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EYES WIDE SHUT: Induced Patent Infringement and the Willful Blindness Standard

INTRODUCTION

In its recent 8–1 decision in Global-Tech Appliances, Inc. v. SEB S.A.,¹ the Supreme Court both clarified and confused the law governing induced patent infringement. Up until the Supreme Court’s decision, the law of inducement, namely the level of intent required in order for one to be found liable for inducement, was in a confused state. Because of seemingly conflicting case law within the Federal Circuit, patent holders and innovators were left with uncertainties over when liability for induced infringement could attach: Must an innovator knowingly induce only the acts that happen to cause infringement? Or must he induce acts knowing that those acts will cause infringement?

While the Court clarified the issue of intent once and for all, in doing so, it injected another element of confusion into the mix, holding that “willful blindness” could satisfy the knowledge requirement for induced patent infringement.² Although the Court announced a seemingly clear test for what qualifies as willful blindness, this Comment will illustrate that the Court’s new formulation of induced patent infringement, particularly the willful blindness aspect, is not so clear-cut. Different interpretations of the rule will bring different consequences and policy considerations.

Part I of this Comment will briefly trace the origins and history of the law of induced patent infringement and discuss the debate within the Federal Circuit leading up to the Supreme Court’s decision in Global-Tech. Part II will summarize the Court’s decision, paying particular attention to its treatment of the knowledge requirement for induced patent infringement and

2. Id. at 2069.
the new willful blindness standard. Part III will discuss the problems with the willful blindness standard and will elaborate two potential interpretations of the rule, and potential problems with each. Finally, Part IV concludes that the less stringent standard should be followed, but only when omissions are made in bad faith.

I. INDUCED PATENT INFRINGEMENT

Patent infringement occurs when one “without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent.” As Professor Mark Lemley notes, “patent courts have long recognized that focusing only on the party who actually practices the invention will sometimes let off the hook the party who deserves to be held liable.” For that reason, liability for patent infringement has long been extended to include not only those who directly infringe, but also to those who contribute to infringement and to those who induce infringement. The goal is to give patent owners “effective protection in circumstances in which the actual infringer either is not the truly responsible party or is impractical to sue.”

Before 1952, courts recognized “secondary patent infringement,” which could be comprised of either what is now known as induced infringement, or what is now known as contributory infringement. In 1952, the Patent Act was amended and Congress clearly separated the offense of active inducement from that of contributory infringement. While the two offenses are similar in that they punish third parties rather than direct infringers, they are distinctly different. “The distinction between contributory and induced infringement is summarized by noting that while contributory infringement involves the sale of components or parts to the direct infringer, induced infringement covers ‘other acts’ that direct, facilitate, or abet infringement.”

Both of the statutory sections for contributory infringement and induced infringement contain an ambiguity as to the level of knowledge and intent

6. Lemley, supra note 4, at 228.
7. Id. at 227; see also Thomas-Houston Elec. Co. v. Ohio Brass Co., 80 F. 712 (6th Cir. 1897).
required in order for one to be held liable for infringement.10 Governing contributory infringement, section 271(c) states:

Whoever offers to sell or sells within the United States . . . a component of a patented [invention] . . . constituting a material part of the invention, 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.11

Similarly, governing induced infringement, section 271(b) states “[w]hoever actively induces infringement of a patent shall be liable as an infringer.”12 Both of these sections contain an ambiguity; to be liable for contributory infringement, must one “need[ ] to intend to commit the acts that constitute contributory infringement or . . . [must] the party also need[ ] to intend that the third party infringe”?13 To be liable for induced infringement, must one knowingly induce acts that happen to cause infringement, or must he induce acts knowing that they will cause infringement?

As for contributory infringement, that ambiguity was resolved by the Supreme Court in the case of Aro Manufacturing Co. v. Convertible Top Replacement Co. (Aro II).14 Here, the Court noted that Congress, by enacting section 271(c), wished to codify existing case law, which premised liability on “mak[ing] and sell[ing] 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.”15 Thus, the Court in Aro II reiterated that intent to contribute to infringement was required.

