied advanced technology." The Court also found that Pentalpha's copying of a foreign version of SEB's deep fryer reflected a deliberate attempt to avoid learning of any United States patent coverage for SEB's deep fryer. Pentalpha was well aware that foreign products do not typically indicate U.S. patents covering the product, thus it could avoid any direct knowledge of any such patents by using a foreign product. Finally, the Court found Pentalpha's decision not to inform its patent counsel that it had copied SEB's deep fryer to be "[e]ven more telling." The majority could not "fathom what motive [Pentalpha's engineer] could have had for withholding this information other than to manufac-

58. Id. at 2071.
59. Id.
60. Id.
61. Id. (internal citations omitted).
63. Id.
64. Id.
65. Id.
66. Id.
ture a claim of plausible deniability in the event that [Pentalpha] was later accused of patent infringement.68

The Court found that the evidence was adequate for the jury to conclude that Pentalpha thought that there was a high probability that a U.S. patent covered SEB’s deep fryer and that deliberate steps were taken by Pentalpha to avoid knowledge of those patents.69 On that basis, the jury could reasonably have found that Pentalpha had willfully blinded itself to the infringement of SEB’s patent by the sales of its deep fryers in the United States.70 The Court thus affirmed the jury’s finding that Pentalpha infringed SEB’s patent under a theory of induced infringement under § 271(b).71

B. Justice Kennedy’s Dissent

While Justice Kennedy agreed with the majority that both §§ 271(b) and 271(c) must be read to require that the accused infringer know that the induced acts constitute patent infringement, he dissented from the majority’s application and analysis of willful blindness.72 Specifically, the dissent argued that substituting willful blindness for the actual knowledge required for a showing of infringement under § 271(b) is inappropriate.73 Justice Kennedy asserted that “[t]he alleged inducer who believes a device is non-infringing cannot be said to know otherwise.”74 Instead, Justice Kennedy would have left consideration of the facts presented at trial to the jury, which he felt is best placed to make the inference of actual knowledge on the part of the defendant.75

Justice Kennedy further objected to the majority’s seeming endorsement of the application of the doctrine of willful blindness in all federal criminal cases involving knowledge.76 Justice Kennedy particularly objected to such an extension on the basis of the case at bar, a civil case in which no briefing or argument was received on that point from the criminal defense bar.77

68. Id.
69. Id. at 2072.
70. Id.
71. Id.
73. Id. (citations omitted).
74. Id.
75. Id. at 2073.
76. Id.
77. Global-Tech, 131 S. Ct. at 2073 (Kennedy, J., dissenting).
IV. HISTORY OF INDUCED INFRINGEMENT


The Constitution allows Congress "[t]o promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." Finding its basis in that clause, the modern U.S. patent system allows inventors to obtain a limited-duration monopoly for novel and non-obvious inventions.

Before passage of the Patent Act of 1952, patent infringement existed as a judicially created tort which was divided into two categories. Common law direct infringement was the unauthorized making, using, or selling of the invention covered by the patent. Indirect infringement was termed "contributory infringement" and resulted when the accused infringer displayed behavior that equitably established him as an infringer, even if he or she did not directly infringe.

The codification achieved by the Patent Act did not substantively change the scope of those judicially created doctrines, but stratified them into separate causes of action. Under § 271(a), an inventor may exclude others from making, using, offering to sell, selling, or importing into the United States the patented invention during the term of a U.S. patent. Any party that specifically performs any of these steps without authorization of the inventor is liable for the tort of direct patent infringement, regardless of lack of intent to infringe the patent. The Patent Act also identifies causes of action for indirect infringement through the assisting or aiding of a third party in direct infringement of the patent. Two distinct types of indirect infringement are delineated in the Patent Act: contributory infringement and inducing infringement, both of

79. 35 U.S.C. §§ 102, 103 (2010). The term of a patent is generally twenty years from its filing date. Id. § 154(a)(2).
81. Hewlett-Packard, 909 F.2d at 1469 (citations omitted).
82. Id. (citations omitted).
83. Id.
84. 35 U.S.C. § 271(a). The Uruguay Round Agreements Act, Pub. L. No. 103-465, § 533(a), 108 Stat. 4809 (1994) expanded the definition of infringement to include offers to sell patent inventions and the importation of patent inventions into the United States, and became effective as of January 1, 1996. Id.
86. Hewlett-Packard, 909 F.2d at 1469 (citations omitted).
which arose from the common law tort of “contributory infringement.” Modern contributory infringement occurs when one:

[S]ells . . . a component of a patented machine, manufacture, combination or composition, or material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent . . . shall be liable as a contributory infringer.

