Patent Infringement

PG Diploma In Patents

NALSAR University of Law, Hyderabad

Contact Class; November, 2020.

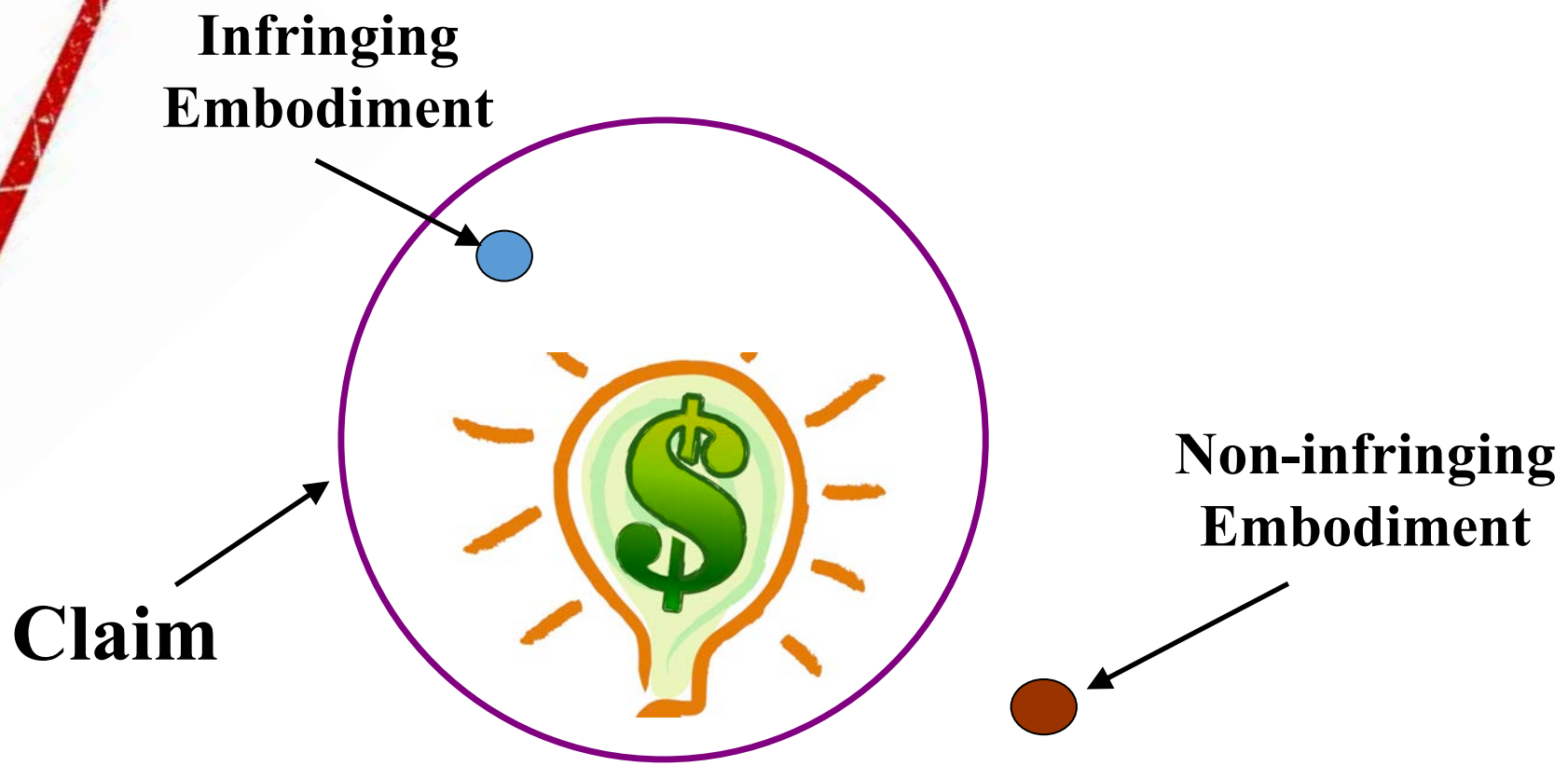
Patent Right



- ✓Right to exclude others
- ✓A patent is not a grant of a right to make, use or sell - a defensive right
- ✓Grant of patent in return for full disclosure

