Keywords: 35 U.S.C. § 271(f), exportation, "component," "patented invention"

General: The District Court for the District of Delaware granted final judgment to plaintiff Union Carbide after a jury found that defendant Shell infringed claim 4 (a process claim) of Union Carbide's '243 patent via Shell's use and sale of catalysts recited in claim 4. However, the damages award did not account for Shell's exportation of catalysts because the district court ruled *in limine* that 35 U.S.C. § 271(f) damages are not available for process claims.

Union Carbide Chemicals & Plastics Technology Corp. v. Shell Oil Co.
76 U.S.P.Q.2d 1705 (Fed. Cir. 2005)
Decided October 3, 2005

I. Facts

The United States District Court for the District of Delaware granted final judgment to Union Carbide after a jury found that Shell infringed claim 4 (a process claim) of Union Carbide's '243 patent. Claim 4 of the '243 patent is directed to the commercial production of ethylene oxide using improved silver catalysts. The jury found that Shell's use of Shell's S-880 and S-882 catalysts in the production of ethylene oxide (EO) directly infringed claim 4. The jury also found that Shell contributorily infringed claim 4 by selling its S-863, S-880, and S-882 catalysts to third parties. Total damages including pre-judgment interest was $153,615,774. This damages award, however, did not account for Shell's exportation of catalysts because the district court ruled *in limine* that 35 U.S.C. § 271(f) damages are not available for process claims, such as claim 4 of the '243 patent. Union Carbide appealed the district court's holding that 35 U.S.C. § 271(f) does not apply to process claims.

35 U.S.C. § 271(f) (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 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.

II. Issue

Did the district court err in excluding Shell's exportation of catalysts in its damages calculation under 35 U.S.C. § 271(f)?

III. Discussion

Yes. The district court improperly excluded Shell's exportation of catalysts in the damages calculation. The Federal Circuit agreed with Union Carbide that the district court erred as a matter of law by ruling *in limine* that 35 U.S.C. § 271(f) "is not directed to process claims." This action by the district court in prohibiting Union Carbide from submitting evidence of Shell's foreign sales for the purpose of recovering additional damages under 35 U.S.C. § 271(f)(2) was in error.

Section 271(f) of title 35 is generally directed at the exportation, from the United States, of components of patented inventions. The phrase "any component of a patented invention" in 35 U.S.C. § 271(f)(2) applies to components used in performance of patented process/method inventions because "components" and

"patented inventions" under Section 271(f) are *not* limited to physical machines. The statute makes no distinction between patentable method/process inventions and other forms of patentable inventions. Again, the district court erred in prohibiting the plaintiff (Union Carbide) from submitting evidence of foreign sales of infringing catalysts for purpose of recovering damages under Section 271 (f)(2). Shell exported a "component" (i.e., catalyst) used in performance of patented process/method in the commercial production of ethylene oxide (a "patented invention"). Defendant Shell supplied all of their catalysts (again, a "component" of a patented process invention) from United States directly to foreign affiliates, who used the catalysts directly in their EO production processes. The Federal Circuit remanded the case to the district court for additional findings of Shell's potential liability under 35 U.S.C. § 271(f).

IV. Conclusion

Section 271(f) governs method/process inventions (and not just physical components or machines). Therefore, the district court erred in concluding § 271(f) does not apply to process claims. The district court abused its discretion in excluding shell's exported catalysts as part of its damages calculation. The case was remanded to the district court for a new determination of damages.