

PATENT LAW

Tim Clise

CLASS 11

**Infringement pt. 3;
Design Patents;
ST: Patent Opinions**

Infringement pt. 3

2

Indirect Infringement

3

Basis

- “[Indirect infringement] exists to protect patent rights from subversion by those who, without directly infringing the patent themselves, engage in acts designed to facilitate infringement by others.”

4

Beyond Direct Infringement

INDIRECT INFRINGEMENT

- **Active Inducement** (§271(b))
 - “Whoever actively induces infringement of a patent shall be liable as an infringer.”
- **Contributory Infringement** (§271(c))
 - “Whoever offers to sell or sells within the United States or imports into the United States a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.”

5

Inducement

- “The plaintiff has the burden of showing that the alleged infringer’s actions **induced infringing acts** and that he knew or **should have known** his actions would induce actual infringements.”
- “[I]nducement requires evidence of **culpable conduct, directed to encouraging another’s infringement**, not merely that the inducer had knowledge of the direct infringer’s activities.”
- DSU Medical Corporation v. JMS Company, LTD.

6

Global-Tech Appliances, Inv. v. SEB S.A.

- “[I]nduced infringement under §271(b) **requires knowledge** that the induced acts constitute patent infringement.”
- “[P]ersons who know enough to blind themselves to direct proof of critical facts in effect have actual knowledge of those facts.”

7

Inducement of Infringement Defense

- “[A] defendant’s belief regarding patent validity is not a defense to a claim of induced infringement. [] The scienter element for induced infringement concerns infringement; that is a different issue than validity. Section 271(b) requires that the defendant “actively induce[d] infringement.” That language requires intent to “bring about the desired result,” which is infringement. [] And because infringement and validity are separate issues under the Act, belief regarding validity cannot negate the scienter required under §271(b). When infringement is the issue, the validity of the patent is not the question to be confronted.”
- Comil USA LLC v. Cisco Systems, Inc.

8

Contributory Infringement

- “[T]here can be no contributory infringement in the absence of a direct infringement.”
- “[W]here one makes and sells one element of a combination covered by a patent with the intention and for the purpose of bringing about its use in such a combination he is guilty of contributory infringement and is equally liable to the patentee with him who in fact organizes the complete combination.”
- Aro Manufacturing Co. v. Convertible Top Co.

9

§271 (b) v (c)

- “Section 271(c) applies only where a person has (1) sold, offered for sale or imported (2) nonstaple articles especially made or adapted for infringing a patent. Section 271(b) covers every other kind of behavior.”

10

Joint and Divided Infringement

11

Divided/Joint Infringement Basics

- Must a single party perform all actions to infringe?
- What if a first party performs almost all steps, and the first party contracts with a second party to perform one or two of the steps, should the first party (or the second party) still infringe? If so, under what circumstances?
- **General rule** – if the second party engaged with the first party to perform actions at an arms length transaction, the first party (and the second party do not infringe)

12

BMC Res., Inc. v. Paymentech, L.P

“Courts faced with a divided infringement theory have also generally refused to find liability where one party did not control or direct each step of the patented process.”

BMC Res., Inc. v. Paymentech, L.P.,
498 F.3d 1373 (Fed. Cir. 2007)

13

BMC Res., Inc. v. Paymentech, L.P

- Where the actions of multiple parties combine to perform every step of a claimed method, the claim is directly infringed only if one party exercises "control or direction" over the entire process such that every step is attributable to the controlling party, i.e., the "mastermind."
- At the other end of this multi-party spectrum, mere "arms-length cooperation" will not give rise to direct infringement by any party.

14

Control or Direction

- "[T]he control or direction standard is satisfied in situations where the law would traditionally hold the accused direct infringer vicariously liable for the acts committed by another party that are required to complete performance of a claimed method."
- Muniauction, Inc. v. Thomson Corp., 532 F.3d 1318 (Fed. Cir. 2008)

15

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- Fed. Cir. Panel Decision
- From D.C. JMOL overturned jury verdict of infringement and award of \$41.5 million dollars

16

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- Patents at Issue
 - 7,103,645
 - 6,553,413
 - 6,108,703
 - The patents at issue have the same specification and disclose a system for allowing a content provider to outsource the storage and delivery of discrete portions of its website content.

17

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- 19. A content delivery service, comprising:
 - area network of content servers managed by a domain other than a content provider domain;
 - *for a given page normally served from the content provider domain, tagging the embedded objects of the page so that requests for the page objects resolve to the domain instead of the content provider domain;*
 - responsive to a request for the given page received at the content provider domain, serving the given page from the content provider domain; and
 - serving at least one embedded object of the given page from a given content server in the do-main instead of from the content provider domain.

