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# Patent Infringement as Criminal Conduct

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# PATENT INFRINGEMENT AS CRIMINAL CONDUCT

Jacob S. Sherkow\*

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*Criminal and civil law differ greatly in their use of the element of intent. The purposes of intent in each legal system are tailored to effectuate very different goals. The Supreme Court's recent decision in Global-Tech Appliances, Inc. v. SEB S.A., 131 S. Ct. 2060 (2011), however, imported a criminal concept of intent—willful blindness—into the statute for patent infringement, a civil offense. This importation of a criminal law concept of intent into the patent statute is novel and calls for examination. This Article compares the purposes behind intent in criminal law with the purposes behind intent in patent law to demonstrate that this importation does not achieve the policy goals of the patent regime. Criminal law jurisprudence requires an intent element for three reasons: to ascribe a level of moral blameworthiness to an act, to separate criminal from civil liability, and to shield otherwise innocently acting defendants from criminal punishment. Patent infringement actions, by contrast, lack an intent element because they almost exclusively seek to remedy economic harms. The importation of criminal concepts of knowledge into the patent infringement statute may therefore lead to unwanted consequences, particularly, higher-than-warranted burdens of proof for patent holders. To this end, equating criminal mental states to civil ones risks treating patent infringement as criminal conduct. This Article concludes by proposing that courts should examine the purposes of mental state requirements on a statute-by-statute basis.*

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#### INTRODUCTION

While “it is true enough that civil and criminal cases do not always stand in bold relief to one another,”<sup>1</sup> “[i]n no one thing does criminal jurisprudence differ more from civil . . . than in its different doctrine concerning . . . intent.”<sup>2</sup> The terms used to describe criminal intent are “tailored to the criminal law . . . to require a . . . criminal intent beyond the purpose otherwise required for guilt, or an additional bad purpose, or specific intent to violate a known legal duty created by highly technical statutes.”<sup>3</sup> The terms used to describe intent in a civil violation “typically present[] neither the textual nor the substantive reasons for pegging the threshold of liability at knowledge of wrongdoing.”<sup>4</sup> The Supreme Court’s recent decision in *Global-Tech Appliances, Inc. v. SEB S.A.*<sup>5</sup> violates this longstanding separation between criminal and civil mental states. There, the Court imported a concept of willful blindness, a criminal law species of intent, into patent law, a solely civil field.<sup>6</sup> This importation continues a trend where “the distinction

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1. *M.L.B. v. S.L.J.*, 519 U.S. 102, 140 (1996) (Thomas, J., dissenting).

2. *Smith v. Wade*, 461 U.S. 30, 69 (1983) (Rehnquist, J., dissenting) (quoting J. BISHOP, *CRIMINAL LAW* § 285 (5th ed. 1872)).

3. *Safeco Ins. Co. of Am. v. Burr*, 551 U.S. 47, 57 n.9 (2007) (internal citations omitted).

4. *Id.*

5. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011).

6. *Id.* at 2065. It should be noted that nothing in the patent statute provides criminal penalties for any violation of its provisions. See 35 U.S.C. §§ 281–97 (2011).

between criminal and civil law seems to be collapsing across a broad front.<sup>7</sup> A comparison of the purposes behind the intent, or mens rea, requirement in criminal law with the infringement statute in patent law demonstrates that the Court's haste in *Global-Tech* may lead to unwanted consequences in patent infringement and other civil actions.

Generally, patent infringement is a strict liability civil offense.<sup>8</sup> It does not matter whether the conduct of the alleged infringer was malicious or innocent of heart; the patent infringement statute imposes liability on all those who make, use, sell, or offer to sell a patented invention without the authority of the patent holder.<sup>9</sup> In a typical action for patent infringement, the mental state of an accused infringer is irrelevant.<sup>10</sup>

In a criminal action, however, the mental state of the defendant is all-important. The Supreme Court has long presumed that "an injury can amount to a crime only when inflicted by intention."<sup>11</sup> Without some base level of criminal intent, a defendant cannot be held criminally liable for his conduct.<sup>12</sup> To color the appropriate mental state required for conviction, courts and legislators have developed a kaleidoscope of phrases and concepts to describe mens rea, from "malice aforethought" to simple "scienter."<sup>13</sup> Each of these has adopted a textured legal nuance, furthering the principal purposes of criminal law.<sup>14</sup>

There are generally three historical justifications for the mens rea requirement in criminal law. One—mental states illustrate particular levels of moral culpability for their crimes. A criminal defendant who purposefully kills someone is more morally culpable than a defendant who does so by accident.<sup>15</sup> Two—a mental state requirement allows for differentiation between criminal and civil liability for the same physical act. Federal statutes in securities, labor, antitrust, and even food and drug law attach mental states to otherwise civil offenses, primarily for the purpose of distinguishing what is civil and what is criminal.<sup>16</sup> And three—where the physical act is

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7. Mary M. Cheh, *Constitutional Limits on Using Civil Remedies to Achieve Criminal Law Objectives: Understanding and Transcending the Criminal-Civil Law Distinction*, 42 HASTINGS L.J. 1325, 1325 (1991).

8. *In re Seagate Tech., LLC*, 497 F.3d 1360, 1368 (Fed. Cir. 2007) (en banc) ("[P]atent infringement is a strict liability offense . . .").

9. 35 U.S.C. § 271(a) (2011) ("[W]hoever without authority makes, uses, offers to sell, or sells any patented invention . . . infringes the patent."):

10. *See Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 35 (1997) ("Application of the doctrine of equivalents, therefore, is akin to determining literal infringement, and neither requires proof of intent."); *Intel Corp. v. U.S. Int'l Trade Comm'n*, 946 F.2d 821, 832 (Fed. Cir. 1991) ("[T]here is no intent element to direct infringement.") (emphasis omitted).

11. *Morissette v. United States*, 342 U.S. 246, 250 (1952).

12. *Id.* at 250–51.

13. *Id.* at 252.

14. *See id.*

15. *See infra* Part II.A.

16. *See infra* Part II.B.

itself innocent, mens rea requirements shield less culpable defendants from the maw of criminal punishment.<sup>17</sup>

Mental states in the patent infringement statute are concerned with none of these justifications. They do not seek to attach moral culpability to an infringer.<sup>18</sup> They have no need to differentiate civil from criminal liability because infringement actions are solely civil in nature—unlike hybrid civil-criminal actions such as certain copyright violations.<sup>19</sup> And they do not seek to establish a minimum level of moral culpability to shield “innocent” infringers because patent infringement actions, in fact, typically punish otherwise morally innocent conduct.<sup>20</sup> Rather, the purpose of patent infringement actions is almost solely economic: to allow patent holders to receive compensation for the unauthorized use of their inventions.<sup>21</sup> This is distinct even from other traditional property torts, such as trespass or nuisance, which have, at their core, moral and social utilitarian functions.<sup>22</sup>

Despite these distinctions, the Supreme Court in *Global-Tech* imported a criminal mens rea standard of willful blindness into the patent infringement statute.<sup>23</sup> In discussing whether the inducement of patent infringement under 35 U.S.C. § 271(b) requires the accused inducer to possess knowledge of the asserted patent, the Court answered, “Yes.”<sup>24</sup> But, in determining the type of knowledge required, the Court declared that a defendant must be at least willfully blind—as that term is understood in criminal law—to potential infringement,<sup>25</sup> casting aside prior Federal Circuit law on the issue.<sup>26</sup> Though it may appear that *Global-Tech* is limited to inducement actions, the Supreme Court’s approach to attaching criminal mens rea concepts to civil law violations suggests that the lower courts may similarly import other criminal mens rea standards into the infringement statute.<sup>27</sup>

The Supreme Court’s importation of a criminal mens rea standard into the patent infringement statute does not advance the goals of patent infringement actions. Willful blindness, as imported from criminal law, requires a defendant’s knowledge of an act’s illegality as a substantive ele-

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17. See *infra* Part IV.

18. See Mark Chandler, *The Patent System’s Relationship to Digital Entrepreneurship*, 112 W. VA. L. REV. 199, 202–03 (2009) (discussing the amorality of patent infringement suits).

19. See 17 U.S.C. § 501 (2011) (creating civil liability for copyright infringement); *id.* § 506 (imposing criminal penalties for willful copyright infringement).

20. See *In re Seagate Tech., LLC*, 497 F.3d 1360, 1368 (Fed. Cir. 2007) (en banc).

21. See *infra* Part III.

22. *Infra* Part III.

23. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2065 (2011).

24. *Id.* at 2068; see also 35 U.S.C. § 271(b) (2011).

25. *Global-Tech*, 131 S. Ct. at 2068.

26. See *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1304 (Fed. Cir. 2006) (en banc) (allowing a civil “knew or should have known” standard regarding potential infringement).

27. See *infra* Part IV.C.

ment of the crime.<sup>28</sup> The same cannot be said of actions for patent infringement, which seek only to remedy the unauthorized use of the plaintiff's patent.<sup>29</sup> This apparent doctrinal movement founders for a number of reasons: it disallows legitimately harmed patent holders economic compensation, it continues a trend of conflating criminal and civil law concepts, and it fails to effectuate the diverse purposes behind the inclusion of mental states in civil lawsuits.<sup>30</sup>

This Article discusses and compares the purposes behind mental states in criminal and patent law and argues that the importation of mental states from one area of the law into another, as in *Global-Tech*, fails to comport with each discipline's purposes. Part I briefly discusses the *Global-Tech* case as a focus for the discussion about the importation of criminal mental states into patent law. Part II examines the purposes of a mens rea requirement in criminal law, namely that it seeks to establish a level of immorality to the crime, differentiates crimes from torts premised on the same physical act, and establishes a minimum level of culpability to the defendant for an otherwise innocent act. Part III demonstrates that the primary purpose of patent infringement suits is economic relief, unlike other similar property torts, such as trespass and nuisance, which also have moral and social utilitarian functions. Part IV criticizes the potential consequences of mixing criminal and patent mental states. The Article concludes by calling for the prevention of construing patent infringement as criminal conduct.

### I. GLOBAL-TECH APPLIANCES, INC. v. SEB S.A.

Those who have attempted deep-frying at home know that it is a perilous activity: deep fryers typically operate around 310°F,<sup>31</sup> more than hot enough to cause serious burns.<sup>32</sup> It is for this reason that French kitchenware company SEB S.A. began, in the 1980s, to develop an inexpensive and safe home deep fryer.<sup>33</sup> In 1990, SEB was awarded with U.S. Patent No. 4,995,312, which claimed a deep fryer that would be not only cheap, but also safe to the user's touch while operating.<sup>34</sup> The fryer encased an electrically

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28. See *Global-Tech*, 131 S. Ct. at 2068–69.

29. See *infra* Part III.

30. See *infra* Part IV.

31. Deep-frying is, in fact, a combination of simultaneously occurring chemical processes, including the Maillard reaction, the combination of sugars and proteins that give fried food its taste and dark appearance. See MONOJ K. GUPTA, KATHLEEN WARNER & PAMELA J. WHITE, *FRYING TECHNOLOGY AND PRACTICES* 51 (2004) (discussing the chemical reactions accompanying deep-frying, including the Maillard reaction); JEFF POTTER, *COOKING FOR GEEKS* 205 (2010) (describing the Maillard reaction at 310°F).

32. See W. Schubert, D.H. Ahrenholz and L.D. Solem, *Burns from Hot Oil and Grease: A Public Health Hazard*, 11 J. BURN CARE REHAB. 558 (1990).

33. See *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360, 1365 (Fed. Cir. 2010).

34. U.S. Patent No. 4,995,312 col. 1 l. 37–47, col. 2 l. 19–24 (filed Aug. 28, 1990).

operated frying pan in “an inexpensive plastic outer shell, or skirt.”<sup>35</sup> More durable plastics could not be used because heat-resistant plastics were too expensive for mass manufacture.<sup>36</sup> The elegance underlying the SEB invention was to simply suspend the frying pan on top of a thin insulating ring between it and the skirt, and leaving a space of air between the side of the pan and plastic side of the fryer housing.<sup>37</sup> This is similar, perhaps, to a thermos.<sup>38</sup> SEB dubbed its invention the “cool-touch” fryer, and sold it worldwide.<sup>39</sup>

In 1997, SEB’s competitor, Sunbeam Products, Inc., asked Pentalpha Enterprises, Ltd., a Hong Kong company, to supply it with “touch-safe” deep fryers.<sup>40</sup> Pentalpha purchased a cool-touch fryer in Hong Kong for the sake of copying its design and selling it to Sunbeam.<sup>41</sup> Because the fryer was sold outside the United States, however, it did not include any U.S. patent markings to alert Pentalpha that it was protected in the U.S.<sup>42</sup> Presumably to insulate itself from its evident plagiarism, Pentalpha hired a U.S. patent attorney to conduct a patent search—but never informed him that it copied its design from a competitor’s product in Hong Kong.<sup>43</sup> Pentalpha’s attorney failed to find SEB’s patent and determined that the fryer Pentalpha lifted from SEB was permissible to sell in the United States.<sup>44</sup> Pentalpha then sold its fryers to Sunbeam, who began selling Pentalpha’s fryers in the United States.<sup>45</sup>

SEB soon uncovered Pentalpha’s duplicity, and in 1998, sued Sunbeam for patent infringement.<sup>46</sup> Despite the lawsuit, Pentalpha boldly continued to sell its product to two other U.S. companies for importation: Fingerhut Corp. and Montgomery Ward & Co.<sup>47</sup> After settling with Sunbeam, SEB then sued Pentalpha.<sup>48</sup>

SEB’s principal case against Pentalpha focused on “induced infringement” under 35 U.S.C. § 271(b). That section, in its entirety, provides: “Whoever actively induces infringement of a patent shall be liable as an

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35. *Montgomery Ward*, 594 F.3d at 1365.

36. ‘312 Patent col. 1 l. 37–47.

37. *Id.* col. 1 l. 55–col. 2 l. 8.

38. Here, the frying pan is analogous to the inner container of a thermos. A vacuum, rather than a wall of air, sits between the inner container and the thermos housing. In both cases, the vacuum or air prevents the conduction of heat between the interior receptacle and the exterior housing.

39. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2063 (2011).

40. *Id.* at 2064.

