

Patent Infringement and Freedom to Operate Opinion Letters

1. Introduction

Patent infringement and freedom-to-operate opinions represent the advice rendered by a patent lawyer with respect to whether a technology will infringe a third party's patent. As commonly understood, these are actually two different, yet related types of opinions. An infringement opinion is typically directed to a specific patent or patents of which the client has become aware. The client seeks an infringement opinion to get some assurance that a proposed technology will not infringe the specific patent or patents. In contrast, a freedom-to-operate opinion is broader in scope and addresses the potential for infringement by any patents, whether known or unknown to the client. This article describes the reasons for getting a patent infringement or freedom-to-operate opinion.

2. Purpose of an Infringement or Freedom-to-Operate Opinion

There are many reasons for obtaining an infringement or freedom-to-operate opinion. The fundamental purpose of such opinions is to advise the client as to whether a technology would infringe a third party's patent. The technology may include a product or service that the client already makes, sells, or uses, or a product or service that the client contemplates making, selling, or using in the future. A client may have already become aware of a particular patent, possibly by receiving actual notice of the patent or by discovering the patent through the course of developing the technology. Or, the client may not be aware of any particular patents and may want to be sure that there are no patents that would impact a technology development. In either case, the client is seeking some assurance that it will not be faced with a potentially expensive and time consuming patent infringement lawsuit.

A freedom-to-operate opinion is generally sought at the beginning of technology development when the client is considering the costs and benefits of the project. For example, the client may be a new entrant in the technological field, and may not have much knowledge of the extent of patenting in that field. Moreover, the client may want to provide some assurance to potential investors that the technology development will not encounter any patent hurdles and that there are no significant barriers to entry. Ideally, the freedom-to-operate opinion will conclude that there are no pertinent patents that would impact the technology development, i.e., that the client is "free to operate" without risk of patent infringement. To the extent that pertinent patents are identified, the opinion provides the client with knowledge that can be used in the technology development process to avoid those patents. Further, the freedom-to-operate opinion enables the client to balance the possible risk of infringement against the expected financial benefits of developing

the technology.

In contrast, an infringement opinion is generally sought after a client has notice of the existence of a particular patent. The client may have received a demand letter or license offer from the patent owner, or may have independently discovered the patent from a review of trade literature or other publications. The Federal Court has said that a person that has actual notice of a Canadian patent "has an affirmative duty to exercise due care to determine whether or not he is infringing." The client may be motivated to seek the infringement opinion in order to satisfy the requisite duty of due care to avoid liability for wilful infringement. The client may also use the infringement opinion as a roadmap to design around the patent and thereby avoid the risk of a patent infringement claim. To the extent that a freedom-to-operate opinion identifies patents that are potentially applicable to the technology, thereby implicating the duty of due care, the opinion may further include an infringement opinion that addresses the identified patents in greater detail, as discussed below.

Even though infringement and freedom-to-operate opinions have differences in terms of the number and scope of the patents considered, they each address the same fundamental issue of determining whether the technology will infringe a third party's patent.

3. Contrasts with Patentability Opinion

While there is some similarity between them, infringement opinions and patentability opinions address fundamentally different issues and are not interchangeable. Infringement opinions focus on whether the technology would infringe the claims of a patent. In contrast, patentability opinions focus on whether the technology would itself be patentable over the prior art, and therefore consider the disclosure of the prior art but not the scope of the claims. There may be some overlap in the patents that are considered, but also some differences. For example, infringement and freedom-to-operate opinions will typically consider only Canadian patents that are still in force, while patentability opinions will consider both expired and non-expired patents as well as international patents and patent applications and non-patent prior art.

4. Applicable Legal Principles

A patent infringement analysis consists of two steps. The first step is to construe the claims by determining the meaning and scope of each patent claim limitation. The second step is to compare the properly construed claims to the allegedly infringing device. For the second step, infringement may be either literal or, under certain circumstances, by equivalents pursuant to the Doctrine of Equivalents.

5. Claim Interpretation

Three sources must be considered in properly interpreting a claim: (1) the claim language; (2) the patent specification; and (3) the prosecution history. Claim interpretation begins with the claim language. The general rule is that terms in the claim are to be given their ordinary and accustomed meaning. The ordinary and customary meaning of the claim term may be ascertained by reference to a technical dictionary.

In order to overcome this presumption in favour of the ordinary meaning of claim language, a party wishing to use statements in the written description to confine or otherwise affect a patent's scope must point to a term or terms in the claim with which to draw in those statements. That is, claim terms cannot be narrowed by reference to the written description or prosecution history unless the language of the claims invites reference to those sources. There are two situations where sufficient reasons exist to require the entry of a definition of a claim term other than its ordinary and accustomed meaning. The first arises if the patentee has chosen to be his or her own lexicographer by clearly setting forth an explicit definition for a claim term. The second is where the term or terms chosen by the patentee so deprive the claim of clarity that there is no means by which the scope of the claim may be ascertained from the language used.

A claim element may be defined in terms of a means or step for performing a function, without the express recital of structure, material or acts in support thereof. Such a means-plus-function or step-plus-function element must be interpreted in view of the corresponding structure, materials or acts, and equivalents thereof, described in the specification. Whether a claim element should be construed as a means- or step-plus-function element must be determined on an element-by-element basis, and the mere presence or absence of the words "means" or "step" is not dispositive.

6. Literal Infringement

Literal infringement may be found when the accused device or process includes each and every element of the patent claim as properly interpreted. There can be no literal infringement if even a single claim element is not literally found in the accused device or process. If the claim contains a means-plus-function element, infringement will be found only if the accused device performs the identical function specified in the element and includes the corresponding structures disclosed in the specification or substantial equivalents thereof. Similarly, if a claim contains a step-plus-function element, infringement will be found only if the accused device performs the identical function in the element and includes the corresponding acts disclosed in the

specification, or substantial equivalents thereof, for performing the recited function.

7. Infringement Under the Doctrine of Equivalents

Recognizing the potential for imitators to evade patent claims by making slight and insubstantial changes to patented devices, courts have formulated the equitable Doctrine of Equivalents. The Doctrine of Equivalents strikes a balance between ensuring that the patentee enjoys the full benefit of his patent and ensuring that the claims give fair notice of the patent's scope. To find infringement under the Doctrine of Equivalents, every claim element or its substantial equivalent must be found in the accused device. A substantial equivalent of a claim element may be found when the accused device performs substantially the same function in substantially the same way to achieve substantially the same result as the claim element. Under another consideration of the Doctrine of Equivalents, a substantial equivalent may be found if a person of ordinary skill in the art would have considered the differences between the claim element and the accused device to be insubstantial at the time of infringement.

The application of the Doctrine of Equivalents may be limited by either the prior art or the prosecution history. It is well established that claim elements cannot be given a range of equivalents that would cause the claim to cover the prior art. In addition, prosecution history estoppel bars recapture by the patentee of claim scope that was surrendered during prosecution of the patent. Prosecution history estoppel can arise from an argument submitted to the Patent Office in support of patentability or from a claim amendment that was made for a reason related to patentability.

Another limitation on the application of the Doctrine of Equivalents is the "all elements" rule by which every element of a claim must be present in an accused device either literally or equivalently. As articulated by the Supreme Court: Each element contained in a patent claim is deemed material to defining the scope of the patented invention, and thus the doctrine of equivalents must be applied to individual elements of the claim, not to the invention as a whole. It is important to ensure that the application of the doctrine, even as to an individual element, is not allowed such broad play as to effectively eliminate that element in its entirety.