ARE Patent Law Alert:
Federal Circuit Confirms That Judge Not Jury Determines Threshold Inquiry For Willfulness Determination

July 30, 2012

Author(s): Charles R. Macedo, Joseph Casino, Michael J. Kasdan and Adil Ahsanuddin

In its 2007 *en banc* decision in *Seagate*, the Federal Circuit redefined the legal standard for determining willful infringement. The Federal Circuit set forth a two-part inquiry: First, the patentee must show than an accused infringer acted despite an objectively high likelihood that it was infringing. Second, if so, the patentee must also show that this risk was known to the infringer. *In re Seagate Technology, LLC*, 497 F.3d 1360, 1371 (Fed. Cir. 2007). Under the *Seagate* standard, if there is no finding of objective recklessness under the first prong of the test, then the second "subjective intent" prong does not need to be considered.

However, the *Seagate* decision did not address whether the objective recklessness prong of the *Seagate* test was to be determined by a judge or by a jury.

This issue was recently considered and decided in *Bard Peripheral Vascular, Inc. v. W.L. Gore & Assocs.*, 682 F.3d 1003 (Fed. Cir. 2012). In *Bard*, the Federal Circuit determined that the Court - not the jury - must make the threshold determination of objective recklessness under the first prong of the *Seagate* test. In particular, *Bard* explained the "ultimate legal question of whether a reasonable person would have considered there to be a high likelihood of infringement of a valid patent should always be decided as a matter of law by the judge." *Id.* at 1007-08.

Thus, it is now the judge's duty to determine whether a defendant's actions were objectively reckless. The second prong of the *Seagate* test, i.e., subjective intent, will still be decided by a jury when needed.

Requiring that a judge determine the objective recklessness prong of the *Seagate* test for willfulness will likely filter out many willfulness allegations before they reach the jury. We expect both that willful infringement allegations will increasingly be resolved on summary judgment, and that judges may be more inclined to bifurcate the issue of willful infringement until after liability is determined.

Please continue to monitor our website for further developments on the issue of willful infringement.

*Charles Macedo is a partner, Joseph Casino and Michael J. Kasdan were partners, and Adil Ahsanuddin is a summer associate at Amster,

© Copyright Amster, Rothstein & Ebenstien LLP. All rights reserved.

Rothstein & Ebenstein LLP. Their practice specializes in intellectual property issues. Charles may be reached at cmacedo@arelaw.com.

Mr. Macedo is also the author of The Corporate Insider's Guide to U.S. Patent Practice, published by Oxford University Press in 2009.

© Copyright Amster, Rothstein & Ebenstien LLP. All rights reserved.