

**OPINION LETTERS: VALIDITY, INVALIDITY, LIABILITY -
A PRACTICAL GUIDE**

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CHAPTER 14

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Chapter on Intellectual Property Law, Fifth Circuit Symposium, 1987 and 1988, Texas Tech Law Review.

Chapter on Patent Litigation, IDEA LAW, published 1978 by the State Bar of Texas.

"Arbitration in Patent Cases," 1987 PATENT LAW MANUAL, presented at the Southwestern Legal Foundation Symposium on Intellectual Property Law.

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"Litigation Considerations in Preparing Patent Applications," IPLA Section, State Bar of Texas, 1988.

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TABLE OF CONTENTS

I. INTRODUCTION	1
II. BASIS OF THE NON-INFRINGEMENT OPINION	1
A. Case Law to Use.....	2
1. <u>The Current State of the Law Regarding Willful Infringement</u>	2
2. <u>Case Law To Use In The Non-Infringement Opinion</u>	7
B. How to Avoid Willful Infringement	8
C. The Parts of the Opinion	9
1. <u>The introduction</u>	9
2. <u>A statement of the materials considered</u>	9
3. <u>The patent in suit</u>	9
4. <u>The prosecution history</u>	10
5. <u>The accused product or method</u>	10
6. <u>Literal infringement</u>	10
7. <u>Infringement under the doctrine of equivalents</u>	10
8. <u>Prosecution history estoppel. The previous discussion of the prosecution history will bring out the general basis for any estoppel</u>	11
9. <u>Effect of the prior art</u>	12
10. <u>Summary of applicable law</u>	12
D. Conclusion Regarding Non-Infringement Opinions	12
III. OTHER OPINIONS	13

TABLE OF CASES

FEDERAL CASES

<u>3M v. Johnson & Johnson</u> , 976 F.2d 1559, 24 USPQ2d 1321 (Fed. Cir. 1992).....	2, 8
<u>America Standard, Inc. v. Pfizer Inc.</u> , 828 F.2d 734, 3 USPQ2d 1817 (Fed. Cir. 1987).....	9
<u>American Med. Syst. v. Med. Eng. Corp.</u> , 6 F.3d 1523, 28 USPQ2d 1321 (Fed. Cir. 93) cert. denied, 511 US 1070 (1994).....	6
<u>Amsted Industries Incorporated v. Buckeye Steel Castings Co.</u> , 24 F.3d 178 (Fed. Cir. 1994)	6
<u>Bayer Aktiengesellschaft v. Duphar International Research</u> , 738 F.2d 1237, 222 USPQ 649 (Fed. Cir. 1984).....	11
<u>Becton Dickinson & Co. v. C. R. Bard, Inc.</u> , 922 F.2d 792, 17 USPQ 1097 (Fed. Cir. 1990).....	10, 12
<u>Bott v. Four Star</u> , 807 F.2d 1567, 1 USPQ2d 1567 (Fed. Cir. 1986).....	2
<u>Bott v. Four Star Corp.</u> , 908 F.2d 1567, 1 USPQ2d 1210 (Fed. Cir. 1987).....	8
<u>Central Soya Co. v. Geo. A. Hormel & Co.</u> , 723 F.2d 1573, 220 USPQ 490 (Fed. Cir. 1983).....	1, 2, 8
<u>Comark Communications, Inc. v. Harris Corp.</u> , 156 F.3d 1182, 48 USPQ2d 1001 (Fed. Cir. 1998).....	8
<u>Datascope Corp. v. SMEC</u> , 879 F.2d 820, 11 USPQ2d 1321 (Fed. Cir. 1989).....	4, 8, 9
<u>Del Mar Avionics Inc. v. Quinton Instr. Co.</u> , 836 F.2d 1320, 5 USPQ2d 1255 (Fed. Cir. 1987).....	2
<u>Electro Medical Systems, S.A. v. Cooper Life Sciences, Inc.</u> , 34 F.3d 1048 (Fed. Cir. 1994).....	6
<u>Festo Corp. v. Shoketsu Kinzoku Kabushiki Co.</u> , 122 S.Ct. 1831, 62 USPQ 2d 1705 (2002).....	11
<u>Hilton Davis Chemical Co. v. Warner-Jenkinson Co.</u> , 62 F.3d 1512, 35 USPQ2d 1641 (Fed. Cir. 1995) rev'd, 117 S.Ct.1040 (1997).....	8, 10
<u>Hughes Aircraft v. U.S.</u> , 717 F.2d 1351, 219 USPQ 473 (Fed. Cir. 1983).....	11
<u>Insta-Foam Products, Inc. v. Universal Foam System Inc.</u> , 906 F.2d 698, 15 USPQ2d 1295 (Fed. Cir. 1990).....	11
<u>Johns Hopkins University v. Cellpro, Inc.</u> , 152 F.3d 1342, 47 USPQ2d 1705 (Fed. Cir. 1998).....	7

Jurgens v. CBK, Ltd.,
80 F.3d 1566, 38 USPQ2d 1397 (Fed. Cir. 1996)..... 6

Kinzenbaw v. Deere & Co.,
741 F.2d 383, 222 USPQ 929 (Fed. Cir. 1984),cert.denied, 105 S.Ct.
1357 (1984) 11

LaBounty Manufacturing, Inc. v. United States International Trade Commission,
867 F.2d 1572, 9 USPQ2d 1995 (Fed. Cir. 1989)..... 12

Loctite Corp. v. Ultraseal, Ltd.,
781 F.2d 861, 228 USPQ 90 (Fed. Cir. 1985)..... 11

London v. Carson Pirie Scott & Co.,
946 F.2d 1534, 20 USPQ2d 1456 (Fed. Cir. 1991)..... 5

Machinery Corp. v. Gullfiber AB,
774 F.2d 467, 227 USPQ 368 (Fed. Cir. 1985).....2, 8

Markman v. Westview Instruments, Inc.,
52 F.3rd 967, 34 USPQ2d 1321 (Fed. Cir. 1995), affirmed, 116 S.Ct. 1384, 38
USPQ2d 1461 (1996)..... 8

Moeller v. Ionetics, Inc.,
794 F.2d 653, 229 USPQ 992 (Fed. Cir. 1986)..... 10

National Presto Indus., Inc. v. West Bend Co.,
6 F.3d 1185 USPQ2d 1685 (Fed. Cir. 1996)..... 6

Ortho Pharm. Corp. v. Smith,
959 F.2d 963, 22 USPQ2d 1119 (Fed. Cir. 1992).....4, 7

Paper Converting Machine Co. v. Magna-Graphics Corp.,
785 F.2d 1013, 223 USPQ2d 1437 (Fed. Cir. 1986) 9

Pennwalt Corp. v. Durand-Wayland, Inc.,
833 F.2d 931, 4 USPQ2d 1737 (Fed. Cir. 1987)..... 10

Prodyne Enterprises, Inc. v. Julie Promerantz,
743 F.2d 1581, 223 USPQ 477 (Fed. Cir. 1984)..... 11

Read Corp. v. Portec, Inc.,
970 F.2d 816, 23 USPQ2d 1426 (Fed. Cir. 1992)..... 2, 4, 5, 8, 12

Rite-Hite Corp. v. Kelly Co.,
819 F.2d 1120, 2 USPQ2d 1120 (Fed. Cir. 1987)..... 2

Sensonics, Inc. v. Aerosonic Corp.,
81 F.3d 1566, 39 USPQ2d 1551 (Fed. Cir. 1996)..... 6

Slimfold Manufacturing Co. v. Kinkead Industrial, Inc.,
932 F.2d 1453, 18 USPQ2d 1842 (Fed. Cir. 1991).....5, 12

State Industrial, Inc. v. A. O. Smith Corp.,
751 F.2d 1226, 224 USPQ 418 (Fed. Cir. 1985)..... 5

Stryker Corp. v. intermedics Orthopedics, Inc.,
96 F.3d 1409 47 USPQ2d 1065 (Fed. Cir. 1996)..... 7

