

U.S. Supreme Court Recent Decisions on Intellectual Property Cases (June 2014)

There are three recent Supreme Court decisions involving intellectual property.

Nautilus, Inc., v. Biosig Instruments, Inc.

The main issue to be decided in this case was:

- Whether the Federal Circuit's standard that a patent claim passes the §112, ¶2 threshold so long as the claim is "amenable to construction" and the claim (as construed) is not "insolubly ambiguous" satisfies the statute's definiteness requirement.

Decision:

- The U.S. Supreme Court reversed the Federal Circuit, overruling the courts "amenable to construction" and "insolubly ambiguous" standards for patent claim indefiniteness. The Supreme Court remanded to the Federal Circuit with instructions to apply a new standard. Under this new standard, "a patent is invalid for indefiniteness if its claims, read in light of the specification delineating the patent, and the prosecution history, fail to inform, with reasonable certainty, those skilled in the art about the scope of the invention."

Limelight Networks, Inc. v. Akamai Technologies

The issue to be decided in this case was:

- Whether the Federal Court erred in holding that a defendant may be held liable for inducing patent infringement under 35 U.S.C. § 271(b) even though no one has committed direct infringement under §271(a).

Decision:

- The Supreme Court unanimously reversed the Federal Circuit and held that a defendant cannot be liable for inducing patent infringement under 35 U.S.C. § 271(b) unless another entity has directly infringed under 35 U.S.C. § 271(a). In this case, the Court noted, "there has simply been no infringement of the method in which respondents have staked out [a patent] interest, because the performance of all the patent's steps is not attributable to any one person...where there has been no direct infringement, there can be no inducement of infringement under §271(b)." However, the Court's decision left some room for the Federal Circuit to revisit the scope of liability for infringement under § 271(a).

Octane Fitness, LLC v. Icon Health and Fitness, Inc.

The issue to be decided in this case was:

- Whether the Federal Circuit's two-part test for determining whether a case is "exceptional" under 35 U.S.C. § 285 improperly appropriates a district court's discretionary authority to award attorney fees to prevailing accused infringers.

Decision:

- The Supreme Court reversed and remanded the Federal Circuit's affirmation of the district court's denial of attorney's fees under 35 U.S.C. § 285. The Court held that the text of § 285 is clear and that "an 'exceptional' case is simply one that stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated."