



901: Responding to a Patent Attack

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S. Hossain Beladi

S. Hossain Beladi is a patent counsel for Qualcomm, Inc., in San Diego. His responsibilities include providing IP related legal advice, and development and procurement of patent rights in the field of wireless communication systems and related hardware electronics. In addition, Mr. Beladi provides for the technical part of patent infringement and validity analysis and identifying the technical utility of patents relating to the specifications outlined in various industry-wide standard bodies, in particular, CDMA standard setting bodies.

Prior to joining Qualcomm, Mr. Beladi was with Motorola, Inc. in variety of capacities, including as a principal staff engineer in wireless research and advanced development, and as a patent attorney in the corporate legal patent group. He is an inventor of several U.S. issued patents relating to the field of wireless communications and electronics. He was in the patent field first as a patent agent and later as a patent attorney.

Mr. Beladi received a BS and MS in Electrical Engineering, and a JD from The John Marshall Law School in Chicago.

John Boswell

John Boswell is general counsel, vice president, and secretary of SAS in Cary, North Carolina and advises senior company executives in legal and business matters. He performs due diligence on companies and technologies targeted for acquisition, leads merger and acquisition teams, and manages the legal and contracts departments. He takes particular interest in finding ways to help SAS staff work more effectively. Mr. Boswell also played a role in developing SAS innovation analysis. The ASP solution uses the most powerful analytic database of the world's patents to help companies manage and make decisions regarding patents, manage acquisition and litigation risk, and determine research and development priorities.

Before joining SAS, Mr. Boswell was president of Vista Development Corp., a software consulting company. He has also served as general counsel and secretary for Raima Corp., another software company, and worked in private practice.

In 2002, Mr. Boswell was chosen as one of the best corporate attorneys in the state by his peers in the North Carolina Bar Association. He lectures on intellectual property for North Carolina Bar's continuing education program, volunteers with Habitat for Humanity, and is an avid ultimate Frisbee player.

Mr. Boswell holds a bachelor's degree and a law degree from the University of South Carolina in Columbia.

Thomas D. Kampfer

Thomas D. Kampfer serves as vice president, general counsel, and secretary of Iomega Corporation, a NYSE-listed company and leading provider of data storage solutions. Mr. Kampfer is responsible for managing all legal affairs for the company worldwide, including securities law compliance, corporate governance matters, compliance programs, litigation management, intellectual property licensing and portfolio management, commercial contracting and transactional matters, risk management, and employment issues.

Mr. Kampfer joined Iomega from Entropia Inc., a venture-funded developer of distributed computing technology, where he served as general counsel, secretary, and vice president, corporate development. In this role, Mr. Kampfer provided legal counsel on a broad range of business, transactional, and intellectual property matters. In addition, he was responsible for identifying and pursuing strategic alliances across targeted verticals for the company. Prior to that, Mr. Kampfer was with Proxima Corporation, a NASDAQ-listed company and leading provider of multimedia projection products, which was acquired by InFocus Corporation. At Proxima, he served in several capacities, including vice president, general counsel, and secretary and vice president, business development. As chief legal counsel, Mr. Kampfer played a key role in leading the company through a comprehensive restructuring and turnaround, followed by two international mergers in a three-year period. Prior to his Proxima assignment, Mr. Kampfer spent ten years with IBM Corporation, first as an engineer and later as an attorney focused on commercial agreements, software and intellectual property licensing, mergers and acquisitions, and restructuring initiatives.

Mr. Kampfer holds a BS, with highest distinction, from Purdue University, and a JD, magna cum laude, from Georgetown University.

Automated Analysis of the Patent Attack

Author: John Boswell, Vice President and General Counsel, SAS Institute, Inc.

Introduction

A potentially very profitable business model is to earn money, not by making and selling a product, but by threatening a patent infringement lawsuit against those that do. Patent licenses offer very high profit margins – probably higher than any other profit line in a business. The United States Patent and Trademark Office is laboring under an overwhelming workload. More than 2,000 new patent documents are filed every day. The USPTO also suffers from an incredible backlog.¹ You can not rely on the USPTO to thoroughly review each patent application and issue patents only to the true inventors of novel and useful inventions. We have all heard stories of patents issuing on ridiculous inventions.² The patent system is overwhelmed and broken.³ In an analyses performed by the company M•CAM, an estimated 37% of U.S. patents are either “thesaurus patents” (those where linguistic alternative expression represents the primary innovation) or outright plagiarisms. Patent holders are attempting to enforce (and

¹ **Patent Office backlog increasing: PTO expects to receive 350,000 patent applications in 2002; these will be added to a current backlog of 408,000 applications awaiting action as of June 27, 2002.** Source: Address by Undersecretary of Commerce and USPTO Director James E. Rogan, at the American Bar Association Intellectual Property Law Section Summer Conference, Philadelphia, PA, June 27, 2002.

