

by James Juo

A MATTER OF OPINION

A competent patent opinion can provide an effective defense against a charge of willful infringement

BEFORE INTRODUCING ITS NEWEST product into the marketplace, a company often will seek an opinion from patent counsel on whether the new product infringes any valid patent known to the company. Many consider this exercise in vigilance regarding the patent rights of others to be a prerequisite before launching a new product. Indeed, until recently, the failure to obtain an opinion of counsel was often used as evidence that a company did not exercise due care in respecting the patent rights of others—and this lack of due care meant that any patent infringement was “willful” and subject to enhanced damages.

If a patent dispute does arise, a favorable opinion of counsel that a company’s new product does not involve the infringement of a patent held by others could be useful in litigation—but only if the company chooses

to waive the attorney-client privilege, a decision not to be taken lightly. A charge of willful infringement can lead to an award of attorney’s fees and treble damages if the patent in question is found to be infringed. A patent opinion can provide an effective defense to this charge. Furthermore, a patent opinion also can provide a defense for a company accused of indirectly infringing a patent by active inducement in addition to associated charges of willfulness for that infringement.

Recently, the Federal Circuit has significantly redefined the standard for finding willful infringement. Instead of a “due care” standard, which in practice became little

James Juo is a partner at Fulwider Patton LLP, a Los Angeles law firm specializing in all aspects of intellectual property. His practice emphasizes patents and trademarks.

KEN CORRAL



more than a negligence standard, a showing of “objective recklessness” is now required.¹ Some have called into question the need for commercial companies to continue obtaining patent opinions before marketing products. However, opinions of counsel remain useful tools for avoiding patent disputes altogether and also provide an effective defense to charges of willful infringement as well as

justified an enhancement of damages.⁷

Subsequent Federal Circuit decisions further developed the factors for evaluating willfulness and the duty of due care under the totality of the circumstances.⁸ The presence or absence of a favorable opinion of counsel regarding patent infringement, validity, or enforceability remained a crucial, but not dispositive, part of the willfulness inquiry.⁹ The due care stan-

of an interlocutory appeal, Seagate petitioned the Federal Circuit for a writ of mandamus.¹⁶

Although Seagate’s writ of mandamus focused on the scope of the waiver that should apply to a defense based on advice of counsel, the Federal Circuit stated that it was also interested in whether, “[g]iven the impact of the statutory duty of care standard announced in [*Underwater Devices*], on the issue of waiver

The appellate court first noted that the affirmative duty of due care in *Underwater Devices* had led to a threshold for willful infringement that was more akin to negligence. This result, according to the Federal Circuit, did not comport with the general understanding of willfulness in the civil context and was inconsistent with U.S. Supreme Court precedent regarding punitive damages.

active inducement of infringement.

The due care standard for avoiding willful infringement was first set forth in an early Federal Circuit decision, *Underwater Devices, Inc. v. Morrison-Knudsen Company*. The court held that “[w]here...a potential infringer has actual notice of another’s patent rights, he has an affirmative duty to exercise due care to determine whether or not he is infringing. Such an affirmative duty includes, inter alia, the duty to seek and obtain competent legal advice from counsel before the initiation of any possible infringing activity.”² When the *Underwater Devices* court announced this standard, “widespread disregard of patent rights was undermining the national innovation incentive.”³ The purpose of the court’s due care standard was to ensure that patent property would receive the same respect and protection that the law provides for all other property. By doing so, the court sought to enable patentees to protect their rights in this environment of “widespread disregard of patent rights” as well as provide order for the commercialization of technology in the marketplace.⁴

The legal opinion received by the infringer in *Underwater Devices* did not contain “sufficient internal indicia of creditability” to be considered competent.⁵ Instead, the opinion provided “only bald, conclusory and unsupported remarks regarding validity and infringement.” Moreover, the opinion, by claiming that “[c]ourts, in recent years, have—in patent infringement cases—found [asserted patents] invalid in approximately 80% of the cases,” in effect provided assurance that the patentee would not likely sue for infringement.⁶ The court held that the infringer’s failure to obtain an independent and competent opinion demonstrated a “willful disregard” for the patents that

dard of *Underwater Devices* was not intended to be applied as a per se rule so that every possibly related patent must be exhaustively studied by expensive legal talent, lest infringement presumptively incur treble damages.¹⁰ In practice, however, the due care standard in the analysis of willful infringement became more like a negligence standard, even though the word “willful” in the civil context is generally understood to refer to conduct that is not merely negligent.¹¹

