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Supreme Court Reigns in International Supplier Liability under U.S. Patent Law

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On February 22, 2017, the Supreme Court handed down a unanimous opinion in *Life Technologies. Corp. v. Promega Corp.*, 580 U.S. ___ (2017) (Roberts, C.J., recused), holding that manufacturing and exporting a single component of a multi-component patent could not lead to infringement under 35 U.S.C. § 271(f)(1). Of interest, the Court did not define "how close to 'all' of the components 'a substantial portion' must be." Slip op, at 10. Nor did the court define exactly what a "component" is, as the parties had agreed that the patented invention is comprised of exactly five components. Slip op, at 2 n. 2. Expect these issues to be hotly contested as potential multi-party infringement and extraterritorial reach remain areas of intense interest for plaintiffs.

The case arose when a United States entity supplied a single component of a five-component invention to a foreign entity which combined the remaining four components into an infringing kit. Since the single component was a staple of commerce and capable of substantial noninfringing use, the Court was asked to determine whether any single component, as long as it was capable of a substantial noninfringing use, could comprise "all or a substantial portion of the components of a patented invention." Unanimously, the Court held that the statutory requirement of "all or a substantial portion of the components of a patented invention" required more than a single component.

Though § 271(f) generally relates to infringement liability for exporting all or a subset of components of a patented invention, its subsections track other portions of § 271 with critical differences. To wit,

- § 271(f)(1) generally tracks § 271(b) which provides liability for actively inducing infringement, whereas
- § 271(f)(2) generally tracks § 271(c) which provides liability for contributing to infringement.

The distinctions are dispositive in *Life Technologies.*

- § 271(f)(1) requires an alleged infringer to provide "***all*** or a ***substantial portion*** of the ***components*** of a patented invention. . ." (emphasis added).

- § 271(f)(2) requires an alleged infringer to provide "***any component*** of a patented invention that is ***especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use***. . ." (emphasis added).

In *Life Technologies*, the alleged infringer provided a single component, *Taq* polymerase, which was ultimately combined with four other components to create a five-component infringing kit. Slip op, at 2. If *Taq* polymerase was "especially made or especially adapted for use in the invention" and not a "staple of commerce suitable for substantial noninfringing use," § 271(f)(1) would not be necessary for a finding of infringement. However, since *Taq* polymerase is a "staple of commerce suitable for substantial noninfringing use," the Supreme Court was forced to determine whether a single component, regardless of how ***qualitatively*** important to a multi-component patented invention, could be "a substantial portion of the components." § 271(f)(1). The Court unanimously held that the language of § 271(f)(1), especially as compared with § 271(f)(2), mandated a ***quantitative*** analysis, and, by definition, prohibited a single component from being a "substantial portion." Slip op, at 4.

Looking ahead, this decision will create two new areas for argument. First, plaintiffs will be encouraged to use § 271(f)(2) to avoid the new "single component" exclusion under § 271(f)(1). This means additional pressure to classify exported components as "especially made or especially adapted for use in the invention." Second, the parties may now argue over the proper classification of components in multi-component inventions. Defendants may attempt to classify exports as "single components" and similarly classify the patented invention as multi-component. Plaintiffs may attempt the inverse—fewer overall components; more exported components. Whether bringing suit or defending suit, *Life Technologies*, in a limited way, has clarified the landscape and has created new questions to consider.

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