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## Patent Law Revisionism at the Supreme Court?

Ted Sichelman  
*University of San Diego*

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# Patent Law Revisionism at the Supreme Court?

Ted Sichelman\*

*The Supreme Court generally may overrule, revise, or disregard its precedent. However, the Court lacks such discretion when Congress codifies prior judicial precedent. Yet, the Court has repeatedly subverted Congress's codification of scienter standards for indirect patent infringement. This Essay describes in detail the Court's bungled—essentially revisionist—interpretations of its precedent in Aro Mfg. Co. v. Convertible Top Replacement Co. in 1964 and in Global-Tech v. SEB in 2011. Indeed, this Essay suggests that the Court in Global-Tech engaged in intentional obfuscation, very likely via a law clerk and unbeknownst to the Justices. In the very least, the Justices abdicated their responsibility to fully review the applicable cases and legislative history in forming the decision.*

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## INTRODUCTION

When Congress passes a statute codifying judicial doctrine, the judiciary is expected to read that doctrine with fidelity. To do otherwise would of course subvert the intent of Congress. However, in the context of the appropriate scienter standard for indirect patent infringement, this Essay argues that the Court has not once, but twice, engaged in such subversion—first in 1964 in *Aro Mfg. Co. v. Convertible Top Replacement Co. (Aro II)*<sup>1</sup> and again in 2011 in *Global-Tech v. SEB*.<sup>2</sup> Indeed, this Essay suggests that in *Global-Tech*, the Court very likely engaged in intentional obfuscation of the applicable judicial doctrine in order to reach a result it sought on policy grounds. Although it is unlikely that the individual Justices were aware of such obfuscation—rather, it was likely the machinations of a law clerk straining to reach the Court’s desired outcome in the case—the Justices’ ostensible failure to review the relevant case law and legislative history in sufficient detail was a gross dereliction of their judicial duties.

Indirect infringement covers activities that are akin to aiding and abetting direct patent infringement.<sup>3</sup> Two provisions in the Patent Act of 1952 codify long-standing patent doctrine deriving from tort law that those who aid and abet direct infringement shall be liable for indirect infringement. In the 1952 Patent Act there is a specific provision, section 271(c), which covers “contributory infringement” for supplying a component that is especially adapted for use in a direct infringement. Section 271(c) states in relevant part:

Whoever . . . sells . . . a component of a patented machine, manufacture, combination or composition . . . knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.<sup>4</sup>

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1. 377 U.S. 476 (1964).

2. 131 S. Ct. 2060 (2011).

3. Direct patent infringement arises from the unauthorized making, using, selling, offering to sell, importing, and in limited instances, exporting, the *entire* claimed product, composition of matter, or process. See 35 U.S.C. § 271(a), (f), (g) (2012) (defining patent infringement); see also *Prouty v. Draper, Ruggles & Co.*, 41 U.S. (16 Pet.) 336, 340 (1842) (holding that all elements of a patent must be present for direct infringement liability).

4. 35 U.S.C. § 271(c).

The 1952 Act also provides for liability for “inducement” of infringement in section 271(b), which states that “[w]hoever actively induces infringement of a patent shall be liable as an infringer.”<sup>5</sup> Contributory infringement and inducement of infringement fall under the general rubric known as “indirect infringement.”<sup>6</sup> Notably, unlike direct infringement, which effectively sounds in strict liability, courts have read both indirect infringement provisions as including scienter thresholds. Specifically, (1) for inducing infringement, courts have required specific intent to further the acts of direct infringement and (2) for contributory infringement, knowledge that the component sold is especially adapted for use in a directly infringing product or process.<sup>7</sup>

Yet, each provision is ambiguous as to whether the indirect infringer must also have knowledge of the patent-at-issue to be held liable. Section 271(c) states that the infringer must “know[] the [component] to be . . . especially adapted for use *in an infringement of such patent*.”<sup>8</sup> Does that mean the accused infringer must only know the component is especially adapted for a product that happens to infringe “such patent?” Or must the accused infringer also know of the patent covering the product? Section 271(b) states in relevant part “[w]hoever actively induces infringement of a patent” shall be liable.<sup>9</sup> Does such inducement merely require intent to induce acts that happen to infringe? Or must the accused

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5. *Id.* § 271(b).

6. Prior to the 1952 Act, many commentators referred to what is now termed “indirect infringement” as “contributory infringement.” However, most commentators today use “contributory infringement” to refer to infringing activities under section 271(c) stemming from the sale of a component of an infringing product, and “inducing infringement” to refer to general aiding and abetting under section 271(b). These two sections, along with certain exporting activities under section 271(f), now constitute the category of “indirect infringement.” See 35 U.S.C. § 271(f) (incorporating in substantial part the scienter standards of sections 271(b) and 271(c)); CHISUM ON PATENTS § 17.04[2] (2010) (discussing indirect infringement); see also *Trs. of Columbia Univ. v. Roche Diagnostics GMBH*, 150 F. Supp. 2d 191, 205 n.36 (D. Mass. 2001) (“Prior to the enactment of 35 U.S.C. § 271 (the Patent Act of 1952), there was no statute that defined what constituted infringement. Infringement was divided under the common law into ‘direct infringement’ (the unauthorized making, using or selling of the patented invention) and ‘contributory infringement’ (a theory of joint tortfeasance, where an actor, though not technically making, using or selling a patented invention, nevertheless displayed sufficient culpability to be held liable as an infringer.)”); *Jones v. Radio Corp. of Am.*, 131 F. Supp. 82, 83–84 (S.D.N.Y. 1955) (noting that section 271(b) “includes in its definition of ‘infringer’ a person who does that which the courts had previously held to be contributory infringement wherein there was intent to infringe, but not necessarily the sale of a component part of a combination patent. It protects against one who aids and abets the direct infringer”).

7. See CHISUM ON PATENTS § 17.04[2] (2013) (discussing knowledge and intent requirements in cases of infringement).

8. 35 U.S.C. § 271(c) (emphasis added).

9. *Id.* § 271(b).

infringer know of the precise patent those acts infringe?

The issue is one of great importance because numerous potential infringers do not have actual knowledge of the patent at the time of suit.<sup>10</sup> As recounted below, in two cases—*Aro II* and *Global-Tech*—the Court held that knowledge of the patent is required for a showing of indirect infringement. Although the Court held in *Global-Tech* that “willful blindness” could suffice for knowledge, the test is fairly strict and is unlikely to capture the vast majority of third parties who might otherwise indirectly infringe a patent but for the Court’s knowledge-of-the-patent requirement.

Here, this Essay argues that *Aro II* and *Global-Tech* were wrongly decided—indeed, examples of patent law “revisionism” in which the Court grossly misread, and in *Global-Tech* arguably obfuscated, the historical case law and related legislative history. As noted earlier, Congress stated clearly when it passed the 1952 Act that it was codifying the historical scienter standard for indirect infringement. As described below, this historical standard did *not* require actual knowledge of the patent-at-issue. Rather, opinions from the Supreme Court and lower courts from the mid-19th century through the passage of the 1952 Act repeatedly held that aiding and abetting direct patent infringement required at most *specific intent* merely to further the *acts* that constituted direct infringement.<sup>11</sup> Other than a few lines of aberrant dicta in one case, the Supreme Court never required knowledge by the aider and abettor that he was assisting in the breach of a legal duty (i.e., infringement of a known patent).<sup>12</sup> Only one lower court opinion of many held otherwise.<sup>13</sup> As a late 19th century article canvassing the case law succinctly stated: “If he intentionally contributed to the *act*, which the Court holds to be an infringement of the patent, he is [an indirect] infringer, and his actual lack of knowledge of the existence of the patent will not excuse him.”<sup>14</sup> This view persisted through the first half of the 20th century and was black-letter law at the time of the passage of the 1952 Patent Act.<sup>15</sup> Given this

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10. Cf. Christopher A. Cotropia & Mark A. Lemley, *Copying in Patent Law*, 87 N.C. L. REV. 1421 (2009) (finding that actual copying of the patent by the accused infringer is infrequent).

11. See *infra* notes 32–34 and accompanying text (noting that only a finding of specific intent that the items be used with the patented item was required to find liability).

12. See *infra* Part I (discussing the historical development of the doctrine of indirect infringement).

13. See *infra* note 40 and accompanying text (commenting on the aberrant decision in *Tubular Rivet & Stud Co. v. O’Brien*, 93 F. 200 (C.C.D. Mass. 1898)).

14. Hubert Howson, *Contributory Infringement of Patents*, ELECTRICAL ENGINEER, Feb. 20, 1895, at 174, 175, available at <http://books.google.com/books?id=UbvAAAAAMAAJ&dq=Howson%2C%20contributory%20infringement%20patents&pg=PA174#v=onepage&q=Howson,%20contributory%20infringement%20patents&f=false>.

15. Patent Act of 1952, 35 U.S.C. § 271 (2012).

clear historical precedent and Congress's intent to codify such precedent in the 1952 Act, *Aro II* and *Global-Tech* can only be read as subversions of Congress's intent.

Part I of this Essay sets forth the historical background of the role of scienter of indirect infringement in patent law, showing that it did not include a knowledge-of-the-patent requirement. Part II begins by recounting Congress's adoption of this historical scienter standard when it enacted statutory provisions codifying most of the applicable case law in the Patent Act of 1952. Then, Part II describes the Court's subsequent bungled interpretations of this codified standard in its decisions in *Aro II* and *Global-Tech*. Based on this analysis, this Essay suggests that the Court in *Global-Tech*—probably via one of its law clerks and without the knowledge of the Justices—engaged in intentional obfuscation of the case law, and in the very least, abdicated its responsibility to fully review the applicable cases and legislative history in forming its decision.<sup>16</sup> This Essay concludes with some speculations as to why this apparent result transpired.<sup>17</sup>

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16. Nearly all of the recent articles addressing the scienter requirement for indirect infringement prior to the Court's ruling in *Global-Tech* largely engage in policy-driven analysis to reach their proposals, overlooking much of the relevant historical case law and related legislative history in their analyses, focusing instead on Supreme Court and Federal Circuit cases mostly bereft of pertinent historical discussion. See, e.g., Timothy R. Holbrook, *The Intent Element of Induced Infringement*, 22 SANTA CLARA COMPUTER & HIGH TECH. L.J. 399, 408 (2006); Tal Kedem, *Secondary Liability For Actively Inducing Patent Infringement: Which Intentions Pave The Road?*, 48 WM. & MARY L. REV. 1465, 1489–90 (2007); Eric L. Lane, *The Federal Circuit's Inducement Conflict Resolution: The Flawed Foundation and Ignored Implications of DSU Medical*, 6 J. MARSHALL REV. INTELL. PROP. L. 198, 202 (2007); Vivian Lei, *Is the Doctrine of Inducement Dead?*, 50 IDEA 875 (2010); Mark A. Lemley, *Inducing Patent Infringement*, 39 U.C. DAVIS L. REV. 225 (2005); Lynda J. Oswald, *The Intent Element of "Inducement to Infringe" Under Patent Law: Reflections on Grokster*, 13 MICH. TELECOMM. & TECH. L. REV. 225, 231 (2006); Michael N. Rader, *Toward a Coherent Law of Inducement to Infringe: Why the Federal Circuit Should Adopt the Hewlett-Packard Standard for Intent Under § 271(b)*, 10 FED. CIR. B.J. 299 (2000). One exception is an article by Charles Adams, in which he canvasses much of the historical case law. See Charles W. Adams, *A Brief History of Indirect Liability for Patent Infringement*, 22 SANTA CLARA COMPUTER & HIGH TECH. L.J. 369 (2006). Yet, Adams does not parse the language of the historical cases carefully, incorrectly concluding that the historical cases contained an "inten[t] to cause infringement" requirement, rather than merely intent to cause acts (that happen to infringe). *Id.* at 372–73. For the reasons presented below, such a view is incorrect. See *infra* Part I (discussing historical cases holding that knowledge of infringement is not required to prove indirect infringement).

