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Blind Territory in Induced Patent Infringement***

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GLOBAL-TECH APPLIANCES, INC. v. SEB S.A.: **DISCOVERING WILLFULLY BLIND TERRITORY IN** **INDUCED PATENT INFRINGEMENT**

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Patent infringement is a well-established statutory tort that holds an individual liable for infringement if he, without authorization, engages either directly or indirectly in an activity that is covered by every element in a claim of another's patent.¹ In cases of direct patent infringement, it does not matter if an infringer knew of or intended to infringe the patent in question.² Patent laws have always provided that the alleged infringer's scienter is not relevant in a direct patent infringement analysis.³

Less clear are cases of induced patent infringement, where a third party instructs, directs, or advises someone to infringe another's patent.⁴ Induced patent infringement was codified as a statutory tort in 35 U.S.C. § 271(b) and provides liability for an individual or entity who "actively induces infringement of a patent."⁵ Unlike direct patent infringement, which is clearly a strict liability offense,⁶ courts wrestled for over fifty years after the codification of 35 U.S.C. § 271(b) with what, if any, requirements there were as to a third party's actual intent to infringe or actual knowledge of infringement.⁷ The Federal Circuit, in its landmark decision, *DSU Med. Corp. v. JMS Co.*, resolved this issue and held that the statutory mandate of

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1. See 35 U.S.C. § 271(a) (2006) ("[W]hoever without authority makes, uses, offers to sell, or sells any patented invention . . . infringes the patent."); see also Charles W. Adams, *Indirect Infringement from a Tort Law Perspective*, 42 U. RICH. L. REV. 635, 636–37 (2008).

2. 5 DONALD CHISUM, CHISUM ON PATENTS § 17.01 (Matthew Bender 2011).

3. See ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, PATENT LAW AND POLICY: CASES AND MATERIALS 797–98 (5th ed. 2011).

4. See *Goodwall Constr. v. Beers Constr.*, 503 F. Supp. 153 (N.D. Ga. 1981).

5. 35 U.S.C. § 271(b) ("Whoever actively induces infringement of a patent shall be liable as an infringer."). Congress codified induced infringement as a statutory offense in 1952 when it enacted 35 U.S.C. 271(b). See *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476, 485 n.6 (1964).

6. See Mark A. Lemley, *Inducing Patent Infringement*, 39 U.C. DAVIS L. REV. 225, 235 (2005); see also MERGES, *supra* note 3, at 597 ("Note that [35 U.S.C. § 271(a)] does *not* require any proof of *access* to the inventor's work or any *intent* to infringe.").

7. See Lemley, *supra* note 6, at 228–41.

“actively induces” required both intent and knowledge.⁸ Although the Federal Circuit held that both intent and knowledge were necessary components for induced patent infringement liability, neither the Federal Circuit nor the Supreme Court ever decided what level of knowledge was required until *SEB S.A. v. Montgomery Ward & Co* and *Global-Tech Appliances, Inc. v. SEB S.A.*, respectively.⁹

Montgomery Ward presented the Federal Circuit, for the first time, with a ripe factual situation in which to address the level of knowledge required for induced patent infringement.¹⁰ *Montgomery Ward* involved an alleged infringer in the deep fryer industry who had a high level of knowledge of his industry and the patent system and withheld material information from his counsel during a freedom to operate search.¹¹ The Federal Circuit upheld the lower court’s finding of induced patent infringement and held that the standard for knowledge was something more than “should have known,” and something less than actual knowledge.¹² Drawing from constitutional tort law, the court held that the appropriate level of knowledge required for induced patent infringement was deliberate indifference, or disregard of an obvious risk, to the fact that a product would be used in an infringing manner was the appropriate level of knowledge for induced patent infringement.¹³

The Supreme Court granted writ of certiorari in *Global-Tech Appliances, Inc. v. SEB S.A.*,¹⁴ and affirmed the Federal Circuit’s conclusion of induced patent infringement in *Montgomery Ward*; however, the Supreme Court rejected the Federal Circuit’s holding of deliberate indifference as a sufficient substitute for actual knowledge.¹⁵ Drawing from criminal law jurisprudence,

8. See *DSU Med. Corp. v. JMS Co.*, 471 F.3d 1293, 1306 (Fed. Cir. 2006). The Supreme Court also held that active inducement required both intent to infringe and actual knowledge of infringement in *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011). For a thorough discussion of the evolution of intent and knowledge as requirements of active inducement liability, see Lemley, *supra* note 6.

9. See *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360, 1376 (Fed. Cir. 2010), *aff’d sub nom.* *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011).

10. See *id.*

11. *Id.* at 1377.

12. *Id.* at 1376–77.

13. *Id.* at 1376 (applying the standard from cases dealing with Eighth Amendment violations).

14. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011), *aff’g* *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360 (Fed. Cir. 2010).

15. *Global-Tech*, 131 S. Ct. at 2068; see also *Montgomery Ward*, 594 F.3d at 1377. Since *Global-Tech* was the first time the Supreme Court heard an induced patent infringement case, the Court also held that induced patent infringement required that the defendant have both intent to infringe and knowledge that his actions would induce infringing acts. See *Global-Tech*, 131 S. Ct. at 2067.

the Supreme Court held instead that liability for induced patent infringement under 35 U.S.C. § 271(b) required either a defendant's actual knowledge or "willful blindness" to the fact that his product would be used in an infringing manner.¹⁶ The Court held that willful blindness, as compared to deliberate indifference, requires both that the defendant subjectively believe that there is a high probability that his product infringes and that the defendant take *deliberate* actions to avoid learning of that fact.¹⁷

The Supreme Court found the Federal Circuit's deliberate indifference test inappropriate because the deliberate indifference test permitted a court to find knowledge when there was merely a known risk of infringement; and it also allowed a court to find knowledge even when the defendant took no active steps to avoid learning of the infringing nature of the activities.¹⁸ Concerned about industries—such as the semi-conductor industry—where almost every innovation is patented, the Supreme Court noted that a deliberate indifference standard would make it virtually impossible for companies to operate without fear of being found to avoid an obvious risk.¹⁹

This Note explores the effectiveness of the Supreme Court's holding of willful blindness as a tighter standard for knowledge than the Federal Circuit's standard of deliberate indifference in criminal law and as applied to induced infringement. Part I of this Note examines the *Montgomery Ward* and *Global-Tech* decisions—specifically, it considers the courts' holdings of deliberate indifference and willful blindness. Part II examines appellate courts' application of the doctrine of willful blindness in a criminal law context and explores possible implications criminal law holdings have on induced patent infringement cases. Part III concludes with a summary of what facts prove dispositive in a willful blindness analysis for cases of induced patent infringement.

I. THE STANDARD FOR KNOWLEDGE IN CASES OF INDUCED PATENT INFRINGEMENT

Montgomery Ward and *Global-Tech* marked the first time either the Federal Circuit or the Supreme Court addressed what level of knowledge was

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

17. *Id.* at 2070.