Sun Studs, Inc. v. ATA Equipment Leasing, Inc.,
872 F.2d 978, 10 USPQ2d 1345 (Fed. Cir. 1989)..... 11

Underwater Devices, Inc. v. Morrison-Knudsen Co.,
717 F.2d 1380, 219 USPQ 569 (Fed. Cir. 1983)..... 1, 8, 10

Ven-Tel v. Hayes Microcomputer Products, Inc.,
982 F.2d 1527, 25 USPQ2d 1241 (Fed. Cir. 1993)..... 5

Wahpeton Canvas Co. v. Frontier, Inc.,
870 F.2d 1546, 10 USPQ2d 1201 (Fed. Cir. 1989)..... 10

Westvaco Corporation v. International Paper Company,
991 F.2d 735, 26 USPQ2d 1352 (Fed. Cir. 1993)..... 3, 4, 5, 7, 8, 13

Wilson Sporting Goods v. David Geoffrey & Associates,
904 F.2d 677, 14 USPQ2d 1942 (Fed. Cir. 1990)..... 12

FEDERAL STATUTES

35 U.S.C. § 284..... 2

35 U.S.C. § 285..... 1

Fed. R. Civ. P. 11..... 1

OPINION LETTERS: VALIDITY, INVALIDITY, LIABILITY - A PRACTICAL GUIDE

I. INTRODUCTION

Although a lawyer's non-infringement opinion may not influence the merits of an infringement claim, it may be the most compelling piece of evidence regarding a claim of willful infringement.

Willful Infringement

One who has actual notice of another's patent rights has an affirmative duty to respect those rights . . . That affirmative duty normally entails obtaining advice of legal counsel . . .¹

* * * * *

The unfortunate consequence of litigation is that, if not settled, one party generally loses. Since the early 1980's the risk of losing has increasingly included the risk of an award of enhanced damages for willful infringement against the accused infringer in a patent infringement case, or sanctions under Rule 11² for either losing party (who also may be hit with attorneys fees if the case is found to be exceptional under 35 U.S.C. § 285).³ As a result, the days when knee jerk, off the cuff legal opinions and pleadings in patent cases were relatively safe have, for the most part, disappeared. No longer can patent attorneys take comfort in the fact that judges view patent cases as being so complex and uncertain that no attorney could hardly be faulted for incorrect advice. It may not be enough today to simply advise your client of what his rights may be, unless the client prevails. A prudent and wise client seeks competent legal advice before engaging in potentially infringing activities, or before charging another with infringement. The prudent and wise attorney avoids uneducated legal advice or overzealous advocacy no matter what pressure he or she receives from an important client.⁴ The best evidence that this advice has been prudently sought and given is generally the written legal opinion of counsel.

¹ Underwater Devices, Inc. v. Morrison-Knudsen Co., 717 F.2d 1380, 219 USPQ 569 (Fed. Cir. 1983); Central Soya Co. v. Geo. A. Hormel & Co., 723 F.2d 1573, 220 USPQ 490 (Fed. Cir. 1983).

² Fed. R. Civ. P. 11.

³ The Federal Circuit began operation on October 1, 1982 and Rule 11 became effective August 1, 1983.

⁴ The ultimate result from giving the client only the advice he wants to hear rather than the real truth is that the client, once in trouble, may blame the lawyer.

It should be noted that the determination of willful infringement is on a case by case basis and depends on a totality of the circumstance. Thus, there are no per se rules that apply. Accordingly, while the advice given in this paper is based on the author's opinion of the prudent steps to be taken to avoid a finding of willful infringement, it is important to note that in any specific case failure to take the same steps does not necessarily mean willful infringement will be found, as the different case law illustrates.

II. BASIS OF THE NON-INFRINGEMENT OPINION

As a general rule, a non-infringement opinion is sought to advise the party of the potential risk involved in undertaking the manufacture and sale of a product, and to hopefully reduce the risk of a finding of willful infringement in the event of litigation. As noted above, once actual knowledge of a patent is obtained, and a party seeks to embark on a course of action that may result in an infringement of the patent (or the continuation of an ongoing infringement), an affirmative duty to respect the rights of the patent owner exists. Once such knowledge exists, the party generally has to consider the following options:

1. Cease all possible infringing activities;
2. Do nothing and continue on the same course of action;
3. Determine with the aid of counsel what the likelihood is of a finding of infringement of the patent;
4. If infringement or a likelihood of infringement exists, then
 - a. design around the patent if possible, again with the aid of advice of counsel;
 - b. determine with the aid of advising counsel if the patent is likely to be held invalid or unenforceable.
 - c. negotiate with the patent holder for a license,
 - (1) without investigating the patent; or
 - (2) with aid of an investigation regarding the patent.
5. File a declaratory judgment action if a charge of infringement has been received
 - a. after a proper investigation into the claims of infringement or into the patent's validity, or
 - b. without any investigation or one that is meaningful.

As is readily apparent, action 1 is safe, and actions 2 and 5(b) are plain stupid and may well result in a finding of willful infringement. All other actions generally involve some degree of uncertainty, but a better result is likely to be obtained with the help of an opinion of competent counsel. This is particularly true if a sincere effort to design around the patent is involved. For purposes of the discussion to follow, it will be assumed that the better course of action is one in which the client

employs a competent patent attorney to make the appropriate investigation and render the appropriate opinion that there is either no infringement, or that in the event infringement exists, the patent is invalid or unenforceable.

A. Case Law to Use

1. The Current State of the Law Regarding Willful Infringement

The basis for increasing an award of damages up to three times is a finding of willful infringement pursuant to 35 U.S.C. § 284. While a finding of willful infringement is to be based on the totality of the circumstances,⁵ an important consideration in most cases is whether the accused infringer sought and obtained an opinion of competent counsel.⁶ However, there is no per se rule that once an opinion is obtained there can be no finding of willful infringement, or to the contrary, that the lack of an opinion will always result in a finding of willfulness.⁷ The weight that is given to the presence or absence of an opinion of counsel varies with the other circumstances of each case.⁸ The court is required to determine the state of mind of the accused infringer in light of all circumstances, not just the presence or absence of an exculpatory opinion.⁹

A number of relatively recent cases illustrate some aspects of the Federal Circuit's present attitude toward the use of opinions of counsel to rebut a claim of willful infringement. In 3M v. Johnson & Johnson,¹⁰ J & J's defense to a charge of willful infringement was that it relied on an oral opinion of its in-house counsel that the 3M patent in suit was invalid and unenforceable. The court found that this reliance was unreasonable because the opinion given was based on a false premise which J & J should have known about. Another problem with the opinion was that it was oral and although this would not be fatal per se, the court noted that such an opinion is to be viewed with suspicion.¹¹ Also, the

⁵ Central Soya Co. v. Geo. A. Hormel & Co., 723 F.2d 1573, 220 USPQ 490 (Fed. Cir. 1983).

⁶ See note 1, *supra*.

⁷ Rite-Hite Corp. v. Kelly Co., 819 F.2d 1120, 2 USPQ2d 1120 (Fed. Cir. 1987).

⁸ Del Mar Avionics Inc. v. Quinton Instr. Co., 836 F.2d 1320, 5 USPQ2d 1255 (Fed. Cir. 1987).

⁹ Machinery Corp. v. Gullfiber AB, 774 F.2d 467, 217 USPQ 268 (Fed. Cir. 1985).

¹⁰ 976 F.2d 1559, 24 USPQ2d 1321 (Fed. Cir. 1992).

