

PUBLICATION

Doctrine of Laches Does Not Apply to Patent Damages

March 22, 2017

The Supreme Court of the United States in a 7-1 decision held that patent defendants cannot assert the defense/doctrine of laches to shorten the six-year statute of limitations for damages claims for patent infringement. *SCA Hygiene Products AB et al. v. First Quality Baby Products LLC et al.*, Case No. 15-927. Justice Alito, writing for the majority, ruled that because Congress affixed a specific time bar, "[l]aches cannot be invoked as a defense against a claim for damages brought within § 286's six-year limitations period." To interpose a judicial (or judge-made) laches defense to shorten the "limitations period specified by Congress would give judges a 'legislation-overriding' role that exceeds the Judiciary's power."

Justice Alito relied closely on the Supreme Court's 2014 rejection of a laches defense to shorten the three-year deadline for filing damages claims under the Copyright Act in *Petrella v. Metro-Goldwyn-Mayer, Inc.* The Copyright Act has a similar statute of limitations provision to that of the Patent Act. Justice Alito noted that "*Petrella's* reasoning easily fits. ... § 286 of the Patent Act represents Congress's judgment that a patentee may recover damages for any infringement committed within six years of the filing of the claim."

First Quality argued that the Patent Act's six-year time bar did not preclude a laches defense because it was not a true statute of limitations. First Quality noted that § 286's time limitation runs backward from the filing of a complaint, not forward from the date a cause of action accrues. The Court rejected this distinction because it had previously noted in *Petrella* that the Copyright Act's statute of limitations also runs backward from the filing of a claim. First Quality next argued that § 286's limitation period runs from the date a claim accrues and not from when a plaintiff discovers the cause of action, again rendering this Section not a true statute of limitations. The Court disposed of that argument on the basis that First Quality was misconstruing traditional statutes of limitation, which function just as § 286 runs, from the date a claim accrues.

The Supreme Court reversed the Federal Circuit, which had reasoned that the statutory defense of "unenforceability," which is provided to defendants by § 282(b)(1), includes the defense of laches. The Supreme Court rejected this argument, finding that the plain language of § 286 did not reference laches. The majority further explained that it doubted that Congress intended to create a statute of limitations in § 286 and then provide a means to shorten it with a laches defense. Neither the Federal Circuit nor any party had "identified a single federal statute that provides such dual protection against untimely claims." The Court thereby overturned the Federal Circuit precedent that allowed for laches defenses to Patent Act damages suits.

In practice, this ruling reverses current law (along with a century of judicial law) and holds that no lack of diligence during the Patent Act's six-year statute of limitations can waive or abandon a damages claim for infringement.

For more information about this alert, or to discuss any Intellectual Property related matters, please contact any member of Baker Donelson's Intellectual Property Group.