18. *Id.* at 2071.

19. Transcript of Oral Argument at 14, *Global-Tech*, 131 S. Ct. 2060 (2011) (No. 10-6) (J. Roberts) (commenting that "if there are 420,000 [patents in the semiconductor industry], you're never going to know with any degree of comfort that you're not going to infringe something").

necessary in the context of induced patent infringement.²⁰ This Part explores the rationale behind the Federal Circuit and Supreme Court's articulations of deliberate indifference and willful blindness standards, respectively, in induced patent infringement cases. Section I.A gives a brief description of the facts and procedural history of the case. Section I.B examines the Federal Circuit holding of deliberate indifference and its application to the facts in this case. Section I.C examines the Supreme Court holding of willful blindness, its application to the facts in this case, as well as the Court's rationale for adopting the doctrine.

A. FACTS AND PROCEDURAL HISTORY

This case centered on a patent infringement claim over a deep fryer.²¹ The Hong Kong-based defendant, Pentalpha, was a maker of home appliances, and a subsidiary of Global-Tech Appliances, Inc. ("Global-Tech").²² The plaintiff, SEB S.A. ("SEB"), was a French maker of home appliances.²³ In 1997, Pentalpha received a contract from Sunbeam, one of SEB S.A.'s U.S. competitors, to develop a deep fryer with cool-touch features similar to a fryer SEB sold.²⁴ To comply with the order, Pentalpha purchased an unbranded SEB, cool-touch fryer in Hong Kong.²⁵ SEB owned a patent on its cool-touch fryer, U.S. Patent No. 4,995,312 (the "312 patent").²⁶ Pentalpha reverse engineered SEB's fryer and made a duplicate of the fryer, copying all of the fryer's innovative features.²⁷ Before selling its new fryer to Sunbeam, Pentalpha retained an attorney to conduct a freedom to operate search, but neglected to tell the attorney that they copied SEB's fryer.²⁸ The attorney's search came up empty, and he issued Pentalpha an opinion letter saying their fryer did not infringe any patents.²⁹ Pentalpha's president was allegedly familiar with the U.S. patent system and was aware that SEB also participated in obtaining patents.³⁰ In addition, Pentalpha's

20. See *SEB S.A. v. Montgomery Ward & Co.*, 594 F.3d 1360, 1376 (Fed. Cir. 2010).

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

22. *Id.* at 2064.

23. *Id.* at 2063.

24. *Id.* at 2064.

25. *Id.*

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

27. *Global-Tech*, 131 S. Ct. at 2064.

28. *Id.*

29. *Id.*

30. *Montgomery Ward*, 594 F.3d at 1377.

president had former business collaborations with SEB.³¹ Pentalpha was also aware that Sunbeam planned to sell the fryers in the United States.³²

SEB sued Sunbeam in 1998 for infringement of the '312 patent, when Sunbeam began selling its fryers in the United States.³³ Even after Sunbeam notified Pentalpha of the suit, Pentalpha continued selling its fryer to other customers, including Montgomery Ward.³⁴ SEB subsequently sued Pentalpha and Montgomery Ward in 1999.³⁵ In 2006, a jury found Pentalpha liable for willful and induced infringement and awarded SEB \$4.65 million in damages.³⁶ Pentalpha appealed several issues, including the lower court's denial of its motion for a judgment as a matter of law as to the induced infringement claim.³⁷ Pentalpha claimed that this motion was appropriate as to the induced infringement claim because it had no actual knowledge of the patent.³⁸

B. THE FEDERAL CIRCUIT AND DELIBERATE INDIFFERENCE

In *SEB S.A. v. Montgomery Ward & Co.*, the Federal Circuit affirmed the induced infringement finding against Pentalpha and held that deliberate indifference was sufficient to satisfy the knowledge requirement under § 271(b).³⁹ Looking at Supreme Court constitutional tort jurisprudence, the Federal Circuit stressed that deliberate indifference was not a “should have known” standard and required the defendant to have a subjective and active disregard of a known risk.⁴⁰ The court reasoned that a deliberate indifference standard would not be overly broad, as a defendant could escape liability if he could show that he was genuinely “unaware even of an obvious risk.”⁴¹ The court noted that “deliberate indifference” or deliberately avoiding a known risk, was defined in a criminal law context as “not different from actual knowledge, but [] a form of actual knowledge.”⁴² Applying the deliberate indifference standard to this case, the court found that Pentalpha copying of SEB's fryer, failing to tell its attorney of the copying, and

31. *Id.*

32. *Id.* at 1375.

33. *Id.* at 1366.

34. *Id.*

35. *Id.* at 1365.

36. *Id.*

37. *Id.* at 1367–68.

38. *Id.* at 1367.

39. *Id.* at 1378.

40. *Id.* at 1376 (citing *Farmer v. Brennan*, 511 U.S. 825, 840 (1994)).

41. *Id.* at 1376–77.

42. *Id.* at 1377 (quoting *United States v. Carani*, 492 F.3d 867, 873 (7th Cir. 2007), a criminal law case where a defendant's willful blindness was at issue).

Pentalpha's familiarity with U.S. patent law "would be highly suggestive of deliberate indifference in most circumstances."⁴³ As such, the court affirmed the jury verdict of induced infringement.⁴⁴

C. THE SUPREME COURT AND WILLFUL BLINDNESS

The Supreme Court affirmed the Federal Circuit's conclusion; however, the Court rejected the Federal Circuit's standard of deliberate indifference.⁴⁵ Citing the long history of acceptance the doctrine of willful blindness had in other courts of appeals and the doctrine's narrower scope as compared to deliberate indifference, the Supreme Court held willful blindness was the appropriate level of intent required under § 271(b).⁴⁶

The Court noted that most courts of appeals required a defendant to satisfy two prongs in order to be found willfully blind.⁴⁷ The court held that willful blindness in cases of induced patent infringement required the same two-prong analysis: (1) "the defendant must subjectively believe that there is a high probability that a fact exists;" and (2) "the defendant must take deliberate actions to avoid learning of that fact."⁴⁸ The court found that Pentalpha's market research, awareness of the fryer's innovative qualities, and awareness that it was sold in the United States were sufficient to show a high probability that Pentalpha was aware of the patent.⁴⁹ The Court further found that producing a copy notwithstanding knowledge of the competing product and non-disclosure to counsel about the knowledge constituted deliberate actions by Pentalpha to avoid learning of the fact of SEB's patent.⁵⁰ As such, the Court found that Pentalpha was willfully blind to SEB's patent and thus satisfied the knowledge requirement under § 271(b).⁵¹

Other than a long history of acceptance in most of the courts of appeals, the Court also reasoned that willful blindness was the appropriate standard because it had a "more limited scope" than deliberate indifference.⁵² The Court noted that it was concerned that a deliberate indifference standard would require the defendant to have a level of diligence that would be practically impossible to meet in industries where almost every advance in

43. *Id.*

44. *Id.* at 1378.

45. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2071 (2011).

46. *Id.*

47. *Id.* at 2070.

48. *Id.*

49. *Id.* at 2071–72.

50. *Id.*

51. *Id.* at 2072.

52. *Id.* at 2070.

technology is patented.⁵³ Specifically, the Court noted that in industries like the semi-conductor industry, where almost every new innovation was patented and infringing a patent would almost always be a known risk, it would be difficult for companies to proceed if they were found to have knowledge simply by releasing a new product.⁵⁴ The court found that a willful blindness standard differed from a deliberate indifference standard in two ways: (1) it demanded a defendant's subjective high probability of risk rather than a known risk of infringement; and (2) it required a defendant to take deliberate action, as opposed to no active steps, to avoid learning of the infringing nature of the activities.⁵⁵

Given the variety and breadth of willful blindness jurisprudence in criminal law, Part II explores the application of willful blindness to certain criminal law fact patterns and examines how that application may elucidate the meaning of willful blindness in induced patent infringement.

II. WILLFUL BLINDNESS IN CRIMINAL LAW AND ITS IMPLICATIONS TO INDUCED PATENT INFRINGEMENT

In *Global-Tech*, the Court stressed that almost all of the courts of appeals agreed that a willful blindness analysis consisted of two prongs: (1) “the defendant must subjectively believe that there is a high probability that a fact exists;” and (2) “the defendant must take deliberate actions to avoid learning of that fact.”⁵⁶ Since the court referred to this uniform holding among the courts of appeals, it is useful to examine how circuits have applied this standard to fact patterns that are relevant to induced patent infringement.⁵⁷ Specifically, the Court's jurisprudence with regard to the role of outside experts, the expertise of the defendant, relationships between plaintiffs and defendants, and what actions/inactions constitute deliberate avoidance, inform hypothetical situations that may arise in induced patent infringement.⁵⁸ Section II.A examines which fact patterns in criminal law weigh in favor of, and against, finding a high probability that the defendant knew that a fact existed and compares how some fact patterns in criminal law

53. Transcript of Oral Argument at 14, *Global-Tech*, 131 S. Ct. 2060 (2011) (J. Roberts) (commenting that “if there are 420,000 [patents in the semiconductor industry], you're never going to know with any degree of comfort that you're not going to infringe something”).

54. *See id.*

55. *Global-Tech*, 131 S. Ct. at 2071.

56. *See id.* at 2070.

57. *See id.*

58. *See infra* Section II.A.1.

might apply to induced patent infringement. Section II.B proceeds similarly with regard to examining what actions defendants take that constitute deliberate actions to avoid learning of facts.

A. HIGH PROBABILITY THAT A FACT EXISTS

In criminal law cases, one of the most important distinctions noted by courts in determining whether a defendant had a high probability of knowledge is whether the defendant had general or specific knowledge. Consistent with the *Global-Tech* holding, courts find a high probability of knowledge if the defendant had specific knowledge of illegal activity, and do not find a high probability of knowledge if the defendant only had general knowledge of the activity. The factors that contribute to this distinction will be explored, *infra*. Section II.A.1 explores various appellate courts' applications of the general/specific knowledge distinction in criminal law cases. Section II.A.2 explores the implication of this distinction in induced patent infringement cases.

1. *How Courts Interpret the First Prong in Criminal Law Cases*

In determining whether the defendant had general or specific knowledge, courts consider the relationship the defendant had with the plaintiff, the outcome of expert opinions, and the defendant's amount of inherent expertise. The following cases illustrate how these factors affect courts' holdings as to specific or general knowledge.

United States v. Carrillo is a case where a personal relationship proved dispositive in the holding.⁵⁹ Here, the Seventh Circuit affirmed the district court conclusion that a jury appropriately inferred knowledge through willful blindness, given that the defendant had knowledge of her cohort's previous drug dealings.⁶⁰ The trial court gave the willful blindness instruction to the jury in regard to one of the co-defendants, Miranda.⁶¹ Miranda, romantically involved with Carrillo, flew down to Mexico on a ticket paid by Carrillo, allegedly to attend a party; drove a drug-filled, newly gifted Cadillac from Carrillo to the border where the border patrol searched the car and failed to find drugs; and proceeded back to Chicago, whereupon Carrillo took the car, and she received \$5000.⁶² Miranda claimed she did not know there were any

59. *United States v. Carrillo*, 435 F.3d 767, 784 (7th Cir. 2006).

60. *Id.* at 785.

61. *Id.* at 779.

62. *Id.* at 771–72.

drugs in the car when DEA agents searched the Cadillac—still registered to Miranda—and found traces of drugs.⁶³

The Seventh Circuit considered the following facts in its analysis: that Miranda flew on a free ticket, never attended the party, received a free car, saw the car searched by border patrol, and received \$5000. The court found that these facts implied that Miranda had general “knowledge that things are not as they seem,” however, they did not convey enough specific knowledge to demonstrate a high probability of knowledge that there were drugs in the car.⁶⁴ Another factor weighing against a high probability of knowledge was the border patrol’s unfruitful search of the car: “because if trained law enforcement officers could not discern that the black Cadillac was stuffed with illegal drugs, it seems difficult to infer that Miranda did.”⁶⁵ Ultimately, however, the court found that Miranda’s romantic relationship with Carrillo supported the lower court’s finding of willful blindness as it “provide[d] a whole new context for Miranda’s trip to Mexico.”⁶⁶ The Seventh Circuit affirmed the district court’s finding that Miranda’s romantic relationship with Carrillo implied that she had specific knowledge of his drug dealings and supported a jury finding that she had a high probability of knowledge that her trip to Mexico involved drug trafficking.⁶⁷

In contrast, the First Circuit in *United States v. Perez-Melendez* concluded that the defendant’s inconsistent statements and a high probability of awareness of some illegal activity in general was not enough evidence to support a jury finding that the defendant was willfully blind beyond a reasonable doubt as to drug possession.⁶⁸ Law enforcement officials received a tip that a truck Perez-Melendez drove contained large quantities of cocaine.⁶⁹ Officials stopped Perez-Melendez’s truck, ordered him and his passenger out of the truck, and with Perez-Melendez’s consent, searched the truck.⁷⁰ The officials found pallets of paper wrapped in plastic and could not identify if there were narcotics present.⁷¹ Only with the help of agents and drug sniffing dogs at a special facility back at the office were agents able to

63. *Id.* at 774.

64. *Id.* at 783.

65. *Id.*

66. *Id.* at 784.

67. *Id.*

68. *United States v. Perez-Melendez*, 599 F.3d 31, 45–46 (1st Cir. 2010).

69. *Id.* at 34.