¹¹ "Such opinions carry less weight, for example, because they have to be proved perhaps years after the event, based only on testimony which may be affected by faded memories and the forces of contemporaneous litigation." *Ibid* at 1581, 24 USPQ2d at 1339.

in-house attorney obtained the information he relied on "not from an independent expert, but from the president of CNF who had a stake in the outcome." Thus, J & J chose to "ignore facts long in its possession, and instead rely on factually unreasonable claims from its fabric supplier, to justify infringement." The court then gave the following admonition:

As this court warned in Ryco, "[a]n alleged infringer who intentionally blinds himself to the facts and law, continues to infringe, and employs the judicial process with no solidly based expectation of success, can hardly be surprised when his infringement is found to have been willful."¹²

In Read v. Portec,¹³ the law of willful infringement is discussed extensively and a number of factors to be considered in determining the totality of circumstances are listed by the court.¹⁴ Read also is important because it involved a design around effort that the lower court believed to be evidence of willful infringement, but which the Federal Circuit placed in proper perspective when reversing a finding of willful infringement.

In Read, Defendant Portec received two independent written detailed opinions of unrelated patent counsel. The defenses in the lawsuit tracked those in the lawyers' opinions. Yet, Plaintiff Read claimed willful infringement; a jury so found; and the district court agreed and awarded enhanced damages.

The Federal Circuit reversed. The district court discredited one opinion of counsel, given before Portec had finalized its designs, because it believed Portec did not follow the advice given. The opinion stated unequivocally that the patents in suit could be circumvented, but said it was questionable whether a device modified to avoid infringement would be as efficient or commercially appealing. The Federal Circuit noted, however, that at the time that opinion was given, before the design around was actually done, the author had no idea whether Portec could design a commercially acceptable device that avoided infringement.¹⁵ Thus, doing so was not ignoring the advice given. This teaches

¹² *Ibid* at 1581, 24 USPQ2d at 1340.

¹³ 970 F.2d 816, 23 USPQ2d 1426 (Fed. Cir. 1992).

¹⁴ These include three factors referred to by the court in Bott v. Four Star, 807 F.2d 1567, 1 USPQ2d 1567 (Fed. Cir. 1986), i.e., (1) copying, (2) knowledge of the patent and a good faith investigation, and (3) conduct in the litigation, and the following additional factors: (4) defendant's size and financial condition; (5) closeness of the case; (6) duration of defendant's conduct; (7) remedial action by the defendant; (8) defendant's motivation for harm; and (9) defendant's concealment of its conduct. Read, 970 F.2d at 821, 23 USPQ2d at 1435-36.

¹⁵ *Ibid* at 829, 23 USPQ2d at 1437.

us that (1) patent attorneys should not speculate in their opinions about commercial feasibility, and (2) a second opinion should be rendered after the design around is attempted or done.

The district court also criticized the second opinion because the author (Valiquet), an experienced patent attorney, admitted at trial that he had done no specific legal research prior to rendering the opinion. The Federal Circuit rejected this conclusion stating:

None of these criticisms are justified. Valiquet was a patent attorney with many years of experience. Failure to perform legal research on the basic concepts of literal infringement, the doctrine of equivalents, and prosecution history estoppel does not per se make the opinion of a lawyer who specializes in patents incompetent.¹⁶

This district court also criticized the Valiquet opinion because it did not address the doctrine of equivalents directly. However, this conclusion too was rejected by the Federal Circuit which noted that the opinion did discuss the prosecution history and refer to rejections based on prior art, and to equivalent structures.¹⁷

The Federal Circuit also found a “plus” in the fact that the first lawyer’s opinion was not given to the second lawyer so that it did not influence the second opinion or the independent evaluation by the second lawyer.¹⁸

The Federal Circuit also observed: The most important consideration, however, is that nothing in Valiquet’s letter would alert a client to reject the letter as an obviously bad opinion.¹⁹

The fact that it turned out to be wrong with respect to one patent (held valid and infringed) “does not make his advice regarding that patent incompetent.”²⁰

Some other helpful statements by the Court with regard to what constitutes a competent legal opinion are:

More importantly the opinion was detailed not merely conclusory.²¹

On finalization of the drawings [the design around], Valiquet reviewed the matters again.²²

The monetary exposure of his client required no less from Valiquet than the soundest advice he could offer, not merely to avoid enhanced damages, but all damages.²³

Counsel’s opinion, in effect, has been treated inappropriately and unfairly as part of a scheme to avoid enhanced damages only.²⁴

And, of course, the admonition by the Court in a footnote that unequivocal opinions need not (and indeed should not) be given, i.e., “an honest opinion is more likely to speak of probabilities than certainties.”²⁵

An important case discussing the interplay between a design around that fails and willful infringement is *Westvaco Corporation v. International Paper Company*.²⁶

The patent in suit in *Westvaco* was reissue patent Re 33,376 relating to a paperboard container for liquids, i.e., a paperboard carton for orange and other citrus juices. Re 33,376 was owned by International Paper (IPC), the declaratory judgment defendant. Westvaco began to design a paperboard carton competitive to the IPC carton subject to the patent before the issuance of the original patent (the ‘575 patent) of Re 33,376. In this design effort, the Westvaco designer noted that she was “trying to duplicate IP[C] structure.”²⁷ By the time Westvaco was ready to market its competing design, however, the ‘575 patent had issued.

Before marketing its product, Westvaco’s in-house patent counsel sought a legal opinion from outside counsel both on validity and infringement of the original ‘575 patent. Outside counsel prepared a draft opinion letter which was clear on non-infringement but equivocal on validity. Westvaco’s in-house counsel reviewed this draft and made several notations in the margins including “too negative, let’s get something positive in!”²⁸ He also suggested a specific prior art reference (Entitled “Plastic World”) as an anticipation of the ‘575 claims.

²¹ Ibid

²² Ibid

²³ Ibid

²⁴ Ibid

²⁵ 970 F.2d 816, 829, n.9, 23 USPQ2d 1426, 1437, n.9.

²⁶ 991 F.2d 735, 26 USPQ2d 1353 (Fed. Cir. 1993). In this case the Federal Circuit reversed a district court finding of willful infringement by Westvaco, a declaratory judgment plaintiff, although the infringement finding itself stood (it was not appealed).

²⁷ 991 F.2d at 738.

²⁸ Id.

¹⁶ Ibid

¹⁷ 970 F.2d 816, 830, 23 USPQ2d 1426, 1437-1438 (Fed. Cir. 1992).

¹⁸ Ibid

¹⁹ Ibid

²⁰ Ibid

In the final opinion letter from outside counsel, the suggestion regarding the “Plastic World” reference was not adopted and the author stated that none of the prior art anticipated the ‘575 claims. The letter was made slightly less equivocal and continued to conclude that no infringement of the ‘575 patent would exist. Based on the letter, Westvaco went to the market with its competing carton. IPC never accused Westvaco of infringing the ‘575 patent.

As luck would have it for Westvaco, IPC sought and obtained Re 33,376 and immediately notified Westvaco to cease its infringement. Westvaco went back to its outside counsel who again opined that none of the original claims were infringed, but then acknowledged that some newly issued claims “might be construed” in such a way to result in infringement, but these claims should be invalid in view of the “Plastic World” reference.²⁹ Relying on this opinion, Westvaco responded to IPC’s notice letter by filing the DJ action.

The district court found literal infringement and infringement under the doctrine of equivalents and found the reissue patent not invalid. The court also found willful infringement. Westvaco did not appeal the finding of infringement.

Regarding willful infringement, the district court’s strong feelings are summarized in the following erroneous conclusion:

A finding of willfulness is not precluded by the fact that Westvaco sought validity and infringement opinions from competent outside counsel. . . . Here, Westvaco engaged in deliberate and obvious attempts to copy successful IP products after IP patented the structures embodied by the products. Westvaco should not be insulated from increased damages and an attorneys fee award by its after-the-fact efforts to justify these actions by encouraging positive opinions from an initially uncertain outside counsel.

