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Case Update: Recent Federal Circuit Decisions Addressing Extraterritorial Conduct in the Context of Patent Infringement

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I. Introduction

American courts have long recognized the presumption against extraterritorial application of U.S. law, including U.S. patent law. Indeed, the scope of infringing activities under the Patent Act was historically limited to activities occurring within the U.S. Over time, Congress has amended the Patent Act to capture certain import and export activities which, while occurring from or to the United States, also involve conduct abroad.[2] Although such provisions remain fairly narrow, increased foreign trade and the rise of offshore manufacturing has forced courts in recent years to reconsider the application of domestic patent law to transactions that have an extraterritorial component.

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[2] *See, e.g.*, 35 U.S.C. § 271(f) (exporting components of a patented invention); *id.* § 271(g) (importing product made abroad by patented process).

This paper presents a brief overview of three recent decisions of the U.S. Court of Appeals for the Federal Circuit addressing the extraterritorial application of U.S. patent law. Two of the decisions, *Halo Electronics, Inc. v. Pulse Electronics, Inc.*, 769 F.3d 1371 (Fed. Cir. 2014) and *Lexmark International, Inc. v. Impression Products Inc.*, 816 F.3d 721 (Fed. Cir. 2016), reflect the traditional presumption against extraterritorial application of U.S. patent laws. A third decision, however, *Promega Corp. v. Life Technologies Corp.*, 773 F.3d 1338, 1345 (Fed. Cir. 2014), arguably reads the Patent Act in a manner that effectively increases the law's extraterritorial reach.

Though certainly not the only decisions of the Federal Circuit in recent years relating to the extraterritorial reach of the Patent Act,[3] these three cases are useful illustrations of how the Federal Circuit has confronted such issues in the context of an increasingly global technology marketplace.

II. *Halo Electronics Inc. v. Pulse Electronics Inc.*, 769 F.3d 1371 (Fed. Cir. 2014)

A. Legal Background

Section § 271(a) of Title 35 codifies the familiar activities constituting direct infringement of a U.S. patent: anyone who without authority "makes, uses, *offers to sell*, or *sells* any patented invention, *within* the United States . . . infringes the patent." 35 U.S.C. § 271(a) (emphasis added). Thus, as a general rule, when a patented invention is made and sold outside of

[3] *See, e.g.*, *WesternGeco L.L.C. v. ION Geophysical Corp.*, 791 F.3d 1340, 1351 (Fed. Cir. 2015) (lost profits from use of invention abroad not recoverable under § 271(f)), *cert. granted, judgment vacated on other grounds by WesternGeco LLC v. ION Geophysical Corp.*, 136 S. Ct. 2486 (2016); *Carnegie Mellon Univ. v. Marvell Tech. Grp.*, 807 F.3d 1283, 1308 (Fed. Cir.) (remanding for determination of whether "sale" occurred in the U.S. on complex facts); *Power Integrations, Inc. v. Fairchild Semiconductor Int'l, Inc.*, 711 F.3d 1348, 1372 (Fed. Cir. 2013) (lost profits may not be recovered for entirely extraterritorial production, use, or sale of an invention).

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