

Current Developments in Opinion Writing

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I. INTRODUCTION

Competent and well reasoned opinions can be a valuable asset that a client can use for defending a charge of infringement, or supporting an offensive use of a patent. This paper reviews when an opinion may be necessary, why an opinion is important, types of opinions, the timing of an opinion, the form of the opinion, who should prepare the opinion, the competency and reliability of the opinion, implementation of the opinion, and a format for a noninfringement and invalidity opinion.

II. TYPES OF OPINIONS

Although numerous types of opinions can be provided for your client, opinions that may prove to be extremely valuable include defensive opinions relating to noninfringement, invalidity, and instructions for designing around to prevent infringement, as well as offensive opinions relating to validity and infringement for enforceability of a patent. These opinions may be introduced as evidence as to the state of mind of the accused infringer, or to satisfy the obligations of Fed. R. Civ. P. Section 11.3. See Read Corp. v. Portec, Inc., 970 F.2d 816, 23 USPQ 2d 1426 (Fed. Cir. 1992).

III. DETERMINING WHEN AN OPINION IS NECESSARY

A. Uncovering Relevant Patents

Various situations exist in which a patent may come to the attention of the client or outside counsel. For example, relevant patents may be discovered during the course of “right-to-use” searches or “product clearance” searches. Relevant patents may also be uncovered during the course of patent prosecution. Patent references may be applied by the patent examiner that relate directly to the client’s products and may include claims that cover aspects of the client’s products. It is advisable to review the independent claims of each relevant patent and check for potential infringement of these claims.

The client’s employees may frequently become aware of patents that relate to the products of the client through various means such as trade journals, vendors, competitors, literature searches, etc. The claims of these patents should also be checked since such knowledge may be a valid basis for a charge of willful infringement.

The client may also become aware of relevant patents through charges of infringement, offers of a license, a review of a competitor’s goods that are marked with patent numbers, a licensee that wishes to invoke an indemnity clause, and suppliers of products that may contributory infringe a patent.

B. Understanding Potential Damages

In determining necessity of preparing an infringement opinion for the purpose of enforcing a patent, it is advisable to understand the potential damages that may be available including past damages. Application of 35 USC § 287 will start the period for damages through actual notice or constructive notice. If actual notice or constructive notice has not occurred, and Section 287 is not applicable, past damages may not be available under the statute. However, if the invention cannot be embodied in a product, or the patentee and its licensees (if there are any) have not produced any product, the issuance of the patent itself may be constructive notice outside of Section 287, in which case, damages run from the time of the issuance of the patent. An evaluation of these factors may prove to be extremely valuable for your client in determining whether and how to proceed with licensing or a patent infringement suit. An analysis under 35 USC § 284 and § 286 should be made considering laches and estoppel issues. See Panduit Corp. v. Stahl Bros. Fibreworks, Inc., 575 F.2d 1152, 197 USPQ 726 (6th Cir. 1978), Rite-Hite Corp. v. Kelley Co., Inc., 35 USPQ 2d 1065 (Fed. Cir. 1995) and A.C. Aukerman Co. v. R.L. Chaides Construction Co., 960 F.2d 1020, 22 USPQ 2d 1321 (Fed. Cir. 1992)(en banc). Also, treble damages cannot exist until a right exists to recover regular damages.

C. Is the Client Licensed?

In determining whether an invalidity or noninfringement opinion is necessary it is also valuable to determine if your client is already licensed under the patent. Although this seems like a straightforward determination, there are many instances in which this analysis may be complex. As a first step, all of the licenses of the client should be checked to determine if they relate to the technology of the patent in question. Some large businesses have licensing databases that list the patents that are licensed by number. In many instances, however, these licenses may just generally cover an area of technology without mentioning a specific patent. A detailed analysis of those situations may provide a good argument that a patent is actually licensed although the patent is not identified in the license agreement. It may also be beneficial to check the chain of ownership of the patent since a license may exist with a past owner in the chain of title. An abstract of title search can provide this information. It should then be determined if the client has a license from any owner in the chain of ownership. Similarly, your client may be cross-licensed with an entity that has purchased the patent. If the cross-license agreement includes “acquired patents,” your client may be cross-licensed under that patent.

