



Client Alert

June 15, 2012

Trial Court's New Role in Willful Infringement Decisions

The United States Court of Appeals for the Federal Circuit appears to have made it more difficult to prove willful infringement of a patent. Such a verdict could lead to an award of treble damages and attorneys' fees. In a case that focuses on that portion of the willfulness test that requires a finding of an objectively high likelihood of patent infringement, the appellate court held that the trial court, not the jury, should make that determination.

In *Bard Peripheral Vascular, Inc. v. W.L. Gore & Assoc., Inc.*, on rehearing en banc, the Federal Circuit considered the nature of the objective inquiry of the test for determining willful infringement. To establish willful infringement a patentee must prove two elements: (1) the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent and if that threshold standard is satisfied; (2) that the objectively-defined risk was either known or so obvious that it should have been known to the accused infringer. It is the first element of that test that was at issue in the case noted herein.

The objective prong of the test is generally not met if the accused infringer relies on a reasonable defense of invalidity or non-infringement. Determining the reasonableness of the defenses can involve both questions of law and fact. The Federal Circuit concluded that the court, not the jury, is in the best position for making this reasonableness determination. This determination will be subject to *de novo* review on appeal, which means that the trial court's decision will receive no deference from the Federal Circuit.

While each case is different, it would not be unexpected for the trial court and/or the Federal Circuit to determine that an accused infringer was not unreasonable if it believed the subject patent was not infringed or was invalid. Even if the accused infringer was wrong in the belief, the reasonableness inquiry offers more room to defend the willfulness of the actions taken. How trial courts handle this inquiry remains an open question, but it would not be unexpected for there to be separate proceedings to aid the court in its required determination. Because the trial court's decision will receive no deference on appeal, trial courts may be more reluctant to find willfulness out of fear of being reversed.

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