41. *Id.*

42. *Id.*

43. *Id.*

44. *Id.*

45. *Id.*

46. *Id.*

47. *Id.*

48. *Id.*

infringer.”<sup>49</sup> The section does not define “actively induces.” In the lay context, inducement typically suggests a purposeful act of persuasion: “to lead or move by persuasion;”<sup>50</sup> “[t]o lead (a person), by persuasion, or by some influence or motive that acts upon the will;”<sup>51</sup> or “to move by persuasion or influence.”<sup>52</sup> But in the patent context, it was previously unclear whether the object of “inducement” was the act giving rise to infringement (e.g., making, using, or selling an invention that happened to be patented)<sup>53</sup> or purposeful infringement itself (specifically “persuading” another to infringe a patent).<sup>54</sup> In the former scenario, a defendant would be liable for persuading or leading another to make an article that happened to be a patented invention. To prevail on such an inducement claim, the plaintiff would have only needed to prove that the defendant induced another to make the article at issue, and that the patent’s claims read on the article. In the latter scenario, however, the plaintiff would need to prove that the defendant persuaded another to make an article that infringed a patented invention and that the defendant had some knowledge, actual or constructive, that the other’s act constituted infringement.<sup>55</sup>

Although infringement-by-inducement has been a source of liability since at least 1952,<sup>56</sup> courts did not resolve this issue until *DSU Medical Corp. v. JMS Co.* in 2006.<sup>57</sup> There, the Federal Circuit interpreted inducement as contemplating the latter scenario: the specific inducement of infringement.<sup>58</sup> Infringement-by-inducement required a plaintiff to show “that the alleged infringer’s actions induced infringing acts and that he knew or should have known his actions would induce actual infringements.”<sup>59</sup> The court further concluded that the “requirement that the alleged infringer knew or should have known his actions would induce actual infringement necessarily includes the requirement that he or she knew of the patent.”<sup>60</sup> This level of knowledge—that the defendant “knew *or should have known* his actions would induce actual infringements”<sup>61</sup>—echoed well-worn standards

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49. 35 U.S.C. § 271(b) (2011).

50. *Induces Definition*, DICTIONARY.COM, <http://dictionary.reference.com/browse/induces> (last visited Aug. 09, 2011).

51. OXFORD ENGLISH DICTIONARY 887–88 (2d ed. 1989).

52. *Induces Definition*, MERRIAM-WEBSTER.COM, <http://www.merriam-webster.com/dictionary/induces> (last visited June 17, 2012).

53. See 35 U.S.C. § 271(a) (2011).

54. This is the crux of the statutory text the Supreme Court identified in *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2065 (2011).

55. See *id.* at 2067.

56. See 35 U.S.C. § 271 historical and revision notes (2011) (“One who actively induces infringement as by aiding and abetting the same is liable as an infringer . . .”).

57. *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1304 (Fed. Cir. 2006) (en banc).

58. *Id.* at 1304.

59. *Id.*

60. *Id.*

61. *Id.* (emphasis added).



of “constructive knowledge,”<sup>62</sup> and borrowed from older common law patent cases on the subject.<sup>63</sup>

At trial, the jury found that Pentalpha had “actively induced” the infringement of SEB’s Patent, and the court granted SEB enhanced damages and attorney fees.<sup>64</sup> Prejudgment interest alone totaled \$1.7 million.<sup>65</sup> On appeal, Pentalpha argued it did not possess the necessary intent to sustain a claim for infringement-by-inducement.<sup>66</sup> Pentalpha reasoned that because it “had no actual knowledge of the patent during part of the time it was selling deep fryers to Sunbeam,” it could not be said to have “actively induced” infringement of SEB’s patent.<sup>67</sup> The appellate court disagreed. Reading its prior precedent in *DSU Medical*,<sup>68</sup> the Federal Circuit concluded that the mental state required for infringement-by-inducement was broader than “actual knowledge.”<sup>69</sup> As an example, the court borrowed the concept of “deliberate indifference” from *Farmer v. Brennan*<sup>70</sup>—a prisoner civil-rights Supreme Court case—to show that active inducement could be proven where the evidence pointed to “a subjective determination that the defendant knew of and disregarded the overt risk that an element of the offense existed.”<sup>71</sup> Though “no direct evidence [showed] that Pentalpha had actual knowledge of the patent,”<sup>72</sup> the court concluded that “[t]he record . . . contain[ed] considerable evidence of deliberate indifference” to the risk of

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62. See, e.g., *Harris Trust and Sav. Bank v. Salomon Smith Barney, Inc.*, 530 U.S. 238, 251 (2000) (concluding that knowledge of an illegal transfer of funds could be proven by “constructive knowledge,” whether “the transferee (assuming he has purchased for value) knew or should have known of the existence of the trust and the circumstances that rendered the transfer in breach of the trust”); *Scindia Steam Navigation Co. v. De Los Santos*, 451 U.S. 156, 178 (1981) (affirming appellate court reversal where the district court “should not itself have resolved, with respect to the [defendant’s] actual or constructive knowledge of the condition of [a defective] winch” where “the [defendant] vessel should have known the facts” giving rise to its alleged defectiveness); *Spruce v. Sargent*, 149 F.3d 783, 786 (8th Cir. 1998) (“[I]t is true that constructive knowledge, or the ‘should-have-known’ standard, is not sufficient to support a finding of deliberate indifference . . .”).

63. See *Aro Mfg. Co. v. Convertible Top Replacement Co. (Aro II)*, 377 U.S. 476, 489–90 (1964). Ironically, however, the cases cited in *Aro II* to support a constructive knowledge theory of inducement “long recognized the fundamental proposition that ‘[t]o constitute an infringement of a patent, it is not necessary that the infringer should have known of the existence of the patent at the time he infringed it or, knowing of its existence, it is not necessary that he should have known his doings to constitute an infringement.’” *Id.* at 491 n.8 (Harlan, Brennan, Stewart, and Goldberg, J.J., dissenting).

64. *SEB S.A. v. Montgomery Ward & Co.*, No. 99 Civ. 9284 (SCR), 2008 WL 4540416, at \*1 (S.D.N.Y. Oct. 1, 2008).

65. *Id.* at \*5.

66. *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360, 1375–78 (Fed. Cir. 2010).

67. *Id.* at 1373.

68. *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1304 (Fed. Cir. 2006) (en banc).

69. *SEB*, 594 F.3d at 1376–77.

70. *Farmer v. Brennan*, 511 U.S. 825 (1994).

71. *SEB*, 594 F.3d at 1376.

72. *Id.* at 1377.

infringement.<sup>73</sup> The panel further noted that, despite its decision, “[t]his opinion does not purport to establish the outer limits of the type of knowledge needed for inducement,”<sup>74</sup> and suggested that, in some circumstances, mere “constructive knowledge”—where the alleged inducer “should have known” of the patent<sup>75</sup>—may suffice as proof of inducement.<sup>76</sup> Consequently, the Federal Circuit affirmed the district court’s decision on the issue of inducement.<sup>77</sup> Pentalpha then petitioned for a writ of certiorari, which the Supreme Court granted four months later.<sup>78</sup>

The Supreme Court boiled down its review of Pentalpha’s appeal to the question of “whether a party who ‘actively induces infringement of a patent’ under 35 U.S.C. § 271(b) must know that the induced acts constitute patent infringement.”<sup>79</sup> “Finding no definitive answer in the statutory text,”<sup>80</sup> the Court looked sidelong to its jurisprudence on “contributory infringement,” that is, where a defendant offers to sell or sells a “component” of a patented article “constituting a material part of the invention, [and] knowing the same to be especially made or especially adapted for use in an infringement of such patent.”<sup>81</sup> The Court’s previous decision in *Aro Manufacturing Co. v. Convertible Top Replacement Co. (Aro II)* elucidated that contributory infringement’s knowing-the-same element required specific knowledge of the infringed patent.<sup>82</sup> This gloss, the Court concluded, had since “become a fixture in the law of contributory infringement” in the intervening half-century.<sup>83</sup> Concluding that both contributory and induced infringement were birthed from the same common law origin, the Court decided that active inducement similarly required knowledge of the infringed patent, finding

73. *Id.*

74. *Id.* at 1378.

75. *Id.* at 1376–77 (equating an objective “should have known” standard to constructive knowledge of a patent).

76. *Id.* at 1378.

77. *Id.* at 1381.

78. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 458 (2010) (mem.). The parent corporation of Pentalpha, Global-Tech Appliances, Inc., replaced Pentalpha as petitioner. See Petition for Writ of Certiorari at ii, *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011) (No. 10-6), 2010 WL 2813550.

79. *Global-Tech*, 131 S. Ct. at 2063.

80. *Id.* at 2065.

81. 35 U.S.C. § 271(c) (2011). The full text of the statute reads: “Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination, or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.” *Id.*

82. *Aro Mfg. Co. v. Convertible Top Replacement Co. (Aro II)*, 377 U.S. 476 (1964).

83. *Global-Tech*, 131 S. Ct. at 2068 (quoting 5 R. CARL MOY, *MOY’S WALKER ON PATENTS* § 15:20 (4th ed. 2009)).

that rare solace in “the ‘special force’ of the doctrine of stare decisis with regard to questions of statutory interpretation.”<sup>84</sup>

The Court went on to conclude that a *criminal* concept of willful blindness should apply to accused “inducers.”<sup>85</sup> This standard, reasoned the Court, ensured “that defendants cannot escape the reach of statutes by deliberately shielding themselves from clear evidence of critical facts that are strongly suggested by the circumstances.”<sup>86</sup> In the criminal context, the willful blindness standard required proof of the defendant’s subjective belief “that there is a high probability that a fact exists,” and that the defendant took “deliberate actions to avoid learning of that fact.”<sup>87</sup> Without any discussion of how such a standard belongs in patent infringement cases, the Court simply referenced “the long history of willful blindness and its wide acceptance in the Federal Judiciary.”<sup>88</sup>

In doing so, the Court explicitly rejected the use of recklessness and negligence—standards typically seen in civil cases—to prove an alleged inducer’s mental state.<sup>89</sup> The Court also clearly “appeal[ed] to moral theory by citing the ‘traditional rationale’ that willfully blind defendants ‘are just as *culpable* as those who have actual knowledge.’”<sup>90</sup> As Justice Kennedy, the lone dissenter, reminded the majority, this reasoning betrays the idea that moral purposes, such as retribution, “have no force in the domain of patent law.”<sup>91</sup>

There should be little confusion after *Global-Tech*: (1) knowledge of the asserted patent is required to prove induced infringement under 35 U.S.C. § 271(b);<sup>92</sup> and (2) the quantum of knowledge required for such proof is either the criminal concept of willful blindness or actual knowledge.<sup>93</sup> *Global-Tech* also decidedly rejected previous formulations of knowledge derived

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84. *Id.* This may seem like a thin reed on which the Court hung its decision regarding whether induced infringement requires knowledge of the accused patent. The provisions have little overlapping language, have existed as separate statutes for over sixty years, and seem, in principle, to remedy different harms. As such, whatever stare decisis is due, the Court’s jurisprudence on contributory infringement should have no bearing on issues of first impression regarding induced infringement, no matter how late-coming they may be.

85. *Global-Tech*, 131 S. Ct. at 2068.

86. *Id.* at 2068–69.

87. *Id.* at 2070.

88. *Id.* at 2069.

89. *Id.* at 2070–71.

90. *Id.* at 2072 (Kennedy, J., dissenting).

91. *Id.* at 2073.

92. *Id.* at 2068 (majority opinion).

93. *Id.*

from civil law concepts as described by the district court<sup>94</sup> and the Federal Circuit.<sup>95</sup>

This importation of criminal mens rea into the patent statute calls for the reexamination of mental states in the law generally. The traditional goals of criminal law (including moral condemnation, retribution, and rehabilitation) are far different than the traditional goals of patent law (such as the “Progress of Science and useful Arts,”<sup>96</sup> allowing inventors to recoup the costs of their invention, and clearly demarcating intellectual property lines). Parts II and III below explain and compare the different purposes of mental states in criminal and patent law.

## II. THE PURPOSE OF MENS REA IN CRIMINAL LAW

As a general matter, all crimes are defined by two components: a bad physical act, the “actus reus,” and a bad mental state possessed by the defendant while committing the bad act, the “mens rea.”<sup>97</sup> “The existence of a mens rea is the rule of, rather than the exception to, the principles of Anglo-American criminal jurisprudence.”<sup>98</sup> This rule applies both to common law and purely statutory crimes.<sup>99</sup> Even where a purely statutory crime is silent as to mens rea, long-standing jurisprudential and philosophical concerns counsel courts to read one into the statute.<sup>100</sup>

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94. SEB S.A. v. Montgomery Ward & Co., No. 99 Civ. 9284, 2007 WL 3165783, at \*4 (S.D.N.Y. Oct. 9, 2007) (finding that SEB possessed “specific intent” to induce infringement).

95. SEB S.A. v. Montgomery Ward & Co., 594 F.3d 1360, 1377 (Fed. Cir. 2010) (finding that SEB was “deliberate[ly] indifferen[t]” to whether induced infringement had occurred).

96. U.S. CONST. art. I, § 8, cl. 8.

97. *Gonzales v. Carhart*, 550 U.S. 124, 148 (2007) (“[T]he general principle [is] that where scienter is required no crime is committed absent the requisite state of mind.”); *United States v. Apfelbaum*, 445 U.S. 115, 131 (1980) (“In the criminal law, both a culpable mens rea and a criminal actus reus are generally required for an offense to occur.”); *Morissette v. United States*, 342 U.S. 246, 251–52 (1952) (“Crime, as a compound concept, generally constituted only from concurrence of an evil-meaning mind with an evil-doing hand . . .”).

98. *Dennis v. United States*, 341 U.S. 494, 500 (1951); *see also* *United States v. U.S. Gypsum Co.*, 438 U.S. 422, 436 (1978) (quoting *Dennis*); *Staples v. United States*, 511 U.S. 600, 605 (1994) (quoting *U.S. Gypsum*).

99. *Staples*, 511 U.S. at 605 (citing *United States v. Balint*, 258 U.S. 250, 251 (1922)).

100. *Id.* at 606 (discussing other cases reading a mens rea requirement into a silent statute); *see also* *Morissette*, 342 U.S. at 250 (“The contention that an injury can amount to a crime only when inflicted by intention is no provincial or transient notion. It is as universal and persistent in mature systems of law as belief in freedom of the human will and a consequent ability and duty of the normal individual to choose between good and evil.”).