17. Portions of this Essay appeared in an amicus brief I submitted to the Supreme Court in *Global-Tech* as well as an earlier version of this Essay. See Brief of Law Professors as Amici Curiae in Support of Respondent, *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011) (No. 10-6), available at <http://ssrn.com/abstract=1734376>; Ted Sichelman, *Minding Patent Infringement* (San Diego Legal Studies Paper No. 11-051, Jan. 17, 2011), available at <http://ssrn.com/abstract=1734380>. Since that time, one student note has heavily relied upon my arguments to make similar ones, though not in as comprehensive a fashion as made here. See

## I. THE HISTORICAL DOCTRINE OF INDIRECT INFRINGEMENT

Early cases in the Supreme Court held that the manufacture, sale, or use of some—but not all—of the parts of a combination patent does not constitute infringement. For instance, in 1842, the Court held in *Prouty v. Draper, Ruggles & Co.* that “[t]he use of any two of these [three patented] parts only . . . is, therefore, not the thing patented.”<sup>18</sup> Similarly, in 1863, the Court stated in *Eames v. Godfrey* that if the accused infringer “used all the parts but one, and for that substituted another mechanical structure substantially different in its construction and operation, but serving the same purpose, he was not guilty of an infringement.”<sup>19</sup>

In 1871, in *Wallace v. Holmes*,<sup>20</sup> however, a lower court modified the default rule by adopting a general doctrine of “indirect” (or as it was called until 1952, “contributory”) infringement.<sup>21</sup> The patent-in-suit concerned an improved lamp, which consisted of a multitude of components, including a “glass chimney” and a “burner.”<sup>22</sup> The accused infringers manufactured and sold the burners, but not the chimneys, and argued under the rule of *Prouty* and *Eames* that they should not be liable for infringement, because they “sold only some of the parts included in the patented combination.”<sup>23</sup>

Nevertheless, the *Wallace* court rejected the proffered defense.<sup>24</sup> It specifically noted that the defendants “have exhibited their burner furnished with a chimney, using it in their sales room, to recommend it

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Karthik Kumar, Note, *Of Deep-Fryers and (Semiconductor) Chips: Why Ignorance of a Patent is No Excuse for its Indirect Infringement*, 40 AIPLA Q.J. 727 (2012). An article by Jason Rantanen reviews some of the relevant historical case law and provides a brief critique of the reasoning and holding in *Global-Tech* en route to his more general theory of “fault” in patent law, but nothing on the order of this Essay. See Jason Rantanen, *An Objective View of Fault in Patent Infringement*, 60 AM. U. L. REV. 1575 (2011). One practitioner argues mistakenly that the legislative history supports the Court’s holdings in *Aro II* and *Global-Tech*. Donna P. Gonzales, *Legislative Intent Supports a Patent Knowledge Requirement*, 40 COLO. LAW. 61 (Nov. 2011). This article is addressed further below. See *infra* notes 94, 110.

18. 41 U.S. (16 Pet.) 336, 341 (1842).

19. 68 U.S. (1 Wall.) 78, 80 (1863).

20. 29 F. Cas. 74 (C.C. Conn. 1871) (No. 17,100).

21. One commentator posits that the use of patent claims, which were not required until 1870, see Patent Act of 1870, ch. 230, § 22, 16 Stat. 198, 201 (repealed 1952), led to the need for a separate doctrine of indirect infringement. See Edwin M. Thomas, *The Law of Contributory Infringement*, 21 J. PAT. OFF. SOC’Y 811, 813 (1939) (“There was no great need then for the doctrine of contributory infringement but after the act mentioned required the patentee to define, by means of claims, the limits of his invention it was soon found that claims often imposed technical limitations which made it hard for the patentee to enforce his just rights against wrongdoers.”).

22. *Wallace*, 29 F. Cas. at 79.

23. *Id.*

24. *Id.* at 79–80.

to customers, and prove its superiority, and, therefore, as a means of inducing the unlawful use of the complainants' invention."<sup>25</sup> Drawing on principles from the common law of torts, the court found that the defendants "have done this for the express purpose of assisting, and making profit by assisting, in a gross infringement of the complainants' patent."<sup>26</sup>

The court recognized that, if it did not allow recovery for contributory infringement:

[The patentee] would be driven to the task of searching out the individual purchasers for use who actually place the chimney on the burner and use it—a consequence which, considering the small value of each separate lamp, and the trouble and expense of prosecution, would make the complainants helpless and remediless.<sup>27</sup>

Although the *Wallace* court's test might casually be read to require knowledge of the patent, the court held that scienter turned on the "certain knowledge that such burners are to be used, as they can only be used, by the addition of a chimney."<sup>28</sup> Thus, the *Wallace* decision—which is the progenitor of all indirect infringement opinions and has been cited with approval by the Supreme Court<sup>29</sup>—emphatically did not require any knowledge of the patent for a finding of indirect infringement.<sup>30</sup>

About a decade after *Wallace v. Holmes*, in *American Cotton-Tie Co. v. Simmons*,<sup>31</sup> the Supreme Court relied on two lower court opinions that implemented the *Wallace* rule to find that the sale of a component used in an infringing combination constituted infringement when "the defendants prepare and sell the [component] . . . intending to have it

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25. *Id.* at 80.

26. *Id.* ("In such case, all are tort-feasors, engaged in a common purpose to infringe the patent, and actually, by their concerted action, producing that result.")

27. *Id.*

28. *Id.*

29. See *Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176, 179–80 (1980) ("The idea that a patentee should be able to obtain relief against those whose acts facilitate infringement by others has been part of our law since *Wallace v. Holmes* . . ."); *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.*, 152 U.S. 425, 433 (1894) ("There are doubtless many cases to the effect that the manufacture and sale of a single element of a combination, with intent that it shall be united to the other elements, and so complete the combination, is an infringement." (citing *Wallace*)).

30. See Odin B. Roberts, *Contributory Infringement of Patent Rights*, 12 HARV. L. REV. 35, 37 (1898) ("The act was found to be wrongful because of the obvious intent of the defendants to make the burner for use only with another thing which the user was to supply."); cf. *Dawson Chemical*, 448 U.S. at 188 ("Yet the court [in *Wallace*] held that there had been 'palpable interference' with the patentee's legal rights, because purchasers would be certain to complete the combination, and hence the infringement, by adding the glass chimney.")

31. 106 U.S. 89 (1894).



used . . . to produce the results set forth in the [asserted] patents.”<sup>32</sup> Importantly, consistent with the common law of torts, the Supreme Court merely required *specific intent* on the part of the alleged infringer that the component be used in the combination *that happened to be infringing*, but not that the alleged indirect infringer *know* of the patent covering the combination.<sup>33</sup>

Specifically, regarding the sale of a tie (the unpatented component) for use in baled cotton (the patented product), the Court found:

They [i.e., the accused infringers] sell the tie having the capacity of use in the manner described, and intended to be so used. Only the bale of cotton and the press are needed to produce the result set forth in the specifications of the patents, and without the bale of cotton and the press the tie would not be made or sold. The slot through the end-bar of the buckle in the Cook patent is of no practical use apart from the band and the bale of cotton . . . and, although a person who merely makes and sells the buckle or link in each case may be liable for infringing those patents, he is so liable only as he is regarded as doing what he does *with the purpose of having the buckle or link combined with a band and used to bale cotton*.<sup>34</sup>

In other words, in *American Cotton-Tie*, the Supreme Court merely focused on the indirect infringers’ specific intent with respect to the direct infringer’s acts, rather than knowledge of the patent-at-issue.

In 1894, in *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.*,<sup>35</sup> the Supreme Court cited *Wallace v. Holmes* and other cases<sup>36</sup> for the proposition that “the manufacture and sale of a single

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32. *Id.* at 95. The Court cited *Saxe v. Hammond*, 21 F. Cas. 593 (C.C. Mass. 1875) (No. 12,411) and *Bowker v. Dows*, 3 F. Cas. 1070 (C.C. Mass. 1878) (No. 1,734), both of which in turn cited *Wallace v. Holmes*. In citing *Wallace*, the *Saxe* and *Bowker* courts reaffirmed that specific intent with respect to the direct infringer’s acts—not knowledge of the patent-in-suit—was of central concern. See *Bowker*, 3 F. Cas. at 1071 (“Where the patent was for a combination of the burner and chimney of a lamp, and the defendant made and sold the burner intending that it should be used with the chimney, he was held by Judge Woodruff to be liable as an infringer.”); *Saxe*, 21 F. Cas. at 594 (“Different parties may all infringe, by respectively making or selling . . . one of the elements of a patented combination, provided those separate elements are made for the purpose, and with the intent, of their being combined by a party having no right to combine them.”).

33. *American Cotton-Tie*, 106 U.S. at 95.

34. *Id.* at 94–95 (emphasis added); see also *id.* at 95 (“Because the defendants prepare and sell the arrow tie, composed of the buckle or link and the band, intending to have it used to bale cotton and to produce *the results* set forth in the Cook and the McComb patents, they infringe those patents.” (emphasis added)).

35. 152 U.S. 425 (1894).

36. Oddly, *Morgan Envelope* did not cite the Court’s earlier opinion in *American Cotton-Tie*, which led the Court in *Dawson Chemical* to mistakenly note “[t]he doctrine of contributory infringement was first addressed by this Court in *Morgan Envelope*.” *Dawson Chem. Co. v. Rohm & Haas Co.*, 448 U.S. 176, 189 (1980) (citation omitted).

element of a combination, with intent that it shall be united to the other elements, and so complete the combination, is an infringement.”<sup>37</sup> Importantly, the Supreme Court again held that specific intent as to the direct infringer’s *act* to combine the component with other elements so as to create a combination (that happened to be patented) was the relevant scienter inquiry—and not whether the alleged contributory infringer knew it was aiding infringement per se, i.e., had knowledge of the patent-in-suit.<sup>38</sup>

In the following years, numerous lower court cases cited to the holding of *Wallace v. Holmes* as well as to the Supreme Court’s adoption of the *Wallace* rule in *American Cotton-Tie* and *Morgan Envelope*.<sup>39</sup> Nearly all of these lower court cases adhered to the established rule that the scienter required for indirect infringement is specific intent with respect to the direct infringer’s acts, but not knowledge of the patent-at-issue.<sup>40</sup>

37. *Morgan Envelope*, 152 U.S. at 433.

38. The Court ultimately held in *Morgan Envelope* that contributory infringement did not apply “where the element made by the alleged infringer is an article of manufacture perishable in its nature.” *Id.*

39. See, e.g., *Renwick v. Pond*, 20 F. 536, 540 (C.C.N.Y. 1872) (citing *Wallace*); *Saxe v. Hammond*, 21 F. 593, 594 (C.C. Mass. 1875) (citing *Prouty v. Ruggles*, *Byam v. Farr*, *Foster v. Moore*, and *Eames v. Godfrey*); *Rumford Chem. Works v. Hecker*, 20 F. Cas. 1342, 1346 (C.C.N.J. 1876) (No. 12,134) (citing *Wallace* and *Renwick v. Pond*); *Richardson v. Noyes*, 20 F. Cas. 723, 724 (C.C. Mass. 1876) (No. 11,792) (“[T]his makes them in law infringers, if their standards, when combined with the carriages in the mode in which they are designed to be combined, infringe the patent.”); *Bowker v. Dows*, 3 F. 1070, 1071 (C.C. Mass. 1878) (citing *Wallace*); *Holly v. Mach. Co.*, 4 F. 74, 79 (C.C. Vt. 1880) (citing *Wallace*); *Boyd v. Cherry*, 50 F. 279, 282 (C.C. Iowa 1883) (citing *Wallace*); *Travers v. Beyer*, 26 F. 450, 450 (C.C.N.Y. 1886) (citing *Wallace*); *Alabastine Co. v. Payne*, 27 F. 559, 560 (C.C.N.Y. 1886) (citing *Wallace* and *American Cotton-Tie*); *Snyder v. Bunnell*, 29 F. 47, 48 (C.C.N.Y. 1886) (citing *Wallace* and *American Cotton-Tie*); *Celluloid Mfg. Co. v. Am. Zylonite Co.*, 30 F. 437, 439–40 (C.C.N.Y. 1887) (noting the defendant “has become, to the extent to which it employs the [patented] improvement, an infringer”); *Heaton Peninsular Button Fastener Co. v. Eureka Specialty Co.*, 77 F. 288, 297 (6th Cir. 1896) (citing *Wallace*, *American Cotton-Tie*, and *Morgan Envelope*); *Shickle, Harrison & Howard Iron Co. v. St. Louis Car-Coupler Co.*, 77 F. 739, 743 (8th Cir. 1896) (citing *Wallace* and *American Cotton-Tie*); *Thomson-Houston Elec. Co. v. Kelsey Elec. Ry. Specialty Co.*, 75 F. 1005, 1007 (2d Cir. 1896) (citing *Wallace* and *American Cotton-Tie*); *Thomson-Houston Elec. Co. v. Ohio Brass Co.* (*Thomson-Houston II*), 80 F. 712, 721 (6th Cir. 1897) (citing *Wallace*, *American Cotton-Tie*, and *Morgan Envelope*); *Red Jacket Mfg. Co. v. Davis*, 82 F. 432, 439 (7th Cir. 1897) (citing *Wallace*); *Am. Graphophone Co. v. Leeds*, 87 F. 873, 878 (C.C.S.D.N.Y. 1898) (finding liability where “[t]he design of the defendants’ machine, and their intent in selling it, are to have it used in connection with the engraved sound record of the complainant”); *Loew Filter Co. v. German Am. Filter Co.*, 107 F. 949, 950 (6th Cir. 1901) (citing *Heaton Peninsular Button Fastener Co. v. Eureka Specialty Co.*, *Edison Electric Light Co. v. Peninsular Light*, and *Thomson-Houston*); *Canda v. Mich. Malleable Iron Co.*, 124 F. 486, 489 (6th Cir. 1903) (citing *Heaton* and *Edison*); *James Heekin Co. v. Baker*, 138 F. 63, 66 (8th Cir. 1905) (Van Devanter, Circuit Judge) (citing *Heaton* and *Edison*).

40. See *supra* note 39 (citing cases). The only exception appears to be *Tubular Rivet & Stud Co. v. O’Brien*, which misread several earlier opinions to incorrectly find “that a necessary condition of the defendant’s guilt is his knowledge of the complainant’s patent.” 93 F. 200, 202–

In this regard, the *Thomson-Houston* line of cases is of particular note. In 1896, in *Thomson-Houston Elec. Co. v. Kelsey Elec. Railway Specialty Co. (Thomson-Houston I)*,<sup>41</sup> the court quoted *Wallace v. Holmes* and a number of other post-*Wallace* cases for the proposition that the sale of components “which are useful only for the purpose of performing functions involved in the operation of the patent . . . raises a presumption that [the accused infringers] intend their [components] should be so used.”<sup>42</sup> And like *Wallace v. Holmes*, while the language used in *Thomson-Houston I*—e.g., “the intentional aiding of one person by another in the unlawful making or selling or using of the patented invention”<sup>43</sup>—could be indiscriminately interpreted to require knowledge of the patent for a finding of contributory infringement, a careful reading shows that such knowledge was not at issue in that case nor in the ones it cites.<sup>44</sup>

The author of an article briefly cited in *Thomson-Houston I* (and later cited in *Global-Tech*)<sup>45</sup> reviewing many of the 19th century cases confirmed that intent as to the direct infringer’s acts, not knowledge of the patent-in-suit, was the relevant concern in making the scienter standard of contributory infringement:

The principle [of contributory infringement] requires an intention on the part of the defendant to participate *in the act* which constitutes the infringement. *By this it is not meant that the party must have known of the patent and intended to infringe it.* If he intentionally contributed to *the act*, which the Court holds to be an infringement of the patent, he is an infringer, and his actual lack of knowledge of the patent will not excuse him. The publication of patents is assumed in law to be sufficient notice to the public of their existence.<sup>46</sup>

Similarly, one of the leading patent law treatises of the late 19th century stated, “To make or sell a single element, with the intent that it shall be united to the other elements, and so complete the combination, is infringement.”<sup>47</sup>

In *Thomson-Houston Elec. Co. v. Ohio Brass Co. (Thomson-Houston*

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05 (C.C.D. Mass. 1898).

41. 72 F. 1016 (C.C. Conn. 1896).

42. *Id.* at 1018.

43. *Id.* at 1017 (quoting Howson, *supra* note 14, at 174).

44. *See id.* at 1017–19 (discussing the scienter required to prove intent to infringe).

45. *See infra* notes 145–47.

46. Howson, *supra* note 14, at 175 (emphasis added).

47. 3 WILLIAM CALLYHAN ROBINSON, *THE LAW OF PATENTS FOR USEFUL INVENTIONS* 101 (Boston, Little, Brown, & Co. 1890).

*II*),<sup>48</sup> the majority opinion—written by then-Sixth Circuit Judge William Howard Taft—arrived at the same conclusion as *Thomson-Houston I* regarding the appropriate scienter standard:

[W]here 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 and is equally liable to the patentee with him who in fact organizes the complete combination.<sup>49</sup>

Judge Taft also remarked, “An infringement of a patent is a tort analogous to trespass . . . . From the earliest times, all who take part in a trespass, either by actual participation therein or by aiding and abetting it, have been held to be jointly and severally liable for the injury inflicted.”<sup>50</sup> In this regard, the standard common law rule in tort for specific intent is that the aider and abettor must intend to encourage the acts of the direct tortfeasor, but need not know that the direct tortfeasor’s acts are unlawful.<sup>51</sup>

In 1907, in *Cortelyou v. Johnson & Co.*,<sup>52</sup> the Supreme Court briefly addressed a claim of indirect infringement and a separate claim for inducement of breach of contract for the sale of ink for use with a patented machine, the “Neostyle,” which by the terms of its sale was to be used with the seller’s ink.<sup>53</sup> In dismissing the claims, the Court wrote:

True, the defendant filled a few orders for ink to be used on a rotary Neostyle, but it does not appear that it ever solicited an order for ink to be so used, that it was ever notified by the plaintiffs of the rights which they claimed, or that anything which it did was considered by them an infringement upon those rights. Further, none of the chief executive officers of the company had knowledge of the special character of the rotary Neostyle machine or the restrictions on the purchase of supplies.<sup>54</sup>

Some commentators have read the Court’s argument regarding

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48. 80 F. 712 (6th Cir. 1897).

49. *Id.* at 721 (emphasis added).

50. *Id.*

51. See RESTATEMENT (FIRST) OF TORTS § 876(a) (1939) (“For harm resulting to a third person from the tortious conduct of another, a person is liable if he . . . orders or induces such conduct, knowing of the conditions under which the act is done or intending the consequences which ensue . . . .”); see also *id.* § 876(b) (indicating that although knowledge of the legal duty may be sufficient to meet the scienter requirement, it is not the sole way to do so).

52. 207 U.S. 196 (1907).

53. See *id.* at 198–99 (explaining that the machine was sold subject to a license displayed on the machine that required that paper, ink, and all other supplies used with the machine be made by the Neostyle Company and that defendant company sold its ink to the owners of the Neostyle machine).

54. *Id.* at 200.

notification “by the plaintiffs of the [patent] rights” as requiring knowledge of the patent for indirect infringement.<sup>55</sup> However, this interpretation is unsubstantiated. First, the accused infringers in *Cortelyou* had no “knowledge of the special character of the rotary Neostyle machine,” which is the essential scienter element for indirect infringement.<sup>56</sup> In this regard, if the patentee had put the accused infringers on direct notice of the patent, they would have had such knowledge. Thus, while knowledge of the patent may be *sufficient* to meet the scienter requirement, it is not *necessary*.<sup>57</sup> Second, knowledge of the patent would be relevant for a finding of inducement of breach of contract, as the contract included a license of the patent. Because the Court did not separately address each claim in the quoted passage, it could have simply been referring to the contract claim in its discussion of “the [patent] rights.”<sup>58</sup> Thus, *Cortelyou* should not be read as implicitly endorsing any sort of knowledge-of-the-patent requirement, particularly given the Court’s express statements otherwise in *American Cotton-Tie* and *Morgan Envelope*.

In 1909, in *Leeds & Catlin Co. v. Victor Talking Mach. Co.*,<sup>59</sup> the Supreme Court found Leeds liable for contributory infringement for selling a component of Victor’s patented invention to Victor’s customers (namely, a record for use in Victor’s patented machine). Although the Court only briefly remarked upon the scienter requirements for contributory infringement, its discussion in no manner deviated from earlier doctrine that knowledge of the patent is not an element of this requirement.<sup>60</sup>

The Supreme Court next addressed the rule in *Henry v. A.B. Dick Co.*

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55. See, e.g., Brief for Business Software Alliance as Amicus Curiae Supporting Petitioner at 18, *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011) (No. 10-6), 2010 WL 4973150, at \*17 (“[T]here must be proof that the defendant ‘actually knew [of] the existence of the complainant’s patent.’” (citing *Tubular Rivet & Stud Co. v. O’Brien*, 93 F. 200, 202–05 (C.C.D. Mass. 1898)); Brief for Comcast Corp. et al. as Amici Curiae Supporting Petitioner at 14, *Global-Tech*, 131 S. Ct. 2060 (No. 10-6), 2010 WL 4973147, at \*14 (“Congress required actual knowledge of infringement as an element of liability . . .”).

56. *Cortelyou*, 207 U.S. at 200.

57. Cf. RESTATEMENT (FIRST) OF TORTS § 876(b) (1939) (stating that knowledge of the legal duty binding the direct tortfeasor is sufficient, but not necessary, for a finding of scienter on the part of the indirect tortfeasor).

58. *Cortelyou*, 207 U.S. at 199–200.

59. 213 U.S. 325 (1909).

60. See *id.* at 332–34 (discussing knowledge and intent with respect to the end-use of Leeds’ records in the patented machines, but never considering whether Leeds had knowledge of the patent-at-issue); *id.* at 337 (“Petitioner was found guilty of selling records which constituted an element in the combination of the patent in suit, and for that petitioner was punished.”).

in 1912.<sup>61</sup> Contrary to its prior holdings, the Court stated in *A.B. Dick without citation* that “if the defendants [accused of contributory infringement] *knew of the patent* and that [the direct infringer] had unlawfully made the patented article . . . with the intent and purpose that [the direct infringer] should use the infringing article . . . they would assist in her infringing use.”<sup>62</sup> This is the only statement by the Supreme Court—or any lower court cited with approval by the Court—that actual knowledge of the patent is a pre-requisite to a finding of indirect infringement. However, in *A.B. Dick*, knowledge of the patent was not in dispute, and the Court provided no analysis to support its contention that actual knowledge was relevant. Indeed, the Court went on to cite *Thomson-Houston I*, which as noted earlier, did not require actual knowledge of the patent to support a finding of indirect infringement.<sup>63</sup> Rather, the *A.B. Dick* court appeared to misread the use of the phrase “patented invention” in *Thomson-Houston I* as requiring knowledge of the patent.<sup>64</sup> Thus, the statement in *A.B. Dick* should be viewed as one line of aberrant and unsupported dicta in a sea of otherwise consistent holdings from the Supreme Court. Indeed, in the years following *A.B. Dick*, lower courts continued to hold that knowledge of the patent was not a requirement for indirect infringement (and it does not appear that any court followed the mistaken dicta in *A.B. Dick*).<sup>65</sup>

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61. 224 U.S. 1 (1912), *overruled on other grounds by* Motion Picture Patent Co. v. Universal Film Mfg. Co., 243 U.S. 502 (1917). Just one year earlier, the Court briefly addressed contributory infringement in the context of copyright law. See *Kalem Co. v. Harper Bros.*, 222 U.S. 55, 63 (1911) (citing *Morgan-Envelope Co. v. Albany Perforated Wrapping Paper Co.*, 152 U.S. 425, 433 (1894), with approval).

62. *A.B. Dick*, 224 U.S. at 33 (emphasis added).

63. The Court also approvingly cited a number of other cases in *A.B. Dick*, none of which adopted a knowledge-of-the-patent requirement. See *id.* at 33–34 (citing *Wallace v. Holmes*, *Risdon Iron & Locomotive Works v. Trent*, *Thomson-Houston II*, and *American Graphophone Co. v. Hawthorne*).

64. See *id.* at 33 (quoting *Thomson-Houston I*, 72 F. 1016, 1017 (C.C. Conn. 1896)). Kumar offers an alternative interpretation—mainly that the Court merely set forth a sufficient, but not a necessary, condition for scienter in *A.B. Dick*. Kumar, *supra* note 17, at 738–39. In his view, “[b]ecause a finding of knowledge automatically implies the defendant’s intent to cause the acts that subsequently constitute infringement, this finding satisfies the requirement set forth in *Wallace*.” *Id.* at 738. Such a view is certainly consistent with the law of torts, see *supra* note 51 and accompanying text, and is perhaps the only way to reconcile the Court’s citation in *A.B. Dick* of *Wallace* and other cases, but it seems the Court would have stated the broader rule, rather than merely a sufficient condition for meeting the scienter standard. In any event, whether the statement is mistaken dicta or merely the recitation of a narrow sufficient condition, it clearly does not instate any sort of binding knowledge-of-the-patent requirement.

65. See, e.g., *N.Y. Scaffolding Co. v. Whitney*, 224 F. 452, 459 (8th Cir. 1915) (hoisting devices and frames); *Safety Car Heating & Lighting Co. v. Gould Coupler Co.*, 229 F. 429, 443–44 (W.D.N.Y. 1916) (electric car-lighting systems); *Individual Drinking Cup Co. v. Errett*, 300 F. 955, 960 (S.D.N.Y. 1916) (Learned Hand, J.) (beverage dispenser); *Wilson v. Union Tool Co.*, 265 F.

Following *A.B. Dick*, in a line of cases culminating in 1944 with *Mercoïd Corp. v. Mid-Continent Inv. Co.*,<sup>66</sup> the Supreme Court greatly narrowed the applicability of indirect infringement. Specifically, it held that the sale of unpatented material cannot constitute indirect infringement, even “where the unpatented material or device is itself an integral part of the structure embodying the patent,” because to allow as much would run afoul of the antitrust laws.<sup>67</sup> This ruling essentially left indirect infringement a dead letter.