² Recently patents have issues on how to swing on a swing(US 6,368,227), the beneficial effects of spaghetti sauce (US 6,555,134) and reducing fat by sunbathing (US6,354,297).

³ ***“The bad news is that we still are operating the Patent and Trademark Office essentially under the same model that it was operated under over 200 years ago.”*** Source: Address by Undersecretary of Commerce and USPTO Director James E. Rogan, at the American Bar Association Intellectual Property Law Section Summer Conference, Philadelphia, PA, June 27, 2002.

succeeding at enforcing) patents that should never have issued in the first place.⁴ The volume of data to sort through together with creative patent drafting is thwarting traditional efforts to find relevant invalidating prior art. It is not possible to manually search for prior art and traditional word searching technologies are becoming less and less useful. In-house patent counsel are turning to enabling automated patent analysis technologies. Automated analysis is timelier, less costly, and offers different insights than manual analysis using simple word searching technologies.

Patent counsel today are relying on the results of automated patent analyses in attempts to invalidate patents, both in major disputes and, to a lesser but increasing degree, in smaller cases. You can design your automated analysis to search U.S. and international government patent document databases and extensive collections of technical non-patent documents. You will obtain different results from different automated analytical vendor products.⁵ Your matching criteria also will shape your results, generating different products than manual searching by either experienced searchers or experts in the field.

Practical Examples of Using Automated Patent Analysis to Defend a Patent Attack

The following examples demonstrate what can be done from your desktop in a matter of a few minutes to a few hours. Assume you have received a letter asserting patent infringement by a

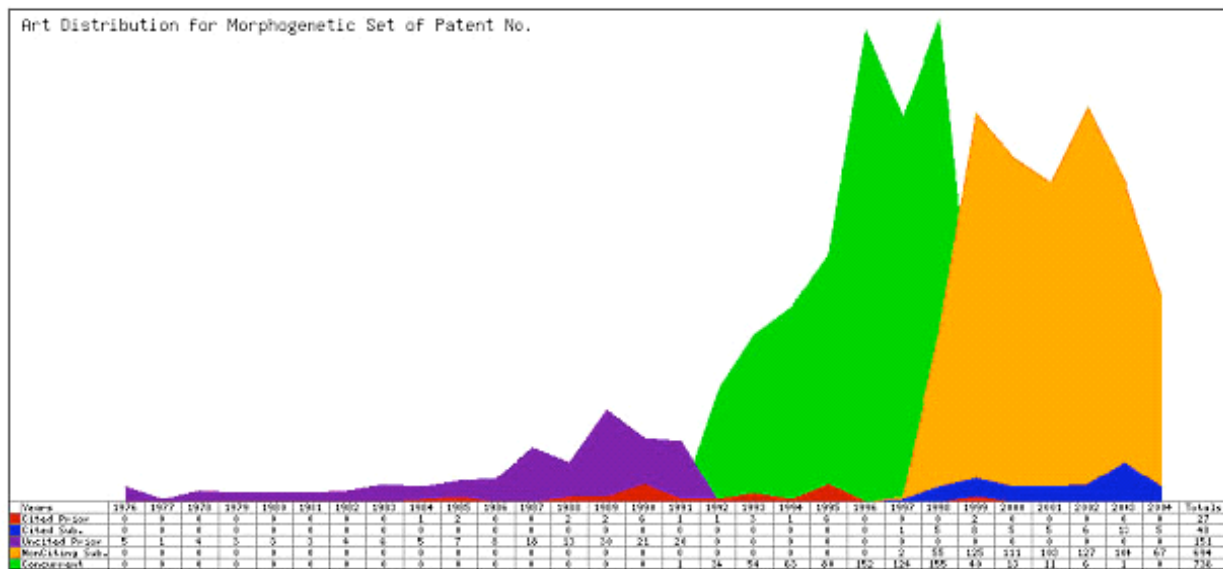
⁴ **Patent quality questionable:** “According to a University of Texas study, nearly half of... court-examined patents are ruled invalid.” Source: U.S. News and World Report, June 10, 2002, article on challenges in the U.S. patent system, by Megan Barnett.

⁵ For a list of vendors offering some form of automated patent analysis, see the February 2003 *ACCA Docket* page 78.

product you sell or service you offer. The letter will identify the patent or group of patents the patent holder asserts are infringed.

Find Invalidating Prior Art

In-house counsel can look at the strength or weakness of any patent knowing nothing more than the patent number. The following screen shots show the actual analysis of a patent currently being asserted in the marketplace that has supported at least \$35 Million in licensing fees. This is a graphical representation of automated analysis performed on this patent. All that was entered is the patent number. The patent number and assignee name have been deleted from this screen shot.



