Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

SCA HYGIENE PRODUCTS AKTIEBOLAG ET AL. *v.* FIRST QUALITY BABY PRODUCTS, LLC, ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

No. 15–927. Argued November 1, 2016—Decided March 21, 2017

In 2003, petitioners (collectively, SCA) notified respondents (collectively, First Quality) that their adult incontinence products infringed an SCA patent. First Quality responded that its own patent antedated SCA's patent and made it invalid. In 2004, SCA sought reexamination of its patent in light of First Quality's patent, and in 2007, the Patent and Trademark Office confirmed the SCA patent's validity. SCA sued First Quality for patent infringement in 2010. The District Court granted summary judgment to First Quality on the grounds of equitable estoppel and laches. While SCA's appeal was pending, this Court held that laches could not preclude a claim for damages incurred within the Copyright Act's 3-year limitations period. *Petrella* v. *Metro-Goldwyn-Mayer, Inc.*, 572 U. S. ___, ___. A Federal Circuit panel nevertheless affirmed the District Court's laches holding based on Circuit precedent, which permitted laches to be asserted against a claim for damages incurred within the Patent Act's 6-year limitations period, 35 U. S. C. §286. The en banc court reheard the case in light of *Petrella* and reaffirmed the original panel's laches holding.

Held: Laches cannot be invoked as a defense against a claim for damages brought within §286's 6-year limitations period. Pp. 3–16.

(a) *Petrella*'s holding rested on both separation-of-powers principles and the traditional role of laches in equity. A statute of limitations reflects a congressional decision that timeliness is better judged by a hard and fast rule instead of a case-specific judicial determination. Applying laches within a limitations period specified by Congress would give judges a "legislation-overriding" role that exceeds the Judiciary's power. 572 U. S., at ___. Moreover, applying laches within a limitations period would clash with the gap-filling purpose for

which the defense developed in the equity courts. Pp. 3–5.

(b) *Petrella*'s reasoning easily fits §286. There, the Court found in the Copyright Act's language a congressional judgment that a claim filed within three years of accrual cannot be dismissed on timeliness grounds. 572 U. S., at ___. By that same logic, §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 contends that this case differs from *Petrella* because a true statute of limitations runs forward from the date a cause of action accrues, whereas §286's limitations period runs backward from the filing of the complaint. However, *Petrella* repeatedly characterized the Copyright Act's limitations period as running backward from the date the suit was filed. First Quality also contends that a true statute of limitations begins to run when the plaintiff discovers a cause of action, which is not the case with §286's limitations period, but ordinarily, a statute of limitations begins to run on the date that the claim accrues, not when the cause of action is discovered. Pp. 5–8.

(c) The Federal Circuit based its decision on the idea that §282 of the Patent Act, which provides for "defenses in any action involving the validity or infringement of a patent," creates an exception to §286 by codifying laches as such a defense, and First Quality argues that laches is a defense within §282(b)(1) based on "unenforceability." Even assuming that §282(b)(1) incorporates a laches defense *of some dimension*, it does not necessarily follow that the defense may be invoked to bar a claim for damages incurred within the period set out in §286. Indeed, it would be exceedingly unusual, if not unprecedented, if Congress chose to include in the Patent Act both a statute of limitations for damages and a laches provision applicable to a damages claim. Neither the Federal Circuit, nor any party, has identified a single federal statute that provides such dual protection against untimely claims. Pp. 8–9.

(d) The Federal Circuit and First Quality rely on lower court patent cases decided before the 1952 Patent Act to argue that §282 codified a pre-1952 practice of permitting laches to be asserted against damages claims. But the most prominent feature of the relevant legal landscape at that time was the well-established rule that laches cannot be invoked to bar a claim for damages incurred within a limitations period specified by Congress. In light of this rule, which *Petrella* confirmed and restated, 572 U. S., at ___, nothing less than a broad and unambiguous consensus of lower court decisions could support the inference that §282(b)(1) codifies a very different patent-law-specific rule. Pp. 9–10.

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(e) The Federal Circuit and First Quality rely on three types of cases: (1) pre-1938 equity cases; (2) pre-1938 claims at law; and (3) cases decided after the merger of law and equity in 1938. None of these establishes a broad, unambiguous consensus in favor of applying laches to damages claims in the patent context.

Many of the pre-1938 equity cases do not even reveal whether the plaintiff asked for damages, and of the cases in which damages were sought, many merely suggest in dicta that laches might limit damages. The handful of cases that apply laches against a damages claim are too few to establish a settled, national consensus. In any event, the most that can possibly be gathered from a pre-1938 equity case is that laches could defeat a damages claim *in an equity court*, not that the defense could entirely prevent a patentee from recovering damages.

