

## Strategic Considerations for IP Risk Mitigation

### What You Should Know About Responding to Threats and Assertions – Part I

June 27, 2022

Melanie Seelig  
[melanie.seelig@knobbe.com](mailto:melanie.seelig@knobbe.com)

Mauricio Uribe  
[mauricio.uribe@knobbe.com](mailto:mauricio.uribe@knobbe.com)

# Patent Infringement

- Literal Infringement

- Actions Covered – Accusation of infringement can be based on an entity that has made, used, sold, offered to sell, or imported an infringing device or process
- Test: Each and every element recited in an issued patent claim has identical correspondence in the allegedly infringing device or process.
- No knowledge requirement
- Enforcement – Federal District Court or International Trade Commission (ITC)

## Exemplary Claim

---

A method for monitoring a premises comprising:

- obtaining video data from a set of video cameras associated with the premises;
- processing the video data to identify an individual depicted in the video data;
- generating a combination of audible prompt and visual prompt for additional identification information, wherein the audible prompt and the video prompt include an identifier associated with the individual depicted in the video data; and
- causing the generation of an alarm based on a determination that the additional identification information has not be received within a threshold time.

# Patent Law - Infringement

---

- Doctrine of Equivalents
  - Test: Whether the difference between the feature in the accused device/process and the limitation literally recited in the patent claim is "insubstantial."
    - Exemplary Test – Function-Way- Result Test
      - Performs substantially the same function
      - In substantially the same way
      - To obtain the same result as the limitation literally recited in the patent claim.
  - Other Consideration – If two elements are interchangeable and a person with ordinary skill in the art would have known that the elements were interchangeable at the time of infringement.

# Patent Law - Infringement

---

- Contributory Infringement
  - Component or service does not meet every limitation in an issued patent claim
  - Four-Part Test:
    - Must be direct infringement (third party);
    - Accused infringer knew that the combination for which its components were being made was both patented and infringing;
    - Component has no substantial noninfringing uses; and
    - Component is a material part of the invention
  - Enforcement – Does not require suing direct infringer
  - Liability – Contributory infringement subject to same liability as literal infringement

## Exemplary Claim

---

A method for monitoring a premises comprising:

- obtaining video data from a set of video cameras associated with the premises;
- processing the video data to identify an individual depicted in the video data;
- **generating a combination of audible prompt and visual prompt for additional identification information, wherein the audible prompt and the video prompt include an identifier associated with the individual depicted in the video data;** and
- causing the generation of an alarm based on a determination that the additional identification information has not be received within a threshold time.

## Patent Law - Infringement

---

- Induced Infringement
  - Inducing third-parties to literally infringe patent
  - Three-Part Test
    - Must be direct infringement (third party);
    - Accused infringer induced the third-party infringement (causation); and
    - Accused infringer knew or should have known that its actions would induce actual infringement (intent)
  - Enforcement – Does not require suing direct infringer
  - Liability – Induced infringement subject to same liability as literal infringement.



# Possible Defenses to Patent Infringement

---

## Appropriate Defenses

- Accused device/process does not meet every limitation recited in the claim
- Accused device/process was already licensed to the asserted patent
- Asserted patent is invalid or unenforceable

## Limited Defenses

- “Device/process was purchased from a vendor/supplier”
- “We have patents on our own device/process”
- “The accused functionality is based on open-source code”
- “Other competitors have the same vendor or similar devices/processes”
- “Our device/process is different from the patent holder’s device/process”

## Willfulness and Enhanced Damages – Statutory Basis

## Basis for Willful Patent Infringement - 35 U.S.C. § 284 - Damages

---

Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.

When the damages are not found by a jury, the court shall assess them. **In either event the court may increase the damages up to three times the amount found or assessed. Increased damages under this paragraph shall not apply to provisional rights under section 154(d).**

The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.

## Factors for Considering Willfulness

---

*Read Corp. v. Portec, Inc.* (Federal Circuit – 1992)

- (1) whether the infringer deliberately copied the ideas or design of another;
- (2) whether the infringer, when it knew of the other's patent protection, investigated the scope of the patent and formed a good-faith belief that the patent was invalid or not infringed;
- (3) the infringer's behavior as a party to the litigation;
- (4) the infringer's size and financial condition;
- (5) the closeness of the case;
- (6) the duration of the infringer's misconduct;
- (7) remedial action by the infringer;
- (8) the infringer's motivation for harm; and
- (9) whether the infringer attempted to conceal its misconduct.