70. *Id.*

71. *Id.*

determine that there was \$1,600,000 worth of cocaine tucked in the pallets of paper.⁷²

The court acknowledged that when officials questioned Perez-Melendez, he contradicted himself, his passenger, and a customer service employee for the truck company with regard to who rented the truck, who provided instructions as to where and when to drive, and the extent to which he worked in the past with his passenger.⁷³ However, the court found dispositive that Perez-Melendez drove the truck during normal hours through an industrial zone, Perez-Melendez was not paid excessively for the job, and that the vehicle was not equipped with weapons.⁷⁴ The court noted that the government “succeeded in establishing, *at most*, that appellants knew or were willfully blind to the fact that *something* illegal was afoot.”⁷⁵ However, notwithstanding Perez-Melendez’s inconsistent statements, the court concluded that there was not enough evidence to show Perez-Melendez was willfully blind as to the existence of the drugs, *specifically*, because his behavior fell within acceptable limits for normal business, and that “the cocaine was concealed so well in packaging . . . that a team of law enforcement agents could not detect it themselves and needed a trained canine to do so.”⁷⁶

In *United States v. Wasserson*, a case where the defendant’s own expertise was dispositive, the Third Circuit reinstated a jury verdict against the defendant because the court found that the defendant “was subjectively aware of the high probability,” and therefore willfully blind to the fact that a contractor disposed of hazardous wastes from his warehouse in an unpermitted facility.⁷⁷ Wasserson, the defendant, owned and operated a warehouse for more than a decade and had extensive knowledge regarding the disposal of hazardous wastes, including the need for proper transport vehicles, disposal facilities, and government-mandated manifests.⁷⁸ Wasserson also knew that the proper disposal of hazardous wastes was expensive.⁷⁹ When Wasserson decided to clear out the warehouse, he asked an employee, Hughes, to find someone to handle the waste disposal.⁸⁰ Unlike

72. *Id.*

73. *Id.* at 42.

74. *Id.* at 44–45.

75. *Id.* at 45 (emphasis added).

76. *Id.* at 44.

77. *See* *United States v. Wasserson*, 418 F.3d 225, 237 (3d Cir. 2005). The court found that the defendant’s willful blindness was also attributable to deliberate actions he took to avoid learning of the waste disposal in addition to his high probability of knowledge of that fact. *Id.* at 238.

78. *Id.* at 237–38.

79. *Id.* at 238.

80. *Id.*

Wasserson, Hughes was not familiar with proper hazardous waste disposal procedures.⁸¹ Not knowing that he needed to hire someone with hazardous waste disposal experience, Hughes hired a general waste disposal contractor out of the yellow pages to handle the waste disposal.⁸² Hughes did not inform the contractor of the hazardous nature of the waste, nor did Hughes ask the contractor if he had any experience in handling hazardous waste.⁸³ When Wasserson received the quote from the contractor, he did not question the quote, which was well below average for what Wasserson knew typical hazardous waste disposal to cost.⁸⁴ The court concluded that evidence of Hughes's ignorance to waste disposal procedures, the contractor's lack of knowledge with regard to the situation, Wasserson's expertise in the matter, and Wasserson's knowledge that the price quoted by the contractor was well below average for hazardous waste, was enough to show that Wasserson had a high probability of knowledge, constituting willful blindness to improper hazardous waste disposal.⁸⁵

As illustrated in the cases discussed *supra*, appellate courts in criminal law cases commonly weigh three factors to determine whether a defendant had general or specific knowledge. The first factor that can tip the scales from general knowledge to specific knowledge is a defendant's relationship or familiarity with a plaintiff or his business, even if the relationship is not directly related to the matter at hand. For example, in *Carrillo*, even though the defendant's suspicious trip in and of itself was not enough to show a high probability of knowledge that she participated in drug possession and trafficking, the court found that the defendant's romantic relationship with the co-defendant was dispositive and supported a conclusion that she had specific knowledge of his drug trafficking business.⁸⁶ In contrast, even though the *Perez-Melendez* court noted that the defendant's inconsistent statements indicated that there a high likelihood that the defendant knew "that something illegal was afoot," the court found that general knowledge of illegal behavior was not enough to show a high probability of the specific fact that the truck he drove contained drugs.⁸⁷ Although there was some evidence that the defendant worked with the drug dealer in the past, there was nothing that indicated that the defendant knew his associate was a drug dealer.⁸⁸

81. *Id.*

82. *Id.* at 229.

83. *Id.* at 238–39.

84. *Id.* at 239.

85. *Id.* at 238–39.

86. *United States v. Carrillo*, 435 F.3d 767, 783 (7th Cir. 2006).

87. *United States v. Perez-Melendez*, 599 F.3d 31, 45 (1st Cir. 2010).

88. *Id.* at 46–47.

The courts of appeals also found the role of an expert determinative in criminal law cases involving the first prong of the willful blindness doctrine; specifically that the inability of an expert to acknowledge circumstances or successfully perform tasks related to his or her expertise weighed against finding specific knowledge. The weaker of the two expert factors is the inability of an expert to find evidence of illegal activity as with the unsuccessful drug searches by law enforcement in both *Carrillo* and *Perez-Melendez*.⁸⁹ Even though it weighs against finding specific knowledge, that factor alone is not enough to swing the pendulum back to general knowledge if there are other factors in play, such as a personal relationship with the defendant, as in *Carrillo*.⁹⁰

The expertise of the *defendant* (as opposed to a third-party expert), however, can be dispositive in a specific/general knowledge analysis. In *Wasserson*, the court found that the defendant had a high level of expertise in dealing with hazardous waste disposal.⁹¹ Notwithstanding that the defendant used an outside expert, a contractor for waste disposal that an associate found in the yellow pages, the court found that the defendant's own expertise and knowledge regarding hazardous waste disposal was sufficiently high that he would have had a high probability of knowledge of improper waste disposal from his facility.⁹²

2. *Application of First-Prong, Criminal Law Principles to Induced Patent Infringement*

The three factors discussed *supra* that influence a general/specific knowledge analysis in criminal law jurisprudence will likely have applicability when courts consider this issue in cases of induced patent infringement post *Global-Tech*. For example, the unsuccessful drug searches in *Carrillo* and *Perez-Melendez* may have a parallel in induced patent infringement: an unsuccessful search for prior art when an attorney conducts a right-to-use analysis.⁹³ Also, the *Wasserson* defendant's expertise in a particular form and procedure of waste disposal may translate into patent law as a defendant who has expertise with a particular product and awareness of its inventor/owner.⁹⁴ Finally, the *Carrillo* defendant's personal relationship with the co-defendant may translate

89. See *Perez-Melendez*, 599 F.3d at 44; *Carrillo*, 435 F.3d at 783.

90. See *Carrillo*, 435 F.3d at 784.

91. See *United States v. Wasserson*, 418 F.3d 225, 237–38 (3d Cir. 2005).

92. See *id.* at 229, 238–39.

93. See *Perez-Melendez*, 599 F.3d at 44; *Carrillo*, 435 F.3d at 783.

94. See *Wasserson*, 418 F.3d at 238–39.

into the patent law context where a defendant has prior dealings or intimate knowledge of the workings of the patentee in question.⁹⁵

