Best Practices for Noninfringing Redesigns
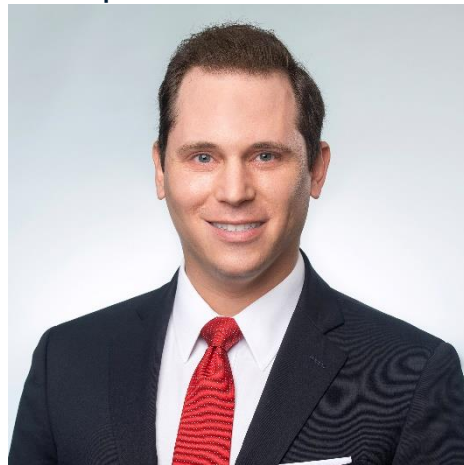
January 31, 2024

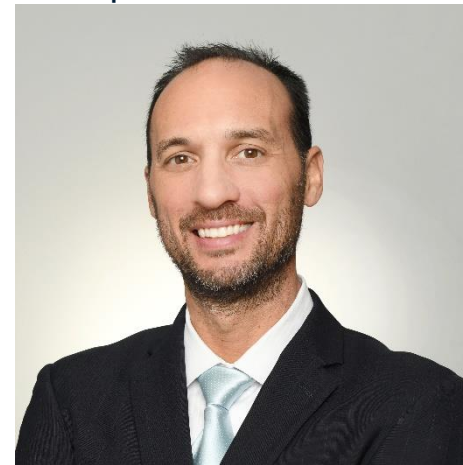**FISH.**

Meet the Speakers

Scott Flanz
Principal

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Principal

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Agenda

Redesign Scenarios

Applicable Legal Standards

Redesign Strategies

Implementation Best Practices
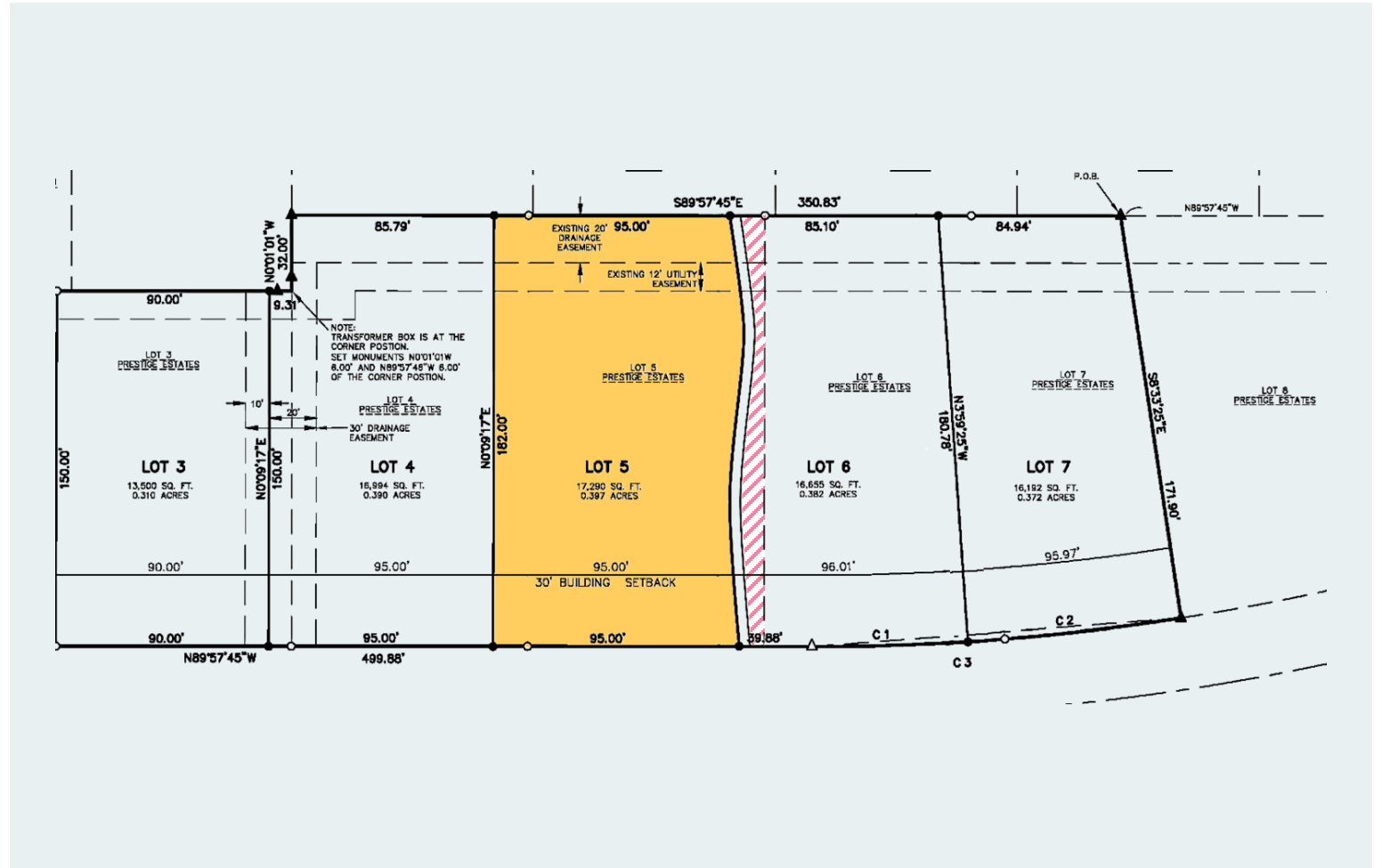
Redesign Scenarios

