

# Toward an Infringement Continuum by Bernard Chao

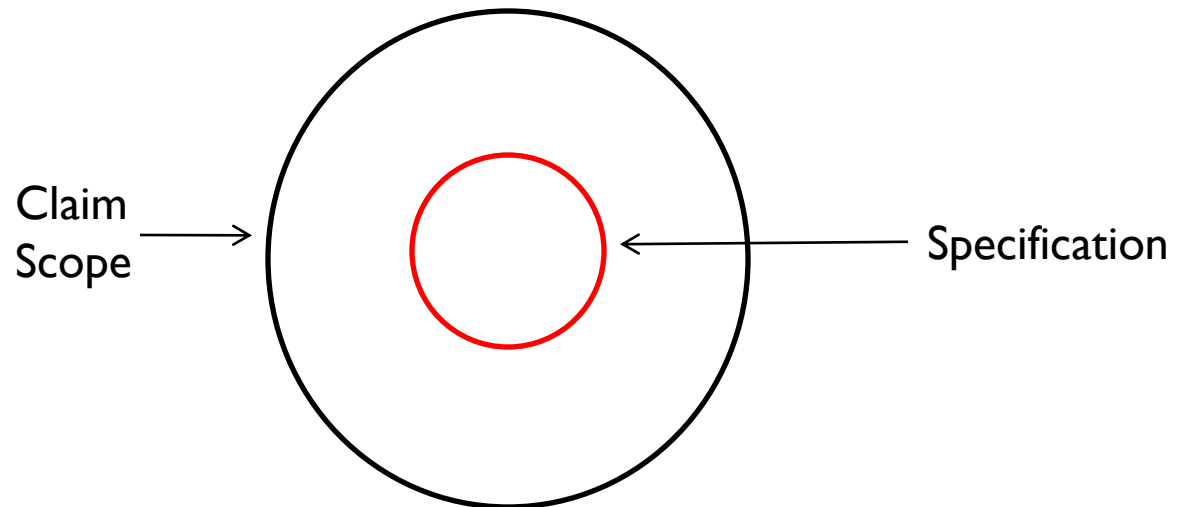
DePaul University College of Law  
Intellectual Property Scholars Conference  
August 11-12, 2011

# Peripheral Claiming

Patent includes:

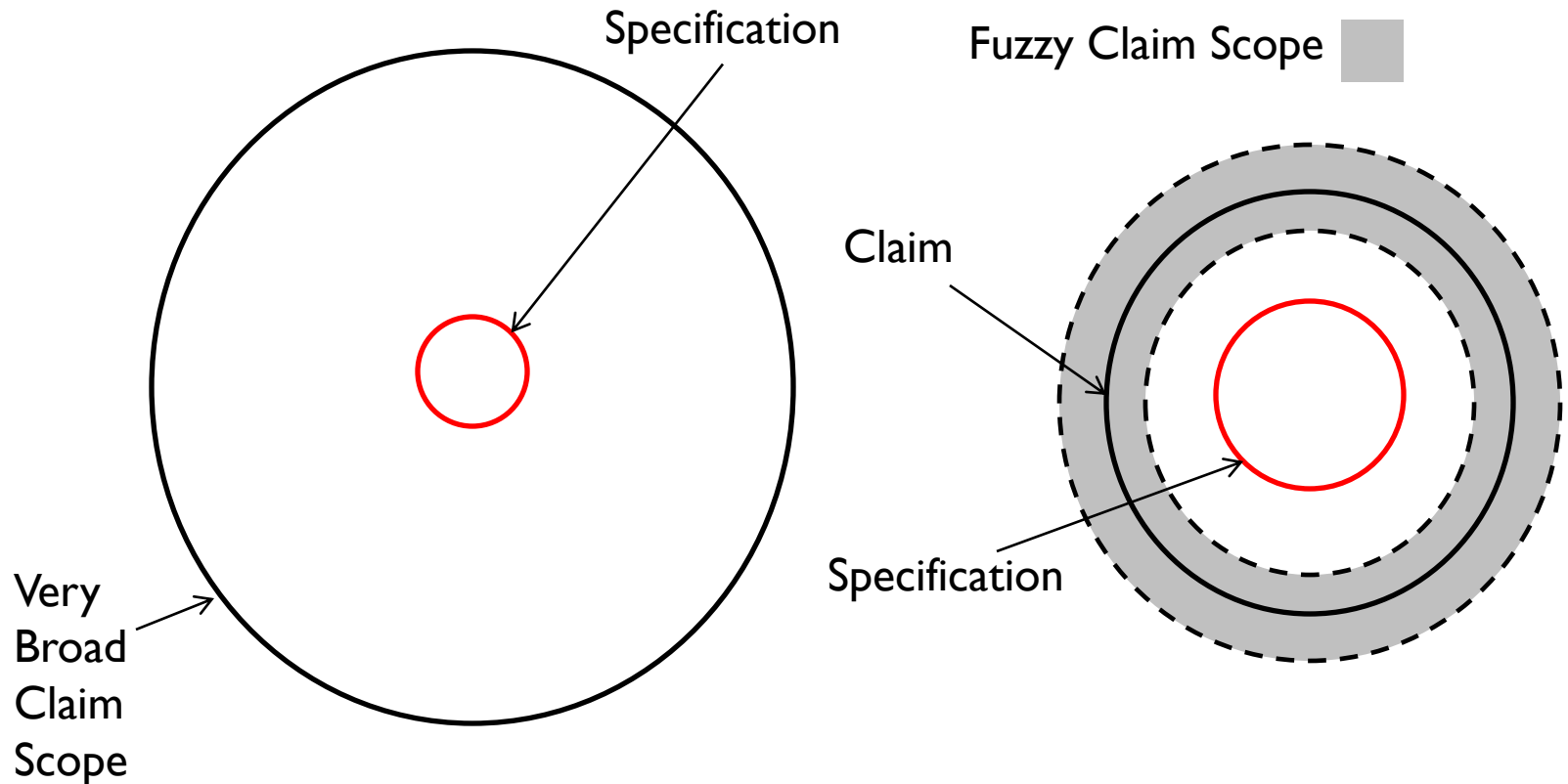
1. Specification – describe the invention including the preferred embodiment
2. Claims – delineate boundaries of property right

