



Crater V Lucent Technologies
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Case Facts

Crater sued Lucent technologies in the US district court of Missouri alleging that Lucent infringed US patent No. 5,286,129 by making commercial use of it. This patent is directed to an underwater coupling device. It also brought a claim for breach of contract and misappropriation of trade secrets. Lucent filed a motion for dismissal as district court did not have original jurisdiction as there was no diversity of citizenship between Crater and Lucent.

Issue

Is Lucent liable for patent infringement when it performed the work with respect to Crater's Coupler under a government project and was authorized by the United States?

Holding

No, Lucent is not liable for infringement because the project was authorized by the government and the goods were used or manufactured for United States

Rule

Under 28 USC Sec 1498 (a) , a private party cannot be held liable for goods “used or manufactured by or for United States”. An invention described in and covered by a patent of United States is used or manufactured by or for United States, without license thereof , the owner’s remedy shall be by an action against the United States in the US Court of Federal Claims for the recovery of reasonable or entire compensation.

Analysis

Lucent moved for dismissal on the ground of lack of jurisdiction. It also moved for summary judgment by asserting that Sec 1498 (a) does not permit suing private parties for infringement of patent if the patented invention is used or manufactured by the private party for the government. This is an affirmative defense i.e. it has to be pleaded and the court will not automatically consider it without the party pleading for it.

The court gave sufficient opportunity to Crater during discovery proceedings, to bring forth evidence of the fact that Lucent was using the patented invention for entity other than the government. Crater failed to produce any evidence with respect to this. Crater also failed to produce any evidence which would indicate that Lucent performed any work on the coupler without government's authorization or consent. In response to Crater's supplemental interrogatories, government intervened and affirmed the existence of a classified development contract covering work on the coupler for the government, under which Lucent was a sub contractor. The Contract expressly indicated that contract was authorized by the government.