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Supreme Court Upholds Strong Presumption of Patent Validity

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The pro-patent community scored a major victory when the U.S. Supreme Court handed down a highly anticipated decision just recently, affirming that patent invalidity must be proved with “clear and convincing” evidence in patent litigation. Justice Sotomayor delivered the Opinion of the Court (unanimous 8–0 decision). Chief Justice Roberts did not participate in this case.

The patent statute states that an issued patent is “presumed valid” and the burden of establishing invalidity rests on the challenger. 35 U.S.C. § 282. But the patent statute does not explicitly specify the strength of this presumption—the standard by which the challenger must prove invalidity. The petitioner, Microsoft, argued that a lower “preponderance” standard is sufficient; the respondent, i4i, argued that a higher “clear and convincing” standard is required. The strength of the presumption is a key component of almost every patent litigation in the U.S. The U.S. Supreme Court gave its clear answer on Thursday—“We consider whether §282 requires an invalidity defense to be proved by clear and convincing evidence. We hold that it does.”

In its opinion, the Court explains that the “clear and convincing” standard is deeply rooted in common law. The opinion traces the root of common law to cases as early as *Coffin v. Ogden* in 1874, and relies heavily on its *RCA v. Radio Engineering Labs., Inc.* opinion in 1934. In the *RCA* opinion, Justice Cardozo wrote that “clear and cogent evidence” is required to overturn an issued patent. The Court held that this common law heightened standard had been well established when the Congress codified it in the Patent Act of 1952, and there is no reason to believe that the Congress intended otherwise. The Court reasoned that the heightened “clear and convincing” standard has been in use for decades while Congress kept fine-tuning the patent statutes many times; and had the Congress wanted a different standard, it would have modified the statute to reflect it. The Court also acknowledged various policy arguments from both sides (and numerous amici curiae) but does not address them. The Court held that “[a]ny re-calibration of the standard of proof remains in [the] hands [of the Congress].”

Microsoft also advocated for an alternative position—if a piece of information for challenging validity has not been considered by United States Patent and Trademark Office (USPTO) during the prosecution stage, the validity challenger is entitled to the lower “preponderance of evidence” standard for this piece of information during patent litigation. The Court rejected that argument. The Court agreed that the fact that some piece of information had not been considered by USPTO before may make it easier for the challenger to meet the “clear and convincing” standard; but the Court reasoned that it goes only to the weight of evidence and does not warrant a separate standard of proving invalidity. The Court, however, pointed out that a jury instruction to that effect should be given if requested. The Court then noted that Microsoft did not request such a jury instruction at trial, and its

insistence of such a jury instruction only in its reply appeal brief “comes far too late.”

This case had become a battleground between the pro-patent community and, for lack of a better phrase, the not-so-pro-patent community. This is evident from the numerous amicus briefs filed in this case. For example, many hi-tech heavyweights who have found themselves on the receiving end of multiple patent infringement suits, including Google, Apple, Intel, Yahoo!, Cisco, eBay, Verizon, Comcast, Facebook, Dell, and HP, filed amicus briefs in support of Microsoft and a lowered standard of proving patent invalidity; even General Motors and Wal-Mart filed briefs to support Microsoft. Meanwhile, the U.S. government, 3M, Genentech, Bayer AG, Biotechnology Industry Organization, Intellectual Property Owners Association, Intellectual Ventures Management, The Pharmaceutical Research and Manufacturers of America, and University Patent Owners and Licensees filed amicus briefs in support of i4i and the heightened present standard of proving patent invalidity. Some entities, such as American Intellectual Property Law Association, submitted amicus briefs in support of neither party. The Supreme Court’s decision in this case delivered the pro-patent community a victory for this battle round, but the war between the two communities continues, and will likely focus on the quantum of patent damages appropriate for infringement.

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