Objective Recklessness

The Federal Circuit recently revisited the due care standard in *In re Seagate Technology, LLC*, an en banc decision. Seagate Technology was accused of willfully infringing patents owned by Convolv, Inc., and the Massachusetts Institute of Technology.¹² Seagate had received legal opinions upon which the company intended to rely to show that it had exercised the requisite due care in determining that its conduct was not infringing or that the asserted patent was invalid or unenforceable. These opinions were part of the advice of the company’s patent counsel regarding the company’s defense to willful infringement.¹³

The district court broadly defined the scope of the waiver associated with Seagate’s reliance on the opinions of its patent counsel. The court held that the attorney-client privilege was waived for all communications with counsel, including Seagate’s trial attorneys and in-house counsel, involving the subject matter of the patent opinions.¹⁴ Based on this ruling, Convolv sought production of trial counsel opinions regarding the patents and also noticed depositions of Seagate’s trial counsel.¹⁵ After the district court denied Seagate’s motion for a stay and certification

of attorney-client privilege, should this court reconsider the decision in *Underwater Devices* and the duty of care standard itself?”¹⁷ The appellate court first noted that the affirmative duty of due care in *Underwater Devices* had led to a threshold for willful infringement that was more akin to negligence. This result, according to the Federal Circuit, did not comport with the general understanding of willfulness in the civil context and was inconsistent with U.S. Supreme Court precedent regarding punitive damages.¹⁸ Rejecting the due care standard, the Federal Circuit held en banc that to prove willful infringement and the appropriateness of enhanced damages, a patentee must, at a minimum, make a showing of “objective recklessness.”¹⁹ The court further emphasized that “there is no affirmative obligation to obtain opinion of counsel.”²⁰

To establish objective recklessness for willful infringement, a patentee must present clear and convincing evidence to meet a two-prong test that:

- 1) The infringer acted despite an objectively high likelihood that its actions constituted infringement of a valid patent, as determined by the record developed in the infringement proceeding.
- 2) This objectively defined risk was either known or so obvious that it should have been known to the accused infringer.²¹

Because the state of mind of the accused infringer is not relevant to whether there is an objectively high likelihood of infringing a valid patent, an opinion of counsel should only be relevant with regard to the subjective second prong of the test—whether the objectively high risk of infringement was either known or so obvious that it should have been known to the accused infringer.²² “The

fundamental issue remains the reasonableness, or in turn the culpability, of commercial behavior that violates legally protected property rights.”²³ The Federal Circuit stated that it would “leave it to future cases to further develop the application of this standard.”²⁴

Subsequently, in *Cohesive Technologies Inc. v. Waters Corporation*, the Federal Circuit concluded that claim construction was “a sufficiently close question to foreclose a finding of willfulness” in light of the specification and prosecution history of the patent.²⁵ The defendant’s noninfringement defense was based on a construction of the claim term “rigid” that was not adopted by the court.²⁶ But because that claim term “was susceptible to a reasonable construction under which [the accused products] did not infringe, there was not an objectively high likelihood that [the defendant’s] actions constituted infringement.”²⁷

In *Lexion Medical, LLC v. Northgate Technologies, Inc.*, an unpublished decision, the defendant liquidated its remaining inventory of accused products after a jury returned a verdict of infringement.²⁸ To justify these post-verdict sales as not being willful, the defendant relied upon a post-verdict oral opinion of counsel that had predicted a favorable outcome in view of a renewed motion for judgment as a matter of law (JMOL) then pending before the district court. Although the

district court denied the JMOL motion, the Federal Circuit later vacated the infringement verdict and remanded the case for further proceedings based on a new claim construction. The Federal Circuit held that the post-verdict sales liquidating the remaining inventory of accused products did not constitute willful infringement because the defendant’s reliance on the post-verdict opinion of counsel was justified, as demonstrated by the appellate court’s overturning of the infringement verdict on the merits.²⁹

The Federal Circuit also found no willful infringement in *Finisar Corporation v. DirecTV Group, Inc.* The defendant in *Finisar* had relied on an opinion of counsel on the absence of patent infringement. But the opinion took no position on the issue of validity, and the district court weighed the opinion’s failure to do so in favor of finding willfulness against the defendant.³⁰ Nevertheless, the Federal Circuit found no willful infringement because a patent opinion is not required to address validity.³¹ An opinion concluding that a patent is either invalid or not infringed can provide an effective defense against a charge of willful infringement of that patent without having to rely solely on the objective merits of the case to foreclose a finding of willfulness.