The exception to this rule is when the statute “regulate[s] potentially harmful or injurious items” such that the crime is characterized as a “public welfare” offense. *Staples*, 511 U.S. at 607. “In such situations, we have reasoned that as long as a defendant knows that he is dealing with a dangerous device of a character that places him in responsible relation to a public danger, he should be alerted to the probability of strict regulation, and we have assumed that in such cases Congress intended to place the burden on the defendant to ascertain at his peril whether his conduct comes within the inhibition of the statute.” *Id.* (internal quotation marks

Historically, there have been three principal functions of the mens rea requirement: (1) to ascribe a level of moral blameworthiness to a defendant who commits a particular act,<sup>101</sup> (2) to differentiate between those acts requiring private compensation (torts) as opposed to societal retribution (crimes),<sup>102</sup> and (3) “to shield people against punishment for apparently innocent activity.”<sup>103</sup> Concepts, terms, and phrases describing particular degrees of mental states have arisen to further these goals.<sup>104</sup> As such, the terms employed by statutes and courts to define criminally culpable mental states have become embodied with specific and sometimes unique meanings in relation to the function they seek to further.

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and alterations omitted). A public-welfare-offense statute, therefore, “dispenses with the conventional requirement for criminal conduct-awareness of some wrongdoing.” *Id.* at 606–07.

101. See, e.g., *Tison v. Arizona*, 481 U.S. 137, 156 (“A critical facet of the individualized determination of culpability required in capital cases is the mental state with which the defendant commits the crime. Deeply ingrained in our legal tradition is the idea that the more purposeful is the criminal conduct, the more serious is the offense, and, therefore, the more severely it ought to be punished.”); Michael S. Moore, *Prima Facie Moral Culpability*, 76 B.U. L. REV. 319, 319–20 (1996) (“Culpability focuses on the actor, not on the act on which wrongdoing focuses. More specifically, culpability focuses on the actor’s mental state at the time of the wrongful act. Roughly, one is culpable if he chooses to do wrong in circumstances when that choice is freely made.”).

102. See, e.g., Kenneth Mann, *Punitive Civil Sanctions: The Middleground Between Criminal and Civil Law*, 101 YALE L.J. 1795, 1806 n.36 (1992) (“[M]ost criminal cases require proof of subjective and objective liability, whereas most civil cases require proof only of objective liability. Therefore, we say that the paradigmatic task of the civil law is to compensate for damages caused in the normal conduct of everyday life, usually without regard to actual knowledge or intent.”); Jacqueline E. Ross, *What Makes Sentencing Facts Controversial? Four Problems Obscured by One Solution*, 47 VILL. L. REV. 965, 978 (2002) (“The mental state of the accused matters because criminal liability, unlike tort liability, envisages punishment of the perpetrator rather than compensation of the victim.”); Pamela S. Karlan, Note, *Discriminatory Purpose and Mens Rea: The Tortured Argument of Invidious Intent*, 93 YALE L.J. 111, 116–17 (1983) (“[T]he intent requirement in [civil] equal protection cases should be less stringent than that employed in criminal prosecutions” because “criminal law does not attempt to restore victims to the position they occupied before the commission of the crime; rather, it leaves such attempts to civil tort actions or victim compensation statutes.”).

103. *Staples*, 511 U.S. at 622 (Ginsburg, J., concurring); see also, e.g., *Carter v. United States*, 530 U.S. 255, 269 (2000) (“The presumption in favor of scienter requires a court to read into a statute only that mens rea which is necessary to separate wrongful conduct from otherwise innocent conduct.”) (internal quotation marks omitted); *Morissette*, 342 U.S. at 252 (“By use or combination of these various [levels of mens rea, courts] have sought to protect those who were not blameworthy in mind from conviction of infamous common-law crimes.”).

104. See *Morissette*, 342 U.S. at 252 (“The unanimity with which [courts] have adhered to the central thought that wrongdoing must be conscious to be criminal is emphasized by the variety, disparity and confusion of their definitions of the requisite but elusive mental element. However, courts of various jurisdictions, and for the purposes of different offenses, have devised working formulae, if not scientific ones, for the instruction of juries around such terms as ‘felonious intent,’ ‘criminal intent,’ ‘malice aforethought,’ ‘guilty knowledge,’ ‘fraudulent intent,’ ‘wilfulness,’ ‘scienter,’ to denote guilty knowledge, or ‘mens rea,’ to signify an evil purpose or mental culpability.”).

### A. Ascribing Moral Blameworthiness

“The normal purpose of the criminal law is to condemn and punish conduct that society regards as immoral.”<sup>105</sup> But not all acts, equal in harm, are equally immoral. A driver, for example, who accidentally kills a pedestrian, through no fault of his own, is not as morally culpable as a driver who intentionally runs someone down.<sup>106</sup> Similarly, there is a moral gap between a defendant involuntarily striking a person versus intentionally hitting him,<sup>107</sup> between taking property he thought to be abandoned versus absconding with his neighbor’s,<sup>108</sup> and even between unwittingly distributing child pornography versus doing so while knowing it to be such.<sup>109</sup>

Indeed, the more restrictive the mens rea, the more morally culpable the crime. The Model Penal Code’s treatment of criminal homicide serves as a particularly good example of this principle. Although all involve the “death of another human being,” the Model Penal Code divides criminal homicide into three separate crimes: murder, manslaughter, and negligent homicide.<sup>110</sup> Murder is homicide committed “purposely,” “knowingly,” or “recklessly under circumstances manifesting extreme indifference to the value of human life.”<sup>111</sup> Manslaughter is homicide committed “recklessly”

105. *United States v. Marvin*, 687 F.2d 1221, 1226 (8th Cir. 1982); *see also United States v. Bass*, 404 U.S. 336, 348 (1971) (“[B]ecause of the seriousness of criminal penalties, and because criminal punishment usually represents the moral condemnation of the community, legislatures and not courts should define criminal activity.”); *cf.* 18 U.S.C. § 3553(a)(2)(A) (2011) (asking federal judges to take into account, during sentencing, concerns substantially grounded in moral theory: the need “to reflect the seriousness of the offense, to promote respect for the law, and to provide just punishment for the offense”).

106. *See Mitchell N. Berman & Ian P. Farrell, Provocation Manslaughter as Partial Justification and Partial Excuse*, 52 WM. & MARY L. REV. 1027, 1075 (2011) (“[A] murder conviction expresses a greater degree of moral condemnation than a conviction for manslaughter.”); Rosa Ehrenreich Brooks, *The New Imperialism: Violence, Norms, and the “Rule of Law”*, 101 MICH. L. REV. 2275, 2316–17 (2003) (“Auto accidents and felony murders represent, specifically, a decision to assign different kinds of moral meaning to different kinds of violence and suffering.”).

107. *See People v. Grant*, 46 Ill. App. 3d 125, 129–130 (1977) (reversing jury conviction where defendant argued that the act was the result of a “psychomotor epileptic seizure”); MODEL PENAL CODE § 2.01 explanatory note (2001) (“[T]he fundamental predicate for all criminal liability, that the guilt of the defendant be based upon conduct, and that the conduct include a voluntary act.”).

108. *See Morissette*, 342 U.S. at 276 (concluding that a defendant could not be convicted for taking shell casings from a federal bombing range, in violation of a statute prohibiting the theft of U.S. government property, where he innocently thought the shell casings to be abandoned).

109. *See United States v. X-Citement Video, Inc.*, 513 U.S. 64, 71–73 (1994) (concluding that because “the age of the performers is the crucial element separating legal innocence from wrongful conduct,” the statute prohibiting trafficking in child pornography must be read to require a minimal scienter that the trafficked goods are child porn).

110. MODEL PENAL CODE § 210.1.

111. *Id.* § 210.2.

or “under the influence of extreme mental or emotional disturbance for which there is reasonable explanation or excuse.”<sup>112</sup> And negligent homicide is “[c]riminal homicide . . . when it is committed negligently”<sup>113</sup> (i.e., “when he should be aware of a substantial and unjustifiable risk”).<sup>114</sup> Because the result is the same for all three crimes—the “death of another”<sup>115</sup>—the only difference is the degree of mens rea of the defendant. This principle that mens rea defines the moral depravity of the crime is not uniquely attributable to the simplification and “uniformization” functions of the Model Penal Code, but has been traced to various historical sources, including American principles of individualism,<sup>116</sup> theories of law and economics,<sup>117</sup> and nature.<sup>118</sup>

Therefore, the mens rea attached to a crime measures the particular level of moral culpability wished to be ascribed to a guilty defendant.<sup>119</sup> And to the extent that morality is a widely varied notion, there exist a menagerie of colorful phrases defining differing levels of guilt. The Supreme Court commented on this variety in *Morissette v. United States*:

Courts, with little hesitation or division, found an implication of the requirement as to offenses that were taken over from the common law. The unanimity with which they have adhered to the central thought that wrongdoing must be conscious to be criminal is emphasized by the variety, disparity and confusion of their definitions of the requisite but elusive mental element. However, courts of various jurisdictions, and for the purposes of different offenses, have devised working formulae, if not scientific ones, for the instruction of juries around such terms as “felonious intent,” “criminal intent,” “malice aforethought,” “guilty knowledge,” “fraudulent intent,” “wilfulness,” “scienter,” to denote guilty knowledge, or “mens rea,” to signify an evil purpose or mental culpability.<sup>120</sup>

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112. *Id.* § 210.3.

113. *Id.* § 210.4.

114. *Id.* § 210.2.

115. *Id.* § 210.1.

116. *United States v. Morissette*, 342 U.S. 246, 251–52 (1952) (“Crime, as a compound concept, generally constituted only from concurrence of an evil-meaning mind with an evil-doing hand, was congenial to an intense individualism and took deep and early root in American soil.”).

117. Jeffrey S. Parker, *The Economics of Mens Rea*, 79 VA. L. REV. 741, 774–77 (1993).

118. See OLIVER WENDELL HOLMES, *THE COMMON LAW* 3 (“Even a dog distinguishes between being stumbled over and being kicked.”).

119. See *Schad v. Arizona*, 501 U.S. 624, 643 (1991) (“If, then, two mental states are supposed to be equivalent means to satisfy the mens rea element of a single offense, they must reasonably reflect notions of equivalent blameworthiness or culpability, whereas a difference in their perceived degrees of culpability would be a reason to conclude that they identified different offenses altogether.”).

120. *Morissette*, 342 U.S. at 252.

A few specific examples reinforce the notion that the kaleidoscopic legal terminology surrounding mental states displays a complex, nuanced picture of moral culpability. Perhaps the most widely studied of these examples, the old common law murder standard of “the unlawful killing of another human being with malice aforethought,”<sup>121</sup> arose as specifically tailored to implicate a particular degree of the defendant’s moral culpability: not “necessarily . . . any special malevolence towards the individual slain, but . . . of [the defendant’s] depraved, wicked, and malicious spirit, a heart regardless of social duty, and a mind deliberately bent on mischief.”<sup>122</sup> This standard of “malice” did not carry over into other common law conceptions of murder where the defendant, even though he was factually guilty of the killing, possessed a slightly lesser moral culpability.<sup>123</sup> This kaleidoscopic view of criminal states has continued in more modern statutory crimes, such as the 1934 Securities Exchange Act, which criminalizes the willful violation of its provisions. Willful in this context, however, has a particularly elusive—and hotly debated—meaning in describing securities fraud.<sup>124</sup> The appellate courts have alternatively described it as “knowingly and with intent to deceive”;<sup>125</sup> “intentionally undertaking an act that one knows to be wrongful . . . not [necessarily] that the actor know specifically that the conduct was unlawful”;<sup>126</sup> and “voluntarily, intentionally, and with a specific intent to disregard, to disobey the law, with a bad purpose to violate the law.”<sup>127</sup> Thus, one of the purposes of criminal mental states is to sketch a specific, nuanced portrait of a particular level of moral opprobrium.

### B. Differentiating Between Torts and Crimes

Generally, “the paradigmatic task of the civil law is to compensate for damages caused in the normal conduct of everyday life, usually without regard to actual knowledge or intent.”<sup>128</sup> This is not to say that tort theory wholly dismisses any aspect of a defendant’s mental state: intentional torts often focus on whether the defendant intended the consequences of his

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121. *Schad*, 501 U.S. at 640 (internal quotation marks omitted).

122. *Allen v. United States*, 164 U.S.492, 495 (1896).

123. *Patterson v. New York*, 432 U.S. 197, 226 (1977) (internal quotation marks omitted); *see also Schad*, 501 U.S. at 644 (casting doubt on whether the mental state required for felony murder was the equivalent to “premeditation”).

124. Michael L. Seigel, *Bringing Coherence to Mens Rea Analysis for Securities-Related Offenses*, 2006 Wis. L. REV. 1563, 1580–98 (2006) (discussing the state of, and the debate concerning, “willfulness” analysis in the securities context).

125. *United States v. Kaiser*, 609 F.3d 556, 570 (2d Cir. 2010).

126. *United States v. Tarallo*, 380 F.3d 1174, 1188 (9th Cir. 2004).

127. *United States v. Bank of New England, N.A.*, 821 F.2d 844, 855 (1st Cir. 1987); *see also United States v. Faulhaber*, 929 F.2d 16, 18–19 (1st Cir. 1991) (applying the definition of “willfulness” in *Bank of New England* to securities crimes).

128. *Mann*, *supra* note 102, at 1806 n.36.



act,<sup>129</sup> while accidental torts center on whether the defendant's actions fell below some standard of objective reasonableness.<sup>130</sup> But civil mental states are not the same as a criminal defendant's subjective state of belief or desire as to the outcome of his conduct.<sup>131</sup> The principle purpose of tort law is the compensation of damages.<sup>132</sup> And to that end, one function of particularized concepts of mens rea is to distinguish the morally culpable, and hence criminally liable, from those who are merely financial responsible.<sup>133</sup>

There are numerous and diverse federal statutes that have "criminal kickers"<sup>134</sup> to civil enforcement provisions, including the Securities Exchange Act,<sup>135</sup> the Sherman Act,<sup>136</sup> the Labor-Management Reporting and Disclosure Act ("LMRDA"),<sup>137</sup> and even the Poultry and Poultry Products Inspection Act ("PPIA").<sup>138</sup> Each statute premises criminal liability not on any of the harms underlying the substantive offense but on the existence of a defendant's particular mens rea.<sup>139</sup>

Both the Securities Exchange Act and the LMRDA make criminal the willful violations of their provisions.<sup>140</sup> In the securities fraud context, as discussed, the willful violation of securities laws is the only element separating civil and criminal liability.<sup>141</sup> Similarly, the Second Circuit, in *Unit-*

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129. *Kawaauhau v. Geiger*, 523 U.S. 57, 61–62 (1998).