The analysis of this patent shows the following breakdown of related art:

27 patents cited by the drafter of the patent application or found by the examiner of the analyzed patent (cited prior art). This is graphically represented by the small red mountains.

48 later filed patents that cited the analyzed patent when identifying prior art (citing subsequent art). This is graphically represented by the small blue mountains.

151 conceptually similar patents that were not cited in the application for the analyzed patent or reviewed by the patent before issuing the analyzed patent (uncited prior art). This is graphically represented by the purple mountains.

694 conceptually similar patents that did not cite the analyzed patent when identifying prior art (non-citing subsequent art). This is graphically represented by the large orange mountains.

736 conceptually similar patents that were in the United States Patent and Trademark office at the same time as the analyzed patent (concurrent art).

Without knowing anything more that this graphical representation, in-house counsel can get an early indication of the probable strength or weakness of the asserted patent. Counsel can then begin to drill down on the findings of the initial analysis. The technology provides a list in order of relevance to the analyzed patent of the various prior, concurrent and subsequent art. For section 102 invalidation efforts, the prior and concurrent art groups are most relevant. Here is an example of the output:

The screenshot shows the SAS Innovation Analysis web application. The main content area is titled 'Enforcement Analysis' and displays a table of 'Uncited Prior Art' for a specific patent. The table includes columns for Patent Number, Title, Issue Date, File Date, Expire Date, Legal Status, Assignee, and Country. The data is as follows:

Patent Number	Title	Issue Date	File Date	Expire Date	Legal Status	Assignee	Country
US5065347	Hierarchical folders display	11/91	08/88	08/05	unknown	Xerox Corporation	US
US5058002	Page splitting method and apparatus for a database stored in a plurality of memory storage units	10/91	06/88	06/05	no status value supplied	Mitsubishi Denki Kabushiki Kaisha	JP
US5058000	System for accessing remote heterogeneous database including formatting retrieved data into applications program format	10/91	06/89	06/06	no status value supplied	Prime Computer, Inc.	US
US5047918	File management system	09/91	12/88	12/05	no status value supplied	Tektronix, Inc.	US
US5046002	Distributed data base access request processing system	09/91	04/90	04/07	no status value supplied	Hitachi, Ltd.	JP
US5045932	Method and apparatus for generating a high definition electronic signal from a line scan of a color original	09/91	06/89	06/06	unknown	Eastman Kodak Company	US
US5043875	Communication system with information being exchanged among different partitions of a switching function and simultaneously blocking some partitions from receiving external stimuli	08/91	12/88	12/05	no status value supplied	U.S. Philips Corporation	US

US5043872	Access path optimization using degrees of clustering	08/91	07/88	07/05	unknown	International Business Machines Corporation	US
US5041967	Methods and apparatus for dynamic menu generation in a menu driven computer system	08/91	10/87	10/04	unknown	Bell Communications Research, Inc.	US
US5040131	Graphical processing	08/91	11/89	11/06	no status value supplied	International Business Machines Corporation	US
US5029085	Conversational-type natural language analysis apparatus	07/91	05/90	05/07	no status value supplied	Ricoh Company, Ltd.	JP
US5019963	Data processing network with upgrading of files	05/91	03/88	03/05	no status value supplied	International Business Machines Corporation	US
US5018097	Modularly structured digital communications system for interconnecting terminal equipment and public networks, and having operation and reliability programs	05/91	08/88	08/05	no status value supplied	Siemens Aktiengesellschaft	US
US5016159	Stellate store and broadcast network with collision avoidance	05/91	02/87	02/04	no status value supplied	Fuji Xerox Co., Ltd.	JP
US5008853	Representation of collaborative multi-user activities relative to shared structured data objects in a networked workstation environment	04/91	12/87	12/04	unknown	Xerox Corporation	US
US5008815	Parallel processor	04/91	06/88	06/05	no status value supplied	Thinking Machines Corporation	US
US4996654	Method of displaying acquired data	02/91	12/88	12/05	unknown	Tektronix, Inc.	US
US4994967	Information retrieval system with means for analyzing undefined words in a natural language inquiry	02/91	01/89	01/06	no status value supplied	Hitachi, Ltd.	JP
US4989132	Object-oriented, logic, and database programming tool with garbage collection	01/91	10/88	10/05	unknown	Eastman Kodak Company	US

From your desktop you can pull up the patents and do a side by side comparison (an example of this is not shown here) to quickly narrow the list to the most likely candidates for invalidating prior art.