18

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- 34. A content delivery method, comprising:
 - distributing a set of page objects across a network of content servers managed by a domain other than a content provider domain, wherein the network of content servers are organized into a set of regions;
 - *for a given page normally served from the content provider domain, tagging at least some of the embedded objects of the page so that requests for the objects resolve to the domain instead of the content provider domain;*
 - in response to a client request for an embedded object of the page:
 - resolving the client request as a function of a location of the client machine making the request and current Internet traffic conditions to identify a given region; and
 - returning to the client an IP address of a given one of the content servers within the given region that is likely to host the embedded object and that is not overloaded.

19

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- Limelight does not perform every step of the claims
- The content providers of Limelight perform the tagging step
- Akamai presented a theory of joint liability in that Limelight controls or directs the activities of another

20

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- Direct infringement of a method claim requires that a single party perform each of the steps of the claimed method
- No infringement unless “one party exercises ‘control or direction’ over the entire process such that every step is attributable to the controlling party.”

21

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- “The performance of a method step may be attributed to an accused infringer when the relationship between the accused infringer and another party performing a method step is that of principal and agent, applying generally accepted principles of the law of agency...”

22

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- Holding
- “[T]here can only be joint infringement when there is an agency relationship between the parties who perform the method steps or when one party is contractually obligated to the other to perform the steps.”

23

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- Court suggests
 - Proper claim drafting in the first place
 - Seek reissue patents to correct the error

24

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- Ruling
 - “Limelight did not perform all of the steps of the asserted method claims, and the record contains no basis on which to attribute to Limelight the actions of its customers who carried out the other steps, [therefore] this court affirms the finding of noninfringement ...”

25

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- Order
 - Signed April 20, 2011
 - En banc consideration
 - Previous decision is vacated

26

McKesson Technologies, Inc.
v. Epic Systems, Corp.

- Fed. Cir. Panel Decision
- From D.C. finding of summary judgment of noninfringement
 - Inducement of infringement

27

McKesson Technologies, Inc.
v. Epic Systems, Corp.

- Patent at Issue
 - 6,757,898
 - The patent at issue relates to “an electronic method of communication between healthcare providers and patients involving personalized web pages for doctors and their patients.”

28

McKesson Technologies, Inc.
v. Epic Systems, Corp.

- 1. A method of automatically and electronically communicating between at least one health-care provider and a plurality of users serviced by the health-care provider, said method comprising the steps of:
 - *initiating a communication by one of the plurality of users to the provider for information, wherein the provider has established a preexisting medical record for each user;*
 - *enabling communication by transporting the communication . . . ;*
 - *electronically comparing content of the communication . . . ;*
 - *returning the response to the communication automatically . . . ;*
 - *said provider/patient interface providing a fully automated mechanism for generating a personalized page or area within the provider's Web site for each user serviced by the provider; and*
 - *said patient-provider interface service center for dynamically assembling and delivering customer content to said user.*

29

McKesson Technologies, Inc.
v. Epic Systems, Corp.

- Epic argued that because its customers neither directly perform the “initiating a communication” step of the asserted method claims nor exercise control or direction over another who performs this step, McKesson failed to demonstrate that a single party directly infringes the '898 patent and, accordingly, could not have succeeded on its claim of indirect infringement. The district court agreed and granted [the motion of summary judgment of noninfringement].

30

McKesson Technologies, Inc.
v. Epic Systems, Corp.

- Issue on appeal – can the initiating a communication step be attributed to the MyChart providers?
 - MyChart users are not performing any of the claimed method steps as agents for the MyChart providers.
 - No agency relationship...
 - MyChart users are not contractually obligated to perform the method steps on behalf of the MyChart providers

31

McKesson Technologies, Inc. v. Epic Systems, Corp.

- Order
 - Signed May 26, 2011
 - En banc consideration
 - Previous decision is vacated

32

Akamai and McKesson

- Case History
- Akamai v. Limelight
 - D.C. of MA
- McKesson v. Epic Systems
 - N.D. of GA
- Fed Cir. Panel Decisions
- Consolidated rehearing en banc

33

Akamai and McKesson

- Majority (6) – Rader, Lourie, Bryson, Moore, Reyna, and Wallach
- Dissent A (4) – Linn with Dyk, Prost, and O'Malley
- Dissent B (1) – Newman

34

Akamai and McKesson

- Major issue addressed – do the acts that would otherwise constitute infringement as a basis for direct infringement have to be performed by a single party (as required by direct infringement) or can they be performed by multiple parties so as to create a cause of action for inducement of infringement?

35

Akamai and McKesson

- Majority Opinion
- Does not address multiple party direct infringement
- Overruled BMC Resources case in which court held that in order for a party to be liable for induced infringement, some other single entity must be liable for direct infringement.

36

Akamai and McKesson

- “To be clear, we hold that all the steps of a claimed method must be performed in order to find induced infringement, but that it is not necessary to prove that all the steps were committed by a single entity.”

