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US SUPREME COURT ELIMINATES DEFENSE OF GOOD FAITH BELIEF OF PATENT INVALIDITY

Patent infringement liability includes inducing another to infringe a patent, such as by selling equipment to a third party who uses it.

In *Commil v. Cisco,* the trial court instructed the jury that Cisco induced infringement if Cisco "actually intended to cause . . . direct infringement and that Cisco knew or should have known that its actions would induce actual infringement."

The Federal Circuit found the instruction to be erroneous because negligence, rather than actual knowledge, would be sufficient for liability.

The US Supreme Court reiterated that inducing infringement requires knowledge that the induced acts were infringing. But that is separate from the issue of patent validity. Otherwise, the presumption of a patent's validity would be "lessened".

Therefore, according to the Supreme Court, a good faith belief in the invalidity of a patent is not a defense to inducing patent infringement.

COMMENT:

As the Supreme Court pointed out, if the alleged infringer believes the patent is invalid, it's avenue of relief is to raise it as an affirmative defense and establish the same by clear and convincing evidence. The alleged infringer cannot circumscribe that burden of proof by a good faith belief.

IS YOUR SOFTWARE PATENT INVALID BECAUSE IT OMITS ALGORITHMS?

Software patents continue to be the targets of invalidity claims by alleged infringers, especially since the US Supreme Court decision in *Alice.*

Some software patents include "means-plus-function" claims. The claims state a means for accomplishing a particular function, but do not specify the "means" - i.e., apparatus or structure for achieving the function. Instead, the patent specification must describe the structure.

In *EON v. AT&T,* the Federal Circuit reiterated the principle that the "corresponding structure for a function performed by a software algorithm is the algorithm itself." Therefore, other than for basic "processing", "receiving", and "storing" functions, merely relying on a standard microprocessor or general purpose computer does not satisfy the need to describe the structure in the specification.

COMMENT:

A patentee may argue that a person of ordinary skill in the art would be able to fill in the missing algorithm information. The Federal Circuit rejected that argument. So, it seems safer to include the algorithm, assuming that the information exists.

DOES YOUR INSURANCE COVER INFRINGEMENT OF A TRADEMARK OR INFRINGEMENT OF A SLOGAN - OR NEITHER?

Commercial General Liability insurance often provides coverage for "advertising injury". However, trademark infringement is often excluded, but slogan infringement is often included.

What is covered and not covered can also depend on the State law that applies.

In *Selective Ins. v. Smart Candle,* the underlying lawsuit was for trade name and trademark infringement of "SMART CANDLE". The insurance policy excluded coverage for infringement of trademark, but provided coverage for infringement of slogan.

The Eighth Circuit Court of Appeal said the policy does not define "slogan". but the "plain and ordinary meaning" of slogan is "(1) a word or phrase used to express a characteristic position or stand or a goal to be achieved and (2) a brief attention-getting phrase used in advertising or promotion".

The Court found that SMART CANDLE was not a slogan but instead a trademark.

COMMENT:

The Court rejected the argument that SMART CANDLE was both a trademark and slogan. However, there may be room for a situation where a "name" is indeed both a trademark and slogan. In that instance, coverage may exist.

LESS COPYRIGHT PROTECTION FOR ACTORS

Actress Cindy Garcia was paid $500 for a five-second role in a film which she thought was an action film titled Desert Warrior. The director had something else in mind - an anti-Islam polemic named Innocence of Muslims. The film depicted the Prophet Mohammed as a murderer and pedophile.

Innocence of Muslims was uploaded to YouTube which is owned by Google. In response, Garcia received death threats.

When Google refused to take down the film, Garcia sued for copyright infringement.

The Ninth Circuit Court of Appeal initially granted Garcia a preliminary injunction. It then decided to rehear the matter.

Upon rehearing, the Court said Garcia did not have a copyright interest in her 5-second role. The Court explained that Innocence of Muslims was an audiovisual work categorized as a motion picture derived from a script. Garcia, made no copyright claim to either - just her five-second performance.

According to the Court, "treating every acting performance as an independent work would not only be a logistical and financial nightmare, it would turn a cast of thousands into a new mantra: copyright of thousands".

The Court concluded that Garcia had no viable copyright.

COMMENT:

Whether the decision was motivated by practical concerns of thousands of copyrights, actors still have an option of protecting their rights by contract.