

Damages under US Patent Law for Foreign Activities						

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)

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)

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

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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