37

Akamai and McKesson

- “The induced infringement provision of the Patent Act, 35 U.S.C. § 271(b), provides that “[w]hoever actively induces infringement of a patent shall be liable as an infringer.”
- Because section 271(b) extends liability to a party who advises, encourages, or otherwise induces others to engage in infringing conduct, it is well suited to address the problem presented by the cases before us, i.e., whether liability should extend to a party who induces the commission of infringing conduct when no single “induced” entity commits all of the infringing acts or steps but where the infringing conduct is split among more than one other entity.”

38

Akamai and McKesson

- Direct infringement
 - strict liability tort
- Induced infringement
 - requires that the accused inducer act with knowledge that the induced acts constitute patent infringement

39

Akamai and McKesson

- Need not be an agent, or acting under direction or control
- “It is enough that the inducer ‘cause[s], urge[s], encourage[s], or aid[s]’ the infringing conduct and that the induced conduct is carried out.”

40

Akamai and McKesson

- “[I]nducement gives rise to liability only if the inducement leads to actual infringement. That principle, that there can be no indirect infringement without direct infringement, is well settled.”

41

Akamai and McKesson

- “If a party has knowingly induced others to commit the acts necessary to infringe the plaintiff’s patent and those others commit those acts, there is no reason to immunize the inducer from liability for indirect infringement simply because the parties have structured their conduct so that no single defendant has committed all the acts necessary to give rise to liability for direct infringement.”

42

Akamai and McKesson

- “Likewise, a party who performs some of the steps itself and induces another to perform the remaining steps that constitute infringement has precisely the same impact on the patentee as a party who induces a single person to carry out all of the steps.”

43

Akamai and McKesson

- Basis for Majority's Opinion
 - Text
 - Legislative (e.g., Judge Rich)
 - Other Areas of Law (e.g., Criminal and Tort Law)

44

Akamai and McKesson

- Major issue in dispute between Majority and Dissent
 - Does 271(a) define "infringement" or not?

45

Akamai and McKesson

- Result for Akamai
- "Limelight would be liable for inducing infringement if the patentee could show that (1) Limelight knew of Akamai's patent, (2) it performed all but one of the steps of the method claimed in the patent, (3) it induced the content providers to perform the final step of the claimed method, and (4) the content providers in fact performed that final step."

46

Akamai and McKesson

- Result for McKesson
- "Epic can be held liable for inducing infringement if it can be shown that (1) it knew of McKesson's patent, (2) it induced the performance of the steps of the method claimed in the patent, and (3) those steps were performed."

47

Akamai and McKesson

- Dissenting Opinion
- Majority is trying to rewrite the law
- Direct infringement is an absolute requirement

48

Akamai and McKesson

- Basis for Minority Opinion
 - Statutory Scheme
 - Defining (or redefining infringement)
 - Support from additional portions to 271
 - Other areas of law

49

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- Supreme Court 2014
- Issue
 - Inducement of infringement

50

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- “[A]s our case law leaves no doubt that inducement liability may arise ‘if, but only if, [there is] . . . direct infringement.’”

51

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- “[T]here has simply been no infringement of the method . . . because the performance of all the patent’s steps is not attributable to any one person. And, as both the Federal Circuit and respondents admit, where there has been no direct infringement, there can be no inducement of infringement under §271(b).”

52

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- “The decision below would require the courts to develop two parallel bodies of infringement law: one for liability for direct infringement, and one for liability for inducement. . . .
- “The courts should not create liability for inducement of noninfringing conduct where Congress has elected not to extend that concept.”

53

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- “[I]n this case, performance of all the claimed steps cannot be attributed to a single person, so direct infringement never occurred. Limelight cannot be liable for inducing infringement that never came to pass.”

54

Akamai Technologies, Inc. v.
Limelight Networks, Inc.

- “But the reason Limelight could not have induced infringement under §271(b) is not that no third party is *liable* for direct infringement; the problem, instead, is that no direct infringement was *committed*.”

55

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- “Finally, respondents, like the Federal Circuit, criticize our interpretation of §271(b) as permitting a would-be infringer to evade liability by dividing performance of a method patent’s steps with another whom the defendant neither directs nor controls. We acknowledge this concern. Any such anomaly, however, would result from the Federal Circuit’s interpretation of §271(a) in *Muniauction*. . . . Respondents ask us to review the merits of the Federal Circuit’s *Muniauction* rule for direct infringement under §271(a). We decline to do so today.”

56

And then...

57

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- “This case was returned to us by the United States Supreme Court, noting “the possibility that [we] **erred by too narrowly circumscribing the scope of §271(a)**” and suggesting that we “will have the opportunity to revisit the §271(a) question . . .” Limelight Networks, Inc. v. Akamai Techs., Inc., 134 S. Ct. 2111, 2119, 2120 (2014). We hereby avail ourselves of that opportunity.”

