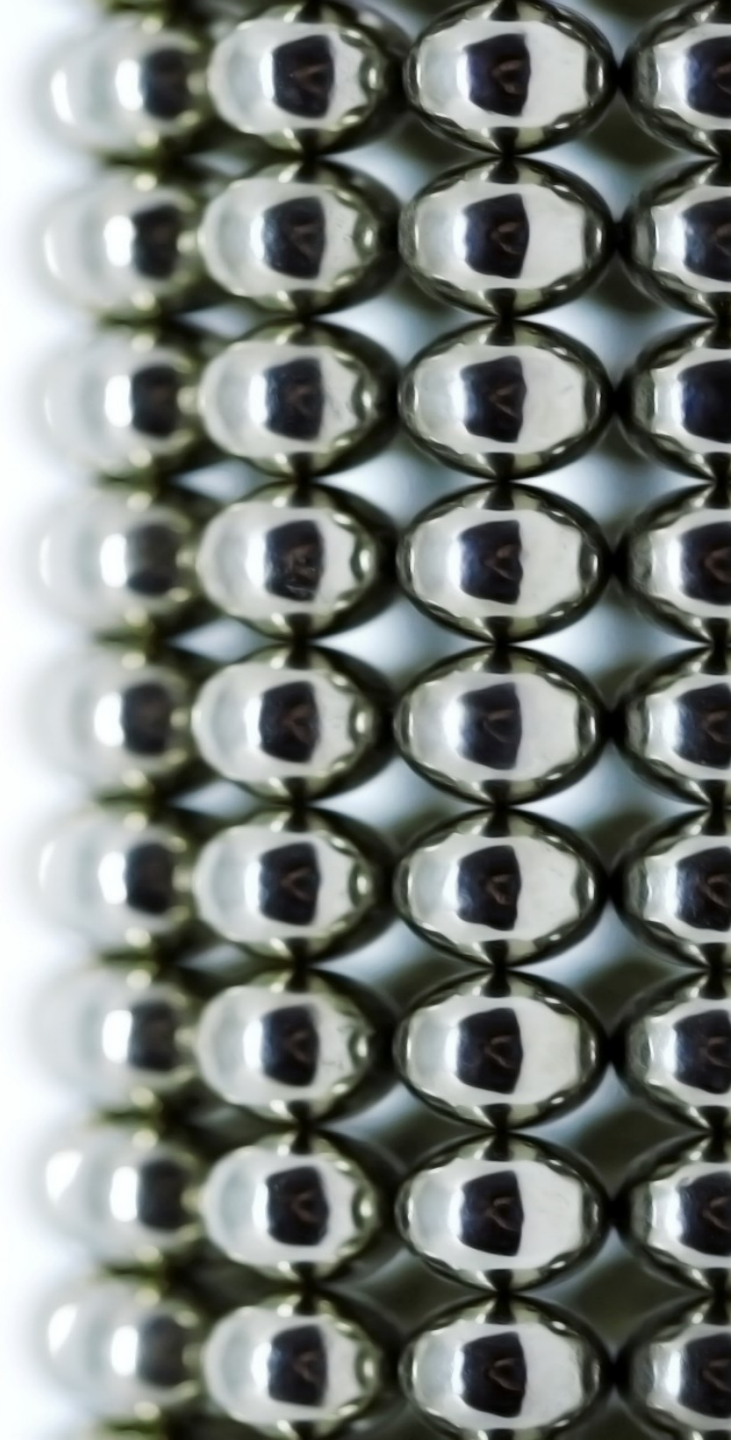


Beyond Patent Issuance: Patent Enforcement & Design Around

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Topics Covered

- How Can I Tell When My Patent Has Been Infringed?
 - Infringement Generally
 - Direct Infringement
 - Indirect Infringement
- What Do I Do When I Think My Patent Has Been Infringed?
 - Infringement Analysis
 - Demand Letters
 - Lawsuits
- What Is My Recourse For The Infringement?
 - Monetary Recovery
 - Non-Monetary Recovery
- What Does It Mean To “Design Around” A Patent?
- What Are the Best Practices For Design Arounds?
 - Identification of Relevant Patents (Freedom to Operate)
 - Identification of Changes (Doctrine of Equivalents)
- What Are My Options If I Can’t Design Around?
 - Validity Challenge
 - License / Acquisition



What Are My Rights?