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District Court: Nuanced Approach

Redesign Incentives

- Infringement / invalidity tension

- Can be used to limit damages

- Typical burdens

Defenses Prevent Overreach
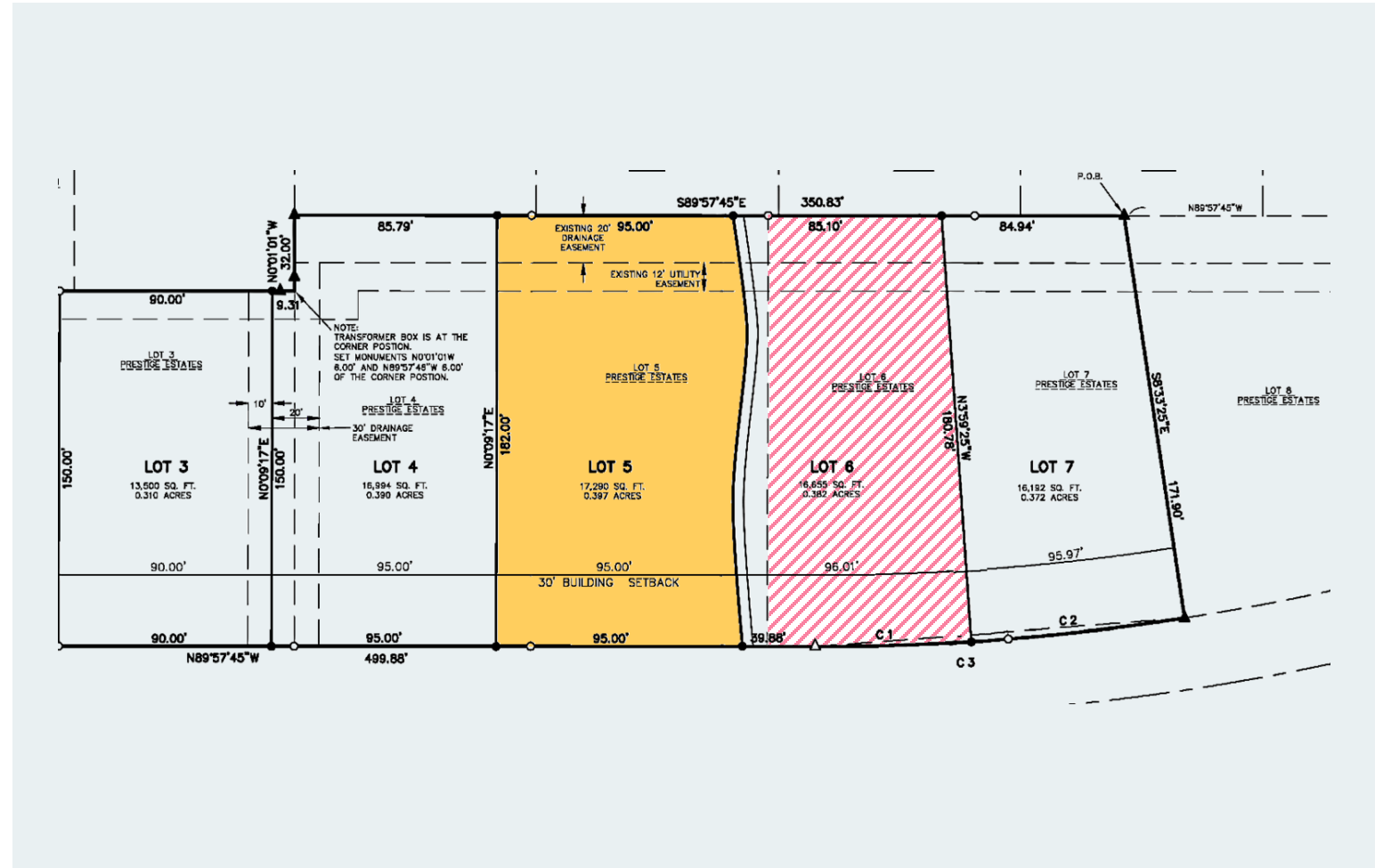
- Invalidity

- Patent Eligibility

ITC: Robust Approach

Redesign Incentives

- Infringement / invalidity tension
- Avoid ITC exclusion Order
- Typical burdens

Defenses Prevent Overreach
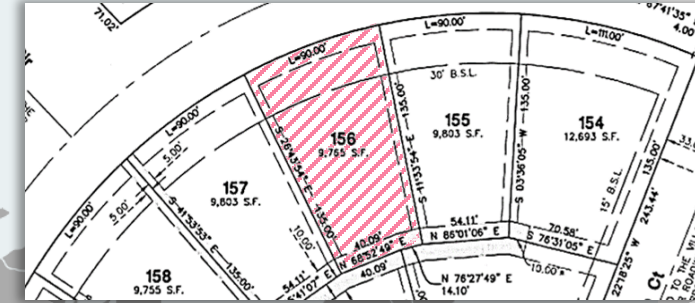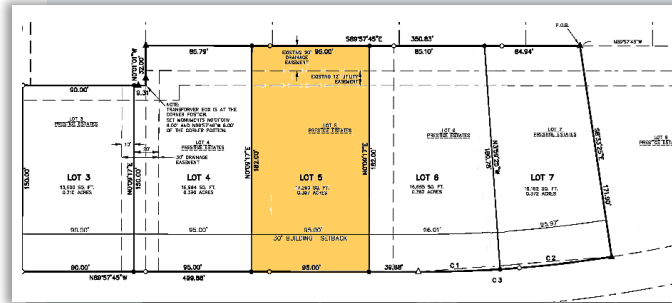
- Invalidity
- Patent Eligibility

Customs / CIT: "Country Mile" Away

Redesign Incentives

- Often last-ditch before / during ITC exclusion order

Limited Defenses

- Bound by ITC determinations

- Limited ability to perform construction, validity analysis

- Not typical burdens

Applicable Legal Standards

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"Configured To" vs. "Capable of"

"[T]he claim was infringed 'in the same way that an automobile engine for propulsion exists in a car even when the car is turned off.'"[1]

[1] *INVT SPE LLC v. Int'l Trade Comm'n*, 46 F.4th 1361, 1373 (Fed. Cir. 2022) (quoting *Finjan, Inc. v. Secure Computing Corp.*, 626 F.3d 1197, 1205 (Fed. Cir. 2010))