58

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- “Direct infringement under §271(a) occurs where **all steps of a claimed method are performed by or attributable to a single entity**. [] Where more than one actor is involved in practicing the steps, a court must determine whether the acts of one are attributable to the other such that a single entity is responsible for the infringement.”

59

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- “We will **hold an entity responsible for others’ performance** of method steps in two sets of circumstances: (1) where that entity **directs or controls** others’ performance, and (2) where the actors **form a joint enterprise**.”

60

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- Direct or controls → Vicarious liability
- Option #1A
- “[W]e have held that an actor is liable for infringement under § 271(a) if it acts through an agent (applying traditional agency principles) or contracts with another to perform one or more steps of a claimed method.”

61

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- Option #1B
- “[L]iability under §271(a) can also be found when an alleged infringer conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance.”

62

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- Option #2 - Joint Enterprise
- “[W]here two or more actors form a joint enterprise, all can be charged with the acts of the other, rendering each liable for the steps performed by the other as if each is a single actor.”

63

Akamai Technologies, Inc. v. Limelight Networks, Inc.

A joint enterprise requires proof of four elements:

- 1)an **agreement**, express or implied, among the members of the group;
- 2)a **common purpose** to be carried out by the group;
- 3)a **community of pecuniary interest** in that purpose, among the members; and
- 4)an equal right to a voice in the direction of the enterprise, which gives an **equal right of control**.

64

Akamai Technologies, Inc. v. Limelight Networks, Inc.

- “Section 271(a) is not limited solely to principal-agent relationships, contractual arrangements, and joint enterprise, as the vacated panel decision held.[] Rather, to determine direct infringement, we consider **whether all method steps can be attributed to a single entity.**”

65

Divided/Joint Infringement Conclusions

- Always draft claims from a single party perspective when possible
- Include system claims
 - Write system claims that can be “used” by a single party

66

Design Patents

67

Statutory Basis for Design Patents

- “Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.
 - “The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.”
- 35 U.S.C. §171

68

M.P.E.P. Design Definition

- “In a design patent application, the subject matter which is claimed is the **design embodied in or applied to an article of manufacture** (or portion thereof) and not the article itself. ... “[35 U.S.C.] 171 refers, not to the design of an article, but to the design for an article, and is inclusive of ornamental designs of all kinds including **surface ornamentation** as well as **configuration of goods.**” ...
- The design for an article consists of the visual characteristics embodied in or applied to an article.

69

M.P.E.P. Design Definition

- “Since a design is manifested in appearance, the subject matter of a design patent application may relate to the **configuration or shape of an article**, to the **surface ornamentation applied to an article**, or to the combination of configuration and surface ornamentation.
- “Design is inseparable from the article to which it is applied and cannot exist alone merely as a scheme of surface ornamentation. It must be a definite, preconceived thing, capable of reproduction and not merely the chance result of a method.”
- MPEP 1502 – Definition of Design

70

Improper Subject Matter for Design Patents

- “A design for an article of manufacture that is **dictated primarily by the function of the article lacks ornamentality** and is not proper statutory subject matter under 35 U.S.C. 171. Specifically, if at the time the design was created, there was no unique or distinctive shape or appearance to the article not dictated by the function that it performs, the design lacks ornamentality and is not proper subject matter. In addition, 35 U.S.C. 171 requires that a design to be patentable must be ‘original.’”

71

Improper Subject Matter for Design Patents

- “Clearly a design that **simulates a well-known or naturally occurring object or person is not original** as required by the statute. Furthermore, subject matter that could be considered offensive to any race, religion, sex, ethnic group, or nationality is not proper subject matter for a design patent application (35 U.S.C. 171 and 37 CFR § 1.3).”
- From USPTO’s Design Patent Application Guide

72

Ornamental

- “An ornamental feature or design has been defined as one which was “created for the purpose of ornamenting” and cannot be the result or “merely a by-product” of functional or mechanical considerations. ... It is clear that the ornamentality of the article must be the result of a conscious act by the inventor, as 35 U.S.C. 171 requires that a patent for a design be given only to “whoever *invents* any new, original, and ornamental design for an article of manufacture.” Therefore, for a design to be ornamental within the requirements of 35 U.S.C. 171, it must be “**created for the purpose of ornamenting.**” ...
- 1504.01(c) Lack of Ornamentality

73

Utilitarian v. Design

- "Articles of manufacture necessarily serve a utilitarian purpose, but design patents are directed to ornamental designs of such articles. 35 U.S.C. §171. **If a particular design is essential to the use of an article, it cannot be the subject of a design patent.** [] We have found designs to be essential to the use of an article when the claimed design is '**dictated by**' the **use or purpose** of the article. ... Design patents on such primarily functional rather than ornamental designs are invalid. []"
- Ethicon Endo-Surgery, Inc. v. Covidien, Inc., (Fed. Cir. 2015)

