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Damages under US Patent Law for Foreign Activities

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Presumption Against Extraterritoriality

The presumption that United States law governs domestically but does not rule the world applies with particular force in patent law.

Microsoft Corp. v. AT&T Corp., 550 U.S. 437, 454-55; 127 S.Ct. 1746, 1758; 167 L.Ed.2d 737 (2007)

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Presumption Against Extraterritoriality

Th[is] background principle applies not just to identifying the conduct that will be deemed infringing but ***also to assessing the damages*** that are to be imposed for domestic liability-creating conduct.

Carnegie Mellon University v. Marvell Technology Group, Ltd., 807 F.3d 1283, 1306 (Fed. Cir. 2015)

Leading Cases on Damages for Extraterritorial conduct

- ***WesternGeco LLC v. ION Geophysical Corp.,*** 138 S.Ct. 2129 (2018)
- ***Carnegie Mellon Univ. v. Marvell Tech. Grp., Ltd.,*** 807 F.3d 1283 (Fed. Cir. 2015)
- ***Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc.,*** 711 F.3d 1348 (Fed. Cir. 2013)

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WesternGeco: Facts

- WesternGeco made patented sonar arrays for its own use in performing surveys for oil companies
- ION made parts for similar arrays and sold them to WesternGeco competitors abroad, who assembled them and used them to compete with WesternGeco outside the US
- ION was found to infringe under 35 USC §271(f)(2)
- WesternGeco sought damages not just for ION's infringing sales, but the profits WesternGeco lost to competition from ION customers

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WesternGeco: lost profits for foreign use permitted

[A] company can be liable for patent infringement if it ships components of a patented invention overseas to be assembled there. See 35 U.S.C. § 271(f)(2).

A patent owner who proves infringement under this provision is entitled to recover damages. § 284. ***The question in this case is whether these statutes allow the patent owner to recover for lost foreign profits. We hold that they do.***

WesternGeco, 138 S.Ct. 2129, 2134 (2018) (emphasis added)

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