## II. SCIENTER FOR INDIRECT INFRINGEMENT AFTER THE PATENT ACT OF 1952

In response to the Court’s decision in *Mercoïd*, Congress decided in the Patent Act of 1952 to reinstate the law of indirect infringement by codifying precedent as it existed prior to *Mercoïd*.<sup>68</sup> This Part begins by discussing that codification and shows that Congress did not intend to deviate from the historical practice that knowledge of the patent was not required.<sup>69</sup> Then, this Part explains how the Court bungled its reading of

669, 672 (9th Cir. 1920) (underreamers); *Individual Drinking Cup Co. v. Errett*, 297 F. 733, 734–35 (2d Cir. 1924) (beverage dispenser); *Lenk v. Hunt-Lasher Co.*, 14 F.2d 335, 337 (D. Mass. 1926) (automatic blow torches); *Westinghouse Elec. & Mfg. Co. v. Precise Mfg. Corp.*, 11 F.2d 209, 210 (2d Cir. 1926) (transformers); *Electro Bleaching Gas Co. v. Paradon Eng’g Co.*, 12 F.2d 511, 513 (2d Cir. 1926) (water sterilization process); *Bassick Mfg. Co. v. Ready Auto Supply Co.*, 22 F.2d 331, 341 (E.D.N.Y. 1927) (lubricating apparatus); *Nat’l Brake & Elec. Co. v. Christensen*, 38 F.2d 721, 723 (7th Cir. 1930) (repair parts); *Trico Prods. Corp. v. Apco-Mossberg Corp.*, 45 F.2d 594, 599 (1st Cir. 1930) (windshield wipers); *Am. Voting Mach. Corp. v. City of N.Y.*, 2 F. Supp. 191, 192 (S.D.N.Y. 1933) (voting machine); *Chas. H. Lilly Co. v. I.F. Laucks, Inc.*, 68 F.2d 175, 189 (9th Cir. 1933) (adhesive product); *Autographic Register Co. v. Sturgis Register Co.*, 110 F.2d 883, 885 (6th Cir. 1940) (paper feed device). *See generally* 3 A. DELLER, WALKER ON PATENTS 1764–65 (1937) (citing cases).

66. 320 U.S. 661 (1944). Previous cases addressing the issue include *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502 (1917), *Carbice Corp. v. Am. Patents Dev. Corp.*, 283 U.S. 27 (1931), *Leitch Mfg. Co. v. Barber Co.*, 302 U.S. 458 (1938), and *B.B. Chem. Co. v. Ellis*, 314 U.S. 495 (1942).

67. *Mercoïd*, 320 U.S. at 665. Concurring, Justice Black noted that contributory infringement had no statutory basis, and argued that “[i]nstead, the chief reliance [of Justice Frankfurter’s dissent in favor of the doctrine] appears to be upon the law of torts, a quotation from a decision of a lower federal court which held that no infringement was shown, and the writer’s personal views on ‘morals’ and ‘ethics’”—all reflections of the common law lineage of the doctrine. *Id.* at 673 (Black, J., concurring).

68. *See generally* Hymen Diamond, *The Status of Combination Patents Owned by Sellers of an Element of the Combination*, 21 J. PAT. OFF. SOC’Y 843, 849–50 (1939) (discussing the case law prior to *Mercoïd*); *see also* Giles S. Rich, *Contributory Infringement*, 14 J. PAT. OFF. SOC’Y 376 (1932) (same).

69. *See infra* Part II.A; *see also* *Davis v. Mich. Dep’t of Treasury*, 489 U.S. 803, 813 (1989) (“When Congress codifies a judicially defined concept, it is presumed, absent an express statement to the contrary, that Congress intended to adopt the interpretation placed on that concept by the courts.”).

this precedent, not just once, but twice, in *Aro II* and *Global-Tech*, so as to instate a completely opposite doctrine.<sup>70</sup>

*A. The Legislative History of the 1952 Act Demonstrates Congress Intended No Change in Scienter Standards from Pre-1952 Doctrine*

The Patent Act of 1952 codified the historical precedents in sections 271(b) and 271(c), other than the Court's holdings in the series of opinions culminating in *Mercoid*, so as to effectively overrule them.<sup>71</sup> Specifically, Congress intended section 271(c) to codify those cases relating to the sale of a component of an infringing combination and section 271(b) to codify those cases relating to general aiding and abetting of direct infringement.<sup>72</sup>

The legislative history of the 1952 Act does not in any manner show intent by Congress to impose a “knowledge of the patent” requirement onto sections 271(b) or 271(c). Although the legislative history notes that indirect infringement “has been applied to enjoin those who sought to

70. See *infra* Part II.B–C.

71. See 35 U.S.C. § 271(d) (2012) (explaining why a patent owner entitled to relief for infringement shall not be otherwise deemed guilty of misuse or illegal extension of a patent by enforcing patent rights for contributory infringement); *Dawson Chem. v. Rohm and Haas Co.*, 448 U.S. 176, 198–212 (1980) (recounting the effort to resurrect the doctrine of contributory infringement in the Patent Act of 1952); S. REP. NO. 82-1979, at 8, 28 (1952) (stating this amendment was meant to “eliminate the doubt and confusion” created by “a number of decisions of the courts in recent years”); H.R. REP. NO. 82-1923, at 9 (1952) (same); see also Charles W. Adams, *supra* note 16, at 384–89 (same); Note, *Section 271(b) of The Patent Act of 1952: Confusion Codified*, 66 YALE L.J. 132, 139 (1956) (same). With respect to the misuse issue, Representative Rogers aptly summed up Congress's intent:

Then in effect this recodification, particularly as to section 231 [which became § 271 in the Patent Code of 1952], would point out to the court, at least that it was the sense of Congress that we remove this question of confusion as to whether contributory infringement existed at all, and state in positive law that there is such a thing as contributory infringement, or at least it be the sense of Congress by the enactment of this law that if you have in the *Mercoid* case [320 U.S. 661, 680, 64 S.Ct. 268, 278, 88 L.Ed. 376] done away with contributory infringement, then we reinstate it as a matter of substantive law of the United States and that you shall hereafter in a proper case recognize or hold liable one who has contributed to the infringement of a patent.

*Hearings before Subcommittee No. 3 of House Judiciary Committee on H.R. 3760*, 82d Cong. 159 (1951) (Testimony of Representative Rogers), *quoted in Aro II*, 377 U.S. 476, 485 n.6 (1964) (alterations in original).

72. See *Aro II*, 377 U.S. at 485 n.6 (“[S]ection [271(c)] was designed to ‘codify in statutory form principles of contributory infringement’ which had been ‘part of our law for about 80 years.’”); S. REP. NO. 82-1979, at 22 (“One who actively induces infringement as by aiding and abetting the same is liable as an infringer . . . .”); H.R. REP. NO. 82-1923, at 9 (“[O]ne who aids and abets an infringement is likewise an infringer . . . .”); CHISUM ON PATENTS § 17.04[2] (2010) (“[The] legislative history indicates that the two sections were intended as complementary provisions, together codifying the basic principles of contributory infringement developed by the courts before 1952.”).



*cause infringement* by supplying someone else with the means and directions for infringing a patent,”<sup>73</sup> this language is no less ambiguous than that of section 271(b) (“actively induces infringement”). Indeed, the legislative history goes on to note that “[p]aragraph (b) recites *in broad terms* that one who aids and abets an infringement is likewise an infringer.”<sup>74</sup>

This and other portions of the legislative history confirm the understanding that sections 271(b) and 271(c) codified the historical precedent, which—relying on the same principles as the common law of torts—did not require any knowledge of the legal duty (i.e., patent) at issue, but merely required specific intent to encourage the direct infringer’s acts.<sup>75</sup> Perhaps the most convincing evidence of Congress’s intent is the testimony of Giles Rich—then a practicing attorney who played a key role in drafting the 1952 Act, and later Chief Judge of the Court of Customs and Patent Appeals and the Federal Circuit.<sup>76</sup> In his words, “‘knowingly sells a component of a patented machine’ means to us that you know that the component is going into that machine. You don’t have to know that it is patented.”<sup>77</sup> In sum, in adopting sections 271(b) and 271(c), there is no indication whatsoever that Congress desired to deviate from the pre-1952 scienter standard that knowledge of the patent was not required for a finding of indirect infringement.

#### B. Revisionism Part I in *Aro II*

As discussed at length in Part I—other than one line of aberrant dicta<sup>78</sup>—prior to the 1952 Act, knowledge of the patent was consistently held by the Supreme Court *not* to be a prerequisite for a finding of contributory infringement. However, a little over a decade later in *Aro Mfg. Co. v. Convertible Top Replacement Co. (Aro II)*,<sup>79</sup> the Supreme Court held otherwise in a 5–4 decision regarding the 1952 Act’s codification of contributory infringement in section 271(c).<sup>80</sup> The

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73. S. REP. NO. 82-1979, at 6 (emphasis added).

74. *Id.* (emphasis added).

75. *See id.* at 22 (“One who actively induces infringement as by aiding and abetting the same is liable as an infringer”).

76. *See Adams, supra* note 16, at 387 n.65 (“Judge Rich’s insights with respect to 35 U.S.C. § 271 are especially significant because of his prominent role in its enactment.”).

77. *See infra* notes 95–96 and accompanying text (further quoting Rich’s congressional testimony). Although Judge Rich was referring to a version of the statute that was later amended, as explained below, the amendment had no material effect on his interpretation.

78. *See supra* notes 61–65 and accompanying text (explaining that, prior to 1952, contributory infringement did not require actual knowledge of the patent at issue).

79. 377 U.S. 476 (1964).

80. Chief Justice Warren and Justices Black, Douglas, Clark, and White held this view. Justices

remainder of this Section recounts the holding and reasoning of the majority opinion, explaining its faults in detail, particularly in the context of the arguments lodged by the dissenting Justices.

First, it is important to recognize that all of the Justices agreed that:

In enacting § 271(c), Congress clearly succeeded in its objective of codifying this case law. The language of the section fits perfectly Aro's activity of selling "a component of a patented \* \* \* combination \* \* \*, constituting a material part of the invention, \* \* \* especially made or especially adapted for use in an infringement of such patent and not a staple article or commodity of commerce suitable for substantial noninfringing use." Indeed, this is the almost unique case in which the component was hardly suitable for any noninfringing use. On this basis both the District Court originally, and the Court of Appeals in the instant case, held that Aro was a contributory infringer within the precise letter of § 271(c).<sup>81</sup>

Thus, the Justices seemingly agreed that section 271(c) succeeded in codifying the pre-1952 elements for contributory infringement, which as explained above, contained no knowledge-of-the-patent requirement under any legitimate reading of the case law.<sup>82</sup> Indeed, in a footnote, the Court appeared to acknowledge as much, stating "Aro's factory manager admitted that the fabric replacements in question not only were specially designed for the Ford convertibles but would not, to his knowledge, fit the top-structures of any other cars."<sup>83</sup> This factual finding, upon which the district and circuit courts based their holdings, had no relationship whatsoever to whether Aro knew of the patent-at-issue.

Nonetheless, the majority effectively questioned whether Congress actually intended to codify pre-1952 case law:

*However, the language of § 271(c) presents a question, apparently not noticed by the parties or the courts below, concerning the element of knowledge that must be brought home to Aro before liability can be imposed. It is only sale of a component of a patented combination "knowing the same to be especially made or especially adapted for use*

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Harlan, Brennan, Stewart, and Goldberg dissented on the issue. *Id.* at 482 n.8. Notably, Justices Black and Douglas had previously voted in *Mercoïd* to effectively eliminate the doctrine of indirect infringement. *See Mercoïd Corp. v. Mid-Continent Inv. Co.*, 320 U.S. 661, 661–62, 672 (1944). Indeed, Justice Douglas wrote the opinion of the majority and Justice Black wrote a concurring opinion. *See id.* None of the other Justices on the *Aro II* Court were on the *Mercoïd* Court. *See Justices of the United States Supreme Court*, THE GREEN PAPERS, <http://www.thegreenpapers.com/Hx/JusticesUSSC.html> (last visited July 7, 2013) (listing all Justices of the United States Supreme Court by term).

81. *Aro II*, 377 U.S. at 487–88 (ellipses in original) (footnotes and citations omitted).

82. *See supra* Part I.

83. *Aro II*, 377 U.S. at 487–88 n.7.

*in an infringement of such patent*” that is contributory infringement under the statute. Was Aro “knowing” within the statutory meaning because—as it admits, and as the lower courts found—it knew that its replacement fabrics were especially designed for use in the 1952–1954 Ford convertible tops and were not suitable for other use? *Or does the statute require a further showing that Aro knew that the tops were patented, and knew also that Ford was not licensed under the patent so that any fabric replacement by a Ford car owner constituted infringement?*<sup>84</sup>

Thus, the majority read the *specific language of section 271(c)* as posing a question not present in the pre-1952 case law (which is almost certainly why neither the parties nor the lower courts recognized it): whether knowledge of the patent is a (new) requirement imposed by Congress in the 1952 Act for contributory infringement arising from the sale of a component especially adapted for use in an infringing product under section 271(c).

In holding that Congress did intend to impose such a requirement, the majority essentially relied on the opinion of Justice Black,<sup>85</sup> who voted a few decades earlier in *Mercoïd* to jettison the entire doctrine of indirect infringement because it had no statutory basis.<sup>86</sup> Justice Black reasoned that:

Usually the word “knowing” means “knowing,” and I am unwilling to say that in § 271(c) it means “unknowing.” This statute to me means rather plainly that in order to violate it, one who sells an article must know that the article is to be used “in an infringement of such patent” and that it is “especially made or especially adapted” for that purpose.<sup>87</sup>

Justice Black also argued that the legislative history supported his view. Specifically, he noted that section 271(c) had originally been drafted as follows:

Whoever *knowingly sells* a component of a patented \* \* \* combination \* \* \* especially made or especially adapted for use in an infringement of such patent \* \* \* shall be liable as a contributory infringer.<sup>88</sup>

Congress ultimately adopted the following language:

84. *Id.* at 488 (emphasis added).