An opinion of counsel can also help support summary judgment of no willful infringe-

ment—if the opinion is competent.³² In *VNUS Medical Technologies, Inc. v. Diomed Holdings, Inc.*, the district court denied a motion for summary judgment of no willful infringement because the defendant had relied upon conclusory opinions, including “a self-described ‘preliminary’ assessment” with “no legal analysis,” instead of a competent opinion of counsel.³³ The substantive requirements for an opinion of counsel were not expressly addressed in *Seagate*, and subsequent district court decisions, such as *VNUS*, have applied pre-*Seagate* case law regarding the criteria for evaluating the competency of an opinion of counsel.

A Competent Patent Opinion

The factors to consider in determining whether an opinion is competent and may be relied upon include:

- 1) Whether counsel examined the patent file history.
- 2) Whether the opinion is oral or written.
- 3) The objectivity of the opinion.
- 4) Whether the attorney rendering the opinion is a patent attorney.
- 5) Whether the opinion is detailed or merely conclusory.
- 6) Whether material information was withheld from the attorney.³⁴

According to the Federal Circuit, “To serve



RISK CONTROL STRATEGIES

PENDING LITIGATION REQUIRES A RESULT ORIENTED RESOURCE

- LITIGATION SUPPORT
- COMPUTER FORENSICS
- TECHNICAL SURVEILLANCE COUNTERMEASURES (SWEEPS)
- WORKPLACE INVESTIGATIONS
- DUE DILIGENCE
- THREAT ASSESSMENT
- MALICIOUS PRODUCT TAMPERING
- BACKGROUND INVESTIGATIONS
- PHYSICAL SURVEILLANCE
- MONEY LAUNDERING

With a longstanding reputation of confidential and thorough investigations, our experienced cadre of former federal investigators provides our clients with a holistic project approach and timely deliverables. We specialize in complex investigative matters.

CONTACT INFORMATION

4333 Park Terrace Drive, Suite 100
Westlake Village, CA 91361
Phone: 818-991-7475
info@riskcontrolstrategies.com
www.riskcontrolstrategies.com

OFFICES LOCATED IN NEW YORK, CALIFORNIA, FLORIDA, NEVADA

PI #24594

Your peace of mind is our goal.

as exculpatory legal advice the opinion of counsel is viewed objectively, to determine whether it was obtained in a timely manner, whether counsel analyzed the relevant facts and explained the conclusions in light of the applicable law, and whether the opinion warranted a reasonable degree of certainty that the infringer has the legal right to conduct the infringing activity.”³⁵

Patent law is a specialized field of law, so having a registered patent attorney provide the opinion of counsel will help assure that the legal advice is competent. Also, selecting an outside registered patent attorney, from a law firm other than trial counsel, to provide the patent opinion may help limit the scope of the waiver associated with relying on an advice-of-counsel defense. Generally, disclosing an opinion of patent counsel does not constitute a waiver of the attorney-client privilege for communications with trial counsel.³⁶ Similarly, “relying on opinion counsel’s work product does not waive work product immunity with respect to trial counsel.”³⁷ The court, however, has the discretion to extend the waiver to trial counsel if the party or counsel engages in “chicanery.”³⁸

Active Inducement of Infringement

In addition to serving as a defense to a charge of willful infringement, an opinion of coun-

sel may also serve as a defense in the first instance against a type of indirect infringement known as active inducement of infringement. To prove active inducement of infringement under 35 USC Section 271(b), the patentee “has the burden of showing that the alleged infringer’s actions induced infringing acts and that he knew or should have known his actions would induce actual infringements.”³⁹ A claim of active inducement of infringement may arise when the defendant does not directly infringe the patent but instead sells a product with instructions that would induce a third party to use the product in a manner that would infringe the patent.

This type of indirect infringement often occurs when method or system claims are asserted against medical devices, computers, or electronics. For example, a patent claiming a new method of using a medical device such as a catheter may be indirectly infringed by a catheter that is sold with instructions for use that involve the patented method. Also, if the product is sold in a first configuration, and the patent claim requires the device to be in a specific second configuration, liability for active inducement of infringement may attach if the defendant provides instructions for the specific second configuration covered by the patent.

