

PREPARING PATENT LEGAL  
OPINIONS

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## **Table of Contents**

<b>I.....</b>	<b>INTRODUCTION</b>	<b>1</b>
<b>II. ....</b>	<b>INFRINGING ACTIONS AND THE DAMAGES THAT MAY ARISE THEREFROM</b>	<b>3</b>
<b>III.....</b>	<b>WHEN SHOULD A PARTY SEEK COUNSEL’S OPINION?</b>	<b>4</b>
<b>IV. ....</b>	<b>HOW THE COMPETENCY OF AN OPINION IS DETERMINED.</b>	<b>5</b>
A.....	The Author	6
B.....	Analysis of the Law	8
C.....	The Prosecution History and Cited Prior Art	12
D.....	Claim Construction	13
E.....	The Client’s Accused or Potentially Infringing Device	14
F.....	Literal Infringement	15
G.....	Infringement Under the Infringement Doctrine of Equivalents	15
H.....	Limitations to a Claim of Infringement Under the Doctrine of Equivalents.	18
i.....	Prosecution History Estoppel and the Effect of Festo	18
ii.....	The Prior Art.	22
iii.....	Surrender or Dedication to the Public.	22
<b>IV.....</b>	<b>DISCLAIMERS, LIMITATIONS AND QUALIFICATIONS TO THE OPINION.</b>	<b>23</b>
<b>V.....</b>	<b>SUMMARY</b>	<b>25</b>

**I. Introduction**

This paper is directed to the following scenario. A client wants to market a new product. It comes to you as its counsel seeking an opinion as to whether it can market the product without fear of being sued for infringing someone else’s patent. In essence, the client is seeking an opinion that it is free to market the product without reprisal. Sometimes, the client suspects that a competitor may have a patent on a similar, competing product. Sometimes, the client has a particular patent in mind that it wants you, as its counsel, to review and provide an opinion as to whether that particular patent would be infringed if the client marketed that new product it wants to market.

How do you render such an opinion? Can you provide an opinion that meets the client’s needs while also protecting you and your firm?

In the context of a subsequent claim made by the client back against the firm based on an allegedly erroneous opinion, the critical question is usually, but not necessarily, whether the lawyer exercised due care in rendering the opinion.<sup>1</sup> ALAS reports there are several ways in which lawyers fail to use due care in rendering legal opinions<sup>2</sup>:

1. failure to diligently research and correctly analyze the law;
2. failure to understand, or adequately, investigate the relevant facts; and
3. failure to appropriately limit or qualify the scope of the opinion, such as by describing the source of their factual information, the nature of their investigation, and the assumptions made as a basis for the opinion.

The authors suggest the obligations on the lawyer to provide an opinion that avoids a malpractice claim are, in actuality, consistent with the lawyer's obligations to provide an opinion that would be found competent on later scrutiny by a court determining whether marketing the product constituted willful infringement. Exercising the competence and diligence normally exercised by lawyers under the circumstances is the lawyer's – and, thus, also the client's – best protection.<sup>3</sup>

In view of the forgoing, what are the obligations on the client to seek, and what must the lawyer do to provide, a

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<sup>1</sup> Donald W. Glazer, Scott Fitzgibbon and Steven O. Weise, *Glazer and Fitzgibbon on Legal Opinions* § 1.6.3 (2d ed. 2001); *Restatement (Third) of the Law Governing Lawyers* § 48 (2000)

<sup>2</sup> See, e.g., *In re Semec, Inc. v. Weinstein & Sutton*, 160 B.R.86, 93, 1993 U.S. Dist. LEXIS 15232 (“plaintiff has put forth sufficient evidence of malpractice to avoid summary judgment”)

<sup>3</sup> *Restatement (Third) of the Law Governing Lawyers* § 52(1)(2000).



competent opinion? Before answering this question, a brief overview of what constitutes an infringing action and the damages that may accrue from infringement is helpful in placing in context the answer.

## **II. Infringing Actions and the Damages that May Arise Therefrom**

Direct patent infringement consists of making, using, selling, offering for sale, or importing a patented invention during the term of the patent without consent of the patentee.<sup>4</sup> Direct infringement has no knowledge or intent requirement.<sup>5</sup> Damages for patent infringement are generally compensatory and can be increased up to three times actual damages<sup>6</sup> These enhanced damages are awarded as a penalty for an infringer's increased culpability.<sup>7</sup> When an infringer willfully infringes a patent, the case may be considered exceptional.<sup>8</sup> The courts may then hold that the infringer's culpability is increased and enhanced damages are justified.<sup>9</sup> In exceptional cases, reasonable attorney's fees may also be awarded.<sup>10</sup>

Generally, patent infringement is willful if an infringer had no reasonable basis for believing it had the right to conduct the infringing activities.<sup>11</sup> The court must

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<sup>4</sup> 35 U.S.C. § 271(a)(2002).

<sup>5</sup> Robert O. Bolan and William C. Rooklidge, *Imputing Knowledge to Determine Willful Patent Infringement*, 24 Am. Intell. Prop. L. Ass'n Q.J. 157, 160 (1996).

<sup>6</sup> 35 USC § 284 (2002).

<sup>7</sup> *Jurgens v. CBK, Ltd.*, 80 F.3d 1566, 1570, 38 USPQ2d 1397, 1400 (Fed. Cir. 1996).