The [district] court states in one of its findings of fact: Westvaco’s EVOH operations stemmed directly from efforts to study and duplicate the successful efforts of IP, the industry leader in the field Westvaco continued its EVOH activities even after equivocal patent infringement opinions from outside counsel. Its actions speak less of caution and good faith, than of efforts to justify blatant copying of patented IP technology.³⁰

The Federal Circuit rejected these conclusions and reaffirmed the legitimacy of a good faith design around effort, even if unsuccessful. The court found that counsel’s opinions were clearly competent and that Westvaco was justified in relying on them. The court noted that:

Each opinion letter begins with a statement that the opinion is based on a review of the file history of the patent, the prior art of record, and additional prior art. Thus, the opinions evidence an adequate foundation. Moreover, the opinions are not conclusionary. The validity and infringement issues are analyzed in detail, including discussion of the prior art, the accused device, and the claim language. The claims are not discussed in a group but are separately analyzed.³¹

IPC claimed that the opinions were incompetent because they did not include a separate discussion of infringement under the doctrine of equivalents, relying on Datascope v. SMEC.³² The court rejected this argument noting that the opinion in Datascope was not defective merely because it failed to discuss the doctrine of equivalents, but because the defendants’ attorney in Datascope failed to review the prosecution history, said nothing about validity, and the opinion was merely conclusory. In contrast, the opinion letter in Westvaco contained “enough other indices of competence that the failure to discuss infringement under the doctrine of equivalents was not fatal.”³³

Regarding the district court’s reference to the equivocal nature of the opinions in Westvaco, the court referred to Judge Nies’ statement in footnote 9 in Read v. Portec (see discussion above) approving opinions that “speak of probabilities” rather than certainties. Westvaco’s counsel used the term “it is more likely than not” when he spoke on terms of probabilities, and that phrase passed muster with the Federal Court.

The court also found the district court’s reference to “after-the-fact efforts to justify [its] actions by encouraging positive opinions from an initially uncertain outside counsel” to be an inaccurate conclusion. Rather

³¹ 991 F.2d at 744.

³² 879 F.2d 820, 11 USPQ2d 1321.

³³ Citing Ortho Pharmaceutical Corp. v. Smith, 959 F.2d 963, 944, 22 USPQ2d 1119, 1126 (Fed. Cir. 1992), the court noted that counsel’s opinion should be “thorough enough, as combined with other factors,” to instill a belief in the infringer that a court might reasonably hold the patent invalid, not infringed, or unenforceable, and that the reasonableness of the accused infringer’s reliance on an opinion of counsel should be based on the opinion letter’s “overall tone, its discussion of case law, its analysis of the particular facts and its reference to inequitable conduct.”

²⁹ 991 F.2d at 739.

³⁰ 991 F.2d at 740.

than “after-the-fact” Westvaco sought advice of counsel before its original manufacture of the accused device, and sought an update when becoming aware of the patent in suit. Also, the draft opinion letter referred to by the district court did not evidence uncertainty by outside counsel, only inside counsel’s margin notes did so. Finally, the fact that outside counsel rejected in house counsel’s suggestion regarding the applicability of certain prior art showed the independent and reliable nature of counsel’s opinion.

After approving the opinion letters of outside counsel, the Federal Circuit then turned to the district court’s conclusion (see pages 9-11 above) based on its view that blatant copying and not a legitimate design around occurred. The Federal Circuit held:

Westvaco did not copy IPC’s product but instead attempted to design around IPC’s product. Westvaco made specific structural changes to its product so that its product was not a copy of IPC’s product. . . . Although this attempt to design around IPC’s product proved unsuccessful, as evidenced by the Court’s finding of infringement, Westvaco should not be found to have willfully infringed based on its attempt.

The court then briefly catalogued some of the prior holdings of the Federal Circuit approving legitimate design around efforts. These are:

Certainly the [plaintiff’s device] served as the starting point for [the accused infringer’s] design efforts and certainly the purpose of the (the accused infringer’s) efforts was to make a device which would compete with the [plaintiff’s device]. However, the undisputed evidence of record shows that Portec made specific changes deemed adequate by counsel to avoid infringement of both of [plaintiff’s] patents.

Read Corp. v. Portec, Inc., 970 F.2d 816, 23 USPQ2d 1426 (Fed. Cir. 1992)

“ . . . designing or inventing around patents to make new inventions is encouraged, . . . ”

London v. Carson Pirie Scott & Co., 946 F.2d 1534, 1538, 20 USPQ2d 1456, 1458 (Fed. Cir. 1991).

. . . keeping track of a competitor’s product and designing new and possibly better or cheaper functional equivalents is the stuff of which competition is made and is supposed to benefit the consumer. One of the benefits of a patent system is its so

called “negative incentive” to “design around” a competitor’s products, even when they are patented, thus bringing a steady flow of innovations to the market place. It should not be discouraged by punitive damage awards except in cases where conduct is so obnoxious as clearly to call for them. The world of competition is full of “fair fights. . . .

State Indus., Inc. v. A. O. Smith Corp., 751 F.2d 1226, 35, 224 USPQ 418, 424 (Fed. Cir. 1985).

Not mentioned was Judge Rich’s design around statement in Slimfold Mfg. Co. v. Kinkead Industries, Inc., 932 F.2d 1453, 18 USPQ2d 1842 (Fed. Cir. 1991), which is repeated here to complete the design around story:

Intentional “designing around” the claims of a patent is not by itself a wrong which must be compensated by invocation of the doctrine of equivalents. Designing around patents is, in fact, one of the ways in which the patent system works to the advantage of the public in promoting progress in the useful arts, its constitutional purpose. . . .

In summary, the court in Westvaco noted, “Although Westvaco lost the fight in this case, the fight was fair.”

In Ven-Tel v. Hayes Microcomputer Products, Inc.³⁴ willful infringement was found despite the presence of an attorney’s opinion that the patent in suit was invalid. In Ven-Tel, Hayes had put some 125 companies on notice of infringement and a number of those companies, including Ven-Tel, paid \$10,000 into a defense fund to pay for defending against Hayes’ infringement claim and for receiving a copy of a “green light” letter of counsel giving the opinion that the Hayes patent was invalid. The Federal Circuit noted that the evidence showed that the advice of counsel was more of a protective device than a genuine effort to determine before infringing whether the patent in suit was invalid. The Court concluded:

Thus, the evidence supports an inference by the jury that Ven-Tel made its decision to infringe the ‘302 patent without a good faith belief in its validity, and that it used the opinion letter as a basis for forming a defense group rather than as a genuine basis for decision making. Although Ven-Tel received advice of counsel on the invalidity of the ‘302 patent, advice of counsel alone cannot be used as a shield irrespective of the nature and timing of that advice in the context of the surrounding circumstances.³⁵

³⁴ 982 F.2d 1527, 25 USPQ2d 1241 (Fed. Cir. 1993).

³⁵ Ibid at 1544.

An important surrounding circumstance was the fact that the accused modems were specifically designed to be “Hayes compatible” as testified to by Ven-Tel’s designer.

An interesting case on willful infringement in the Federal Circuit is American Medical Systems v. Medical Engineering Corp.³⁶ where the Federal Circuit affirmed a finding of willful infringement of a patent for packaging a fluid-containing penile prosthesis in a pre-filled sterile state. Defendant, Medical Engineering Corp. (MEC), which was already copying American Medical’s commercial embodiment of its invention, learned of the patent in suit shortly after it issued. MEC was advised orally by its in house counsel that the patent was being infringed by MEC, but that it was invalid for obviousness. Some twenty months after MEC began infringing, it also obtained a written opinion of outside counsel that the patent was invalid for obviousness. Also, while it continued to sell the infringing products, MEC began efforts to design around the patent in suit, but even after the non-infringing design was placed on the market MEC continued to ship its remaining inventory of the original infringing design.

The Federal Circuit agreed with the lower court that the in house oral opinion was not credible and that the outside counsel’s opinion came too late.³⁷ The court noted that while the design around efforts by MEC were some evidence of good faith, these efforts were discounted because MEC continued to sell the products it knew to infringe during the design around period and even after the designed around product was placed on the market.