Infringement





Types of Infringement

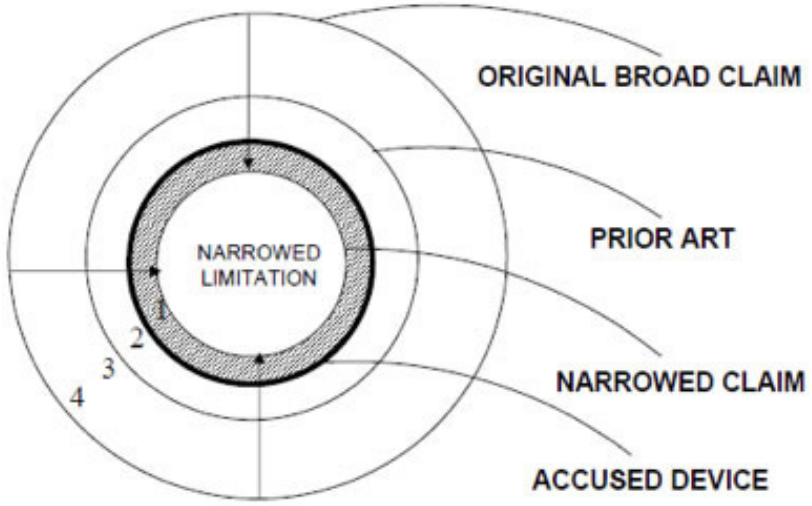
- Infringement
  - Direct Infringement
    - Literal Infringement
    - Equivalence Infringement
  - Indirect Infringement
    - Induced Infringement
    - Contributary Infringement



Infringement

A valid patent gives patentee the right to bring an action on both

- Direct infringement, and
- Indirect infringement
  - Induced infringement
  - Contributory infringement





Direct Infringement

What is claimed in the patent

- Make,
- Use,
- Offer to sell,
- Sell, or
- Import

Induced Infringement



- Act of actively inducing another to infringe a patent

- Instructing, directing or advising the third party to carry out a direct infringement



Contributory Infringement



- Sale, offer for sale or importation of a component of a patented article or a material part of the invention already patented.

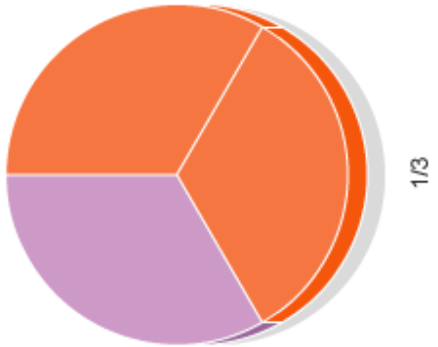
Literal Infringement

- Every element of the patented claim must be found in the infringing device
- Literal infringement can be avoided by making changes so that the exact elements disclosed in the patented claim are not totally met
- Any discrepancy will make literal infringement void



What is an equivalent ?

What is an Equivalent ?



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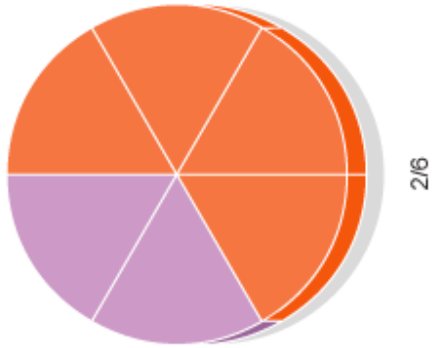


- The differences between the claim element and the equivalent must be, insubstantial or interchangeable to a person skilled in the art

- A difference may be insubstantial or interchangeable if the accused elements perform substantially the same function in substantially the same way to obtain substantially the same result as the invention.

What is the need of an Equivalent ?