To prove a charge of active inducement of infringement, the plaintiff must provide evi-

dence that the defendant had the specific intent to cause another to infringe the patent. A defendant may show a lack of specific intent to infringe with an opinion of counsel that the instructed use of the product would not infringe a valid patent. The Federal Circuit in *DSU Medical Corporation v. JMS Corporation* recently held that an opinion of counsel may serve as a defense against a claim involving this form of indirect infringement.⁴⁰ Thus, liability for active inducement of infringement, including damages, may be avoided when a company properly relies upon a competent opinion from patent counsel when entering the marketplace, although future sales may be subject to an injunction.

In *Broadcom Corporation v. Qualcomm, Inc.*, the Federal Circuit clarified the standard for establishing the intent element of active inducement of infringement.⁴¹ Specifically, to establish the “affirmative intent to cause direct infringement,” a patentee must show, by a preponderance of the evidence, that:

- 1) The defendant “intended to cause the acts that constitute the direct infringement.”
- 2) The defendant “kn[ew] or should have known [that] its action would cause the direct infringement.”⁴²

This test is similar to the subjective second prong of the two-prong test for willful infringement but lacks the objective first prong of that



A wider perspective:

What the legal community expects from a law school devoted to the big picture.
Creative, versatile graduates with panoramic vision for today’s complex legal challenges.

www.CaliforniaWestern.edu

CALIFORNIA WESTERN
SCHOOL OF LAW | San Diego

*What law school ought to be.*SM

WOLFSDORF
Immigration Law Group

"Praised as 'one of the most prestigious names in the field by peers'"
Who's Who Legal 2008
California Edition
Best Lawyers in America 2009
California Super Lawyer 2009
Chambers USA America's Leading Lawyers for Business 2009
Martindale-Hubbell 2009(AV)

Navigating Immigration

BOBBY WOLFSDORF
Co-Founder, Credit & Equity Analyst

1-800-415A-LAW • www.wolfsdorf.com • Los Angeles • New York

ARBITRATOR AND MEDIATOR

Is this your client...

- In the entertainment or related industry?
- Prefers a solution to a dispute rather than litigation?
- Willing to arbitrate or mediate the dispute, but wants a neutral person who knows the industry and understands it?



Dixon Q. Dern
310.275.2003 www.dixlaw.com
Over 25 years
Arbitration and mediation experience for the entertainment industry and other disputes.
Experience + Knowledge = "DERN" good results!

ERISA

Why Suffer? Let Us Do It For You.

The Law Offices of
Charles J. Fleishman

**39 YEARS OF EXPERIENCE
OVER 225 JURY TRIALS
OVER 1500 COURT TRIALS
OVER 200 APPEALS & WRITS
PUBLISHED DECISIONS INCLUDE:**

- Scott v. Alpha Beta (1985) 104 CA3d 305
- Gomez v. Titor (1983) 145 CA3d 422
- Neustein v. Los Angeles Dodgers (1986) 185 CA3d 176
- Harper v. Wauson (1997) 16 CA4th 1079
- Patterson v. Hughes 11 F.3d 948 (9th Cir. 1993)
- Boston v. Lockheed III F.3d 1461 (9th Cir. 1997)
- Jiggins v. Martin Marietta Long Term Disability Plan 244 F.3d 1109 (9th Cir. 2001)
- Penfield v. AIG Life Insurance Company 290 F.3d 1121 (9th Cir. 2002)
- Ibrhan v. Hewlett-Packard 349 F.3d 1096 (9th Cir. 2003)
- MetLife v. Hawkins-Dean 127 S.Ct. 699, 166 L.Ed.2d 510 (2006)
- Salton v. Wells Fargo 511 F.3d 1236 (9th Cir. 2008)

Your Referral is Appreciated to the full extent allowed by the CA State Bar

(818) 350-6285
Erisa@ErisaRights.com
www.ErisaRights.com

test. By focusing on the state of mind of the accused infringer, this test resembles the old due care standard of *Underwater Devices*.

The Federal Circuit also held that the failure to obtain an opinion of counsel could be considered "circumstantial evidence of intent to infringe."⁴³ The defendant in *Broadcom* had opinions of counsel regarding patent invalidity but did not waive those opinions. The Federal Circuit upheld the jury's finding of active inducement of infringement, remarking that the district court properly excluded the opinions in light of the defendant's decision not to waive the attorney-client privilege with respect to those opinions.⁴⁴ Clearly, for a party faced with the prospect of defending against a claim of active inducement of infringement, a competent opinion of counsel is particularly important.