85. *See id.* at 488 n.8 (identifying the way each member of the Court voted and summarizing the opinion of the dissenters). Although the majority also stated that it relied on the concurring opinion of Justice White, since the only reasons he explicitly provided, *see id.* at 514 (White, J., concurring), were duplicative of Justice Black’s much more detailed opinion, *see id.* at 528–29 (Black, J., dissenting from the judgment but commanding a majority on the scienter issue), only Justice Black’s opinion is addressed here.

86. *See supra* notes 66–67 and accompanying text.

87. *Aro II*, 377 U.S. at 525.

88. *Id.* (emphasis added) (citing H.R. 3760, 82d Cong., § 231(c) (1951)).

Whoever sells . . . a component of a patented . . . combination . . . , 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.<sup>89</sup>

Justice Black interpreted the change as requiring knowledge that the component would be used for an *infringing* activity—that is, knowledge of the patent and its contents. He based his finding on several arguments, none of which is convincing. First, Justice Black noted that the original position of the word “knowingly” led some commentators to argue that “it was not clear exactly how much a person had to be shown to have known before he could be held liable as a contributory infringer.”<sup>90</sup> Relying on congressional testimony, Justice Black concluded that Congress adopted the recommendation of some of those testifying that a contributory infringer must “know of the existence of [the] patent.”<sup>91</sup>

Justice Black’s conclusion, however, is supported by neither the testimony nor the legislative history. Contrary to Justice Black’s view, there are three potential interpretations of the original language: (1) the seller need only know that it is making a sale, but need not know of the sale’s end use or know of the patent-at-issue; (2) the seller must know it is making a sale and know of its end use, but need not know of the patent; and (3) the seller must know of all three elements. Justice Black, on the other hand, wrongly assumed that the original language could only mean either interpretation (1) or (3).

Thus, in moving “knowing,” Congress could—as a mere matter of statutory interpretation—have intended interpretation (2), which does not require knowledge of the patent. Indeed, in addition to historical practice and the legislative history, the testimony relied upon by Justice Black actually supports this interpretation.<sup>92</sup> As Justice Black himself remarked

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89. 35 U.S.C. § 271(b) (1952) (emphasis added).

90. *Aro II*, 377 U.S. at 525 (citing *Patent Law Codification and Revision: Hearings on H.R. 3760 Before Subcomm. No. 3 of the H. Comm. on the Judiciary*, 82d Cong. 215 (1951)).

91. *Id.* at 526.

92. See generally *Dawson Chem. Co. v. Rohm and Hass Co.*, 448 U.S. 176, 204 (1980) (noting that the Court “regard[s] each set of hearings as relevant to a full understanding of the final legislative product” encompassing sections 271(a)–(d) of the Patent Act of 1952). Relatedly, Justice Black also argued that the statement in the legislative history that “[t]his latter paragraph [of section 271(c)] is much more restricted than many proponents of contributory infringement believe should be the case,” supported his interpretation. *Aro II*, 377 U.S. at 527. This statement can be rebutted on at least two grounds. First, adoption of interpretation (2) (above) is also consistent with the legislative history to the extent it also restricts one of the interpretations of the original language. See H.R. REP. NO. 82-1923, at 9 (1952) (clarifying that section 271 declares what constitutes infringement, codifies in statutory form the principles of contributory infringement, and eliminates doubt and confusion); S. REP. NO. 82-1979, at 8 (1952) (same). And while Judge Giles Rich expressed a view consistent with interpretation (2) prior to the amendment,

in a footnote regarding an exchange in a Congressional hearing prior to the amendment:

When a witness from the Antitrust Division of the Justice Department raised the same objection, the following exchange took place:

‘(Congressman) BRYSON. It seems to me that if he sells it at all he knows he sells it.

‘Mr. FUGATE (of the Justice Department). He knows he sells it; but, as in this case that I mentioned, the cutter of the metal plate according to a special pattern didn’t know that it was to be used in an infringing manner, that it was to be used in a patented combination.

‘(Congressman) ROGERS. Inasmuch as you recognize that the law still gives a cause of action against the contributor who helps infringe, would there be any objection on the part of the Justice Department to clarify that law in definite words so that there would not be the confusion that the gentlemen have testified to?’<sup>93</sup>

Although the Justice Department representative used the phrases “infringing manner” and “patented combination” in his testimony, he arguably meant “manner that happens to infringe” and “combination that happens to be patented”—rather than knowledge of the patent—because Representative Rogers began with the question concerning knowledge of the sale *itself*, as contrasted with knowledge of the *end use* of the sale. Thus, Justice Black ostensibly made an interpretative mistake in viewing this exchange as supporting his broad interpretation of “knowingly” in the statute.<sup>94</sup>

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*see infra* notes 95–96 and accompanying text, others—such as Representative Bryson—expressed a view that the pre-amendment language could simply imply interpretation (1). Second, the above statement cited by Justice Black may have nothing to do with scienter standards, but instead a compromise regarding other aspects of section 271(c). For example, in *Dawson Chemical*, the Court noted:

[Giles] Rich warned against going too far [with the contributory infringement provision]. He took the position that a law designed to reinstate the broad contributory infringement reasoning of *Henry v. A. B. Dick Co.*, 224 U.S. 1 (1912), “would kill itself in time.” The proposed legislation, however, “stopped short of that” and “said that you can control only things like the switches in the *Mercoïd* case, which are especially made or adapted for use in connection with such patent and which are not suitable for actual, commercial, noninfringing use.”

*Dawson Chemical*, 448 U.S. at 208 (citations omitted).

93. *Aro II*, 377 U.S. at 526 n.10; *see also Patent Law Codification and Revision: Hearings on H.R. 3760 Before Subcomm. No. 3 of the H. Comm. on the Judiciary*, 82d Cong. 175 (1951) (statement of Rep. Crumpacker) (objecting to the original language because “the way it is phrased the word ‘knowingly’ refers directly to the word ‘sells’”).

94. Gonzales makes essentially the same set of interpretative errors as Justice Black in her recent article arguing that the legislative history supports a knowledge-of-the-patent requirement. *See* Gonzales, *supra* note 17, at 62–66 (comparing the 1948 original proposed language against the language used in the current version of section 271 and mistakenly arguing that Congress’s intent when it enacted section 271 was to protect the interest of commerce, requiring it to narrow the

Further evidence of Justice Black’s interpretative error is provided by Judge Giles S. Rich—then a practicing patent lawyer, who was one of the primary drafters of the Patent Act of 1952. In his testimony prior to the amendment, Judge Rich interpreted the provision as follows:

‘[K]nowingly sells a component of a patented machine’ means to us that you know that the component is going into that machine. You don’t have to know that it is patented. You don’t have to know the number of the patent, and you don’t have to know that the machine that it is going into constitutes an infringement. You just know its ultimate destination.’<sup>95</sup>

Judge Rich testified similarly later in the hearing:

‘Mr. Fugate. I would like to know whether Mr. Rich is construing “knowingly” as meaning that the supplier knows that it is to be used in an infringing manner.

‘Mr. Rogers. And constitutes a material part of the patent.

‘Mr. Fugate. Yes, that is the point.

‘Mr. Rich. I have already explained that he knows how it is to be used. He doesn’t have to know about the patent, he doesn’t have to be legally advised of that infringement.’<sup>96</sup>

Thus, based on the testimony of Giles Rich, arguably the most appropriate interpretation is that “knowingly” was moved within section 271(c) simply to clarify that this modifier referred to the knowledge that the component was “especially adapted” rather than knowledge that a sale itself was being made.<sup>97</sup>

Second, Justice Black argued that “[i]t is hard to believe that Congress intended to hold persons liable for acts which they had no reason to suspect were unlawful.”<sup>98</sup> Yet, this argument could just as easily apply

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original proposed language so that only those who had knowledge of the patent would be found liable under section 271).

95. *Aro II*, 377 U.S. at 526 n.11.

96. *Patent Law Codification and Revision: Hearings on H.R. 3760 Before Subcomm. No. 3 of the H. Comm. on the Judiciary*, 82d Cong. 175–76 (1951); see also *Freedman v. Friedman*, 242 F.2d 364, 367 (4th Cir. 1957) (reviewing the same legislative history and concluding “[t]here is no indication of any intent to make knowledge that there was a patent and that it was being infringed necessary to liability for contributory infringement”).

97. Notably, Judge Rich authored the Federal Circuit’s opinion in *Hewlett-Packard v. Bausch & Lomb*, which held that knowledge of the patent was not necessary for a finding of induced infringement. See *Hewlett-Packard v. Bausch & Lomb*, 909 F.2d 1464, 1468–70 (Fed. Cir. 1990). Unfortunately, although that opinion contains some discussion of the relevant historical case law, it does not canvass the cases or legislative history in a comprehensive manner, much less discuss Judge Rich’s role in the drafting the 1952 Act and his contemporaneous views of the relevant statutory language. See *id.*

98. *Aro II*, 377 U.S. at 527.

to direct infringement, which effectively sounds in strict liability,<sup>99</sup> relying upon a theory of constructive notice from the publication of patents.<sup>100</sup> Although Justice Black argued that “one who sells an unpatented and unpatentable” product without actual knowledge of the patent should not be held liable,<sup>101</sup> he overlooked that contributory infringement, as historically applied, merely required knowledge that the infringing component was especially adapted for use in the very combination that happened to infringe the patent-at-issue. Because Congress meant to codify pre-1952 law, Justice Black was simply incorrect when it came to surmising Congress’s intent regarding knowledge of the patent.

Third, Justice Black argued that 35 U.S.C. § 287, which states that “no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter,” precludes damages in the absence of knowledge of the patent.<sup>102</sup> Yet, as the dissenters rightly noted, section 287 is merely relevant to marking and provides a defense to any accused infringer against *pre-suit* damages in the event the patentee did not properly mark its products.<sup>103</sup> Section 287 does not impose a blanket “actual notice” requirement to recover damages.<sup>104</sup> Critically, section 287 has never been read—before or after *Aro II*—to eliminate all liability for patent infringement for lack of actual notice.<sup>105</sup> Rather, regardless of notice, infringers are always potentially liable for

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99. To be certain, Justice Black did argue that section 287 imposed a knowledge-of-the-patent requirement for direct infringement, at least for “innocent consumers of patented products.” *Id.* at 529. For the reasons presented below, such an argument was meritless. *See infra* notes 102–05 and accompanying text.

100. *See Sontag Chain Stores Co. v. Nat’l Nut Co.*, 310 U.S. 281, 295 (1940) (finding that publication of a patent provides “implied knowledge of the . . . patent”); Howson, *supra* note 14, at 174–75 (“The publication of patents is assumed in law to be sufficient notice to the public of their existence.”).

101. *Aro II*, 377 U.S. at 527–29.

102. *See id.* at 527–28 (arguing it would be “hard to believe that Congress intended to hold persons liable for acts which they had no reason to suspect were unlawful”).

103. *See Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387, 395 (1936) (noting that marking provides notice of a patent to others).

104. *See id.* at 398 (“[T]he act of 1861 did not require a patentee who did not produce to give actual notice to an infringer before damages could be recovered; and there is nothing in the language or history of the act of 1870 sufficient to indicate an intent to alter his position in this regard.”).

105. *See Aro II*, 377 U.S. at 488 n.8 (majority opinion on the judgment but dissenting on the scenter issue) (citing DELLER, *supra* note 65, § 453) (“To constitute an infringement of a patent, it is not necessary that the infringer should have known of the existence of the patent at the time he infringed it or, knowing of its existence, it is not necessary that he should have known his doings to constitute an infringement.”); *see also Sontag Chain Stores*, 310 U.S. at 295 (finding that patent publication provides constructive notice).

post-suit damages and the possibility of injunctive relief. Yet, in *Aro II*, Justice Black completely misread the provision as precluding not just *pre-suit* damages, but all forms of liability in the absence of knowledge of the patent.<sup>106</sup> Thus, section 287 cannot support a knowledge-of-the-patent requirement.

Last, Justice Black argued on policy grounds that without a knowledge-of-the-patent requirement, there would be a “tremendous burden” placed on “bona fide dealers in or purchasers of unpatented products.”<sup>107</sup> Specifically, Justice Black indicated that because the number of patents covering products—for instance, automobiles—is very large, searching to determine if a particular patent was infringed would be needlessly costly and difficult.<sup>108</sup> Although these arguments may have some merit,<sup>109</sup> obviously they cannot override the intent of Congress to codify prior case law.<sup>110</sup> Indeed, although Justice Black pegged his interpretation of section 271(c) on Congress’s purported attempt to modify the common law by moving the term “knowing,” he failed to reconcile his misguided view in any manner with Congress’s clear aim in the legislative history to codify prior case law.