- The doctrine of equivalents is a judicial construction which recognizes the short comings of the claim language
- An infringer doesn't infringe words of the patent claims but an invention

Doctrine of Equivalence

- To prevent *'fraud on the patent'*
- Invoked when a patent's claim is not literally infringed
- The infringing device uses substantially the same means in substantially the same way to get substantially the same result
- Favors the patentee



Equivalence - Reverse



- When an invention affords "*a significant advancement or advantage*" - there is no infringement

- The reverse doctrine of equivalents

DoE - Basic Test

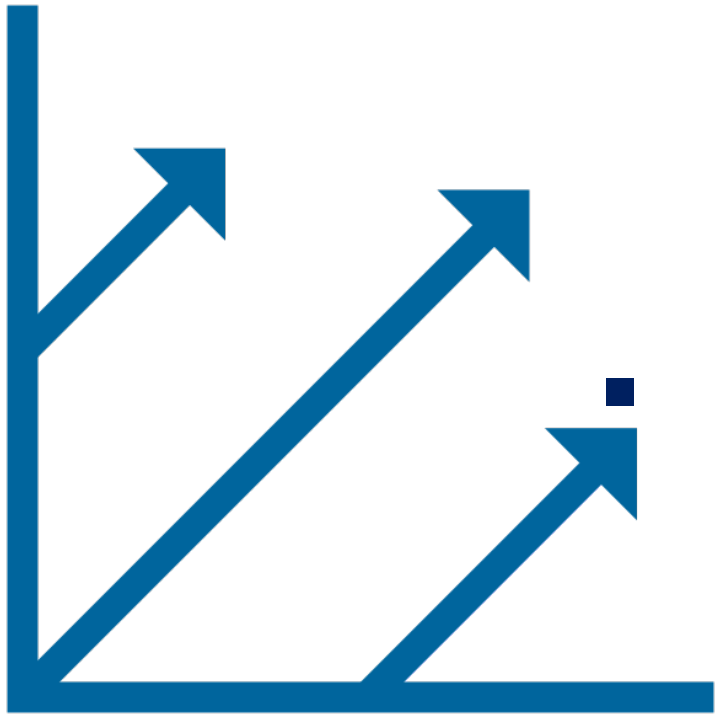
Function-Way-Result

- Equivalent Function
- Equivalent way
- Equivalent result

Winans v. Denmead, 56 U.S. (15 How) 330, 14 L. Ed. 717 (1853)

Insubstantial - the big question?

- *"whether person reasonably skilled in the art would have known the interchangeability of an ingredient not contained in the patent with one that was"*



- *"one with the ordinary skill in the relevant art would have considered the change insubstantial"*

