

GENERAL RULES PERTAINING TO PATENT INFRINGEMENT

Patent infringement typically is analyzed in one of three contexts: when a patent owner is considering suing a competitor for patent infringement; when someone is considering starting a new business or beginning to manufacture, sell, or import a new product or use a new method, and wants to be sure the product or method will not infringe the rights of others; and when someone has been accused of infringement. Regardless of the context in which the question arises, the same rules govern the analysis.

A. The Law Governing Patents and Patent Infringement

The laws governing patents and the rights of patent owners are set forth in Title 35 of the United States Code (“U.S.C.”). 35 U.S.C. Sec. 282 establishes a presumption of validity for all patents issued by the United States Patent Office:

A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

The burden of establishing invalidity requires proof of invalidity by clear and convincing evidence or its equivalent. Even when prior art not previously considered by the Patent Office has been located, the burden of proof does not shift. However, the burden may be met more easily in such cases.

35 U.S.C. Sec. 282 also sets out the available defenses to an accusation of infringement:

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

- (1) Noninfringement, absence of liability for infringement, or unenforceability.
- (2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title [which sets out the conditions for patentability,

the requirements for patent applications, and the general procedure employed in the prosecution of patent applications] as a condition for patentability.

(3) Invalidity of the patent or any claim in suit for failure to comply with any requirement of sections 112 [which sets out what must be included in the patent specification] or 251 [dealing with applications for reissue of defective patents] of this title.

(4) Any other fact or act made a defense by this title.

B. Standard for Infringement Analysis

While a patent contains many sections, including drawings, a description of the drawings, a description of the preferred embodiment of the invention, an abstract of the disclosure, and the claims, the patent is infringed only if the accused device or method infringes the claims of the patent. The claims of the patent provide the concise formal definition of the invention. They are the numbered paragraphs which “particularly point out and distinctly [claim] the subject matter which the applicant regards as his invention.” 35 U.S.C. Sec. 112. The other parts of the patent can assist in interpretation of the claims, but it is the claims themselves which are of significance.

1. Direct Infringement and the Doctrine of Equivalents

A patent claim can be infringed directly or by use of an equivalent device or method. The United States Supreme Court, in *Graver Mfg. Co. v. Linde Co.* explained the analysis to be used:

[R]esort must be had in the first instance to the words of the claim. If the accused matter falls clearly within the claim, infringement is made out and that is the end of it.

Graver Mfg. Co. v. Linde Co., 339 U.S. at 607 (1950). The test is not purely mechanical. Even if the literal language of the claim would appear to cover an accused structure, the device must,

do the same work, in substantially the same way, and accomplish substantially the same result. ... [I]f the [accused infringer] has so far changed the principle of the device that the claims of the patent, literally construed, have ceased to represent his actual invention, he is as little subject to be adjudged an infringer as one who has violated the letter of a statute has to be convicted, when he has done nothing to conflict with its spirit and intent.

Autogiro Co. of America v. United States (Ct.Cl. 1967).

However, if the accused matter does not fall clearly within the claim, one must analyze whether “it performs substantially the same function in substantially the same way to obtain the same result.” *Id.*, 339 at 608. If so, infringement is established; as the Supreme Court stated, the patent law does not permit,

the unscrupulous copyist to make unimportant and insubstantial changes and substitutions in the patent which ...[add] nothing ... to take the copied matter outside the claim, and hence outside the reach of law.

Id., 339 at 607-608. This is often referred to as the “doctrine of equivalents.” A patentee's claims will be given a range of equivalents “narrow enough to distinguish over the prior art and, thus, to avoid invalidity,” yet broad enough “to give relief against the copier who merely makes insubstantial substitutions in a claimed invention.” *Thomas & Betts Corp. v. Litton Systems, Inc.*, 720 F.2d 1572, 1579-1580 (Fed. Cir. 1983).