Additionally, the infringer must know that his or her contribution will be used in the infringing device.

Inducing infringement captures all other types of indirect infringement and is more broadly defined as “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” In contrast to contributory infringement, the intent or knowledge of the infringing party is not specifically mentioned in the statute as an element of induced infringement, though the term “actively” has been routinely interpreted to include some aspect of intent or knowledge on the part of the infringer. The legislative history of § 271(b) harkens to criminal law and speaks of the inducer as one who “aids and abets” an infringer in direct infringement of a patent. Giles Rich (later Judge Rich of the Federal Circuit) stated in 1952 that § 271(b) is “inten[ded] to hold liable the mastermind who plans the whole infringement and sits back and watches it happen, somehow managing himself to avoid” committing direct infringement.

87. 35 U.S.C. §§ 271(b), (c).
88. Id. § 271(c) (emphasis added).
89. Hewlett-Packard, 909 F.2d at 1469 (internal citations omitted).
90. 35 U.S.C. § 271(b).
91. Moba, B.V. v. Diamond Automation, Inc., 325 F.3d 1306, 1318 (Fed. Cir. 2003) (“Although § 271(b) does not use the word ‘knowingly,’ this court has uniformly imposed such a knowledge requirement.” (citations omitted)); Water Technologies Corp. v. Calco, Ltd., 850 F.2d 660, 668 (Fed. Cir. 1988) (“Although section 271(b) does not use the word ‘knowing,’ the case law and legislative history uniformly assert such a requirement.” (citation omitted)).
92. See, e.g., S. REP. No. 82-1979, at 8 (1952) (“Paragraph (b) recites in broad terms that one who aids and abets an infringement is likewise an infringer.”).
B. Intent Required for Induced Infringement Under 35 U.S.C. § 271(b)

While such manipulative schemes are certainly within the scope of induced infringement, defining the full range of actions and state of mind required by the inducer proved elusive. As a preliminary matter, the Federal Circuit held that the minimum requirement to establish that infringement was actively induced is a showing that the accused infringer engages in activities that are later determined to have infringed a patent directly and that the infringer intended those acts to take place. The actual full scope of the intent that was required for inducing infringement, however, was not so clear. As noted above, the statutory language is ambiguous: does an alleged infringer need to only intend to commit acts that are eventually shown to be infringement, or instead, does the accused infringer need to be aware of possible infringement and intend those acts to constitute infringement?

The Court of Appeals for the Federal Circuit notably addressed these issues in Hewlett-Packard v. Bausch & Lomb. There, Hewlett-Packard appealed from a grant for summary judgment by the district court that Bausch & Lomb had not actively induced infringement of Hewlett-Packard’s patent. The Federal Circuit recognized the statutory ambiguity regarding the level of knowledge or intent that is required to establish induced infringement under § 271(b). Judge Rich, writing for the court, noted the common law origins of both 271(b) and 271(c) in the pre-1952 “contributory infringement” cause of action. The court explored pre-1952 case law specifically evaluating the role of intent in “contri-

96. Mark A. Lemley, Inducing Patent Infringement, 39 U.C. DAVIS L. REV. 225, 238 (2005) ("While the specific intent requirement is well-established in the law, the Federal Circuit has been unable to agree on precisely what it is that a defendant must intend." (internal citations omitted)).
99. Id. at 1466. The invention at issue in Hewlett-Packard involved X-Y plotters used to create a two-dimensional plot. Id.
100. Id. at 1468.
101. Id.
butory infringement” and found that those decisions required intent on the part of the accused infringer to cause infringement.\footnote{102} The Federal Circuit also noted that contributory infringement under \$ 271(c) arose from the same common law origins as \$ 271(b) and required only proof of a defendant’s “knowledge, not intent, that his activity cause infringement.”\footnote{103} Accordingly, the court held that “proof of actual intent to cause the acts which constitute the infringement is a necessary prerequisite to finding active inducement.”\footnote{104} Bausch & Lomb did not display even that modicum of requisite intent and Hewlett-Packard’s challenge failed.\footnote{105}