The ambiguity as to induced infringement was not resolved so easily; while it was settled that intent was required to be liable for induced infringement,16 until recently, there has been disagreement over precisely what intent is necessary. Two Federal Circuit cases, decided only weeks apart, set forth two opposing standards, perpetuating the uncertainty in the

11. Id. § 271(c).
12. Id. § 271(b).
15. Id. at 486–87 (quoting Thomas–Houston, 80 F. 712 at 721 (6th Cir. 1897)).
area. In *Hewlett-Packard v. Bausch & Lomb*, the Federal Circuit held that one could be liable for inducement if it could be proven that he “actual[ly] intend[ed] to cause the acts which constitute the infringement.” In *Manville Sales v. Paramount Systems, Inc.*, however, the Federal Circuit held that in order to be held liable for induced infringement, the defendant must have the “specific intent to encourage another’s infringement and not merely . . . ha[ve] knowledge of the acts alleged to constitute inducement.” These two very different holdings, *Hewlett-Packard* setting a very low intent requirement, and *Manville*, setting a very high intent requirement, created much uncertainty for not only lower courts seeking to apply the standard, but for inventors and patent holders as well.

This ambiguity was finally settled by the Federal Circuit in *DSU Medical Corp. v. JMS Co., Ltd.* There, the court held that “‘knowledge of the acts alleged to constitute infringement’ is not enough” to incur liability for induced patent infringement.

II. THE SUPREME COURT’S “CLARIFICATION”:

*GLOBAL-TECH APPLIANCES V. SEB*

Although *DSU* seemed to clarify the issue of what level of knowledge one must have in order to incur liability for induced patent infringement under § 271(b), the Supreme Court attempted to make it crystal clear with its holding in *Global-Tech*. The decision affirmed the ruling of the Federal Circuit in *DSU*, confirming that the knowledge requirement under section 271(b) requires knowledge that the induced acts will cause patent infringement. However, the Court was also asked to specifically clarify the “knowledge” requirement; namely, the Court needed to determine whether “deliberate indifference” could qualify as knowledge under the statute.

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17. 909 F.2d 1464 (Fed. Cir. 1990).
18. *Id.* at 1469.
19. 917 F.2d 544 (Fed. Cir. 1990).
20. *Id.* at 553.
21. Lemley, *supra* note 4, at 239. As Professor Lemley points out in his 2005 article, lower courts applied both standards in different circuits, but the *Manville* approach was followed more frequently than the *Hewlett-Packard* approach.
22. 471 F.3d 1293 (Fed. Cir. 2006).
23. *Id.* at 1305 (quoting *Warner-Lambert*, 316 F.3d at 1363).
SEB is a company specializing in manufacturing and selling home-cooking appliances.\footnote{SEB S.A. v. Montgomery Ward & Co., Inc., 594 F.3d 1360, 1365 (Fed. Cir. 2010).} SEB sells products in the United States through its subsidiary, T-Fal Corp., and owns U.S. Patent No. 4,995,312 ("The '312 Patent").\footnote{Id.} The patent covered SEB’s “cool-touch” deep fryer, which implemented “external services that remain[ed] cool during the frying process.”\footnote{Global-Tech, 131 S. Ct. at 2063.} SEB obtained the patent in 1991, and sold the fryers under the “T-Fal” brand in the United States with great commercial success.\footnote{Id. at 2064.}

Petitioner Pentalpha Enterprises, Ltd., is a Hong Kong company specializing in manufacturing home appliances, and is a wholly owned subsidiary of Global-Tech Appliances.\footnote{Id.} In 1997, one of SEB’s U.S. competitors, Sunbeam Products, Inc., asked Pentalpha to develop deep fryers for Sunbeam.\footnote{Id.} Pentalpha purchased one of SEB’s fryers in Hong Kong, and copied all of its functional features in order to develop the type of fryer Sunbeam had requested.\footnote{Id.} Importantly, because the fryer was purchased abroad, and was made for sale in a non-U.S. market, the product that Pentalpha copied did not bear U.S. patent markings.\footnote{Id.}