<sup>8</sup> Shashank Upadhye, *Understanding Willfulness in Patent Infringement: An Analysis of the "Advice of Counsel" Defense*, 8 Tex. Intell. Prop. L.J. 39, 44 (1999).

<sup>9</sup> *Id.*

<sup>10</sup> 35 USC § 285 (2002).

<sup>11</sup> *Bolan*, *supra* note 2, at 165.

determine that the infringer acted in disregard of the patent.<sup>12</sup> The standard of conduct for determining willfulness is whether a reasonable party would prudently conduct itself with any confidence that a court might hold the patent invalid or not infringed.<sup>13</sup>

The U.S. Court of Appeals for the Federal Circuit (hereinafter “the Federal Circuit”) requires that an infringer have had “actual notice” of the patent before the infringement can be considered willful.<sup>14</sup> It is reported that no Federal Circuit case has yet held an infringer liable for willful infringement based on constructive knowledge.<sup>15</sup> That the infringer had reason to know, or should have known of the patent, is not sufficient for willful infringement and enhanced damages.<sup>16</sup> An infringer can, however, acquire actual notice without actual notification from the patentee.<sup>17</sup> An infringer may learn of the patent through its own efforts, or from a third party.<sup>18</sup> Notice can also be imputed to an infringer on the basis of knowledge acquired by that infringer’s agent or employee.<sup>19</sup>

### **III. When Should a Party Seek Counsel’s Opinion?**

The Federal Circuit has held that a potential infringer has “an affirmative duty to exercise due care to determine whether or not they are infringing” when a potential infringer has actual notice of a patent it may be possibly infringing.<sup>20</sup> This affirmative duty normally includes obtaining advice

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<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*; *Underwater Devices, Inc. v. Morrison-Knudson Co.*, 717

F.2d 1380, 1389, 219 USPQ 2d 569 (Fed. Cir. 1983)

<sup>20</sup> *Id.*

from legal counsel.<sup>21</sup> Seeking advice of counsel is an important consideration in determining willfulness.

Not every failure to seek counsel, however, results in an ultimate finding of willfulness. Cases where willful infringement is found despite counsel's opinion generally involve situations where the opinion was ignored or the opinion was found incompetent.<sup>22</sup> Whether the opinion was ignored can be outside counsel's control. This paper will focus, instead, on how the Federal Circuit reviews the competency of a non-infringement or freedom to operate opinion.

#### **IV. How the Competency of An Opinion is Determined**

A review of Federal Circuit decisions shows that the competency of an opinion oftentimes is determined from the perspective of what is missing or lacking in the opinion. Should too much be found missing or lacking, the opinion may be found incompetent.

An opinion's incompetence must be shown by objective evidence.<sup>23</sup> The Federal Circuit usually analyzes the opinion as a whole to determine its competence.<sup>24</sup> While no *per se* rule has been stated, a written opinion may be found incompetent on its face if it contains merely conclusory statements without discussions of facts, or if it presents only superficial analysis.<sup>25</sup>

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<sup>21</sup> *Read Corp. v. Portec, Inc.* 970 F.2d 816, 829, 23 USPQ2d 1426, 1437 (Fed. Cir. 1992).

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*; *SRI International, Inc. v. Advanced Technology Laboratories, Inc.*, 127 F.3d 1462, 44 USPQ 2d 1422 (Fed. Cir. 1997)

The opinion's legal correctness is not the primary issue. Rather, a counsel's opinion must be thorough enough, when combined with other factors, to instill a belief in the infringer that a court might reasonably hold the patent not-infringed.<sup>26</sup> Competence of an opinion will not generally turn on one factor. Willful infringement can be found "only after due consideration of the totality of the circumstances<sup>27</sup>." When considering the competence of counsel's opinion, the Federal Circuit considers several factors. The competency requirement applies both to the qualifications of the attorney authorizing the opinion and to the content of the opinion itself.<sup>28</sup> These factors taken in conjunction with the ways in which ALAS reports lawyers fail to use due care in rendering opinions suggest the categories that should be addressed in a competent non-infringement or freedom to operate opinion.

These categories represent the objective evidence that courts weigh to determine if an accused infringer was justified in relying on its counsel's advice. None of these categories taken alone are critical for a competent opinion. The presence of each competence factor makes the opinion more competent, and the lack of each factor makes it less competent.

#### **A. The Author**

A competent author should compose a non-infringement or freedom to operate opinion. Federal Circuit cases have mainly focused on two issues regarding an

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<sup>26</sup> *Ortho Pharm. v. Smith*, 959 F.2d 936, 944, 22 USPQ2d 1119, 1126 (Fed. Cir. 1992).

<sup>27</sup> *Johns Hopkins University v. Cellpro, Inc.*, 152 F.3d 1342, 1362, 47 USPQ 2d 1705 (Fed. Cir. 1998).

<sup>28</sup> *Jurgens*, 80 F.3d 1566 at 1572.

author's competence. The first common issue is whether counsel is in-house or outside to the entity for which the opinion is prepared. The second common issue is whether counsel is a registered patent attorney. In general, outside, registered patent attorneys are preferred.