# Knobbe Martens

Melanie Seelig

[melanie.seelig@knobbe.com](mailto:melanie.seelig@knobbe.com)

Mauricio A. Uribe

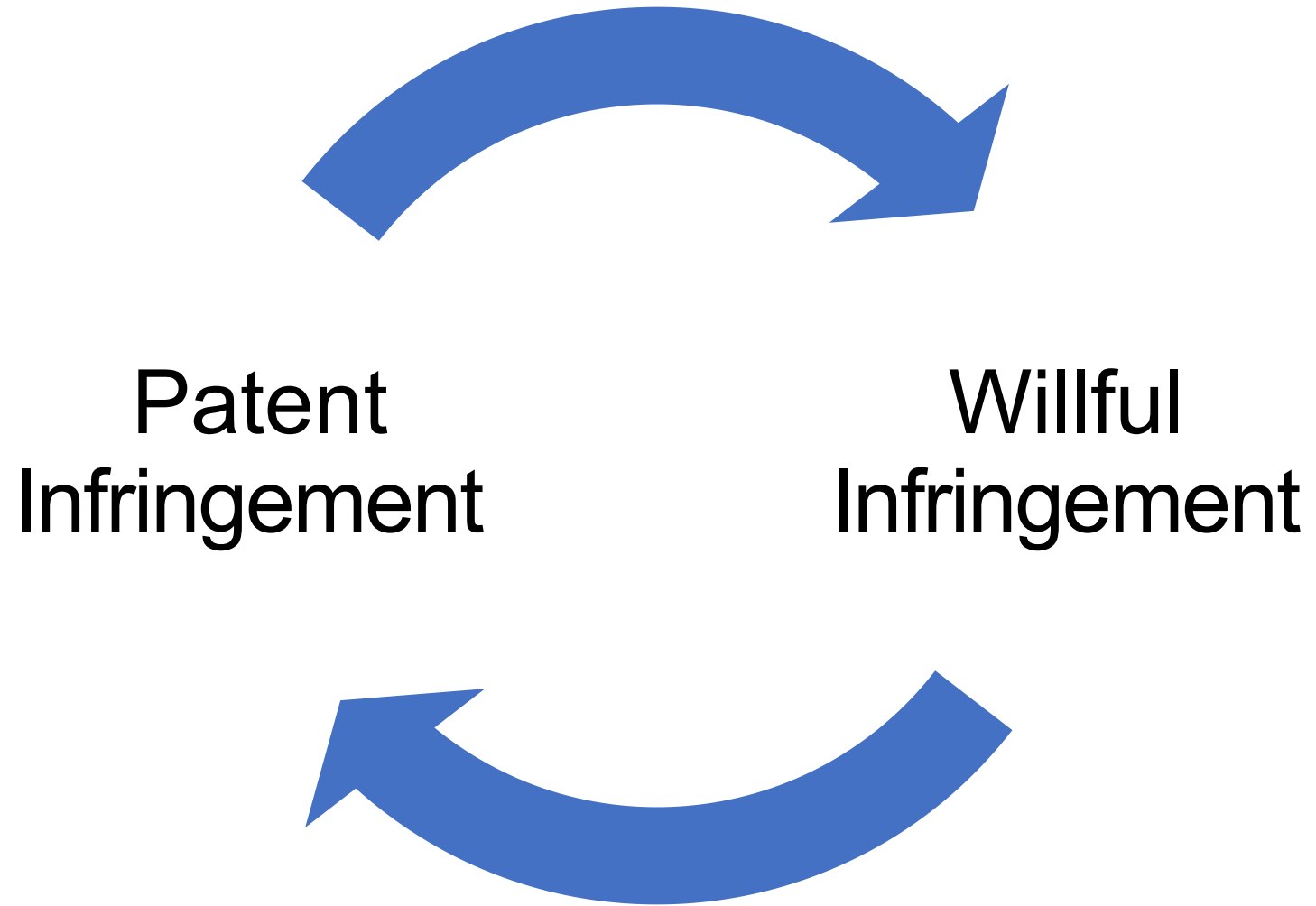
[mauricio.uribe@knobbe.com](mailto:mauricio.uribe@knobbe.com)