Substantiality of Differences

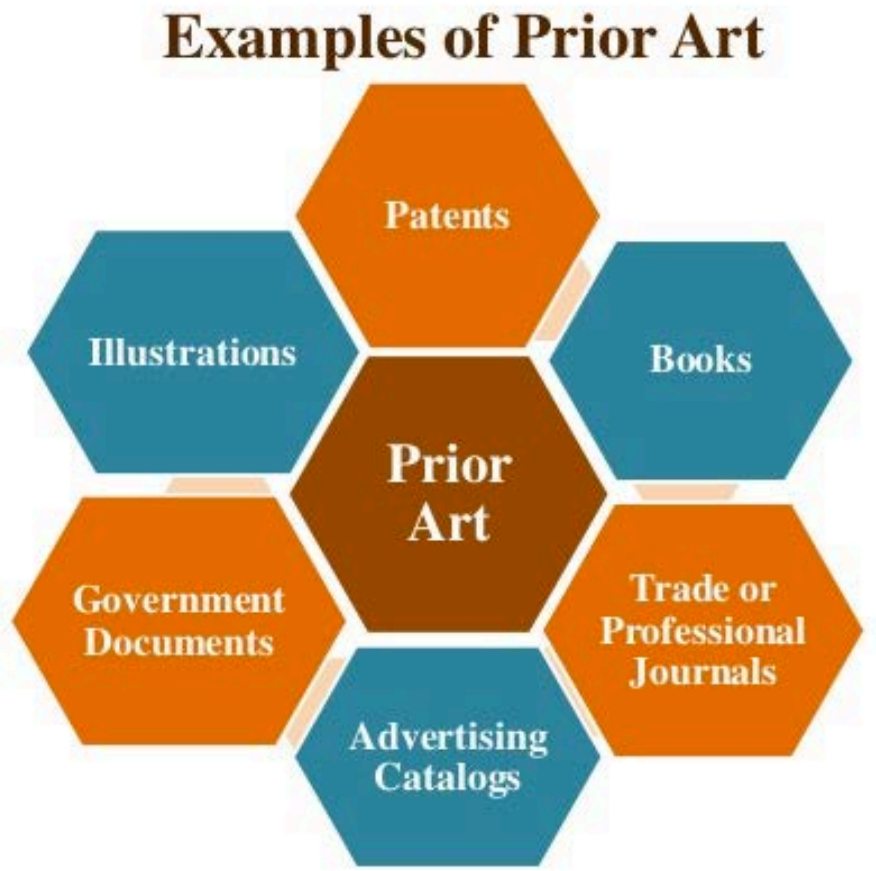
- *"that differences which are unimportant and add nothing to the process/product, yet manage to avoid the claim language, can be considered insubstantial"*
- *"a patentee should not be able to obtain, under the DoE, coverage which he could not lawfully have obtained from the PTO by literal claims"*



Role of Prior Art

- *"if the accused device or process is itself in the prior art, or merely an obvious variation of the prior art, then it cannot at law be an equivalent for the purpose of equivalent infringement"*

Wilson Rule



Limitation of Broad Claims

- *"specifications are not to be used to expand the claims to cover advances clearly not claimed, but they should be considered to explain ambiguous claims or to limit over broad claims"*

Slimfold Rule

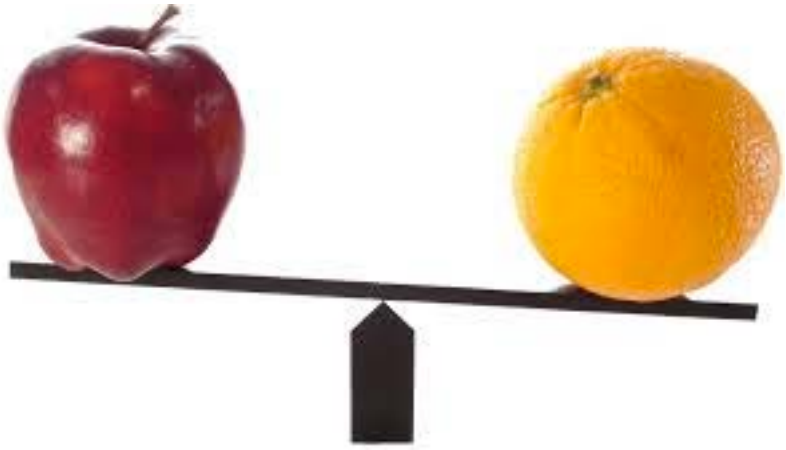


Element by Element Comparison

All Elements Rule

- *"decided on an element-by-element basis with reference to the disclosure of the patent specification"*

- *"every limitation of an asserted claim that is not literally met must be equivalently met or there can be no infringement "*



Pennwalt Rule

Narrowly Claimed …. Lost

- *"for a patentee who has claimed an invention narrowly, there may not be infringement under the DoE in many cases, even though the patentee might have been able to claim more broadly"*

- *"as between the patentee who had a clear opportunity to negotiate broader claims but did not do so, and the public at large, it is the patentee who must bear the cost of its failure to seek protection for this foreseeable alteration of its claimed structure"*



Dolly/Sage/Weinner Rule

Not Claimed …. Lost

- *“Subject matter that is fully disclosed and enabled in the specification, but not claimed, will be deemed by the courts to be dedicated to the public, to be placed in the public domain”*