130. *See* Thomas C. Grey, *Accidental Torts*, 54 VAND. L. REV. 1225, 1255 (2001) ("An alternative to the view of negligence as a mental fact, though, was available in standard definitions given by common law judges. These treated negligence simply as conduct falling below the standard set by the reasonable man, without any reference to an inadvertent state of mind.").

131. Kenneth W. Simons, *Rethinking Mental States*, 72 B.U. L. REV. 463, 482–86 (1992) (positing that negligence and recklessness are standards of conduct rather than "states of belief" or "states of desire").

132. *See* Mann, *supra* note 102, at 1806 n.36.

133. *See* Karlan, *supra* note 102, at 1117 ("[C]riminal law does not attempt to restore victims to the position they occupied before the commission of the crime; rather, it leaves such attempts to civil tort actions or victim compensation statutes.").

134. Geraldine Szott Moohr, *What the Martha Stewart Case Tells Us About White Collar Criminal Law*, 43 HOUS. L. REV. 591, 600 (2006) (listing the following statutes).

135. 15 U.S.C. § 78ff(a) (2011).

136. *Id.* § 1.

137. 29 U.S.C. § 463(b) (2011). The act is popularly known as the Landrum-Griffin Act. *See* Serafinn v. Local 722, Int'l Bhd. of Teamsters, 597 F.3d 908, 910 (7th Cir. 2010).

138. 21 U.S.C. § 461(a) (2011).

139. Moohr, *supra* note 134, at 600 ("The only distinctions between civil and criminal liability in many statutes are the defendant's felonious intent, the mens rea element . . .").

140. 15 U.S.C. § 78ff(a) (2011) ("Any person who willfully violates any provision of [the Securities Exchange Act] . . . shall upon conviction be fined not more than \$5,000,000, or imprisoned not more than 20 years, or both . . ."); 29 U.S.C. § 463(b) (2011) ("Any person who willfully violates [the LMRDA] section shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.").

141. *See* United States v. Cassese, 428 F.3d 92, 98 (2d Cir. 2005) (affirming the district court's reversal of defendant's conviction where the government failed to prove "willfulness"); Moohr, *supra* note 134, at 600 (discussing this in the context of the Martha Stewart case).

*United States v. Otley*, reversed a defendant's conviction even where the evidence of the labor violation was sufficient because the evidence on willfulness left the court "with an uneasy feeling occasioned by a possibly confusing charge on the crucial question of criminal intent."<sup>142</sup> This holding consequently separated the standard of criminal intent for a fiduciary duty from its parallel in a civil action.<sup>143</sup>

The Sherman Act, too, uses a mens rea element—knowingly—to separate criminal and civil antitrust liability.<sup>144</sup> In *United States v. A. Lanoy Alston, D.M.D., P.C.*, the Government criminally prosecuted, under the Sherman Act, a group of dentists who successfully petitioned their local health care companies to increase co-payment fees.<sup>145</sup> Though the jury convicted the defendants, the district court vacated the conviction, and the Ninth Circuit affirmed.<sup>146</sup> Finding that there was scant evidence at trial that the defendants *knowingly* violated the antitrust laws, the court stated: "If the dentists had believed they were only complying with the [companies'] requests, they would have lacked the mens rea necessary for a price-fixing conspiracy."<sup>147</sup> This mental state, the court concluded, was the difference between "a dispute normally handled as a civil enforcement matter [and] the crushing consequences of a criminal conviction."<sup>148</sup>

The PPIA establishes two tiers of criminal liability: "knowing" violations of its provisions, generally punishable by a fine and one year's imprisonment, and violations with the "intent to defraud," punishable by three years' imprisonment.<sup>149</sup> Otherwise, the PPIA is no more than a strict liability civil offense.<sup>150</sup> For this reason, the Seventh Circuit concluded that it was a "crucial charge . . . that [the defendant] *knowingly* stored [the un-inspected] products under insanitary conditions," and affirmed the defendant's conviction where the prosecution put forth significant evidence of the defendant's mental state.<sup>151</sup>

142. *United States v. Otley*, 509 F.2d 667, 674 (2d Cir. 1975).

143. *Morrissey v. Curran*, 650 F.2d 1267, 1274 n.6 (2d Cir. 1981) (discussing the implications of *Otley* in separating the mental states required for criminal and civil liability).

144. *See United States v. Bailey*, 444 U.S. 394, 631–32 (1980) (discussing the requirement in *U.S. Gypsum* that criminal Sherman Act violations incorporate a "knowingly" mens rea); 16 U.S.C. § 1174(a) (2011) ("Any person who knowingly violates any provision of [the Fur Seals Act] or of any permit or regulation issued thereunder shall, upon conviction, be fined not more than \$20,000 for such violation, or imprisoned for not more than one year, or both.").

145. *United States v. A. Lanoy Alston, D.M.D., P.C.*, 974 F.2d 1206, 1207 (9th Cir. 1992).

146. *Id.* at 1215.

147. *Id.* at 1213.

148. *Id.* at 1214.

149. 21 U.S.C. § 461(a) (2011).

150. Michael T. Roberts, *Mandatory Recall Authority: A Sensible and Minimalist Approach to Improving Food Safety*, 59 FOOD & DRUG L.J. 563, 567 n.47 (2004).

151. *United States v. LaGrou Distrib. Sys., Inc.*, 466 F.3d 585, 592 (7th Cir. 2006) (emphasis added); *see also United States v. P&S Foods, Inc.*, No. S2-4:02 CR 529 (CDP) (DDN),

In another circumstance, Congress enacted two separate statutes for criminal and civil liability resulting from the same substantive offense. Both the Anti-Kickback Act and the Stark Act prohibit physicians from collecting referral fees if any part of their treatment is funded by a federal program.<sup>152</sup> These statutes generally punish overlapping conduct as “part of a complex statutory and regulatory scheme.”<sup>153</sup> The Stark Act, however, is entirely a civil offense, while the Anti-Kickback Act provides for both criminal and civil penalties.<sup>154</sup> The major, substantive component underlying this difference in penalty structure is that, “[i]n contrast, [the] Stark [Act] is not a criminal statute and contains no scienter element.”<sup>155</sup> Apart from *mens rea*, courts have struggled to distinguish the conduct as being more properly pursued as an Anti-Kickback or Stark violation.<sup>156</sup> Therefore, whether a defendant is criminally as opposed to civilly liable will solely turn on whether the defendant did so with “intent to induce referrals or that plaintiff solicited the remuneration in exchange for referrals.”<sup>157</sup> These examples all suggest that “[t]he mental state of the accused matters because criminal liability, unlike tort liability, envisages punishment of the perpetrator rather than compensation of the victim.”<sup>158</sup>

### C. Shielding the Innocent

Another “purpose of the *mens rea* requirement [is] to shield people against punishment for apparently innocent activity.”<sup>159</sup> That is, it establishes a minimal predicate below which a defendant will not be punished for conduct that is otherwise not wrongful. This rationale for *mens rea* generally does not apply to crimes that are *malum in se*—where the physical act is wrongful in itself—because any *mens rea* merely specifies the particular level or aspect of wrongfulness society seeks to punish.<sup>160</sup>

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2003 WL 25735595, at \*6 (E.D. Mo. Sept. 25, 2003) (finding that the indictment sufficiently described the defendant’s “intent to defraud”).

152. 42 U.S.C. § 1320a-7b(b)(1)(A) (2011) (setting forth the Anti-Kickback Act which prohibits a physician from “referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under a Federal health care program”); *Id.* § 1395nn(a)(1)(A) (prohibiting a physician from “mak[ing] a referral . . . for the furnishing of designated health services for which payment otherwise may be made under [the Stark Act]”).

153. *Feldstein v. Nash Cmty. Health Servs., Inc.*, 51 F. Supp. 2d 673, 680 (E.D.N.C. 1999) (internal quotation marks and citations omitted).

154. *Id.* at 687.

155. *Id.*

156. *See id.* (stating that although the two statutes appeared to punish the same conduct, “[t]he fact remains, however, that both statutes exist, and both should be given meaning if possible”).

157. *Id.* at 684.

158. Ross, *supra* note 102, at 978.

159. *Staples v. United States*, 511 U.S. 600, 622 (1994) (Ginsburg, J., concurring).

160. *See supra* Part II.A.

Where the innocent, physical act is *mala prohibita*, however, a mens rea threshold “avoids criminalizing apparently innocent conduct.”<sup>161</sup>

In *Staples v. United States*, the Supreme Court considered whether a defendant charged with possession of an unregistered machine gun could challenge his indictment by claiming that he was ignorant of the gun’s nature.<sup>162</sup> The operative statute, 26 U.S.C. § 5861(d),<sup>163</sup> punished possessing an unregistered, automatic weapon with ten years’ imprisonment,<sup>164</sup> but was silent on the issue of intent.<sup>165</sup> At trial, the defendant did not contest that the weapon was not registered, but asserted that he was ignorant that it could be fired automatically.<sup>166</sup> The Court agreed with the defendant, and reversed his conviction.<sup>167</sup> Concluding that the “long tradition of widespread lawful gun ownership by private individuals in this country”<sup>168</sup> made gun ownership an otherwise lawful activity, the Court reasoned that even a congressional statute silent on mens rea must not have meant to dispose of one entirely.<sup>169</sup> It consequently added a mens rea element of knowingly to the type of gun ownership. This minimal level of mens rea freed “law-abiding, well-intentioned citizens [from] a possible ten-year term of imprisonment.”<sup>170</sup>

The Court did much the same in *Liparota v. United States* concerning the use of food stamps.<sup>171</sup> There, the Court concluded that the statute’s prohibition on the use of food stamps “in any manner not authorized by [law]”<sup>172</sup> must also include an element of the defendant’s knowledge.<sup>173</sup> Because purchasing and possessing food stamps was an otherwise innocent activity, a strict liability regime for their misuse would “criminalize a broad range of apparently innocent conduct,” including “us[ing] stamps to

161. *Staples*, 511 U.S. at 622 (Ginsburg, J., concurring).

162. *Id.* at 602 (majority opinion).

163. 26 U.S.C. § 5861(d) (2011).

164. *Staples*, 511 U.S. at 616.

165. *Id.* at 605.

166. *Id.* at 603.

167. *Id.* at 620.

168. *Id.* at 610.

169. *Id.* at 615–16. The Supreme Court also disposed of two arguments asserted by the United States. First, that because their purpose is to regulate inherently dangerous devices, federal gun regulations should be deemed to have purposely left out any element of mens rea in an effort to bring such statutes within the ambit of strict liability “public welfare offenses.” *Id.* at 606–07; *see supra* note 100. Second, the defendant should have been generally aware of gun registration requirements. *Staples*, 511 U.S. at 608–09. The Court dismissed the former given the long tradition of American ownership of guns, unlike other articles more typically in the category of public welfare commodities, such as hand grenades or narcotics. *Id.* at 612. The Court dismissed the latter by giving examples of the relative ease of gun ownership in many states as disproving the notion that gun-owners, as a collective lot, should be well-versed in federal gun regulations. *Id.* at 614 n.9.

170. *Id.* at 615 (quoting *United States v. Anderson*, 885 F.2d 1248, 1254 (5th Cir. 1989)).

171. *Liparota v. United States*, 471 U.S. 419 (1985).

172. *Id.* at 427.

173. *Id.* at 425–26.

purchase food from a store that, unknown to him, charged higher than normal prices to food-stamp-program participants.”<sup>174</sup> A contrary holding would have done nothing to “strike[] the appropriate balance between the legislature, the prosecutor, and the court in defining criminal liability.”<sup>175</sup>

The Second Circuit followed course in *United States v. Bronx Reptiles, Inc.*<sup>176</sup> concerning the Lacey Act, which prohibits “any person [from] . . . knowingly . . . caus[ing] or permit[ing] any wild animal or bird to be transported to the United States, or any Territory or district thereof, under inhumane or unhealthful conditions.”<sup>177</sup> The court concluded that the knowledge element of the statute required a defendant charged under the Lacey Act to be aware of the “inhumane or unhealthful conditions” of the transported wild animal because “‘[i]n many, if not most, circumstances, it is perfectly innocent’ for a person knowingly to cause or permit the transportation of a wild animal or bird to the United States.”<sup>178</sup> This view of mens rea as a floor to the criminal regulation of conduct at least “ensure[s] that persons subject to conviction . . . will have committed a minimally blameworthy act.”<sup>179</sup>

### III. THE PURPOSE OF INTENT IN PATENT LAW

A patent is little more than a legal right to exclude others from making, using, selling, or offering to sell one’s invention.<sup>180</sup> It is, in essence, a monopoly over a particular invention.<sup>181</sup> The Constitution urges Congress to provide inventors such monopolies “to promote the Progress of Science and useful Arts,”<sup>182</sup> and, more specifically, enables Congress to encourage invention by allowing inventors the opportunity to recoup their research

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174. *Id.* at 426.

175. *Id.* at 427.

176. *United States v. Bronx Reptiles, Inc.*, 217 F.3d 82 (2d Cir. 2000).

177. 18 U.S.C. § 42(c) (2011).

178. *Bronx Reptiles*, 217 F.3d at 88 (quoting *United States v. Figueroa*, 165 F.3d 111, 116 (2d Cir. 1998)) (internal citations omitted).

179. See Stephen F. Smith, *Proportional Mens Rea*, 46 AM. CRIM. L. REV. 127, 131–32 (2009).

180. See *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 392 (2006) (“[T]he Patent Act also declares that ‘patents shall have the attributes of personal property,’ [35 U.S.C.] § 261, including ‘the right to exclude others from making, using, offering for sale, or selling the invention,’ [35 U.S.C.] § 154(a)(1).”).

181. *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 229 (1964) (“The grant of a patent is the grant of a statutory monopoly . . . not given as favors, as was the case of monopolies given by the Tudor monarchs, . . . but are meant to encourage invention by rewarding the inventor with the right, limited to a term of years fixed by the patent, to exclude others from the use of his invention.”).