Claims Scope  $\neq$  Specification



# Two types of broad claims:

1. Intentionally Broad Claims
2. Fuzzy Claims



# Problems with Broad Claims

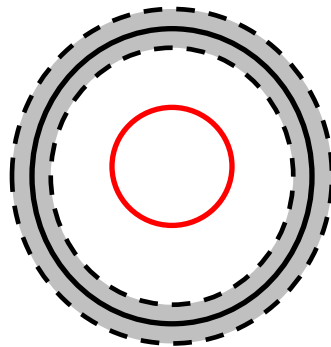
## Fairness

Should we allow an inventor to obtain rents and possibly enjoin technology that he or she did not envision?

## Public Policy Concerns

Incentivizing inventor vs. deterring subsequent innovation?

- Competitors must consider the subject matter fuzzy claims may cover.
- In some scenarios, the negotiated royalty rate “does not involve any discounting based on patent strength.” Lemley & Shapiro, Patent Holdup and Royalty Stacking, 85 TEX. L. REV. 1991 (2007)



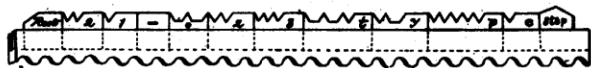
# The Classic Problem

## Samuel Morse and the Telegraph Patent

Eighth. I do not propose to limit myself to the specific machinery or parts of machinery described in the foregoing specification and claims; the essence of my invention being the use . . . electro-magnetism, however developed for marking or printing intelligible characters, signs, or letters, at any distances, being a new application of that power of which I claim to be the first inventor or discoverer.

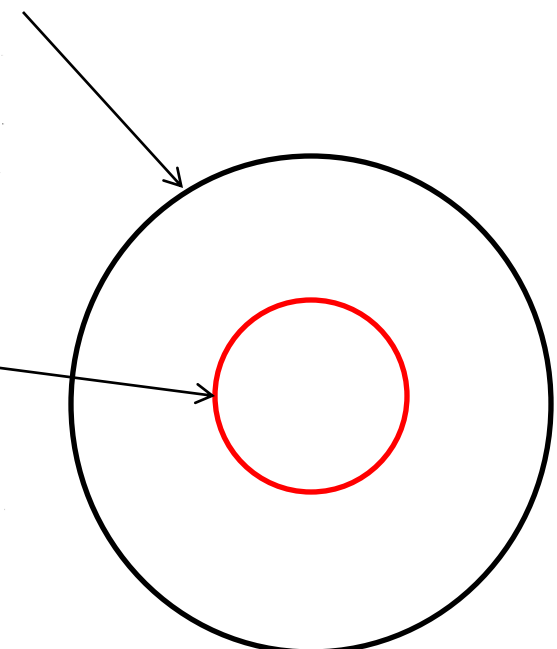
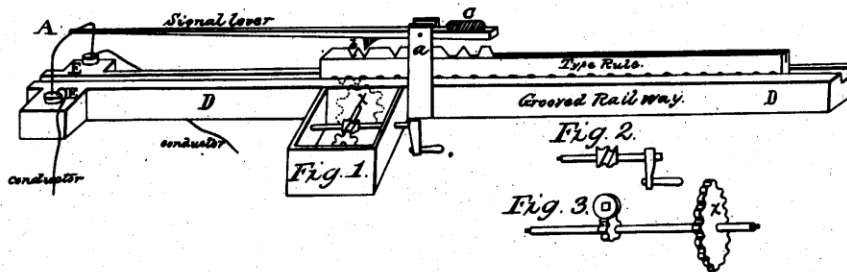
*Example. 7.*