In Amsted Industries Incorporated v. Buckeye Steel Castings Co.,³⁸ Defendant Buckeye through its witness Downs, claimed that it made the decision to copy the patented invention only after receiving an opinion from outside counsel that the patent in suit was invalid. However, close scrutiny revealed that it was unreasonable for Buckeye to assume that it could

³⁶ 6 F.3d 1523, 28 USPQ2d 1321 (Fed. Cir. 1993), cert. denied, 511 U.S. 1070 (1994).

³⁷ The timing on when an opinion is sought and obtained can be an important factor. See Sensonics, Inc. v. Aerosonic Corp., 81 F.3d 1566, 39 USPQ2d 1551 (Fed. Cir. 1996), where the opinion was given eight months after the start of infringing activities, and willful infringement was not found; and National Presto Indus., Inc. v. West Bend Co., 76 F.3d 1185, 37 USPQ2d 1685 (Fed. Cir. 1996), where the opinion of counsel was given 11 months after the infringing activity began and willful infringement was found. In both cases the delay in seeking an opinion was a factor discussed by the Court. Obviously, the sooner the better is the route to follow.

³⁸ 24 F.3d 178 (Fed. Cir. 1994).

copy the patented feature based on its counsel’s opinion. The jury agreed and found willfulness and the Federal Circuit affirmed.

The basic problem was that the opinions relied on were simply not adequate and this should have been evident to Downs. The outside lawyer testified that one of the opinions relied on was “preliminary” and “just an off-the-cuff kind of thing” and that he did not intend for it to be a final opinion on which Buckeye could rely. Furthermore, that opinion did not even address validity.

A latter opinion (in 1982) by the same attorney did address validity and stated that the patent in suit was “probably” invalid for obviousness. Even though the attorney made a search and concluded that the prior art was not “especially helpful.” In addition, the attorney requested that Buckeye review his comments regarding some prior art cited and report back to him - something that never occurred. A still later opinion by the same attorney stated that infringement was likely and that “we have never made a thorough search for prior art patents.”

The Court took particular note of Buckeye’s failure to report back to the attorney regarding his request for input coupled with Buckeye’s decision to copy. The court concluded that:

On the basis of the evidence before it, it would have been reasonable for the jury to conclude that Downs knew that the 1982 letter was not a complete validity analysis and thus that he lacked a good faith belief that the patent was invalid when he made the decision that Buckeye would copy the plate.

There was also substantial evidence (quoted in the opinion) that the outside attorney misstated some critical facts in his opinion which Buckeye clearly should have known were wrong, but did not correct or advise the attorney regarding his error. This fact further supported a finding of bad faith and willfulness.³⁹

In Electro Medical Systems, S.A. v. Cooper Life Sciences, Inc.⁴⁰ Electro Medical Systems (EMS), a Swiss company, refused to waive its attorney-client privilege at trial and declined to disclose the substance of any advice it received from its counsel prior to sales in the United States. The trial court then drew an adverse inference from EMS’s refusal to produce an opinion of counsel and found willful infringement and awarded double damages.

³⁹ In Jurgens v. CBK, Ltd., 80 F.3d 1566, 38 USPQ2d 1397 (Fed. Cir. 1996), the Federal Circuit found abuse of discretion where the trial court failed to enhance damages upon a jury finding of willfulness because the trial court felt that the lawyer who gave an opinion for the defendant had good patent lawyer qualifications. The proper test is the adequacy of the opinion and not just the qualifications of the lawyer giving the opinion.

⁴⁰ 34 F.3d 1048 (Fed. Cir. 1994).

The court also found the case to be exceptional based on the finding of willfulness and awarded attorney fees.

On appeal the Federal Circuit noted that the trial court was free to draw an inference adverse to EMS when, asserting the attorney-client privilege, EMS refused to produce an opinion of counsel. However, the Federal Circuit found that the trial court erred because it failed to consider the “totality of the circumstances” as required by the case law dealing with willful infringement.

In the EMS case these circumstances included the fact that for six years EMS had specifically avoided selling infringing products in the United States while it was pursuing a declaratory judgment action in district court to determine if the products in question were an infringement, and whether the patent in suit was valid. However, faced with the prospect of probable dismissal of its declaratory judgment action for lack of subject matter jurisdiction because no U.S. sales had been made, EMS then sold only six infringing products in the U.S., drawing an express infringement charge. The Federal Circuit found that this infringement was *de minimis* and was done only to avoid probable dismissal and to ensure prompt adjudication, and was not part of EMS’s business to generate revenue. The finding of willfulness and the finding of an exceptional case based only on the willfulness holding was thus reversed.

In Stryker Corp. v. Intermedics Orthopedics, Inc.,⁴¹ in house counsel for Intermedics saw a reference to the patent in suit that was published in the Official Gazette, and he ordered a copy of the patent at that time. His area of responsibility at that time included products within the field of the patent in suit (a prosthesis that replaces part of the hip joint in a total hip replacement) and he was also aware that Intermedics was working on a competing design. Based on these facts he and Intermedics were deemed to have sufficient notice of Stryker’s patent rights at the time that a copy of the patent was obtained to invoke a duty to investigate the possibility of infringement, even though they had not received a formal notice of infringement. Intermedics failed to fulfill that duty and willful infringement was found. Also, the Federal Circuit noted in Stryker that to find willful infringement it is not necessary to find “slavish copying” of the commercial embodiment of the patent; all that is required for a finding of willful infringement is that the ideas or design involved in a patented product be copied.

Another case where the Federal Circuit placed a high standard of care on a knowledgeable house counsel is Johns Hopkins University v. Cellpro, Inc., 152 F.3d 1342, 47 USPQ2d 1705 (Fed. Cir. 1998),

where the Federal Circuit affirmed a finding of willful infringement and treble damages even though the accused infringer (Cellpro) had obtained an outside attorney’s opinion prior to the onset of infringement. The Court noted, “Our case law makes clear that legal opinions that conclude (even if ultimately incorrectly) that an infringer would not be liable for infringement may insulate an infringer from a charge of willful infringement if such opinions are competent and followed.” The Court then noted that an opinion is competent if it is “thorough enough, as combined with other factors, to instill a belief that a court might reasonably hold the patent as invalid, not infringed, or unenforceable.” (citing Ortho Pharm. v. Smith, 959 F.2d 936, 944, 22 USPQ2d 1119, 1126 (Fed. Cir. 1992)).

The court then found in Cellpro that the in house attorney (Kiley) who requested the opinion, was highly sophisticated in matters of patent law in the involved technology (he was a former patent examiner and a former partner in a major IP litigation boutique), and should have been on notice of the opinion’s “obvious shortcomings and accordingly the impropriety of Cellpro’s course of action.” The shortcomings were “(1) the opinion did not attempt to link the prior art relied on to the claims at issue; (2) the opinion failed to address infringement of all of the claims at issue; and (3) the opinion letters were merely conclusionary regarding the allegation of inequitable conduct and failed to address the required intent to deceive element of inequitable conduct.” The Court then concluded, “Such shortcomings should have been especially troublesome to a knowledgeable practitioner like Kiley, especially considering the opinions did not express an opinion concerning infringement of the broadest claims.” On this basis the Federal Circuit affirmed the finding of willful infringement.