After designing its fryer, Pentalpha commissioned a right-to-use study from an attorney in order to determine whether Pentalpha’s product was infringing on any other products.\footnote{Id.} Pentalpha did not tell the attorney that it had directly copied SEB’s fryer in Hong Kong.\footnote{Id.} The attorney did not locate the ‘312 patent’ as part of his search, and subsequently wrote an opinion letter indicating that Pentalpha’s deep fryer did not infringe any patents that he was able to locate.\footnote{Id.} Based on that opinion letter, Pentalpha sold its deep fryers to Sunbeam, who began selling the fryers in the United States, which significantly undercut SEB’s business in the U.S. market.\footnote{Id.}

Pentalpha continued to sell fryers to other U.S. companies for resale, including Fingerhut and Montgomery Ward.\footnote{Id.} SEB sued Pentalpha asserting both direct infringement under 35 U.S.C. § 271(a), and induced patent infringement under 35 U.S.C. § 271(b), under the theory that Pentalpha
actively induced other companies to sell or offer to sell the fryers in violation of SEB’s rights.\textsuperscript{40}

At trial, a jury found for SEB on both the direct infringement and inducement claims.\textsuperscript{41} Pentalpha appealed, arguing that there was no evidence to support the jury’s finding of inducement based on the fact that Pentalpha did not have actual knowledge of the ‘312 Patent’ at the time Pentalpha designed its fryer.\textsuperscript{42}

On appeal, the Court of Appeals for the Federal Circuit affirmed the judgment of the trial court.\textsuperscript{43} The Federal Circuit held that section 271(b) requires a “plaintiff [to] show that the alleged infringer knew or should have known that his actions would induce actual infringements.”\textsuperscript{44} The Federal Circuit used circumstantial evidence to find that Pentalpha knew about the ‘312 Patent, and found Pentalpha liable for induced patent infringement based on its deliberate indifference, stating “Pentalpha deliberately disregarded a known risk that SEB had a protective patent.”\textsuperscript{45} According to the Federal Circuit, “deliberate indifference” is a form of actual knowledge, and held that a showing of deliberate indifference was enough to satisfy the requirements of section 271(b).\textsuperscript{46}

Pentalpha petitioned the Supreme Court for certiorari, asserting that liability for active inducement under section 271(b) requires a higher standard than “deliberate indifference to a known risk that . . . induced acts may violate an existing patent.”\textsuperscript{47} The Supreme Court granted Pentalpha’s petition.\textsuperscript{48}

Before dealing with the issue of whether the Federal Circuit’s “deliberate indifference” standard was proper, the Court first spent time clarifying the often confusing standard of what level of intent is necessary to be liable for induced infringement; must one only intend to induce certain acts, or must one induce acts with the specific intent to cause infringement?\textsuperscript{49} The Court concluded, based on an analysis of the text of section 271, its legislative history, and Supreme Court precedent, that the correct interpretation of section 271(b) requires “knowledge that the induced acts constitute patent infringement.”\textsuperscript{50}
Next, the Court turned to the principal issue in the case—whether the Federal Circuit’s holding that “deliberate indifference” constitutes knowledge for purposes of induced patent infringement is proper. While the Court ultimately affirmed the judgment of the Court of Appeals—that Pentalpha was liable for induced patent infringement—the Court rejected the Federal Circuit’s deliberate indifference standard, holding, instead, that the statute requires “willful blindness.”

In rejecting the Federal Circuit’s standard of deliberate indifference and instead holding that willful blindness can satisfy the knowledge requirement of section 271(b), the Court stated that the test applied by the Federal Circuit “permits a finding of knowledge when there is merely a ‘known risk’ that the induced acts are infringing . . . [and] demanding only ‘deliberate indifference’ to that risk, the Federal Circuit’s test does not require active efforts by an inducer to avoid knowing about the infringing nature of the activities.” Thus, the Court exhibited a desire to heighten the knowledge requirement, and indeed wished to announce a standard that “surpasses recklessness and negligence.”