Some courts and commentators have interpreted the Federal Circuit’s analysis in \textit{Hewlett-Packard} to require \textit{only} that the accused infringer intend to cause his or her actions to be liable for induced patent infringement.\footnote{106} In contrast, other courts have interpreted “actively” as requiring more than just the active pursuit by the alleged infringer.\footnote{107} For example, in \textit{Manville v. Paramount Systems}, the Federal Circuit stated that “[i]t 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.”\footnote{108} In light of these conflicting decisions, the Federal Circuit frankly stated in

\begin{footnotes}
\item[102] \textit{Id.} at 1469 (citing Henry v. A.B. Dick Co., 224 U.S. 1, 33-34 (1912); Thomson-Houston Electric Co. v. Ohio Brass Co., 80 F. 712, 721 (6th Cir. 1897); Tubular Rivet & Stud Co. v. O’Brien, 93 F. 200, 202-05 (C.C.D. Mass. 1898)).
\item[103] \textit{Hewlett-Packard}, 909 F.2d at 1469 (citing \textit{Aro Mfg. Co. v. Convertible Top Replacement Co. (Aro II)}, 377 U.S. 476, 485-86 (1964) (plurality)).
\item[104] \textit{Id.} (citation omitted).
\item[105] See \textit{id.} at 1469-70.
\item[106] Lemley, \textit{supra} note 96, at 238-39 (“The Hewlett-Packard court did not require that the defendant have any awareness of the patent, much less intend to infringe it, but simply that it intend to encourage the conduct that ultimately turned out to be infringing.” (internal citations omitted)). \textit{See also SEB v. Montgomery Ward & Co. 412 F. Supp. 2d 336, 344 (S.D.N.Y. 2006) (citation omitted).}
\item[107] See, e.g., \textit{Manville Sales Corp. v. Paramount Sys., Inc.}, 917 F.2d 544, 553 (Fed. Cir. 1990); \textit{Water Technologies Corp. v. Calco, Ltd.}, 850 F.2d 660, 668 (Fed. Cir. 1988) (a plaintiff must prove that once the alleged infringer knew of the patent, he or she also “actively and knowingly aid[ed] and abet[ted] another’s direct infringement.”); \textit{Sims v. Mack Trucks, Inc.}, 459 F. Supp. 1198, 1217 (E.D. Pa. 1978), rev’d on other grounds, 608 F.2d 87 (3d Cir. 1979) (“It appears . . . that . . . inducement requires acts which cause, urge, encourage or aid another to infringe and knowledge by the inducer that infringement is likely.”).
\item[108] \textit{Manville}, 917 F.2d at 553 (“The plaintiff has the burden of showing that the alleged infringer’s actions induced infringing acts \textit{and} that he knew or should have known his actions would induce actual infringements.”).
\end{footnotes}
2005 that there was a "lack of clarity" surrounding the intent required to prove induced infringement.\footnote{109. MercExchange, LLC v. eBay, Inc., 401 F.3d 1323, 1332 (Fed. Cir. 2005) (quoting Insituform Techs., Inc. v. CAT Contracting, Inc., 385 F.3d 1360, 1378 (Fed. Cir. 2004) (internal quotation omitted)), vacated on other grounds, 547 U.S. 388 (2006).}

The Federal Circuit sat en banc to resolve the conflicting precedents in DSU Medical Corporation v. JMS Co.\footnote{110. DSU Medical Corp. v. JMS Co., 471 F.3d 1293, 1297 (Fed Cir. 2006) (en banc). Section III.B of the decision was the only section considered en banc. DSU, 471 F.3d at 1304.} There, DSU sued JMS for direct, contributory, and inducing infringement of DSU's patent.\footnote{111. Id. at 1297. The invention at issue in DSU was a guarded, winged-needle assembly. Id.} The jury instructions regarding induced infringement stated that there must be "proof that the defendant [JMS] knowingly induced infringement with the intent to encourage the infringement . . . and [JMS] must have known or should have known than [sic] its action would cause the direct infringement."\footnote{112. Id. at 1305 (citation omitted).} DSU objected to that instruction on the basis that it did not comport with the standard articulated in Hewlett-Packard—namely, proof of intent to cause infringing acts is all that is required to establish inducement of infringement.\footnote{113. Id. at 1305 n.2 (citing Hewlett-Packard Co. v. Bausch & Lomb Inc., 909 F.2d 1464, 1469 (Fed. Cir. 1990)).} The en banc panel rejected DSU's argument, finding that "inducement requires evidence of culpable conduct, directed to encouraging another's infringement, not merely that the inducer had knowledge of the direct infringer's activities."\footnote{114. Id. at 1306 (citing Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 545 U.S. 913, 936 (2005); Manville Sales Corp. v. Paramount Sys., Inc., 917 F.2d 544, 553 (Fed. Cir. 1990)).}

