



The side mirror of a Volkswagen ID.4 electric sports utility vehicle (SUV) during the 2022 New York International Auto Show (NYIAS) in New York, U.S., on Thursday, April 14, 2022.

Photographer: Jeenah Moon/Bloomberg via Getty Images

## Bloomberg Law

# Jury in \$24 Million Car-Mirror Patent Case Finds for Defendant

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By Michael Shapiro

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- *Magna Mirror sued SMR for infringement of side-mirror patents*
  - *Judge still must decide if Magna's engineer deceived PTO*
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A jury in Grand Rapids, Mich., delivered an across-the-board win to automobile mirror maker Samvardhana Motherson Reflectec Group Holdings Ltd., which was accused of infringing patents for a side mirror developed to eliminate blind spots.

Magna Mirrors of America sued SMR in 2017 and sought \$24 million in damages based on SMR's sales of allegedly infringing side mirrors used on several Ford models and the Fiat 500.

In its trial brief, SMR stated that Magna, a rival mirror maker, got the patents at issue at a point after learning in 2009 that SMR had convinced several automakers to switch from Magna to an SMR mirror that eliminated blind zones.

The company "could only obtain the Asserted Patents by deceiving the [Patent and Trademark Office]" SMR said. It further argued the patents were obvious in light of a trailer-towing mirror for the 2001 Dodge Ram.

Magna countered that the company's chief technical officer, Niall Lynam, began work on the inventions captured in the patents in 1999. It also argued that SMR's own engineers had ignored the Dodge Ram mirror when filing for a patent for blind-zone mirror technology.

The jury sided with SMR, however, returning a verdict that found none of its subsidiaries had infringed Magna's patents, and each of the five patent claims Magna selected for trial were invalid on obviousness grounds.

"SMR is grateful to the jury for their time and careful consideration in finding all patents invalid because the invention is obvious," said **Max Grant of Latham & Watkins LLP**, which represents SMR.

A lawyer representing Magna told Bloomberg Law the company had no comment.

Because the jury found the patent claims to be invalid, it didn't need to calculate damages. However, Magna was asking for at least \$24 million, with more than \$21 million of that representing lost profits from the sale of about 4.4 million mirrors.

Magna had also planned to ask the court to triple those damages and award attorneys' fees, on grounds that SMR's alleged infringement was willful.

### Inequitable Conduct

The case, which began in 2017, is not yet finished. Judge Jane M. Beckering of the US District Court for the Western District of Michigan still must decide whether Lynam engaged in inequitable conduct when he sought the disputed patents.

SMR asserted that Lynam included false statements in seven sworn declarations to the PTO and deliberately didn't alert patent examiners to the Dodge Ram mirror.

Magna has argued that Lynam at the time of submission and today still believes his “declarations to be true and accurate” and certainly not “unmistakably false”—the standard for an inequitable-conduct finding. It also noted that Lynam has said in a deposition that the Dodge Ram mirror simply hadn’t occurred to him when seeking the blind-spot patents because that mirror was designed for trailer towing.

The court held a bench trial Thursday on that issue and its ruling is pending.

SMR is represented by **Latham & Watkins** and Warner Norcross & Judd LLP. Sidley Austin LLP and Miller Johnson PLC represent Magna.

The case is Magna Mirrors of Am., Inc. v. SMR Auto. Sys. USA, Inc. , W.D. Mich., No. 1:17-cv-77, 12/15/22 .