

Patents

Life Tech Asks High Court How It Can Induce Itself to Infringe Patent With U.K. Assembly

Life Technologies Corp. asked the Supreme Court June 26 to decide whether a company can “actively induce” itself to infringe a patent (*Life Techs. Corp. v. Promega Corp.*, U.S., No. 14-1538, review sought 6/26/15).

The company is seeking high court review of a U.S. Court of Appeals for the Federal Circuit ruling—in a case involving Promega Corp.’s patents related to a DNA identification kit—that would affect any company that ships components for assembly to an overseas subsidiary.

The Federal Circuit’s decision was one of several recently issued rulings on induced infringement, which is of great interest to the life sciences industry because medical treatment often involves multiple steps that are performed by different parties. Induced infringement can occur when third parties such as physicians and health centers allegedly commit or join in committing the infringing act but are induced to do so by someone else.

The court’s ruling in *Life Techs.* accepts the concept of “self-inducement” by the acts of subsidiaries.

Deborah Lu of Vedder Price PC, New York, wondered in a July 7 e-mail to Bloomberg BNA if the *Life Techs.* decision “is just the latest assault on diagnostic patents,” alluding to decisions such as the Supreme Court’s in *Mayo Collaborative Svs. v. Prometheus Labs., Inc.* (6 LSLR 519, 5/4/12) that found claims for the administration of a drug patent ineligible as reciting a law of nature. “The self-inducement issue seems off, but I am wondering if it’s really a warning to companies not to ship to foreign subsidiaries to avoid infringement issues,” Lu said.

Majority Says ‘Induced’ Means ‘to Cause.’ In December 2014, a 2-1 panel held that Life Tech was liable for inducement to infringe patents overseas under 35 U.S.C. § 271(f)(1), even though it shipped only one of five components of a DNA identification kit for assembly by its U.K. subsidiary (*Promega Corp. v. Life Techs. Corp.*, 773 F.3d 1338, 113 U.S.P.Q.2d 1181 (Fed. Cir. 2014) (9 LSLR 8, 1/9/15)).

The patents that the Federal Circuit found Life Tech had infringed are U.S. Patent Nos. 5,843,660; 6,221,598;

6,479,235; and 7,008,771, which Promega owns, and U.S. Patent No. RE 37,984, for which it is the exclusive licensee. All are directed to identifying a person’s unique DNA, such as for forensic science and paternity determinations.

The section of the patent law at issue, 35 U.S.C. § 271(f)(1), says:

Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer.

Using standard dictionaries, the majority said that to “induce” can be “to bring about, to cause,” and doesn’t necessarily require that another person or thing perform the induced activity.

Chief Judge Sharon Prost dissented, saying, “I read § 271(f)(1) and its requirement of active inducement to necessarily mean inducement of *another*.”

The court denied a petition for rehearing en banc March 2 (9 LSLR 246, 3/6/15).

The questions presented in Life Tech’s cert petition are:

1. Whether the Federal Circuit erred in holding that a single entity can “actively induce” itself to infringe a patent under 35 U.S.C. § 271(f)(1).
2. Whether the Federal Circuit erred in holding that supplying a single, commodity component of a multi-component invention from the United States is an infringing act under 35 U.S.C. § 271(f)(1), exposing the manufacturer to liability for all worldwide sales.

Impact Outside Life Sciences. Concern over the appeals court’s ruling extended beyond the life sciences parties and life sciences stakeholders.

For example, for the court’s consideration of the en banc rehearing petition, the Internet Association filed an amicus brief in support of Life Tech. The association’s brief said, “When a patent claims a computer system with certain operating capabilities, any number of common and non-inventive components—from a general-purpose computer to a monitor to a circuit board to a battery to countless electronic data files—may be individually necessary to render the system ‘operable.’ Under the majority’s lax standard, companies that ship or transmit such general-purpose components from the United States may be sued in U.S. courts for

damages based on worldwide sales of a system if a customer added other components overseas.”

Carter G. Phillips of Sidley Austin LLP, Washington, filed the petition. A response is due July 29. Seth P. Waxman of Wilmer Cutler Pickering Hale & Dorr, Washington, represented Promega before the Federal Circuit.

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