A de facto, silent cross-license may also exist between your client and the patent holder. In other words, both your client and the patent owner may be aware of patents that the other party may infringe but have taken no action to cross-license these patents. In this case, the necessity for an opinion may not exist.

Further, your client may have ownership rights in the patent if an employee or former employee is a co-inventor on the patent, if your client has hired a consultant who is an inventor or co-inventor on the patent, or if the invention was derived from work that was done by your client. In each of these cases, an opinion of noninfringement or invalidity may not be necessary, but you may wish to memorialize your findings on these issues.

If it is determined that the client is not licensed, the client may wish to ascertain if a license is available. If the patent relates to a technology standard, licenses are usually available on a reasonable and non-discriminatory basis. The determination as to whether the patentee is a member of the standards group may provide valuable information as to whether a license is available.

Additionally, your client may wish to anonymously contact the owner or contact someone in the change of ownership who has retained an ownership interest to see if a license is available. Similarly, licensees that have a right to sublicense may provide inexpensive licenses, especially if they are customers or vendors of your client. You may also wish to contact friendly parties that have taken licenses to determine the cost of such a license.

D. Is the Client Indemnified?

If the accused infringer is purchasing the infringing product or a portion of the infringing product that contributory infringes a patent, it may be advisable to check the indemnification provisions of the purchase agreement. Indemnification provisions normally require the purchaser to report any cases of potential indemnification on a prompt basis.

E. Doctrine of Exhaustion

A determination should be made if a valid license agreement exists between a vendor of the product and the patentee that would invoke the Doctrine of Exhaustion. Consideration should be given to the limitations of the Doctrine of Exhaustion relating to importation of infringing products under 35 U.S.C. Section 271(g).

F. Relevance of Patent

An evaluation of the relevancy of the patent in question to your client's products is critical to the decision of whether an invalidity or noninfringement opinion should be prepared. In that regard, an initial review of the scope of the independent claims should be made to determine if these claims cover your client's products.

G. Maintenance Fees

A check of the maintenance fee payment records should be made to determine if the patent in question is still enforceable.

H. Invalidity Holdings

A check of invalidity holdings that are available in various databases will provide information as to whether a patent has been held invalid by a court of law.

I. Contributory Infringement Issues

In determining the relevance and scope of the patent in question, consideration should be given to contributory infringement as a result of products made by the accused infringer. Similarly, inducement issues should be considered under 35 U.S.C. Section 271(b). If the accused infringer is an international client that produces products offshore that are imported into the United States, you may wish to consider Section 271(g).

IV. IMPORTANCE OF AN OPINION

The evidentiary effect of an opinion for both noninfringement and invalidity is important because it provides evidence of the state of mind of the infringer. See Read Corp. v. Portec, Inc., supra. This may typically assist the client in avoiding treble damages. See 35 USC § 284 and “Patent Attorneys and the Attorney-Client Privilege” by James Y. Go, 35 Santa Clara Law Review 611 regarding use of an opinion in litigation. Moreover, it provides a road map for the client to avoid infringement for designing around activities and preventing the inclusion of features in a product that would result in an infringement. Further, an opinion relating to enforceability of a patent may provide valuable evidence that satisfies the obligations of Fed. R. Civ. P. 11.3. See “Obtaining, Evaluating, and Implementing Opinions of Counsel Regarding U.S. Patents” by James C. Lyden, *Intellectual Property Today*, Vol. 5, No. 2, Feb. 1998.

