BRYAN CAVE
A Broader Perspective
Bulletin

Intellectual Property Client Service Group

To: Our Clients and Friends December 2, 2010

Supreme Court to Consider Three Patent Cases This Term

On Monday, November 29, 2010, the U.S. Supreme Court granted Microsoft's petition for a *writ of certiorari* in a case that questions the evidentiary standard for invalidating patents. *Microsoft Corp. v. i4i L.P.*, No. 10-290, 2010 WL 3392402 (S. Ct. 2010). Microsoft filed its petition after the U.S. Court of Appeals for the Federal Circuit affirmed a $290 million patent infringement judgment, and Microsoft asked the Supreme Court to reduce the evidentiary standard for invalidating a patent from "clear and convincing" evidence to a "preponderance of the evidence," at least in those instances in which the evidence of invalidity has not previously been considered by the United States Patent and Trademark Office ("PTO").

Pursuant to 35 U.S.C. § 282, an issued patent is presumed valid. The Federal Circuit has long held that this presumption may only be overcome by showing "clear and convincing evidence" of invalidity, and the Supreme Court has not directly ruled on the evidentiary standard for overcoming the presumption. However, in its 2007 decision in *KSR Int'l Co., v. Teleflex, Inc.*, 550 U.S. 398, the Supreme Court noted that "the rationale underlying the presumption — that the PTO, in its expertise, has approved the claim — seems much diminished" where the patentee "fail[ed] to disclose" the key prior art to the PTO. During oral argument in *KSR*, Justice Scalia derided the Federal Circuit's test for overcoming the presumption of validity with a finding obviousness as irrational "gobbledygook," and Chief Justice Roberts added that the test's only value seemed to be to enhance the patent bar's profitability.

Since 2001, the Supreme Court has reversed or vacated the Federal Circuit in a series of ten consecutive decisions, and the 2010-11 term may continue that streak with the *Microsoft* case and two other pending appeals. First, on October 12, 2010, the Court granted a *writ of certiorari* in *Global-Tech Appliances, Inc. v. SEB S.A.* (No. 10-6, 2010 WL 2629783) to decide the level of intent required for inducing infringement. Specifically, the Supreme Court will consider whether the legal standard for the "state of mind" for actively inducing infringement under 35 U.S.C. § 271(b) is "deliberate indifference of a known risk" that an infringement may occur or instead "purposeful, culpable expression and conduct" to encourage an infringement. Second, on November 1, 2010, the Court granted a *writ of certiorari* in *Board of Trustees of the Leland Stanford Junior University v. Roche Molecular Systems, Inc.* (No. 09-1159, 2010 WL 1180644). There, the Supreme Court will address

whether a federal contractor university's statutory right under the 1980 Bayh-Dole Act in inventions arising from federally funded research can be terminated unilaterally by an individual inventor through a separate agreement purporting to assign the inventor's rights in a future invention to a third party.

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