The four Justices dissenting from Justice Black’s views made arguments consistent with the text of the statute, historical practice, and the legislative history in finding that all “Congress meant to require was simply knowledge that the component was especially designed for use in a combination and was not a staple article suitable for substantial other use, and not knowledge that the combination was either patented or

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106. *Aro II*, 377 U.S. at 528–29 (Black, J., dissenting from the judgment).

107. *Id.* at 529.

108. *See id.*

109. The aim of this Essay is not to discuss the policy rationales in favor or against the outcomes in *Aro II* and *Global-Tech*, as they should have played no role in the outcome of the case given the clear intent of Congress to codify historical precedent. For a discussion of the various policy rationales animating the Court’s opinions, see Sichelman, *supra* note 17.

110. *See* *Unitherm Food Sys., Inc. v. Swift-Eckrich, Inc.*, 546 U.S. 394, 407 (2006) (Stevens, J., dissenting) (“[W]e have an overriding duty to obey statutory commands that unambiguously express the intent of Congress . . .”). Gonzales argues that Congress evidenced its intent to generally protect industry in the legislative history, which—along with the statutory amendments discussed above—should be viewed as congressional intent to adopt a knowledge-of-the-patent requirement. *See* Gonzales, *supra* note 17, at 61 (noting the argument made by Angier L. Goodwin, a member of the subcommittee, who stated he wanted the legislation to avoid requiring every business to be “on notice” that every move it made could be an infringement). Yet, vague statements evincing support for industry certainly cannot override Congress’s clear intent to codify statutory case law. Indeed, whether a knowledge-of-the-patent requirement hurts or helps industry is a contentious policy question. *See supra* note 16 (citing numerous conflicting scholarly approaches).



infringing.”<sup>111</sup> They made four arguments in support of this conclusion.

First, the dissenters noted that to hold otherwise would contravene Congress’s intention “to codify the case law of contributory infringement as it existed” historically.<sup>112</sup> These Justices properly recognized that “[u]nder that case law, liability was established by a showing that the component was suitable for no substantial use other than in the patented combination,” that is, in the combination that happened to be patented, regardless of the infringer’s knowledge of the patent.<sup>113</sup> Second, as argued earlier,<sup>114</sup> these Justices found that the

[c]hange in the language of the bill concerning the knowledge requirement . . . was intended merely to assure that the statute would be construed to require knowledge that the article sold was a component of some combination and was especially designed for use therein, rather than simply knowledge that the article was being sold.<sup>115</sup>

The Justices further noted that “none of the Congressmen said anything to indicate agreement with these views [that knowledge of the patent should be required] or disagreement with the contrary view expressed by the spokesman for the sponsors of the bill.”<sup>116</sup> Third, they explained that Justice Black’s argument that no infringement—direct or indirect—could be found absent knowledge of the patent contradicted the plain language of section 271(a) governing direct infringement.<sup>117</sup> Moreover, such a view contravened pre-1952 black-letter doctrine that direct infringement is a strict liability offense.<sup>118</sup> Fourth, these Justices rightly rebutted Justice Black’s contention that section 287 regarding marking and notice mandated a knowledge-of-the-patent requirement.<sup>119</sup> Specifically, they argued, section 287

prevents a patentee from recovering damages for infringement unless he has marked the patented article with notice of the patent. Since a

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111. *Aro II*, 377 U.S. at 488 n.8 (majority opinion on the judgment).

112. *Id.*

113. *Id.*

114. *See supra* notes 92–94 and accompanying text.

115. *Aro II*, 377 U.S. at 488 n.8.

116. *Id.*

117. *See id.* (“The suggestion that a person cannot be liable even for direct infringement when he has no knowledge of the patent or the infringement is clearly refuted by the words of section 271(a).”).

118. *See DELLER, supra* note 65, § 453 (“To constitute an infringement of a patent, it is not necessary that the infringer should have known of the existence of the patent at the time he infringed it or, knowing of its existence, it is not necessary that he should have known his doings to constitute an infringement.”).

119. *See Aro II*, 377 U.S. at 488 n.8 (“Since a patentee may hardly be expected to make the article when it has not been manufactured or sold by him but rather by an infringer, the section has been held not to apply to such a situation.”).

patentee may hardly be expected to make the article when it has not been manufactured or sold by him, but rather by an infringer, the section has been held not to apply to such a situation.<sup>120</sup>

For the reasons stated by the four dissenting Justices, as well as the arguments presented earlier, the majority's holding in *Aro II* is clearly incorrect under any reading of the law. Ultimately, Justice Black's and the majority's legal arguments were meritless, indeed so meritless that they can rightfully be termed "revisionist." Granted, Justice Black's policy argument grounded on the difficulty of searching for relevant patents may have some force, but it cannot of course override the intent of Congress to codify prior precedent.<sup>121</sup>

### C. *Revisionism Part II in Global-Tech v. SEB*

In 2011, in *Global-Tech Appliances, Inc. v. SEB S.A.*, in an opinion written by Justice Alito, the Supreme Court continued to misread the 1952 Act by unanimously holding that under section 271(b), inducement of infringement requires actual knowledge that the inducing acts constitute patent infringement—or, alternatively, no less than "willful blindness" thereof.<sup>122</sup> The facts of the case are instructive for understanding the Supreme Court's analysis.

The plaintiff, a French company, SEB S.A. ("SEB"), held a patent to a "cool touch" deep fryer that was sold under the popular "T-Fal" brand in the United States.<sup>123</sup> Because SEB's deep fryer was cooler externally than competing fryers, and thus safer and easier for home use, it enjoyed commercial success.<sup>124</sup> A U.S. competitor, Sunbeam, desired to manufacture and sell a "cool touch" fryer, and it contacted a Hong-Kong company, Pentalpha, to develop one.<sup>125</sup> Pentalpha then purchased an SEB fryer in Hong Kong and, for all but cosmetic features, used it to construct a deep fryer for Sunbeam.<sup>126</sup> The Hong Kong SEB fryer did not display any U.S. patent markings.<sup>127</sup>

Pentalpha then hired a patent attorney to conduct a freedom-to-operate

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120. *Id.*

121. In another article, I also find Justice Black's policy arguments ultimately unconvincing, mainly because there is scant reliable empirical evidence to support his claims. *See* Sichelman, *supra* note 109.

122. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011). Justice Kennedy filed a dissent based on other grounds. *See id.* at 2072 (Kennedy, J., dissenting) (arguing that willful blindness should not suffice for knowledge).

123. *Id.* at 2064 (majority opinion).

124. *See id.*

125. *Id.*

126. *See id.*

127. *See id.*

analysis to determine whether the fryer was infringing any U.S. patents.<sup>128</sup> However, Pentalpha did not inform the patent attorney that it had developed the fryer's design directly from its study of SEB's fryer.<sup>129</sup> The attorney never discovered SEB's patent and ultimately issued an opinion letter advising Pentalpha that it was able to manufacture its deep fryer without infringing any identified U.S. patents.<sup>130</sup> Pentalpha began selling its deep fryer to Sunbeam in 1997, causing SEB to lose market share and sales.<sup>131</sup> In March 1998, SEB sued Sunbeam for patent infringement.<sup>132</sup> Despite the lawsuit, Pentalpha continued to sell its fryers to other customers.<sup>133</sup> SEB and Sunbeam settled their lawsuit, and SEB went on to sue Pentalpha for direct infringement under section 271(a) and induced infringement under section 271(b).<sup>134</sup>

The ensuing jury trial found for SEB under both section 271(a) for direct infringement and section 271(b) for indirect infringement.<sup>135</sup> Pentalpha appealed to the Federal Circuit on both findings.<sup>136</sup> For complex procedural reasons related to the jury instructions, the Federal Circuit found that it was necessary to affirm both on the direct and inducement claims for Pentalpha to be held liable for infringement.<sup>137</sup> Ultimately, the Federal Circuit affirmed on both grounds, holding in relevant part that induced infringement under section 271(b) requires that (1) the alleged infringer knew or should have known that its actions would induce actual infringement of a patent and (2) the alleged infringer had knowledge of such patent.<sup>138</sup> Although there was no evidence on record that Pentalpha actually knew of SEB's patent before April 1998, the Federal Circuit found adequate evidence that "Pentalpha deliberately disregarded a known risk that SEB had a protective patent."<sup>139</sup> According to the Federal Circuit, this deliberate disregard amounted to a form of "actual knowledge."<sup>140</sup> Upon Pentalpha's petition, the Supreme

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128. *See id.*

129. *See id.*

130. *See id.*

131. *See id.*

132. *See id.*

133. *See id.*

134. *See id.*

135. *See id.*

136. *Id.*

137. *See* SEB S.A. v. Montgomery Ward & Co., 594 F.3d 1360, 1374 (Fed. Cir. 2010) (stating the jury verdict form "reveal[ed] a hopeless ambiguity," such that the court could not determine which elements were crucial to the jury's decision).

138. *Global-Tech*, 131 S. Ct. at 2064–65.

139. *Id.* at 2065 (citing *SEB*, 594 F.3d at 1377).

140. *Id.*

Court granted certiorari.<sup>141</sup>

The Court began its analysis with the text of section 271(b): “Whoever actively induces infringement of a patent shall be liable as an infringer.”<sup>142</sup> As in *Aro II*, regarding section 271(c), the Court in *Global-Tech* found the language of section 271(b) “ambiguous”:

In referring to a party that “induces infringement,” this provision may require merely that the inducer lead another to engage in conduct that happens to amount to infringement, *i.e.*, the making, using, offering to sell, selling, or importing of a patented invention. . . . On the other hand, the reference to a party that “induces infringement” may also be read to mean that inducer must persuade another to engage in conduct that the inducer knows is infringement. Both readings are possible.<sup>143</sup>

Because the statutory language was ambiguous, the Court then examined the case law in effect prior to the enactment of the 1952 Act, properly recognizing that “section [271(b)] was designed to codify in statutory form principles of contributory infringement which had been part of our law for about [eighty] years.”<sup>144</sup>

#### 1. The Court’s Arguably Obfuscatory Analysis of the Pre-1952 Case Law

Although the Court’s reasoning through this point in its opinion was flawless, it would soon take a sharp turn in the opposite direction. The first major flaw was the Court’s quite mistaken view that the pre-1952 case law was “less clear than one might hope . . . provid[ing] conflicting signals regarding the intent needed in such cases.”<sup>145</sup> The Court began its review of the case law by recounting the opinion of then-Judge Taft in *Thomson-Houston II* that it was “sufficient if the seller of the component part intended that the part be used in an invention that happened to infringe a patent.”<sup>146</sup> In a corresponding footnote, the Court cited the contemporaneous scholarly article by Howson mentioned earlier that summarized the case law as clearly *not* requiring knowledge of the patent-at-issue to meet the scienter requirement for indirect infringement.<sup>147</sup>

The Court included in the same footnote a list of “other authorities

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141. *Id.*

142. *Id.*

143. *Id.*

144. *Id.* at 2066 (quoting *Aro II*, 377 U.S. 476, 485–86 (1964) (quoting H.R. REP. NO. 82-1923, at 9 (1952))) (internal quotation marks omitted).

145. *Id.*

146. *Id.*

147. *Id.* at 2066 n.3 (citing Howson, *supra* note 14, at 9).

from this era [that] likewise suggest” the same rule, oddly including its holding in *Morgan Envelope*.<sup>148</sup> Recall that in this case the Court remarked that knowledge of the patent is not an essential element of scienter for indirect infringement, stating “that the manufacture and sale of a single element of a combination, with the intent that it shall be united to the other elements, and so complete the combination, is an infringement.”<sup>149</sup> What is particularly striking about the Court’s relegation of its own precedent to a footnote is that immediately after its discussion in the text of then-Judge Taft’s holding in *Thomson-Houston II* that knowledge of the patent was not required, the Court described its apparently contrary statement in *Henry v. A.B. Dick* without noting that it was *pure dicta*.<sup>150</sup> The Court then explained that its description in *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*<sup>151</sup> of pre-1952 contributory infringement cases was in accord with the view of *A.B. Dick*.<sup>152</sup> In a corresponding footnote, the Court found that its opinion in *Cortelyou* “contains language that may be read as adopting a similar position,” pointing to language in the case that “may suggest that it was necessary to show that the defendants had notice of [the plaintiff’s] patent rights.”<sup>153</sup> Following this description, the Court cited the singular lower court holding, *Tubular Rivet*, that required knowledge of the patent for a finding of indirect infringement.<sup>154</sup> Based on this analysis, the Court concluded that “the pre-1952 case law that [section 271(b)] was meant to codify [is] susceptible to conflicting interpretations.”<sup>155</sup>

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148. *Id.*

149. *Morgan Envelope Co. v. Albany Perforated Wrapping Paper Co.*, 152 U.S. 425, 433 (1894). The Court in *Global-Tech* also cited several other lower court cases and the treatises by Deller and Robinson as suggesting the same rule. See *Global-Tech*, 131 S. Ct. at 2066 n.3 (citing *Individual Drinking Cup Co. v. Errett*, 297 F. 733, 739–40 (2d Cir. 1924); *N.Y. Scaffolding Co. v. Whitney*, 224 F. 452, 459 (8th Cir. 1915); DELLER, *supra* note 65, § 507 (same); 3 W. ROBINSON, THE LAW OF PATENTS FOR USEFUL INVENTIONS § 924 (1890) (same); Howson, *supra* note 14).