Maxwell Rule



Precedents are Binding



- *"prior decisions of a panel of the court are binding precedents on subsequent panels unless and until overturned en banc"*

- *"where there is direct conflict, the precedential decision is the first"*

Newell Rule

Prosecution History Estoppel

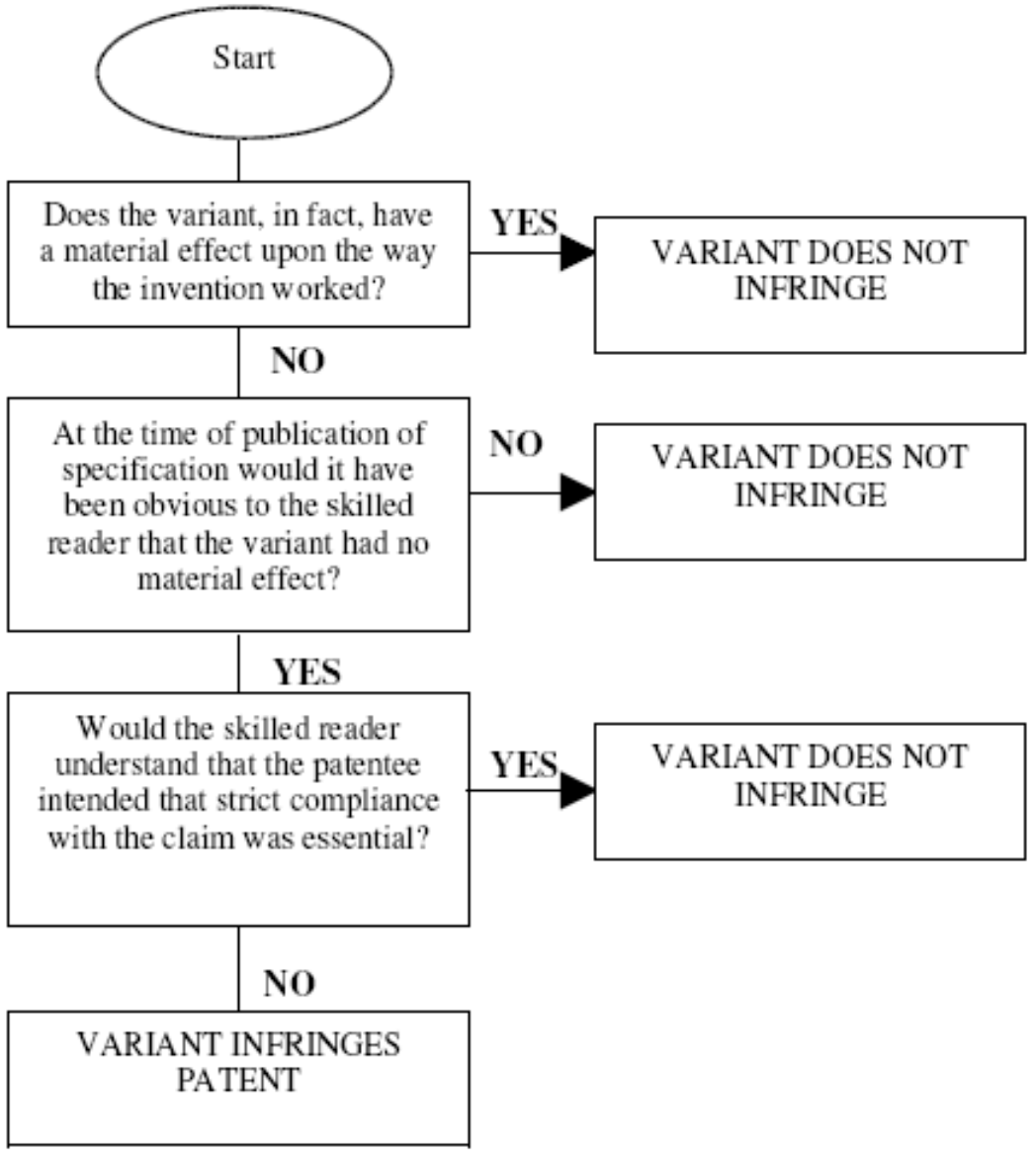
- During the examination of the patent by the PTO in the course of the issuance process, the patentee had to change claims to avoid existing prior art and avoid the rejection of his application as not novel, the patentee is held to those new limitations for the rest of the life of the patent. The patentee can't go back to the original, broader claims.

