

PRESENTED AT

21st Annual Advanced Patent Law Institute

November 3-4, 2016

Austin, Texas

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

Ajeet Pai

Author Contact Information:

Ajeet Pai

Baker Botts LLP

Austin, TX

ajeet.pai@bakerbotts.com

512.322.2651

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

Ajeet Pai and Sammy Kadivar¹
Baker Botts LLP
October 1, 2016

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.

¹ Ajeet Pai (ajeet.pai@bakerbotts.com) is special counsel in the Austin office of Baker Botts. His practice focuses on intellectual property law, with an emphasis on patent litigation and appeals in high-technology cases. Mr. Pai previously clerked for judges of the United States Court of Appeals for the Federal Circuit and the Northern District of California. Mr. Pai is a graduate of Rice University and the University of Virginia School of Law. Samoneh (Sammy) Kadivar (samoneh.kadivar@bakerbotts.com) is an associate in the Austin office of Baker Botts. Her practice focuses on patent litigation, patent prosecution, and intellectual property licensing. Ms. Kadivar is a graduate of Dartmouth College and the University of Texas School of Law.

This article is intended for educational and informational purposes only and does not constitute legal advice or services. If legal advice is required, the services of a competent professional should be sought. These materials represent the views of and summaries by the author. They do not necessarily reflect the opinions or views of Baker Botts LLP, any of its other attorneys, or its clients. They are not guaranteed to be correct, complete, or current, and they are not intended to imply or establish standards of care applicable to any attorney in any particular circumstance.

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).

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

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

Also available as part of the eCourse

[2016 Advanced Patent Law eConference - Austin](#)

First appeared as part of the conference materials for the
21st Annual Advanced Patent Law Institute session

"Overseas Sales in Light of *Lexmark*, *Halo*, and *Life Tech*"