

## Current State of the U.S. Patent Law - Risk Mitigation Based on Legal Opinions

Knobbe Japan Practice Series  
December 3, 2021

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## Basis for Willful Infringement - 35 U.S.C. § 284 – Damages 根拠条文

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Upon finding for the claimant the court shall award the claimant damages adequate to compensate for the 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.

When the damages are not found by a jury, the court shall assess them. **In either event the court may increase the damages up to three times the amount found or assessed. Increased damages under this paragraph shall not apply to provisional rights under section 154(d).**

The court may receive expert testimony as an aid to the determination of damages or of what royalty would be reasonable under the circumstances.

### *Underwater Devices*

- Avoiding willful infringement required an “**affirmative duty of care**（積極的な注意義務）”
- A party liable for infringement had a high risk of a finding of willful infringement
- Willful infringement risk commonly addressed by pro-actively seeking invalidity and non-infringement opinion letters

### *Seagate*

- CAFC eliminated “affirmative duty of care”
- New standard was “**clear and convincing evidence**（明確で説得力のある証拠） that the infringer acted despite an **objectively high likelihood**（客観的に高い可能性） that its actions constituted infringement of a valid patent”
- An “objectively high likelihood is an "objectively-defined risk... [that] was either known or so obvious that it should have been known to the accused infringer”
- Opinion letters became less common

### *Halo*

- The Supreme Court abrogated Seagate
- Inquiry focuses on the culpability of the accused infringer as measured by what it knew at the time of the challenged conduct
- Willful infringement is "**egregious infringement behavior (悪質な侵害行為)**" that warrants enhanced damages, such as behavior that is "willful, wanton, malicious, bad-faith, deliberate, consciously wrongful, flagrant, or ... characteristic of a pirate."
- The Court also rejected the clear and convincing evidentiary burden in favor of a preponderance of the evidence

### *Read*

- (1) whether the infringer deliberately copied the ideas or design of another;
- (2) whether the infringer, when it knew of the other's patent protection, investigated the scope of the patent and formed a good-faith belief that the patent was invalid or not infringed;
- (3) the infringer's behavior as a party to the litigation;
- (4) the infringer's size and financial condition;
- (5) the closeness of the case;
- (6) the duration of the infringer's misconduct;
- (7) remedial action by the infringer;
- (8) the infringer's motivation for harm; and
- (9) whether the infringer attempted to conceal its misconduct.

## Practical Questions 実務的な質問

Question: Does citation of a patent or published patent application require an analysis of the claims or an opinion?

- Generally, citation of issued patents or published patent applications during prosecution does NOT create an obligation to review any claims for possible infringement
- No strict rule – the more relevant a reference is during prosecution, the greater knowledge that will be inferred
- Note – there are examples in U.S. patent litigation where willfulness is based on knowledge of the asserted patent based on citation and application during prosecution



Question: Does identification of a patent as part of a patent search/clearance search require an analysis of the claims or an opinion?

- Generally, conducting patent searches/clearance searches provides additional knowledge of patents and may require additional follow up
  - Was there a good-faith belief that the patent was invalid or not infringed?
  - Was there deliberate copying?
  - Was there any attempt to conceal?
- No strict rule – the more relevant a patent, the greater knowledge that will be inferred

Question: Does identification of a patent as part of a general assertion letter without details of infringement require an analysis of the claims or an opinion?

- Generally, the assertion letters provides additional knowledge of patents and may require additional follow up
  - Was there a good-faith belief that the patent was invalid or not infringed?
  - Was there deliberate copying?
  - Was there any attempt to conceal?
- No strict rule – the more relevant a patent, the greater knowledge that will be inferred

Question: Does identification of a patent as part of a specific assertion letter including details of infringement require an analysis of the claims or an opinion?

- Generally, a specific assertion letters usually requires some form of additional follow up
  - Was there a good-faith belief that the patent was invalid or not infringed?
  - Was there deliberate copying?
  - Was there any attempt to conceal?
- No strict rule regarding how much follow up is required – the more relevant a patent, the greater knowledge that will be inferred and the more thorough analysis required

## Types of Opinions 意見のタイプ

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- Oral Advice 口頭での助言
  - May be appropriate for clear non-infringement position – Should be confirmed with written communication
  - Not likely sufficient for invalidity position
- Short Memorandum 短いメモ
  - May be appropriate for clear non-infringement position that does not require detailed claim construction
  - Not likely sufficient for invalidity position

## Types of Opinions 意見のタイプ

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- Claim Chart クレームチャート
  - May be appropriate for clear non-infringement position that does not require detailed claim construction
  - May be appropriate for clear invalidity position that that does not require detailed claim construction
- Written Opinion 鑑定書
  - Applicable for non-infringement position that may require detailed claim construction, prosecution history review
  - May be appropriate for clear invalidity position that that may require detailed claim construction, prosecution history review

- General Assertion Letters
  - Statement respecting intellectual property rights
  - Option 1: Insufficient detail for further analysis – matter will be considered closed
  - Option 2: Insufficient detail for further analysis – request more details if any follow up is to be conducted
  - Option 3: Indicate non-infringement and matter will be considered closed
- Specific Assertion Letters
  - Statement respecting intellectual property rights
  - Option 1: Insufficient detail for further analysis – request more details if any follow up is to be conducted
  - Option 2: Indicate missing elements for non-infringement and matter will be considered closed
  - Option 3: Provide detailed invalidity chart

# Knobbe Martens

Thank you!