182. U.S. CONST. art. I, § 8, cl. 8.

and development costs.<sup>183</sup> The exchange for such an expansive right is the public disclosure of the invention.<sup>184</sup>

When another violates an inventor's monopoly, the inventor's sole legal recourse is a federal patent infringement action under 35 U.S.C. § 271.<sup>185</sup> No state-law causes of action exist because patent law is exclusively a federal domain.<sup>186</sup> Nor are there any separate common law causes of action because the federal infringement statute, § 271, has swallowed common law theories of infringement by codification.<sup>187</sup> And although a patent has many attributes of a federal property grant,<sup>188</sup> there is no administrative procedure for violations by a private party.<sup>189</sup>

Generally, there are three types of patent infringement: direct infringement under § 271(a), induced infringement under § 271(b) (as in *Global-Tech*), and contributory infringement under § 271(c). Direct infringement, as a strict liability offense, does not have a mental state requirement.<sup>190</sup> Induced infringement, prior to *Global-Tech*, required mere constructive knowledge—less akin to a criminal mental state than an objective standard.<sup>191</sup> And contributory infringement's mental state requirement is

183. *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 480 (1974) (“The patent laws promote this progress by offering a right of exclusion for a limited period as an incentive to inventors to risk the often enormous costs in terms of time, research, and development.”); John M. Golden, *Principles for Patent Remedies*, 88 TEX. L. REV. 505, 517 (2010) (“Under a standard economic understanding, the basic purpose of a patent is to enable a rights holder to price above marginal cost so that the rights holder has a greater opportunity to recoup costs of developing or disseminating the invention.”).

184. *Eldred v. Ashcroft*, 537 U.S. 186, 224 (2003) (“Complete disclosure as a precondition to the issuance of a patent is part of the *quid pro quo* that justifies the limited monopoly for the inventor as consideration for full and immediate access by the public when the limited time expires.”).

Because public disclosure further promotes scientific progress by aiding additional invention in the field, the patent system—on the whole—appears to fulfill its constitutional mandate in two ways.

185. Section 271 defines infringement while § 281 creates a cause of action. *See* 35 U.S.C. § 281 (2011) (“A patentee shall have remedy by civil action for infringement of his patent.”).

186. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 155 (1989) (holding that federal law preempts state law causes of action for patent infringement).

187. *See* *NTP, Inc. v. Research In Motion, Ltd.*, 418 F.3d 1282, 1319 (Fed. Cir. 2005) (“Section 271(a) was merely a codification of the common law of infringement that had developed up to the time of passage of the 1952 Patent Act. It was not meant to change the law of infringement.” (citing *DeepSouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 530 n.10 (1972))).

188. *See* 35 U.S.C. § 261 (2011) (“[P]atents shall have the attributes of personal property”).

189. *Cf.* Ellen P. Goodman, *Spectrum Rights in the Telecosm to Come*, 41 SAN DIEGO L. REV. 269, 286–97 (2004) (discussing disputes between private parties over electromagnetic spectrum licenses); S. Paul Margie, *Can You Hear Me Now? Getting Better Reception from the FCC's Spectrum Policy*, 2004 STAN. TECH. L. REV. 5 (2004) (discussing the FCC's administrative procedures to resolve licensing disputes).

190. *See infra* Part III.A.

191. *See supra* Part I.

limited to the accused infringer knowing that a component is especially made to operate in an infringing manner.<sup>192</sup> None, however, are concerned with the purposes of criminal mental state requirements: ascribing moral culpability, differentiating torts from crimes, or shielding the innocent. Rather, the presence and absence of mental state elements in infringement actions serve to facilitate patent holders in obtaining damages for infringement of their patents. The sections below discuss each type of infringement and the presence or absence of a mental state requirement.

### A. Direct Infringement

Section 271(a) lists the acts constituting direct infringement: “whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States, or imports into the United States any patented invention during the term of the patent therefor, infringes the patent.”<sup>193</sup> Direct infringement is notable for its lack of a mental state requirement: it is a strict liability offense.<sup>194</sup> As such, direct infringement does not focus on any sense of morality or retribution or rehabilitation, but solely on the civil economic redress of the patent holder. The remedies for direct infringement demonstrate this focus, whether they are for retrospective or prospective relief.<sup>195</sup> For claims of past infringement, a patent holder is limited to monetary relief.<sup>196</sup> For claims seeking to prevent future infringement, a patent holder may demand either injunctive or monetary relief.<sup>197</sup> In either event, the purpose of the patent infringement action is to either compensate the owner of a patent for the unauthorized use of an infringer,<sup>198</sup> or to delay the entry of a competitor in the market place.<sup>199</sup> It largely—if not entirely—crafts economic remedies in response to economic harms.

This stands in contrast to other causes of action for property violations. Traditionally, the ownership of real property had a moral component.<sup>200</sup>

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192. See *infra* Part III.C.

193. 35 U.S.C. § 271(a) (2011).

194. See *In re Seagate Tech., LLC*, 497 F.3d 1360, 1368 (Fed. Cir. 2007) (en banc) (“Because patent infringement is a strict liability offense, the nature of the offense is only relevant in determining whether enhanced damages are warranted.”).

195. See *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 392 (2006) (discussing the case where patent holder sued for damages for past infringement and an injunction to prevent future infringement).

196. See 35 U.S.C. § 284 (2011) (authorizing damages of “in no event less than a reasonable royalty”); *ResQNet.com, Inc. v. Lansa, Inc.*, 594 F.3d 860, 868–69 (Fed. Cir. 2010).

197. See *eBay*, 547 U.S. at 391.

198. See *Riles v. Shell Exploration & Prod. Co.*, 298 F.3d 1302, 1312–13 (Fed. Cir. 2002).

199. See Christopher R. Leslie, *Antitrust and Patent Law as Component Parts of Innovation Policy*, 34 J. CORP. L. 1259, 1273 (2009).

200. See generally Thomas W. Merrill & Henry E. Smith, *The Morality of Property*, 48 WM. & MARY L. REV. 1849 (2007) (discussing the intersection between morality and property).

From a constitutional perspective, “the overriding respect for the sanctity of the home . . . has been embedded in our traditions since the origins of the Republic.”<sup>201</sup> Fourteenth Amendment due process protects property alongside such weighty ideals as “life” and “liberty.”<sup>202</sup> This moral focus on property ownership makes common law trespass actions actionable even if no economic harm was felt by the owner.<sup>203</sup> This remains true today even in a world where calls for a “cost-justification” approach to trespass have become increasingly vehement.<sup>204</sup> In a famous case, the Supreme Court of Wisconsin awarded a trespass victim \$1 in nominal damages but \$100,000 in punitive damages.<sup>205</sup> One commentator has described the opinion as “one of quiet outrage.”<sup>206</sup>

Nuisance—another common law cause of action for property violations—has similarly incorporated aspects of morality, as well as utilitarianism.<sup>207</sup> The Second Restatement of Torts, for example, defines an “unreasonable” nuisance as an activity where “the gravity of the harm outweighs the utility of the actor’s conduct, or . . . the harm caused by the conduct is serious and the financial burden of compensating for [it] . . . would not make the continuation of the conduct not feasible.”<sup>208</sup> The Supreme Court adopted this mixed approach in a takings case to determine whether the plaintiff’s proposed use of his land to build homes constituted a nuisance, as asserted by the State of South Carolina.<sup>209</sup> Rather than deferring to South Carolina’s assertion, the Court required an inquiry into “the degree of harm to public lands and resources, . . . the social value of the claimant’s activities and their suitability to the locality in question, and the relative ease with which the alleged harm can be avoided through measures taken by the claimant and the government (or adjacent private landowners) alike.”<sup>210</sup> Countless pieces of legal scholarship have prescribed such a flexible approach.<sup>211</sup>

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201. Payton v. New York, 445 U.S. 601 (1980).

202. U.S. CONST. amend. XIV, § 1.

203. See Eric R. Claeys, *Jefferson Meets Coase: Land-Use Torts, Law and Economics, and National Property Rights*, 85 NOTRE DAME L. REV. 1379, 1406 (2010).

204. See Ben Deporter, *Fair Trespass*, 111 COLUM. L. REV. 1090, 1090–95 (2011) (calling trespass “a seemingly tranquil and uncomplicated backwater of property law,” and discussing the ossification of strict liability trespass doctrine).

205. *Jacque v. Steenberg Homes, Inc.*, 563 N.W.2d 154 (1997). At the time of writing, the case has already been cited by ninety-two law review articles.

206. See Merril & Smith, *supra* note 200, at 1872.

207. See Richard A. Epstein, *Nuisance Law: Corrective Justice and Its Utilitarian Constraints*, 8 J. LEGAL STUD. 49, 77–79 (1979).

208. RESTATEMENT (SECOND) OF TORTS § 826 (1965).

209. *Lucas v. S.C. Coastal Council*, 505 U.S. 1003, 1030–31 (1992).

210. *Id.* (internal citations omitted).

211. E.g., Albert C. Lin, *Deciphering the Chemical Soup: Using Public Nuisance to Compel Chemical Testing*, 85 NOTRE DAME L. REV. 955, 994–95 (2010) (proposing nuisance theory in response to “chemical manufacturers’ failure to test their products . . . [for] its simplicity and relatively flexible application”); J.B. Ruhl, *Making Nuisance Ecological*, 58 CASE



But direct infringement actions are not flexible. They neither weigh the gravity of harms, nor measure the financial burden of compensation, nor balance these concerns with the “wrongness” of the defendant’s conduct. Direct infringement actions are therefore strict liability offenses divorced from both morality and public utility.<sup>212</sup> Perhaps the best example of direct infringement’s rejection of utilitarianism is the set of E-911 cases filed by patent-holding company EMSAT Advanced Geo-Location Technology, LLC.<sup>213</sup> In these cases, EMSAT sued a number of cellular service providers, such as AT&T, Sprint, and T-Mobile,<sup>214</sup> for infringing a patent that claimed a “cellular communication system,” which “forward[ed an] exact geographic location and specific mobile unit identification for use in subsequent services.”<sup>215</sup> EMSAT claimed that the providers infringed its patent when they forwarded the geographic location of its users to local law enforcement authorities during 911 calls—that is, that the cell phone companies infringed its patent by allowing their users to call 911 in an emergency.<sup>216</sup> It seems fair to say that the equities favor the cell phone companies: the ability of a cell phone user to call for help in a life-or-death emergency should morally trump an intellectual property right. It seems probable that whatever public utility is gained by certainty in clearly demarcated property rights is offset by the disutility of the lack of mobile phone access to first responders. But these concerns simply do not figure in these cases because there is no avenue for them to be litigated.

Furthermore, direct infringement actions are not subject to the traditional sort of equitable property defenses. There is no “good faith” exception to patent infringement. An accused infringer who manifested a “good faith belief” that he had proper license to the asserted patent cannot escape liabil-

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W. RES. L. REV. 753, 783 (2008) (suggesting the creation of common law causes of action for environmental nuisances as “flexible, innovative, and responsive”); Steven Kam, Note, *Intel Corp. v. Hamidi: Trespass to Chattels and a Doctrine of Cyber-Nuisance*, 19 BERKELEY TECH. L.J. 427, 428 (2004) (suggesting the creation of a nuisance “cyber-tort” akin to the trespass of chattels).

212. See *In re Seagate Tech., LLC*, 497 F.3d 1360, 1368 (Fed. Cir. 2007) (en banc) (“Because patent infringement is a strict liability offense, the nature of the offense is only relevant in determining whether enhanced damages are warranted.”).

213. E.g., *EMSAT Advanced Geo-Location Tech., LLC v. AT&T Mobility LLC*, No. 08-cv-822 (N.D. Ohio Mar. 31, 2008); *EMSAT Advanced Geo-Location Tech., LLC v. Sprint Spectrum, LP*, No. 08-cv-818 (N.D. Ohio Mar. 31, 2008); *EMSAT Advanced Geo-Location Tech., LLC v. T-Mobile USA, Inc.*, No. 08-cv-817 (N.D. Ohio Mar. 31, 2008).

In the interest of disclosure, I represented T-Mobile in its case against EMSAT.

214. See *supra* note 213.

215. U.S. Patent No. 7,289,763, col. 171. 43–56 (filed Nov. 22, 2004).

216. See, e.g., Third Amended Complaint for Patent Infringement at ¶¶ 11–18, *EMSAT Advanced Geo-Location Technology, LLC v. T-Mobile USA, Inc.*, 2011 WL 843205 (N.D. Ohio Mar. 8, 2011) (No. 08-cv-817).

ity.<sup>217</sup> Patent law also does not contain a “fair use” doctrine.<sup>218</sup> “[W]hoever without authority makes, uses, offers to sell, or sells any patented invention” is liable for patent infringement,<sup>219</sup> regardless as to the quantity or quality of the infringing activity.<sup>220</sup> Even the common law “research exemption,” which inoculated a defendant from infringement liability if the defendant’s activities were “solely for research, academic or experimental purposes,”<sup>221</sup> has mostly been eliminated after *Madey v. Duke University*.<sup>222</sup> Now, a defendant facing a claim of patent infringement must prove that its allegedly infringing activity was “for amusement, to satisfy idle curiosity, or for strictly philosophical inquiry” that does not have “definite, cognizable, and not insubstantial commercial purposes.”<sup>223</sup> The Federal Circuit has not upheld a finding of noninfringement based on the research exemption since *Madey*. Contrasted with other forms of civil redress, the Federal Circuit’s focus in *Madey* is purely economic—just as in direct infringement actions.

### B. Induced Infringement

Subsection (b) of the infringement statute makes liable “[w]hoever actively induce[d] infringement of a patent,”<sup>224</sup> that is, those who “aided and abetted another’s direct infringement of the patent.”<sup>225</sup> This language, “aid and abet,” and the Supreme Court’s decision in *Global-Tech*, may appear to suggest that the purpose of the “actively induce” language is the same as that for criminal accessory. But actions for infringement-by-inducement do not seek to stamp a moral imprimatur on the underlying activity; the Federal Circuit has rejected the notion that inducement places any moral weight on the allegations of direct infringement. In *Rodime PLC v. Seagate Technologies, Inc.*, the court compared the plaintiff’s infringement-by-inducement claims to its unfair competition claims, and noted that “[i]nducement requires no proof that the acts underlying the inducement are ‘wrongful’ by some measure other than the fact of the inducement itself.”<sup>226</sup> This contrasts

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217. *Filtroil, N.A. v. Maupin*, 20 F. App’x 834, 840 (Fed. Cir. 2001). Note, however, that such a good faith belief may prevent the plaintiff from collecting enhanced damages under 35 U.S.C. § 285. *See id.*

218. *See Soitec, S.A. v. Silicon Genesis Corp.*, 81 F. App’x 734, 737 (Fed. Cir. 2003) (“There is no fair use or research and development exception for infringement of normal commercial processes.”). *See generally* Maureen A. O’Rourke, *Toward a Doctrine of Fair Use in Patent Law*, 100 COLUM. L. REV. 1177 (2000) (discussing the lack of a fair use doctrine in patent law).