- Patent Owners Can Prevent Third Parties From Doing Any Of The Following With Respect To An “Infringing” Product / Process:
 - › Making
 - › Using
 - › Selling / Offering for sale
 - › Importing into the U.S.
- Patent Owners Can Sue Third Parties That Are Infringing The Above Patent Rights

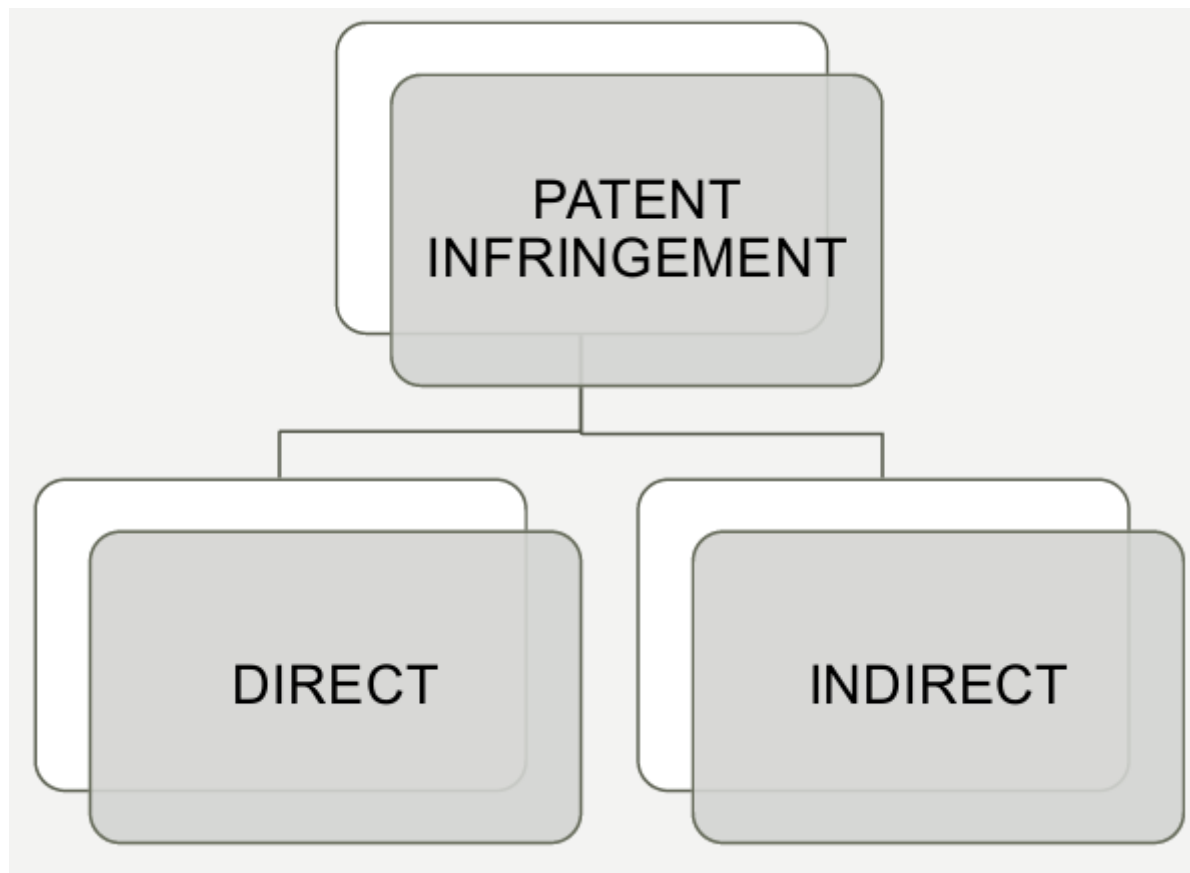
What Are My First Steps After Obtaining A Patent?