150. See *id.* at 2066. Specifically, the Court failed to indicate that the following statement in *A.B. Dick* was merely dicta:

[I]f the defendants [who were accused of contributory infringement] knew of the patent and that [the direct infringer] had unlawfully made the patented article . . . with the intent and purpose that [the direct infringer] should use the infringing article . . . they would assist in her infringing use.

*Id.*

151. 545 U.S. 913 (2005).

152. *Global-Tech*, 131 S. Ct. at 2067.

153. *Id.* at 2066 n.4 (citing *Cortelyou v. Johnson & Co.*, 207 U.S. 196, 200 (1907)).

154. See *id.* at 2067 n.4 (citing *Tubular Rivet & Stud Co. v. O’Brien*, 93 F. 200, 203 (C.C.D. Mass. 1898) (“[A] necessary condition of the defendant’s guilt is his knowledge of the complainant’s patent.”)).

155. *Id.*

As Part II shows, the Court's recounting of pre-1952 case law is sorely mistaken and arguably obfuscatory. First, the Court completely ignored its early holding in *American Cotton-Tie* that knowledge of the patent is *not* required for indirect infringement.<sup>156</sup> There is simply no mention of this opinion anywhere in *Global-Tech*. Although the Court did cite its subsequent, similar holding in *Morgan Envelope*, it did so only in a footnote without any discussion. So when the Court cited its contrary statement in *A.B. Dick* in the text of *Global-Tech*, it made it appear that there was no contrary Supreme Court precedent. Second, the Court failed to note that its statement in *A.B. Dick* was pure dicta.<sup>157</sup> Moreover, although the Court noted that its similar statement in *Grokster* was dicta,<sup>158</sup> it failed to mention that this statement was premised on no analysis whatsoever, but rather citations to inconclusive statements in Federal Circuit and lower court opinions that did not carefully examine the historical doctrine regarding the appropriate level of scienter for indirect infringement.<sup>159</sup>

Thus, if the Court had explicitly discussed its prior on point holdings in *American Cotton-Tie* and *Morgan Envelope*, it would have been apparent that its dictum in *A.B. Dick* was of no import in its analysis of the pre-1952 case law. Similarly, the Court strained to find that its decision in *Cortelyou* “may suggest” that knowledge of the patent was required in the pre-1952 case law.<sup>160</sup> As the Court subtly indicated, but failed to state explicitly, as discussed earlier, there was an alternative explanation of the relevant language in *Cortelyou*.<sup>161</sup> Finally, its citation of *Tubular Rivet* is similarly misplaced—and misleading—because the Court failed to mention that this opinion was a singular aberration among a sea of contrary lower court holdings. Indeed, the *Tubular Rivet* court premised its statement on a misreading of earlier cases,<sup>162</sup> including *Thomson-Houston II*—the opinion written by then-Judge Taft that the

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156. See *supra* notes 31–34 and accompanying text (explaining in detail that the Court in *American Cotton-Tie* did not require knowledge of the patent for a finding of indirect infringement).

157. Moreover, as Kumar contends, the Court in any event arguably misread *A.B. Dick* as stating a necessary—rather than, merely sufficient—requirement for indirect infringement. See Kumar, *supra* note 17, at 738–39.

158. *Global-Tech*, 131 S. Ct. at 2066–67.

159. *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936 (2005) (citing Federal Circuit and lower court opinions that provided little to no review of the relevant historical case law regarding scienter for indirect infringement).

160. *Global-Tech*, 131 S. Ct. at 2066 n.4.

161. See *supra* notes 52–54 and accompanying text.

162. See *Tubular Rivet & Stud Co. v. O'Brien*, 93 F. 200, 203 (C.C.D. Mass. 1898) (“All the cases above cited assert or imply . . .”) (discussing *Thomson-Houston II* earlier in the opinion).

Court had explained just a few pages earlier squarely held otherwise.<sup>163</sup>

Taken together, at best, the Court's analysis is deeply flawed, and at worst, is pure revisionism—namely, an intentional attempt to obfuscate the pre-1952 case law. It appears very likely that at least a law clerk engaged in intentional obfuscation of the pre-1952 case law. First, whatever clerk likely drafted the opinion was presumably well-aware of the analysis presented above in Part I, as I submitted it in similar form in an amicus brief in the case.<sup>164</sup> Although many amicus briefs are routinely ignored, mine was the only one to recount the full pre-1952 case law history, including citations to then-contemporaneous legal scholarship, some of which was quite obscure, such as the Howson reference.<sup>165</sup> Because the Court's description of the pre-1952 case law closely tracks that in my brief, including citations to Howson and other references, it seems likely that at least a law clerk partially relied on the brief in drafting the opinion. If so, the law clerk very likely would have been cognizant of the analysis in Part I.

Second, the errors of omission committed in the Court's description are egregious. They include completely ignoring the Court's first major holding on the topic, relegating another holding to a footnote, suggesting that contrary dicta was a square holding, citing dicta from a recent opinion that contained no analysis, contending that a single line from a case "suggested" a contrary holding when there was clearly an alternative explanation casting serious doubt on such a view, and citing the one aberrant lower court opinion on the issue without discussing the numerous opinions holding otherwise.

It seems very likely that these mistakes were not unintentional, at least at the law clerk level. Apparently, sometime after oral argument, the Court decided on its approach primarily for policy reasons, as neither the parties' briefs nor the Federal Circuit's relevant opinions addressed the historical case law in any sufficient detail, seemingly leaving a blank slate upon which the Court could pen any possible outcome. Whatever the reason, after the case was assigned to Justice Alito, presumably he delegated responsibility to a law clerk to draft the opinion consonant with the Court's desired outcome—namely, to adopt a knowledge-of-the-patent requirement tempered by the doctrine of willful blindness. Given

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163. *Id.* at 202–04.

164. See Brief of Law Professors, *supra* note 17 (describing in detail the case law preceding the 1952 Patent Act).

165. See generally *Global-Tech Appliances, Inc. v. SEB S.A.*, SCOTUSBLOG, <http://www.scotusblog.com/case-files/cases/global-tech-appliances-inc-v-seb-s-a/> (last visited Nov. 19, 2013) (providing for download all of the filed briefs).

the astonishing nature of the mistakes made by the Court, it seems doubtful that any of the Justices read the pre-1952 cases in detail. In the very least—regardless of whether the Court engaged in intentional obfuscation through one of Justice Alito’s clerks—the opinion represents a significant abdication of the Court’s implicit judicial duties to fully review the relevant case law when forming a decision.<sup>166</sup>

## 2. Further Failure to Fully Review *Aro II*

The Court’s bungling of the case law continued in its subsequent analysis, which turned to *Aro II* for guidance given the “conflicting interpretations” of the pre-1952 case law.<sup>167</sup> Like in *Aro II*,<sup>168</sup> the Court began on the right foot by noting the linguistic ambiguity of the language of section 271(c).<sup>169</sup> As the Court properly recognized:

The phrase “knowing [a component] to be especially made or especially adapted for use in an infringement” may be read to mean that a violator must know that the component is “especially adapted for use” in a product that happens to infringe a patent. Or the phrase may be read to require, in addition, knowledge of the patent’s existence.<sup>170</sup>

The Court then noted the 5–4 split in *Aro II*, very briefly recounting the reasoning of the majority and dissent.<sup>171</sup> Without any explicit analysis of either of the opinions, the Court concluded that:

While there is much to be said in favor of both views expressed in *Aro II*, the “holding in *Aro II* has become a fixture in the law of contributory infringement under [section] 271(c),” 5 R. Moy, Walker on Patents § 15:20, p. 15–131 (4th ed. 2009)—so much so that SEB has not asked us to overrule it . . . . Nor has Congress seen fit to alter § 271(c)’s intent requirement in the nearly half a century since *Aro II* was decided. In

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166. See *Graham Cty. Soil and Water Conservation Dist. v. United States ex rel. Wilson*, 559 U.S. 280, 298 (2010) (noting the “judicial duty to give faithful meaning to the language Congress adopted in the light of the evident legislative purpose in enacting the law in question” (quoting *United States v. Bornstein*, 423 U.S. 303, 310 (1976))); Samuel P. Jordan, *Irregular Panels*, 60 ALA. L. REV. 547, 577 n.124 (describing the appellate process as one in which “each judge is expected to read the briefs and cases necessary to participate meaningfully in the decisional process”); cf. *Kawasaki Kisen Kaisha Ltd. v. Regal-Beloit Corp.*, 130 S. Ct. 2433, 2449 (2010) (Sotomayor, J., dissenting) (“[T]he Court contorts the statute and our cases, misreads the statutory history, and ascribes to Congress a series of policy choices that Congress manifestly did not make.”); Robert A. Leflar, *The Multi-Judge Decisional Process*, 42 MD. L. REV. 722, 723 (1983) (“Knowledge that multiple judges check each other helps to sustain confidence and to protect individual judges from public criticism.”).

167. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2067 (2011).

168. See *supra* note 81 and accompanying text.

169. See *Global-Tech*, 131 S. Ct. at 2067 (noting that the language in section 271(c) can be interpreted in various ways).

170. *Id.*

171. See *supra* Part II.B. and accompanying text (describing the decisions in *Aro II*).



light of the ‘special force’ of the doctrine of *stare decisis* with regard to questions of statutory interpretation . . . we proceed on the premise that § 271(c) requires knowledge of the existence of the patent that is infringed.<sup>172</sup>

The Court’s arguments here—although certainly not obfuscatory or wholly mistaken like those it made regarding the pre-1952 scienter standard for indirect infringement—are unconvincing. First, if the Court had closely examined the holding in *Aro II*, its associated legislative history, and the pre-1952 case law—for the reasons presented earlier—it would have recognized that the majority’s reasoning was clearly without merit. Second, whether a party asks the Court to overrule precedent is no bar on the Court’s authority to do so.<sup>173</sup> Third, legislative inaction with respect to one of the Court’s decisions is a shaky ground upon which to infer acquiescence by Congress, except when “Congress considered and rejected the ‘*precise*’ issue’ presented before the Court.”<sup>174</sup> Finally, although *stare decisis* has “special force” in the context of statutory interpretation, it has none where prior precedent is clearly incorrect.<sup>175</sup> For these reasons, the Court’s decision to reaffirm the holding of *Aro II* lacks merit.

The Court’s failure to fully review the majority’s reasoning in *Aro II* led it to a sort of “bootstrapping” error in concluding that “the same

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172. *Global-Tech*, 131 S. Ct. at 2068 (first alteration in original).

173. For instance, in *Nixon v. Shrink Missouri Government PAC*, 528 U.S. 377 (2000), a number of dissenters would have overruled *Buckley v. Valeo*, 424 U.S. 936 (1976), despite the fact that the parties did not request as much. See *Nixon*, 528 U.S. at 397 (noting that the parties did not request that *Buckley* be overruled); *id.* at 409 (Kennedy, J., dissenting) (asserting that he would overrule *Buckley*); *id.* at 410 (Thomas, J., dissenting) (stating the same in an opinion joined by Justice Scalia); see also *Fisher v. Univ. of Tex. at Austin*, 133 S. Ct. 2411, 2421–32, 2429 (2013) (Thomas, J., concurring) (indicating that he would overrule *Grutter v. Bollinger*, 539 U.S. 306 (2003), a precedent the parties did not request be overruled).

174. *Rapanos v. United States*, 547 U.S. 715, 750 (2006); see also *Kimbrough v. United States*, 552 U.S. 85, 106 (2007) (“Ordinarily, we resist reading congressional intent into congressional inaction.”). But cf. *Flood v. Kuhn*, 407 U.S. 258, 283–84 (1972) (“We continue to be loath, [fifty] years after *Federal Baseball* and almost two decades after *Toolson*, to overturn those cases judicially when Congress, by its positive inaction, has allowed those decisions to stand for so long and, far beyond mere inference and implication, has clearly evinced a desire not to disapprove them legislatively.”).

