

INTELLECTUAL PROPERTY LITIGATION

ALERT

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2011U.S. SUPREME COURT AFFIRMS THE RULE THAT
PATENT INFRINGERS MUST PROVE INVALIDITY
DEFENSE BY CLEAR AND CONVINCING EVIDENCE*By Michael M. Carlson and Ronald J. Ventola II*

On Thursday, the Supreme Court affirmed the long-standing rule that in asserting patent invalidity under 35 U.S.C. § 282 as a defense to an infringement action, an alleged infringer must prove the patent invalid by clear and convincing evidence. This result was good news for patent owners, who faced the possibility that the Court would reduce the standard of proof for invalidating a patent. But there was good news for alleged infringers as well: in affirming the existing standard of proof, the Court stated its approval of a jury instruction that may make some patents easier to invalidate.

In *Microsoft Corp. v. i4i Limited Partnership*, Microsoft challenged the “clear and convincing” standard, arguing that the lower “preponderance of the evidence” standard should be used to overcome the presumption of patent validity created in section 282. Microsoft further argued that, even if the traditional “clear and convincing” evidence standard were applied to prior art that had been considered by the patent office during examination, the lower “preponderance of the evidence” should be applied to new prior art—that is, prior art not previously considered by the patent office in granting the patent.

With all eight justices participating in the decision concurring in the judgment, and seven justices concurring in the majority opinion by Justice Sotomayor, the Court rejected both of Microsoft’s arguments. First, the Court held that by codifying the common-law presumption of

patent validity, Congress implicitly adopted the heightened “clear and convincing” standard of proof that attached to the presumption of validity at common law. Second, in rejecting the argument that a lower standard of proof should be applied when considering prior art that was not before the patent office, the Court held that nothing in section 282’s text suggested that Congress intended to adopt a standard of proof that would rise and fall with the facts of each case.

The Court acknowledged that there were strong policy arguments both for and against a strong presumption of validity, but stated that it was in no position to judge the comparative force of those policy arguments. The Court noted that Congress had often amended section 282 in the nearly 30 years since the Federal Circuit had interpreted it to require clear and convincing proof, but Congress had never changed the standard of proof.

Although the Court refused to reduce the standard of proof for invalidating a patent, the Court approved a jury instruction that may make patents easier to invalidate when the alleged infringer presents new prior art to the jury. The Court observed that if the patent office did not have all material facts before it, the patent office’s considered judgment in granting the patent may lose significant force. As a result, the Court said that in most cases in which new prior art is present, the jury should be instructed to consider, in deter-

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mining whether the accused infringer has proved the defense of invalidity, that the jury had “heard evidence that the PTO had no opportunity to evaluate before granting the patent.” This type of instruction does not change the alleged infringer’s burden of proof; but when the alleged infringer presents new prior art as part of its defense, this type of instruction should make it easier to convince the jury that the patent is invalid. ♦

This document is a basic summary of legal issues. It should not be relied upon as an authoritative statement of the law. You should obtain detailed legal advice before taking legal action.

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