- Mark Your Products As Being Patented (Pat. No. x,xxx,xxx)
 - › Patents serve as great advertisements and positively affect public perception of products which are patented.
 - › Patent marking puts competitors on notice and keeps the honest ones honest.
 - › Patent marking preserves your rights to recover damages for infringement.
 - Failure to mark prevents recovery for damages from infringements occurring before infringer was notified of the infringement. 35 USC § 287(a).
- Register Your Patent With Amazon And Other e-Commerce Companies.
- Register Your Patent With Customs And Border Patrol.

What Is Infringement And How Does It Relate To Patentability?

- An Infringing Product/Process Contains Each And Every Element (Or Its Equivalent) Recited In Any One Patent Claim.
- There is somewhat of an Inverse Relationship Between Obtaining A Patent & Infringing One.
 - › Patentability Requirements – Novelty & Non-Obviousness
 - To obtain a patent, you must claim an element that is not *disclosed by prior art* (whether individually or in combination)
 - › Infringement Requirements – All Elements / Doctrine of Equivalents
- Materials Reviewed Are Different
 - › Patentability – Written Specification
 - › Infringement - Claims

Types Of Infringement



Types Of Infringement

- Direct

- › A Single Party Makes, Uses, or Sells A Product / Process Containing All Patented Limitations
- › Types of Direct Infringement
 - Literal
 - Equivalence

