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U.S. Supreme Court Limits Liability for Patent Infringement Based on Extraterritorial Activity

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In a near-unanimous opinion, the U.S. Supreme Court ruled in *Life Technologies v. Promega* that supplying a single component of a multicomponent invention for manufacture abroad does not give rise to liability under 35 U.S.C. § 271(f)(1).[1]

Life Technologies provides a potential advantage to exporters of commodity products accused of patent infringement. Under Section 271(f)(1), an exporter is liable for infringement if it supplies "a substantial portion of the components of a patented invention" and induces their combination outside of the United States. The Supreme Court interpreted "a substantial portion" as requiring a quantitative, not qualitative, analysis.[2] And as a matter of law, a single component can never constitute a substantial portion of a multicomponent invention.[3]

The patent at issue in *Life Technologies* claimed a five-component toolkit for genetic testing. One of those components was an enzyme known as *Taq* polymerase. The accused infringer, Life Technologies, manufactured *Taq* polymerase in the United States and then shipped it to the United Kingdom. In the United Kingdom, Life Technologies manufactured the remaining components and combined all of them—including *Taq* polymerase—to make the patented toolkit.[4]

The U.S. Court of Appeals for the Federal Circuit initially applied a flexible, qualitative analysis in favor of the exclusive licensee, Promega. The Federal Circuit reasoned that *Taq* polymerase was an important or essential component of the patented toolkit, constituting "a substantial portion" sufficient to invoke liability.[5]

The Supreme Court reversed.[6] Section 271(f)(1) refers to "components" (plural), but the following provision, Section 271(f)(2), refers to "any component" (singular).[7] The Federal Circuit's interpretation would have undermined Section 271(f)(2), which covers a single component if it 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." In other words, under *Life Technologies*, exporting a single, commodity product cannot give rise to liability under either section of 271(f).

While *Life Technologies* is clear that a *single* component can never constitute a substantial portion, it remains unclear what number or percentage of components is actually required. Two out of five? Three out of five? Four out of five? That question was acknowledged, but not answered, in a

concurring opinion: "I do not read the opinion to suggest that *any* number greater than one is sufficient. In other words, today's opinion establishes that more than one component is necessary, but does not address *how much* more."[8]

A further unanswered question is the difference (if any) between "components" of a patented invention and "elements" of a patent claim. That question was similarly acknowledged, but not answered, as unnecessary to resolution of the parties' dispute.[9]

Life Technologies is a first step toward a better understanding of Section 271(f)(1). Future cases may address the number or percentage of components that constitute "a substantial portion" of a patented invention or whether "components" of a patented invention is coterminous with "elements" of a patent claim. In the meantime, *Life Technologies* guides parties with a narrow but helpful bit of math: One is not a substantial number under Section 271(f)(1).

Notes:

[1] 2017 WL 685531 at *2, ___ S.Ct. ___ (2017).

[2] *Id.* at *6.

[3] *Id.*

[4] *Id.* at *3.

[5] *Id.* at *4.

[6] *Id.* at *9.

[7] *Id.* at *7.

[8] *Id.* at *10 (emphasis in original).

[9] *Id.* at *3 n.2 ("Because the parties here agree that the patented invention is made up of only these five components, we do not consider how to identify the 'components' of a patent or whether and how that inquiry relates to the elements of a patent claim.").

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