In *Underwater Devices*, the infringer argued it proceeded with its infringing activities in good faith, based on advice of its counsel.<sup>29</sup> The accused infringer's advice came from its inside counsel who was not a patent attorney.<sup>30</sup> The court held that neither fact alone demonstrated bad faith.<sup>31</sup> But the court did suspect the defendant's good faith because it chose its in-house, non-patent counsel.<sup>32</sup> Subsequent Federal Circuit cases support the view that in-house, non-patent attorneys are disfavored for rendering non-infringement opinions.<sup>33</sup>

Despite a preference for outside patent attorneys, in determining willfulness, the infringer's decision to use a particular counsel should be viewed on a case by case basis.<sup>34</sup> The court seems to equate objectivity with competency.<sup>35</sup> Therefore, even an outside patent attorney's opinion may be incompetent, if for example the attorney has a personal stake in the outcome of an infringement issue.<sup>36</sup> Moreover, an in-house or non-patent counsel may conceivably be competent to give an non-infringement opinion.<sup>37</sup>

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<sup>29</sup> *Underwater Devices, Inc. v. Morrison-Knudson Co.*, 717 F.2d 1380, 1390, 219 USPQ 569, 576 (Fed. Cir. 1983).

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Studiengesellschaft Kole, m.b.H. v. Dart Indus.*, 862 F.2d 1564, 9 USPQ2d 1273, 1282-83 (Fed. Cir. 1988).

<sup>34</sup> *Id.* at 1575.

<sup>35</sup> *Upadhye supra* note 6, at 51.

<sup>36</sup> *Upadhye, supra* at 51.

<sup>37</sup> *Studiengesellschaft*, 862 F.2d 1564 at 1574-76.

## B. Analysis of the Law

The failure to diligently research and correctly analyze the law can not only lead to an incompetent opinion, but is reported as one of several ways that lawyers fail to exercise due care in rendering an opinion. On the other hand, a correct analysis of the law reveals the sufficiency factors that should be considered in rendering the opinion.

A general overview of the law is provided below. This overview is not intended to be exhaustive. An exhaustive analysis of the law is beyond the scope of this paper.

The Federal Circuit tells us the starting point for determining infringement is an analysis of the claims of the patent in issue. The claims measure the scope of protection for the invention in the patent.<sup>38</sup> In determining whether the claims of a patent have been infringed, resort must be had in the first instance to the plain language of the claims.<sup>39</sup>

The task of construing the claims requires examination of all relevant sources of meaning in the patent including the patent's claims, specification (including any drawings), and the prosecution history.<sup>40</sup> A particular claim should also be construed in view of other claims in the patent, to insure that such claim is interpreted properly.<sup>41</sup> Amendments made to the claims and arguments presented during prosecution of the application before the PTO to

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<sup>38</sup> *Environmental Designs v. Union Oil Co.*, 713 F.2d 693, 699, 218 USPQ 865, 871 (Fed. Cir. 1983).

<sup>39</sup> *Loctite Corp. v. Ultraseal Ltd.*, 781 F.2d 861, 866, 228 USPQ 90, 93 (Fed. Cir. 1985); *Key Mfg. Group, Inc. v. Microdot, Inc.*, 925 F.2d 1444, 1447, 17 USPQ2d 1806, 1809 (Fed. Cir. 1991).

<sup>40</sup> *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 979-980, 34 USPQ2d 1321, 1329-30 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370 (1996).

<sup>41</sup> *DeGeorge v. Bernier*, 768 F.2d 1318, 1322, 226 USPQ 758, 761 (Fed. Cir. 1985).

distinguish the alleged invention over prior art should also be reviewed.<sup>42</sup>

Once properly construed, the patent claims are then compared (applied) to the accused device, product, or process.<sup>43</sup> The question of whether the properly construed claims of a given patent are infringed and, therefore, whether a patent is infringed by a particular device, product, or process, traditionally involves two steps. The first step is the determination of whether, with reference to the words of each claim of the patent-in-question, the device, product or process in question falls clearly within any one of the claims (i.e., do any of the claims “read on” the accused device). Each element is material and essential, and in order for a court to find infringement, the patent owner must show the presence of every element of a claim in the accused device, product or process.<sup>44</sup> If an element-by-element comparison of a patent claim with the accused device, product, or process shows the presence of each element, literal infringement is made out. If, on the other hand, the device, product or process in question does not include every literal detail of any one claim, then there is no literal infringement.<sup>45</sup>

Where there is no literal infringement, infringement may still be found, but not necessarily, under the judicially created doctrine of equivalents (the “second step”). An accused device, product, or process outside the literal meaning of the claims may still infringe by equivalents so long as each claimed element or its substantial equivalent is

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<sup>42</sup> *Vitronics Corp. v. Conceptionics Inc.*, 90 F.3d 1576, 39 USPQ2d 1573 (Fed. Cir. 1996).

<sup>43</sup> *Loctite Corp.*, 781 F.2d at 866.

<sup>44</sup> *Lemelson v. United States*, 752 F.2d 1538, 1551, 224 USPQ 526, 533 (Fed. Cir. 1985).