In *Global-Tech*, all three factors are present. Similar to the unsuccessful drug searches in *Carrillo* and *Perez-Melendez*, the attorney's unsuccessful search for a relevant patent weighs against a finding of specific knowledge in *Global-Tech*.⁹⁶ This factor is mitigated, as discussed *infra*, because of Pentalpha's deliberate withholding of information.⁹⁷ Weighing in favor of finding specific knowledge are the prior business dealings Pentalpha had with SEB, which are similar to the close relationship the *Carrillo* defendant had with her drug-dealing co-defendant.⁹⁸ However, the most determinative factor in *Global-Tech* is that, like the *Wasserson* defendant, Pentalpha was an expert with the SEB fryer, given that Pentalpha knew SEB was the manufacturer of the product it reverse engineered, and knew that SEB sold the product in the United States.⁹⁹

In a way, the facts in *Global-Tech* provide an "easy" case to analyze under this prong because of the amount of information or expertise Pentalpha had on SEB's fryer. Changing the *Global-Tech* facts slightly, what if Pentalpha copied a fryer that had no markings whatsoever indicating that SEB manufactured it? Would the fact that Pentalpha had general knowledge of the deep fryer market be enough to show a high probability of knowledge that it infringed a valid patent?

The *Carrillo* and *Perez-Melendez* holdings indicate that without knowing specifically that SEB manufactured the fryer, Pentalpha would not have had a high probability of knowledge of SEB's patent.¹⁰⁰ However, as in *Carrillo*, where a court found the defendant's romantic relationship with the co-defendant determinative, a hypothetical *Global-Tech* court may still find Pentalpha to have a requisite high probability of knowledge if the court found Pentalpha's history of prior dealings or other close business ties with SEB to indicate that they would know about the fryer patent.¹⁰¹ It is likely that future determinations of a high probability of knowledge in an induced patent infringement case will rest first on what specific knowledge the alleged infringer had of the patentee's product. Absent specific knowledge, prior

95. See *Carrillo*, 435 F.3d at 783.

96. Compare *Perez-Melendez*, 599 F.3d at 44, and *Carrillo*, 435 F.3d at 783, with *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2071–72 (2011).

97. Compare *Carrillo*, 435 F.3d at 783, with *Global-Tech*, 131 S. Ct. 2071–72.

98. Compare *Carrillo*, 435 F.3d at 783, with *Montgomery Ward*, 594 F.3d at 1377.

99. Compare *Wasserson*, 418 F.3d at 238–39, with *Montgomery Ward*, 594 F.3d at 1377.

100. See *supra* notes 64, 74–75 and accompanying text.

101. See *Carrillo*, 435 F.3d at 783.

dealings and past business relationships may be determinative of finding a high probability of knowledge.

Building on the same hypothetical, what if there were no markings on the fryer, Pentalpha only had general knowledge of the fryer industry, and an attorney's right-to-use search came up empty? Although the probability was high that Pentalpha's attorney would have found the patent given the name of the manufacturer in the actual case,¹⁰² what if, in this hypothetical, the probability of finding a patent was marginally low even after providing the attorney with all pertinent information? Would all the other *Global-Tech* factors still weigh in favor of finding a high probability of knowledge?

As discussed *supra*, the appellate courts' holdings in *Perez-Melendez*, *Carrillo*, and *Wasserson* suggest that the answer lies in balancing all three factors. For example, the *Perez-Melendez* court found the inability of law enforcement agents to find drugs in the defendant's car on the first search to invalidate a jury finding of high probability of knowledge.¹⁰³ Likewise, the *Carrillo* court found the inability of border patrol to find drugs in the defendant's car to weigh against a finding of high probability of knowledge, but not to overrule the possibility outright.¹⁰⁴ One explanation for the apparent discrepancy, however, is that the law enforcement agents in *Perez-Melendez* could not find the drugs after engaging in a more rigorous (and targeted) search of the defendant's car than the car search in *Carrillo*.¹⁰⁵ The more likely explanation for the discrepancy is that there was more evidence

102. The Supreme Court assumes that had Pentalpha informed its attorney that SEB manufactured the model product it copied, that the attorney would have had "a high probability" of finding the patent. See Transcript of Oral Argument at 10, *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060 (2011) (No. 10-6) (J. Sotomayor) (noting the probability is "probably ninety percent" while Petitioner's counsel noting the probability "would [only] be greater than fifty percent"). A recent search conducted on Google Patents yielded the following results: seven hits with search terms "SEB S.A. fryer" including the '312 patent; and 430 hits with search terms "electric fryer," including the '312 patent. See GOOGLE PATENTS, http://www.google.com/advanced_patent_search (search limited to patents filed by August 1997). A search conducted on the USPTO website resulted in twenty-four hits with search terms "SEB S.A. fryer," including the '312 patent and 915 hits with search terms "electric fryer," including the '312 patent. See *USPTO Patent Full-Text and Image Database*, U.S. PATENT & TRADEMARK OFFICE, <http://patft.uspto.gov/netahtml/PTO/search-bool.html> (last visited on Feb. 25, 2012, 9:06 AM) (search not limited to any filing date). Even though patent searching methodology was different in 1997, both searches indicate that had Pentalpha disclosed to its attorney that it copied an SEB fryer, the attorney would likely have had a high probability of finding the patent.

103. *United States v. Perez-Melendez*, 599 F.3d 31, 44 (1st Cir. 2010).

104. Compare *Perez-Melendez*, 599 F.3d at 44, with *United States v. Carrillo*, 435 F.3d 767, 782-84 (7th Cir. 2006) (finding that notwithstanding the inability of border patrol to find drugs in the defendant's car, a finding of high probability of knowledge was appropriate).

105. Compare *Perez-Melendez*, 599 F.3d at 34 with *Carrillo*, 435 F.3d at 771-72.

that the *Carrillo* defendant had a closer relationship to the direct perpetrator than in *Perez-Melendez*, probably countering the effect of the expert not being able to locate the drugs.¹⁰⁶ Carrying over these principles to induced patent infringement suggests that counsel's fruitless search for a patent can be evidence that weighs against a finding a high probability of knowledge. Just as an expert's more rigorous search for drugs yielded a lesser probability of knowledge, perhaps the more complete and rigorous search conducted by counsel would yield a lesser probability of knowledge. However, notwithstanding a right-to-use opinion by counsel, the more important factor in a probability of knowledge analysis, like the situation in *Carrillo*, is when the defendant has a close enough relationship with the patentee and the patentee's business to be on notice of any patents that may be infringed. Even a right-to-use opinion may not protect an alleged infringer who had enough ties with the patentee to be on notice. Finally, just as in *Wasserson*, another important factor in a probability of knowledge analysis is the defendant's level of expertise with regard to a potential product.¹⁰⁷ *Wasserson* illustrates the principle that all other factors aside, the defendant's own expertise in the field can lead to a finding of specific knowledge.¹⁰⁸ This suggests that regardless of obtaining right-to-use opinions, a very strong and complete understanding of a product and of the patent system can make an individual liable under the first prong of the willful blindness doctrine.