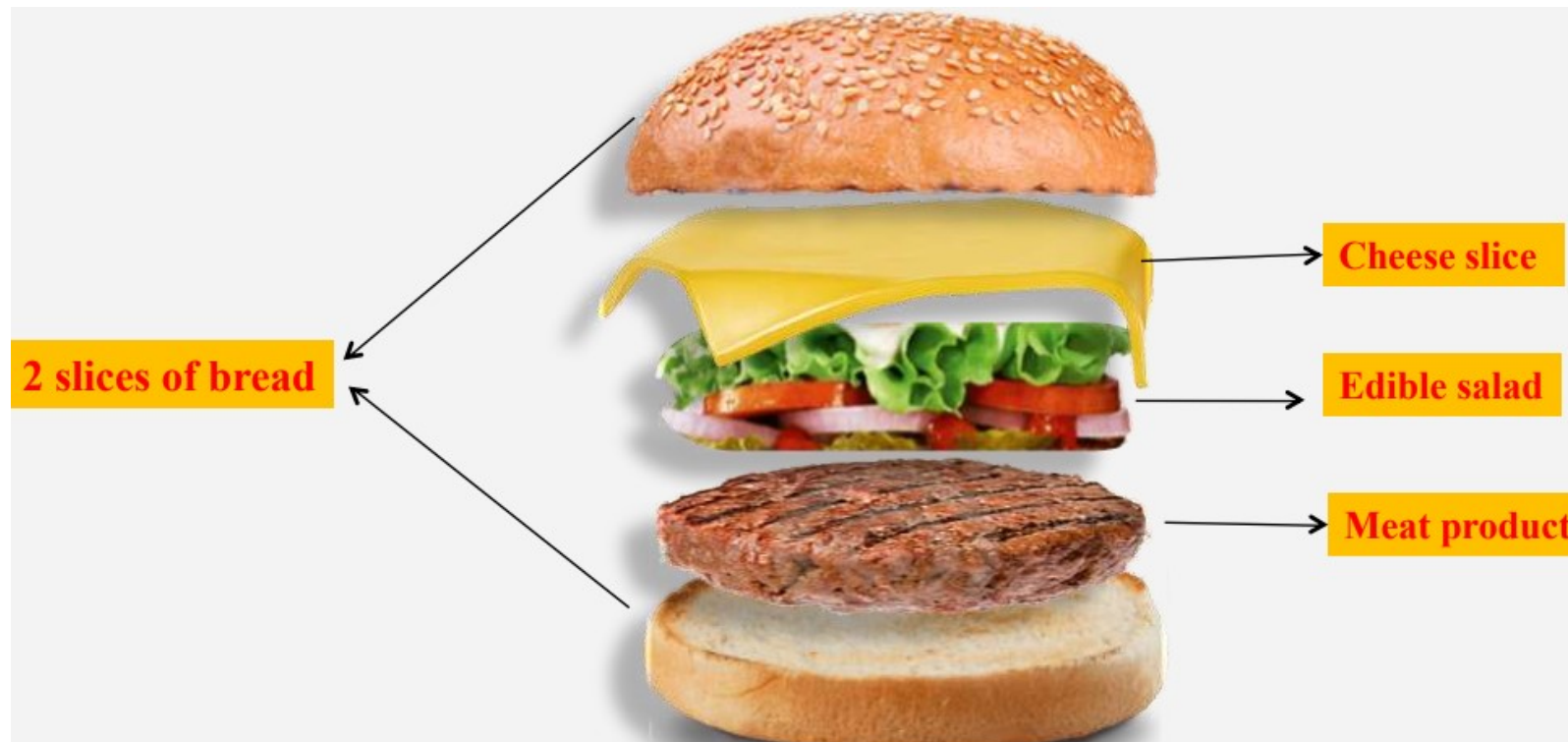
- Indirect

- › Two Parties Involved
 - One who “directly” infringes
 - One who “indirectly” infringes
- › Types of Indirect Infringement
 - Inducement - A first party induces a second party to infringe the patent
 - Contributory – A first party materially contributes to the second party’s infringement





Direct Infringement – Literal Infringement

- All Claimed Elements Are Literally Present In The Accused Device.

Patented Product





Direct Infringement – Literal Infringement

Burger	2 Slices of Bread	Cheese	Edible Salad	Meat Product	Literal Infringement?
Patented 	✓	✓	✓	✓	
Accused No. 1 	✓	✓	✓	✓	YES
Accused No. 2 	✓	✓	✗	✓	NO
Accused No. 3 	✓	✓	✓	✓	YES

Direct Infringement – Doctrine Of Equivalents

- Even If Not All Elements Are Literally Present, An Equivalent May Be Enough To Prove Infringement.
 - › The Equivalency analysis is conducted on an element by element basis at the time of infringement.
- A Substitute Element Is An “Equivalent” If It Performs:
 - › Substantially the same function;
 - › In substantially the same way;
 - › To obtain the same result.
- Equivalents Cannot Include The Prior Art.
 - › Prosecution Estoppel.

Direct Infringement – Equivalence Infringement

Burger	Bread	Cheese	Edible Salad	Meat Product	Literal Infringement?
Patented 	✓	✓	✓	✓	
Accused 	✓	Cheese Flavored Sauce	✓	✓	YES - If the “cheese” sauce is a legal equivalent to cheese

Indirect Infringement – Induced Infringement

- “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” 35 USC 271 (b).
- Inducement occurs when a party “actively and knowingly . . . aid[s] and abet[s] another’s direct infringement of the patent”.
 - › There must be a direct infringement by at least one party.
- Inducement occurs where Inducer knew or should have known:
 - › Of the patent; and
 - › That its inducement would result in the direct infringement of the patent.

Indirect Infringement – Contributory Infringement

- Involves Sale Of A Component/Part That Is Used To Infringe If Component:
 - › Is a material part of the invention;
 - › Was especially made or adapted for use in an infringement;
 - › Is not a staple article that is suitable for a substantial non-infringing use; and,
 - › Was used to commit a direct infringement.
- A Single Substantial Non-infringing Use Prevents Liability
 - › Use must not be unusual, far-fetched, illusory, aberrant experimental.
 - › Focus is on frequency and practicality.

What To Do When I Think My Patent Has Been Infringed?