Determining Which Standard Applies

Claim language governs which infringement standard will apply

	Configured To	**Capable Of**
Method Claims		
Apparatus Claims		
• Software		
• Mechanical		
• Functional Language		
Hybrid Claims		

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Determining Which Standard Applies

	Configured To	Capable Of
Method Claims[1]	✅	
Apparatus Claims		
• Software		
• Mechanical		
• Functional Language		
Hybrid Claims		

[1] *ParkerVision, Inc. v. Qualcomm Inc.*, 903 F.3d 1354, 1361 (Fed. Cir. 2018); *Lucent Techs. v. Gateway, Inc.*, 580 F.3d 1301, 1317 (Fed. Cir. 2009)

Determining Which Standard Applies

	Configured To	Capable Of
Method Claims[1]	✅	
Apparatus Claims		
• Software[2]		✅ (Favored)
• Mechanical		
• Functional Language		
Hybrid Claims		

[1] *ParkerVision, Inc. v. Qualcomm Inc.*, 903 F.3d 1354, 1361 (Fed. Cir. 2018); *Lucent Techs. v. Gateway, Inc.*, 580 F.3d 1301, 1317 (Fed. Cir. 2009)

[2] *INVT SPE LLC v. Int'l Trade Comm'n*, 46 F.4th 1361, 1372–74 (Fed. Cir. 2022)

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Determining Which Standard Applies

	Configured To	Capable Of
Method Claims[1]	✅	
Apparatus Claims		
• Software[2]		✅ (Favored)
• Mechanical[3]	✅ (Favored)	
• Functional Language		
Hybrid Claims		

[1] *ParkerVision, Inc. v. Qualcomm Inc.*, 903 F.3d 1354, 1361 (Fed. Cir. 2018); *Lucent Techs. v. Gateway, Inc.*, 580 F.3d 1301, 1317 (Fed. Cir. 2009)

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Determining Which Standard Applies

	Configured To	Capable Of
Method Claims[1]	✅	
Apparatus Claims		
• Software[2]		✅ (Favored)
• Mechanical[3]	✅ (Favored)	
• Functional Language[4]		✅ (Favored for software)
Hybrid Claims		

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Determining Which Standard Applies

	Configured To	**Capable Of**
Method Claims[1]	✅	
Apparatus Claims		
• Software[2]		✅ (Favored)
• Mechanical[3]	✅ (Favored)	
• Functional Language[4]		✅ (Favored for software)
Hybrid Claims	*Above principles apply*	

[1] *ParkerVision, Inc. v. Qualcomm Inc.*, 903 F.3d 1354, 1361 (Fed. Cir. 2018); *Lucent Techs. v. Gateway, Inc.*, 580 F.3d 1301, 1317 (Fed. Cir. 2009)

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"Configured To" Infringement

Keys

- Must actually operate in the infringing manner

- Infringing functionality must be active

- Software functionality must be enabled

Reasonably "Capable of" Infringement

Keys

- Must infringe when placed into operation
  - Software need not be active / enabled
- Requires evidence of an instance of infringing operation
- Significant modification prohibited
- Software blocks bar infringement

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In-house Counsel Toolkit

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Three General Redesign Strategies

Elimination

- "Rip out"

- Completely remove or block a claim element

- Element should not be replaced with an equivalent

Division

Substitution

Three General Redesign Strategies

Elimination

- "Rip out"

- Completely remove or block a claim element

- Element should not be replaced with an equivalent

Division

- Separate performance of claim elements between cooperating devices (e.g., driving motors, processors)

- Relies on claim construction, validity, and other limitations on claim scope

- Doctrine of Equivalents should be considered here

Substitution

FISH.