2. Case Law To Use In The Non-Infringement Opinion

All of the pronouncements from Read and Westvaco are important matters to keep in mind when rendering a legal opinion regarding infringement or validity. They are some of the most instructive cases from the Federal Circuit on what needs to be in an opinion. For example, any written opinion which is in support of a design around effort should use the favorable “quotable quotes” regarding design around efforts to support the conclusion that willful infringement cannot exist merely because the accused party knew about the patent and used the patented product as a starting point in the design. A studied, good faith design around is not copying. The specific case law that can be used and cited in the opinion, depending on the facts, to, for example, support the design around effort or to justify a good faith opinion of non-infringement. This case law should include, depending on the facts involved, some of the important cases regarding the present day view of the doctrine of equivalents in the U.S. Supreme Court and the Federal Circuit. Legal opinions of non-infringement may, where appropriate, also include a specific claim construction analysis based on the Federal Circuit’s 1995 opinion (and

⁴¹ 96 F.3d 1409, 47 USPQ2d 1065 (Fed. Cir. 1996).

the Supreme Court's unanimous affirmance) on claim construction in Markman,⁴² and an analysis of the application of the doctrine of equivalents based on the Supreme Court's and Federal Circuit's opinions in Hilton Davis.⁴³

B. How to Avoid Willful Infringement

Despite the fact that the presence of a legal opinion may not, in every case, avoid a finding of willful infringement, prudence dictates obtaining a legal opinion either before infringement begins, or before it substantially continues once knowledge of a possible infringement is obtained. In fact, most prudent companies probably do so today as a matter of course. Since not all legal opinions are created or treated equal in the eyes of the law, the question addressed here is what constitutes a proper opinion of counsel regarding the issue of infringement.⁴⁴

To start with, before rendering any opinion of non infringement, Read v. Portec and Westvaco should be carefully read as well as the other Federal Circuit cases noted in this chapter. From these cases we are instructed that there are certain minimum requirements for any opinion. These are:

1. The opinion must be rendered in good faith.⁴⁵
2. It should not merely be conclusory and self serving; i.e., it should state the basis and legal authority for its conclusions.⁴⁶
3. It must be given by competent counsel,⁴⁷ i.e., preferably a patent lawyer with the knowledge and experience commensurate with the problems addressed. Counsel should have a good understanding - set out in the opinion - of the technology and legal issues involved.
4. Although not a necessity, it should be given by independent, outside counsel rather than in house counsel,⁴⁸ and it should be written, although it does not have to be written.⁴⁹
5. The client should take care to insure that the attorney is in possession of all the necessary facts and the opinion should show on its face the facts relied on by the attorney. The attorney should not be willing to give an opinion with less than all the necessary facts, unless the opinion is so qualified⁵⁰.
6. Any infringement analysis should include a reference to a study of the prosecution history⁵¹ and known prior art, particularly with respect to issues of claim construction and consideration of the doctrine of equivalents.
7. No opinion of non-infringement should ignore the doctrine of equivalents.⁵²
8. Where the client attempts to design around a patent with the aid of an attorney's advice, the advice

⁴² Markman v. Westview Instruments, Inc., 52 F.3d 967, 34 USPQ2d 1321 (Fed. Cir. 1995), affirmed, 116 S.Ct. 1384, 38 USPQ2d 1461 (1996).

⁴³ Hilton Davis Chem. Co. v. Warner-Jenkinson Co., 62 F.3d 1512, 35 USPQ2d 1641 (Fed. Cir. 1995) rev'd, 117 S.Ct.1040, 41 USPQ2d 1865 (1997). Both the Federal Circuit and Supreme Court's decisions in Hilton Davis are discussed in detail in Chapter 2.

⁴⁴ While it is beyond the scope of this paper to deal specifically with opinions of invalidity or unenforceability, many of the concepts discussed are applicable to such opinions. Obviously, if an opinion of non-infringement cannot be given in good faith, then an opinion that the patent in question is likely to be found not valid or unenforceable would be a prerequisite for the client to proceed to infringe. In rendering such an opinion, however, it is very important to give substantial weight to the presumption of validity and the clear and convincing burden of proof on a party challenging a patent. Also, if the opinion is to be based only on prior art of record in the patent prosecution, or on art of no more relevance, then great care should be exercised because the courts will likely consider the opinion with suspicion. See Central Soya Co. v. Geo. A. Hormel & Co., 723 F.2d 1573, 220 USPQ 490 (Fed. Cir. 1983) where the court held that an invalidity opinion based solely on cited references was not enough, by itself, to raise an inference of good faith substantial enough to reverse a finding of willfulness.

⁴⁵ Machinery Corp. v. Gullfiber AB, 774 F.2d 467, 227 USPQ 268 (Fed. Cir. 1985).

⁴⁶ Read v. Portec, 970 F.2d. 816, 829, 23 USPQ2d 1426, 1433; Underwater Devices, Inc. v. Morrison-Knudsen Co., 717 F.2d 1380, 219 USPQ 569 (Fed. Cir. 1983).

⁴⁷ See note 1 above.

⁴⁸ Underwater Devices v. Morrison-Knudsen Co., 717 F.2d 1380, 219 USPQ 569 (Fed. Cir. 1983); 3M v. Johnson & Johnson, 976 F.2d 1559, 24 USPQ2d 1321, (Fed. Cir. 1992).

⁴⁹ Bott v. Four Star Corp., 908 F.2d 1567, 1 USPQ2d 1210 (Fed. Cir. 1987) (oral opinions are not favored).

⁵⁰ For example, in Comark Communications, Inc. v. Harris Corporation, 156 F.3d 1182, 48 USPQ2d 1001 (Fed. Cir. 1998), willful infringement was found and affirmed on appeal because there were sufficient facts from which a jury could infer that unfavorable information was purposefully withheld from the attorney writing the opinion in order to produce a favorable opinion. Among these facts was directing the attorney to obtain information regarding the accused product from a person other than the designer of the accused product.

⁵¹ Underwater Devices, Inc. v. Morrison-Knudsen Co., 717 F.2d 1380, 219 USPQ 569 (Fed. Cir. 1983).

⁵² Datascope Corp. v. SMEC, 879 F.2d 820, 11 USPQ2d 1321 (Fed. Cir. 1989).

should be followed and not ignored.⁵³ A separate opinion should be obtained with respect to any proposed design around. It is always best to delay introduction of a product likely to be accused of infringement into the marketplace until after receipt of a favorable opinion.

9. Heeding the advice of the Federal Circuit in *Read Corp. v. Portec, Inc.*, the advice given should not be unequivocal. “An honest opinion is more likely to speak of probabilities than certainties.”⁵⁴
10. The opinion should conform to the current state of the law and raise the types of issues that are likely to be asserted in good faith as defenses in litigation regarding the patent. Again in *Portec*, “A good test that the advice given is genuine and not merely self-serving is whether the asserted defenses are backed up with viable proof during trial . . .”⁵⁵

While following these guidelines will not guarantee that the client avoids a finding of willful infringement in any given case, it certainly has to help. Following these guidelines may also help insulate the attorney giving the opinion from a successful malpractice claim in the event the client loses.⁵⁶

An important point to keep in mind is that if the opinion is to help the client in defending a charge of willful infringement, then it will have to be disclosed and the opinion giver will likely become a witness

either in a deposition or at trial.⁵⁷ The opinion, therefore, must be accurate in its statement of the facts and the law and appear to be reasonable on its face so that, even if the opinion turns out to be wrong, neither the attorney nor the client will be charged with bad faith or gross negligence. A non-infringement opinion letter should be written only when the author truly believes there is a reasonable basis for non-infringement and is in full possession of the necessary information to permit an opinion to be rendered.

C. The Parts of the Opinion

The parts of a typical opinion are as follows:

1. The introduction.

This section should set out what the client has requested the lawyer to do and a brief summary of the lawyer’s conclusions. It should identify the parties, the patent or patents in issue and the accused products or methods involved. It should also set out the scope of the opinion, i.e., if it only deals with infringement or if invalidity is to be considered.

2. A statement of the materials considered.

This is important - this section should clearly state and identify all the documents reviewed, structures or processes inspected, summarize information orally obtained from persons with knowledge, and state any assumptions made in giving the opinion. It should be written with the thought that some skillful cross-examiner will try to show that vital information was withheld or ignored. This section should also clearly advise the client that he or she should advise of any additional relevant materials or facts, or of any false or misleading conclusions made in the opinion regarding the facts. The author should offer to re-visit the opinion in light of the additional or corrected facts.

3. The patent in suit.

This section should explain the patent in suit in sufficient detail to set the stage for claim construction.