74

Types of Design Patent Protection Available

- 1) Configuration of an article of manufacturer
 - Design of a scissors, a computer speaker, a bottle
- 2) Surface ornamentation for an article of manufacturer
 - Design included on surface of bottle
- 3) Configuration and surface ornamentation

75

Right of Priority

- Priority cannot be claimed to a provisional patent application
 - Priority can be claimed under the Paris Convention if filed within 6 months of patent application filing
- 37 U.S.C. §172

76

Title of the Application

- A design patent title must state the article of manufacture to which the design applies
- The title can also state the environment in which the article is used

77

Example Titles

- GUI
 - Computer screen with icon
 - Display panel with graphical user interface
 - Portion of a display with icon
- Shoe
- Wine glass
- Bag for food packaging

78

Written Description

- A design patent is not required to have a written description, but may include one to clarify the invention
- For example
 - "A descriptive statement should be included in the specification making it clear that the claim is directed to the collective appearance of the articles shown."
 - M.P.E.P. 1504(b)

79

Design Patent Claim

- Design patents have a single claim which is not numbered
- The claim must be directed to a single design concept
- Must begin with a phrase that designates an article of manufacturer to which the claim applies

80

Design Patent Drawings

- "The drawing disclosure is the most important element of the application. Every design patent application must include either a drawing or a black and white photograph of the claimed design. As the drawing or photograph constitutes the entire visual disclosure of the claim, it is of utmost importance that the drawing or photograph be clear and complete, that nothing regarding the design sought to be patented is left to conjecture. The design drawing or photograph must comply with the disclosure requirements of 35 U.S.C. 112, first paragraph. To meet the requirements of 35 U.S.C. 112, **the drawings or photographs must include a sufficient number of views to constitute a complete disclosure of the appearance of the design claimed.**"

81

Design Patent Drawings

- "Drawings are normally required to be in **black ink on white paper**. Black and white photographs, in lieu of drawings, are permitted subject to the requirements of 37 CFR §1.84(b)(1) and §1.152. ..."
- "The Office will accept color drawings or photographs in design patent applications only after the granting of a petition filed under 37 CFR §1.84(a)(2), explaining **why the color drawings or photographs are necessary.**"
- From USPTO's Design Patent Application Guide

82

Lines

- Limiting elements are shown in solid lines
- Non-limiting elements that are used to provide context for the design are shown in broken lines
- You can specify the effect of the broken lines in the description

83

Term and Maintenance Fees

- With the passage of the Patent Law Treaties Implementation Act of 2012, the term for design patents was extended to 15 years from issue
- No maintenance fees are due with design patents

84

Publication

- Design patent applications are not published under U.S. law
- However, the design patent applications will be published prior to issuance under international filings made with the Hague Convention

85

Obviousness for Design Patents

- Analysis begins with a primary reference that is “basically the same as” the claimed design
- Secondary references are combined if obvious to a designer of ordinary skill
- The resulting combination is compared against the claims from the perspective of an ordinary observer

86

§112 Support

- Continuation applications, or prosecution of original applications, may put articles in broken lines to indicate that these elements are not part of the claim (and thus broader)
- Issue – Does the description clearly allow persons of ordinary skill in the art to recognize that the inventor invented what is claimed?

87

Ordinary Observer Infringement Test

- “[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.”

Gorham Co. v. White, 81 U.S. 511 (1871).

88

Ordinary Observer Infringement Test

- “On the basis of the foregoing analysis, we hold that the ‘point of novelty’ test should no longer be used in the analysis of a claim of design patent infringement. Because we reject the ‘point of novelty’ test, we also do not adopt the ‘non-trivial advance’ test, which is a refinement of the ‘point of novelty’ test. Instead, in accordance with *Gorham* and subsequent decisions, we hold that the **‘ordinary observer’ test should be the sole test for determining whether a design patent has been infringed**. Under that test, as this court has sometimes described it, infringement will not be found unless the accused article ‘embod[ies] the patented design or any colorable imitation thereof.’”
- Egyptian Goddess Inc. v. Swisa Inc., 543 F.3d 665 (Fed. Cir. 2008) (en banc)

89

Who is an Ordinary Observer?

- “[T]he ordinary observer is a person who is either a purchaser of, or sufficiently interested in, the item that displays the patented designs and who has the capability of making a reasonably discerning decision when observing the accused item’s design whether the accused item is substantially the same as the item claimed in the design patent.”
- Arminak and Associates, Inc. v. Saint-Gobain Calmar, Inc., Fed. Cir. 2007

90

Acts of Infringement of Design Patents

Whoever during the term of a patent for a design, without license of the owner,

- 1) **applies the patented design**, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or
- 2) **sells or exposes for sale** any article of manufacture to which such design or colorable imitation has been applied shall be liable to the owner to the extent of his total profit, but not less than \$250, recoverable in any United States district court having jurisdiction of the parties.