B. DELIBERATE ACTIONS TO AVOID LEARNING OF A FACT

As with the first prong in the willful blindness doctrine, certain appellate court holdings in criminal law cases regarding the second prong of the doctrine also have relevance to cases of induced patent infringement. The second prong of a willful blindness analysis either takes the form of "overt physical acts" or "evidence of purely psychological avoidance."¹⁰⁹ Overt physical acts are efforts by the defendant to "insulate himself from the [crime] so that he could deny knowledge of it."¹¹⁰ A defendant commits an overt act to avoid learning of a fact if he "purposely contrive[s] to avoid learning all of the facts in order to have a defense in the event of a

106. Compare *Perez-Melendez*, 599 F.3d at 42, with *Carrillo*, 435 F.3d at 783.

107. See *United States v. Wasserson*, 418 F.3d 225, 238–39 (3d Cir. 2005).

108. See *id.*

109. *Carrillo*, 435 F.3d at 780 (quoting *United States v. Craig*, 178 F.3d 891, 896 (7th Cir. 1999)).

110. *United States v. Diaz*, 864 F.2d 544, 551 (7th Cir. 1988).

subsequent prosecution.”¹¹¹ When a defendant commits an overt act, “there is evidence the defendant physically acted to avoid knowledge.”¹¹²

Alternatively, psychological avoidance involves the “cutting off of [the defendant’s] normal curiosity by an effort of will.”¹¹³ Psychological avoidance usually involves a defendant who “consciously refuse[s] to take basic investigatory steps.”¹¹⁴ The government, to demonstrate psychological avoidance, only needs to adduce “evidence that warning signs existed sufficient to put a reasonably prudent person on inquiry notice.”¹¹⁵

Criminal law jurisprudence suggests that in a second prong analysis in cases of induced patent infringement, parties can be willfully blind for either committing an overt act, such as withholding information from counsel in *Global-Tech*, or for psychologically avoiding sufficiently obvious signs, such as recognizing incompetent opinions from counsel or neglecting to obtain opinions entirely. As discussed, *infra*, the intricacies of psychological avoidance in criminal law may have more relevance to induced patent infringement than cases of overt actions.

Sections II.B.1 and II.B.2 discuss how courts apply the principles of overt actions and psychological avoidance in a criminal law context. Section II.B.3 discusses how criminal law application of these principles has relevance to cases of induced patent infringement.

1. *How Courts Interpret Overt Physical Actions in Criminal Law Willful Blindness Analysis*

The following cases illustrate the types of physical evidence sufficient to show that a defendant committed an overt act under the second prong of a willful blindness analysis. First, in *United States v. Diaz*, the Seventh Circuit affirmed the district court’s conclusion that a defendant’s deliberate avoidance of the scene of the crime and deliberate non-participation when present at the scene was sufficient evidence to support a jury verdict that the defendant was willfully blind to trafficking drugs.¹¹⁶ Drug dealers who (inadvertently) sold cocaine to DEA agents claimed that the defendant, Diaz, was their supplier.¹¹⁷ The dealers testified that most deals took place in close

111. *United States v. Brandon*, 17 F.3d 409, 452 (1st Cir. 1994) (citing *United States v. Rivera*, 944 F.2d 1563, 1571 (11th Cir. 1991)).

112. *Carrillo*, 435 F.3d at 780.

113. *Id.*

114. *United States v. St. Michael’s Credit Union*, 880 F.2d 579, 585 (1st Cir. 1989).

115. *United States v. Singh*, 222 F.3d 6, 11 (1st Cir. 2000).

116. *United States v. Diaz*, 864 F.2d 544, 551 (7th Cir. 1988).

117. *Id.* at 546.

proximity to Diaz's house so that Diaz could keep watch.¹¹⁸ In a sting operation DEA agents managed to lure Diaz to the scene of the transaction, but Diaz participated only by staying with his car and keeping his car hood up during the transaction.¹¹⁹ When the agents apprehended Diaz, he claimed to be in the neighborhood to visit friends, and at the scene of the transaction because his car broke down and he was there waiting for a mechanic.¹²⁰ Even though the mechanic testified that Diaz called, telephone records indicated there were no calls placed to the mechanic; conversely, there was a history of telephone calls between Diaz and the other drug dealers.¹²¹ The court concluded that Diaz's deliberate avoidance of the scene during some transactions and purposeful non-participation in a transaction where he was present constituted ample evidence of an overt physical act.¹²² As such, the court sustained the jury's finding of knowledge based on willful blindness.¹²³

Similarly, in *United States v. Brandon*, the First Circuit concluded that a defendant's deliberate avoidance in discussing dischargeable mortgages with buyers to be an overt act that supported a willful blindness jury instruction for bank fraud.¹²⁴ Landman, one of the co-defendants, claimed that he had no knowledge of a conspiracy to defraud a bank by misrepresenting the existence of down payments made on behalf of investors.¹²⁵ Landman, an escrow agent, had the responsibility of receiving and dispersing funds for Dean Street Development, a company established by one of the co-defendants to buy, sell, and manage real estate.¹²⁶ Dean Street allowed potential owners to buy property with no money down by falsifying to the bank the existence of a down payment.¹²⁷ One method of falsifying the down payment was to have the owners take out a second mortgage and then discharge the mortgage.¹²⁸ Even though Landman disclaimed any knowledge of this plan, there was evidence that Landman told several buyers he did not want to know anything about their second mortgages nor did he want the

118. *Id.*

119. *Id.* at 546–47. The prosecution alleged that keeping the hood up on one's car during a drug deal was normal practice for the industry to keep buyers from seeing the suppliers in the transaction. *Id.* at 546.

120. *Id.*

121. *Id.* at 546–47.

122. *Id.* at 551.

123. *Id.*

124. *United States v. Brandon*, 17 F.3d 409, 452–53 (1st Cir. 1994).

125. *Id.* at 452.

126. *Id.*

127. *Id.* at 419.

128. *Id.* at 419–20.

buyers to discuss dischargeable second mortgages in front of him.¹²⁹ The court found Landman's avoidance of discussing dischargeable second mortgages with customers to be an overt act to avoid knowledge of the conspiracy.¹³⁰ As such, the court concluded that Landman took a deliberate action that justified a willful blindness jury instruction.¹³¹

2. *How Courts Interpret Psychological Avoidance in a Criminal Law Willful Blindness Analysis*

Psychological avoidance is different from an overt action in that it involves a failure to take basic investigatory steps rather than avoiding the illegal act directly. In the cases discussed *supra*, a defendant's failure to notice obvious red flags or patterns given a certain amount of experience is considered to be psychological avoidance. Even though conscious avoidance is not necessary, a certain amount of notice is required for the action to satisfy the second prong.