175. See *United States v. Gaudin*, 515 U.S. 506, 521 (1995) (overruling a previous decision that “had been proved manifestly erroneous”); *Payne v. Tennessee*, 501 U.S. 808, 828–30 (1991) (noting that the overruled cases had been “decided by the narrowest of margins, over spirited dissents challenging [their] basic underpinnings,” and had “defied consistent application by the lower courts”); *id.* at 827 (“[W]hen governing decisions are unworkable or are badly reasoned, ‘this Court has never felt constrained to follow precedent.’” (quoting *Smith v. Allwright*, 321 U.S. 649, 665 (1944))); *Smith*, 321 U.S. at 66 (“[W]hen convinced of former error, this Court has never felt constrained to follow precedent.”); see also *Burnet v. Coronado Oil & Gas Co.*, 285 U.S. 393, 405 (1932) (Brandeis, J., dissenting) (“*Stare decisis* is not . . . [a] universal, inexorable command.”).

knowledge is needed for induced infringement under § 271(b)” as under section 271(c).<sup>176</sup> The Court rightfully acknowledged that “the two provisions have a common origin in the pre-1952 understanding of contributory infringement, and the language of the two provisions creates the same difficult interpretive choice.”<sup>177</sup> Yet, without any further reasoning, it concluded that “[i]t would thus be strange to hold that knowledge of the relevant patent is needed under § 271(c) but not under § 271(b). Accordingly, we now hold that induced infringement under § 271(b) requires knowledge that the induced acts constitute patent infringement.”<sup>178</sup>

Like its earlier reasoning, however, such a conclusion does not follow from the premises relied upon by the Court. Although both provisions are ambiguous, as discussed in Part II, there is a critical difference between sections 271(b) and 271(c) that the Court in *Global-Tech* failed to recognize. Specifically, the majority in *Aro II* premised its acknowledged diversion from the common law rule on the specific relationship between the words “knowing” and “infringement” in the following phrase in section 271(c): “knowing the same to be especially made or especially adapted for use in an infringement.”<sup>179</sup> In particular, the majority found that given the modification of “infringement” by “knowing,” the clause raised a question of whether Congress intended to deviate from the pre-1952 rule by imposing a knowledge-of-the-patent requirement.<sup>180</sup>

More particularly, the issue in *Aro II* arose solely because of the peculiar, narrow wording of section 271(c), which reflected a compromise in response to congressional testimony regarding the appropriate scienter standard for that section.<sup>181</sup> Five Justices relied on that testimony and a related statutory amendment to find that Congress deviated from historical precedent, while four Justices disagreed, arguing that Congress codified that precedent.<sup>182</sup> No such peculiar wording appears in section 271(b), which states: “Whoever actively induces

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176. *Global-Tech*, 131 S. Ct. at 2068.

177. *Id.*

178. *Id.*

179. 35 U.S.C. § 271(c) (1964).

180. See *supra* notes 87–91 and accompanying text (discussing Justice Black’s reasoning in *Aro II*).

181. See *Aro II*, 377 U.S. 476, 487–88 (1964); see also *id.* at 525–28 (Black, J., dissenting from the judgment) (describing the history of the statute in the House Committee).

182. See *id.* at 487–88 (majority opinion on the judgment but dissenting on the scienter issue); *id.* at 525–28 (Black, J., dissenting from the judgment but commanding a majority on the scienter issue).

infringement of a patent shall be liable as an infringer.”<sup>183</sup> Thus, unlike section 271(c), there is no indication in the language of section 271(b) whatsoever that Congress intended to deviate from the traditional scienter standard. As such, contrary to the Supreme Court’s conclusion in *Global-Tech*, its holding in *Aro II* does not require imposing a knowledge-of-the-patent requirement on section 271(b).<sup>184</sup>

To be certain, scholars have made two other arguments that *Aro II* should necessarily lead to a knowledge-of-the-patent requirement under section 271(b), which are worth considering. First, in his well-known patent law treatise, Donald Chisum suggests that because inducement required a greater level of scienter than contributory infringement prior to the 1952 Act—specifically, intent versus knowledge—“[t]he *Aro II* requirement that the defendant have some knowledge of the patent as well as the nature of his acts and their consequences would, therefore, seem to apply equally to [s]ection 271(b) and 271(c).”<sup>185</sup> While Professor Chisum is correct as to the varying levels of scienter required under the pre-1952 standards, he overlooks the fact that neither mode of indirect infringement required knowledge of the patent prior to 1952. Thus, the Supreme Court’s interpretation of the text of section 271(c) as requiring a deviation from pre-1952 precedent in *Aro II* should have no bearing on interpreting section 271(b), which contains no similar exempting language.<sup>186</sup>

Second, some commentators argue that by eliminating the knowledge-of-the-patent requirement under section 271(b), that section would effectively render meaningless the stricter requirements under section 271(c), thereby recapturing activity that would otherwise escape liability under section 271(c).<sup>187</sup> In other words, if one supplies a component of an infringing product, but does not know of the patent, that person would escape liability under section 271(c), but might be subject to it under section 271(b).<sup>188</sup>

However, the premise that section 271(b) would somehow “swallow” section 271(c) is without basis. As an initial matter, the statutory framework already contemplates that some activity that clearly avoids

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183. 35 U.S.C. § 271(b) (2012).

184. Cf. MOY’S WALKER ON PATENTS § 15.20 (2010) (“Thus, one can argue that the proper outcome is to resist extending a precedent [*Aro II*] that is already questionable.”).

185. CHISUM ON PATENTS § 17.04[2] (2010).

186. See also MOY’S WALKER ON PATENTS § 15.20 (2010) (addressing the same arguments made by Professor Chisum and finding that they “are not particularly persuasive”).

187. See Holbrook, *supra* note 16, at 408 (“Using the broader intent standard risks swallowing section 271(c) altogether.”).

188. See *id.*

liability for contributory infringement under section 271(c) may nonetheless constitute inducement of infringement under section 271(b). For instance, the sales of staple commodities can never give rise to liability under section 271(c), because such sales are expressly excluded by the terms of the statutory provision, but may lead to liability under section 271(b).<sup>189</sup> In this regard, section 271(b) imposes a hurdle (specific intent) not required by section 271(c).<sup>190</sup> As the Supreme Court recognized in *Grokster*, unlike section 271(c), mere “knowledge” of potential infringing uses does not suffice for a finding of inducement under section 271(b); rather, specific intent to encourage the acts constituting infringement is necessary.<sup>191</sup> As such, even without a knowledge-of-the-patent requirement, section 271(b) imposes more stringent scienter requirements than section 271(c).<sup>192</sup> Therefore, section 271(b) would not render section 271(c) meaningless or superfluous.<sup>193</sup>

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189. See *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 935 n.10 (2005) (“Nor does the Patent Act’s exemption from liability for those who distribute a staple article of commerce, 35 U.S.C. § 271(c), extend to those who induce patent infringement, § 271(b).”).

190. See Giles S. Rich, *Infringement Under Section 271 of the Patent Act of 1952*, 21 GEO. WASH. L. REV. 521, 538–39 (1953) (“A significant difference between paragraphs (b) and (c) is that proof of facts which comply with the provisions of the latter gives rise to liability without any further proof of intent or inducement . . . .”); see also Charles E. Miller, *Some Views on the Law of Patent Infringement by Inducement*, 53 J. PAT. OFF. SOC’Y 86, 97–98 (1971).

191. See *Grokster*, 545 U.S. at 936–37.

192. Indeed, Holbrook describes the animus for his position as a policy view that the sale of goods capable of non-infringing uses should generally not lead to liability for indirect infringement, even when the accused infringer intended to encourage the acts of direct infringement. See Holbrook, *supra* note 16, at 408 (“An intent to induce any acts that might result in an infringement would fall under section 271(b) even if there are considerable non-infringing uses. Third-party liability should be the exception and not the rule.”). Yet, as Judge Rich explained, section 271(b)’s higher scienter standard (namely, one of intent) was designed in part to “recapture” the sales of staple articles and goods with substantial non-infringing uses, which would otherwise fall outside the ambit of section 271(c). See Rich, *supra* note 190, at 538–39. Thus, Holbrook’s attempt to reinterpret the statute to fit the mold of his policy preferences should be rejected.

193. One further potential counter-argument is that the sales of non-staple components with no substantial infringing uses would constitute inducement under section 271(b) whenever the seller had knowledge that such components were especially adapted for use in a patented combination, because such knowledge has been held to be sufficient to prove intent to encourage direct infringement. See *N.Y. Scaffolding Co. v. Whitney*, 224 F. 452, 459 (8th Cir. 1915) (holding that intent may be inferred from knowledge that a component is especially adapted). Thus, if *Aro II* remained good law, but was not applied to section 271(b), then activity that did not constitute infringement under section 271(c)—because the accused infringer had no knowledge of the patent-at-issue—might constitute infringement under section 271(b) without any effectively heightened scienter standard under section 271(b)—precisely because knowledge that the component is “especially adapted” is a requirement of section 271(c). In this limited set of cases, section 271(b) would then arguably subsume (i.e., “swallow”) section 271(c), imposing liability where none existed under section 271(c). Yet, there is a problem with this reasoning, which is a perfect illustration of the Court’s missteps in *Aro II* and *Global-Tech*. Granted, the Eighth Circuit stated in *New York Scaffolding* (which was quoted with approval by the Supreme Court in *Grokster*),

In summary, the Court's analysis of *Aro II* in *Global-Tech* contains two major flaws and gaps. First, the Court basically glossed over the reasoning of *Aro II* and essentially did nothing to investigate the soundness of the arguments made by the majority in that case. Instead, the Court conclusorily stated that there "is much to be said in favor of both views expressed in *Aro II*." If the Court had undertaken any suitable modicum of scrutiny of the arguments of the majority in *Aro II*, it would have found them lacking. Second, the Court engaged in dubious "bootstrapping" arguments to find that the scienter requirements of section 271(c) are determinative of those under section 271(b). Like its analysis of *Aro II*, if the Court had carefully formulated its arguments, it would have found otherwise.

#### CONCLUSION

As recounted above, the Supreme Court subverted the will of Congress to codify the historical precedent regarding whether knowledge of the patent-at-issue is required for a showing of indirect infringement. Contrary to the historical doctrine, the Court in *Aro II* and *Global-Tech* misread the case law and related legislative history to find that knowledge of the patent is required for indirect liability. Indeed, in *Global-Tech*, it appears that the Court—likely via one of its law clerks and unbeknownst to the Justices—engaged in intentional obfuscation to reach its desired policy outcome.

The Court's derogation of its judicial obligations in these cases is particularly problematic given that it appears defendants in a large percentage of cases are unlikely to have knowledge of the patent-at-issue at the time of suit. Of course, such a rule leads defendants to ignore

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"One who makes and sells articles which are only adapted to be used in a patented combination will be presumed to intend . . . that they shall be used in the combination of the patent." *Id.* at 459 (cited with approval in *Grokster*, 545 U.S. at 933). Yet, read properly, this sentence merely implies that intending to further the *acts* of direct infringement is required to meet the scienter required of indirect infringement. Indeed, the *New York Scaffolding* opinion in the next sentence cites *Thomson-Houston II*, the opinion by then-Judge Taft holding that knowledge of the patent was not a necessary scienter requirement. *See id.* at 459. Thus, the very citation to cases such as *New York Scaffolding* rebuts the assumption of scholars like Holbrook that knowledge of the patent should be a requirement of section 271(c), and by implication, section 271(b). To the extent that *New York Scaffolding* is misread so as to impose a knowledge-of-the-patent requirement—perhaps with reference to the term "patented combination" in its holding—then activity that fell outside of section 271(c) merely because the accused infringer had no knowledge of the patent would also fall outside the scope of section 271(b), because the inference of intent from knowledge in such cases would necessarily turn on the seller's knowledge of the patent-at-issue—namely, that the seller knew its component would be used in a "*patented* combination." For these reasons, even in the context of especially adapted components, such arguments fail.

patents altogether. Although the Court in *Global-Tech* adopted a “willful blindness” test, whereby purposeful ignorance could suffice for knowledge, the Court set the bar for meeting this test quite high.<sup>194</sup> Moreover, defendants can always immunize themselves against indirect infringement by securing a suitable “opinion of counsel” letter—which is typically straightforward to obtain for a sufficiently high fee paid to the lawyer drafting it—stating the patent-at-issue is not infringed, invalid, or unenforceable, thereby negating the requirement imposed by the Court that the accused infringer must know he or she is furthering an “infringing” act.<sup>195</sup>

The upshot of these results is that indirect infringement will be exceedingly difficult to prove. Specifically, the Court’s new rule will preclude pre-suit damages in the vast majority of cases in which the defendant had no knowledge of the patent (given the difficulty of showing “willful blindness”), as well as pre- and post-suit damages in nearly all cases in which the defendant has secured an opinion letter (at least until the deciding court makes a final ruling in the patentee’s favor).<sup>196</sup> Although there are certainly coherent policy arguments that can be made in favor of such an approach—ones that are nonetheless unconvincing—it is not the Court’s province to displace the codification of precedent with its own policy-driven whims.<sup>197</sup> It is even more problematic when the Court does so under the guise of wholly misguided legal arguments, ultimately resulting in patent law revisionism.

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194. See *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2067–68 (2011). Under the Court’s test, (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. See *id.*

195. See Rader, *supra* note 16, at 332 (“[O]btaining an opinion of counsel regarding inducement would . . . enabl[e] a would-be inducer to forge ahead with the harmful activity, by having it rubber-stamped by an outside law firm.”).

196. See *Commil USA, LLC v. Cisco Sys., Inc.*, 720 F.3d 1361, 1368–69 (Fed. Cir. 2013) (holding that a “good faith” belief in the invalidity of the patent may negate the scienter required for inducing infringement).

197. See, e.g., Kumar, *supra* note 17, at 730 (suggesting that the Court adopted a knowledge-of-the-patent requirement to protect certain industries, like semiconductors, that would be “adversely affected” without it).