Opinions of patent counsel are valuable tools for companies navigating the complexities of launching technology products in today's competitive marketplace.⁴⁵ Patent opinions assist companies in identifying potential restrictions in their freedom to operate as well as areas for investment and development. Vigilant awareness of the patent rights of others can help to minimize or avoid patent disputes.

In addition, if a patent dispute does arise, and the company chooses to waive the attorney-client privilege, a patent opinion may be useful in litigation. Although there is no legal duty to obtain an opinion of counsel, a competent patent opinion can provide an effective defense against a charge of willful infringement and avoid a punitive award of trebled damages if patent infringement is found. A competent opinion can also improve the likelihood of obtaining summary judgment of no willful infringement to eliminate the issue of punitive damages at trial. Moreover, when a company is accused of indirectly infringing a patent by active inducement, a competent patent opinion may provide a defense against that charge to avoid liability for damages in the first instance. ■

¹ In re Seagate Tech., LLC, 497 F. 3d 1360, 1371 (Fed. Cir. 2007) (en banc).

² *Underwater Devices, Inc. v. Morrison-Knudsen Co.*, 717 F. 2d 1380, 1389-90 (Fed. Cir. 1983) (citations omitted) (emphasis in original).

³ *Knorr-Bremse Systeme Fuer Nutzfahreuge GmbH v. Dana Corp.*, 383 F. 3d 1337, 1343 (Fed. Cir. 2004) (en banc) (citing DEPARTMENT OF COMMERCE, ADVISORY COMMITTEE ON INDUSTRIAL INNOVATION FINAL REPORT (Sept. 1979)).

⁴ *Seagate*, 497 F. 3d at 1385 (Newman, J., concurring).

⁵ *Underwater Devices*, 717 F. 2d at 1390.

⁶ *Id.* at 1385, 1390.

⁷ *Id.* at 1390.

⁸ See, e.g., *Read Corp. v. Portec, Inc.*, 970 F. 2d 816, 826-27 (Fed. Cir. 1992); *Rolls-Royce Ltd. v. GTE Valeron Corp.*, 800 F. 2d 1101, 1110 (Fed. Cir. 1986).

⁹ See, e.g., *Electro Med. Sys., S.A. v. Cooper Life Scis., Inc.*, 34 F. 3d 1048, 1056 (Fed. Cir. 1994) ("Possession of a favorable opinion of counsel is not essential to

Imagine what your gift can do!



BE PROUD OF YOUR FOUNDATION— IT IS A VALUABLE COMMUNITY RESOURCE.

SUPPORT YOUR BAR FOUNDATION— IT CANNOT EXIST WITHOUT YOU!

While a single stone may make only a small splash, the ripples travel far beyond where the stone landed—just like the benefit of your single gift to the Los Angeles County Bar Foundation's 2009-10 fund-raising campaign.

The Bar Foundation is the fund-raising arm of the Bar Association. The Association's own public service projects rely heavily on the Foundation for funding, as do many other very worthwhile programs serving our community.

Donations may be made online via credit card or by mail to Los Angeles County Bar Foundation, PO Box 55020, Los Angeles, CA, 90055-2020. For additional information, call (213) 896-6409 or send an e-mail to lstude@lacba.org.

LOS ANGELES COUNTY BAR FOUNDATION

Visit the Foundation's Web page at www.lacba.org/foundation.

avoid a willfulness determination; it is only one factor to be considered, albeit an important one.”).

¹⁰ *In re Seagate Tech., LLC*, 497 F. 3d 1360, 1385 (Fed. Cir. 2007) (en banc) (Newman, J., concurring).

¹¹ *Id.* at 1371 (citing *McLaughlin v. Richland Shoe Co.*, 486 U.S. 128, 133 (1988)).

¹² *Id.* at 1366.

¹³ *Id.*

¹⁴ *Id.* at 1366-67. The district court conducted an “in camera review of documents relating to trial strategy, but said that any advice from trial counsel that undermined the reasonableness of relying on [the] opinions would warrant disclosure” under the waiver. *Id.* at 1367.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.* (citing *In re Seagate Tech., LLC*, 214 Fed. App’x 997 (Fed. Cir. 2007) (unpublished order)).

