



How to Legally Design Around a Competitor's Product

An Online Continuing Education Course for Engineers

Course Number: BS-3014

Credit: 3 Hours / 3 PDH / 3 CPD

How to Legally Design around a Competitor's Product

Cheng-Ning Jong, P.E. and Tracy P. Jong, Esq.

Table of Contents

Scope of Patent Protection.....	3
Exploiting Patent Rights.....	3
Anatomy of a Patent Reference.....	4
The Patent Claims.....	11
Designing Around the Claimed Subject Matter.....	15
Potential Infringement.....	16
Applicable Legal Principles For Infringement.....	17
Attempt to Design Around Prior Art by Adding Claim Element.....	22
Attempt to Design Around Prior Art by Substituting Claim Element.....	24
Attempt to Design Around Prior Art by Removing Claim Element.....	25
Avoid Infringement Under the Doctrine of Equivalents.....	27
Avoiding Infringement of Means plus Function Claims.....	28

Patent law has been designed to encourage innovation by providing legal rights to the inventor that prevent others from capitalizing on the inventor's ideas. Competitors are therefore given the incentive to change or improve products to give them a competitive edge. It is this distinction – knowing how a product is protected and where the product can be designed around – that makes patent law so important to understand. It is the purpose of this course to lay the foundation of how to analyze patent protection of a technology and how to legally design around a competitor's product.

“Designing around” a protected technology involves developing an alternative structure or process that has at least one or more differentiating features. It is perfectly legal, and a viable way to competitively compete in the marketplace. Some believe it is morally reprehensible, but it really is not a malfeasance at all. Let's look at it from a different perspective. You run out of an essential ingredient when you are cooking. You substitute something else that serves the same function and possibly improves the recipe altogether. Designing around is simply substituting one component or step for another. This is often done to circumvent patent rights so a costly license is unnecessary. Competitively, development of an alternative product has improved qualities over a competitor's product.

Scope of Patent Protection

In order to understand how to design around a patented product, it is imperative to understand what a patent is (and is not) and how to read a patent reference (such as a patent application or an issued patent). While this course is not geared towards the preparation and filing of a patent application, by introducing several basic concepts, the reader will be able to start deciphering the breadth of protected prior art without extensive requisite legal knowledge.

Myth: A patent gives the patent owner the right to make a product.

Fact: Patenting an invention allows the inventor to prevent others from making, using or selling his invention throughout the United States without the inventor's consent. This is distinguishable from the right of the inventor to make or use an invention. Conceivably, an inventor may obtain a valid patent and still not be free to manufacture and sell his invention without infringing on the rights of another valid patent or violating a law/regulation (FDA approval for example) or court injunction.

A patent is a right to exclude, but not necessarily a right to affirmatively do something. Many inventors are surprised to learn that it is possible to be awarded a patent and still be unable to commercialize the invention. While it is rare, a competitor's patent may preclude you from practicing your invention (i.e., no "right to use"). A competitor may hold a dominant claim that is so broad that there may be no practical way to practice your invention without infringing the competitor's claims. At the same time, your patent may be used to prevent your competitor from practicing your improvement (i.e., "right to exclude"). So, what happens? Well, you may need to come together to exploit the inventions with cross-licensing opportunities for both parties. One party may license its rights to the other. Or, both parties may license to one another, allowing each to use the other's technology.

Exploiting Patent Rights

Most commonly, inventors benefit from patent rights by selling the patent rights, licensing the patent rights (exclusively or non-exclusively) or acting as the exclusive manufacturer of the product.

Patents are valuable business assets that may be used as collateral for financing or may be pledged as collateral to secure a debt. In some cases, patents act as a deterrent to potential competitors and as a marketing edge to provide customers and investors with a sense of “cutting edge” technology or limited monopoly on a market segment. Patents can also be used to block a competitor from introducing a new product, service or improvement.

Let’s review important parts of a patent and how they reveal the chronology and other priority information.

Anatomy of a Patent Reference

First, let’s look at some patent references. Patent references generally come in two forms: a published patent application and an issued patent. A patent application is a pending “request” for a patent. It is important to understand that it may never be issued, and that even if it is, the claims are likely to be issued quite differently than what appears in the published application. An issued patent is a federal grant of rights for a specified period (usually 14-20 years).

The following snapshot is the face of a published patent application. You can glean important pieces of information from the front page.



US 20100108336A1

(19) **United States**

(12) **Patent Application Publication**
Thomson et al.