219. 35 U.S.C. § 271(a) (2011).

220. *See* O’Rourke, *supra* note 218, at 1205 n.118 (discussing this contrast between patent and copyright law).

221. *Madey v. Duke Univ.*, 307 F.3d 1351, 1355 (Fed. Cir. 2002).

222. *Id.* at 1361–63.

223. *Id.* at 1361–62.

224. 35 U.S.C. § 271(b) (2011).

225. *See Rodime PLC v. Seagate Tech., Inc.*, 174 F.3d 1294, 1306 (Fed. Cir. 1999).

226. *Id.*

greatly with “aiding and abetting” or “accessory” liability in the criminal context where the underlying activity must be made “wrongful,” either by statute or by traditional common law principles.<sup>227</sup>

The difference between infringement-by-inducement and criminal accessory liability is further contrasted by their differing scopes of liability. Under federal law, the principal need not be convicted of any crime for an accessory to be criminally liable.<sup>228</sup> Even where the principal has been affirmatively acquitted, an accessory can be found guilty of aiding and abetting a “crime” committed by a legally innocent defendant.<sup>229</sup> Not so for inducement claims, where “[i]t is well settled that there can be no inducement of infringement without direct infringement by some party.”<sup>230</sup> In *ACCO Brands, Inc. v. ABA Locks Manufacturers Co.*, the Federal Circuit overturned a jury verdict of induced infringement because the patent holder did not prove “specific instances of direct infringement or show that the accused device necessarily infringes the patent in suit.”<sup>231</sup> Inducement, therefore, is not a moral device but a tool concerned with providing economic recovery against “upstream” infringers.

Indeed, without inducement, the patent holder “is left with the potentially enormous burden of proceeding against the numerous direct infringers who purchased the copied product.”<sup>232</sup> This becomes especially important in cases where the direct infringers themselves are either too numerous<sup>233</sup> or too “shallow-pocketed”<sup>234</sup> to be sued—most notably in the corporation-inducer/consumer-infringer context.<sup>235</sup> This was precisely the

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227. See Dennis J. Baker, *The Moral Limits of Criminalizing Remote Harms*, 10 *NEW CRIM. L. REV.* 370, 371–75 (2007) (discussing “critical morality” in the context of accomplice liability).

228. *Standefer v. United States*, 447 U.S. 10, 15–18 (1980).

229. *Id.*

230. See *Chiuminatta Concrete Concepts, Inc. v. Cardinal Indus., Inc.*, 1 F. App’x 879, 882 (Fed. Cir. 2001).

231. *ACCO Brands, Inc. v. ABA Locks Mfr. Co.*, 501 F.3d 1307, 1313 (Fed. Cir. 2007).

232. *Mixing Equip. Co. v. Innova-Tech, Inc.*, No. 85–535, 1986 WL 14541, at \*3 (E.D. Pa. Dec. 19, 1986).

233. See, e.g., *AstraZeneca LP v. Apotex, Inc.*, 633 F.3d 1042, 1049 (Fed. Cir. 2010) (affirming district court’s grant of a preliminary injunction against the generic-drug manufacturer defendant for infringement-by-inducement, where defendant’s label “would lead many users to directly infringe the asserted method claims” of the patent-at-issue).

234. See, e.g., *Mike’s Train House, Inc. v. Broadway Ltd. Imps.*, No. JKB-09-2657, 2011 WL 856306, at \*2–3 (D. Md. Mar. 8, 2011) (concluding that patent-holder’s complaint was sufficient where it sought recovery against the inducer because the direct infringer “has few employees and few, if any, assets”).

235. See *Eli Lilly & Co. v. Actavis Elizabeth LLC*, No. 2010-1500, 2011 WL 3235718, at \*9 (Fed. Cir. July 29, 2011) (affirming district court’s judgment of infringement-by-inducement where corporate defendant induced 8–29% of its customers to directly infringe the asserted patent); *AstraZeneca*, 633 F.3d at 1049; *Lucent Tech., Inc. v. Gateway, Inc.*, 580 F.3d 1301, 1322–23 (Fed. Cir. 2009).

Federal Circuit's concern in *Ricoh Co. v. Quanta Computer Inc.*<sup>236</sup> There, the plaintiff accused the defendant of contributory infringement and inducing the defendant's customers to infringe its CD-burning technology.<sup>237</sup> Refusing to dismiss the inducement claims, the court noted that it would not leave the plaintiff with "the only remedy [of suing] end users of the product for direct infringement."<sup>238</sup> Similar to claims for civil copyright infringement, the court recognized that "it may be impossible to enforce rights in the protected work effectively against all direct infringers, [making t]he only practical alternative [going] against the distributor of the copying device for secondary liability."<sup>239</sup> Thus, the purpose of the "actively induce" mental state in infringement-by-inducement is to afford patent holders broader avenues for economic recovery than would be available through direct infringement alone. Its focus, like direct infringement, is on economic redress, not moral condemnation or shielding "innocent" upstream infringers.

### C. Contributory Infringement

Subsection (c) of the infringement statute, the "contributory infringement" provision, makes liable whoever "imports into the United States a component of a [patent] . . . constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use."<sup>240</sup> Unlike infringement-by-inducement, contributory infringement requires a mental state: "knowing [the sold component] to be especially made or especially adapted for use in an infringement of such patent."<sup>241</sup> The Supreme Court in *Aro II* long ago held that the contributory infringement's inclusion of the word "knowing" required the defendant to know both that the sold component was part of a patented article and that the end-product would infringe that patent when combined.<sup>242</sup>

While the typical purpose of the "knowledge element in criminal law is to shield innocent defendants from "the crushing consequences of a criminal conviction,"<sup>243</sup> there are no such concerns behind the contributory infringement statute. As stated by former Chief Judge of the Federal Circuit,

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236. *Ricoh Co. v. Quanta Computer Inc.*, 550 F.3d 1325, 1337–38 (Fed. Cir. 2008) (*per curiam*).

237. *Id.* at 1336.

238. *Id.* at 1338.

239. *Id.* (quoting *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 929–30 (2006)).

240. 35 U.S.C. § 271(c) (2011).

241. *Id.*

242. *Aro Mfg. Co. v. Convertible Top Replacement Co. (Aro II)*, 377 U.S. 476, 488 (1964).

243. *United States v. A. Lanoy Alston, D.M.D., P.C.*, 974 F.2d 1206, 1214 (9th Cir. 1992); *see also supra* Part II.C.

Giles S. Rich, “[t]hat aspect of patent law referred to as contributory infringement is particularly concerned with economics.”<sup>244</sup> In *Glenayre Electronics, Inc. v. Jackson*, the Federal Circuit discussed this aspect of contributory infringement, including the rule that damages assessed to a contributory infringer are normally “the same as damages that would be assessed had the patentee sued and obtained a judgment against the customers.”<sup>245</sup> Where the plaintiff had already recovered damages in full for the harm he suffered from the direct infringement of his patent, the *Glenayre* court prohibited him from collecting additional damages for the arising acts of contributory infringement.<sup>246</sup> This evidences the Federal Circuit’s concern with making plaintiffs economically “whole” rather than separating the guilty from the innocent.<sup>247</sup> Further, it seems particularly peculiar to import a criminal knowledge requirement with such a concern where the direct infringement provisions of the patent statute, so equated with contributory infringement, unhesitatingly impose strict liability for otherwise innocent offenses.<sup>248</sup>

Professor Bartholomew has similarly written about how contributory infringement’s “explicitly nonretributive [sic] justification clashes with the moral basis for criminal punishment of aiders and abettors of crimes.”<sup>249</sup> “Intellectual property law differs from general tort law,” he writes, “in that it is particularly concerned with the aggregate effects of a defendant’s behavior rather than precisely identifying who is blameworthy for a particular wrongful act.”<sup>250</sup> The character of knowledge required to prove contributory infringement should not evidence a concern with separating the morally guilty from the financially responsible. Rather, it should allow recovery to those who have *any* form of knowledge of their contributorily infringing activities. This better comports with the economic concerns of contributory infringement voiced by former Chief Judge Rich and the court in *Glenayre*. Although Professor Bartholomew suggests that the purpose of contributory infringement actions are utilitarian rather than economic<sup>251</sup>—a point generally contested by this article—he too

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244. Giles S. Rich, *Contributory Infringement*, 14 FED. CIR. B.J. 99, 100 (2004–2005).

245. *Glenayre Elecs., Inc. v. Jackson*, 444 F.3d 851, 859 (Fed. Cir. 2006).

246. *Id.* at 860.

247. *See id.* at 859 (“A patentee who suffers lost profits or loss of royalty income ordinarily can be compensated and made whole by the manufacturing infringer. In the usual course of events, the length of the accused manufacturer’s distribution chain should have no impact on the patentee’s ability to be made whole by the manufacturer.” (quoting Jerry R. Selinger & Jessica W. Young, *Suing an Infringing Competitor’s Customers: Or, Life Under the Single Recovery Rule*, 31 J. MARSHALL L. REV. 19, 52 (1997))(internal alterations omitted)).

248. 35 U.S.C. § 271(a) (2011).

249. Mark Bartholomew, *Cops, Robbers, and Search Engines: The Questionable Role of Criminal Law in Contributory Infringement Doctrine*, 2009 BYU L. REV. 783, 785.

250. Mark Bartholomew & Patrick F. McArdle, *Causing Infringement*, 64 VAND. L. REV. 675, 737 (2011).

251. *Id.* at 736–37.

has argued for “another organizing principle for contributory infringement, outside of criminal law.”<sup>252</sup> It should be so.

#### D. Willful Infringement

Although no section of the patent statute provides for increased penalties if the infringer’s conduct is found to be willful, “a trial court’s discretion in awarding enhanced damages has a long lineage in patent law.”<sup>253</sup> This stems from courts’ “statutory discretion to enhance damages for patent infringement [that has been available] since 1836.”<sup>254</sup> Until recently, enhanced damages in the patent context have traditionally centered on whether the defendant acted in “bad faith.”<sup>255</sup> There, bad faith harnessed the moral culpability of the actor.<sup>256</sup> The standard was punitive<sup>257</sup> and made material the mental state of the offender.<sup>258</sup>

The Federal Circuit, however, jettisoned this decidedly moralistic approach in *In re Seagate Technology, LLC*.<sup>259</sup> Explicitly overruling its prior decision in *Underwater Devices Inc. v. Morrison-Knudsen Co.*,<sup>260</sup> *Seagate* concluded “that proof of willful infringement permitting enhanced damages requires at least a showing of objective recklessness . . . [and] abandon[ed] the affirmative duty of due care,”<sup>261</sup> previously required in *Underwater Devices*. After *Seagate*, “to establish willful infringement, a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.”<sup>262</sup>

Importantly, *Seagate* tacked away from the traditional, moralistic proof previously required to prove willful infringement. The Federal Circuit ablated any language concerning “bad faith,”<sup>263</sup> “culpability,”<sup>264</sup>

252. Bartholomew, *supra* note 249, at 786.

253. *In re Seagate Tech., LLC*, 497 F.3d 1360, 1368 (Fed. Cir. 2007) (en banc).

254. *Id.* at 1368 n.3; *see also* 35 U.S.C. § 284 (2011).

255. *Jurgens v. CBK, Ltd.*, 80 F.3d 1566, 1570–71 (Fed. Cir. 1996) (discussing the origins of “bad faith infringement”).

256. *See id.*

257. *Id.* at 1570.

258. *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1523 (Fed. Cir. 1995) (en banc) (“Intent becomes a requirement only if and when the patent owner seeks enhanced damages or attorney fees for willful infringement.”).

259. *Seagate*, 498 F.3d at 1370–72.

260. *Underwater Devices Inc. v. Morrison-Knudsen Co.*, 717 F.2d 1380 (Fed. Cir. 1983), *overruled by Seagate*, 497 F.3d 1360.

261. *Seagate*, 497 F.3d at 1371.

262. *Id.*

263. *Jurgens v. CBK, Ltd.*, 80 F.3d 1566, 1570–71 (Fed. Cir. 1996). *But see* *Bard Peripheral Vascular, Inc. v. W.L. Gore & Assoc.*, 670 F.3d 1171, 1191 (Fed. Cir. 2012) (discussing the factors for determining the amount of damages in a willfulness finding in the context of assessing “bad faith”).

264. *Beatrice Foods Co. v. New England Printing & Lithographing Co.*, 923 F.2d 1576, 1579 (Fed. Cir. 1991) (“Under our cases, enhanced damages may be awarded only as a penalty for an infringer’s increased culpability, namely willful infringement or bad faith.”).

“motive,”<sup>265</sup> or “evil intent” from determinations of willful infringement.<sup>266</sup> Rather, as *Seagate* acknowledges, “[t]he state of mind of the accused infringer is not relevant to [the] objective inquiry” required to prove willfulness.<sup>267</sup> Even with respect to whether the defendant was cognizant of its own actions, *Seagate* does not necessitate actual knowledge but only asks whether the risk was “known or so obvious that it should have been known to the accused infringer.”<sup>268</sup>

Removing the subjective inquiry into a defendant’s mental state to prove willfulness also removes much of the moral culpability associated with it. In the words of Professor Jason A. Rantanen, *Seagate* “is, in fact, a shift downwards from a subjective view of fault toward an objective view, and thus implicates a lower threshold of fault than previously existed.”<sup>269</sup> *Seagate* condones imposing enhanced damages on the naïve: those who should have known their actions carried an objectively high likelihood of infringement but did not actually know so. The morally blameless might nevertheless fall within *Seagate*’s catch. A garage-shop tinkerer who attempts to recreate a known invention without knowing it to be patented, an industrial chemist who attempts to work around a patent but fails, and a research scientist who mistakenly believes his use of the patented invention falls within the research exemption might all be liable under *Seagate*. None of these actors can be said to possess the evil intent previously inherent in the law of willful infringement.