In *United States v. Carani*, the Seventh Circuit held that a defendant's deliberate avoidance of taking the basic investigatory steps of reading file descriptors to distinguish between adult and child pornography to be psychological avoidance sufficient to support a jury instruction of willful blindness.¹³² The defendant, Carani, used Kazaa, a peer-to-peer file-sharing program, to download files to his computer.¹³³ Kazaa allowed users both to download and upload files, and did so automatically under a default setting.¹³⁴ The Cybercrimes Unit of the Department of Homeland Security obtained a warrant to search Carani's residence and found thousands of child pornography videos on Carani's computer, in a folder representing that the files were available for both downloading and uploading.¹³⁵ In an oral interview with officials, Carani admitted that he purposefully downloaded the child pornography; however, in a conflicting written statement, he claimed that he downloaded child pornography inadvertently when searching for adult pornography.¹³⁶ Many of the child pornography videos Carani downloaded had descriptive titles and search word descriptors, indicating the content in the video.¹³⁷ Carani further claimed that he was not familiar with

129. *Id.* at 452.

130. *Id.* at 453.

131. *Id.* at 452.

132. *United States v. Carani*, 492 F.3d 867, 874 (7th Cir. 2007).

133. *Id.* at 869.

134. *Id.*

135. *Id.* at 869–70.

136. *Id.* at 870.

137. *Id.* at 873–74.

computers and that he did not realize the child pornography videos he viewed remained in a folder available for other Kazaa users to download.¹³⁸ The court discounted the defendant's claim that he lacked computer-savvy given the thousands of videos on his computer and concluded that there was enough evidence that the defendant must have deliberately cut off his curiosity not to notice the child pornography videos with so many titles "quite literally, right in front of his face."¹³⁹

Similarly, in *United States v. St. Michael's Credit Union*, the First Circuit emphasized that a defendant's position as treasurer in a credit union, combined with access to certain tax forms, was evidence that she had both notice and experience, and that failure to file the forms properly was psychological avoidance for the purposes of tax evasion.¹⁴⁰ The defendant's responsibility as a treasurer for a small financial institution, St. Michael's, was to account for all of the institution's financial transactions.¹⁴¹ During an audit of the credit union, the auditor informed the defendant that pursuant to the Currency Transactions Reporting Act, St. Michael's needed to file a Currency Transactions Report ("CTR") for every transaction in excess of \$10,000.¹⁴² The defendant was unaware that she needed to file CTRs prior to the auditor's visit, but received notice when he brought to her attention two transactions she needed to report.¹⁴³ On the backs of the two CTRs the defendant filed were details on the criminal liability for failure to properly file a report.¹⁴⁴ In a subsequent audit of the financial institution, an IRS agent found that the defendant had not filed CTRs for over thirty transactions over \$10,000.¹⁴⁵ While not finding any one factor determinative, the court concluded that even if the defendant really did not have knowledge of the thirty transactions, the notice from the first audit coupled with the

138. *Id.* at 870.

139. *Id.* at 874.

140. *United States v. St. Michael's Credit Union*, 880 F.2d 579, 585 (1st Cir. 1989).

141. *Id.* at 582.

142. *Id.* at 581–82; 31 C.F.R. § 103.22(b) (2010) ("Each financial institution . . . shall file a report of each deposit, withdrawal, exchange of currency or other payment or transfer, by, through, or to such financial institution, which involves a transaction in currency of more than \$10,000 . . .").

143. *St. Michael's Credit Union*, 880 F.2d at 582.

144. *Id.* at 583; 31 U.S.C. § 5322(b) (2010) ("A failure to file a CTR may be prosecuted as a felony when the omission occurs 'while [the defendant is] violating another law of the United States, or as part of a pattern of illegal activity involving transactions of more than \$100,000 in a 12-month period . . .').

145. *St. Michael's Credit Union*, 880 F.2d at 583.

defendant's experience as a treasurer was enough to show a purposeful psychological avoidance and hence, deliberate ignorance.¹⁴⁶

In *United States v. Singh*, the First Circuit concluded that the lower court's willful blindness instruction was appropriate for a defendant who ignored a series of red flags that he was obtaining a social security card illegally.¹⁴⁷ The defendant entered the United States on a tourist visa, which allowed him to stay in the country for a maximum of six months, but did not allow him to work.¹⁴⁸ While his visa was still valid, the defendant, with the help of his aunt, filled out an application for a social security card that also made clear he was a "Legal Alien Not Allowed to Work."¹⁴⁹ The defendant claimed he needed the help of his aunt to fill out the application because he had weak oral and written English skills.¹⁵⁰ Approximately six months after his visa expired, the defendant paid a firm in New York \$300 for a counterfeit I-94 form with a fictitious visa expiration date and a completed social security application indicating that the defendant was a legal alien allowed to work in the country.¹⁵¹ The firm drove the defendant to a social security office where a clerk alerted the authorities when the defendant handed her the signed, phony documents.¹⁵² Notwithstanding the possibility that the defendant lacked the ability to read the forms and applications, the court found that the "red flags" in this case were the defendant paying for a form when he previously obtained one for free, the defendant leaving his passport with an agency for a period of time, the defendant receiving a form that allowed him to work when the previous form did not, and the defendant accepting a ride to a remote locale to process his application.¹⁵³ As such, the court concluded that the defendant deliberately chose to ignore the "warning signs [] sufficient to put a reasonably prudent person on inquiry notice," and upheld a jury's finding of guilt based on willful blindness.¹⁵⁴

3. *Application of the Second-Prong: Relating Criminal Law Principles to Induced Patent Infringement*

The Supreme Court's holding in *Global-Tech* that Pentalpha took deliberate action to avoid finding SEB's patent falls into the category of an

146. *Id.* at 585.

147. *United States v. Singh*, 222 F.3d 6, 11 (1st Cir. 2000).

148. *Id.* at 8.

149. *Id.*

150. *Id.* at 9.

151. *Id.* at 8–9.

152. *Id.* at 9.

153. *Id.* at 11.

154. *Id.*

overt act.¹⁵⁵ Just as in *Diaz* and *Brandon*, where there was physical evidence that the defendants deliberately acted to avoid learning of a drug transaction and a dischargeable second mortgage respectively, the fact that Pentalpha withheld from its patent attorney that SEB manufactured the fryer they copied, was similarly evidence that Pentalpha deliberately acted to avoid learning of the existence of SEB's patent.¹⁵⁶ The *Diaz* and *Brandon* courts held that the defendants' avoidance by overt acts served to "insulate [themselves] from the [crimes] so that [they] could deny knowledge of it"¹⁵⁷ and "in order to have a defense in the event of a subsequent prosecution."¹⁵⁸ Consistent with the *Diaz* and *Brandon* courts, the Supreme Court held that Pentalpha's non-disclosure to its attorney was to "manufacture a claim of plausible deniability in the event that his company was later accused of patent infringement."¹⁵⁹

Since there was an overt act by *Global-Tech*, a psychological avoidance analysis is not relevant given the facts of the case.¹⁶⁰ However, the facts of *Global-Tech* are not necessarily typical of most litigated cases. Returning to a question posited *supra* Section II.A.2, what if instead of omitting information when it consulted its attorney, Pentalpha neglected to obtain an opinion from counsel entirely? What if Pentalpha sought an uninformed or flawed opinion? Would either failure to obtain an opinion from counsel or obtaining an uninformed opinion constitute a deliberate act under a psychological avoidance standard?

