NO. 13-43

In the

Supreme Court of the United States

MAERSK DRILLING USA, INC.,
Petitioner,

v.

TRANSOCEAN OFFSHORE DEEPWATER DRILLING, INC.,
Respondent.

On Petition for Writ of Certiorari to the U.S. Court of Appeals for the Federal Circuit

BRIEF OF THE INTELLECTUAL PROPERTY LAW ASSOCIATION OF CHICAGO AS AMICUS CURIAE IN SUPPORT OF THE PETITIONER AND THE PETITION FOR WRIT OF CERTIORARI

PATRICK G. BURNS
GREER, BURNS & CRAIN, LTD.
300 S. Wacker Dr.
Suite 2500
Chicago, IL 60606
(312) 987-4001
pburns@gbclaw.net
Counsel of Record for Amicus Curiae, The Intellectual Property Law Association of Chicago

Of Counsel:
CHARLES W. SHIFLEY
BANNER & WITCOFF, LTD.
10 South Wacker Drive
Suite 3000
Chicago, IL 60606
(312) 463-5000

BRENT A. HAWKINS
President, THE INTELLECTUAL PROPERTY LAW ASSOCIATION OF CHICAGO
P.O. Box 472
Chicago, IL 60609
(312) 984-7764

August 9, 2013

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Page(s)

Statutes

I. Interest of Amicus Curiae

Amicus curiae the Intellectual Property Law Association of Chicago respectfully supports the petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit.[1]

Founded in 1884, the Intellectual Property Law Association of Chicago is a voluntary bar association of over 1,000 members who practice with patents, trademarks, copyrights, trade secrets and the legal issues they present. IPLAC is the country's oldest bar association devoted exclusively to intellectual property matters. In litigation, IPLAC's members are split about equally between plaintiffs and defendants. Its members include attorneys in private and corporate practice before federal bars throughout the United States, as well as the U.S. Patent and Trademark and Copyright Offices. As

---

[1] Pursuant to Supreme Court Rule 37.2(a), counsel of record for all parties received timely notice of our intent to file and have consented to the filing in letters on file with the Clerk of the Court. Pursuant to Supreme Court Rule 37.6, this brief was not authored, in whole or in part, by counsel to a party, and no monetary contribution to the preparation or submission of this brief was made by any person or entity other than IPLAC or its counsel. After reasonable investigation, IPLAC believes that no member of its Board or Litigation or Amicus Committee who voted to prepare this brief on its behalf, or any attorney in the law firm or corporation of such a board or committee member, represents a party with respect to this litigation. Some committee members or attorneys in their respective law firms or corporations may represent entities that have an interest in other matters which may be affected by the outcome of this litigation.

part of its central objectives, IPLAC is dedicated to aiding in the development of the intellectual property law, especially with the federal courts.[2]

[2] While over 30 federal judges are honorary members of IPLAC, none of them was consulted or participated in any way regarding this brief.

II. Essential Facts

The Federal Circuit decisions and the petition for certiorari fully describe the facts in this case. For purposes of this brief, only the following facts are critical.

A Danish company (Maersk A/S) negotiated a contract to provide drilling services to a Norwegian company (Statoil ASA). The negotiations were conducted in Norway and Denmark. A Danish affiliate of Maersk A/S (Maersk Drilling) made an offer to provide the services to the Norwegian company (Statoil ASA). The offer was also made in Norway. Eventually, a contract for services was entered into between two U.S. affiliates (Maersk Drilling USA and Statoil Gulf of Mexico LLC). The contract was executed in Norway. The important point here is that none of these activities occurred in the U.S.

The U.S. affiliate (Maersk Drilling USA) planned to use an oil drilling rig being made in Singapore. The proposed oil rig would have infringed the patent in suit, so the contract allowed modifications of the oil rig that would avoid patent infringement. In any event, an infringing oil rig was never made in, used in, or imported into this country. The sales contract, which was only executory to the extent that it was for an infringing oil rig, was not executed in this country. In fact, an infringing oil rig has never been used by Maersk Drilling USA in the U.S.

III. Essential Holding

The Federal Circuit decisions need not be described in detail here. The significant holding is that a contract between two U.S. companies for performance in the U.S. may constitute an offer to sell within the meaning of 35 U.S.C. Section 271(a). The holding does not require significant infringing activities in this country, such as importation of an infringing device.

IV. Summary of Argument

This case raises important issues of statutory interpretation and the presumption against extra-territoriality. Amicus curiae supports the petition for certiorari because the Federal Circuit decision extends liability for patent infringement to extra-territorial offers to use a patented product in this country, without actual infringing activities within the United States. This extension of liability to exclusively extra-territorial activities will have a significant adverse impact on sales and marketing activities world-wide. It will also have a significant adverse impact on the practice of law world-wide.

V. Argument

A. The Federal Circuit Decision Extends Liability for Patent Infringement to Activities Not Found in the Statute

Patent infringement is defined in 35 USC § 271. Section 271(a),[3] which is the only section interpreted by the Federal Circuit, defines infringing activities to include (a) uses, (b) offers to sell and (c) sales of patented inventions in the United States.

The statute does **not** separately define patent infringement to include offers to use. Thus, the Federal Circuit's interpretation extends liability to conduct clearly not recited in the statute. For this reason, amicus curiae agree with the petitioner that the lower court's interpretation should be considered by this Court.

---

[3] (a) Except as otherwise provided in this title, 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.