*Type Rule.*



*Example. 8.*

*Straight Port Rule.*



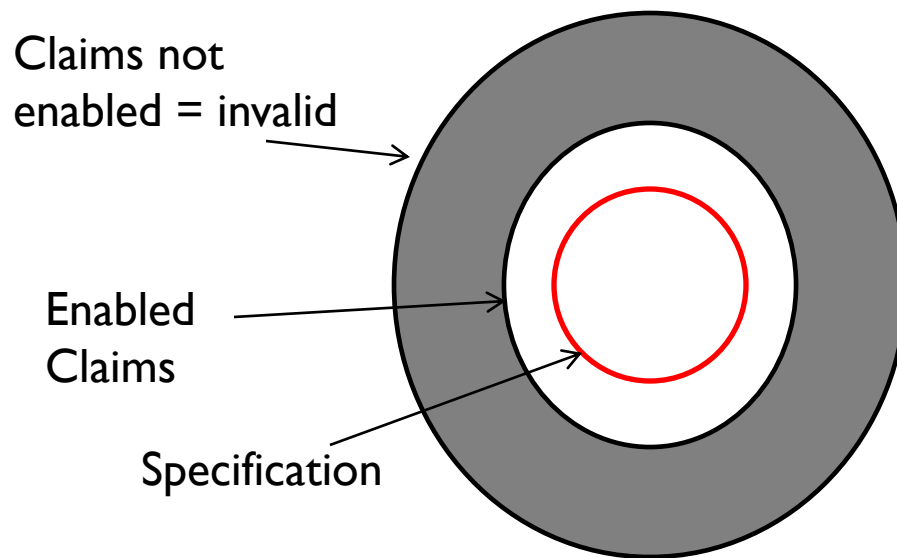


# Doctrines that Use the Specification To Restrain Broad Claims

1. Enablement
2. Written Description
3. Claim Construction
4. Reverse Doctrine of Equivalents

# Enablement

Under 35 U.S.C. § 112, the specification must describe “the manner and process of making and using [the invention], in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the [invention] . . . .”

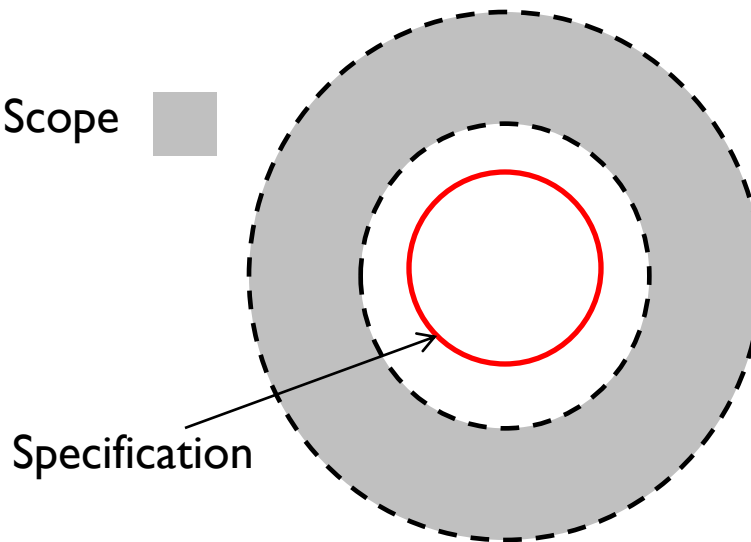


# Problems with Enablement

## Fractured standard

- full scope rule - *Liebel-Flarsheim, Automotive Tech., and Sitrick.*
- single embodiment rule - *Engel and Invitrogen*
- 8 factor *Wands* standard difficult to apply

Fuzzy Claim Scope





## § 112's Written Description Requirement

To satisfy the written description requirement, the specification must clearly allow persons of ordinary skill in the art to recognize that the inventor invented what is claimed.