Three General Redesign Strategies

Elimination

- "Rip out"

- Completely remove or block a claim element

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Division

- Separate performance of claim elements between cooperating devices (e.g., driving motors, processors)

- Relies on claim construction, validity, and other limitations on claim scope

- Doctrine of Equivalents should be considered here

Substitution

- Substitute a claim element with a different element that allows product functionality

- Similar considerations as Division strategy

Implementation Best Practices

Building the Redesign

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Hardware vs. Software Redesigns

Appropriate redesign depends on claim limitations

Hardware

- Can be slow and costly to implement

- Often greater variety of potential redesigns

    - Numerous physical reorientations

    - Many potential component parts

    - Fundamental adjustments to functionality

- More easily described to adjudicator

Software

Hardware vs. Software Redesigns

Appropriate redesign depends on claim limitations

Hardware

- Can be slow and costly to implement

- Often greater variety of potential redesigns
    - Numerous physical reorientations
    - Many potential component parts
    - Fundamental adjustments to functionality

- More easily described to adjudicator

Software

- Can be quicker and cheaper to implement

- Redesigns limited to functionality permitted by the product's design and purpose

- Can be difficult to describe to adjudicator

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Software Redesign Basics: Removing Functionality

Removal of Functionality

- Remove lines from source code database

- Remove lines from compiled code (e.g., comments, MACROs)

- Change functionality so that certain code is never run (e.g., if-then statements)

Source Code

Compiled Code

Product

Software Redesign: Advocacy Keys

Introduce evidence of programming *in the product*
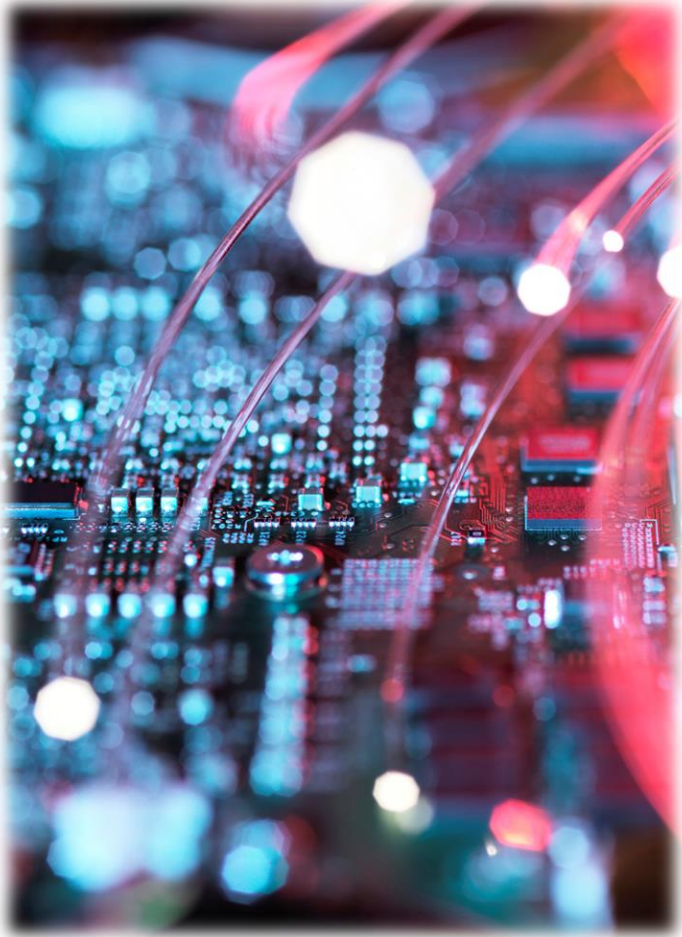
- Compiled code

- Build files

Scrutinize comments, function names, variable names

- Relied upon by fact finders to determine functionality

- Often include unreviewed thoughts of rushed programmers

- Also consider check-in comments and notes

Use plain language code to make your case

One-time-programmable Hardware

Memory that cannot be reprogrammed without wiping the contents or potentially destroying it

Utilize one-time-programmable hardware where possible

- Shows commitment to redesign

Common uses

- Smaller code bases can be programmed entirely in OTP hardware

- Serial numbers can be coded into OTP hardware and relied upon by the redesigned code

Implementation Best Practices

Documenting the Redesign

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Update **Internal** Documentation

Primary evidence is best but sometimes secondary evidence is easier to understand

Product & Code Naming Conventions

Technical Documents

- Schematics, Requirements and Design Specifications

- Product operation flowcharts, diagrams

Internal Procedures

- Validation, QC, testing, other normal product development processes

Any Key Litigation Documents

- Any document from litigation should be updated where possible

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Update External Documentation