V. WHEN SHOULD AN OPINION BE PREPARED?

Assuming that it has been determined that an opinion should be prepared, as a general rule, the opinion should be prepared as soon as reasonably possible after discovering the patent. If the patent is discovered before infringement is started, it may be at an early enough stage to redesign the product in such a fashion that it does not infringe. See “Attorney’s Opinions: Their Content and Can Corporate Counsel Write Them,” by Ronald B. Coolley, JPTOS, Vol. 73, No. 4, pp. 261-270, April 1991. Delay in production of the product to provide a noninfringing product may be strong evidence in avoiding treble damages. Also see “Advice of Counsel Defense to Patent Damages” by George M. Sirilla, G. Paul Edgell and Adam R. Hess, JPTOS, Vol. 74, No. 10, pp. 702-728, October 1992.

VI. FORM OF THE OPINION

You may wish to provide the client with either a written or oral opinion. See Radio Steel v. MTD Products, Inc., 788 F.2d 1554, 229 USPQ 431 (Fed. Cir. 1986). The necessity for a written opinion should be based on the relevancy of the patent and the scope of the patent. For example, patents that are only marginally relevant and have claims of narrow scope that clearly do not pose an infringement problem would not necessarily require a written opinion. However, a written opinion has much greater evidentiary value, and it is much easier to prove reliance on the opinion if it is in written form. See Minnesota Mining & Mfg. Co. v. Johnson and Johnson Orthopaedics, Inc., 976 F.2d 1559, 24 USPQ 2d 1321 (Fed. Cir. 1992). Hence, if pursuant to a right-to-use search a number of patents are eliminated because of lack of relevancy, or the claims are too narrow in scope, the reviewer may wish to provide a written statement indicating that he or she has reviewed these patents and has found them to be inapplicable.

Many times clients require an opinion very quickly which does not provide sufficient time to prepare a written opinion. Although preliminary opinions of noninfringement or invalidity may be provided, a more detailed opinion in written form should be used to back up such a verbal opinion. The CAFC has a clear preference for written opinions. See SmithKline Diagnostics, Inc. v. Helena Lab Corp., 859 F.2d 878, 8 USPQ 2d 1468 (Fed. Cir. 1988). A written opinion provides clear proof that the opinion was given and that the opinion has not changed. Additionally, a written opinion avoids confusion over implementation of that opinion.

VII. WHO SHOULD PREPARE THE OPINION?

The person preparing the opinion must be an attorney and cannot be a patent agent. The opinion requires a detailed analysis of legal principles that are normally not considered to be adequately provided by a patent agent. See Underwater Devices, Inc. v. Morrison-Knudsen Co., 717 F.2d 1380, 219 USPQ 569 (Fed. Cir. 1983).

The opinion can be prepared by either outside counsel or in-house counsel as long as independence of that opinion can be shown. See Studiengesellschaft Kohle GmbH v. Dart Industries, Inc., 666 F. Supp. 674, 687, 4 USPQ 2d 1817, 1823 (D. Del 1987). The opinion should be unbiased and clearly not directed to a predetermined end result. The opinion should be based upon competent legal analysis of both the facts and the law. The opinion should not be conclusory in nature, but balanced, pointing potential problems relating to indefiniteness of the law, missing facts, and unclear facts. See Read Corp. v. Portec, Inc., 970 F.2d 816, 23 USPQ 2d 1426 (Fed. Cir. 1992).

The attorney preparing the opinion should have technical experience, i.e. substantive knowledge in the technical area to which the patent pertains. Elements to be considered regarding technical experience include the number of patents that have been prepared and prosecuted by the attorney in that technical area, the attorney's engineering experience in the area, search experience in the area, years of experience representing clients in the area, and various other factors. For example, the court may consider whether the attorney has monitored patents in this area for any length of time. See Coolley, supra.

The attorney should also have legal experience and expertise in writing opinions. Factors for consideration include the number of opinions prepared by the attorney, whether the attorney ever recommends licensing rather than preparing an opinion of noninfringement or invalidity, and whether the attorney generally exercises good judgment. See Coolley, supra.

