

**IP LAW ADVISORY**

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**The Supreme Court Affirms Clear and Convincing Evidence Standard to Invalidate a Patent**

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In *Microsoft v. i4i* the Supreme Court affirmed that the Patent Act requires clear and convincing evidence to invalidate a patent. The Court held that Congress codified the common-law's clear-and-convincing evidence standard of proof in the Patent Act. This heightened standard applies whether or not the evidence was considered by the Patent Office during examination of the patent application. Although the Court rejected Microsoft's argument that only a preponderance of evidence is necessary to invalidate a patent, it did endorse the use of a jury instruction that would allow the factfinder to give "more weight" to evidence not previously considered by the Patent Office.

The Patent Act states that: "[a] patent shall be presumed valid" and "[t]he burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity." 35 U.S.C. § 282. The Supreme Court explained that "while the statute explicitly specifies the burden of proof, it includes no express articulation of the standard of proof." As the Court defined these terms, the "burden of proof" "identify[ies] the party who must persuade the jury in its favor to prevail," while the "standard of proof" "refers to the degree of certainty by which the factfinder must be persuaded of a factual conclusion."

Even though Congress did not explicitly articulate the standard of proof in the Patent Act, the "presumed valid" language had a "settled meaning" in the common-law. This common-law meaning of "presumed valid" was articulated by the

Supreme Court in its 1934 decision in *RCA v. Radio Engineering Labs*. "Justice Cardozo wrote for a unanimous Court that 'there is a presumption of validity, a presumption not to be overthrown except by clear and cogent evidence.'" Because Congress chose language that in the common-law attached to a clear-and-convincing standard of proof, the Supreme Court interpreted the Patent Act consistently with this common-law meaning.

Thus, by the time Congress enacted §282 and declared that a patent is "presumed valid," the presumption of patent validity had long been a fixture of the common law. According to its settled meaning, a defendant raising an invalidity defense bore "a heavy burden of persuasion," requiring proof of the defense by clear and convincing evidence. ... That is, the presumption encompassed not only an allocation of the burden of proof but also an imposition of a heightened standard of proof. Under the general rule that a common-law term comes with its common-law meaning, we cannot conclude that Congress intended to "drop" the heightened standard proof from the presumption simply because §282 fails to reiterate it expressly.

The Court also rejected Microsoft's alternative argument "that a preponderance standard must at least apply where the evidence before the factfinder was not before the PTO during the examination process." The clear-and-

convincing standard applies in all situations because neither the common-law, nor the statute codifying it, ever contemplated a fluctuating standard of proof:

Our pre-1952 cases never adopted or endorsed the kind of fluctuating standard of proof that Microsoft envisions. And they do not indicate, even in dicta, that anything less than a clear-and-convincing standard would ever apply to an invalidity defense raised in an infringement action.... Nothing in §282's text suggests that Congress meant to ... enact a standard of proof that would rise and fall with the facts of each case. Indeed, had Congress [meant to], ... we assume it would have said so expressly.

Although the Court rejected a shifting standard, it did recognize "that new

evidence supporting an invalidity defense may 'carry more weight' in an infringement action than evidence previously considered by the PTO." Jurors are allowed to give extra weight to previously unconsidered evidence in deciding whether the clear-and-convincing standard is satisfied. "[T]he jury may be instructed to evaluate whether the evidence before it is materially new, and if so, to consider that fact when determining whether an invalidity defense has been proved by clear and convincing evidence."

Based on the Court's endorsement of such a jury instruction, it will likely become part of most model patent jury instructions. Defendants in patent cases will likely focus on prior art not considered by the Patent Office and emphasize that "more weight" should be given to this evidence when considering the validity of patent claims.

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