Primary evidence is best but sometimes secondary evidence is easier to understand

User Facing

- User manuals, FAQs

- Product webpages

- Product packaging

Regulatory

- E.g., FDA documentation (can also be internal)

Any Key Litigation Documents

- Any document from litigation should be updated where possible

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Showing Finality

Opposing party will often argue that redesign is not real or non-final such that it cannot be adjudicated

Compliance with Typical Product Processes

- Product development, testing, review, analysis

- Technical, business, marketing, sales analysis

- Regulatory compliance

Actual Samples

- Importation of actual samples available for testing and review

- Finalized hardware, software, or other aspects that are ready for adjudication

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Actual Samples

- Importation of actual samples available for testing and review

- Finalized hardware, software, or other aspects that are ready for adjudication

Most important in the ITC and Customs

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Preserving Privilege & Work Product Protections

Natural tension between documenting the redesign and preserving privilege

Ensure that attorney communications and instructions are clearly marked

- Email hygiene

- Document hygiene

Remove instances in public documents where the line could be blurred

- References to instructions from "attorneys" or "legal"

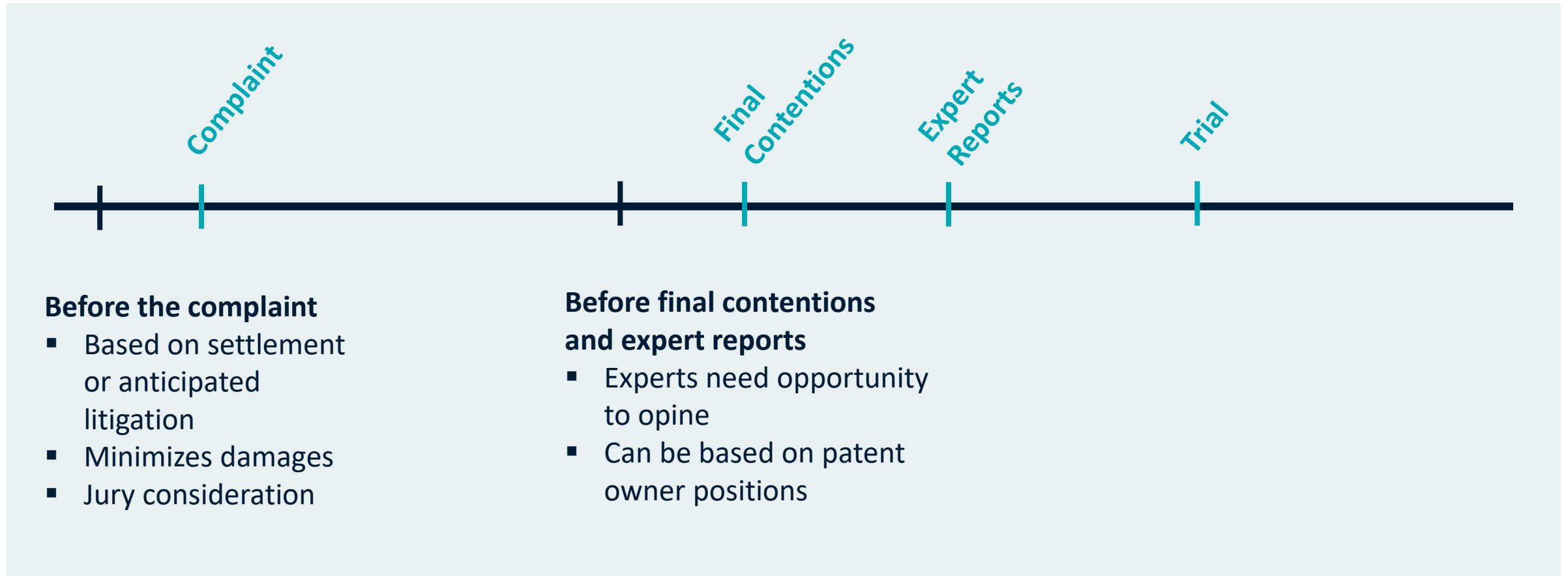**Record instances where actions were taken at the direction of attorneys, rather than independently**

