



## ARE Patent Law Alert: Firm Wins En Banc Appeal in *SCA v. First Quality*

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In another victory for Amster, Rothstein & Ebenstein LLP attorneys on behalf of Defendants First Quality, the Federal Circuit upheld the defense of laches in patent law in *SCA Hygiene Products Aktiebolag v. First Quality Baby Products, LLC*, No. 2013-1564 (Fed. Cir. Sept. 18, 2015).

The Court heard this case *en banc* to consider the impact of the Supreme Court's decision in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014), on the propriety of laches as a defense to legal relief in a patent infringement suit. As we [previously reported](#), *Petrella* held that “in face of a statute of limitations enacted by Congress, laches cannot be invoked to bar legal relief.” *Petrella*, 134 S. Ct. at 1974. This holding was driven primarily by separation of powers principles. Specifically, *Petrella* held that laches was precluded as a defense to legal relief in copyright law because Congress included a statute of limitations in the Copyright Act.

In the context of patent law, however, the *en banc* SCA Court agreed with First Quality that Congress codified a laches defense in 35 U.S.C. § 282(b)(1) and that the laches defense applied to legal, as well as equitable, remedies. Thus, the separation of powers issue governing the outcome of *Petrella* is inapplicable in patent law, as it is inapplicable to the Lanham Act.

The Court made a point of noting one major difference between copyright and patent law: that independent invention is no defense to patent infringement, whereas copyright infringement requires evidence of copying. This strict liability aspect of patent law drastically increases the risk of prejudice to innovators from stale claims. The Court also pointed to the “overwhelming[] support” by the *amici* for retaining laches as indicative of the widespread significance of this distinction.

In addition to confirming that laches remains a defense to legal relief in patent law after *Petrella*, the Court reexamined its earlier precedent as to the effect of a laches defense in patent law. The Court held that laches (i) bars legal relief; (ii) must be weighed under the *eBay* framework with respect to an injunction; and (iii) in some cases (e.g., where there are “extraordinary circumstances”), precludes an ongoing royalty.

First Quality is represented in this appeal by [Kenneth P. George](#), [Charles R. Macedo](#), [Mark Berkowitz](#), and [Sandra A. Hudak](#) of Amster, Rothstein & Ebenstein LLP..



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