B. The Federal Circuit Interpreted § 271(a) to Cover Exclusively Extra-territorial Activities Without Any Infringing Activities at or within the Borders of This Country

The Federal Circuit also interpreted § 271(a) to cover an offer made outside of this country, without any infringing conduct here. There was no importation, use or sale of a patented product in the United States. For this reason, this Court should consider whether the decision violates the presumption against extra-territoriality.

We begin with an overview of § 271. On its face, § 271(a) focuses entirely on conduct within this country, and is completely silent about extra-territorial activities. Section 271(b)[4] defines inducement, without mention of location. However, the predicate for infringement is § 271(a).

[4] (b) Whoever actively induces infringement of a patent shall be liable as an infringer.

Section 271(c)[5] addresses contributory infringement, and requires an offer to sell, a sale or importation of a specified component within the United States. Therefore, extra-territorial activities are not covered.

Section 271(d) places limits on infringement under §§ 271(a), (b) and (c). Section 271(e) addresses unique circumstances not present here.

Only Section 271(f)[6] explicitly addresses extra-territorial activities. Section 271(f) is directed to

---

[5] (c) 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.

[6] (f)(1) 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.

(2) Whoever without authority supplies or causes to be supplied in or from the United States any component of a patented invention that is especially made or especially adapted for use in the invention and not a staple article or commodity of commerce suitable for substantial noninfringing use, where such component is uncombined in whole or in part, knowing that such component is so made or adapted and intending that

people who would otherwise make all of the components of a patented invention in the U.S., but assemble them outside of this country, just to avoid infringement. The relevance of § 271(f) in this case is that it requires significant activity in this country as a *sine qua non* of patent infringement.

Section 271(g)[7] also encompasses extra-territorial activities. Section 271(g) is primarily directed to people who would make an unpatented product such as a drug offshore, to avoid infringement of a patent on an improved method of making the product. Section 271(g) extends liability to importation, offers to sell or uses of such a product (patented or unpatented) within the United States, where the product was made by the patented process. Patented processes performed outside of the United States are covered by § 271(g), but only if

---

such component will be combined 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.

[7] (g) Whoever without authority imports into the United States or offers to sell, sells, or uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer, if the importation, offer to sell, sale, or use of the product occurs during the term of such process patent. In an action for infringement of a process patent, no remedy may be granted for infringement on account of the noncommercial use or retail sale of a product unless there is no adequate remedy under this title for infringement on account of the importation or other use, offer to sell, or sale of that product.

* * *

there is importation, an offer to sell or use of the product within the United States. In other words, there is no infringement unless a significant act is performed in this country. Indeed, performing the patented process outside of the U.S. is not considered infringement at all. The imported product itself infringes the patent.

Sections 271(h) and 271(i) are not relevant here.

The important point here is that Sections 271(f) and 271(g) are the only sections of the statute directed to extra-territorial activities, and they both require significant activity in this country as a *sine qua non* of infringement. The Federal Circuit's interpretation of § 271(a) to cover an offer made outside the United States without infringing or other significant activity in this country is inconsistent with the intent of Congress reflected § 271(f) and in § 271(g) i.e., that an infringing act of some kind must be performed in this country. Amicus curiae respectfully submits that this Court's guidance is needed to interpret the statute in this regard. For this reason also, amicus curiae supports the petition for certiorari.

C. The Federal Circuit's Extension of Liability Will Have a Significant Adverse Impact on Sales and Marketing Activities World-wide.

Amicus curiae respectfully submits that the Federal Circuit's decision is likely to have a significant adverse impact on global trade practices.

It will also have an adverse impact on the practice of law in foreign countries, as well as in this country.

While the holding is limited to two American companies acting outside of the United States, there is no indication that the result would be different if one or both companies were foreign entities. The transactions in this case were private, but there is no indication that the holding is limited to private offers. As an example then, a foreign company offering products for sale in the United States at a trade show in a foreign country might be sued for patent infringement in the United States, without any infringing conduct performed at or inside of U.S. borders. The damage award in this case was $15 million, so this can be a significant problem.

Most U.S. attorneys would be surprised by this result if they were not aware of this case, because the result is counter-intuitive. In any event, a prudent U.S. attorney who is aware of this decision will likely advise U.S. and foreign clients that offering products to U.S. buyers (for example) at trade shows in foreign countries could expose their clients to patent infringement litigation in the United States, even if an infringing product is never made, used or sold in the United States, and no infringing product is imported into the United States.

Foreign attorneys are even less likely to imagine this result, but if they are aware of this decision, they will likely give the same advice. For example, a prudent European attorney whose European client exhibits at a European trade show would advise the client that potential U.S. customers should not even be offered products at the trade show. That assumes, of course, that the European attorney is familiar with this decision. This advice will be given even if there is no violation of the laws of the European country in question, which will usually be the case. This is yet another reason that amicus curiae supports the petition for certiorari.

VI. Conclusion

Amicus curiae the Intellectual Property Law Association of Chicago agrees with the petitioner; the petition for a writ of certiorari should be granted.

Respectfully submitted,

PATRICK G. BURNS
GREER, BURNS & CRAIN, LTD.
300 S. Wacker Dr.
Suite 2500
Chicago, IL 60606
(312) 987-4001
pburns@gbclaw.net
Counsel of Record for Amicus Curiae,
The Intellectual Property Law Association of Chicago

BRENT A. HAWKINS
President, THE INTELLECTUAL
PROPERTY LAW ASSOCIATION
OF CHICAGO
P.O. Box 472
Chicago, IL 60609
(312) 984-7764

Of Counsel:
CHARLES W. SHIFLEY
BANNER & WITCOFF, LTD.
10 South Wacker Drive
Suite 3000
Chicago, IL 60606
(312) 463-5000