



ARE Patent Litigation Alert: U.S. Supreme Court Agrees to Address Law on Presumption of Patent Validity

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On November 29, 2010, the U.S. Supreme Court granted *certiorari* in *Microsoft Corp. v. i4i Limited Partnership, et al.*, in which the Court will have an opportunity to clarify the standard for proving a claim in an issued U.S. patent invalid.

In *i4i Limited Partnership v. Microsoft Corp.*, the Federal Circuit affirmed a decision of the United States District Court for the Eastern District of Texas, which awarded i4i damages for patent infringement of over \$290 million and issued a permanent injunction against Microsoft's continued sale of Word with XML editing capabilities. 598 F.3d 831 (Fed. Cir. 2010). The Federal Circuit also affirmed the district court's finding of validity and willful infringement. *Id.* For more information on this decision, please see Charles R. Macedo, "[XML Feature in Microsoft Word Permanently Enjoined in US Patent Case](#)", *Journal of Intellectual Property Law & Practice*, March 24, 2010 (available at www.arelaw.com).

In response, Microsoft petitioned the United States Supreme Court for a writ of *certiorari* presenting the question of "[w]hether the court of appeals erred in holding that Microsoft's invalidity defense must be proved by clear and convincing evidence [even though the prior art on which the invalidity defense rests was not considered by the Patent and Trademark Office prior to the issuance of the asserted patent]." *Petition for a Writ of Certiorari, Microsoft Corp. v. i4i Ltd. P'ship, et al.* (U.S. Aug. 27, 2010).

Under 35 U.S.C. § 282, a patent is presumed valid and a party asserting invalidity of a patent bears the burden of establishing invalidity. The Federal Circuit has interpreted 35 U.S.C. § 282 to require a party to prove invalidity by clear and convincing evidence. Microsoft proposes that the heightened clear and convincing standard should not apply to invalidity defenses based on prior art that was never considered by the PTO. Microsoft argues that the Federal Circuit has repeatedly ignored the Supreme Court's guidance in *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398, 426 (2007), where the Court did not reach the issue of whether the failure to disclose a piece of prior art during prosecution "voids the presumption of validity given to issued patents," but nevertheless thought "it appropriate to note that the rationale underlying the presumption--that the PTO, in its expertise, has approved the claim--seems much diminished here."

Chief Justice Roberts has recused himself from participating in this decision.



We will continue to monitor this case and provide further updates as the parties and other interested members of the public file briefs with the Court. Oral argument is not expected until next spring.

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