- Favors the accused infringer



DoE vs Catnic/Improver Test





Flowchart 1, based on Bainbridge (2002, 397).

PHE – When?

- No literal infringement
- The patent owner asserts infringement by equivalents
- The accused infringer asserts the defense on the basis that the relevant subject matter has been disclaimed during prosecution
- When a patent applicant amends or cancels claims rejected by the Patent Office as not patentable based upon prior art
- Or other purposes including arguments made by the applicant.
- *"Unmistakable assertions made by the applicant … also may operate to preclude the patentee from asserting equivalency…."*



Defenses

A person falling within the scope of a defense will not be liable for infringement though his product or process is infringing

- Invalidity;
- Experiment, Research or Education;
- Government use;
- Patent Exhaustion;
- Patent Misuse; and
- Inequitable Conduct



Invalidity

- The claimed subject matter was not new.
- The claimed subject matter was obvious.
- The specification has not a sufficient written description
- The specification does not enable others to practice the invention claimed.



Experiment / Research / Education

- Use of patented invention for experimentation or research is a valid defense to patent infringement.
- In addition to research, use of a patented invention for education to pupils is also a valid defense in India.

Government Use

- Importation, manufacture or use of a patented invention by or on behalf of the government is a valid defense.
- Valid only if the activity is merely related to purposes of government's own use.



Patent Exhaustion

- The exclusive rights with respect to a product are exhausted on sale of the product by the patent holder.
- Applies to process patents also – on sale of a product made by the process

Patent Misuse

- Using a patent beyond the scope of rights granted to the patent holder is called patent misuse.
- Any action that amounts to abuse of dominance, restraint of competition and so on.



Inequitable Conduct

- A patent holder is liable for inequitable conduct if he defrauds the patent office or provides false or misleading information to the patent office.
  - *Disclosure of false information relating to invention, inventorship, foreign application and so on.*
- Assessed based on the intention of patent holder and materiality of the information that has been witheld or wrongfully disclosed.

Remedies



- Injunction;
- Damages;
- Accounts of profits; and
- Costs

Prof. Kayton's 9 steps (1-4)

- List the claims in diminishing order of breadth.
- (Optional) Proceed to eliminate the broadest and successively less broad claims by finding prior art to invalidate them.
- With solely the broadest valid claim in mind, consult with technical and marketing experts to select the one, two or more claim-recited elements that is/are of least significance and could be omitted from a commercial product.
- (If step 3 is successful) Write an infringement opinion stating that the proposed product is non-infringing under "*all elements rule*"



Prof. Kayton's 9 steps (5-7)



- (If step 3 is unsuccessful) Select one claim-recited element of least importance and then substitute an element that performs the same function but is physically or chemically (as the case may be) as different as possible from that of the claimed element so as not to be considered an insubstantial change.
- (If step 5 is successful) Write a non-infringement opinion but rely on *"substituted element rule"*
- (If steps 3 and 5 are both unsuccessful) Select the least important claim-recited element and have experts explain how to change it physically or chemically so as to force it to function in a different way while producing precisely the same result.

Prof. Kayton's 9 steps (8-9)

- (If step 7 is successful) Write a non-infringement opinion.

- If unable to succeed in achieving any one of steps 3, 5, or 7 your technical and marketing experts are gloriously incompetent or in the patentee's employ. They should be fired, and relegated to an appropriate institution. Hire new experts, and start over at step 1.



Winans v. Denmead



The first decision in which the US Supreme Court - extended patent protection beyond the literal meaning of the claims by means of the Doctrine of Equivalents.

