

UT Advanced Patent Law Seminar



FR

2017 Patent Remedies Update

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First a word from the GC:

- This presentation is not legal advice.
- If you want legal advice you have to pay for it.
- A lot, but you will agree it is worth the \$.
- This is not the opinion of Fish & Richardson or its clients.
- Actually, it is no one's opinion.
- We don't even know where these slides come from.
- You want opinions, write a check...

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2017: There is now more on the table...



Halo v. Pulse: Enhanced Damages

- In *Halo* the Supreme Court overruled the two prong *In re Seagate* test for willfulness and clear and convincing standard.
- A flexible test was adopted instead, as was previously done for exceptional case attorneys' fees in *Octane Fitness-Highmark*.
- The Court reserved enhanced damages for punishment in egregious cases, but removed the absolute bar against punishment even when conduct was not objectively unreasonable.
- Conduct is measured at the time of infringement, post-hoc justifications will not prevent a finding of enhancement.
- Decision is based on a preponderance of the evidence.
- Reviewed on appeal for abuse of discretion.

Halo's – the “Outback Standard” – No rules, just right

- "Section 284 of the Patent Act provides that, in a case of infringement, courts `may increase the damages up to three times the amount found or assessed.'" [*Halo Elecs., Inc. v. Pulse Elecs., Inc.*, 136 S. Ct. 1923, 1928 \(2016\)](#) (quoting 35 U.S.C. § 284). "[T]here is no precise rule or formula for awarding damages under §284." *Id.* at 1932 (quotation marks omitted). "The sort of conduct warranting enhanced damages has been variously described in our cases as willful, wanton, malicious, bad-faith, deliberate, consciously wrongful, flagrant, or—indeed— characteristic of a pirate." *Id.* "District courts enjoy discretion in deciding whether to award enhanced damages, and in what amount. But through nearly two centuries of discretionary awards and review by appellate tribunals, the channel of discretion ha[s] narrowed, so that such damages are generally reserved for egregious cases of culpable behavior." *Id.* (citation and quotation marks omitted) (brackets in original).

Possible Confine Enhancement

- Willful misconduct is not shown where “the infringer knew about the patent *and nothing more*”
- No requirement to obtain costly opinions of counsel, especially given 35 U.S.C. § 298
- Enhancement may only be for punitive purposes, not compensation
- The Federal Circuit “may take advantage of its own experience and expertise in patent law” when reviewing for abuse of discretion, including when judging an infringer’s subjective belief of non-infringement or invalidity

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