Similarly, even if all three pre-1938 cases at law cited by First Quality squarely held that laches could be applied to a damages claim within the limitations period, that number would be insufficient to overcome the presumption that Congress legislates against the background of general common-law principles. First Quality argues that the small number of cases at law should not count against its position because there were few patent cases brought at law after 1870, but it is First Quality's burden to show that Congress departed from the traditional common-law rule.

As for the post-1938 patent case law, there is scant evidence supporting First Quality's claim that courts continued to apply laches to damages claims after the merger of law and equity. Only two Courts of Appeals held that laches could bar a damages claim, and that does not constitute a settled, uniform practice of applying laches to damages claims. Pp. 11–15.

(f) First Quality's additional arguments are unconvincing and do not require extended discussion. It points to post-1952 Court of Appeals decisions holding that laches can be invoked as a defense against a damages claim, but nothing that Congress has done since 1952 has altered §282's meaning. As for the various policy arguments presented here, this Court cannot overrule Congress's judgment based on its own policy views. Pp. 15–16.

807 F. 3d 1311, vacated in part and remanded.

ALITO, J., delivered the opinion of the Court, in which ROBERTS, C. J., and KENNEDY, THOMAS, GINSBURG, SOTOMAYOR, and KAGAN, JJ., joined. BREYER, J., filed a dissenting opinion.

SUPREME COURT OF THE UNITED STATES

No. 15–927

SCA HYGIENE PRODUCTS AKTIEBOLAG, ET AL., PETITIONERS *v.* FIRST QUALITY BABY PRODUCTS, LLC, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

[March 21, 2017]

JUSTICE ALITO delivered the opinion of the Court.

We return to a subject that we addressed in *Petrella* v. *Metro-Goldwyn-Mayer, Inc.*, 572 U. S. ___ (2014): the relationship between the equitable defense of laches and claims for damages that are brought within the time allowed by a statute of limitations. In *Petrella*, we held that laches cannot preclude a claim for damages incurred within the Copyright Act's 3-year limitations period. *Id.*, at ___ (slip op., at 1). "[L]aches," we explained, "cannot be invoked to bar legal relief" "[i]n the face of a statute of limitations enacted by Congress." *Id.*, at ___ (slip op., at 13). The question in this case is whether *Petrella*'s reasoning applies to a similar provision of the Patent Act, 35 U. S. C. §286. We hold that it does.

I

Petitioners SCA Hygiene Products Aktiebolag and SCA Personal Care, Inc. (collectively, SCA), manufacture and sell adult incontinence products. In October 2003, SCA sent a letter to respondents (collectively, First Quality), alleging that First Quality was making and selling prod-

ucts that infringed SCA's rights under U. S. Patent No. 6,375,646 B1 ('646 patent). App. 54a. First Quality responded that one of *its* patents—U. S. Patent No. 5,415,649 (Watanabe patent)—antedated the '646 patent and revealed "the same diaper construction." *Id.*, at 53a. As a result, First Quality maintained, the '646 patent was invalid and could not support an infringement claim. *Ibid.* SCA sent First Quality no further correspondence regarding the '646 patent, and First Quality proceeded to develop and market its products.

In July 2004, without notifying First Quality, SCA asked the Patent and Trademark Office (PTO) to initiate a reexamination proceeding to determine whether the '646 patent was valid in light of the Watanabe patent. *Id.*, at 49a–51a. Three years later, in March 2007, the PTO issued a certificate confirming the validity of the '646 patent.

In August 2010, SCA filed this patent infringement action against First Quality. First Quality moved for summary judgment based on laches and equitable estoppel, and the District Court granted that motion on both grounds. 2013 WL 3776173, *12 (WD Ky., July 16, 2013).

SCA appealed to the Federal Circuit, but before the Federal Circuit panel issued its decision, this Court decided *Petrella.* The panel nevertheless held, based on a Federal Circuit precedent, *A. C. Aukerman Co.* v. *R. L. Chaides Constr. Co.*, 960 F. 2d 1020 (1992) (en banc), that SCA's claims were barred by laches.[1]

The Federal Circuit then reheard the case en banc in order to reconsider *Aukerman* in light of *Petrella.* But in a 6-to-5 decision, the en banc court reaffirmed *Aukerman*'s holding that laches can be asserted to defeat a claim for

[1]The panel reversed the District Court's holding on equitable estoppel, concluding that there are genuine disputes of material fact relating to that defense. 767 F. 3d 1339, 1351 (2014).

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