<sup>45</sup> *Graver Tank & Mfg. Co. v. Linde Air Prod. Co.*, 167 F.2d 531, 77 USPQ 207 (7th Cir. 1948), *aff'd*, 339 U.S. 605 (1950); *Pennwalt Corp. v. Durand-Wayland, Inc.*, 833 F.2d 931, 934-35, 4 USPQ2d 1737, 1738 (Fed. Cir. 1987) (*en banc*), *cert. denied*, 485 U.S. 961 (1988).

found in the accused product or process.<sup>46</sup> The doctrine of equivalents, however, is not a license to ignore claim limitations.<sup>47</sup>

The doctrine of equivalents is limited in that the doctrine will not extend to cover a device in the prior art, or to allow the patentee to recapture through equivalents certain coverage given up during prosecution of the application for the patent (doctrine of prosecution history estoppel). Specifically, when during prosecution of a patent application, a patent claim has been narrowed by amendment for a “substantial reason related to patentability,” such as to avoid a prior art rejection, the patentee may not assert that the surrendered subject matter is within the range of equivalents.<sup>48</sup> However, where the reason for the change or amendment of the claim of a patent application was not related to avoiding the prior art, the change may introduce a new element, but it does not necessarily preclude infringement by equivalents of that element.<sup>49</sup>

Decisions of the Court of Appeals for the Federal Circuit indicate that arguments and assertions (“remarks”) made to the examiner in the PTO during prosecution of the patent application may also give rise to prosecution history estoppel even if the claim was not amended during prosecution.<sup>50</sup> The remarks made during prosecution which are clear assertions in support of patentability, whether or not

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<sup>46</sup> *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 29, 41 USPQ2d 1865, 1868 (1997) (stressing the importance of applying the doctrine of equivalents on an element-by-element basis).

<sup>47</sup> *Dolly, Inc. v. Spalding & Evenflo Cos.*, 16 F.3d 394, 398, 29 USPQ2d 1767, 1771 (Fed. Cir. 1994).

<sup>48</sup> *Warner-Jenkinson*, 520 U.S. at 29-31, 41 USPQ2d at 1871-73.

<sup>49</sup> *Id.*

<sup>50</sup> *Desper Prods., Inc. v. QSound Labs, Inc.*, 157 F.3d 1325, 48 USPQ2d 1088 (Fed. Cir. 1998).



actually required to secure allowance, may create an estoppel.<sup>51</sup>

A review of these Federal Circuit's decisions suggests the following sufficiency factors should preferably be considered in rendering an opinion and discussed in the opinion letter itself:

- 1) The patent in question, including its specification and claims, its prosecution history, before the U.S. Patent and Trademark Office ("US PTO"), and the prior art references cited during its prosecution;
- 2) The appropriate construction of the patent's claims;
- 3) The accused or potentially infringing device, product and/or process;
- 4) The application of the construed claims to the accused, or potentially infringing device, product and/or process to determine whether there may be infringement of one or more of the claims as literally construed;
- 5) Possible infringement under the doctrine of equivalents;
- 6) Limitations to the scope of equivalency permitted under the doctrine of equivalents; and
- 7) Any limitations or qualifications to the opinion, the nature and scope of the

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<sup>51</sup> *American Permahedge v. Barcana*, 105 F.3d 1441, 1446, 41 USPQ2d 1614, 1618 (Fed. Cir. 1997).

investigations, and any assumptions made as a basis for the opinion.

Each of these items is discussed in more detail below. Again, however, their discussion is not intended to be exhaustive.

### **C. The Prosecution History and Cited Prior Art**

In addition to a review of the patent in question, including its specification and claims, analysis of its prosecution history before the US PTO is normally considered a necessary step in preparing an opinion.<sup>52</sup> In *Underwater Devices*, the potential infringer was informed of the plaintiff's patents and offered a license.<sup>53</sup> The defendant refused the license and commenced infringing activities.<sup>54</sup> Defendant's counsel did not rely on the patent's prosecution history when advising the defendant in their infringing activities. The court criticized the opinion counsel, and stated that evaluation of infringing activities generally includes an analysis of the prosecution history of the patent.

Other Federal Circuit cases have followed *Underwater's* precedent. In *Jurgens*, the court held that steps normally considered necessary and proper in preparing an infringement opinion include a thorough review of the prosecution history and cited prior art.<sup>55</sup>

In *Westvaco*, counsel's opinion reviewed the file history of the patent, the prior art of record, and additional prior art. The court stated that this analysis created an

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<sup>52</sup> *Jurgens*, 80 F.3d 1566 at 1573.

<sup>53</sup> *Underwater Devices, Inc.*, 717 F.2d at 1384.

<sup>54</sup> *Id.* at 1390.

<sup>55</sup> *Jurgens*, 80 F.3d at 1572.

“adequate foundation” from which counsel could give competent advice regarding infringement.<sup>56</sup>

#### **D. Claim Construction**

Once an adequate foundation is built through review of the patent, its prosecution history and the cited prior art, the claims of the patent should be construed. Claim construction is required if counsel is to determine whether the potentially infringing product infringes the patented invention.

When construing claims for non-infringement opinions, the Federal Circuit has preferred that claims be analyzed individually and in detail.<sup>57</sup> Claim language, including means plus function elements, should be interpreted.<sup>58</sup> When there is no assertion that the words of the claim on which the issue of infringement turns have anything other than their common, ordinary meaning, such common ordinary meaning shall apply.<sup>59</sup> If a meaning other than a common, ordinary meaning of a term is to be applied, such “non-ordinary” meaning must be clearly and expressly stated in the patent specification.<sup>60</sup> Where there are several meanings for a term in a claim, the patent disclosure serves to point away from the improper meaning and toward the proper one.<sup>61</sup> Furthermore, the claims are to be construed as they would be by one skilled in the particular art.<sup>62</sup>

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<sup>56</sup> *Westvaco Corp. v. Int'l Paper Co.*, 991 F.2d 735, 744, 26 USPQ2d 1353, 1360 (Fed. Cir. 1993).