Change the Response Paradigm

One traditional response to a patent attack is to manually compare your product with the asserted patent. This may require engaging outside patent counsel and certainly will require outside counsel if you plan to get a non-infringement opinion. This is an expensive proposition. How do you know which assertion letter you can ignore and which one to worry about? It is too expensive to engage outside counsel every time you receive an assertion letter. Having the

ability to quickly put together a response that calls the validity of the asserted patent into question can be an effective strategy to use against the mass mailing patent attackers. Some patent attackers send letters to several companies asserting patent infringement. If you receive one of these letters and can quickly generate and send back a credible list of possibly invalidating prior art, that may be enough to have them leave you alone. Automated analysis generates the list for you, all you need to do is put together a cover letter. This strategy may not work all the time but with the right technology, it can be part of a structured approach to responding to the early stages of a patent attack.

Broaden the Scope of the Fight

Having better information also gives you new perspectives and new options other than fighting head to head over the enforceability (validity) of the asserted patent or whether your product actually infringes the asserted patent. This allows you to broaden the scope of the fight and raise the risk to the attacking company. With automated analysis, you can sort through your own patent portfolio and see if the company asserting the patent against you may be infringing one of your patents. Companies often patent inventions that are embodied in their product(s). A patent that is later in time, is conceptually related to one of your patents, and did not cite your patent as prior art may point you directly to a product marketed by the attacking company that infringes your patent. It may be a long shot and one that is not worth pursuing if you have to manually sort through your portfolio to see if you find something. Doing a manual many-to-many comparison (comparing all of your patents to all of their patents) is an overwhelming task. Automated analysis lets you follow this strategic direction in a matter of minutes or hours rather than weeks or months. Such an analysis could be done this way:

1. Run an automated analysis of your entire patent portfolio.
2. See if the list of non-citing subsequent art lists any patents assigned to the attacking company.
3. Compare that patent with the products the attacking company is marketing to see if the invention covered in the patent is likely embodied in one of their products.
4. Do a comparison of the attacking company's product (or analyze a product description) with the patent you hold to see if there is likely infringement. If there is, you now have something to bargain with other than money.

Example

The screenshot shows the SAS Innovation Analysis web application. The browser window title is "SAS Innovation Analysis(TM) - Microsoft Internet Explorer provided by SAS". The address bar shows "http://sasia.sas.com". The page has a blue header with the SAS logo and "Innovation Analysis". Below the header are tabs for "projects", "new project", and "my profile". On the left, there is a "My Portfolio" section for "Whitaker Portfolio" with sub-sections: "Acquisition Analysis", "Enforcement Analysis", "Innovation Clearance", and "Archive". The main content area is titled "My Portfolio" and "Whitaker Portfolio Patent Portfolio". It displays a table of patents with the following data:

Patent Number	Title	View Patent	Patent Analysis
US6759742	Interchangeable bond-wire interconnects		
US6647244	Wireless vehicular repeater system		
US6642559	Structure and process for improving high frequency isolation in semiconductor substrates		
US6638100	Ribbon cable connector with ground bus		
US6595796	Flexible film circuit connector		
US6585423	Connector system having interlocking inner housing		
US6558195	Electrical connector for printed circuit boards		
US6535147	Segmented gain controller		
US6519063	Planar wave length multiplexer/demultiplexer		
US6491772	Solderable aluminum		
US6491445	Crimp plug for a connector		
US6483806	Signal detect circuitry for a passive GBIC module		
US6480661	Optical ADD/DROP filter and method of making same		
US6471545	Coaxial connector for coaxial cable having a corrugated outer conductor		
US6461053	Optical connector having multiple modular housings		

Assume you worked for the Whitaker Corporation and are being sued by Tyco Electronics Corporation (Tyco now owns Whitaker). You want to analyze your own portfolio to see if you have any patents that could be asserted against Tyco. The first step is to run an analysis of your own portfolio. In doing so, each patent that is assigned to the Whitaker Corporation is individually analyzed. This screen shows a list of the first few patents analyzed. The actual analysis is viewed by clicking on the cell in the "Patent Analysis" column that corresponds to the patent on that row. A screen shot of one of the analyses performed is pictured below.

The screenshot shows the SAS Innovation Analysis web application. The main content area is titled "My Portfolio" and displays a table of "Non-Citing Subsequent Art for". The table has the following columns: Patent Number, Title, Issue Date, File Date, Expire Date, Legal Status, Assignee, and Country. Two patents are listed in the table:

Patent Number	Title	Issue Date	File Date	Expire Date	Legal Status	Assignee	Country
US6702613	Triaxial connector and method	03/04	06/03	06/23	no status value supplied	ADC Telecommunications, Inc.	US
US6361348	Right angle, snap on coaxial electrical connector	03/02	01/01	01/21	unknown	Tyco Electronics Corporation	US

We see there is a patent issued to Tyco that appears in the non-citing subsequent art category.

You now have somewhere to look for possible infringement by Tyco.