The Court’s solution was to hold that a “willful blindness” standard was appropriate to satisfy the knowledge requirements of section 271(b). The Court traced the history of the willful blindness doctrine, noting that it is well established in criminal law, and, by and large, accepted by every Circuit Court of Appeals. For those reasons, the Court could find “no reason why the doctrine should not apply in civil lawsuits for induced patent infringement

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50. Id. at 2068. The Court reasoned that its holding in Aro Manufacturing Company v. Convertible Top Replacement Company, 377 U.S. 476 (1964) (Aro II) answered the issue. Aro II concerned the interpretation of section 271(c), which like 271(b), is ambiguous as to what level of intent is required for liability to attach. The Court pointed out that “the holding in Aro II has become a fixture in the law of contributory infringement,” Global-Tech, 131 S. Ct. at 2068 (citing R. MOY, WALKER ON PATENTS § 15:20, 15–131 (4th ed. 2009), and Congress has not seen fit to amend the law. Global-Tech, 131 S. Ct. at 2068. Aro II held that section 271(c), the statute governing contributory infringement, required knowledge of the existence of the patent that is infringed. Id. The Court in Global-Tech reasoned that, since sections 271(b) and (c) were enacted at the same time and share a common origin in pre–1952 case law, the same knowledge should be required for section 271(b). Id. The Court stated “[i]t would thus be strange to hold that knowledge of the relevant patent is needed under [section] 271(c) but not under [section] 271(b).” Id. For an in-depth discussion of the Court’s reasoning on this point, see Dilmore, supra note 25, at 662–65.

51. Global-Tech, 131 S. Ct. at 2068.

52. Id. at 2071.

53. Id. at 2070.

54. Id. at 2069.

55. Id. The Court noted that the only Court of Appeals that has not “fully embraced the doctrine” is the Court of Appeals for the District of Columbia. Id.
under [section] 271(b). Accordingly, the Court articulated the new standard for knowledge under section 271(b): a defendant is willfully blind for the purposes of induced patent infringement if he 1) subjectively believes that there is a high probability that a patent exists; and 2) takes deliberate actions to avoid learning of that fact.

Applying its new standard for induced infringement, the Court held Pentalpha liable, finding that there was evidence for a jury to conclude that Pentalpha subjectively believed in a high probability that SEB’s patent existed, and that Pentalpha took deliberate actions to avoid learning that fact. The Court pointed to evidence that SEB’s fryer was an innovation in the market, Global-Tech, 131 S. Ct. at 2071, and had gained substantial commercial success. Pentalpha’s CEO testified that Pentalpha routinely “performed ‘market research’ and gathered information as much as possible” when developing new products; therefore, the Court concluded that Pentalpha must have known about the success of SEB’s fryer. Furthermore, the Court noted that “Pentalpha’s belief that SEB’s fryer embodied advanced technology that would be valuable in the U.S. market [was] evidenced by its decision to copy all but the cosmetic features of [the fryer].”

As further evidence to support a finding of willful blindness, the Court pointed to Pentalpha’s decision to copy an overseas model of SEB’s cool-touch fryer—one that Pentalpha knew would not bear U.S. patent markings because it was made for sales overseas. After copying the overseas model, Pentalpha’s CEO, John Sham, failed to inform the attorney commissioned to write a right-to-use opinion that John Sham had copied the overseas version. The Court “[could not] fathom what motive Sham could have had for withholding [such] information other than to manufacture a claim of plausible deniability in the event that his company was later accused of patent infringement.”

The Court determined that the evidence was more than enough for a jury

56. Id. At least one commentator notes that the Court’s application of a criminal law standard in this context is misplaced, and it may have negative implications for the criminal bar, and erodes the credibility of the Federal Circuit. See Dilmore, supra note 25, at 675–81.
57. Global-Tech, 131 S. Ct. at 2070.
58. Id. at 2072.
59. Id. at 2064.
60. Id. at 2071.
61. Id.
62. Id. The Court pointed out that Pentalpha’s CEO was a named inventor on many U.S. patents, and “was well aware that products made for overseas markets usually do not bear U.S. patent markings.” Id. (citing Brief for Appellant, 594 F. 3d 1360 (Fed. Cir. 2010) (No. 2009–1099)).
63. Id.
64. Id.
to find that Pentalpha both subjectively believed that SEB’s patent existed, and that Pentalpha took deliberate steps to avoid learning about the patent.\textsuperscript{65} Therefore, the Court affirmed the Federal Circuit’s holding.\textsuperscript{66}

III. HOW TO APPLY THE STANDARD: PROS AND CONS

As the Court noted in \textit{Global-Tech}, the standard for willful blindness, for purposes of induced patent infringement, is that a defendant must have a subjective belief in a high probability that a patent exists, and “must take deliberate actions to avoid learning that fact.”\textsuperscript{67} While the test seems clear on its face, the manner in which the Court applied the test to the case at bar left some unanswered questions for lower courts regarding how the test should be applied.

