

Finnegan's monthly update on developments affecting licensing and other IP transactions

#### October 2016

# **Enhanced Damages and Willful Infringement Depend on What the Infringer Knew at Time of Infringement**

by John C. Paul, D. Brian Kacedon, and Danielle C. Pfifferling
In June, the Supreme Court in Halo Electronics, Inc. v. Pulse
Electronics, Inc. rejected the "Seagate" test for enhancing
patenting infringement damages as unduly rigid. On remand
from the Supreme Court, the Federal Circuit vacated the
district court's finding of no willful infringement made under the
Seagate framework and directed the district court to
reconsider whether enhanced damages were appropriate
under the circumstances. The Federal Circuit directed the
district court to focus on whether the patent infringer
intentionally or knowingly infringed the patent considering
what the infringer knew or had reason to know at the time of
infringement.

### Licensing Proposals May Be Used to Determine Reasonable Royalty Damages

by John C. Paul, D. Brian Kacedon, and Rhianna L. Lindop, Ph.D.

A District Court in Florida permitted licensing proposals to be used as a basis to calculate reasonable royalty damages when the expert reasonably explained and supported the methodology and calculations by comparing the technological and commercial circumstances at the time of licensing proposals to those at the time of the hypothetical negotiations.

## Expert Opinion on Reasonable Royalty Based on Prior Settlement Agreement Must Depend on Facts of the Case Rather than Generic Statistics

by John C. Paul, D. Brian Kacedon, and Cara R. Lasswell
A Delaware court recently excluded an expert's damages opinion estimating a reasonable royalty based on generic statistics rather than the specific facts of the case. Though the expert considered the royalty rate of a license in a prior settlement agreement for the asserted patent, the court faulted his opinion on translating the royalty rate in that past license his opinion on the amount of a reasonable royalty in

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July 2016 - September 2016 Update

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Semiconductor and IC-Related Patents: Component Liability, Calculating Damages, Licensing, the ITC and Trade Secrets, and the Aftermath of *Halo* 

November 30, 2016



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the present case for failing to consider the particular facts of the present case, such as the nature of the asserted patent, the accused products, and the litigation strategy of the parties.

### License Defense Is Waived Due to Unjustified Delay and Prejudice

by John C. Paul, D. Brian Kacedon, and Laith M. Abu-Taleb
A Texas court recently held that an infringer waived a license defense that components in the accused products were supplied by a licensed supplier by failing to raise the defense sufficiently before trial to allow the patent owner to respond to the defense, take discovery on the issue, file briefings with the court, and hold a hearing if necessary.



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