Purchase Patents to Assert Against the Attacking Company


This gets back to the point that better information gives you more options. If it is possible to quickly find a patent from another company's or individual's portfolio that is being infringed by the attacking company's products, you can possibly purchase that patent and assert it against the attacking company. This is essentially the same strategy as identified above but you are analyzing the whole world of patents rather than just your own portfolio. You could do this analysis, by taking the following steps:

1. Find a detailed description of the attacking company's flagship product or the patent covering the flagship product or service.
2. Run an analysis of that patent or description against the worldwide electronic patent database.
3. Find conceptually similar patents that predate the product and predate the patent(s) related to the product at issue. In other words, find prior art that will withstand a challenge.
4. Have your law firm approach the holder(s) of the patent(s) you want to purchase and see if there is an interest and if terms can be worked out. Offer a license back to the selling company or individual as a way to possibly lower the cost to purchase the patent. This gives the seller the assurance they will not be sued on their own patent.

Example.

Assume Catalina Marketing is asserting a patent against your company. You have analyzed the patent being asserted and find no invalidating prior art. You have analyzed your own portfolio



and have nothing to assert against Catalina. You find their flagship product and find the patent that covers it. Example below.

Cited Prior Art assignee classification	 Patent US5173851 Catalina Marketing International, Inc. top bibliographic claims description bottom	Citing Subsequent Art assignee classification
<p>Patents by Assignee</p> <p>US3959624 Kaslow, Walter US4703423 Recipe Terminal Corporation US4821186 Omron Tateisi Electronics Co. US4825045 Advance Promotion Technologies, Inc. JP0016941 not available JP0047560 not available JP0027468 not available JP0155475 not available JP0178475 not available JP0094166 not available JP0184965 not available</p>	<p>United States Patent 5,173,851 Off, et al. * December 22, 1992</p> <p>Method and apparatus for dispensing discount coupons in response to the purchase of one or more products</p> <hr/> <p style="text-align: center;">Abstract</p> <hr/> <p>A system for creating discount coupons in response to the purchases of products. Improvements disclosed include the printing of a "negative" coupon in response to the failure to purchase a particular product, and the printing of a coupon in response to the purchase of multiple triggering items, either without limitation as to the identification of the items, or with the requirement that the items fall into a predefined trade group. Other features of the invention permit the use of instantly redeemable "coupons," such that an instant discount is applied to a customer bill rather than having a coupon printed, and the logging, without printing, of possible coupon printings for statistical purposes.</p> <p>Inventors: Off; George W. (Huntington Beach, CA); Scroggie; Michael C. (Valencia, CA); Mindrum; Thomas L. (Fairfield, CT); O'Brien; Michael R. (Santa Monica, CA)</p> <p>Assignee: Catalina Marketing International, Inc. (Anaheim, CA)</p> <p>[*] Notice: The portion of the term of this patent subsequent to February 2, 2005 has been disclaimed.</p> <p>Appl. No.: 465478 Filed: February 15, 1990</p>	<p>Patents by Assignee</p> <p>US5642485 Credit Verification Corp US5687322 Credit Verification Corp US5752186 Jeman Technologies, Inc US5845259 Electronic Consumer Co L.L.C. US5970470 Walker Asset Managem Partnership US5980089 Showbiz Pizza Time, Inc. US6009411 Concept Shopping, Inc. US6055513 Telebuyer, LLC US6056104 Coinstar, Inc. US6237145 InfoSpace, Inc. US6275200 Lacerta Enterprises, Inc US6298329 Walker Digital, LLC US6298331 Walker Digital, LLC US6307958 Catalina Marketing Inter Inc. US6317723 Walker Digital, LLC US6327574 Encirq Corporation US6334108 Catalina Marketing Inter Inc. US6334112 Walker Digital, LLC US6334113 Walker Digital, LLC US6377935 Catalina Marketing Inter</p>

Do an automated analysis of this patent to see if there is prior art that you can purchase to assert against Catalina. In this analysis, you will see that the technology automatically highlighted a piece of prior art as being highly relevant. It has an earlier priority date and is owned by an individual. It is quite possible this individual has never earned a dime from this patent and would be thrilled to sell it to you and receive a license back. You now have a new weapon to use against Catalina in their patent attack.

