

Supreme Court Holds that Shipping a Single Component of a Multicomponent Patented Invention

In *Life Technologies Corp. et al. v. Promega Corp.*, 580 U.S. ____ (February 22, 2017), the Supreme Court of the United States unanimously held that shipping a single component of a multicomponent patented invention outside of the United States, where it would be combined with other components, does not constitute infringement – even if the component is a sufficiently important part of the invention.

The patent at issue, U.S. Reissue Patent No. RE 37,984 (the “Tautz Patent”) (“Process for Analyzing Length Polymorphisms in DNA Regions”), claims a toolkit for genetic testing. The toolkit is used to take small samples of genetic material and synthesize multiple copies of a particular nucleotide sequence, to generate DNA profiles that can be used by law enforcement agencies and clinical and research institutions. The parties agree that the kit contains five components, including an enzyme known as Taq polymerase.

Defendant Promega held an exclu-

sive license to the Tautz Patent, which it sublicensed to Life Technologies, who manufactures all but one component of the genetic kits in the United Kingdom. The last component, the Taq polymerase, was manufactured in the United States and shipped to the U.K. Four years into the sublicense agreement, Promega sued Life Technologies for patent infringement. Promega argued that the shipment of Taq polymerase from the U.S. to the U.K. triggered patent infringement liability under § 271(f)(1), which provides:

Whoever without authority supplies or causes to be supplied in or from the United States all or a substantial portion of the components of a patented invention, where such components are uncombined in whole or in part, in such manner as to actively induce the combination of such components outside of the United States in a manner that would infringe the patent if such combination occurred within the United States, shall be liable as an infringer. (emphasis added)

The jury in the District Court case

returned a willful infringement verdict for Promega. Life Technologies then moved for judgment as a matter of law, and the District Court agreed that the statute’s reference to “a substantial portion of the components of a patented invention” did not encompass the supply of a single component of a multicomponent invention. Promega then appealed to the Federal Circuit, which reversed, holding that a single important component can be “a substantial portion of the components of a patented invention” under the statute. The Federal Circuit relied in part on expert trial testimony that the Taq polymerase is a “main” and “major” component of the kits.

On appeal, the issue before the Supreme Court was whether the supply of a single component of a multicomponent invention is an infringing act under § 271(f)(1). The threshold determination was whether “a substantial portion” was a quantitative or qualitative measurement.

In a decision authored by Justice Sotomayor, the Supreme Court

concluded – based on an analysis of the precise language of the companion statute in § 271(f)(2) – that “a substantial portion” was a quantitative measure. The Court rejected Promega’s proposal for a case-specific approach, and held that “[h]aving determined that the phrase ‘substantial portion’ is ambiguous, our task is to resolve that ambiguity, not to compound it by tasking juries across the Nation with interpreting the meaning of the statute on an ad hoc basis.”

The Court applied the quantitative measurement interpretation of the statute to the facts, and concluded that the “supply of a single component of a multicomponent invention for manufacture abroad does not give rise to § 271(f)(1) liability.” As the Court found, “[w]e are persuaded . . . that when as in this case a product is made abroad and all components but a single commodity article

are supplied from abroad, this activity is outside the scope of the statute.”

As a result of this decision, shipping only one component of a patented invention outside the U.S. for assembly abroad cannot trigger infringement liability under § 271(f)(1). The Supreme Court, however, left undecided (because the issue was not presented) how many components would constitute “a substantial portion” under the statute, which would trigger infringement liability.

New Jersey State Court Rejects Statute of Limitations Defense in Foreclosure Action

In *Deutsche Bank National Trust Company v. Hockmeyer*, Docket No. F-7791-16, the Superior Court of New Jersey, Chancery Division, Bergen County, granted plaintiff’s motion for summary judgment, and denied defendant’s cross-motion to dismiss, rejecting Defendant’s argument that plaintiff’s foreclosure complaint was barred by the statute of limitations.

As set forth in N.J.S.A 2A:50-56.1, there are three “triggering events” that commence the running of the statute of limitations for an action to foreclose a residential mortgage:

- a. Six years from the date fixed for the making of the last payment or the maturity date set forth in the mortgage or the note, bond, or other obligation secured by the mortgage;
- b. Thirty-six years from the date of recording of the mortgage, or, if the mortgage is not recorded, 36 years from the date of execution, so long as the mortgage itself does not provide for a period of repayment in excess of 30 years; or
- c. Twenty years from the date on which the debtor defaulted, which default has not been cured, as to any of the obligations or covenants contained in the mortgage or in the note, bond, or other obligation secured by the mortgage.”

In this case, the parties disagreed as to the applicability of subsection (a) to plaintiff’s instant foreclosure complaint, which was filed on March 17, 2016. Defendant argued that the filing of a prior foreclosure complaint on August 23, 2007 accelerated the maturity date, and that subsection (a) only permitted an action to be filed by August 23, 2013 at the latest. The court rejected Defendant’s argument, citing the plain language of N.J.S.A 2A:50-56.1, which “makes no mention of acceleration and says nothing of the possibility that it can be shortened by a demand for full payment.”

The court also held that the legislative history of the statute supported the court’s interpretation, finding that the legislature “only intended N.J.S.A. 2A:50-56.1(a) to consider the maturity date set forth in the mortgage or the note” – otherwise, if acceleration could “alter the maturity date in subsection (a), then recorded mortgages would provide no guidance to title examiners, and the purpose of the statute would be frustrated.”