*See Ariad v. Eli Lilly* (Fed. Cir. 2010) (*en banc*)

But ...

- Dennis Crouch “found that none of the outcomes of [Board of Patent Appeal] decisions would have been impacted by a legal change that entirely eliminated the written description requirement of § 112 ...”
- Earlier, Chris Holman concluded claims that did not satisfy the written description requirement “could have easily been,” held invalid for lacking enablement.

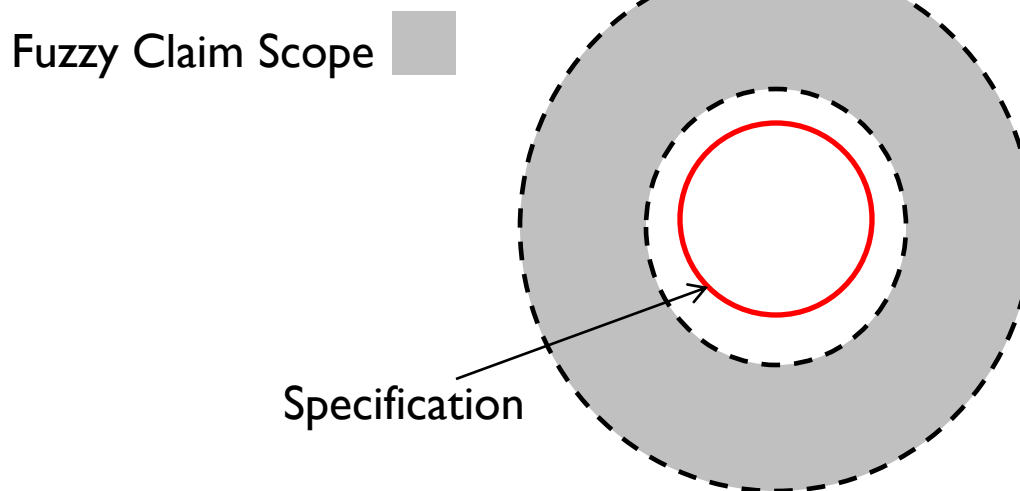
**Doubtful whether written description will do much more than enablement does now!**

# Claim Construction

## Balancing Claim Breadth

- Claims must be interpreted in light of the specification.
- Claims can cover embodiments that are not disclosed in the specification.

Like enablement, it is difficult to draw a principled way to determine correct claim scope using claim construction.



# Reverse Doctrine of Equivalents

Reverse Doctrine of Equivalents applies “where a device is so far changed in principle from a patented article that it performs the same or similar function in a substantially different way, but nevertheless falls within the literal words of the claim.” *Graver Tank v. Linde*, 339 U.S. 605, 608-09 (1950).

But,

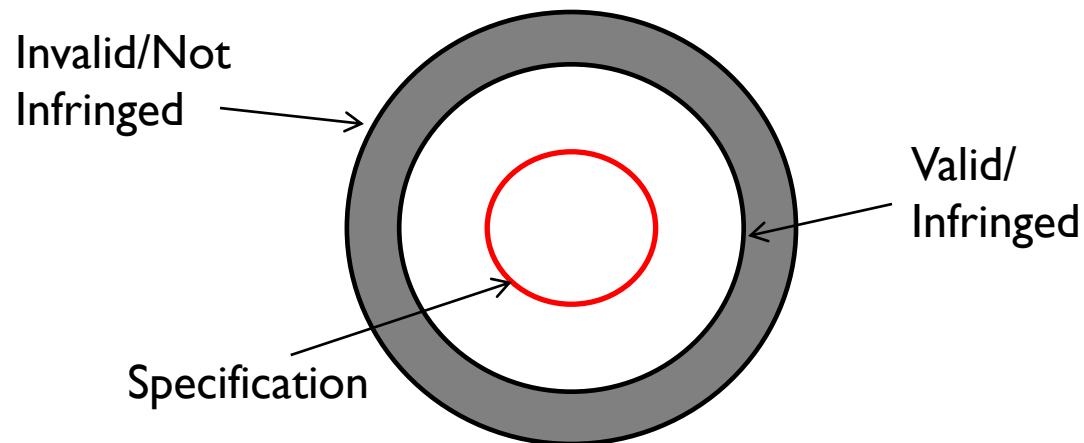
Reverse doctrine of equivalents rarely seen in practice.