<sup>57</sup> *Id.*

<sup>58</sup> *Critikon, Inc. v. Becton Dickinson Vascular Access, Inc.*, 120 F.3d 1253, 1260, 43 USPQ2d 1666, 1671 (Fed. Cir. 1997).

<sup>59</sup> *Howes v. Medical Components, Inc.*, 814 F.2d 638, 2 USPQ2d 1271 (Fed. Cir. 1987).

<sup>60</sup> *Markman*, 52 F.3d at 979, 34 USPQ2d at 1329.

<sup>61</sup> *Reinshaw PLC v. Mariposa Societa' per Azioni*, 158 F.3d 1243, 1246, 48 USPQ2d 1117, 1122 (Fed. Cir. 1998).

<sup>62</sup> *Loctite Corp, Ltd.*, 781 F.2d, at 867.

If the claim is unambiguous, counsel should construe the claims based only on intrinsic evidence including the patent itself, the claim language, and the prosecution history.<sup>63</sup> If counsel finds the claim language ambiguous, then counsel should indicate the source of ambiguity and any extrinsic evidence used to interpret the claim.<sup>64</sup> In the case of ambiguity such extrinsic evidence may include a discussion with one skilled in the particular art as to his or her understanding of the meaning of the patent and its claims.

When a counselor interprets claims, any conclusions should be based on detailed analysis. Statements should be more than merely conclusory without analytic backup.<sup>65</sup> Because courts emphasize the need for analysis by counsel, decisions regarding interpretation should be explained in detail.

#### **E. The Client's Accused or Potentially Infringing Device**

A correct understanding of the client's accused, or potentially infringing, device is important to a competent opinion.<sup>66</sup> One of the reported ways in which lawyers fail to use due care is through a failure to understand, or adequately, investigate the facts.<sup>67</sup> This understanding, and the source of

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<sup>63</sup> *Id.*

<sup>64</sup> *Id.*

<sup>65</sup> *Studiengesellschaft Kohle, m.b.H.*, 862 F.2d at 1578.

<sup>66</sup> See, e.g., *SRI International, Inc.*, 127 F.3d at 1466 (finding the technologic information on which the opinion of non-infringement was based to be incorrect).

<sup>67</sup> *Conmark Communications, Inc., v. Harris Corp.*, 156 F.3d 1182, 1191, 48 USPQ 2d 1001 (Fed. Cir. 1998) (opinion attacked on the basis

the information on which this understanding is based should be described in the opinion.

#### **F. Literal Infringement**

A non-infringement opinion should address literal infringement. In *Underwater*, the court stated that a competent infringement analysis should compare and contrast the potentially infringing method or apparatus with the patented invention.<sup>68</sup> To compare and contrast the patented invention with the possibly infringing device, a non-infringement opinion should identify each element in the patent's claims. After each element is identified, counsel must decide if each claim element, as appropriately construed, is present in the accused device.

Each element of a claim must be present in the accused device for there to be literal infringement. Any finding that an element does not exist in the accused device negates literal infringement.<sup>69</sup>

#### **G. Infringement Under the Infringement Doctrine of Equivalents**

A competent non-infringement opinion should also include an infringement analysis under the doctrine of equivalents. Under the doctrine of equivalents “a product or process that does not literally infringe upon the express terms of a patent claim may nonetheless be found to infringe if there is equivalence between the elements of the accused product or process and the claimed elements of the patented invention.”<sup>70</sup> Equivalency is determined against the context

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that accused infringer “intentionally withheld important information that Harris believed would result in an unfavorable opinion.”).

<sup>68</sup> *Underwater Devices, Inc.*, 717 F.2d at 1390.

<sup>69</sup> *Graver Tank & Mfg. Co.*, 339 U.S. at 607.

<sup>70</sup> *Warner-Jenkinson Co.*, 520 U.S. at 21.

of the patent, the prior art and the particular circumstances of the case.<sup>71</sup> Because each element in a patent claim is material to defining the scope of the invention, the doctrine of equivalents is applied to the individual elements of the claim, not to the invention as a whole.<sup>72</sup>

Infringement may be found using the doctrine of equivalents if every element of the asserted claim or its equivalent is found in the accused subject matter, and the difference between the equivalent and the claimed invention is insubstantial.<sup>73</sup> There is an insubstantial difference if the element of the accused subject matter performs substantially the same function as the claimed invention in substantially the same way to achieve substantially the same result.<sup>74</sup>

The “function-way-result” test set forth in *Graver Tank* is but one way of determining whether or not infringement under the doctrine of equivalents has occurred. Other factors, such as evidence of copying or designing around a patent, may also be considered.<sup>75</sup> The necessary predicate for a finding of infringement under the doctrine of equivalents is that the differences between the claimed device, product, or process and the accused device, product, or process are “insubstantial.”<sup>76</sup>

An important factor to be considered, aside from the function, way, and result “is whether persons reasonably skilled in the art would have known of the interchangeability of an ingredient, not contained in the patent with one that

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<sup>71</sup> *Id.* at 24.

<sup>72</sup> *Id.* at 29.

<sup>73</sup> *Id.*, 502 U.S. 17, 39, 41 USPQ 2d at 1875; *Graver Tank Mfg. Co.*, 339 U.S. at 6086.

<sup>74</sup> *Id.*

<sup>75</sup> *Hilton Davis Chemical Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1518, 35 USPQ2d 1641, 1645 (Fed. Cir. 1995) (*en banc*), *rev'd. on other grounds*, 520 U.S. 17, 41 USPQ2d 1865 (1997).