Very importantly, however, application of the doctrine of equivalents will not be permitted to expand the scope of the patent beyond its reasonably contemplated bounds. For example, where a patentee has disclosed material in the patent’s specification (whether in the description or in the drawings or elsewhere) but has not included that subject matter in the patent claims, then the disclosed but unclaimed subject matter is dedicated to the public and cannot be reclaimed under the doctrine of equivalents. *Johnson & Johnston Associates, Inc. v. R.E. Service Co., Inc.*, 285 F.3d 1046 (Fed. Cir. 2002). In addition, the Supreme Court has emphasized that each individual element of a claim is to be accorded appropriate weight, and the doctrine of equivalents “is not allowed such broad play as to effectively eliminate that element in its entirety.” *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 at 29, 117 S.Ct. 1040 at 1049, 137 L.Ed.2d 146 at 161(1997). Further limitations on potential claim “equivalents” are established where the patent claim was amended during prosecution, as discussed below.

2. File Wrapper Estoppel

If infringement, whether literal or by equivalents, exists, then the patent's file wrapper must be analyzed to see whether the patentee is estopped to assert his claims in some particular manner by reason of the manner in which the application was prosecuted. While the doctrine of file wrapper estoppel is complicated, the underlying rationale and overall intent of the doctrine is simple: a patentee is not permitted to assert a position in litigation that is contrary to a position asserted before the Patent Office. Thus, if a patentee, in order to obtain a patent, asserts that his claims do not cover a particular type of device, the patent, once issued, cannot be asserted to claim that type of device—even if the claims might otherwise be read to cover the device in question. Similarly, if the Patent Office asserts that a particular claim cannot be allowed because the prior art renders the claim obvious, and if in response to the examining attorney's assertion, the applicant acquiesces to the examiner and deletes the questioned claim, then the applicant cannot later assert the patent covers the subject matter that was deleted from the claims.

The doctrine of file wrapper estoppel has had a profound effect on the extent to which a patent owner can assert the doctrine of equivalents. The Supreme Court held in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., et al.*, 535 U.S. 722 (2002) established a presumption that claim-narrowing amendments entered in order to avoid prior art or to comply with other provisions of the Patent Act operate to bar any expanded interpretation of the patent claim, including application of the doctrine of equivalents. The patent in such circumstances is restricted to the literal language of the amended claims.

Not all equivalents are barred, even under those circumstances, however. The Supreme Court held that the doctrine of equivalents may apply even to such narrowed-scope claims, however, saying that,

the purpose of applying the estoppel doctrine [is] to hold the inventor to the representations made during the prosecution process and the inferences that may be reasonably drawn from the amendment. By amending the application, the inventor is deemed to concede that the patent does not

extend as far as the original claim, not that the amended claim is so perfect in its description that no one could devise an equivalent.

Furthermore, the patentee is permitted to rebut the presumption of narrowing, and to show that there was no intent to surrender a particular broadened claim interpretation. To do so, the patentee must establish either that the accused equivalent was (i) “unforeseeable at the time of the [amendment]”; (ii) that “the rationale underlying the amendment [bore] no more than a tangential relation to the equivalent in question”; or (iii) for “some other reason...the patentee could not reasonably be expected to have described the insubstantial substitute in question.” *Festo* at 1839-42.

Thus, even when prosecution history estoppel is found, one still must analyze the intent of the amendment and the scope of the narrowing effected thereby.

C. Standard for Validity Analysis

Patents, although issued by the United States Patent Office or other patent office having jurisdiction, may be invalid. The most commonly considered grounds for patent invalidity are the following: (1) lack of novelty of the invention (i.e., another person had done exactly the same thing in the past); (2) obviousness of the invention in view of what others had done in the past; and (3) a violation of the applicant's duty to tell the Patent Examiner about relevant prior art, or other relevant information, known to the applicant. A brief explanation of these three factors is set out below, recognizing that patents additionally can be held invalid for other reasons, which are further discussed in the opinion, to the extent relevant, as and if they arise.

1. Lack of Novelty

Lack of novelty is a barrier to obtaining a patent, and hence to validity of any issued patent, under 35 U.S.C. §102. For a patent to be barred under this section, “each and every element as set forth in the claim [must be] found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. V. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ 2d 1051, 1053 (Fed. Cir. 1987). Identity of terminology is not required, provided the elements are arranged as required by the claim. Neither is it critical that the prior art which disclosed the anticipating invention disparaged or simultaneously taught away from its use.

2. Nonobviousness

Nonobviousness is a barrier to obtaining a patent, and hence to validity of any issued patent, under 35 U.S.C. §103. Section 103 requires:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. ...