C. Manner of Establishing Intent Under 35 U.S.C. § 271(b)

Even where courts hold that knowledge of the infringing nature of the acts is required, confusion surrounds how the requisite intent may be established. Some courts hold that active inducement requires a plaintiff to establish that an alleged inducing infringer "knew or should have known" that their actions would induce actual infringement.\footnote{115. Warner-Lambert Co. v. Apotex Corp., 316 F.3d 1348, 1363 (Fed. Cir. 2003) (citation omitted) (internal quotation marks omitted).} Other courts require that the defendant act with either actual or constructive knowledge that it was inducing
infringement of a valid patent. Still other courts require that the accused infringer be aware of the specific patent that would be infringed. The Federal Circuit, however, has ruled out the idea that "mere knowledge of possible infringement by others" amounts to inducement to infringe. Additionally, commentators have stated that the level of intent required for induced infringement is "certainly not mere willful blindness." In sum, courts have uniformly ascribed some form of knowledge and intent to their interpretation of induced infringement under § 271(b), though the specific type of intent and how it may be established was unclear.

V. IMPACT OF THE SUPREME COURT'S DECISION IN GLOBAL-TECH

The Supreme Court in Global-Tech clearly articulated the nature of the intent required for finding induced infringement under § 271(b) and identified a "willful blindness" standard to establish the accused infringer's state of mind. The holding on the nature of the intent would have been more appropriately supported by citation to the relevant precedent from the Federal Circuit. The application of the criminal doctrine of willful blindness to this civil matter, however, unnecessarily blended civil and criminal standards and could have been more artfully addressed by relying on precedent from the Federal Circuit.

A. Intent Required for Induced Infringement Under 35 U.S.C. § 271(b)

The Supreme Court correctly concluded that a party accused of infringement under § 271(b) must possess knowledge that the induced acts constitute patent infringement. The Court, however, omitted discussion of the most relevant precedent and conducted an unnecessary analysis of the intent required to establish induced infringement.

While its analysis began appropriately with a consideration of the statutory language, the Supreme Court inexplicably leapt to

117. See DSU, 471 F.3d at 1304 ("The requirement that the alleged infringer knew or should have known his actions would induce actual infringement necessarily includes the requirement that he or she knew of the patent." (citing Golden Blount, Inc. v. Robert H. Peterson Co., 438 F.3d 1354, 1364 n.4 (Fed. Cir. 2006))).
118. Warner-Lambert, 316 F.3d at 1364 (citing Manville, 917 F.2d at 554).
119. Lemley, supra note 96, at 237 (citation omitted).
120. See, e.g., id.; see also CHISUM, supra note 94.
case law that was decided prior to the codification of the Patent Act of 1952 and, therefore, addressed a non-statutory cause of action. In doing so, the Court disregarded fifty-nine years of precedent that includes principles already articulated by the Federal Circuit and its predecessor courts, derived from consideration of the exact statute at issue here, namely § 271(b). Similarly, the Court need not have leaned so heavily on the principles of copyright law articulated in Grokster or on the parallels to contributory patent infringement under § 271(c) discussed in Aro II. Federal Circuit decisions provide the most relevant and carefully considered precedent for consideration of the patent statute of § 271(b), and they should not have been ignored.

Turning to that precedent, the issue of whether the accused party was required to know that the induced acts constitute direct patent infringement was well settled by the Federal Circuit. As noted above, an en banc Federal Circuit held in DSU that both knowledge of the acts that induced the infringement and knowledge that the acts constituted direct infringement were required to demonstrate induced infringement. This legal standard did not require clarification by the Supreme Court.

Additionally, the Federal Circuit, in Hewlett Packard, already undertook the historical analysis and parallels between the intent components of §§ 271(b) and 271(c). There, Judge Rich reviewed the history of § 271(b) and evaluated the pre-1952 case law, with an emphasis on evaluating the intent component of the cause of action. In this case, the oversight of the Court in ignoring Hewlett Packard is glaring. To the degree that the Hewlett Packard decision was misinterpreted as requiring only the intent to cause the action by the third party (rather than the intent to cause infringement), the Federal Circuit in DSU resolved that conflict.

