Insights: Publications

Willful Patent Infringement – Impact and Practice After Halo Decision

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Employee J of your company attended a trade show and was interested by a particular technology produced by Company X. At the trade show, the inventor of Company X's product explained the ideas embodied in the technology to Employee J. A few months after the conference, during an internal meeting, Employee J inadvertently brought up the ideas he learned from Company X at the trade show. Another employee at your company, Employee K, thought they were good ideas and implemented them into your company's products. About a year later, your company launched a new product which incorporated the ideas learned from Company X. Subsequently, Company X learned of your new products and sent a letter offering an opportunity to license their patents related to the technology implemented in your products. Because both Employees J and K had left your company after your company's product release, your company chose not to respond to Company X's license offer. After a few subsequent offers to license in the ensuing years, Company X sent a final infringement notice with claim charts demanding an immediate response. An employee tells your company they believe Company X's asserted patent should be invalid because your company has existed in the market of the potentially infringing product longer than Company X. That employee also suggests that your company does not need to pay a licensing fee to Company X to continue using the technology in dispute. Your company responds to Company X's final infringement notice by expressing that you will not be paying a licensing fee for their invalid patent. Subsequently, Company X files a lawsuit against your company claiming willful patent infringement.