

Intent for Induced or Willful Infringement Is Based on Defendant's Actual State of Mind, Not Objective Test

NOVEMBER 24, 2020

TecSec, Inc. v. Adobe Inc., Nos. 2019-2192, 2019-2258 (Fed. Cir. Oct. 23, 2020)

The district court construed the claims of the asserted patents in March 2011. The parties later stipulated that under that claim construction, the patentee could not show infringement. In a prior appeal, the Federal Circuit reversed that claim construction in October 2013 and the patents expired just 16 days later. On remand, the district court excluded all evidence of intent to induce or willful infringement from March 2011 through the expiration of the patents because (1) the claim construction, which was reasonable, made it impossible as a matter of law to have the requisite intent to induce infringement; and (2) allowing argument of inducement without reference to the prior proceedings would prejudice the alleged infringer, but allowing the prior proceedings into evidence would prejudice the patentee. After trial, the patentee appealed exclusion of such evidence.

The Federal Circuit reversed, holding that “a defendant may have the liability-supporting subjective state of mind even if a person could believe, with objective reasonableness (though wrongly), that the induced conduct was not infringing.” The Federal Circuit held this applied equally to both willfulness and the intent element of inducement. It analogized to a Supreme Court case on tax law, where the question of whether a person knowingly failed to pay taxes required an inquiry into whether the taxpayer “in good faith believed” that no tax was due, regardless of the “objective unreasonableness” of that belief. As to the district court’s second ground for exclusion, the Federal Circuit noted that the district court had not considered what “other admissible evidence” was relevant to intent in the disputed time period because the accused infringer filed a motion *in limine* rather than a motion for summary judgment. Accordingly, the district court could not resolve the issue as a matter of law. Additionally, the Federal Circuit noted that the district court’s concern of prejudice to the patentee was unwarranted because the patentee specifically stated that it intended to present an inducement case even if the evidence of prior proceedings were allowed. The Federal Circuit therefore reversed and remanded for further proceedings on the inducement claim.

1 Min Read

Author

[Matthew R. McCullough](#)

Related Locations

Charlotte

Chicago

San Francisco

Silicon Valley

Related Topics

Patent Infringement

Related Capabilities

Patent Litigation

Intellectual Property

Related Regions

North America

Related Professionals



Matthew R. McCullough



David Enzminger



Ivan Poullaos



Mike Rueckheim



Danielle Williams