

Court Limits Extraterritoriality of Federal Patent Law

In a case previously blogged on this site, the Supreme Court today decided to limit the extraterritorial application of the federal patent laws. The 7-1 decision authored by Justice Ginsburg started off by noting the:

“general rule under United States patent law that no infringement occurs when a patented product is made and sold in another country. [But,] [t]here is an exception. Section 271(f) of the Patent Act, adopted in 1984, provides that infringement does occur when one “supplies . . . from the United States,” for “combination” abroad, a patented invention’s “components.” 35 U.S.C. 271(f)(1). This case concerns the applicability of section 271(f) to computer software first sent from the United States to a foreign manufacturer on a master disk, or by electronic transmission, then copied by the foreign recipient for installation on computers made and sold abroad.”

While this question seems to be one of interest only to patent law gurus and those extrapolating the narrow text of section 271(f), the Court’s decision rests on more far-reaching grounds. Justice Ginsburg noted quite frankly that:

“Plausible arguments can be made for and against extending section 271(f) to the conduct charged in this case as infringing AT&T’s patent, [but] recognizing that section 271(f) is an exception to the general rule that our patent law does not apply extraterritorially, we resist giving the language which congress cast as section 271(f) an expansive interpretation.”

The decision cited to the Court’s 2004 opinion limiting the extraterritorial application of the Sherman Act to foreign claims (see *F. Hoffmann-LaRoche v. Empagran S.A.*, 542 U.S. 155 (2004)), and reaffirmed its base premise that “foreign conduct is generally the domain of foreign law.” Thus, if the domestic patent-holder wishes to prevent copying in foreign countries, its remedy today (at least until Congress decides otherwise), “lies in obtaining and enforcing foreign patents.”

Today's decision can be found [here](#), and the oral argument transcript can be found [here](#). Lots of links to other discussions of the case can be found [here](#).