The standard for analysis of patentability is set out by the United States Supreme Court in *Graham v. John Deere*, 383 U.S. 1, 148 USPQ 459 (1966):

Under §103, the scope and content of the prior art are to be determined; differences between the prior art and claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.

Typically the question of obviousness arises in the context of not just one, but several pieces of prior art. The Supreme Court has made it clear that where an inventor merely combines old elements with no change in their respective functions, an invention is obvious. *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273 (1976). The Court of Appeals for the Federal Circuit has developed a method of analyzing obviousness that currently is used to determine whether several different references, in combination, render an invention obvious. According to the Court of Appeals, one must determine whether there is some suggestion, motivation, or teaching that would lead an inventor to combine the prior art. If so, then the invention is obvious; if not, then these references cannot be considered in combination. If, after performing the required analysis, it becomes apparent that the patented subject matter would indeed have been obvious at the time it was made to a person having ordinary skill in the art, then the patent should not have been issued, and is invalid. (One of the more recent cases embodying this test, and emphasizing its flexible nature, is *Dystar v Patrick* (CAFC 2006); another, *Teleflex, Inc. v. KSR Int'l Co.*, 119 Fed. App'x 282, 287 (Fed. Cir. 2005) (unpublished) currently is on appeal to the Supreme Court, which has been asked to determine whether the suggestion/motivation/teaching test is too limited and results in allowance of patents that ought to have been rejected as obvious.)

3. Fraud or Inequitable Conduct

Every applicant is required to disclose to the Patent office Information that is material to patentability and that is known to the applicant.

The duty to disclose information exists with respect to each pending claim until the claim is cancelled or withdrawn from consideration, or the application becomes abandoned.

37 C.F.R. §1.56 (a).

[I]nformation is material to patentability when it is not cumulative to information already of record or being made of record in the application, and

- (1) It establishes, by itself or in combination with other information, a prima facie case of unpatentability of a claim; or
- (2) It refutes, or is inconsistent with, a position the applicant takes in:
 - (i) Opposing an argument of unpatentability relied on by the Office, or
 - (ii) Asserting an argument of patentability.

37 C.F.R. §1.56(b). Failure to make these required disclosures, if discovered while an application is pending, will prevent issuance of a patent; and if discovered thereafter, will invalidate the patent and render it unenforceable.

D. Conclusion

Evaluating patent infringement can be difficult. It requires not only the ability to read and understand the patent at issue and to view and understand the accused device and method, but also requires a knowledge and understanding of the relevant statutes and case law. Companies and individuals who rely on their own evaluation of a patent are no better served than individuals who perform surgery on themselves.

Before accusing a competitor of infringement, it is important to have a sound basis for that claim. Otherwise, one can be accused of unfair and deceptive trade practices, or find oneself the subject of a lawsuit asking a court to declare that one's patent is neither valid nor infringed. (Such lawsuits typically are brought in a forum that is convenient to the competitor, but not to the patent holder—not a desirable result!) Experienced patent litigation counsel can provide not only reasoned analysis on the issue of infringement, but also advice as to how to approach the competitor in order to achieve the desired result, whether that be cessation of infringement or negotiation of a license.

If one is confronted with infringement claims or litigation, a thorough infringement analysis by competent counsel will help the client determine the appropriate response. Certainly businesses should not be held hostage by false claims. At the same time, patent infringement is a serious matter, and no-one should ignore allegations of infringement, whether made informally by letter or formally in litigation. Doing so can convert an otherwise defensible position into a losing case that results in assessment of treble damages and attorneys' fees.

If one is considering starting a new business, it is wise to conduct a search that looks for potentially infringing patents and evaluates them against the new product or method. Counsel who are experienced in this area will not only provide advice, but will provide a thorough written opinion to back up their analysis. While no opinion can be guaranteed perfect, proof that a client has relied on such an opinion is typically very helpful if the device or method that was evaluated later becomes the subject of patent infringement litigation. In most cases, reliance on the competent opinion of counsel, obtained in advance of the allegedly infringing conduct, protects the client from later successful claims that infringement was willful. Hence even if infringement is found, the client typically is not required to pay the treble damages that otherwise would be assessed.