- Get Proof Of The Infringement
 - › Buy or photograph the accused device.
- Compare The Accused Device To The Patent Claims (Hire An Attorney?)
 - › Prepare a claim chart.
 - › Does the accused device include all the elements of any one patent claim?
 - › If an element is not literally present, is there an equivalent component?
- Send A Demand Letter To The Infringer (Hire An Attorney?)
 - › Damages
 - › Injunction
 - › License
 - › Acquisition
- File A Lawsuit (Hire An Attorney!)

What Are My Monetary Remedies For Patent Infringement?

- Reasonable Royalty
 - › *Georgia Pacific* factors (15 of them!)
- Lost Profits
 - › Demand
 - › Absence of non-infringing substitute (or Patentee's market share)
 - › Patentee's capacity
 - › Amount of profit
- Enhanced Damages
 - › Treble Damages
 - › Attorneys Fees

What Are My Non-Monetary Remedies For Patent Infringement?

- Preliminary Injunction – Prevents Further Infringement While Case Is Pending. Must prove:
 - › Likelihood of success on the merits;
 - › Likelihood that patentee will suffer irreparable harm in the absence of preliminary relief;
 - › That patentee’s need for injunction outweighs potential harm to infringer;
 - › That an injunction is in the public interest.
- Permanent Injunction – Prevents Further Infringement Once Case Is Resolved In Favor of Patentee.
 - › Elements to be established similar to those for a temporary injunction.
 - › Often times, reserved solely for cases where infringer is Patentee’s direct competitor.

My Competitor Has A Patent. What Are My Options?

- Infringe
 - › Not A great option!
- License
 - › Is the patent owner willing to license the technology?
 - › Can you afford the Royalty?
 - › Are you simply drawing unwanted attention to yourself?
- Acquire
 - › See above.
- Design Around

What Does It Mean To Design Around A Patent?

- Design Arounds Are Products Or Processes That:
 - › Are developed in light of the patent; and
 - › Work in the same way or achieve the same goal.
- Design Arounds Always Try To Avoid Infringement.
- Successful Design Arounds Are Often At the Junction Of:
 - › Prosecution History Estoppel.
 - › Doctrine of Equivalents.
- Design Arounds Often Sell For Cheaper Due To The Cost Savings.

Is Designing Around A Patent Wrong?

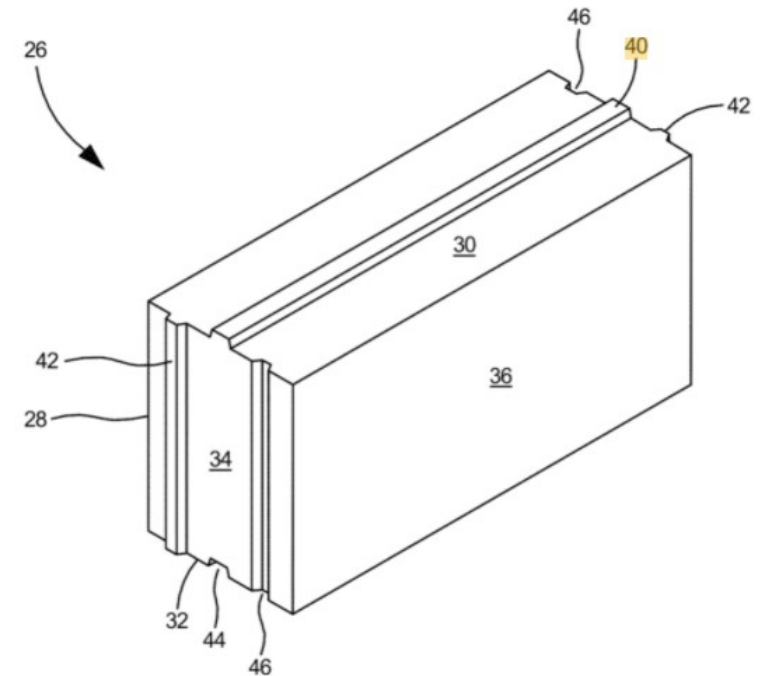
- Intentionally Designing Around A Patent Is Not By Itself A Moral Or Legal Wrong.
- Patents Provide A Limited Monopoly.
 - › Monopolies Are Disfavored – Sherman Anti-Trust Act.
- Governmental / Societal Quid Pro Quo.
 - › Applicant must describe the invention so that a PHOSITA would be “enabled” such that she/he could make and use the invention without undue experimentation - 35 U.S.C. § 112.
 - › Two Fold Purpose
 - Ensures inventor only protects materials in the inventor’s possession.
 - Teaches other inventors so that improvements and competitive products can be developed.
- But If You Get It Wrong....

