Levels Of 'Reasonable Inquiry' In Electronics Patent Cases

Law360, New York (June 05, 2014, 10:20 AM ET) -- In the field of computer and electronics, the structure of the device, the materials used, or the processes at work in an electronic device are not readily apparent to a patent holder seeking to enforce a patent against potentially infringing electronic devices. As electronic devices shrink and become more complex, it is becoming more difficult to fully ascertain all of the structures, materials and processes at work in such devices. The difficulty of analyzing elements of electronic devices to determine whether the electronic devices are infringing a patent raises questions as to what is the level of reasonable inquiry required prior to filing a lawsuit.

To satisfy the reasonable inquiry requirement of Rule 11(b) and avoid potential sanctions when filing a lawsuit against a potentially infringing electronic device, it is necessary to understand the depth of the inquiry that must be performed prior to filing a patent infringement action. This article examines recent Federal Circuit decisions that provide guidance on what constitutes a reasonable prefiling inquiry for patent infringement lawsuits related to electronic devices.

Reasonable Inquiry Under Rule 11(b)

Rule 11(b) expressly requires that an attorney presenting a pleading, motion, or other paper before the court certify that the attorney has performed "an inquiry reasonable under the circumstances."[1] [2] At a minimum, a reasonable inquiry requires an attorney who files a patent infringement action to compare the accused device with the construed patent claims.[3] The attorney cannot give blind deference to a client and assume the client has knowledge not disclosed to the attorney.[4] Further, the presence of an infringement analysis plays a key role in determining the reasonableness of the prefiling inquiry made in a patent infringement case.[5]

Determining the Validity of the Patent

A reasonable inquiry into whether an accused device infringes a patent begins with a patent validity assessment. Since all patents issued by the U.S. Patent and Trademark Office are presumed valid, the
inquiry into the validity of the patent does not have to be rigorous.[6] However, an attorney must reasonably believe that the patent being enforced is valid at the time of filing a lawsuit.[7]

For example, case law related to computer-implemented inventions, such as 35 U.S.C. § 101 and analysis of means-plus-function elements, is refined over time. Thus, it is always prudent to consider these aspects for electronics-based devices. If case law has cast the validity of a patent into question, a validity analysis should be first considered to avoid a potential pitfall or to seek alternate patents for enforcement purposes.

**Comparing the Electronic Device With the Claims of the Patent**

In order to compare the electronic device with the claims of a patent, an attorney seeking to bring a lawsuit must first perform a reasonable claim construction. Claim construction is a matter of law and a proposed claim construction is subject to the requirement under Rule 11(b)(2) that all legal arguments be nonfrivolous.[8] Although reasonable minds can differ as to claim construction positions, there is a threshold below which a claim construction warrants Rule 11 sanctions.[9]

In particular, Rule 11 sanctions are warranted where a claim construction is “so unreasonable that no reasonable litigant could believe it would succeed.”[10] This may occur in instances where a proffered claim construction to read on an accused infringing device is factually at odds with the express terms of the claims themselves, has scant support in the specification, or is at odds with the disclosed embodiments.[11]

After performing claim construction, the various components of electronic device must compared with the patented claims. While the structure and layout of the larger components in an electronic device may be determined with a simple teardown, smaller microscopic structures of microcontrollers or processors may be difficult or impossible to discern. In addition, certain electronic devices may not be accessible or made available for examination prior to filing a lawsuit. The decisions of the Federal Circuit provide guidance on whether devices must be obtained and taken apart prior to filing a lawsuit.

In Judin v. United States, a panel of the Federal Circuit vacated the trial court’s decision not to impose Rule 11 sanctions after finding that neither “Judin or his counsel had made a reasonable effort to ascertain whether the accused devices satisfied the two key claim limitations, either literally or under the doctrine of equivalents.”[12] In Judin, the accused infringing bar code scanner was viewed from a distance by the plaintiff and an infringement analysis was performed based on the viewing by the plaintiff and commercial literature.[13] However, this information was not enough to discern whether the accused infringing product met two elements of the claims.[14]

In the decision, the panel noted that “[n]o adequate explanation was offered for why they failed to obtain, or attempted to obtain, a sample of the accused device from the Postal Service or a vendor so that its actual design and functioning could be compared with the claims of the patent.”[15]

Although the Judin court reasons that an attempt to obtain a sample of the accused infringing device
should have been made to determine whether the device contained all the elements of the claims, more recent Federal Circuit decisions have stopped short of imposing a requirement to obtain and/or deconstruct an accused infringing device. For example, in Intamin Ltd. v. Magnetar Technologies Corp., a panel of the Federal Circuit acknowledged the difficulty of obtaining and cutting apart a sample of an accused amusement ride brake system and held that the district court did not abuse its discretion where it concluded that the pre-filing inquiry including a validity analysis, claim construction, and an infringement analysis based on publicly available documentation and photographs satisfied Rule 11.[16]