Nothing in this section shall prevent, lessen, or impeach any other remedy which an owner of an infringed patent has under the provisions of this title, but he shall not twice recover the profit made from the infringement.

35 U.S.C. §289

91

Damages Options

- Owners of design patents can claim damages under the standard patent damages available to utility patents, as well as special damages available under 35 U.S.C. §289 for design patents

92

Apple v. Samsung

- Design patent damages calculation Supreme Court case
- "Oral arguments were held earlier this week in Samsung v. Apple. During the arguments, all parties agreed that (1) the statute does not allow for apportionment of damages but rather **requires profit disgorgement**; (2) the article-of-manufacture from which profits can be calculated may be a component of the product sold to consumers; and (3) the determination of what counts as the article-of-manufacture is a question of fact to be determined by the jury. The only dispute then was on the **factors that a jury should be considered and when the 'inside gears' of a product should ever be included in the calculation.**"
- <http://patentlyo.com/patent/2016/10/supreme-extending-borders.html#more-14622>

93

Trade Dress Protection?

- In addition to design patent protection, trade dress may also be protectable for the design
- For unique, non-functional aspects of product configuration and packaging

94

Protection of GUI

95

Ex Parte Strijland

- Claim at issue
- "The ornamental design for an information icon for display screen of a programmed computer system or the like, as shown and described."

96

Ex Parte Strijland

- "We think that Assistant Commissioner Clay was right in saying ... that the design must be shown not to be the mere invention of a picture, irrespective of its manner of use, but that the applicant should be required to show by an appropriate drawing the manner of its application."

97

Ex Parte Strijland

- “Had appellants specification, as originally filed, included the language added by the above [e.g., information icon for display screen of a programmed computer system] ..., and included drawings of the type shown in the addendum to this opinion, we would have held that the claimed design is **statutory subject matter**, and the design would have been patentable ...”

98

Ex Parte Strijland

- “It should be noted, however, we do not think that merely illustrating a picture displayed on the screen of a computer or other display device, such as a television or movie screen, is sufficient, alone, to convert a picture into a design for an article of manufacture. ... However, appellants have expressly stated in the specification and claim, as amended, that **the article of manufacture which embodies or to which the claimed design is applied is a programmed computer system**, and they have provided declaration evidence demonstrating that the icon is an integral part of the operation of a programmed computer.”

99

Protection of GUI

- GUIs may be protected as design patents so long as properly presented and claimed.
- Icons must be shown as part of a three-dimensional article of manufacture (e.g., a computer display)
- The structure or form of the article of manufacture (i.e., a computer) does not have to be claimed, but must be disclosed
- Thus, the claim should be directed to a computer screen, monitor, display plan, or a portion thereof to comply with 35 U.S.C. §171

100

Transitional Computer Generated Icons

- Design patent protection is not limited to protecting an icon in a static state
- Images that change in appearance during viewing may be the subject of a design claim

101

Protecting Transitional Computer Generated Icons

- May be shown in two or more views
- Images are understood as viewed sequentially
- A descriptive statement must be included in the specification describing the transitional nature of the design
- See MPEP 1504(a) for more information

102

GUI Patent Drawings

- Line drawings and digital images are acceptable
- Color and grayscale are allowed to be presented in the same GUI application, but line drawings and digital images are not
- More than one drawing can be used to show animation

103

Hague Agreement

104

Hague Agreement

- International Design Applications (IDAs)
- New cost effective way to obtain design patent protection in many countries around the world
- Alternative way to proceed than the Paris route
- Registration treaty
- Amendments to US law became effective on December 18, 2013

105

International Application Filing

- May be filed in English, French, or Spanish
- WIPO review the application to assure compliance with formal requirements
- Application enters a refusal period in which each country designated on the application assess the claimed design's eligibility for registration under its laws
- Registration occurs in all designated countries that did not issue a refusal

106

Publication under the Hague Agreement

- IDAs are to be published within 6 months after WIPO completes its review
- IDAs afford applicant provisional rights (new!!!)
- Normal publication of US design patent applications – never in the US; only upon issuance
- Publication made in the International Designs Bulletin on WIPO's website

107

Substantive Examination

- Office by Office Basis
 - Only to extent it applies to filing in particular country
 - May make refusal on grounds used otherwise in the particular country
 - Must be communicated within time limit (6/12 months)
 - Effect limited to a particular territory
 - Statement of grant of protection may be issued

108

Patent Opinions

109

Who Should Obtain an Opinion?