In *St. Michael's*, the court emphasized that notice from a prior audit coupled with the defendant's experience as a treasurer was enough to show purposeful psychological avoidance.¹⁶¹ The court's holding in *St. Michael's* implies that if Pentalpha had neglected to obtain opinion from counsel, Pentalpha would, in addition to its experience in the field of deep fryers, also need to be on notice that its fryer might infringe.¹⁶² In *St. Michael's*, the defendant received prior notice regarding the same matter—the need to file CTRs for transaction over ten thousand dollars.¹⁶³ This suggests that when a

155. Compare *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2071–72 (2011), with *United States v. Diaz*, 864 F.2d 544, 551 (7th Cir. 1988), and *United States v. Brandon*, 17 F.3d 409, 452–53 (1st Cir. 1994).

156. Compare *Global-Tech*, 131 S. Ct. at 2071–72, with *Diaz*, 864 F.2d at 551, and *Brandon*, 17 F.3d at 452–53.

157. See *Diaz*, 864 F.2d at 551.

158. See *Brandon*, 17 F.3d at 452.

159. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2071 (2011).

160. See *supra* notes 155–159 and accompanying text.

161. See *United States v. St. Michael's Credit Union*, 880 F.2d 579, 585 (1st Cir. 1989).

162. See *id.* at 581–82.

163. See *id.*

defendant in a patent infringement suit does not obtain opinion from counsel, previous infringement actions/settlements with the plaintiff or previous infringement actions/settlements in the industry may provide enough notice to show a defendant's purposeful psychological avoidance.

In a similar case, the *Carani* court found that a defendant's failure to notice suggestive file headers on the files it downloaded, coupled with the defendant's familiarity with downloading files, suggested psychological avoidance about downloading child pornography.¹⁶⁴ The *Carani* holding implies that a court would find Pentalpha's hypothetical failure to obtain opinion from counsel to be psychological avoidance of infringing SEB's patent because Pentalpha knew SEB's patented product was innovative and on sale in the United States and because Pentalpha was familiar with the U.S. patent system.¹⁶⁵ Like the *Carani* defendant who was well-versed in computers and should have had an idea that file headers related to video content, an alleged infringer who knows a product is innovative and knows that a lot of patents exist in that industry should realize that an innovative product may have a patent. For such a defendant, a willful blindness standard implies that he would be committing psychological avoidance by not taking the investigatory step of getting a right-to-use opinion.

In *Singh*, the court concluded that the circumstances surrounding a defendant's solicitation of counsel and documents from an immigration agency supported an inference that the defendant purposefully avoided "red flags."¹⁶⁶ The court's holding in *Singh* suggests that if Pentalpha had obtained an uninformed or flawed opinion, it may be culpable for psychological avoidance if there were red flags that indicated the opinion would be defective in some way. The *Singh* court found that the red flags in the case were the defendant paying for a form when he previously obtained one for free, the defendant leaving his passport with an agency for a period of time, the defendant receiving a form that allowed him to work when the previous form did not, and the defendant accepting a ride to a remote locale to process his application.¹⁶⁷ As applied to a patent infringement case, the *Singh* holding may imply that a defendant who is aware that he has obtained an opinion that is contrary to reasonable claim interpretation or who seeks an

164. See *United States v. Carani*, 492 F.3d 867, 874 (7th Cir. 2007).

165. See *id.*

166. See *United States v. Singh*, 222 F.3d 6, 11 (1st Cir. 2000).

167. See *supra* note 153 and accompanying text.

opinion from a non-orthodox source is at greater risk of being found to have purposefully avoided obtaining an informed and valid opinion.¹⁶⁸

Given criminal jurisprudence regarding the second prong of willful infringement, the takeaway in applying the second prong to cases of induced patent infringement is that an alleged infringer who is experienced in the field or otherwise informed will probably not be able to escape liability by either neglecting to obtain an opinion or obtaining an uninformed opinion. Even though the *Global-Tech* facts only illustrated the application of the second prong to an overt act, criminal law jurisprudence indicates that a failure to recognize obvious signs may also suffice for second prong liability.

III. CONCLUSION

In *Global-Tech*, the Supreme Court imported the doctrine of willful blindness from criminal law and stated that willful blindness was the appropriate substitute in lieu of actual knowledge in cases of induced patent infringement.¹⁶⁹ In doing so, the court reasoned that willful blindness would cast a narrower net for potential infringers than the Federal Circuit's deliberate indifference standard.¹⁷⁰ Although the willful blindness standard does seem to narrow the first prong to instances of specific knowledge, rather than general knowledge, it is less certain how much a deliberate action is actually necessary to find a defendant knowledgeable through his willful blindness. As such, it is not clear how much narrower the doctrine of willful blindness is compared to deliberate indifference; luckily, the implications the doctrine has for practitioners are more obvious.

For future litigants, the first prong in a willful blindness analysis is the most important. The relevant factors in determining whether the defendant had general or specific knowledge are the defendant's expertise in the relevant field, the relationship between the defendant and the patentee, and any relevant findings or lack thereof by experts. When a defendant has significant agencies with the patentee or when the defendant has expertise in

168. See Marta E. Delsignore, *Patent Opinions*, in FUNDAMENTALS OF PATENT PROSECUTION 2008: A BOOT CAMP FOR CLAIM DRAFTING & AMENDMENT WRITING 285, 291–94 (2008). For a more detailed analysis of what type of expert testimony is proper during a claim construction hearing, see Peter S. Menell, Matthew D. Powers & Steven C. Carlson, *Patent Claim Construction: A Modern Synthesis and Structured Framework*, 25 BERKELEY TECH. L.J. 711, 729 (2010) (“Parties should ground expert opinions both in the intrinsic evidence and have support in other independent, reliable sources. Where these criteria are lacking, courts should not rely upon these expert opinions.”).

169. *Global-Tech Appliances, Inc. v. SEB S.A.*, 131 S. Ct. 2060, 2068 (2011).

170. *Id.* at 2070.

a field, it is more likely that a court will find that the defendant has specific knowledge rather than general knowledge of infringement.

Since the second prong allows for both action and inaction, it is essential that a defendant proceed with due diligence at all times. As with the high probability of knowledge requirement in the first prong, notice is arguably the most important factor in the second prong analysis. In future cases of induced patent infringement, for all defendants, especially those who are well-versed in their industry and acquainted with the patent system, obtaining an opinion from counsel, and full disclosure to counsel are essential.