La Jolla CA USA	434/219 Education and demonstration
US4671983 Marcal Paper Mills, Inc. Elmwood Park NJ USA	Embossments for minimizing nesting in roll material 428/179 Stock material or miscellaneous articles
US4672377 Murphy; Arthur J. Northridge CA USA	Check authorization system 340/82534 Communications; electrical
US4672572 Gould Inc. Rolling Meadows IL USA	Protector system for computer access and use 364/900
US4673802 Omron Tateisi Electronics Co. Kyoto JP	System for making payments for transactions 235/379 Registers
US4674041 Appleton; James K. Dallas TX USA	Method and apparatus for controlling the distribution of coupons 364/401
US4674802 Kennametal, Inc. Latrobe PA USA	Multi-insert cutter bit 299/ 79 Mining or in situ disintegration of hard material
US4676343 CheckRobot Inc. Deerfield Beach FL USA	Self-service distribution system 186/ 61 Merchandising
US4677553 International Totalizator Systems, Inc. San Diego CA USA	Secure placement of confidential information on a circulated blank ticket 364/412

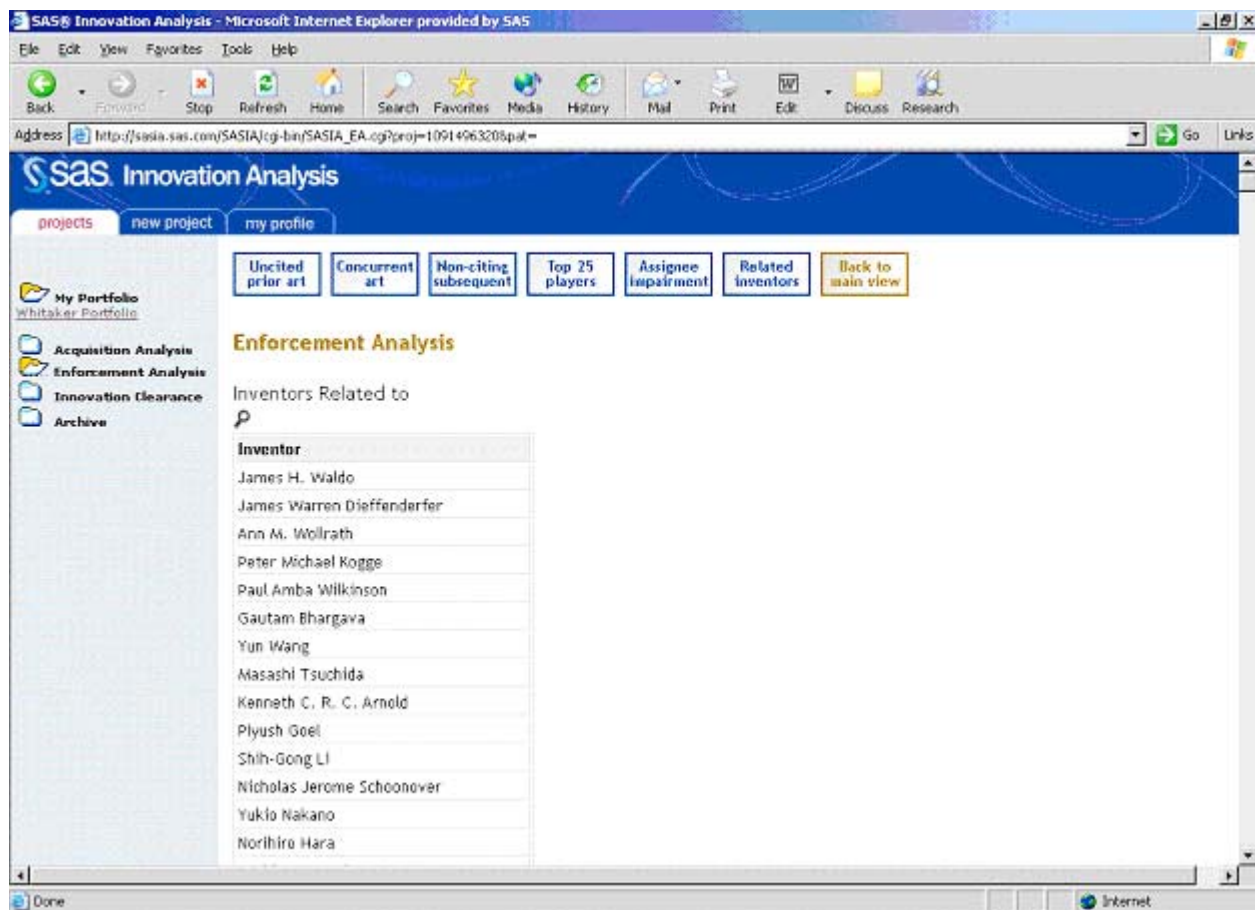
A side by side comparison shows just how similar these two patents are.