- (Non)Infringement Opinions should be obtained by both patent owner and the product developer (accused)
- Why?
 - Rule 11
 - Willfulness (*Knorr Bremse*)
 - Substantive

110

Patent Opinions

- Knorr-Bremse Systeme v. Dana Corp. (Fed. Cir. 2004)(en banc)
- In re Seagate (Fed. Cir. 2007)(en banc)

111

Opinion Basics

- Description of subject matter
- Interpretation of claim terms
- Literal analysis
- Doctrine of equivalents analysis

112

Competent Opinion Summary

- Kinds
 - (Non)infringement, (in)validity
 - For owner or for alleged infringer
- By outside counsel
- Well reasoned
 - Discuss law, claim interpretation, facts, application of interpretation to facts
 - (Non-infringement) Consider literal and doctrine of equivalents
 - Address all claims

113

Knorr-Bremse Systeme v. Dana Corp.

- Invention – Disk Brake for Vehicles Having Insertable Actuator
- E.D.VA – Dana and Haldex liable for infringement and willful infringement
- “Air disk brake technology is superior to the previously dominant technology of hydraulically or pneumatically actuated drum brakes...”

114

Knorr-Bremse Systeme v. Dana Corp.

- Dana and Haldex collaborated to sell air brakes in the United States
- D&H imported about 100 units of Mark II model into the US
- Between 1997 and 1999, Mark II installed in approximately 18 trucks of Dana and potential customers

115

Knorr-Bremse Systeme v. Dana Corp.

- Dec '98 – KB orally notified Dana of patent applications pending in US and infringement litigation against Haldex in Europe
- Aug '99 – KB similar notification in writing along with notification of issuance of '445 patent in US
- May '00 – filed infringement suit
- Sept '00 – Haldex presented a modified device (i.e., Mark III) and moved for summary judgment of noninfringement
- Nov '00 – summary judgment of infringement of Mark II and trial on Mark III
- Jan '01 – DC found literal infringement by Mark III

116

Knorr-Bremse Systeme v. Dana Corp.

- Haldex – declined to produce a legal opinion
- Dana – did not consult counsel but relied on Haldex

117

Knorr-Bremse Systeme v. Dana Corp.

- "... [T]he Federal Circuit ruled that 'where, as here, a potential infringer has actual notice of another's patent rights, he has an affirmative duty to exercise due care to determine whether or not he is infringing,' including 'the duty to seek and obtain competent legal advice from counsel before the initiation of any possible infringing activity.'"

118

Knorr-Bremse Systeme v. Dana Corp.

- "The adverse inference that an opinion was or would have been unfavorable, flowing from the infringer's failure to obtain or produce an exculpatory opinion of counsel, is no longer warranted."

119

Knorr-Bremse Systeme v. Dana Corp.

- Four questions presented for en banc review:

120

Knorr-Bremse Systeme v. Dana Corp.

- Q1 - When the attorney-client privilege and/or work-product privilege is invoked by a defendant in an infringement suit, is it appropriate for the trier of fact to draw an adverse inference with respect to willful infringement?
- Answer - no

121

Knorr-Bremse Systeme v. Dana Corp.

- “A defendant may of course choose to waive the privilege and produce the advice of counsel. However, the assertion of attorney-client and/or work-product privilege and the withholding of the advice of counsel shall no longer entail an adverse inference as to the nature of the advice.”

122

Knorr-Bremse Systeme v. Dana Corp.

- Q2 - When the defendant had not obtained legal advice, is it appropriate to draw an adverse inference with respect to willful infringement?
- Answer - no

123

Knorr-Bremse Systeme v. Dana Corp.

- “Although there continues to be ‘an affirmative duty of due care to avoid infringement of the known patent rights of others,’ L.A. Gear Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1127 (Fed. Cir. 1993), the failure to obtain an exculpatory opinion of counsel shall no longer provide an adverse inference or evidentiary presumption that such an opinion would have been unfavorable.”

124

Knorr-Bremse Systeme v. Dana Corp.

- Q3 - If the court concludes that the law should be changed, and the adverse inference withdrawn as applied to this case, what are the consequences for this case?
- Answer – “Because elimination of the adverse inference as drawn by the district court is a material change in the totality of the circumstances, a fresh weighing of the evidence is required to determine whether the defendants committed willful infringement. This determination is the primary responsibility and authority of the district court.”

125

Knorr-Bremse Systeme v. Dana Corp.

- Q4 - Should the existence of a substantial defense to infringement be sufficient to defeat liability for willful infringement even if no legal advice has been secured?
- Answer – no, no per se treatment

126

Knorr-Bremse Systeme v. Dana Corp.

- “We now hold that no adverse inference that an opinion of counsel was or would have been unfavorable flows from an alleged infringer’s failure to obtain or produce an exculpatory opinion of counsel.”

