SUPREME COURT

Life Tech. Corp. v. Promega Corp.

On February 22, 2017, the United States Supreme Court ("Supreme Court") issued its opinion in *Life Tech. v. Promega*, holding that the export of a single component of a patented article does not give rise to infringement liability under 35 U.S.C. § 271 (f)(1). Instead, the Supreme Court held, that the text of that statutory provision necessarily requires, at minimum, the exporting of more than one component.

Promega Corporation ("Promega") was the exclusive licensee of U.S. Reissue Patent No. RE 37,984 ("the Tautz patent") covering a genetic testing tool kit comprised of five distinct components. Promega sublicensed the Tautz patent to Life Technology Corporation ("Life Tech"), subject to certain field of use restrictions. Life Tech manufactured and combined four of the five components of the tool kit in its United Kingdom ("U.K.") facility. However, Life Tech manufactured the fifth component of the kit in the U.S., from which it was then exported to the U.K. to be combined with the kit.

During the term of the sublicense, Life Tech exceeded the field of use restrictions it originally agreed to. Promega therefore sued Life Tech for infringing its Tautz patent, claiming that Life Tech was liable under 35 U.S.C. §271(f)(1), which provides as follows:

> " Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer."

At trial, the U.S. District Court granted Life Tech a judgment as a matter of law that it did not infringe under §271(f)(1) because it only supplied one component of the patented invention from the United States. On appeal, the United States Court of Appeals for the Federal Circuit ("Federal Circuit") reversed, holding that exporting even a single component of a patented invention, could qualify as infringement under §271(f)(1), if the component was an especially important or essential element of the patented invention.

The Supreme Court reversed the Federal Circuit, holding that "a single component does not constitute a substantial portion of the components that can give rise to liability under §271(f)(1)." The Supreme Court began its analysis by interpreting the word "substantial" as used in the statute's text "all or a substantial portion of the components." First, the Supreme Court conceded that the ordinary meaning of the word "substantial" could encompass either a qualitative restriction, such as "a large number of components," or a quantitative restriction, such as "the most essential portion of the components." After looking to the context of the passage, the Supreme Court determined that the most natural reading of the statute was that "substantial" imposed a quantitative restriction. Specifically, the Supreme Court noted that the neighboring words "all" and "portion" in the statute imply reference to a quantity.

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Additionally, the Supreme Court noted that "substantial" is modified by "the components of the patented invention." If substantial was meant to convey a qualitative restriction, the Supreme Court reasoned, that statute would have been written such that "substantial" would be modified by "the invention."

After determining that § 271(f)(1) imposes a quantitative requirement on the number of components exported to qualify for infringement, the Supreme Court went on to hold that, as a matter of law, exporting one component of a multi-component product would never be sufficient to qualify for infringement under § 271(f)(1). In reaching this conclusion, the Supreme Court contrasted the language of § 271(f)(1) with § 271(f)(2) which provides that "Whoever… causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial non-infringing use…shall be liable as an infringer." Thus, the Supreme Court noted, that whereas (f)(1) refers to "components" and (f)(2) refers to "any component," the natural reading of this distinction must be that exporting a single component does not satisfy (§ 271(f)(1).

Additionally, Supreme Court Justice Altio filed a concurring opinion, joined by Justice Thomas, to stress that the Court's opinion was not holding that exporting more than one component would be sufficient to satisfy § 271(f)(1). Instead the Justices noted that "today's opinion establishes that more than one component is necessary, but does not address how much more."