Ken Parker and Brittany Parks for IP Magazine: How Patent Enforcement Laws May Be Getting Some New Ink

By Brittany Parks | February 16, 2017

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On 2 December 2016, the Supreme Court of the United States (SCOTUS) decided to review the U.S. Court of Appeals for the Federal Circuit's (CAFC) decision in *Impression Products v Lexmark Intl*. The case presents two significant questions regarding the theory of "patent exhaustion":

- Whether patent law can restrict the use or resale of a patented item after the first authorised sale of that item in the U.S.; and
- Whether the authorised sale of a patented item outside the U.S. exhausts the U.S. patent rights in that item.

The answers to these questions will have an important impact on patent enforcement in the U.S. and internationally. Due to the complexity of the case, this article will first summarise the relevant background issues and procedural history, and then discuss the significant repercussions that SCOTUS' decision may have on the technology industry.

The Patent Exhaustion Doctrine

For over a century, the patent exhaustion doctrine, also called the "first sale" doctrine, has limited the scope of patent rights. It holds that the first authorised sale of a patented item terminates the patent rights to that item. In other words, a patent holder's rights are "exhausted" upon the first authorised sale of a patented item. A patent holder, therefore, cannot use patent law to enforce post-sale restrictions on the use or resale of the item. For instance, the patent exhaustion doctrine allows everyday people to buy patented electronics, or even running shoes, and resell them at a garage sale or online without any interference from the original patent holder.

Excerpted from *Intellectual Property Magazine*. To read the full article, please click here.

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