127

In re Seagate

- 2007 Fed Cir. (en banc)
- Issue
 - “[W]e clarify the scope of the waiver of attorney-client privilege and work product protection that results when an accused infringer asserts an advice of counsel defense to a charge of willful infringement.”

128

128

In re Seagate

- Background
- Convolv sued on 3 patents – ‘635 patent, ‘267 patent, and ‘473 patent
- Seagate obtained opinions from opinion counsel on the three patents
- Seagate notified trial court of intent to rely on opinions
- Convolv moved for discovery on patent counsel and trial counsel

129

129

In re Seagate

- Trial court ruled all communications between any counsel relating to the subject matter of the opinions was waived

130

130

In re Seagate

Questions for en banc review on writ of mandamus

1. Should a party's assertion of the advice of counsel defense to willful infringement extend waiver of the attorney-client privilege to communications with that party's trial counsel? See In re EchoStar Commc'n Corp., 448 F.3d 1294 (Fed. Cir. 2006).
2. What is the effect of any such waiver on work-product immunity?
3. Given the impact of the statutory duty of care standard announced in Underwater Devices, Inc. v. Morrison-Knudsen Co., 717 F.2d 1380 (Fed. Cir. 1983), on the issue of waiver of attorney-client privilege, should this court reconsider the decision in Underwater Devices and the duty of care standard itself?

131

131

In re Seagate

Court analysis

- Enhanced damages requires a showing of willful infringement
- Underwater Devices – “Where . . . a potential infringer has actual notice of another's patent rights, he has an affirmative duty to exercise due care to determine whether or not he is infringing. Such an affirmative duty includes, inter alia, the duty to seek and obtain competent legal advice from counsel before the initiation of any possible infringing activity.”

132

132

In re Seagate

Echostar

- relying on in-house counsel's advice to refute a charge of willfulness triggers waiver of the attorney-client privilege
- asserting the advice of counsel defense waives work product protection and the attorney-client privilege for all communications on the same subject matter, as well as any documents memorializing attorney-client communications.
- waiver did not extend to work product that was not communicated to an accused infringer.

133

133

In re Seagate

- Willfulness includes reckless behavior
- Duty of care in Underwater Devices is more like negligence
- “[W]e overrule the standard set out in Underwater Devices and hold that proof of willful infringement permitting enhanced damages requires at least a showing of objective recklessness. Because we abandon the affirmative duty of due care, we also reemphasize that there is no affirmative obligation to obtain opinion of counsel.”

134

134

In re Seagate

- “[T]o establish willful infringement, a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.”
- State of mind not relevant

135

135

In re Seagate

- “[F]airness counsels against disclosing trial counsel’s communications on an entire subject matter in response to an accused infringer’s reliance on opinion counsel’s opinion to refute a willfulness allegation.”
- “[A]s a general proposition, that asserting the advice of counsel defense and disclosing opinions of opinion counsel do not constitute waiver of the attorney-client privilege for communications with trial counsel. We do not purport to set out an absolute rule. Instead, trial courts remain free to exercise their discretion in unique circumstances to extend waiver to trial counsel, such as if a party or counsel engages in chicanery.”

136

136

In re Seagate

- “[R]elying on opinion counsel’s work product does not waive work product immunity with respect to trial counsel. Again, we leave open the possibility that situations may arise in which waiver may be extended to trial counsel, such as if a patentee or his counsel engages in chicanery. And, of course, the general principles of work product protection remain in force, so that a party may obtain discovery of work product absent waiver upon a sufficient showing of need and hardship, bearing in mind that a higher burden must be met to obtain that pertaining to mental processes.”
- Also applies to making attorneys available

137

137

In re Seagate

- What is objective recklessness? CAFC says:
 - A person is reckless who acts in the face of unjustifiably high risk of harm that is either known or so obvious it should have been known.
 - To establish willful infringement, a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.
 - The state of mind of the accused infringer is not relevant to this objective inquiry.
 - We leave it to future cases to further develop this standard.
 - In a footnote by Judge Newman the CAFC stated that the standards of commerce would be among factors a court may consider.
 - Standards of fair commerce – including reasonableness of the actions taken in particular circumstances.

138

Bard Peripheral v. W.L.Gore

- “Seagate established a two-pronged test for establishing the requisite recklessness. . . . Thus, to establish willful infringement, “a patentee must show by clear and convincing evidence that the infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent.” Id. Once the “threshold objective standard is satisfied, the patentee must also demonstrate that this objectively-defined risk . . . was either known or so obvious that it should have been known to the accused infringer.”

139

Bard Peripheral v. W.L.Gore

- “The court now holds that the threshold objective prong of the willfulness standard enunciated in Seagate is a question of law based on underlying mixed questions of law and fact and is subject to de novo review. “

140

***Program
Completed***

© 2002-16 Randy L. Canis and Timothy B . Clise

141