## Strategic Considerations for IP Risk Mitigation

### What You Should Know About Responding to Threats and Assertions – Part II

June 30, 2022

Mauricio Uribe  
[mauricio.uribe@knobbe.com](mailto:mauricio.uribe@knobbe.com)



# Possible Defenses to Patent Infringement

---

## Appropriate Defenses

- Accused device/process does not meet every limitation recited in the claim
- Accused device/process was already licensed to the asserted patent
- Asserted patent is invalid or unenforceable

## Limited Defenses

- “Device/process was purchased from a vendor/supplier”
- “We have patents on our own device/process”
- “The accused functionality is based on open-source code”
- “Other competitors have the same vendor or similar devices/processes”
- “Our device/process is different from the patent holder’s device/process”



## Factors for Considering Willfulness

---

*Read Corp. v. Portec, Inc.* (Federal Circuit – 1992)

- (1) whether the infringer deliberately copied the ideas or design of another;
- (2) whether the infringer, when it knew of the other's patent protection, investigated the scope of the patent and formed a good-faith belief that the patent was invalid or not infringed;
- (3) the infringer's behavior as a party to the litigation;
- (4) the infringer's size and financial condition;
- (5) the closeness of the case;
- (6) the duration of the infringer's misconduct;
- (7) remedial action by the infringer;
- (8) the infringer's motivation for harm; and
- (9) whether the infringer attempted to conceal its misconduct.

# Practical Questions

Question: Does citation of a patent or published patent application during prosecution require an analysis of the claims or an opinion?

- Generally, citation of issued patents or published patent applications during prosecution does NOT create an obligation to review any claims for possible infringement
- No strict rule – the more relevant a reference is during prosecution, the greater knowledge that will be inferred
- Note – there are examples in U.S. patent litigation where willfulness is based on knowledge of the asserted patent based on citation and application during prosecution

Question: Does identification of a patent as part of a patent search/clearance search require an analysis of the claims or an opinion?

- Generally, conducting patent searches/clearance searches provides additional knowledge of patents and may require additional follow up
  - Was there a good-faith belief that the patent was invalid or not infringed?
  - Was there deliberate copying?
  - Was there any attempt to conceal?
- No strict rule – the more relevant a patent, the greater knowledge that will be inferred

Question: Does identification of a patent as part of a general assertion letter without details of infringement require an analysis of the claims or an opinion?

- Generally, the assertion letters provides additional knowledge of patents and may require additional follow up
  - Was there a good-faith belief that the patent was invalid or not infringed?
  - Was there deliberate copying?
  - Was there any attempt to conceal?
- No strict rule – the more relevant a patent, the greater knowledge that will be inferred

## Specific Assertion Letters

---

Question: Does identification of a patent as part of a specific assertion letter including details of infringement require an analysis of the claims or an opinion?

- Generally, the specific assertion letters may require additional follow up
  - Was there a good-faith belief that the patent was invalid or not infringed?
  - Was there deliberate copying?
  - Was there any attempt to conceal?
- No strict rule – the more relevant a patent, the greater knowledge that will be inferred

# Responding to Assertion Letters

---

- General Assertion Letters
  - Statement respecting intellectual property rights
  - Option 1: Insufficient detail for further analysis – matter will be considered closed
  - Option 2: Insufficient detail for further analysis – request more details if any follow up is to be conducted
  - Option 3: Indicate non-infringement and matter will be considered closed
- Specific Assertion Letters
  - Statement respecting intellectual property rights
  - Option 1: Insufficient detail for further analysis – request more details if any follow up is to be conducted
  - Option 2: Indicate missing elements for non-infringement and matter will be considered closed
  - Option 3: Provide detailed invalidity chart

## Opinion Letters – Mitigating Willfulness



# Types of Opinions

---

- Oral Advice
  - May be appropriate for clear non-infringement position – Should be confirmed with written communication
  - Not likely sufficient for invalidity position
- Short Memorandum
  - May be appropriate for clear non-infringement position that does not require detailed claim construction
  - Not likely sufficient for invalidity position
- Claim Chart
  - May be appropriate for clear non-infringement position that does not require detailed claim construction
  - May be appropriate for clear invalidity position that that does not require detailed claim construction
- Written Opinion
  - Applicable for non-infringement position that may require detailed claim construction, prosecution history review
  - May be appropriate for clear invalidity position that that may require detailed claim construction, prosecution history review

# Knobbe Martens

Thank you!