¹⁸ *Id.* at 1371 (citing *McLaughlin v. Richland Shoe Co.*, 486 U.S. 128 (1988) and *Safeco Ins. Co. of Am. v. Burr*, 551 U.S. 47, 127 S. Ct. 2201, 167 L. Ed. 2d 1045 (2007)).

¹⁹ *Id.*

²⁰ *Id.*; see also *Knorr-Bremse Systeme Fuer Nutzfahrzeuge, GmbH v. Dana Corp.*, 383 F. 3d 1337, 1345 (Fed. Cir. 2004) (en banc) (There is no legal duty for a potential infringer to consult with counsel.).

²¹ *Seagate*, 479 F. 3d at 1371.

²² See *id.*; see also *Honeywell Int’l v. Universal Avionics Sys. Corp.*, 585 F. Supp. 2d 636, 643-44 (D. Del. 2008) (“A prelitigation patent review may be more relevant to the second prong of the *Seagate* test.”); *ResQNet.com, Inc. v. Lansa, Inc.*, 533 F. Supp. 2d 397, 420 (S.D. N.Y. 2008) (“ResQNet has pointed to no evidence of objective recklessness, but instead relied only on subjective evidence.”).

²³ *Seagate*, 479 F. 3d at 1385 (Newman, J., concurring).

²⁴ *Id.* at 1371; see also *Informatica Corp. v. Business Objects Data Integration, Inc.*, 527 F. Supp. 2d 1076, 1083 (N.D. Cal. 2007) (*Seagate* “significantly raised the bar for a finding of willfulness.”).

²⁵ *Cohesive Techs. Inc. v. Waters Corp.*, 543 F. 3d 1351, 1374 (Fed. Cir. 2008).

²⁶ *Id.*

²⁷ *Id.*; see also *Black & Decker, Inc. v. Robert Bosch Tool Corp.*, 260 Fed. App’x 284, 291 (Fed. Cir. 2008) (unpublished) (“Under [*Seagate*’s] objective standard, both legitimate defenses to infringement claims and credible invalidity arguments demonstrate the lack of an objectively high likelihood that a party took actions constituting infringement of a valid patent.”); *TGIP, Inc. v. AT & T Corp.*, 527 F. Supp. 2d 561, 579 (E.D. Tex. 2007) (“[I]t cannot be said there is clear and convincing evidence that it was known or obvious that there was an objectively high likelihood that [the defendant’s] non-infringement position was incorrect.”).

²⁸ *Lexion Med., LLC v. Northgate Techs., Inc.*, 292 Fed. App’x 42, 51 (Fed. Cir. 2008) (unpublished).

²⁹ *Id.*

³⁰ *Finisar Corp. v. DirecTV Group, Inc.*, 523 F. 3d 1323, 1339 (Fed. Cir. 2008).

³¹ *Id.*; see also *Graco, Inc. v. Binks Mfg. Co.*, 60 F. 3d 785, 793 (Fed. Cir. 1995) (“There is no requirement that an opinion must address validity to negate a finding of willful infringement.”).

³² See *Pivonka v. Central Garden & Pet Co.*, 2008 WL 486049, at *2 (D. Colo. 2008) (Summary judgment of no willful infringement was granted in part because the “defendants have presented evidence showing that they consulted with patent counsel after learning of the plaintiffs’ patents and, following that consultation, believed there were defenses to infringement.”).

³³ *VNUS Medical Techs., Inc. v. Diomed Holdings, Inc.*, 527 F. Supp. 2d 1072, 1076 (N.D. Cal. 2007) (citing *Amsted Indus. v. Buckeye Steel Castings*, 24 F. 3d 178, 182-83 (Fed. Cir. 1994)).

³⁴ *Chiron Corp. v. Genentech, Inc.*, 268 F. Supp. 2d

1117, 1121 (E.D. Cal. 2002) (citing *Comark Commc’ns, Inc. v. Harris Corp.*, 156 F. 3d 1182, 1191 (Fed. Cir. 1998) and 7 CHISUM, CHISUM ON PATENTS §20.03[4][b][v][D], at 20-368 to 20-374 (2002)).