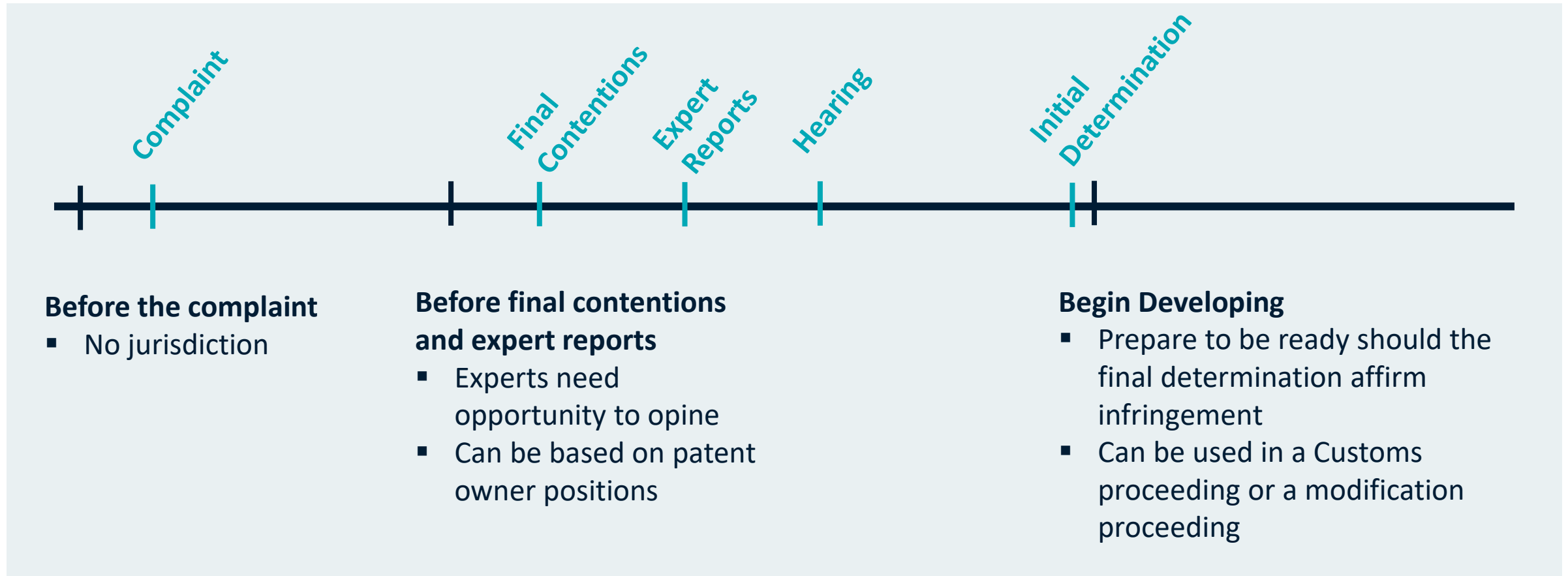# District Court: Redesign Introduction Timeline

Complaint — Final Contentions — Expert Reports — Trial

Before the complaint
- Based on settlement or anticipated litigation
- Minimizes damages
- Jury consideration

Before final contentions and expert reports
- Experts need opportunity to opine
- Can be based on patent owner positions

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ITC: Redesign Introduction Timeline

Before the complaint
- No jurisdiction

Before final contentions and expert reports
- Experts need opportunity to opine
- Can be based on patent owner positions

Begin Developing
- Prepare to be ready should the final determination affirm infringement
- Can be used in a Customs proceeding or a modification proceeding

Redesign Expert

Consider whether to use the same or a different expert to litigate the redesign

Will Same Tribunal Eventually Consider the Redesign?

Was Expert's Analysis Criticized by the Tribunal?

Is Expert Willing To Refrain from Re-litigating Old Issues?

Does Expert Have Experience Building / Commercializing Products?

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