This is not to say that willful infringement may not serve a dual purpose: it may *also* function to punish and deter the truly “bad actors” in the world of patent infringement. Skeletons of the Federal Circuit’s prior moralistic approach remain. While *Seagate* addressed whether an infringer had violated a patent willfully, the Federal Circuit has continued to rely on some older, more subjective factors in determining how much a willful infringer is liable for its act.<sup>270</sup> But even here, these weigh towards an objective standard. While they include such subjective inquiries as “whether the infringer deliberately copied the ideas or design of another,” and whether the infringer “formed a good faith belief that [the patent] was invalid or that it was not

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265. *Hilton Davis Chem. Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1519 (Fed. Cir. 1995) (“[The infringer’s] motives and knowledge may affect the question of damages, to swell or reduce them . . .”) (quoting *Parker v. Hulme*, 18 F. Cas. 1138, 1143 (C.C.E.D. Pa. 1849) (No. 10,740)).

266. *Id.*

267. *Seagate*, 497 F.3d at 1371.

268. *Id.*

269. Jason A. Rantanen, *An Objective View of Fault in Patent Infringement*, 60 AM. U. L. REV. 1575, 1608–09 (2011).

270. *Spectrallytics, Inc. v. Cordis Corp.*, 649 F.3d 1336, 1349 (Fed. Cir. 2011) (“*Seagate* removed the presumption of willful infringement flowing from an infringer’s failure to exercise due care to avoid infringement, but *Seagate* did not change the application of the *Read* factors with respect to enhancement of damages when willful infringement under § 285 is found.”); see also *Read Corp. v. Portec, Inc.*, 970 F.2d 816 (Fed. Cir. 1992).

infringed,”<sup>271</sup> they also include more objective ones, such as “the infringer’s size and financial condition,” “the duration of the misconduct,” and “the remedial action by the infringer.”<sup>272</sup> The subjective, moral inquiry into the infringer’s “state of mind” is thus slight: it is only unearthed after there has been an objective determination that the infringer acted willfully, and only in connection with other objective inquiries in assessing exceptional damages.<sup>273</sup>

Nonetheless, willful infringement is not based on a purely moral account. Those who are indifferent to potentially infringing a patent may do so at an objective risk short of “high,” like the garage shop tinkerer mentioned above. A purely moral account of willful infringement that seeks solely to punish the wrongdoing of infringement fails to account for willful infringement that does not also possess an evil intent. The existence of remedies for willful infringement, whatever its purposes, should not be read as imparting morality to patent infringement.

#### IV. PATENT INFRINGEMENT AS CRIMINAL CONDUCT

The differences between the purposes of mental states in criminal and patent law suggest that they should be treated differently. But *Global-Tech* conflates them, requiring courts to adopt a criminal concept of willful blindness into the inducement provision of the infringement statute. This importation of a criminal mental state into the inducement provision—and the hastiness with which the Supreme Court did so—creates several problems. One—importing criminal mental states into the infringement statute makes it more difficult for patent holders to prove infringement, even when they have been economically harmed. Two—criminal mental states unrealistically describe a typical infringer’s “intent” in patent infringement cases. And three—the easiness with which the Supreme Court adopted a criminal mental state in a patent case, wholesale, continues a general and unwise trend of importing foreign elements into civil law causes of action. Rather than taking the Supreme Court’s approach in *Global-Tech*, lower courts examining other areas of civil law should carefully assess the purposes of any mental state requirements before interpreting them.

##### *A. Importing Criminal Concepts of Mens Rea into the Patent Statute Disallows Economic Recovery for Legitimately Harmed Plaintiffs*

The Court’s importation of a criminal concept of willful blindness into the infringement statute in *Global-Tech* does nothing to further the economic goals of inducement liability. Rather, it absolves classes of infringers

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271. *Spectralytics*, 649 F.3d at 1348.

272. *Id.*

273. *Id.* at 1349.



from liability. The point of the willful blindness standard, adopted by the Court, is to impute actual knowledge of a crime to a defendant to “prevent a criminal defendant from escaping conviction merely by deliberately closing his eyes to the obvious risk that he is engaging in unlawful conduct.”<sup>274</sup> In this sense it writes a moral gloss onto the normative implication that “wrong-doers” cannot absolve themselves of criminal responsibility simply by shutting their eyes to events surrounding them. At the same time, willful blindness “surpasses recklessness and negligence”<sup>275</sup>—both of which allow those who are merely risky, stupid, or error-prone to avoid criminal liability for the same acts. Willful blindness only makes liable “one who takes deliberate actions to avoid confirming a high probability of wrongdoing and who can almost be said to have actually known the critical facts.”<sup>276</sup>

Willful blindness does not comport with the cost-benefit approach to inducement taken by the Federal Circuit in *Ricoh*.<sup>277</sup> There, the Federal Circuit endorsed the proposition that without inducement liability, or with only a weak regime of inducement liability, many patent holders would be left without a reasonable avenue for recovery when their patents are actually infringed.<sup>278</sup>

Additionally, the Supreme Court’s importation of willful blindness serves neither the goals of moral retribution nor economic redress. A moralistic infringement-by-inducement regime should not be concerned with plaintiffs’ difficulties in suing numerous defendants—one of the issues addressed in *Ricoh*. Rather, because a moralistic regime would require a patent holder to prove that an infringer acted with a greater level of knowledge than required in an amoral regime, willful blindness disallows legitimately harmed patent plaintiffs a reasonable recovery mechanism from numerous actual infringers.

Although *Global-Tech* is still recent, its practical effects can already be seen. In *Aguirre v. Powerchute Sports, LLC*, the plaintiff sued the defendant for inducing infringement of the plaintiff’s patent directed to a golf swing trainer.<sup>279</sup> The plaintiff, an individual inventor, accused the defendant of offering to sell its patented invention after one of the defendant’s employees saw it demonstrated at a trade show.<sup>280</sup> The plaintiff did not allege, however, that the defendant actually knew that its activities would cause direct infringe-

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274. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2071 n.9 (2011) (quoting *United States v. Holloway*, 731 F.2d 378, 380–381 (6th Cir. 1984)) (internal alterations omitted).

275. *Id.* at 2070.

276. *Id.* at 2070–71.

277. *Ricoh Co. v. Quanta Computer Inc.*, 550 F.3d 1325, 1337–38 (Fed. Cir. 2008) (per curiam).

278. *Id.* at 1338.

279. *Aguirre v. Powerchute Sports, LLC*, No. SA-10-CV-702-XR, 2011 WL 3359554, at \*1 (W.D. Tex. Aug. 4, 2011).

280. *Id.* at \*5.

ment of the plaintiff's patent. After *Global-Tech*, the district court dismissed the inducement claim against the defendant for this supposed deficiency.<sup>281</sup>

*Global-Tech* notwithstanding, this seems unwise. The plaintiff was almost certainly harmed by the defendant's marketing efforts. Further, the defendant appeared to have taken "a substantial and unjustified risk"<sup>282</sup> in marketing its product because its business partner developed the accused product after watching a demonstration of the plaintiff's invention at a golf trade show. Whether this individual did so with actual knowledge of the plaintiff's patent, *willfully blinded* himself to potential infringement, or acted with an "evil-meaning mind"<sup>283</sup> should be irrelevant. Lastly, though some of the deficiencies in the plaintiff's case could have been rectified by more descriptive pleading,<sup>284</sup> it is still clear that, after *Global-Tech*, the plaintiff would not be able to recover if the most he could prove was that the defendant acted recklessly. A California district court disposed a similar claim on almost identical grounds.<sup>285</sup>

*Global-Tech* also suggests that plaintiffs who bring their claims under other parts of the infringement statute are equally vulnerable to similar poor results. Claims for contributory infringement may similarly allow all but the most morally culpable defendants free rein to infringe, even where plaintiffs are otherwise legitimately harmed. A contributory infringement regime that requires facts of actual knowledge or willful blindness above mere constructive knowledge disallows patent holders from recovering against those who took "a substantial and unjustified risk"<sup>286</sup> that the end-product sold would infringe when combined.<sup>287</sup> This would be acceptable if the contributory infringement statute sought to effectuate those goals of criminal law mental states (e.g., moral condemnation of those who possessed a mental state above "a substantial and unjustified risk" of infringement). But contributory infringement is not concerned with such nuances. Rather, a contributory infringement regime that imports a criminal concept of willfulness into its provisions would allow sellers of components of patented products to sell their components to wholesalers without knowing their intended purpose. A willful blindness regime, here, would also allow component sellers to blind themselves to their consumers' knowledge of how to use their product in an infringing manner. Patent holders should be allowed to recover against such sellers even though they are less morally culpable than those with actual knowledge.

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281. *Id.*

282. *See Global-Tech*, 131 S. Ct. at 2071.

283. *See Morissette v. United States*, 342 U.S. 246, 250 (1952).

284. *Aguirre*, 2011 WL 3359554, at \*5.

285. *Nazomi Commc'ns, Inc. v. Nokia Corp.*, No. 10-CV-4686, 2011 WL 2837401, at \*2-3 (N.D. Cal. July 14, 2011).

286. *See Global-Tech*, 131 S. Ct. at 2071.

287. *See* 35 U.S.C. § 271(c) (2011).

Similarly, patent holders should not be prevented from seeking relief from those who offer to sell their invention, even if they do not manifest a criminal concept of intent to be bound by their own offer. Importing criminal concepts of mens rea into the patent statute here would allow competitors to flood the market with bogus offers of the patented article that they never actually intend to fulfill. Competitors may want to choose to flood the market for several reasons including: (1) to test the waters for the article's true price, (2) to artificially lower or raise the price of the invention in a consumers' mind, or (3) to shut a patent holder out of the market entirely.<sup>288</sup>

This is not as far-fetched as it may seem. In *Cybiotronics, Ltd. v. Golden Source Electronics Ltd.*, the plaintiff accused the defendant of offering its patented invention for sale in the United States, only to have the sale consummated in Hong Kong as a backdoor way to gain a foothold in the American marketplace.<sup>289</sup> The defendant raised one argument: that it believed that it did not infringe because it never intended to sell the patented product in any event.<sup>290</sup> Though the court ultimately dismissed the plaintiff's claims on extraterritoriality grounds,<sup>291</sup> it stated that it was "tempted to conclude that [the defendant] never made an 'offer' in this case" because it structured its transactions such that it "was largely the 'acceptor' in the offer-and-acceptance relationship that defines any 'commercial' contracting situation."<sup>292</sup> The plaintiff asserted that this nonetheless harmed its economic interests in the United States.<sup>293</sup>

Preventing patent holders from recovering in these circumstances, especially where patent holders have less market power than the potentially infringing offerors, may wholly prevent patent holders from any recovery of the cost of their inventions, either through the marketplace or the courts. At a minimum, it would require the patent holder to wait for an actual infringing sale before proceeding with suit. This contravenes the purpose of the inclusion of the "offer to sell" language in the infringement statute, which "protects a patent holder at an earlier stage of infringing activity."<sup>294</sup> In these circumstances, patent holders' recovery should not be cabined by the apparent morality, or immorality, of infringing offerors' conduct.

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288. See *3D Sys., Inc. v. Aarotech Labs., Inc.*, 160 F.3d 1373, 1379 (discussing the harm to a patent holder by generating economic interest in the invention away from the patent holder).

289. *Cybiotronics, Ltd. v. Golden Source Elecs., Ltd.*, 130 F. Supp. 2d 1152, 1167-68 (C.D. Cal. 2001).

290. *Id.* at 1170.

291. *Id.* at 1173.

292. *Id.* at 1170 n.45.

293. *Id.* at 1169 n.43.

294. *Id.* at 1171.

B. *Criminal Concepts of Mens Rea Do Not Realistically Describe the “Intent” Element in Patent Infringement Cases*

Concepts of fault in tort law do not realistically describe the intent element in patent infringement cases.<sup>295</sup> That is, “[n]o one sets out with the goal of infringing a patent.”<sup>296</sup> While a competitor may intend to copy a rival’s patented product, this is not to say that the competitor wishes to infringe its rival’s patent. “[O]ne would expect the converse to be closer to reality.”<sup>297</sup> A competitor’s knowledge that a rival’s design is patented would make the competitor *less* desirous to infringe the rival’s patent.<sup>298</sup>

This argument applies with even more force in the criminal context. One of the hallmarks of criminal mental states, similar to intent in intentional torts, is the requirement that the defendant intended not only to commit the prohibited physical act, but also intended to bring about a particular consequence of that act. As an example, the Model Penal Code’s definition of the mental state “purposefully” requires two elements: (1) a conscious object to engage in the prohibited conduct and (2) an awareness of the circumstances of his conduct or a belief or hope that they exist.<sup>299</sup> Thus, a person who consciously chooses to engage in prohibited conduct, but is unaware that his conduct will have a particular harmful consequence, does not possess a purposeful mens rea. This is not true for purposeful conduct; the Model Penal Code requires this two-part application of intent for every criminal offense.<sup>300</sup>

Yet this analysis should have little application in cases of indirect patent infringement. First, it is doubtful that anyone wishes to perform acts that “actively induce” or “contribute” to another’s patent infringement. Rather, an inducer would wish, in reality, only that an inducee perform the attendant physical act giving rise to infringement but would remain wholly agnostic as to whether or not the inducee’s act infringed a patent. All else being equal, there is little to be gained by downstream users infringing a patent. Second, without engaging in an analysis of patents in the pertinent art, it is unlikely that an accused infringer would be “aware” that an inducee’s activities infringe the asserted patent.<sup>301</sup> And even with an analysis, it is unlikely the

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295. See Rantanen, *supra* note 269, at 1613–14, 1631–32.

296. *Id.* at 1613.

297. *Id.*

298. *Id.*

299. MODEL PENAL CODE § 2.02(2)(a).

300. See *id.* § 2.02(1) (“[A] person is not guilty of an offense unless he acted purposely, knowingly, recklessly or negligently, as the law may require, with respect to each material element of the offense.”).