³⁵ *SRI Int’l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F. 3d 1462, 1467 (Fed. Cir. 1997); see also *Underwater Devices Inc. v. Morrison-Knudsen Co.*, 717 F. 2d 1380, 1390 (Fed. Cir. 1983) (An opinion may contain sufficient internal indicia of being competent if it contains “a patent validity analysis, properly and explicitly predicated on a review of the file histories of the patents at issue, [or] an infringement analysis that, inter alia, compared and contrasted the potentially infringing method or apparatus with the patented inventions.”), *overruled on other grounds by In re Seagate Tech., LLC*, 497 F. 3d 1360, 1371 (Fed. Cir. 2007) (en banc).

³⁶ *Seagate*, 497 F. 3d at 1374.

³⁷ *Id.* at 1376.

³⁸ *Id.* at 1375, 1376. An opposing party may seek more opportunities to claim “chicanery” when trial counsel and patent counsel are members of the same law firm.

³⁹ *Manville Sales Corp. v. Paramount Sys., Inc.*, 917 F. 2d 544, 554 (Fed. Cir. 1990).

⁴⁰ *DSU Medical Corp. v. JMS Corp.*, 471 F. 3d 1293, 1306 (Fed. Cir. 2006) (en banc in relevant part).

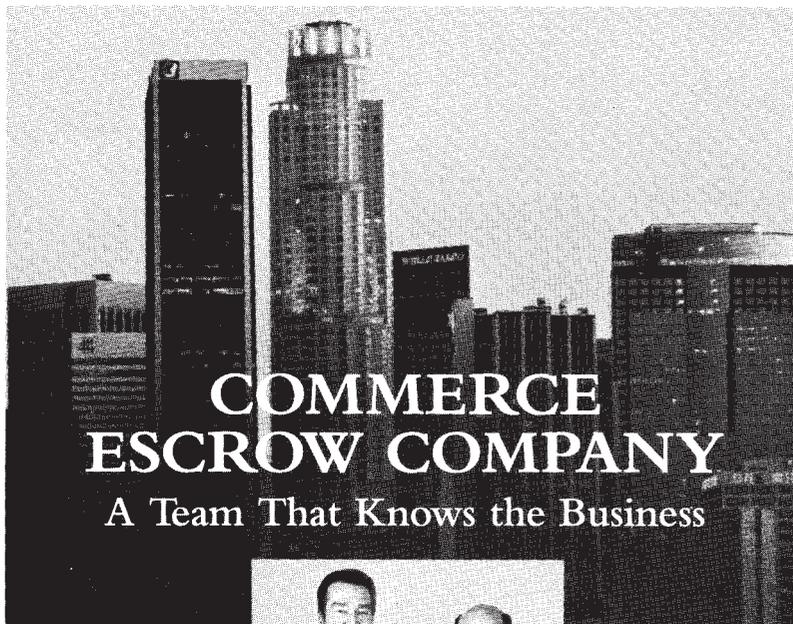
⁴¹ *Broadcom Corp. v. Qualcomm, Inc.*, 543 F. 3d 683 (Fed. Cir. 2008).

⁴² *Id.* at 699 (citing *DSU*, 471 F. 3d at 1305).

⁴³ *Id.*

⁴⁴ *Id.* at 699-700.

⁴⁵ See *In re Seagate Tech., LLC*, 497 F. 3d 1360, 1385 (Fed. Cir. 2007) (en banc) (Newman, J., concurring) (“Industrial innovation would falter without the order that patent property contributes to the complexities of investment in technologic R&D and commercialization in a competitive marketplace.”).



Phil Graf and Mark Minsky lead teams of people with long and successful experience in all aspects of the escrow business.

Often, a thorough understanding of the tangled web of real property complexities may be a decisive factor in a successful transaction.

Commerce Escrow teams command an intricate understanding of the figures, interpretations, inclusions, contracts and financial, civic, state, city and county codes that permeate escrow and title transactions. These include commercial, industrial,



Phil Graf
President

Mark Minsky
Vice President

developer site acquisitions, single and multi-family, business opportunity, and stock transfer escrows.

Before beginning Commerce Escrow in 1980, Graf

and Minsky were executives at Title Insurance and Trust Company. Graf, and later Minsky, served as Vice President and Manager of Escrow Operations in Los Angeles County.

Since its founding, Commerce Escrow continues to grow with its client base expanding throughout California and beyond.



Commerce Escrow Company

1545 Wilshire Blvd. / Suite 600 / Los Angeles, CA 90017

213-484-0855 • 310-284-5700 • 888-732-6723

<http://www.comescrow.com>