In establishing that willful blindness could constitute knowledge for induced infringement, the Court clearly expressed its desire to apply a standard that surpassed mere recklessness or negligence, and one that requires active efforts by an inducer to avoid learning that a patent exists.\textsuperscript{68} The Court distinguished among these various states of mind by citing to the 1962 draft of the Model Penal Code, which has since become official. The Code defines a reckless defendant as one who “consciously disregards a substantial and unjustifiable risk that [a] material element exists or will result from his conduct.”\textsuperscript{69} Similarly, a negligent defendant is one who “should be aware of a substantial and unjustifiable risk that [a] material element exists or will result from his conduct.”\textsuperscript{70} A willfully blind defendant, on the other hand, “is one who takes deliberate actions to avoid confirming a high probability of wrongdoing and who can almost be said to have actually known the critical facts.”\textsuperscript{71} As some commentators note, “all wilfully [sic] ignorant defendants are reckless, but . . . not all reckless defendants are wilfully [sic] ignorant.”\textsuperscript{72} Thus, the Court’s rule seems to imply that a defendant cannot be found to have been willfully blind unless he takes some sort of “active efforts” to avoid

\begin{itemize}
  \item \textsuperscript{65}. Id.
  \item \textsuperscript{66}. Id. at 2072.
  \item \textsuperscript{67}. Id. at 2070.
  \item \textsuperscript{68}. Id. at 2070–71.
  \item \textsuperscript{69}. Model Penal Code § 2.02(c) (1962).
  \item \textsuperscript{70}. Id. § 2.02(d).
  \item \textsuperscript{71}. Global-Tech, 131 S. Ct. at 2070–71 (citing Glanville Williams, Textbook of Criminal Law § 57, at 159 (2d ed. 1983) (stating “A court can properly find willful blindness only where it can almost be said that the defendant actually knew”).
\end{itemize}
learning about the existence of a patent.73

While the Court seemed to clearly articulate that active efforts to avoid learning about a patent is required before a finding of willful blindness can be made, its analysis of prior federal case law applying the willful blindness doctrine, as well as its analysis of Pentalpha’s behavior, seem to indicate that passive behavior can also result in a finding of willful blindness.74 First, to justify its importation of the willful blindness doctrine into patent law, the Court referred to several Federal cases that applied the doctrine.75 While the Court seemed to take pains to indicate that active efforts are required for willful blindness, most of the cases to which the Court cited allowed a finding of willful blindness upon a showing that the Defendant “closed his eyes” to a certain fact. For example, the Court cited to the Fourth Circuit case United States v. Schnabel,76 which stated “[t]he willful blindness instruction allows the jury to impute the element of knowledge to the defendant if the evidence indicates that he purposely closed his eyes to avoid knowing what was taking place around him.”77 The Court also cited a Sixth Circuit case, United States v. Holloway,78 which upheld a jury instruction allowing the jury to impute knowledge if the defendant “merely . . . deliberately clos[ed] his eyes to the obvious risk that he [was] engaging in unlawful conduct.”79 The Court cited to numerous other similarly held cases to support its justification for the willful blindness standard.80

In addition to justifying the willful blindness standard with reference to cases that seem to allow a finding of willful blindness based on a defendants passive behavior, the Court seemed to indicate that passive behavior might be enough for a finding of willful blindness in its analysis of the facts of the case at bar.81 The Court found that the evidence presented in the case was “more