121. While the common law "contributory infringement" was split into contributory and induced infringement by the Patent Act without changing its scope, decisions relating to the statute at issue here (i.e., 271(b)) are per se more relevant, as they consider the specific statutory language. See Hewlett-Packard Co. v. Bausch & Lamb Inc., 909 F.2d 1464, 1469 (Fed. Cir. 1990).

122. DSU, 471 F.3d at 1306 (citing Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd., 545 U.S. 913, 936 (2005); Manville Sales Corp. v. Paramount Sys., Inc., 917 F. 2d 544, 553 (Fed. Cir. 1990)).

123. Hewlett-Packard, 909 F.2d at 1468-69.

124. As one of the drafters of the Patent Act and a judge on the Federal Circuit, Judge Rich is singularly qualified to conduct a discussion of induced infringement under § 271(b). KIEFF, supra note 93, at 24.

125. Beyond Hewlett Packard and DSU, Federal Circuit decisions regarding the intent required under § 271(b) are legion. See, e.g., Broadcom Corp. v. Qualcomm Inc., 543 F.3d
In sum, the Court should have simply adopted the previously articulated standard that was carefully considered and resolved en banc by the Federal Circuit. The Court’s holding regarding intent reflects a redundant effort and amounts to a waste of judicial resources.

The Supreme Court’s omission of relevant Federal Circuit precedent is peculiar in light of the amicus briefs before the Court. The relevant precedent (including *Hewlett Packard* and *DSU*) was cited and extensively discussed in the amicus curiae brief submitted by the Federal Circuit Bar Association ("FCBA"). That brief was submitted on behalf of neither party, but was aimed only at “seeking a correct interpretation of the patent laws.” The FCBA noted that the *DSU* court “pronounced that this Court’s ‘purposeful, culpable expression and conduct’ standard applied to the patent context” and further offered that the Court need “look no further than its own precedent—as approvingly applied to patent law by the Federal Circuit en banc” to reach this conclusion. Unfortunately, the Supreme Court overlooked this well-directed guidance.

B. Manner of Establishing Intent Under 35 U.S.C. § 271(b)

The second issue before the Court was how the requisite knowledge that the induced infringement under § 271(b) may be established. Justice Kennedy’s dissent appropriately criticizes the majority’s approach to resolving this issue. In this civil case, the Court veered haphazardly into criminal law and imported the “well established” doctrine of willful blindness. This detour was unneeded and inappropriate. Outside of its application in specia-
lized areas of law, *Global-Tech* marks the Supreme Court's first detailed discussion of the general use of willful blindness.\textsuperscript{131} Numerous questions swirled around this "well-established" doctrine, and guidance from the Supreme Court was long awaited by the criminal bar.\textsuperscript{132} A decision concerning patent infringement was an odd vessel to deliver that guidance.

In discussing willful blindness, the Court utilized criminal cases and the Model Penal Code to formulate the elements of willful blindness as "(1) the defendant must subjectively believe that there is a high probability that a fact exists, and (2) the defendant must take deliberate actions to avoid learning of that fact."\textsuperscript{133} Though based on a synthesis of previous decisions, this particular definition creates a new framework for evaluating willful blindness, both in criminal and civil proceedings.\textsuperscript{134} The Court eventually confessed that it "[could] see no reason why the doctrine should not apply in civil lawsuits. . . ."\textsuperscript{135}

The reasons the majority found so difficult to discern are manifold. As Justice Kennedy warned, the Supreme Court "appears to endorse the willful blindness doctrine here for all federal criminal cases involving knowledge."\textsuperscript{136} The implications of this recharacterization of criminal knowledge are likely to reverberate throughout the federal criminal bar.\textsuperscript{137} Moreover, the Court undertook this

