

PATENT OPINIONS

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INTRODUCTION

TYPES OF OPINIONS

WHY AN OPINION IS IMPORTANT

DETERMINING WHEN AN OPINION IS NECESSARY

FORM OF OPINION

WHO SHOULD PREPARE OPINION

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IMPLEMENTATION OF OPINION

FORMAT FOR NONINFRINGEMENT AND INVALIDITY
OPINIONS

TYPES OF OPINIONS

1. DEFENSIVE OPINIONS

**Noninfringement
Invalidity**

2. OFFENSIVE OPINIONS

**Infringement
Validity**

WHY IS AN OPINION IMPORTANT?

1. DEFENSIVE OPINIONS

- Evidence of State of Mind of Infringer
 - Read v. Portec (Fed. Cir. 1992)
- Assist in Avoiding or Reducing Enhanced Damages under 35 USC § 284
- Roadmap for Designing Around
 - Eliminate a claimed element from product.

2. OFFENSIVE OPINIONS

- Meet Obligations of Fed. R. Civ. P. 11.
- Roadmap for Litigation

DETERMINING WHEN AN OPINION IS NECESSARY

1. UNCOVERING RELEVANT PATENTS

- Right-to-use Searches
- Patent Prosecution
 - References relate to client's products
- Employees of Client
 - Trade shows
 - Vendors
 - Literature searches
 - Product announcements
- Charges of Infringement
- Marking
- Competitive Analysis
- Request for Indemnification by a Customer
- Suppliers that Contributorily Infringe

WHEN IS AN OPINION NECESSARY?

– continued

2. UNDERSTANDING POTENTIAL DAMAGES

a. 35 USC § 287

- Actual Notice
 - name product
 - “infringe” or similar words

- Constructive Notice
 - marking of products by patentee
 - marking by licensee

b. Issuance of Patent

- No Products Made by Patentee
- No Licenses to Others

c. No Right to Enhanced Damages until a Right to Regular Damages Exists

WHEN IS AN OPINION NECESSARY?

– continued

3. IS THE CLIENT LICENSED?

- a. Check licensing database if available**
- b. Check general technology licenses that do not identify specific patents**
- c. Run abstract of title**
 - See if client licensed to anyone in chain of title
 - Check cross-licensees and if cross-license includes “acquired patents”
- d. De facto silent cross-license**
- e. Ownership rights**
 - Inventor a former or current employee
 - Inventor a consultant to client
- f. Is a license available?**
 - Relate to a standard
 - License from someone in chain of ownership that has retained an interest
 - Find licensees that have a right to sublicensees
 - Contact friendly parties that have taken licenses re cost, availability, etc.

WHEN IS AN OPINION NECESSARY?

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4. IS THE CLIENT INDEMNIFIED?

- a. Check purchase orders.**
- b. Remain cognizant of UCC 2-312(3).**
- c. Report promptly if required.**

5. DOCTRINE OF EXHAUSTION

- a. Does vendor have a license?**
- b. Be cognizant of § 271(g) if product made overseas and vendor not licensed.**
- c. Be aware of limitations of Doctrine of Exhaustion re licensing of separate rights, i.e. make vs. use and sell.**

WHEN IS AN OPINION NECESSARY?

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6. RELEVANCY OF PATENT

- Review independent claims
- Review products

7. MAINTENANCE FEES

- Has time expired for reinstating patent?
- Possible unfair competition claims

8. INVALIDITY HOLDINGS

- Search by patent number

TIMING OF THE OPINION

- **As soon as possible after discovering infringement**
- **Consider redesign if early in design process**
 - Delay in product production good evidence to avoid treble damages

FORM OF THE OPINION – ORAL VS. WRITTEN

1. **CAFC has clear preference for written opinions**
 - SmithKline v. Helena Lab. (Fed. Cir. 1988)
2. **Written opinions have greater evidentiary value. Easier to prove reliance on written opinion.**
 - 3M v. Johnson & Johnson (Fed. Cir. 1992)
3. **Formal opinions not necessary if patent not relevant**
 - RTU search report states patents not relevant
4. **Prepare preliminary opinion if needed quickly.**

WHO SHOULD PREPARE OPINION?

1. Attorney, not Agent

- Legal analysis required
 - Underwater Devices v. Morrison Knudsen (Fed. Cir. 1983)

2. Either Outside Counsel or In-House Counsel

- Need to show independence
 - Studiengesellschaft v. Dart (D. Del. 1987)

3. Technical Experience

- Substantial knowledge in technical area
 - number of patents prepared and prosecuted
 - engineering experience
 - years experience representing clients in that area
 - years monitoring patents in area
 - search experience in area
 - examination in area

4. Legal Experience

- Number of opinions prepared
- Recommendations of attorney, i.e. license?
- Good judgment of attorney

COMPETENCY AND RELIABILITY OF OPINION

1. **Strong Legal and Factual Foundation**
 - Great Northern v. Davis (Fed. Cir. 1986)

2. **Unbiased**
 - Not directed to predetermined result
 - Competent legal analysis of facts and law
 - Not conclusory in nature

3. **Provide a Summary of Law as a Framework for Analysis Facts**
 - See Hoffman, *Computer Law* 1992.

4. **Material Facts Should Not Be Withheld or Misconstrued**

5. **Provide Supporting Exhibits**
 - Provide facts to support opinion.

6. **Perform Additional Experiments or Tests to Resolve Technical Questions and Support Opinion**

COMPETENCY AND RELIABILITY OF OPINION - continued

7. Well-Reasoned and “Instill a Belief”

- Ryco v. AgBag (Fed. Cir. 1988)

8. Balanced Opinion

- Equivocation is OK
- Uncertainties with law missing facts, unclear facts
- Honest opinion speaks of probabilities rather than certainties
 - Read v. Portec (Fed. Cir. 1992)
- Give both positive and negative factors that affect end result
 - Westvaco v. International Paper (Fed. Cir. 1993)
- All relevant factors should be discussed
- Compare and contrast product and claim
 - Underwater Devices v. Mk (Fed. Cir. 1983)

COMPETENCY AND RELIABILITY OF OPINION - continued

9. Inspect Product

- Provide complete description of applicable features

10. Analyze Both Literal Infringement and Infringement under the Doctrine of Equivalents

11. Review file History

- Underwater Devices v. Mk (Fed. Cir. 1983)
- Central Soya v. Hormel (Fed. Cir. 1983)
- All independent claims should be separately considered in noninfringement opinions
- All claims considered in invalidity opinions
- Consistent analysis of scope of claims for noninfringement and invalidity opinions

IMPLEMENTATION OF OPINION

1. **Present in Final Form.**
2. **Prepare Supplemental Opinion if Required.**
 - Revise inaccurate facts or statements
3. **Do Not Provide Draft Opinions for Review by Client**
 - Lack of independence
 - Westvaco v. International Paper (Fed. Cir. 1993)
4. **Client Should Follow Opinion**
 - Central Soya v. Hormel (Fed. Cir. 1983)
 - Review activities of client periodically
 - Revise opinion periodically to reflect new factors
 - invalidity holdings
 - new art
 - re-exam and reissue

FORMAT FOR NONINFRINGEMENT AND INVALIDITY OPINIONS

CONCLUSION

- Competent, well-reasoned and reliable opinions are valuable asset to a client.
- Can be used defensively to avoid enhanced damages and design-around competitors' patents.
- Can be used offensively to support duty under Rule 11 and provide roadmap for litigation.
- Carefully investigate whether opinion is required.
- If so, use guidelines to make sure it is competent and reliable.