How Do I Design Around A Patent?

- Identify The Patent(s) At Issue.
 - › Competitor's patent
 - › Freedom to operate search
- Identify Limitations That Can Be Omitted Or Changed In Design Around.
 - › Check prosecution history for narrowing claim amendments.
 - › Determine what elements were “lost” by claim amendments.
- Incorporate Changes Into Design Around Patent.
- Get A Legal Opinion!

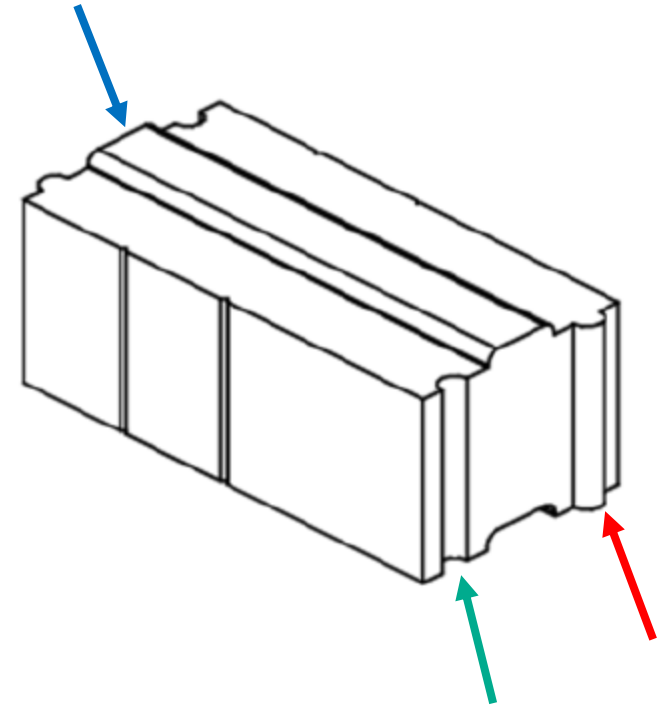
Example of Successful Design Around

- Claim 1 - An explosion-resistant mine seal comprising:
 - › a top shear lug extending longitudinally along said top surface (40);
 - › an end groove (46) extending vertically along each end surface of said masonry block and parallel to each end shear lug (42);
 - › said top shear lug including a beveled sidewall and a flat outer surface;
 - › said bottom groove and said end grooves including a beveled sidewall and an entry; and
 - › said shear lugs and grooves are trapezoid-shaped as viewed from their ends.



Example of Successful Design Around

- Design Around Changes:
 - › Rounded end shear lugs;
 - › Rounded end grooves; and,
 - › Bull-nosed top shear lug.
- Equivalence Analysis:
 - › The limitation that the shear lugs and grooves include a “beveled” side wall was added to the original claim during prosecution.
 - › Everything between original claim and amended claim is disclaimed and cannot serve as an equivalent.



What Are Alternatives To Designing Around?

- Try To Invalidate Or Narrow The Patent
 - › Institute a challenge in the Patent Trial and Appeal Board
 - Filing fees are expensive:
 - › IPR - \$41,500
 - › PGR - \$47,500
 - 1 year deadline for conclusion
 - Currently, 80% of PTAB challenges result in at least one claim being invalidated.
 - › Federal court litigation
 - Overall costs are higher
 - Conclusion timeframe is longer
 - › Process is more involved
 - › Seek advice about which option is best for you
- Seek A License Or Assignment Of Patent

Questions? We Are Here To Help.



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