 <p>Patent US 5173831 Catalina Marketing International, Inc. top bibliographic claims description bottom</p>	 <p>Patent US 4674041 Appleton; James K. top bibliographic claims description bottom</p>
<p>Claims</p> <p>We claim:</p> <ol style="list-style-type: none"> 1. A system for printing a redeemable coupon in a retail store, solely in response to the purchase of a plurality of preselected items, the system comprising: <ul style="list-style-type: none"> a plurality of terminals at customer checkout locations, each having means for reading product codes on purchased items in a customer order; a store controller with which the terminals can communicate, the store controller having access to an item record file containing price and other information for each product item; means for storing the terms of at least one coupon deal in which the printing of a discount coupon for a selected product will be triggered by the purchase of a plurality of products; means for identifying the triggering products in the customer order; means for associating the triggering products with the coupon deal; and means for automatically printing at least one discount coupon based on the details of the coupon deal and without the intervention or participation of the customer other than in purchasing the triggering products. 2. A system as defined in claim 1, wherein: <ul style="list-style-type: none"> the nature of the discount provided by the coupon deal depends on the number of triggering products purchased or the dollar amount of the purchase. 3. A system as defined in claim 1, wherein: <ul style="list-style-type: none"> the nature of the discount provided by the coupon deal is predefined differently for different selections of multiple triggering products purchased. 4. For use in a retail store point-of-sale system having a plurality of terminals at customer checkout locations, each with means for reading product codes on purchased 	<p>Claims</p> <p>We claim:</p> <ol style="list-style-type: none"> 1. A system for controlling the selection and dispensing of product coupons at plurality of remote terminals located at predesignated sites such as consumers wherein each terminal comprises: <ul style="list-style-type: none"> activation means for activating such terminal for consumer transactions; display means operatively connected with said activation means for displaying plurality of coupons available for selection; selection means operatively connected with said display means provided to a selection of a desired displayed coupon by the consumer; print means operatively connected with said selection means for printing and dispensing the coupon selected by the consumer; and control means operatively connected with said display means for monitoring consumer transaction and for controlling said display means to prevent the coupons having exceeded prescribed coupon limits. 2. The system of claim 1, wherein said activation means comprises means for encoded consumer identifier cards, and means, responsive to said card read means, for providing a terminal display activation signal. 3. The system set forth in claim 2, wherein: <ul style="list-style-type: none"> said control means includes means for preventing the display of particular coupon response to activation by a particular credit card. 4. The system set forth in claim 2, wherein said control means includes: <ul style="list-style-type: none"> coupon limit means for prescribing a maximum distribution number for each coupon set a limit on the number of that coupon that is dispensed from a given terminal at a particular time period; and display masking means for preventing the display

Find Inventors Most Knowledgeable in the Prior Art

Sometimes your best prior art is not patent prior art. It is essential to find individuals knowledgeable in the relevant field to serve as expert witnesses and to point you to relevant articles and prior inventions that may have never been patented. Automated analysis can provide a ready list of likely candidates to interview. Those individuals who have the most patents related to the patent being asserted may be the best individuals to educate you in the prior art.

Example



The screenshot displays the SAS Innovation Analysis web application interface. The browser window title is "SAS Innovation Analysis - Microsoft Internet Explorer provided by SAS". The address bar shows the URL: http://sasia.sas.com/SASIA/cgi-bin/SASIA_EA.cgi?proj=10914963205pat=. The application header includes "SAS Innovation Analysis" and navigation tabs for "projects", "new project", and "my profile". A sidebar on the left lists "My Portfolio" with sub-items: "Whitaker Portfolio", "Acquisition Analysis", "Enforcement Analysis", "Innovation Clearance", and "Archive". The main content area features a navigation bar with buttons: "Uncited prior art", "Concurrent art", "Non-citing subsequent", "Top 25 players", "Assignee impairment", "Related inventors", and "Back to main view". Below this, the section "Enforcement Analysis" is displayed, with the heading "Inventors Related to" and a search icon. A list of inventors is shown in a table format:

Inventor
James H. Waldo
James Warren Dieffenderfer
Ann M. Wollrath
Peter Michael Kogge
Paul Amba Wilkinson
Gautam Bhargava
Yun Wang
Masashi Tsuchida
Kenneth C. R. C. Arnold
Plyush Goel
Shih-Gong Li
Nicholas Jerome Schoonover
Yukio Nakano
Norihito Hara

This is a list of inventors compiled from all the patents conceptually related to the patent being analyzed ranked in order of most number of inventions to least.

Conclusion

Patents are weapons of war. Automated patent analysis is a new weapon in that war. Like all next generation weapons, they confer a tactical advantage to those who use them. Automated analysis is not intended to replace the human judgment and skill embodied in a seasoned patent lawyer. It does, however, allow the patent practitioner to do what only a skilled lawyer can do: make critical judgments about the applicability and relevance of related art. There are diamonds buried in a huge landfill of redundant and useless patents. Automated analysis can excavate and sift that landfill. Use it to fight your next patent attack. For a list of vendors of automated patent analysis offerings, see the February 2003 *ACCA Docket* page 78.



Session 901: Responding to a Patent Attack

Responding to Patent Notice Letters

October 27, 2004 – 11:00 a.m. – 12:30 p.m.

