St. Onge Steward Johnston & Reens LLC

THE GOOD, THE BAD AND THE UGLY
Willful Infringement and Satisfying The Duty of Care after Knorr-Bremse

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Prior Precedent

- Parties have an affirmative duty "to seek and obtain legal advice from counsel before the initiation [or continuation] of any possible infringing activity."

  Underwater Devices v. Morrison-Knudsen Co.
  717 F.2d 1380, 1389-90 (Fed. Cir. 1983)

- Duty of Care Still Exists

  Knorr-Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp. et al.
  383 F.3d 1337 (Fed. Cir. 2004)

Missing from Holding

- What will satisfy Duty of Care
  - No longer any objective standard now that opinions are not required
  - Will consideration by those of ordinary skill in the art satisfy this requirement

THE GOOD

- ***Union Carbide Corp. v. Shell Oil Co.,***
  425 F.3d 1366 (Fed. Cir. 2005)
  - Jury finds Infringement but no Willfulness
  - Defendant was Reasonable in its Response
  - Discovered the Patent as Part of Routine Monitoring
  - In-house attorney was Chemical Engineer and Licensed Patent Attorney, Interpreted the Claims
  - "Nonetheless this record suggests that [defendant's attorney's] analysis was not *entirely implausible*. Accordingly, [defendant] did not engage in the kind of egregious and reckless conduct that warrants a willfulness finding."

THE BAD

- ***Imonex Services Inc. v. W.H. Munzprufer Deitmar*, 408 F.3d 1374 (Fed. Cir. May 23, 2005)**
  - Actual Notice Triggers Duty of Care
    - Plaintiff Marked Products at Tradeshows
    - Literature with Patent Numbers
    - Correspondence with Defendant
  - Opinion Only Sought after Suit – "While early receipt of legal advice would have strengthened defendants' arguments that they had not willfully infringed, failure to have solicited such advice does not give rise to an inference of willfulness."
  - Exceptional Case - Attorney Fees Awarded
    - Continued Sale of Accused Products after Jury Verdict

THE UGLY

- ***Golden Blount, Inc. v. Robert H. Peterson***
  483 F.3d 1354 (Fed. Cir. 2006)
  - Defendant Never Obtained a Written Opinion
  - Attorney Relied on Unsupported Statements by Client
  - Oral opinions obtained and rendered without counsel having examined the accused device, the patent's prosecution history or the prior art.
  - Opinions Deemed Incompetent

THE UGLY *(Continued)*

- ***nCube Corp. v. Seachange International Inc.***
  436 F.3d 1317 (Fed. Cir. 2006)
  - Record showed that at least one important technical document was not supplied to the defendant's opinion counsel.
  - The best information was intentionally not made available to counsel during the preparation of the opinion.
  - The case for literal infringement was not close.
  - The defendant deliberately copied the invention.

THE UGLY *(Continued)*

- ***Andrew Corp. v. Beverly Manufacturing Co.***
  415 F. Supp. 2d. (N.D. Ill. 2006)
  - Firm Represented Patentee and Accused Infringer
  - After Merger, Issued Opinions to Accused Infringer
  - Court grants Motion to Exclude Opinion Letters because opinions deemed not competent.
  - "The competency of an attorney to produce an opinion letter is more than just his or her ability to analyze the law and the facts. Attorneys must perform their work within the confines of the ethical obligations that regulate their professional conduct."

CONCLUSION

- In-House Attorney Opinion can Satisfy Duty of Care
- Opinions Must be Competent and Timely
- Attorney and client must investigate and consider all material facts when rendering opinion including the accused products, the prosecution history and the prior art.
- *Knorr-Bremse* cannot shield defendant from adverse inferences or use of opinions once attorney-client privilege has been waived.