VII. COMPETENCY AND RELIABILITY OF OPINION

A. Adequacy and Justification of Conclusion

The opinion should have a strong legal and factual foundation. See Great Northern Corp. v. Davis Core & Pad Co., Inc., 782 F.2d 159, 228 USPQ 356 (Fed. Cir. 1986). The opinion should include a summary of the applicable law providing a framework for the analysis of the facts. See Gary M. Hoffman, Mark J. Thronson, "Standard of Care Established in Intellectual Property Law Opinions," Vol. 10, No. 1, *Computer Law*, 1992. The file history should be reviewed. See Underwater Devices, supra. The prior art of record should also be reviewed and any other prior art of which the attorney is aware. Facts and supporting exhibits should be

provided in the opinion that are sufficient to uphold the conclusions. No material facts should be withheld or misconstrued. If applicable, additional experiments should be performed to provide additional evidentiary support to resolve technical questions and otherwise support the opinion.

The opinion should also be well reasoned and “instill a belief in the infringer that a court might reasonably hold the patent is invalid, not infringed or unenforceable,” Ryco, Inc. v. Ag-Bag Corp., 857 F.2d 1418, 1428, 8 USPQ 2d 1323, 1331 (Fed. Cir.). The opinion should be balanced giving both positive and negative factors that affect the end result. See Westvaco Corp. v. International Paper Co., 991 F.2d 735, 26 USPQ 2d 1353 (Fed. Cir. 1993). All relevant factors should be discussed in the opinion. The opinion should not include conclusory or unsupported remarks unless clearly warranted. See Underwater Devices, supra. For example, a validity opinion which examines non-obviousness should analyze the scope and content of the prior art, ascertain the differences between the prior art and the claims at issue, discuss the level of ordinary skill in the art, and discuss if any indicia of non-obviousness exist. See Lyden, supra. The opinion should both compare and contrast features of the product in question with the claims. See Underwater Devices, supra. For example, the attorney preparing a noninfringement opinion should inspect the product, if at all possible, and provide a complete description of the applicable features of the product in the opinion. Such an opinion should include an analysis of both literal infringement and infringement under the Doctrine of Equivalence. See Westvaco, supra. Equivocation in the opinion is permissible and provides for a more balanced opinion. In Read Corp., supra, the court indicates that an “honest opinion is more likely to speak of probabilities than certainties.” Issues that are not clear in the law may also be pointed in the opinion.

B. Review of File Wrapper and Relevant Claims

It is also vitally important that the file wrapper be reviewed. See Central Soya Co., Inc. v. Geo. A. Hormel & Co., 723 F.2d 1573, 220 USPQ 490 (Fed. Cir. 1983). Additionally, all relevant claims should be considered. For noninfringement opinions, all independent claims must be separately considered. In invalidity opinions, all claims must be considered. Moreover, each of the relevant claims must be analyzed for scope, and the scope should not differ between a noninfringement opinion and an invalidity opinion.

IX. IMPLEMENTATION OF THE OPINION

Once the opinion is prepared, it should be provided to the client in final form for review to determine its accuracy. If there are inaccurate facts or inaccurate statements, a supplemental opinion should be provided if necessary. Providing draft opinions that are subsequently amended may provide evidence of lack of independence of that opinion. See Westvaco Corp. v. International Paper Co., 991 F.2d 735, 26 USPQ 2d 1353 (Fed. Cir. 1993).

Once a noninfringement opinion is rendered, the client should follow it. See Central Soya, supra. The activities of the client should be reviewed periodically to make sure that the client is following the opinion. The opinion may be revised with new factors such as if the patent is held invalid, if new art is discovered, the patent is reexamined or reissued, or additional evidence of non-obviousness is discovered. See Lyden, supra.