\begin{itemize}
\item \textsuperscript{132} O'Toole, supra note 131, at 2 ("Thus, there were considerable disputes about the definition of willful blindness, the requisite foundation, whether it was synonymous with recklessness and whether giving a properly worded willful-blindness instruction can be reversible error." (internal citations omitted)).
\item \textsuperscript{133} *Global-Tech*, 131 S. Ct. at 2070.
\item \textsuperscript{134} O'Toole, supra note 131, at 3.
\item \textsuperscript{135} *Global-Tech*, 131 S. Ct. at 2069.
\item \textsuperscript{136} Id. at 2073.
\item \textsuperscript{137} Brian W. Walsh, *The Supreme Court's Willful Blindness Doctrine Opens the Door to More Wrongful Criminal Convictions*, WEBMEMO (Heritage Found., Wash., D.C.), June 30, 2011, at 1, 1, available at http://www.heritage.org/Research/Reports/2011/06/The-Supreme-
significant shift without any input from those whom it affects. Justice Kennedy correctly noted that the Court received no briefing on the interpretation of the willful blindness doctrine from the criminal bar.\textsuperscript{139} The Court should not have taken this significant step so rashly.

Additionally, the Court hedges application of its two-part test for willful blindness by saying a willfully blind defendant “can almost be said to have actually known the critical facts” and finding that this satisfied the \textit{actual} knowledge requirement for induced infringement, articulated earlier in the decision.\textsuperscript{139} Justice Kennedy’s criticism that “[t]he alleged inducer who believes a device is noninfringing cannot be said to know otherwise” is again appropriate.\textsuperscript{140} The Supreme Court’s application of the doctrine of willful blindness for induced infringement creates an unnecessary and awkward tension for both civil and criminal federal proceedings in which willful blindness is relevant.

The Supreme Court could have avoided both that tension and the repercussions for the federal criminal bar by tapping into more appropriate precedent. For example, the Federal Circuit has repeatedly considered the mechanism for establishing willful direct infringement under 35 U.S.C. § 271(a), and those standards would have been aptly applied here. Willful infringement under § 271(a) occurs where “a potential infringer has actual notice of another’s patent rights” and disregards those rights by infringing the patent.\textsuperscript{141} The “actual notice” component of willful direct infringement under § 271(a) is entirely analogous to the “knowledge that the induced acts constitute patent infringement” that the Court held to be required for induced infringement under its statutory neighbor, § 271(b).

In \textit{In re Seagate Technology, LLC}, the Federal Circuit extensively reviewed case law on the meaning of willfulness as a statutory condition for civil liability.\textsuperscript{142} The Federal Circuit cited to the Supreme Court decision of \textit{Safeco Insurance Co. of America v. Burr}, where assessment of punitive damages in a civil case was consi-
In that case, the Court found that the standard civil usage of "willful" included reckless behavior and, therefore, adopted a definition of willfulness that included not only actual knowledge, but also reckless disregard.\(^4\) The Federal Circuit applied this analysis to willful infringement and held that "to establish willful infringement, a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent."\(^5\) Once the objective standard is satisfied, the patentee must also establish that the risk of infringement "was either known or so obvious that it should have been known to the accused infringer."\(^6\)

The Federal Circuit employed a similar analysis for assessing induced infringement under § 271(b) in Manville, where it stated that "[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."\(^7\) In DSU, the concurring opinion noted that § 271(b) thus allows proving induced infringement through either actual or constructive knowledge.\(^8\) These standards developed in consideration of the civil torts of patent infringement are far preferable to the criminal law doctrine of willful blindness adopted by the Court in Global-Tech.\(^9\) At the very least, the Court could have applied the common law doctrines that accompany the jurisprudence of intentional torts, rather than obfuscate the matter entirely by confounding criminal mens rea with the intent required in these kinds of civil action.

Furthermore, while the stringent standard of willful blindness is well suited for criminal cases (where the burden for conviction is beyond a reasonable doubt), its application to claims of patent infringement (where the burden is a mere preponderance of the evidence) is wholly inappropriate.\(^10\) Forcing a plaintiff to establish

\(^{143}\) Id. at 1370 (citing Safeco Ins. Co. of Am. V. Burr, 551 U.S. 47, 56-57 (2007)).

\(^{144}\) Safeco, 551 U.S. at 68-69 (citing W. PAGE KEETON ET AL., PROSSER AND KEETON ON TORTS § 34 (5th ed. 1984)).

\(^{145}\) In re Seagate, 497 F.3d at 1371 (citing Safeco, 551 U.S. at 69).

\(^{146}\) Id.

\(^{147}\) Manville Sales Corp. v. Paramount Sys., Inc., 917 F.2d 544, 553 (Fed. Cir. 1990); see also DSU Medical Corp. v. JMS Co., 471 F.3d 1293, 1304 (Fed Cir. 2006) (en banc) (citing Manville with approval).