*Tate Access Floors*, 279 F.3d 1357, 1368 (Fed. Cir. 2002)(incorrectly stating that the Federal Circuit has never affirmed a finding of non-infringement based on the reverse doctrine of equivalents).

*Roche Palo Alto v. Apotex*, 531 F.3d 1372, 1377–79 (Fed. Cir. 2008)(“The reverse doctrine of equivalents is rarely applied . . .”)

# Binary Solutions

- |                                       |                            |
|---------------------------------------|----------------------------|
| 1. Enablement                         | 1. Valid/Invalid           |
| 2. Written Description                | 2. Valid/Invalid           |
| 3. Claim Construction                 | 3. Infringed/Not Infringed |
| 4. Reverse Doctrine of<br>Equivalents | 4. Infringed/Not Infringed |

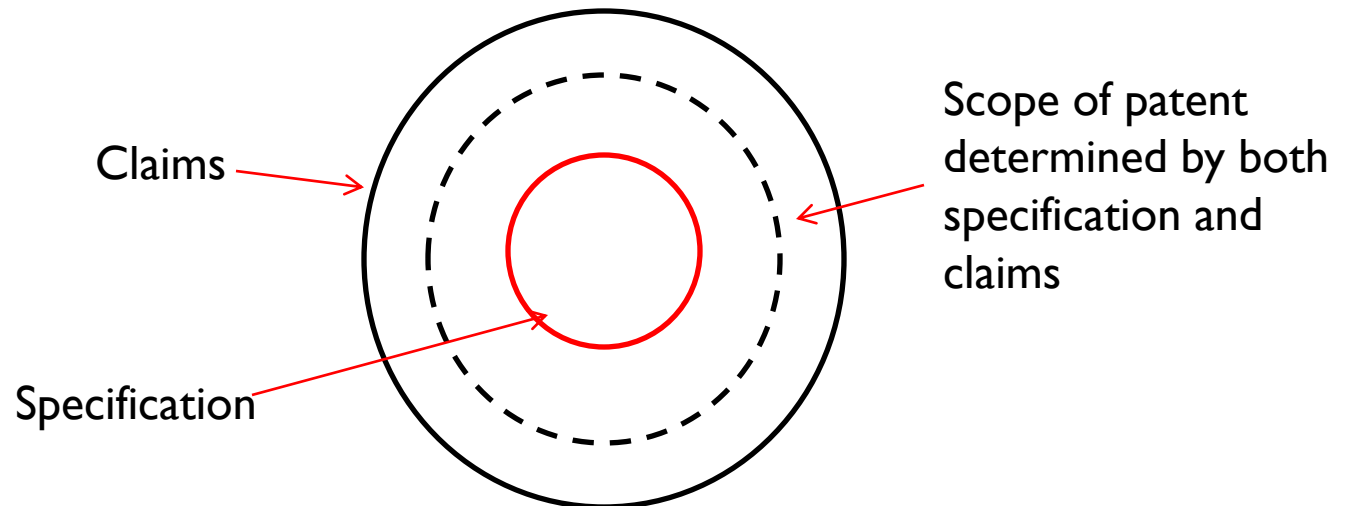


# Previous Proposals, Central Claiming

Adding elements of central claiming to determine **claim scope**.

Dan L. Burk & Mark A. Lemley, *Fence Posts or Sign Posts? Rethinking Patent Claim Construction*, 157 U. PA. L. REV. 1743 (2009).

Jeanne C. Fromer, *Claiming Intellectual Property*, 76 U. CHI. L. REV. 719 (2009).



# Previous Proposals, Tying Nature of Infringement to Remedy

Timothy Holbrook – permanent injunction not available under the reverse doctrine of equivalents

Equivalency and Patent Law's Possession Paradox, HARV. J.L. & TECH. (2009).

Peter Lee – permanent injunction not available against “substantial improvers.”

The Accession Insight and Patent Infringement Remedies, Mich. L. Rev. (2011).