<sup>76</sup> *Warner-Jenkinson*, 62 F.3d at 1517.

was.”<sup>77</sup> Known interchangeability of the accused and claimed elements “is potent evidence that one of ordinary skill in the relevant art would have considered the change insubstantial. Without such evidence, the patentee will need other objective technological evidence demonstrating that the substitute nevertheless represents a change that the ordinary artisan would have considered insubstantial at the time of the infringement.”<sup>78</sup>

In order to evaluate issues such as interchangeability and insubstantiality of differences, the author of the opinion may need to resort to evidence extrinsic to the prosecution history, such as consulting with one skilled in the art. Any such consultation should be noted in the opinion and the source of information relating to such issues documented.

In *Westvaco*, the counsel’s opinion adequately analyzed the file history, prior art, and claim construction.<sup>79</sup> The counsel’s opinion did not, however, analyze infringement under the doctrine of equivalents.<sup>80</sup> The plaintiff claimed that the opinion was incompetent because it did not include a separate discussion of infringement under the doctrine of equivalents.<sup>81</sup> The court held that the lack of a doctrine of equivalents analysis was not dispositive.<sup>82</sup> The court noted, however, that lack of doctrine of equivalents analysis slanted the opinion towards incompetence. The opinion was competent despite this flaw because of strong claim, prior art and prosecution history analyses.<sup>83</sup>

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<sup>77</sup> *Id.*, 62 F.3d at 1519, 35 USPQ2d at 1646.

<sup>78</sup> *Id.*

<sup>79</sup> *Westvaco Corp.*, 991 F.2d at 744.

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

<sup>83</sup> *Id.*

## **H. Limitations to a Claim of Infringement Under the Doctrine of Equivalents**

As noted above under the Analysis of the Law, there are limitations to the doctrine of equivalents and, in particular, the scope of equivalency that may be permitted to support a claim of infringement. Generally, the Federal Circuit has commented that the doctrine of equivalents should not be allowed to recapture coverage that a patentee has otherwise previously given up or dedicated to the public. There are at least three ways in which the scope of equivalence claimed by a patentee may be limited: (i) under the doctrine of prosecution history estoppel; (ii) by the prior art; and (iii) by surrender or dedication to the public. The opinion may need to consider whether one or more of these limitations is applicable under the facts provided.

### **i. Prosecution History Estoppel and the Effect of Festo**

When a patentee responds to a rejection from the U.S. PTO by narrowing the claims of a pending patent application, the doctrine of prosecution history estoppel prevents the patentee from later arguing that the subject matter covered by the original, broader claim is an equivalent under the doctrine of equivalents.<sup>84</sup> Competitors may rely on estoppel to ensure that their devices do not infringe by equivalence.<sup>85</sup>

Prior to *Festo v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, cases consistently applied prosecution history estoppel only when claims were amended for a limited set of reasons, such as to avoid prior art, or otherwise to address a specific concern that obviously would have rendered the claimed subject matter unpatentable. In *Festo*, the Federal

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<sup>84</sup> *Festo Corp. v. Shoketsu Kogyo Kabushiki Co.*, 122 S. Ct. 1831, 1835, 62 USPQ2d 1705 (2002).

<sup>85</sup> *Id.*



Circuit abandoned this flexible approach. The Federal Circuit held that estoppel arises with any amendment narrowing a claim to comply with the Patent Act, and that estoppel stands as a complete bar against all equivalents for the element that was amended.<sup>86</sup> The Supreme Court vacated and remanded the Federal Circuit decision in favor of the prior flexible approach found in *Warner-Jenkinson*.<sup>87</sup>

In *Festo*, the Supreme Court commented that “estoppel is a ‘rule of patent construction’ that ensures that claims are interpreted by reference to those “that have been cancelled or rejected.”<sup>88</sup> Two questions, in particular, were addressed by the Supreme Court in *Festo*. The first question concerned the kinds of amendments that may give rise to estoppel.<sup>89</sup> The second question concerned whether an estoppel bars the patentee from asserting infringement against any equivalent to the narrowed amendment or might some equivalents still infringe.<sup>90</sup>

In addressing the first question, the Supreme Court commented that in *Warner Jenkinson*, it recognized prosecution history estoppel does not arise in every instance when a patent application is amended. It had previously made clear that estoppel applies to amendments made for a “substantial reason related to patentability”; and in prior cases it had consistently applied prosecution history estoppel only where claims had been amended for a limited set of reasons, such as “to avoid the prior art or otherwise to address a specific concern – such as obviousness – that arguably would have rendered the claimed subject matter

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<sup>86</sup> *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 234 F.3d 558, 574-575 (Fed. Cir. 2000).

<sup>87</sup> *Id.* at 1841.

<sup>88</sup> *Festo*, 122 S. Ct. at 1838, citing *Schriber-Schroth Co. v. Cleveland Trust Co.*, 311 U.S. 211, 220-221 (1940).

<sup>89</sup> *Id.* at 1839.