In addition, a panel of the Federal Circuit, in Woods v. DeAngelo Marine Exhaust, Inc., held that requesting a sample of the accused infringing marine exhaust system and studying photographs of the accused infringing marine exhaust system when the requested information was not provided to the plaintiff was enough to support the district court’s conclusion that a sufficient prefiling investigation was conducted.[17]

Even if an accused infringing electronic device is obtained and taken apart in order to be compared with the claims of a patent, this still may not reveal the materials that are used in the accused infringing electronic device. In this case, a chemical analysis may be necessary to determine the makeup of a material that is being used in the accused infringing electronic device. However, the makeup of certain materials may be discerned from descriptive labeling and without conducting a chemical analysis.

A panel of the Federal Circuit in Q-Pharma Inc. v. Andrew Jergens Co., acknowledged this reality where it found Q-Pharma Inc.’s reliance on advertising and labeling sufficient to show that Q-Pharma Inc. could reasonably conclude that the accused product contained an amount of the principle active ingredient. The panel in Q-Pharma Inc. held that the claim of infringement was supported by a sufficient factual basis where the patentee obtained a sample of the accused product to compare with the patent claims, but stated that Judin did not require a chemical analysis to be performed on an accused infringing product.[18] Although the accused infringing product in Q-Pharma Inc. was lotion, the principles of the case may be applied to the composition of accused infringing electronic devices, such as a semiconductor.

In some cases, multiple similar products that infringe a patent may exist and a plaintiff may have a reasonable belief that the infringing products all contain the same infringing component. For example, multiple smartphones manufactured by one company may contain the same infringing memory component. In this case, a panel of the Federal Circuit held that “it is not always necessary for the plaintiff’s attorneys to inspect each product separately.”[19] However, “the evidence uncovered by the patent holder’s investigation must be sufficient to permit a reasonable inference that all the accused products infringe.”[20] Thus, the analysis of a single product along with information that permits a reasonable inference that the remaining products contain the same infringing component may be enough to satisfy the reasonable inquiry requirement of Rule 11.

Based on the guidance from the Judin, Intamin Ltd., Woods, Antonious and Q-Pharma Inc., a patentee performing an infringement analysis must carefully consider viability of a preliminary claim analysis and at least attempt to obtain an accused infringing electronic device and consider whether the accused
infringing electronic device meets all elements of the asserted claim. However, a teardown or chemical analysis of the product is not required for the reasonable inquiry.

In addition, when analyzing multiple accused infringing electronic devices that are similar, an analysis of one of the accused infringing electronic devices along with information that the remaining accused infringing electronic devices contain the same infringing component may be enough to satisfy the reasonable inquiry requirement prior to filing a lawsuit.

**Explanation for Indiscernible Elements**

Certain electronic devices may contain infringing software that cannot be analyzed because the source code is unavailable. The electronic device may also contain components that cannot be discerned from a teardown of the device due to their size. In some cases, the electronic device may be proprietary device that is not accessible to the public. However, the combined guidance of Judin, Intamin Ltd., Woods and Antonious is clear in that an attempt to obtain the accused infringing electronic device for analysis and a reasonable inference, based on other information, that all the elements of the claims are contained within the device is sufficient to satisfy the reasonable inquiry requirement.

Therefore, as long as an attorney is able to provide an explanation for how the reasonable inference was made or why an attorney was unable to determine whether the an accused infringing electronic device contains certain elements of the asserted claims, the attorney, should not be subject to sanctions under Rule 11 for failing to identify elements of asserted claims in the accused infringing electronic device.

**Conclusion**

An attorney may perform an appropriate reasonable inquiry prior to filing a lawsuit by conducting a rudimentary patent validity assessment and preliminary claim construction on the patent being enforced, at least attempting to obtain an accused infringing electronic device, performing an infringement analysis that considers all elements of the claims to be asserted against the accused infringing electronic device, and, if necessary, providing a reasonable explanation as to why the attorney is not able to determine whether some elements of the claims are contained in the accused infringing electronic device. If an attorney adheres to these guidelines, the likelihood of filing a claim perceived as frivolous and being sanctioned under Rule 11 will be greatly diminished.

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[9] Raylon, LLC, 700 F.3d at 1368. (referencing iLor, LLC v. Google, Inc., 631 F.3d 1372, 1378 (Fed. Cir. 2011)).

[10] Id.


[12] Judin, 110 F.3d at 784.

[13] Id. at 782.

[14] Id.


[18] Q-Pharma, 360 F.3d at 1302-03.


[20] Id.

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