The case dealt with a new kind of railroad car to carry coal, whose form drawn by Winans was “cylindrical and conical” instead of rectangular as the previous cars.

Denmead, one of Winans’ competitors, built railroad cars which were “octagonal and pyramidal” in shape but whose advantages were essentially the same of Winans’ cars.

A divided Supreme Court reversed the previous trial judge decision by asserting the existence of infringement, as it would have not been reasonable to literally apply the content of the claims as the car was *“[..] so near to true circle as substantially to embody the patentee’s mode of operation and thereby attain the same kind of result as was reached by his invention [..]”.*

56 U.S. (15 How) 330, 14 L. Ed. 717 (1853)

Graver Tank & Mfg v. Linde Air Prods. Co.



Represents one of the most leading sentences on the doctrine, since it has introduced the requirement of "inter-changeability".

The case involved the alleged infringement of the patent for an electric welding process and of the fluxes to be used with, which had been patented by Linde Air Prods. Co. The two electric welding compositions in question were similar, with regard to the mechanical methods and the results in terms of kind and quality of weld, except for the fact that the Graver Tank's one used magnesium instead of manganese.

While the trial Court stated that there was infringement on the basis of four fluxes claims, the Court of Appeals reversed this decision. In the end, the Supreme Court reinstated the judgment of the trial court by considering the magnesium a simple substitute of manganese and consequently the product "*[..] the result of imitation rather than experimentation or invention [..]".*

339 U.S. 605 (1950)

Hilton – Davis Chemical Co. v. Warner –Jenkinson Co.



Historical as both the Federal Circuit and the Supreme Court addressed the major controversial characteristics of the DoE

Hilton Davis' patent application discloses and claims an "ultra – filtration" process based on osmosis trough a membrane – a process for removing impurities from food and drug dyes.

The debatable and uncertain core of the dispute concerned the "pH" limitation during the claimed process. In fact, the original independent claim contained no "pH" limitation, as the specification pointed out that the decrease of "pH" was only a preference.

Unfortunately the examiner rejected the application as non patentable for prior art so the attorneys of Hilton Davis amended the patent application by introducing the "pH" limitation from 6.0 to 9.0.

Hilton – Davis Chemical Co. v. Warner –Jenkinson Co.



Three years later, in 1986, Warner – Jenkinson developed the accused process, which included membrane ultra – filtration but operated at a “pH” of 5.0. Consequently the dispute concentrated on the reasons for the amendment of the lower limit at a “pH” of 6.0.

At trial a jury found the infringement under the Doctrine of Equivalents, notwithstanding the alleged process was developed in a independent way, with a different “pH” and above all without the knowledge of others’ work.

The Federal Circuit intervened and confirmed the infringement and clarified boundaries and content of the doctrine. Firstly the majority held that the “triple identity test” is not a unique method for determining equivalency, since the “insubstantial differences” standard has the same importance and sometimes represents the decisive test instead. Therefore they recognized that the “pH” variation was unsubstantial and the triple identity could have been positively applied. In addition, they denied the view according to which there is an “equitable threshold” to the application of the doctrine because the patentee must not prove the bad faith or the intentional conduct of the alleged infringer.

Hilton – Davis Chemical Co. v. Warner –Jenkinson Co.



The Supreme Court *reversed the decision of the Federal Circuit* - pointing out that claims ought to be interpreted in the light of the specification, as well as the prosecution history and that *"[..] the determination of equivalence should be applied as an objective inquiry on element – by – element basis [..]". Regarding the prosecution history estoppel it established that "[..] if the patent – holder demonstrates that an amendment required during prosecution had a purpose unrelated to patentability, a court must consider that purpose in order to decide whether an estoppel is precluded. Where the patent holder is unable to establish such a purpose, a court should presume that the purpose behind the required amendment is such that the prosecution history estoppel would apply [..]"*

62 F.3d 1512 (Fed. Cir 1995) and reversed and remanded 520 U.S. 17 (1997)



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