<sup>90</sup> *Id.* at 1840.

unpatentable.”<sup>91</sup> It went on to state, however, that it does not follow that amendments for other purposes will not give rise to estoppel. Even if the amendment’s purpose were unrelated to patentability, the court might consider whether the reason for the amendment was the kind that nonetheless might require resort to the estoppel doctrine.<sup>92</sup>

The Supreme Court agreed with the Federal Circuit that a narrowing amendment made to satisfy *any* requirement of the Patent Act may give rise to an estoppel.<sup>93</sup> Estoppel arises when an amendment is made to secure the patent and the amendment narrows the patent’s scope. Thus, estoppel may apply not only to an amendment to overcome a prior art rejection under either Section 102 or Section 103, but also one to overcome a Section 112 rejection. If a Section 112 amendment is necessary and narrows the patent’s scope – even if only for the purpose of better description – estoppel may apply. On the other hand, if a Section 112 amendment is truly cosmetic it would not narrow the patent’s scope or raise an estoppel. The Supreme Court, thus, concluded that a “patentee who narrows a claim as a condition for obtaining a patent disavows his claim to the broader subject matter, whether the amendment was made to avoid the prior art or to comply with Section 112.”<sup>94</sup>

In addressing the second question, the Supreme Court disagreed with the Federal Circuits’ decision to adopt a complete bar to equivalence as the effect of an estoppel. The Supreme Court held that when “the patentee has chosen to narrow a claim, courts may presume that the amended text was composed with awareness of this rule [that the interpretation of the patent must begin with its literal claims, and the prosecution history is relevant to constrain those

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<sup>91</sup> *Id.* at 1839.

<sup>92</sup> *Id.*

<sup>93</sup> *Id.*

<sup>94</sup> *Id.* at 1840.

claims] and that the territory surrendered is not an equivalent of the territory claimed.”<sup>95</sup> This presumption is rebuttable. The Court further held that the patentee should bear the burden of showing a narrowing amendment does not surrender the particular equivalent in question.<sup>96</sup> More particularly, the burden is on the patentee to show that at the time of the amendment one skilled in the art could not reasonably be expected to have drafted a claim that would have literally encompassed the alleged equivalent.<sup>97</sup>

The patentee can overcome the presumption that prosecution history estoppel bars a finding of equivalence by showing: (1) the equivalent may have been unforeseeable at the time of the application; (2) the rationale underlying the amendment may bear no more than a tangential relation to the equivalent in question; or (3) by showing some other reasons suggesting that the patentee could not reasonably be expected to have described the insubstantial substitute in question in its amendment.<sup>98</sup>

In view of *Festo*, an evaluation of the prosecution history of the patent in question should preferably include an evaluation of first, the type of amendments, if any, made during the prosecution of the application for patent in question. In particular, the evaluation should consider whether any narrowing amendments were made to secure the patent. Second, the opinion should evaluate the effect of any narrowing amendments found to determine what equivalence may be barred as a result of the amendments. Under the second question the opinion should preferably consider whether the equivalent in question may have been unforeseeable at the time of the application or amendment, whether the amendment in question bears no more than a

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<sup>95</sup> *Id.* at 1842.

<sup>96</sup> *Id.*

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*

tangential relation to the equivalent in question, or whether there may be some other reason suggesting that the patentee could not reasonably be expected to have described the unsubstantial substituted question. This evaluation should consider amendments made not just to overcome a prior art rejection under either Section 102 or Section 103, but any other amendment to overcome any rejection presented by the USPTO.

## **ii. The Prior Art**

In making a determination under the doctrine of equivalents, the court must consider whether the range of equivalents, broad enough to support a finding of infringement, would read on or be rendered obvious by the teachings of the prior art.<sup>99</sup> Thus, for example, if an interpretation of the equivalents of the claims is broad enough to also ensnare or cover the prior art, there is no infringement.<sup>100</sup> This is in effect saying that the patent claims should not be given a scope of equivalency so broad as to result in a claim construction that would have been considered unpatentable at the time of the prosecution before the U.S. PTO of the application for the patent

Accordingly, a review of the prior art cited during the prosecution of the application for the patent may be suggested.

## **iii. Surrender or Dedication to the Public**

Where an applicant abandons a claim in its patent application because of a rejection based upon the prior art, the applicant is not allowed to recapture the claim under the

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<sup>99</sup> *We Care, Inc. v. Ultra-Mark Int'l Corp.*, 930 F.2d 1567, 1571, 18 USPQ2d 1562, 1565 (Fed. Cir. 1991).

<sup>100</sup> *Id.*

doctrine of equivalents and the subject matter of the claim is surrendered to the public.<sup>101</sup>

Thus, a review of the patent's prosecution history to determine if any features of the invention described in the patent's specification are not claimed, or were the subject of claims presented to the US PTO later cancelled and not recaptured in another claim.

### **I. Disclaimers, Limitations and Qualifications to the Opinion**

While courts emphasize analysis, a counselor does not need to make unequivocal or unqualified conclusions. In *Westvaco*, the court stated that opinion of counsel need not unequivocally state that the client will not be held liable for infringement.<sup>102</sup> The counsel's opinion instead "spoke in terms of probabilities."<sup>103</sup> The court found that counsel's advice, which qualified its interpretive conclusions with "it [is] more likely than not", was more likely an honest opinion versus an opinion that spoke in certainties.<sup>104</sup> An honest, objective opinion is more likely to give the potential infringer a reasonable basis for believing it had the right to conduct the infringing activities.

Coupled with this suggestion for a reasoned opinion is the report that one of the ways lawyers fail to exercise due care in rendering opinions is the failure to appropriately limit or qualify the opinion. Areas of the opinion where such limitations or qualifications may apply include:

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<sup>101</sup> *Exhibit Supply Co. v. Ace Patents Corporation*, 315 U.S. 126, 62 S. Ct. 513 (1942).