(10) **Pub. No.: US 2010/0108336 A1**
(31) **Pub. Date: May 6, 2010**

Publication Number

Invention Title

(54) **RIDE CONTROL FOR MOTOR GRADERS**

Publication Date

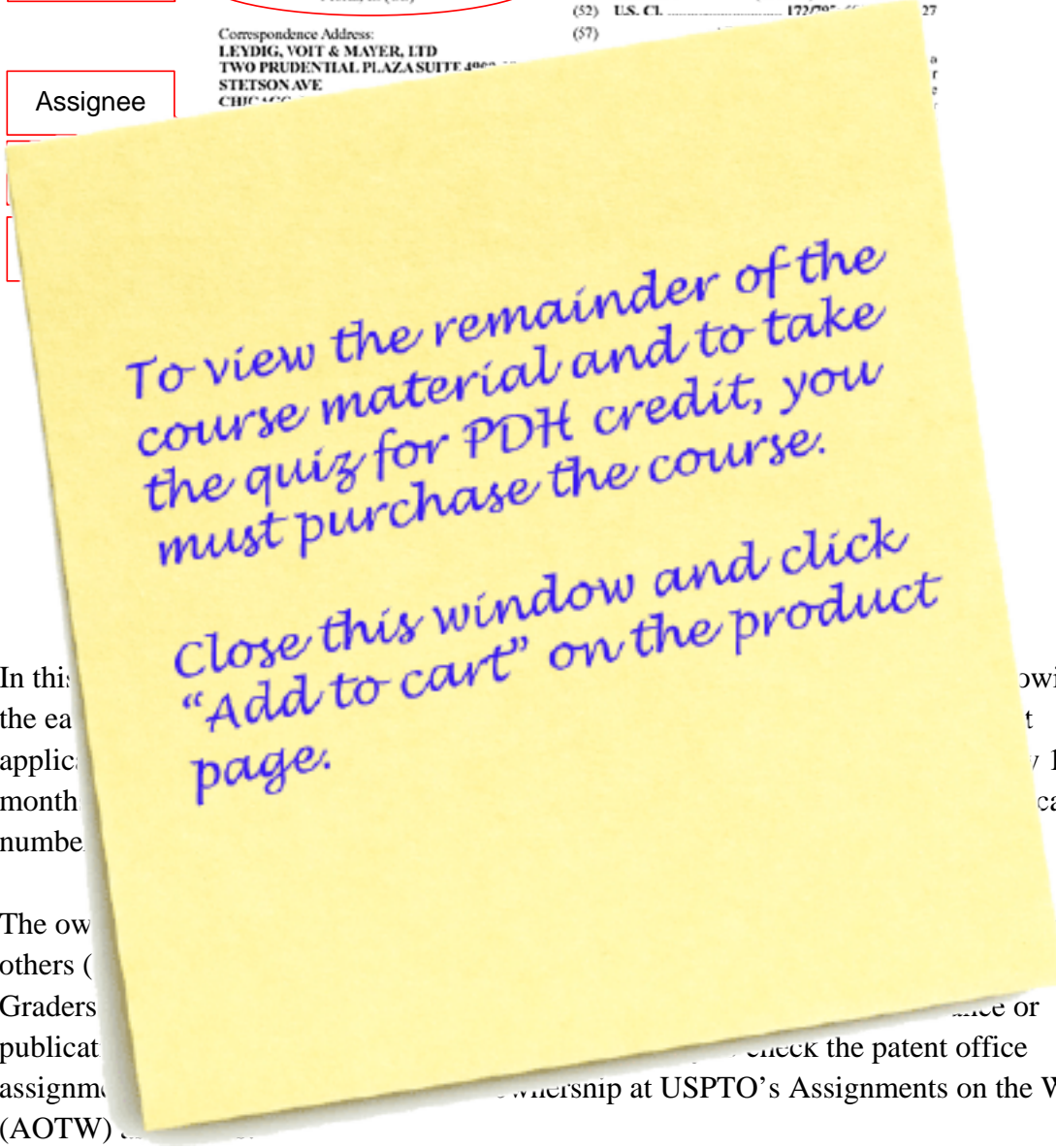
Inventors

(75) Inventors: **Norval P. Thomson, Dunlap, IL (US); Steven A. Daniel, East Peoria, IL (US)**

Publication Classification
(51) Int. Cl. (2006.01)
E02F 3/85 (2006.01)
E02F 9/22 (2006.01)
E02F 3/96 (2006.01)
(52) U.S. CL. 172/207
(57)

Assignee

Correspondence Address:
LEYDIG, VOIT & MAYER, LTD
TWO PRUDENTIAL PLAZA SUITE 4000
STETSON AVE
CHICAGO, IL 60601



In this the ea applic month numbe

owing t / 18 cation

The ow others (Graders publicat assignm (AOTW)

nd tor nce or check the patent office wnership at USPTO's Assignments on the Web