⁵⁷ Once any part of the opinion is disclosed and the attorney-client privilege waived for that purpose, it is likely to be held as being waived for all purposes regarding the issue involved. For example, if an opinion is written with some favorable conclusions and some unfavorable, the whole opinion will likely have to be produced if any part is being produced. Also, an opinion that does not reveal a confidential communication or confidential information may not be protected as privilege. See *Am. Standard, Inc. v. Pfizer Inc.*, 828 F.2d 734, 746, 3 USPQ2d 1817, 1824 (Fed. Cir. 1987). To maintain whatever privilege is available, the opinion letter should state in bold type that it is a confidential communication, contains confidential information regarding the client’s product and that it is subject to the attorney-client privilege.

⁵³ *Paper Converting Mach. Co. v. Magna-Graphics Corp.*, 785 F.2d 1013, 223 USPQ2d 1437, N. 9 (Fed. Cir. 1986).

⁵⁴ 970 F.2d 816, 829 n.9, 23 USPQ2d 1426, 1437 n.9.

⁵⁵ *Ibid*

⁵⁶ Following the decision in *Datascope v. SMEC*, 879 F.2d 820, 11 USPQ2d 1321 (Fed. Cir. 1989), finding willful infringement and criticizing the attorney’s opinion for failing to consider the doctrine of equivalents, the losing infringer brought a malpractice action against the attorney.

This also lets the client and other readers know that the opinion giver understands the patent in suit. A separate section may discuss separately each of the independent claims being considered and possibly the dependent claims. Again, it is important to demonstrate an understanding of the claimed invention. Any initial issues of possible claim construction should be raised at this time.

After reading this section, the reader should have a clear understanding of what is claimed and of the scope of any claims that are to be discussed.

4. The prosecution history.

A detailed discussion of the prosecution history is in order with respect to any particular claim construction question that relies on the prosecution history, and with respect to a discussion regarding the doctrine of equivalents. If the prosecution history does not aid the investigation (for example, a first action allowance was involved or there were no changes in scope to the claims at issue that could create an estoppel), the opinion should so state. Several Federal Circuit cases have faulted opinions of counsel that did not take into the account the prosecution history.⁵⁸ One should assume that failure to cite references to the prosecution history will severely limit the effectiveness of a non-infringement opinion - even if the prosecution history truly was not helpful.⁵⁹ However, simply citing the prosecution history is not enough and a thorough and factually correct analysis should be given keyed to the issues of claim construction or prosecution history estoppel involved.

5. The accused product or method.

The opinion should also state in some detail the author's understanding of the accused product or method and should focus on all differences, no matter how small, between the accused product and the claims of the patent in issue. Again, since this understanding of the accused product will usually be based on what the client has told or shown the author, the client should again be requested to immediately clear up any misunderstanding the author may have regarding how the product works.

If the patent claims in issue include means plus function statements, then it will also be necessary to compare the respective element in the accused product with the structure in the patent corresponding to the claim element in issue. While this comparison

actually should be done in the literal infringement section of the opinion, at this point in the opinion when describing the possibly infringing product, it is desirable to point out the differences that are to be relied on later.

In the case where a proposed product is involved, or there may be more than one configuration of the product contemplated, the differences in the various forms of the product contemplated should be pointed out.

6. Literal infringement.

With the claims properly construed and the possibly infringing products explained, the next step is to apply the claim or claims to the product or products. Each independent claim must be applied to each separate configuration of product or each separate product. The best way to do this is to point to the claim element or limitation not literally present in a particular product. It is not necessary to also point out what limitations are found in the accused product. If there are more than one possible reasonable constructions of the claim - one which causes infringement and one that will not - it would be best to point that out and explain the reasons why the construction of the claim resulting in non-infringement is more likely to prevail.

Since there can be no literal infringement of a dependent claim unless its independent claim is infringed,⁶⁰ there generally is no need to discuss infringement of the dependent claims, except to explain why they are not being discussed. Also, if a means plus function statement is incorporated in the claim, then a comparison must be made between the client's product and the disclosure of the patent to determine if (1) the exact same function as stated in the claim is in the client's product, and (2) whether the same or equivalent structure is employed to carry out the stated function.

7. Infringement under the doctrine of equivalents.

Even if the conclusion is no literal infringement, it is mandatory that an opinion be given regarding whether infringement exists under the doctrine of equivalents. The current case law following Pennwalt⁶¹ requires an element by element (or limitation) analysis which generally works in favor of the potentially accused infringer. A safe procedure would be to follow the analysis suggested in the previous chapters, but do a detailed analysis, including an analysis following the guidelines of Hilton Davis to show that more than an

⁵⁸ Underwater Devices, Inc. v. Morrison-Knudsen Co., 717 F.2d 1380, 219 USPQ 569 (Fed. Cir. 1983).

⁵⁹ See Moeller v. Ionetics, Inc., 794 F.2d 653, 656, 229 USPQ 992, 994 (Fed. Cir. 1986), where the court notes that regarding claim construction reference to the prosecution history is "always necessary to interpret disputed claims."

⁶⁰ Becton Dickinson & Co. v. C. R. Bard, Inc., 922 F.2d 792, 798, 17 USPQ 1097, 1101 (Fed. Cir. 1990); Wahpeton Canvas Co. v. Frontier, Inc., 870 F.2d 1546, 1552 n.9, 10 USPQ2d 1201, 1207 n.9 (Fed. Cir. 1989).

⁶¹ Pennwalt Corp. v. Durand-Wayland, Inc., 833 F.2d 931, 4 USPQ2d 1737 (Fed. Cir. 1987).

“insubstantial” change is involved.⁶² Again, it is not necessary or desirable to include in the analysis those elements that are clearly found in the client’s product but the focus should be on those that are missing, at least arguably so. As to these elements, the analysis is made by applying the Graver Tank tripartite test. Each part of the test - function, way and result - that may result separately in a lack of equivalents should be independently discussed. Knowledge regarding known interchangeability between the element in the client’s product and that in the patent corresponding to the claim element should be considered, as well as any other matters bearing on a possible claim of equivalency. Reference to an analogous situation in the case law finding no equivalency, particularly the more recent cases, may be appropriate and helpful. Of course, the opinion must not be unequivocal - the client should clearly understand that judgment is involved and that different courts could come to different conclusions based on the same set of facts.

Even if equivalency in fact is present, there may not be infringement under the doctrine of equivalents because of either prosecution history estoppel or the limiting effect of the prior art. If either situation applies it should be discussed even if the conclusion was no equivalency in fact.

8. Prosecution history estoppel.⁶³ The previous discussion of the prosecution history will bring out the general basis for any estoppel.

The specific application to a particular element should now be demonstrated. The best “estoppel” is based on clear claim amendments plus argument made to distinguish over prior art or if the client is essentially using the prior art. This is usually brought out by tracing the history of an issued claim. However, attorney’s argument without claim amendments can also have a limiting effect.⁶⁴ Because of the case law that holds that not all amendments nor all arguments create estoppels, and the specific reasons for an amendment or argument

must be examined,⁶⁵ it is imperative that the analysis be in sufficient depth to show the basis for an estoppel. Merely concluding that estoppel exists because the claim language in question was added to a claim by an amendment will not suffice. There is no substitute for studying and being familiar with the modern case law and analyzing the infringement issue in light of those holdings.

Prior to Festo, Some panels of the Federal Circuit have followed a “strict bar approach” and stated that the Court should not undertake a “speculative inquiry” as to why certain claims are allowed following amendments and arguments, in applying prosecution history estoppel to limit the doctrine of equivalents.⁶⁶ However, other panels have followed what has been referred to as a “flexible bar approach” and have noted that where claims have been amended to overcome rejections (particularly prior art rejections), “a close examination must be made as to, not only what was surrendered, but also the reason for such surrender” and the fact that claims were narrowed “does not always mean that the doctrine of file history estoppel completely prohibits a patentee from recapturing some of what was originally claimed.”⁶⁷ In Loctite, the court stated that prosecution history estoppel should be applied on a case by case basis, “guided by equitable and public policy principles underlying the doctrines involved and by the facts of the particular case.” In Insta-Foam, the court stated that “[a]mendments may be of different types and may serve different functions. Depending on the nature and purpose of an amendment it may have a limiting effect within a spectrum ranging from great to small to zero.”⁶⁸

In any such analysis, if the claim amendments and/or arguments were made to distinguish over the prior

⁶² This includes a consideration of evidence, if any, regarding the tripartite function, way and result test, copying and/or independent development, designing around, and interchangeability of the patented and accused devices.