- X. A FORMAT FOR A NONINFRINGEMENT/INVALIDITY OPINION (This does not provide a comprehensive list of issues and is subject to changes in the law. This is just one approach to preparing an opinion and does not necessarily provide a format that meets all of the criteria for a competent and reliable opinion.)
- A. Background (Executive Summary)
1. Review circumstances under which the patent in question was uncovered.
 2. Indicate if potential licenses are available.
 3. Give conclusion of the opinion.
 4. Provide design-around guidelines if appropriate.
- B. Brief Description of the Patent in Question
1. Describe the general operation of the disclosed invention.
 2. Identify the patented features as identified in the claims.
- C. Review of the File History of the Patent in Question
1. Review the history of amendments.
 2. Describe the extent of the disclosure of the cited art as it relates to the invention as claimed.
 3. Describe the changes in the scope of the claims as a result of the amendments to the claims and/or arguments made in the remarks section, i.e. explain the manner in which the amendments and arguments distinguish over the cited art, taking special care to point out why amendments and arguments were made.
- D. Description of the Product
1. Provide a simple explanation of the product and refer to, and include as exhibits, other descriptions, as necessary. This explanation should be based upon actual inspection of the product whenever the product is available.
 2. Point out features of the product that correspond to features of prior art that were addressed in the amendments and arguments in the file history of the patent in question.
- E. Noninfringement Analysis (Note: Except when using the hypothetical claim technique of *Wilson Sporting Goods, infra*, if there is no infringement of the independent claims, there will automatically be no infringement of the dependent claims.)
1. Literal infringement
 - a. Explain in the opinion, that in order for literal infringement to be found, every element of the claims of the patent in question must be found in the product. See *Pennwalt Corp. v. Durand-Wayland, Inc.*, 4 USPQ 2d 1737 (Fed. Cir. 1987).
 - b. Specifically, point out each element that is not found in the product and, if applicable, explain why the element is not included and

how the product operates differently and possibly better, as a result.

c. Practicing the prior art

- (1) Since claim language is subject to the interpretation, the breadth of the claims, and, consequently, whether or not literal infringement exists, is subject to interpretation. Be careful to check the specification for definition of terms.
- (2) If a claim can be interpreted broadly enough to cover the product, an analysis under Wilson Sporting Goods Co. v. David Geoffrey & Associates, 14 USPQ 2d 1942 (Fed. Cir. 1990) should be done to determine if such a broad reading of the patent claim also causes the claim to read on the prior art.
- (3) This is clearly a different analysis than preparing an opinion of invalidity of the claim. Such an analysis may not require clear and convincing evidence of invalidity, but probably just requires a showing by a preponderance of the evidence, that the product is practicing the prior art.

2. Reverse Doctrine of Equivalents

- a. The Reverse Doctrine of Equivalents is a defense to literal infringement.
- b. Explain in the opinion that the Reverse Doctrine of Equivalents limits liability even though the claims may read literally on the product, if significant advances in technology have been included in the product that would not have been contemplated as falling within the scope of the claims. See Texas Instruments v. International Trade Commission, 6 USPQ 2d 1886, 1889 (Fed. Cir. 1988).

3. Means-plus-Function Claims (See paragraph six, 35 USC § 112)

- a. If the product identically performs the function recited in a means-plus-function claim, and the same structure or substantial structural equivalents of the product are disclosed in the patent specification, literal infringement will result.
- b. However, even if structure is present in the product for each means recited in the claims, if the function recited in the means-plus-function claims are not identically performed in the product, no literal infringement exists, and a doctrine of equivalents analysis is appropriate. See Johnson vs. IVAC Corp., 12 USPQ 2d 1382 (Fed. Cir. 1989).

4. Doctrine of Equivalents

- a. Explain the tripartite test for infringement. See Graver Tank v. Line Air Products, 85 USPQ 328, 330 (1950), Atlas Powder Co. v. E.I. Dupont de Nemours, 224 USPQ 409, 416 (Fed. Cir. 1984), and Warner-Jenkinson Co. v. Hilton Davis Chem. Co., 117 S. Ct. 1040 (1997), reversing Hilton Davis v. Warner-Jenkinson Co., 62 F. 3d 1512 (Fed. Cir. 1995)(en banc).