<sup>102</sup> *Westvaco Corp.*, 991 F.2d at 744.

<sup>103</sup> *Id.*

<sup>104</sup> *Id.*

- 1) the scope of the opinion;
  - 2) the sources of the factual information on which the opinion is based;
  - 3) the nature and scope of counsel's investigation;
  - 4) reliance on any information from a third party;
- and
- 5) any assumptions made as a basis for the opinion.

ALAS reports that claims have been made when a lawyer rendered an unqualified opinion where a lawyer exercising reasonable care would have rendered a qualified opinion, or when a lawyer rendered an unreasoned, or "clean", opinion when the unsettled nature of the issue would have led a reasonably careful lawyer to render a reasoned opinion.

It is suggested that the scope and content of the opinion to be rendered should be agreed upon in advance between the opining lawyer and the client or other intended recipient(s) of the opinion.<sup>105</sup> The lawyer should also consider to what extent the opinion should disclaim responsibility to certain third parties. The *Restatement (Third) of the Law Governing Lawyers* comments:

A lawyer may avoid liability to non-clients under Subsection (2) by making clear that an opinion or representation is directed only to a client and should not be relied on by others. Likewise, a lawyer may limit or avoid liability under Subsection (2) by qualifying a representation, for example by making clear through limiting or disclaiming language in an opinion letter that the lawyer is relying on

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<sup>105</sup> See *Glazer and Fitzgibbon on Legal Opinions, supra*, Section 1.8 Duty to Avoid Misleading Opinion Recipient.

facts provided by the client without independent investigation by the lawyer (*assuming that the lawyer does not know the facts provided by the client to be false, in which case the lawyer would be liable for misrepresentation*). (Emphasis supplied)<sup>106</sup>

Two cases have given force to such disclaimer.<sup>107</sup> While another recent case did not.<sup>108</sup>

## VI. Summary

The Federal Circuit's approach to reviewing the competency of a non-infringement or freedom to operate opinion can be summarized by contrasting the holdings in two different cases. In the *Critikon* case, the Federal Circuit held that the District Court clearly erred in not finding willful infringement.<sup>109</sup> On review of the opinion, the Federal Circuit found it was not competent. More specifically, it found it was superficial and conclusory in nature, no discussion of claim interpretation or analysis of specific claims, no discussion of the means-plus-function claim limitations, and no meaningful discussion of the prosecution history of the patent suit.

In contrast, in the *Westvaco* case, the Federal Circuit held that the District Court's finding of willful infringement was clearly erroneous and reversed the finding.<sup>110</sup> In *Westvaco*, a draft opinion was first sent by outside counsel to

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<sup>106</sup> Restatement, Section 51, Comment e.

<sup>107</sup> *Fortson v. Winstead, McGuire, Sechrest & Minick*, 961 F.2d 469 (4<sup>th</sup> Cir. 1992); and *Mark Twain Kansas City Bank v. Jackson, Brouillette, Pohl & Kirley, P.C.*, 912 S.W.2d 536 (Mo. Ct. App. 1995).

<sup>108</sup> *Kline v. First Western Government Securities, Inc.*, 24F.3d 480 (3d Cir. 1994).

<sup>109</sup> *Critikon Inc., v. Becton Dickinson Vascular Access, Inc.*, 120 F.3d 1253, 43 USPQ 2d 1666 (Fed. Cir. 1997)

<sup>110</sup> *Westvaco Corp., supra*.

in-house counsel for the accused infringer. In-house counsel reviewed the draft, marked it with comments and questions, and then discussed the draft with outside counsel. Outside counsel did not adopt all of the comments and revisions to the opinion that in-house counsel suggested. Furthermore, the final opinion letter qualified outside counsel's opinion using the phrase "more likely than not."

The Federal Circuit, citing *Read v. Portec*, reiterated that objective evidence must be considered to determine whether a defendant was justified in relying on patent counsel's advice, i.e., whether the patent counsel's opinion was competent. Here, the Federal Circuit found the opinion to be competent. It found that the opinion was not conclusory, was based on a review of the patent's prosecution history, the prior art of record and additional prior art. It further found that the issues were analyzed in detail and that the patent claims were not discussed as a group but were separately analyzed. The opinion was faulted by the patentee for not discussing the prosecution history of the patent or the doctrine of equivalents. The court stated that the lack of doctrine of equivalents analysis is not critical or dispositive. It found the opinion letter contained enough other indicia of competence that the failure to discuss the application of the doctrine of equivalents has not fatal. Additionally, the fact that the opinion letter was reviewed or was equivocal also did not require a finding of willfulness. It was acceptable that the opinion letter talked of probabilities which tended to show a more objective and honest evaluation of the issue.

Contrasting the Federal Circuit's holdings in *Critikon* and *Westvaco* shows those factors that the Federal Circuit would like to see addressed and analyzed in a non-infringement or freedom to operate opinion. Further, the *Westvaco* holding shows that an opinion which is considered flawed, because it does not provide a detailed discussion of a



particular issue, such as prosecution history or doctrine of equivalents, may nonetheless be considered competent should a review of the letter as a whole provide sufficient objective evidence to justify an accused infringer's reliance on the opinion.<sup>111</sup>

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<sup>111</sup> See also, *Sensonics, Inc., v. Aerosonic Corp.*, 81 F.3d 1566, 38 USPQ 2d 1551 (Fed. Cir. 1996).