



Training Your IP Police Force to Catch Infringement

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The idea for this article came to me as I sat on a bench across the aisle from one of the large manufacturers at the recent AAOS meeting in Las Vegas. I watched two gentlemen walking slowly around the booth, pointing at various product display counters while writing notes. Both were careful not to step over the imaginary line and violate the unspoken rule of entering a competitor's booth without permission. This longstanding cat and mouse game of checking out the competition has not changed; however, the intel one is able to collect has. Gone are the days of being able to obtain design brochures and surgical techniques. From an intellectual property (IP) policing standpoint, the elimination of readily accessible product information does impact a company's ability to monitor and evaluate whether a competitor is knocking off technology and infringing IP.

Due to the rapidly changing product development landscape and the need to protect one's own IP, as well as the increased difficulty in monitoring competitive product information, it is critical for companies to establish and properly train their own IP police force if they want to enforce their own protected inventive designs.

This article provides an overview of the infringement standards that a company's IP force must understand and the remedies/damages that may be available if they are successful with their enforcement efforts.

There are three types of patents: utility, design and plant (think genetically engineered flowers, beans, corn, etc.). Patent law states that every patent contains "a grant to the patentee... of the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States." (See 35 U.S.C. 154(a)(1) (*emphasis added*)). What is important with this granted patent right is that *you* have the ability to enforce *your* patent against others if those others are infringing your patent. The burden rests with you or your company to stop your competitors from using your patent.

Clients frequently claim that "this company is infringing my patent with this product and I need you to get them to stop." Before any action can be taken, you must first determine whether actual infringement of your utility patent is occurring.

The best practice is to obtain the actual suspected infringing device that the competitor is selling. Don't base claims on a brochure or a description from a sales rep, because that evidence is insufficient to make such an important assertion. With the assistance of a patent attorney, you should carefully

examine the potentially infringing device and compare its structure to the claims of your patent. For your patent to be infringed, every element or structural limitation in the claim must exist in the accused product. Your initial review should focus on independent claims only as these provided the broadest coverage. Courts when adjudicating a patent infringement case will follow a two-step process to determine whether a claim is infringed (and you should, too).

The first step is determining what the claim means (i.e., "constructing" or "construing"). The second step is to then determine if the claim actually describes the suspected competitive product. (e.g., does the suspected product have all of the elements in the patent claim?) Diving deeper, when constructing the claim companies will need to: 1) read the plain language of the claim itself; 2) read the specification of the patent, because claims and their words must be interpreted within the context of the entire patent; 3) review the patent's prosecution history to determine whether meanings of certain words/terms within the claim should be interpreted or understood in a different manner as evidence by communication between the patent office and the inventor and, 4) if necessary, consult extrinsic evidence (i.e., dictionaries).

Once this first step is completed, the second step of comparing the "constructed" claim to the competitive product is usually straightforward. Utility patent claims may be directly infringed in two ways (contributory infringement will not be discussed in this article). The first is literal infringement. One determines if this occurs by the above two-step process, constructing the claim and comparing it to the suspected device. Even if the suspected device has more features than what is required by the claim, it does not matter for the purpose of literal infringement. It only matters whether the features in the claim are present.

The second type is called infringement under the "doctrine of equivalents." For this, the suspected device does not literally infringe the claim; however, infringement may still be found if the suspected device: 1) avoids literal infringement because of an insubstantial difference in the structure and 2) performs substantially the same function, in substantially the same way, to achieve substantially the same result as your claimed invention.

The "doctrine of equivalents" is applied by performing a judicially created test on the suspected device. This three-part "function, way, result" test is applied sequentially by first determining if the suspected device achieves substantially the same result as the claimed invention. If so, then the second

prong of the test is applied, determining whether the suspected device performs substantially the same function as the claimed invention. Again, if the answer is yes, then the third and final prong is applied: whether the suspected device operates in substantially the same way as the claimed invention.

When applying the “function, way, result” test, you need to remember that *each* element of the claimed invention must be compared to the suspected device to determine whether the suspected device contains *each* element or its “substantial” equivalent. If at any time when applying the three-prong test the answer to the query is no, then the test ends, because no equivalent structure is found—and no infringement can occur. Of note, legal analysis using the “doctrine of equivalents” can become even more complicated due to certain limitations created by the prior art and prosecution history estoppel; therefore, the IP police force should seriously consider using patent counsel to perform this task.

The burden rests with you to stop your competitors from using your patent.

Infringement of a design patent is determined differently than with utility patents. Remember, design patents protect the ornamental “look” of a device, not how it works. The courts changed the infringement standards in 2008 by eliminating the “point of novelty” and “non-trivial advance” tests. This resulted in increased value for design patents and easier enforceability, as the new standard of infringement is the “ordinary observer test.” This requires that in the eyes of an ordinary observer, giving such attention as a purchaser usually gives, the two designs are compared and determined that the designs are substantially the same. This ordinary observer test suggests the question of, how close is too close when one is comparing two designs? The courts have helped a little in this regard by indicating that, when applying the test, it is important to look at the overall appearance and not specific minute differences in the details visible to an ordinary observer. This tip should be used by the IP police when performing their design patent infringement review.

Understanding this new and still evolving “ordinary observer” test will require you to keep abreast of any changes to the design patent infringement standard. Importantly, companies should keep in mind the power of design patents and utilize them to complement the protection provided by a corresponding utility patent for respective designs. The company should remember that even though a competitor may have an implant that does not infringe one’s utility patent, they may need to look further. If the look of that implant has been protected by a design patent, you may still be able to keep that competitor from infringing your implant design and entering the marketplace.

As stated above, if you have an issued patent, it is your right to exclude others from using the claimed invention. I tell clients before they file a patent application, don’t waste your

money on filing the application if you never plan on enforcing it. Enforcing one’s patent may take on different looks and tactics. IP enforcement strategy can include a multitude of assertive actions on the part of your IP police force and its budget. When one does enforce their patent rights, what can a company expect in the form of damages if they are successful?

For utility patents, the patent law provides that the damage award be “adequate to compensate for infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs as fixed by the court.” Courts have interpreted this statute to mean that the damage award be for lost profits or other compensatory damages where the patent holder has been able to prove such damages. However, if a patent holder cannot present such proof, the law still provides for the awardment of reasonable royalties based on the sale of any infringing goods. It should be understood by the patent police that damages may be limited by two factors. The first is a pseudo statute of limitations, in that no recovery can occur for infringement committed more than six years prior to the filing of a complaint for infringement. The second limitation is the notice requirement, which mandates that patent holders give notice to the public that the implant is patented. This is typically achieved by marking the invention with the patent number, or placing the number on the packaging.

Damages awardments for design patent infringement have an additional element not available for utility patents. Owners of an infringed design patent may seek the above traditional damage awardments. However, a design patent holder may choose instead to seek recovery of the infringer’s profits as a result of the sale of the infringing product. This additional remedy acts as a significant deterrent. It should be noted that a company may have several damage options to choose from in the event they are successful when enforcing their respective design application.

In conclusion, policing one’s IP is key to maintaining the value of a company’s IP portfolio. With the fast-paced product development cycle of the medical device marketplace and the rise of advertising on the internet, a company has its hands full trying to properly monitor and enforce their IP portfolio. Properly educating the people who will carry out a company’s enforcement efforts with the appropriate infringement standards that need to be met will go a long way toward establishing a competent and capable IP police force.

This article was written for informational functional purposes only and should not be interpreted as legal advice. Please consult with a licensed patent attorney if you have any questions.

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