301. An accused infringer may become aware of the asserted patent, however, if the patent holder informs the accused infringer of the existence of his patent. Yet, as patent holders increasingly assert patents as an integral part of business strategy, as opposed to a simple protection of extant property rights, such communications have become increasingly suspect. See Ted Sichelman, *The Vonage Trilogy: A Case Study in “Patent Bullying”*, in PERSPECTIVES ON PATENTABLE SUBJECT MATTER (Michael Abramowicz, John Duffy & F. Scott Kieff eds.,

accused infringer would possess a “belief or hope” that the patent would be infringed.

Just as mental states in intentional torts only poorly parallel indirect patent infringement, criminal concepts of mens rea also do not accurately reflect the reality of indirect patent infringement. No one consciously “wishes” for a patent to be infringed, even if he or she is aware of the existence of a related patent. Treating patent infringement like criminal conduct in this regard serves no discernible purpose.

*C. Grafting Criminal Concepts of Mens Rea onto Civil Statutes  
Continues a General Trend of Improperly Equating  
Civil and Criminal Law Concepts*

*Global-Tech* also continues a general trend of improperly equating civil and criminal law concepts. Several courts have cited *Global-Tech* as support for importing criminal law concepts of mens rea into civil cases that have nothing to do with patents. In *Hokto Kinoko Co. v. Concord Farms, Inc.*, the court relied on *Global-Tech* to import a willful blindness element in a trademark cancellation claim, alleging that the trademark holder’s attorney was “willful[ly] blind” in listing goods on the defendant’s trademark application that it did not use or intend to use in the future.<sup>302</sup> In *United States ex rel. Saltzman v. Textron Systems Corp.*, the district court, in considering the level of knowledge required to state a claim under the Federal False Claims Act,<sup>303</sup> “assume[d] that a showing of willful blindness would satisfy the knowledge requirement for a false claim,” and cited *Global-Tech*.<sup>304</sup> In addition, a bankruptcy court hearing the case, *In re Dreier LLP*, at least partially leaned on *Global-Tech* to graft a willful blindness element onto a fraudulent transfer claim.<sup>305</sup> While the propriety of using willful blindness in these instances should be analyzed on a statute-by-statute basis,<sup>306</sup> the rush to use *Global-Tech* to import criminal mens rea into civil statutes is disquieting.

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2011) (presenting a case study where “large, established companies that threaten or institute costly patent infringement actions of dubious merit against smaller companies, usually in order to suppress competition or garner licensing fees”); John R. Allison & Mark A. Lemley, *Empirical Evidence on the Validity of Litigated Patents*, 26 AIPLA Q.J. 185, 205 (1998) (calculating the large number of invalid, but asserted, patents); Rantanen, *supra* note 269, at 1631 (“Receiving a letter from a competitor proclaiming the obviousness of infringement seems like thin grounds on which to base the conclusion of “substantial certainty” of infringement.”).

302. *Hokto Kinoko Co. v. Concord Farms, Inc.*, 810 F. Supp. 2d 1013, 1043 (C.D. Cal. 2011).

303. 31 U.S.C. §§ 3729–33 (2011).

304. *United States ex rel. Saltzman v. Textron Sys. Corp.*, CIV.A. No. 09-11985-RGS, 2011 WL 2414207 at \*4 n.8 (D. Mass. June 9, 2011).

305. *In re Dreier LLP*, 452 B.R. 391, 451 n.54 (Bankr. S.D.N.Y. 2011).

306. For example, willful blindness may be an appropriate moniker for knowledge in federal False Claims Act cases because, unlike patent infringement litigation, the False Claims Act does not solely concern itself with pecuniary harms.

*Global-Tech* does not appear to be the progenitor of such conflation, but only a point in a greater trend of cross-contamination between discrete concepts in criminal and civil law that use similar terms. Courts have long raced to find easy analogies to difficult statutes. This has demonstrably occurred in the immigration context, an area of law that has struggled mightily to identify its proper place in the civil-criminal spectrum.<sup>307</sup> In *Kungys v. United States*, for example, the Supreme Court derived a definition of the term “material,” as in a “material misrepresentation” of facts to immigration authorities, wholly from criminal law conceptions of perjury or concealment.<sup>308</sup> The Court never addressed whether differing concerns in civil-immigration violations and criminal perjury prosecutions should mandate different results.

This happens, too, even where the phrase in the civil statute is intentionally broader than its criminal twin. For example, in some civil law statutes allowing recovery for unwanted “sexual contact,” such as sexual assault, the definition of “sexual contact” is ambiguous.<sup>309</sup> Commentators focusing on the intersection of criminal and civil law in the sexual assault context have seized on this ambiguity and cautioned against the “risk that new statutes designed to aid sexual assault victims will import existing criminal law problems into civil cases.”<sup>310</sup> A less-than-contemplative conflation of terms between the two areas of law may wrongly whittle away some of “the most significant advantages that victims enjoy in tort as opposed to criminal fora.”<sup>311</sup>

Lastly, the conflation of mens rea in civil and criminal statutes routinely occurs in hybrid statutory schemes. Principally, doctrines requiring consistency in statutory interpretation force such intermingling.<sup>312</sup> But the goals of criminal as opposed to civil arenas do not always align. Most famously, the Supreme Court’s equating the term “pattern” in civil and criminal aspects of the Racketeer Influenced Corrupt Organizations Act in *H.J. Inc. v. Northwestern Bell Telephone Co.* did not address whether the “patterns of racketeering” sought to be criminally punished should differ from the “patterns of racketeering” sought to be civilly enforced.<sup>313</sup> It is fair to suggest that principles of statutory construction and concepts of congressional intent outweigh whatever nuances are normatively desired from a perfectly composed anti-racketeering statute. But the Court’s failure

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307. See generally Peter L. Markowitz, *Straddling the Civil-Criminal Divide: A Bifurcated Approach to Understanding the Nature of Immigration Removal Proceedings*, 43 HARV. C.R.-C.L. L. REV. 289 (2008).

308. *Kungys v. United States*, 485 U.S. 759, 770 (1988).

309. N.J. STAT. ANN. § 2A:61B-1(2) (West 2005).

310. Ellen M. Bublick, *Tort Suits Filed by Rape and Sexual Assault Victims in Civil Courts: Lessons for Courts, Classrooms and Constituencies*, 59 SMU L. REV. 55, 73 (2006).

311. *Id.* at 72.

312. See generally Jonathan Marx, Note, *How to Construe a Hybrid Statute*, 93 VA. L. REV. 235 (2007) (discussing courts’ reluctance against dual construction, even where the criminal side of a hybrid statute includes a mens rea that its civil counterpart does not).

313. *H.J. Inc. v. Nw. Bell Tel. Co.*, 492 U.S. 229, 236 (1989).

to at least mention these potential differences in *H.J. Inc.* speaks of a greater movement to remain silent as criminal mental states expand into civil areas.

#### D. Courts Should Define Mental State Elements in Civil Statutes According to Their Purposes

The kaleidoscope of terms used to describe mens rea well addresses the need of mental states in criminal law. They often reconcile competing concerns: they work to ascribe a level of moral culpability to the defendant, separate those acts requiring civil restitution from those precipitating criminal punishment, and insulate otherwise innocently acting defendants from the maw of the criminal process.<sup>314</sup> But many civil statutes do not have such goals. Blindly using criminal mental state definitions in the civil context seems to poorly further the goals of civil statutes.

In interpreting the mental state requirement for civil statutes, courts should consider those statutes' goals. Numerous civil statutes—including many provisions of the patent infringement statute—have no mental state requirement at all.<sup>315</sup> The constitutional due process concerns with requiring defendants to possess “evil-meaning minds”<sup>316</sup> before imposing liability for their acts are absent in the civil context.<sup>317</sup> The issues of morality, fairness, guilt, and innocence that are so deeply interwoven into criminal mens rea analysis do not always come to bear in the civil context. Direct infringement, in particular, would suffer from treatment as criminal conduct. It has no mental state requirement and is designed simply to compensate patent holders for infringing uses. And it is unlike other property torts in that it has little moral or utilitarian basis.<sup>318</sup> The concern voiced in *Morissette* that “wrongdoing must be conscious to be criminal”<sup>319</sup> would be misplaced in the direct infringement context. Applying criminal mental states to strict liability civil statutes, such as that governing direct infringement, risks treating civil violations as criminal conduct.

Other civil statutes that do contain mental state requirements seek to effectuate very different policy goals than those in the criminal context. In employment discrimination actions under Title VII, for example, a plaintiff seeking to prove her employer's discriminatory motivation must show that the employer harbored an “intent to discriminate.”<sup>320</sup> Yet, “[i]n this context,

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314. See *supra* Part II.

315. See *supra* notes 135–158 and accompanying text.

316. See *Morissette v. United States*, 342 U.S. 246, 250 (1952).

317. *Conn. Bar Ass'n v. United States*, 620 F.3d 81, 102 (2d Cir. 2010) (“Strict liability generally raises due process concerns with respect to criminal, not civil, statutes.”).

318. See *supra* Part III.A.

319. *Morissette*, 342 U.S. at 252.

320. *Rudin v. Lincoln Land Cmty. Coll.*, 420 F.3d 712, 720 (7th Cir. 2005) (“The method of proving race discrimination by putting forth evidence of discriminatory motivation often is called the ‘direct’ method. A plaintiff proceeding according to the direct method may rely on two types of evidence: direct evidence or circumstantial evidence. . . . Direct evidence is a

the language of intention means that a *causal link* must be found between an employment action and the plaintiff's race, sex, or other protected characteristic—not that a deliberately or *consciously discriminatory purpose* is required.<sup>321</sup> Assessing civil employment discrimination under the same rubric as criminal conduct would simply create additional hurdles for plaintiffs. Similar heightened standards of proof in the Title VII context “do[] not meet the public policy goal of prohibiting discrimination and retaliatory discharges.”<sup>322</sup>

Even civil mental-state requirements seemingly pregnant with criminal meaning do not necessarily incorporate the elements of vice associated with criminal law. In the bankruptcy context, for example, a debtor cannot discharge a debt stemming from a “willful and malicious injury by the debtor to another entity or to the property of another entity.”<sup>323</sup> Despite the fact that such a standard appears to be directly lifted from criminal law, “[t]he focus of the ‘malicious’ inquiry is on the debtor’s actual knowledge or the reasonable foreseeability that his conduct will result in injury to the creditor, not on abstract and perhaps moralistic notions of the ‘wrongfulness’ of the debtor’s act.”<sup>324</sup> To be clear, this is not to say that no civil statutes that incorporate mental states do so for reasons traditionally associated with criminal enforcement.<sup>325</sup> Rather, courts seeking to give gloss to civil statutes containing mental states should not assume that they do.

As defining mental states is mainly an issue of statutory interpretation, the burden rests on courts to prevent the problems associated with treating civil liability as criminal conduct. In interpreting mental states in civil statutes, courts should begin their inquiries by addressing, first, whether and why the legislature included a mental state requirement. Courts should remember that mental states in the criminal law typically serve very different purposes than those in the civil law. While the absence of a mental state in a criminal statute may implicate constitutional due process concerns, there are no such worries in the civil context. Thus, where a civil liability statute does not appear to contain a mental state, courts should be reluctant to read one in.

Second, where a civil statute does appear to contain a mental state requirement, such as “actively induce” in the induced infringement statute,

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‘distinct’ type of evidence that uniquely reveals ‘intent to discriminate[, which] is a mental state.’”) (internal citations omitted).

321. Katharine T. Bartlett, *Making Good on Good Intentions: The Critical Role of Motivation in Reducing Implicit Workplace Discrimination*, 95 VA. L. REV. 1893, 1922 (2009) (emphasis added).

322. *Kotewa v. Living Independence Network Corp.*, No. CV05-426-S-EJL, 2007 WL 433544, at \*7 (D. Idaho Feb. 2, 2007).

323. 11 U.S.C. § 523(a)(6) (2011).

324. *In re Musgrave*, BAP Nos. CO-10-049, 08-25165, 2011 WL 312883, at \*11 (10th Cir. Feb. 2, 2011).

325. See *supra* notes 134–148 and accompanying text (describing the purpose of morality embodied in civil securities violations).



courts should begin their inquiry by characterizing its purpose (e.g., remedial, deterrence, regulatory, etc.). Whatever the statute's purpose, an interpretation of its attendant mental state should further that goal. Interpretations of mental states in remedial statutes, for example, should likely be given wider berth than their regulatory counterparts.

And lastly, where a civil statute appears to include a mental state from the criminal law, courts should pause. Courts should not simply assume that the legislature used words similar to those in the criminal law to import their definitions—or the baggage that comes with them. Irrespective of the similarity of terms, courts should still assess if the purposes of the statute are different from those in criminal law, such as regulation rather than moral condemnation. Once this purpose is elucidated, courts should ensure that the contours of the particular statute's mental state requirement align with its purpose. While, absent Congressional action, it may be too late to effect meaningful change in the interpretation of mental states for patent infringement, this three-part method of statutory interpretation would prevent construing civil liability as criminal conduct.

#### CONCLUSION

The mens rea requirement in criminal law stands in bold relief to the mental state requirements in civil law. Nonetheless, the Supreme Court violated this longstanding separation between criminal and civil mental states in its decision in *Global-Tech Appliances v. SEB S.A.* There, the Court imported the criminal mens rea element of willful blindness into the inducement provision of the patent infringement statute. This importation failed to take account of the different purposes behind mens rea in criminal actions—to ascribe moral culpability, to separate crime from tort, and to shield innocently acting defendants from punishment—from the economic purposes of the patent infringement statute. *Global-Tech* does not advance the economically remedial goals of patent infringement, and the Court's far-reaching language suggests that such an interpretive technique will have consequences outside of patent law.

Courts should take *Global-Tech* as a moral. Importing criminal concepts of mens rea into the patent statute disallows legitimately harmed patent holders a form of economic recovery. More generally, importing criminal concepts of mens rea into civil statutes continues a general trend of improperly equating civil and criminal law concepts. Recognizing this, courts should develop an appropriate interpretive scheme to address mental state requirements in civil statutes. Such a scheme should principally consist of three canons: (1) courts should avoid importing a mental state in a civil statute where none appears to be present; (2) where a mental state does appear to be present, courts should characterize the purpose of the statute in guiding an appropriate interpretation; and (3) even where a civil mental state

uses familiar language from the criminal law, courts should avoid importing a criminal law concept of mens rea unless the purposes of the civil statute are similar to the moral and protective purposes found in criminal law. This interpretive technique would prevent other areas of civil law from what happened in *Global-Tech*: the treatment of patent infringement as criminal conduct.