*Tom Kampfer, Vice President, General Counsel &
Secretary, Iomega Corporation*

ACC's 2004 Annual Meeting: The New Face of In-house Counsel

October 25-27, Sheraton Chicago

The in-house bar association.SM



Why Notice Letters Are Sent

- Actual Notice of Potential Infringement
 - 35 U.S.C. §287, requires that an infringer have actual or constructive notice of the patent to collect infringement damages (patent marking may provide constructive notice).
- Initiate License Negotiations
- Stop infringing competitors
- “Fishing Expeditions”

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What to do upon receipt?

- Evaluate the letter for proper notice.
- Check to ensure maintenance fees have been paid:
 - To verify the status of a patent with regard to the payment of patent maintenance fees, please call one of the following telephone numbers:
 - Maintenance fee customer service at 703-308-5068 or 703-308-5069
 - Voice response system at 703-308-5392 or 703-308-5393
 - or send e-mail to **MaintenanceFeesInquiries@uspto.gov**
- Determine your response.
- Obtain an opinion of counsel if necessary.

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Evaluate the Letter

- For a notice letter to provide proper notice to the potential infringer, it must have the following elements:
 - Identify the potentially infringing activity;
 - Identify the patent the recipient is potentially infringing;
 - and
 - Offer a proposal to abate the infringement.
- If elements are not met, seek clarity before providing any substantive response.

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Possible Responses

- Evaluate and respond in writing.
- Can I simply ignore the letter?
- Cease the allegedly infringing activity.
- Obtain a license to continue the activity.
- Attempt to work around the patent.
- Consider a challenge to the patent, in the courts or in the United States Patent and Trademark Office (USPTO).

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Determine Proper Response

- Review the patent (specifically, the patent claims).
 - Who should review? Preferably patent counsel, technical experts.
- Possible Indemnification?
 - Review all relevant supplier agreements.
 - Send indemnification notice letter to appropriate third party.
- Critical Technology/Product?
 - Consider filing Declaratory Judgment (“DJ”) action to get a ruling of non-infringement or Requesting Reexamination of the patent in the USPTO if there is new prior art.

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Research Patent and Company

- Check to ensure maintenance fees are paid.
- Obtain file history. If non-infringement is not clear on face of patent, review file history for estoppel arguments.
- Network. If the same letter is sent to other companies, there may be an opportunity to consolidate a defense to reduce costs.
- Patent previously litigated? Is so, the claims may already be interpreted by the courts, and some claims may have been invalidated.
- Check any suppliers to see if the patent may already be licensed to them.
- Litigious Company? The willingness to file a lawsuit may effect your response.

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No Infringement Found

- If a clear cut case of non-infringement (i.e., missing element regardless of claim interpretation), a simple response letter from corporate counsel may suffice.
- For closer calls, one should involve outside patent counsel (assuming there is no in-house patent counsel) to draft response letter.

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If Possible Infringement Determined...

- Check for patent validity. Search for prior art which may invalidate the patent claims.
 - If prior art is found, simplest strategy is to just draft a response letter enclosing prior art. However, the prior art may also be used to invoke a reexamination in the USPTO.
- Determine if the patent can be easily designed around.
- Check your own patent portfolio, possibility of cross-license.
- Consider a license if reasonable terms are available.
- Consider ceasing infringing activity.

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Simply Ignore the Letter?

- Delay strategy sometimes effective, especially if you suspect the letter is simply a “fishing expedition.”
- Runs the risk of a litigation. However, most companies will send multiple letters before a lawsuit is filed.
- Must consider the penalty of “willful infringement” before ignoring the letter.
 - Up to treble damages (35 U.S.C. §284)

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Opinion of Counsel

- Now that you have received the letter, you are on actual notice of potential infringement and any infringement may be found to be “willful.”
- Once on notice, you must have a reasonable basis to continue the potentially infringing activity to avoid willfulness.
- Reasonableness of the activity may prevent treble damages for willfulness, however, it will not forgive the infringement.
- An alleged infringer may avoid willfulness by establishing that the opinion was well founded, rendered by competent counsel, and relied upon as the basis for the continued activity.

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Opinion of Counsel (cont.)

- In-house/Outside Counsel
 - Should only come from a Patent Attorney.
 - Opinions from outside counsel (non-infringement or invalidity) can be costly, running in the tens of thousands of dollars and up.
 - In-house patent counsel may draft the opinion, but it is important to be independent and not pressured from the company to reach a particular conclusion.
- Reasonableness is the key. The court may eventually disagree with the conclusions of the opinion, but as long as the opinion reached a reasonable conclusion, willfulness is avoided.

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Conclusion

- Review patent for infringement.
 - Determine proper response.
 - Consider opinion of counsel to avoid willfulness.
- Any questions?