\(^{148}\) DSU, 471 F.3d at 1311 (Michel, C.J. & Mayer, J., concurring).

\(^{149}\) See Brief for FCBA, supra note 126, at 17-19 (urging the adoption of the analytical framework set forth in the objective test for willful infringement as set forth in Seagate).

\(^{150}\) KIEFF, supra note 93, at 819.
the intent of the accused infringer through willful blindness, rather than actual or constructive knowledge, undermines the protections offered to patentees by § 271(b). The ability of plaintiffs to succeed in proving induced patent infringement is greatly diminished under the new standards established in Global-Tech.

Rather than clarifying the landscape of patent law, the Supreme Court's decision in Global-Tech will instead sow confusion among the patent bar. For example, as discussed above, willful direct infringement under § 271(a) requires that an infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, where the risk of infringement was either "known or so obvious that it should have been known."151 This is, of course, very similar to the standard articulated by the Federal Circuit in Manville that applied to induced infringement prior to Global-Tech.152 The patent bar is now forced to question whether that well-established standard will fall victim to the same willful blindness analysis. Similarly, attorneys will now be forced to question other seemingly well-settled areas of patent law where intent plays a role in proving a cause of action.153

C. The Resulting Erosion of the Credibility of the Federal Circuit

The Court of Appeals for the Federal Circuit was established in 1982 to bring stability and predictability to patent law, which had become badly fractured and divergent among the various circuit courts of appeal.154 The Federal Circuit was granted exclusive jurisdiction over appeals of patent cases from federal district courts to allow a court to generate a single body of law for evaluating patent cases.155 As the sole appellate circuit court charged with interpretation of patent law, the Federal Circuit is responsible for maintaining order and defining standards in this specialized area of jurisprudence.

152. Manville, 917 F.2d at 553.
154. KIEFF, supra note 93, at 31 ("The Court of Appeals for the Federal Circuit was established in 1982 in a bipartisan effort to bring certainty and stability to U.S. patent law.").
The Federal Circuit has largely obtained those goals set forth in 1982. As stated by the Honorable Gerald J. Mossinghof: 156 “[a]lthough in no field of law as dynamic as patent law can there be 100% assurance of the outcome of any case, business executives and their counsel can now look to a coherent and consistent body of case law to guide their fundamental research and development decisions.” 157 The only way for that “coherent and consistent body of case law” to be maintained is if that case law is treated with appropriate respect by the Supreme Court. The Supreme Court is, of course, under no obligation to follow the precedent of lower courts. It has in the past, however, recognized the Federal Circuit’s “sound judgment” in other areas of patent law, calling such issues the “special expertise” of the court. 158

It is unclear that the Supreme Court still holds the Federal Circuit in such high regard. The past decade has seen a continuing trend of the Supreme Court reversing the Federal Circuit’s decisions and wholesale rejection of its analysis. 159 The Global-Tech opinion continues that trend. While the holding of the Federal Circuit was affirmed, the Supreme Court once again rejected the tests employed by that court. Moreover, both the majority and dissenting opinions are notable in their disregard for Federal Circuit precedent. Neither opinion cites to a single Federal Circuit case in evaluating the complex patent issues involved with assessing induced infringement under § 271(b). The result is a patchwork decision that is ungrounded in the relevant precedent and instead imports inapposite criminal concepts into this complex and highly specialized area of tort law. Needless to say, the Federal Circuit carefully evaluates the patent cases before it, tapping into a wealth of expertise and experience grounded in the jurisprudence of patents. The Supreme Court’s decision in Global-

156. Mr. Mossinghof is a former Assistant Secretary of Commerce and Commissioner of Patents and Trademarks. KIEFF, supra note 93, at 31-32. He played an instrumental role in establishing the Federal Circuit under the Reagan administration. Id.
157. Id.
158. Warner-Jenkinson Co., Inc. v. Hilton Davis Chem. Co., 520 U.S. 17, 40 (1997) (“We expect that the Federal Circuit will refine the formulation of the test for equivalence in the orderly course of case-by-case determinations, and we leave such refinement to that court’s sound judgment in this area of its special expertise.” (emphasis added)).
Tech continues the disturbing trend of eroding the relevance and impact of the Federal Circuit by casting a willfully blind eye across its considered and extensive precedent.

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