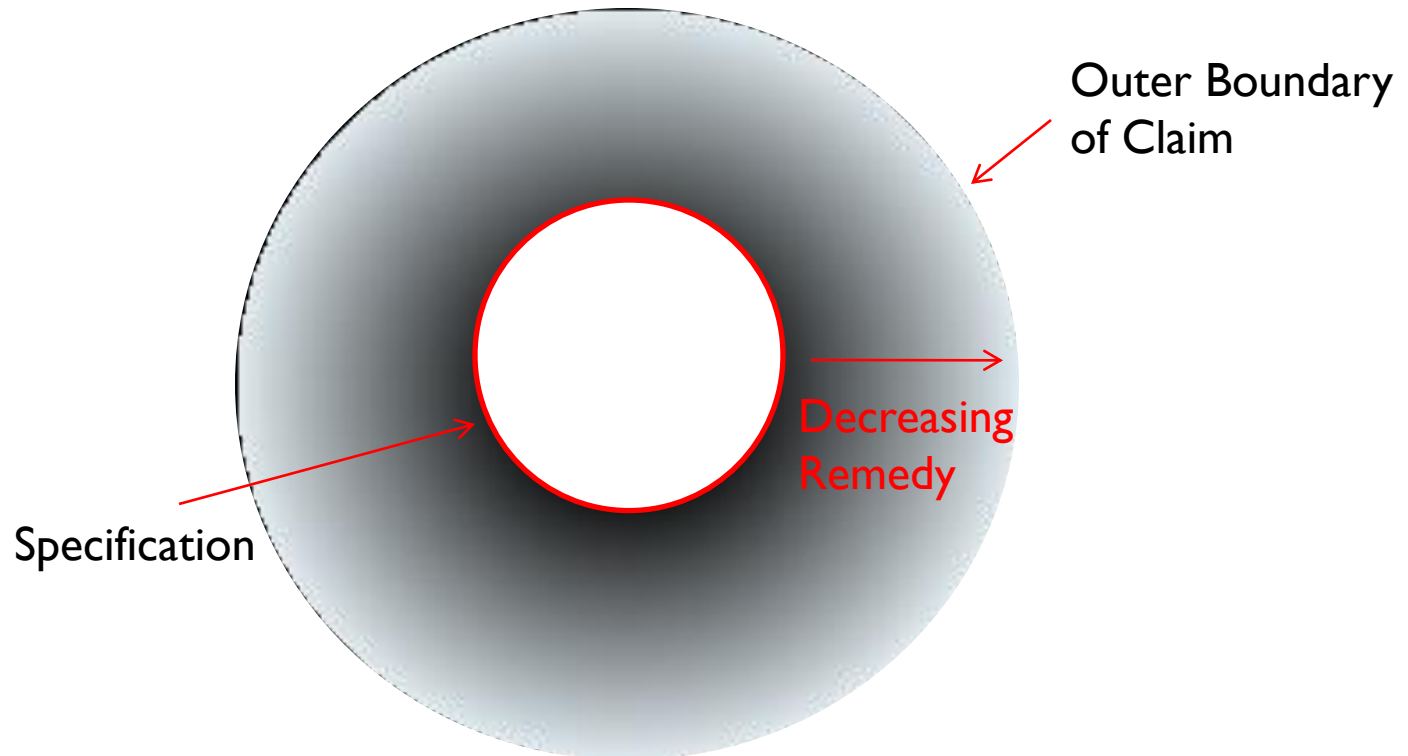
Katherine Strandburg

No liability for transformative uses. (less preferred solutions include no injunction or considered as part of reasonable royalty calculation)

Patent Fair Use 2.0, (2011).

# The Infringement Continuum

- Infringement – still assessed by the claims (peripheral claiming)
- Remedies – tie disclosure to remedy, using an “infringement continuum” (i.e. the remedy diminishes when the nature of the infringement looks less and less like what the specification describes)



# Another Potential Step on the Continuum

## A Different Damages Framework

Replace the lost profits/reasonable royalty framework with a disclosure based damages framework:

1. If the infringement would hypothetically compete with embodiments described in the specification, the damages would be higher.
2. If the infringement would not compete, the damages would be substantially lower.





## Effects of Calculating Damages based on Disclosure Principles

- Eliminates the concept of real world competition
- Replaces it with hypothetical competition.
- Takes patent damages out of a tort like “causation” analysis.
- Patent damages would center on how much the patent holder contributes to the infringing product/process.

# Toward a Patent Continuum Summary

## New Theoretical Framework Tying Patent Disclosure Principles to Remedies.

- Improves on prior doctrines because it finely tunes remedy to varying claim reach. (*i.e.* not binary).
- Borrows from peripheral claiming/central claiming discussion, but applies central claiming theory to the remedy (does not use central claiming to assess property boundaries).
- Extends on other proposals to tie nature of infringement to remedy.
- Offers example of how the continuum would apply to money damages.