⁶³ In particular, the specific holdings in the Supreme Court decision in Festo Corp. v. Shoketsu Kinzoku Kabushiki Co., 122 S.Ct. 1831, 62 USPQ 2d 1705 (Fed. Cir. 2002) must be considered.

⁶⁴ Hughes Aircraft v. U.S., 717 F.2d 1351, 1362, 219 USPQ 473, 481 (Fed. Cir. 1983).

⁶⁵ For example, see Insta-Foam Products, Inc. v. Universal Foam Sys. Inc., 906 F.2d 698, 15 USPQ2d 1295 (Fed. Cir. 1990). In the Supreme Court decision in Hilton Davis (see note 43 above), the court placed the burden on the patent owner to explain the reason for an amendment if it is not to have limiting effect, and failure to do so would create a presumption that the amendment made was necessary to distinguish over the prior art and that it should be given limiting effect.

⁶⁶ Prodyne Enterprises, Inc. v. Julie Promerantz, 743 F.2d 1581, 223 USPQ 477 (Fed. Cir. 1984); Kinzenbaw v. Deere & Co., 741 F.2d 383, 222 USPQ 929 (Fed. Cir. 1984), cert.denied, 105 S.Ct. 1357 (1984).

⁶⁷ Bayer Aktiengesellschaft v. Duphar Intl. Research, 738 F.2d 1237, 222 USPQ 649 (Fed. Cir. 1984). See also, Loctite Corp. v. Ultraseal, Ltd., 781 F.2d 861, 228 USPQ 90 (Fed. Cir. 1985); Sun Studs, Inc. v. ATA Equipment Leasing, Inc., 872 F.2d 978, 10 USPQ2d 1345 (Fed. Cir. 1989), and Insta-Foam Products, Inc. v. Universal Foam Systems, Inc., 906 F.2d 698, 15 USPQ2d 1295 (Fed. Cir. 1990).

⁶⁸ 906 F.2d at 703.

art and were necessary to render the claims patentable over the prior art, prosecution history estoppel will apply.⁶⁹ Even if the claim was limited more than arguably required to distinguish over the art, but was clearly done so as to overcome a rejection and induce allowance, then prosecution history estoppel will likely apply, although the applicable case law creates some uncertainty regarding this conclusion. In Becton Dickinson & Co. v. C. R. Bard, Inc.,⁷⁰ the Federal Circuit noted that whether a limitation in a claim was necessary or not for patentability of the claim, after issuance all limitations in a claim are material and must be met exactly or equivalently in an accused device to find that the accused device works in the same way.

Of course, in Festo the Supreme Court recently rejected the “strict bar approach” (complete bar) and currently the law is in somewhat a state of flux as the Federal Circuit struggles with the problem of addressing the Supreme Court’s mandate. It is clear, of course, that prosecution history estoppel is still a viable defense.

At any rate, in view of these precedents, it is always necessary to carefully review the prosecution history and the prior art to help determine the limiting effect, if any, of claim amendments and arguments made during the prosecution of the patent in question.

9. Effect of the prior art.

If equivalency in fact exists, and there is no basis for an estoppel, the prior art might preclude the expansion of a claim under the doctrine of equivalents to include the client’s structure. While this has always been the law, Judge Rich provided a new twist in the analysis of the effect of the prior art by the use of a hypothetical claim in the Wilson Sporting Goods⁷¹ case. In essence, if a hypothetical claim written to be broad enough to literally include the client’s structure does not read on (or is not obvious from) the prior art, then the doctrine of equivalents would expand the claim to cover the client’s product. Of course, the hypothetical claim could be used to illustrate that such an expansion would also “ensnare” the prior art, thus avoiding infringement under the doctrine of equivalents. The use of a hypothetical claim is not mandatory to illustrate a limitation of the scope of equivalency.

⁶⁹ See LaBounty Mfg., Inc. v. U.S. Int’l Trade Comm’n, 867 F.2d 1572, 1576, 9 USPQ2d 1995 (Fed. Cir. 1989) (The Court held that analysis of the prior art was necessary to determine whether prosecution history estoppel prevents the assertion of equivalency).

⁷⁰ 922 F.2d 792, 17 USPQ2d 1097 (Fed. Cir. 1990).

⁷¹ Wilson Sporting Goods v. David Geoffrey & Assocs., 904 F.2d 677, 14 USPQ2d 1942 (Fed. Cir. 1990).

The important thing is to consider the issue if it is helpful to determine equivalents.

One important consideration from Wilson Sporting Goods is that in some rare cases dependent claims may be infringed even if their independent claims are not. Where infringement, in fact, of the independent claim is present, but the prior art precludes infringement of that claim by equivalents, it is possible that a dependent claim not so limited by the prior art is infringed. This matter, if at all applicable, should be discussed. Of course, as in Wilson Sporting Goods, even the dependent claim may be limited by the prior art.

10. Summary of applicable law.

Since the current case law requires a “competent” opinion to be exculpatory, it is prudent to discuss the current law applicable to the opinions given. In addition, although not required in light of the holding in Read v. Portec,⁷² if any specific legal research was done in rendering the opinion this should be pointed out. The statement of the law should be even handed and not unequivocal - seldom is something in the law either black or white. Again, any special nuances in the law that may be applicable to the specific facts involved should be explained. This section could as well be at the beginning of the opinion as well as the end and cite many different cases for the propositions stated.

If the opinion being given is part of a design around effort, and that effort presents a believable story of the good faith efforts taken to avoid infringement, then it should be chronicled in the letter. Also, specific reference should be made to Judge Rich’s quote in Slimfold v. Kinkead⁷³ legitimizing design around activities. Again, the opinion should be written with the fact in mind that it may be important evidence of good faith at an infringement trial.

D. Conclusion Regarding Non-Infringement Opinions

When a party seeks to offer a new product which is based on a design around of a competitor’s patented product, and the patented product is the starting place for the new design, two seemingly opposed policies may be involved. Unscrupulous copying and disregard of the patent of another is generally reachable under the present interpretation of the doctrine of equivalents and is likely to be found to be willful infringement. On the other hand, a legitimate good faith design around is favored and encouraged under today’s case law, even if the design around started with the competitor’s patented product in mind. It is important that the designing around party do all possible to avoid the appearance of being the unscrupulous copyist to a future fact finder (like the trial

⁷² 970 F.2d 816, 23 USPQ2d 1426 (Fed. Cir. 1992).

⁷³ Slimfold Mfg. Co. v. Kinkead Industries, Inc., 932 F.2d 1453, 1457, 18 USPQ2d 1842, 1845 (Fed. Cir. 1991).

judge in Westvaco). A design around, if done properly and in good faith, coupled with a competent opinion of counsel blessing the effort, is an approach that should result in a finding of no willful infringement even if the design around is unsuccessful.

III. OTHER OPINIONS

Some other opinions that lawyers are often asked to write are infringement opinions, used to justify the filing of a lawsuit (and hopefully avoid Rule 11 sanctions), and invalidity (or perhaps validity) opinions, particularly where an honest non-infringement opinion cannot be written in good faith, and the only possible defense is invalidity or perhaps enforceability. The guidelines set out above are generally applicable to any of these types of opinions with one particular caution. As pointed out in footnote 44 above, with respect to opinions of invalidity the clear and convincing burden of proof and the presumption of validity must be adhered to with more than just lip service; it must be taken seriously. Off the cuff opinions of invalidity due to obviousness are among the most dangerous opinions to be relied on by the client.