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73. Global-Tech, 131 S. Ct. at 2071. “In demanding only ‘deliberate indifference’ to [a known risk that a patent exists] the Federal Circuit’s test does not require active efforts by an inducer to avoid learning about the infringing nature of the activities.” Id. at 2071.
74. See Global-Tech, 131 S. Ct. at 2066–72.
75. See id. at 2066–70.
77. Id. at 203.
79. Id. at 381.
80. See Global-Tech, 131 S. Ct. at 2069 n.7, 2070 n.9 (citing e.g. United States v. Yasser, 114 F.2d 558, 560 (3d Cir. 1940)(imputing knowledge where a defendant “closed his eyes” to facts that made the existence of a crime obvious); Grant Bros. Constr. Co. v. United States, 114 P. 955, 959 (1911)(imputing knowledge where defendant “willfully and intentionally ignored facts and circumstances known to them”); United States v. Florez, 368 F.3d 1042, 1044 (8th Cir. 2004)(finding defendant guilty where defendant was put on notice that a crime was particularly likely and yet “intentionally failed to investigate those facts.”).
than sufficient” for a jury to find that Pentalpha was willfully blind under the Court’s new standard.82 While the Court seemed to indicate throughout the case that “active efforts” to avoid learning about a patent were required for a finding of willful blindness, the facts the Court relied on to find that Pentalpha was willfully blind were largely instances of Pentalpha’s passive behavior, rather than active behavior.

First, the Court found it “telling” that Pentalpha’s CEO did not inform his attorney that Pentalpha’s fryer was directly copied from SEB’s overseas version.83 The CEO’s failure to tell the attorney this information is an omission, not an “active effort.” Similarly, the Court seemed to indicate that Pentalpha’s failure to investigate whether SEB’s fryer was patented in the United States was another factor in its finding that Pentalpha was willfully blind.84 Again, however, its failure to do so cannot be called an “active effort” on the part of Pentalpha to avoid learning about the patent; this was a passive omission. Nonetheless, although the Court articulated its desire to require “active efforts to avoid learning about a patent,” the Court seemed to find willful blindness based solely on passive omissions on the part of the defendant in this case.

The Court’s contradiction in what behavior satisfies the willful blindness standard opens the door for circuit courts, patentees, and innovators to interpret the Global-Tech decision in at least two different ways.85 First, the decision could be interpreted to require a defendant to take “active efforts” to avoid learning of a patent before a finding of willful blindness can be made. Second, the decision could be interpreted to allow a finding of willful blindness upon a showing that a defendant passively omitted certain behaviors, namely, conducting an investigation of existing patents held by others. As will be discussed further in this section, both interpretations have pros and cons, and each raises various policy considerations.

The first interpretation of the willful blindness standard that Global-Tech invites is one that requires a defendant to take “active efforts” to avoid learning of a patent before a finding of willful blindness can be made. This interpretation, the stricter of the two, has many advantages. First, an interpretation of willful blindness requiring a defendant to take “active
efforts” to avoid learning of a patent promotes the purpose of the Patent Act by furthering innovation. Second, this stricter standard also promotes the purpose of section 271(b) itself.

The strict interpretation promotes the purpose of the Patent Act. Patent protection arises out of Congress’ power, granted by the Constitution, to “promote the Progress of Science and the useful Arts.”86 The purpose of the patent system is not to reward inventors, but to incentivize disclosure to the public in order to spark further innovation.87 Adopting a standard for willful blindness that requires defendants to make active efforts to avoid learning of a patent would further these goals in a number of ways.

First, adopting the strict standard for willful blindness will promote innovation by ensuring that innovators do not need to go to overly burdensome lengths to discover all potentially relevant patents. A less stringent standard, one under which a defendant can be held willfully blind and thus liable for induced patent infringement by simply failing to discover that a competitor’s patent exists, effectively imposes upon defendants a duty to investigate others’ patents. However, in the context of direct infringement, the Federal Circuit has directly rejected such an affirmative duty.88 Because such a duty to investigate has been rejected in the context of direct infringement, it would not be logical to impose such a duty in the context of secondary infringement.