- b. Describe the manner in which the product does not perform substantially the same function, in substantially the same way to accomplish the same result.
- c. The “essential inquiry” as to whether “the accused product or process contains(s) elements identical or equivalent to each claimed element of the patented invention. See Warner-Jenkinson Co., 117 S. Ct. at 1054. Equivalence of elements is evaluated at the time of infringement, and the intent of the accused infringer “plays no role in the application of the Doctrine of Equivalents.” Id at 1052
- d. Include reasons and an explanation, when appropriate, as to why any of the three prongs of the tripartite test are not met. See Malta v. Schulmerich Carillons, Inc., 21 USPQ 2d 1161 (Fed. Cir. 1991). Note that the “way” element of the tripartite test is often the most important element for showing noninfringement under the Doctrine of Equivalents.
- e. The Doctrine of Equivalents cannot be used to recapture that which was given up during prosecution by file wrapper estoppel. See Thomas and Betts Corp. v. Litton Systems, 220 USPQ 1, 6 (Fed. Cir. 1983) and Mannesmann Demag Corp. v. Engineered Nuttel Products Co., 793 F.2d 1279 (Fed. Cir. 1986). If the patent holder cannot establish an acceptable reason for a claim amendment unrelated to the patentability of the invention, the courts will presume that prosecution file history estoppel will prevent application of the Doctrine of Equivalents to that element. See Warner-Jenkinson Co., 117 S. Ct. at 1051. Provide an explanation of the limitation of the scope of the claims as a result of file wrapper estoppel and, if applicable, the manner in which the product includes these limitations.
- f. Under the rule of Pennwalt Corp. v. Durand-Wayland, Inc., supra, and Athletic Alternatives, Inc. v. Prince Mfg. Inc., 73 F.3d 1573 (Fed. Cir. 1996), no infringement can exist under the Doctrine of Equivalents if a claim element is completely missing from an accused device (element-by-element analysis). Describe any elements that are missing from the products.
- g. Under Wilson Sporting Goods Co. v. David Geoffrey & Assoc., supra, the court has suggested that a test for infringement under the Doctrine of Equivalents is to construct a claim that literally encompasses the accused device and determine if such a hypothetical claim is patentable over the prior art. If the claim is unpatentable, then it would be inappropriate to provide the patentee with this scope of protection. Provide an explanation, if applicable, of how the product is practicing the prior art.

- F. Invalidation Analysis (Note: Even if the independent claims are invalid, each dependent claim may still be valid and must be investigated.)
1. Section 102 considerations
 - a. Publicly known by others
 - b. Public, private, or experimental use
 - c. Printed publications
 - d. On sale
 - e. Foreign patents
 - f. Abandonment
 - g. Wrong inventors
 - h. Secret prior art [§ 102(a) and § 102(g)]
 - i. Art not considered by USPTO
 - j. Admissions
 2. Fraud/inequitable conduct
 3. Laches/estoppel
 4. Section 112 considerations
 - a. Best mode
 - b. Lack of enablement
 - c. Inoperability
 - d. Indefiniteness
 - e. Lack of a written description
 5. Section 103 considerations
 6. Res judicata/collateral estoppel
 7. Section 101 considerations (statutory subject matter, lack of utility, perpetual motion, etc.)
 8. Sections 184 and 185 foreign filing license considerations
 9. Consider the foreign prosecution history as it applies to:
 - a. Art not considered in U.S. case by USPTO
 - b. Admissions made in the foreign record
 - c. Fraud/inequitable conduct for failure to cite references in U.S. prosecution that were cited in foreign prosecution
 - d. Failure of foreign origin cases to meet requirements of section 112, including intervening best mode in foreign origin cases
 - e. Failure of foreign origin cases to meet terms of patent treaty
 10. Intervening rights in a reissued patent
 11. Collateral factors. See “Factors Affecting Invalidation Determinations” by Maurice H. Klitzman, 1979 Patent Law Annual, pp. 221-251, 1979 Southwestern Legal Foundation, Dallas, Texas.
- G. Conclusion – State conclusion as to non-infringement and/or invalidity

XI. CONCLUSION

Competent, well reasoned, and reliable opinions are a valuable asset to a client, and if properly implemented can provide a valuable tool for both defensive and offensive purposes.