Requiring affirmative, deliberate actions to avoid learning of a competitor’s patent before a finding of willful blindness can be made, as opposed to finding defendants willfully blind because of an omission (failing to discover a relevant patent) would ensure that a chilling effect on innovation is not produced. According to some commentators, the cost of conducting a patent clearance search is very high, and in some industries can cost up to $5,000 per patent.89 Further, according to a survey conducted by the American Intellectual Property Law Association in 2007, a subsequent validity analysis can cost up to $13,000 more per patent.90 Given the very high cost of these searches, many companies, particularly small businesses with limited resources, might decide that the costs of innovation outweigh the benefits. This reluctance could create a chilling effect on innovation, which

would be completely counter to the goal of the Patent Act. Even if companies do choose to expend the financial resources to conduct a patent search, the fear of potential litigation due to an incomplete or inadequate search might lead them to avoid introducing new products.

In addition to promoting the Patent Act’s purpose of furthering innovation, the strict standard promotes the purpose of section 271(b) itself. The legislative history of section 271(b) indicates that Congress’ purpose in enacting that section is to create liability for “morally culpable” conduct.\(^91\) Adopting a standard that would hold innovators to be willfully blind upon a failure to discover all relevant patents is inconsistent with Congress’ intent.

There are many situations in which an innovator might fail to discover every patent relevant to a new product, but nevertheless have acted in a way that was not “morally culpable.” For instance, an inventor who conducts his own patent search but does not find any patents covering his technology, or one who commissions a freedom-to-operate opinion from an attorney and subsequently obtains permission to operate despite there being a protective patent could be held liable, even though he acted in good faith to investigate competitors’ patents. These defendants are not morally culpable, and their behavior is not the type of behavior Congress sought to punish by enacting section 271(b) of the patent act.

On the other hand, allowing a finding of willful blindness only when a defendant takes affirmative, deliberate steps to avoid learning of a competitor’s patent (such as the defendant in \textit{Global-Tech}, who purposefully went abroad to purchase a product without U.S. patent markings), incentivizes idleness on the part of inventors. If an inventor cannot be willfully blind unless he actively \textit{does} something, the logical course for one seeking to avoid liability would be to do nothing at all, which promotes disrespect for existing patent rights and leaves patent holders without much meaningful recourse in the event that an infringement would occur. The Supreme Court, when deciding \textit{Global-Tech}, clearly indicated its desire to avoid “protecting parties who actively encourage others to violate patent rights and who take deliberate steps to remain ignorant of those rights.”\(^92\) Further, the Court recognized that defendants who deliberately shield themselves from certain information are “just as culpable as those who have actual knowledge.”\(^93\)

If defendants cannot be found liable for induced infringement unless they make deliberate, affirmative actions, more and more inventors will not only get away with causing the infringement of others’ products, but also with

\(^91\) S. REP. NO. 82-1979, at 28 (1952).
\(^92\) \textit{Global-Tech}, 131 S. Ct. at 2069 n.8.
\(^93\) \textit{Id.} at 2069.
profiting from the infringement that they caused, leaving patent holders with little recourse except to sue those who are infringing, who are likely to be customers without a “deep pocket.”

CONCLUSION: A “GOOD FAITH” APPROACH SHOULD BE TAKEN

The Supreme Court’s decision in Global-Tech, while it settles once and for all a longstanding issue regarding the level of intent required for induced infringement, is not completely clear. Its willful blindness standard seems clear on its face: to be willfully blind a defendant must (1) subjectively believe in a high probability that a patent exists, and (2) take deliberate actions to avoid learning of that fact. However, the reasoning and outcome in Global-Tech leave some debate over how the second prong of the test may be satisfied, as noted above. In order to balance the rights of patent holders and new inventors, an approach that punishes only defendants who act in bad faith should be taken.

As pointed out above, it is unclear whether an omission—failing to discover the existence of a competitor’s patent—can count as an “active effort” that satisfies the second prong of the Supreme Court’s willful blindness test. An omission should constitute an active effort, if it is an omission that is made in bad faith. For example, if an inventor creates a product and performs patent searches diligently, or seeks a freedom-to-operate opinion from an attorney to whom he has presented all relevant information, but subsequently fails to discover the existence of a patent that he later induces the infringement of, he should not be held liable, as his failure to discover the patent was not in bad faith. This approach would ensure that inventors are respecting existing rights, while still allowing inventors to innovate and enter the market without fear that they might be held liable for inducement through a faulty patent search.

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