

Move It or Lose It: Why Follow-Up on Letters Threatening Patent Infringement Litigation is as Important as Ever

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On May 24, 2010, the Court of Appeals for the Federal Circuit (CAFC) decided *Aspex Eyewear Inc. v. Clariti Eyewear*, affirming the lower court's decision dismissing Aspex's claims of patent infringement because Aspex failed to bring suit against Clariti until more than three years after first sending a letter threatening suit.

Aspex Eyewear and Clariti Eyewear are competing eyewear manufacturers whose product lines include eyeglass frames with magnetically attachable auxiliary lenses. Aspex is the owner of four patents related to this technology, which it believed Clariti was infringing. Accordingly, Aspex sent the following letter to Clariti on March 7, 2003:

It is our understanding that some of the products sold by you may be covered by the claims of the above mentioned patents. In order to minimize further damage, we ask you to immediately confirm for us that you have stopped selling any frames, frame attachments or parts in violation of our rights under the patent[s]. We also ask you to supply us with the identity of the source of these goods and information concerning the number of pieces sold to date. We will then be in a position to reach a prompt and reasonable resolution of this situation.

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It has been our policy and continues to be our strong intention to fully and vigorously enforce our rights under the exclusive license to these magnetic frame attachments.

* * * * *

We look forward to your immediate reply to this very urgent and serious matter.

Aspex sent a nearly identical letter three days later, to which Clariti responded on March 18, 2003, indicating that it was not their policy to infringe any valid, enforceable patent. Clariti additionally requested information to assist it in analyzing Aspex's patents, including the claims which Aspex believed covered Clariti's products. On May 12, 2003, Aspex responded by providing information regarding two of their patents (the '811 and '054 patents), including which claims they believed to be infringed. Aspex's two other patents related to this technology (the '545 and the '747 patents) were not mentioned in this letter, and no claim of either of these patents was identified by Aspex as covering any of Clariti's products.

On June 26, 2003, Clariti responded, stating: "After reviewing the allegations raised in your letter, we believe that the products of Clariti Eyewear do not infringe any valid claims of the '811 or '054 patents." The record reports that there was no further correspondence between the parties until August 23, 2006, when Aspex wrote to Clariti that:

It has come to our attention that your company is manufacturing a product called AirMag[®]. This product utilizes magnetic attraction on the two side extensions for attachment of the auxiliary frames to the primary frames. As such, it directly infringes our clients' patent rights with regard to the '747 patent. Specifically, your products are covered by claims of these patents, including but not limited to claims 10 and 12. A copy of the patent is enclosed for your reference.

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Although the parties then exchanged letters regarding the '747 patent, Clariti refused to cease sales of its AirMag® products, and Aspex filed suit on March 22, 2007.

Clariti moved to dismiss Aspex's infringement claims on the basis of equitable estoppel. In the context of patent infringement, the three elements of equitable estoppel that must be established are: (1) the patentee, through misleading conduct, led the alleged infringer to reasonably believe that the patentee did not intend to enforce its patent against the infringer; (2) the alleged infringer relied on that conduct; and (3) due to its reliance, the alleged infringer would be materially prejudiced if the patentee were permitted to proceed with its charge of infringement.

Despite Aspex's arguments to the contrary, the district court held that that Aspex's conduct was misleading, in that Aspex in 2003 threatened an infringement suit under several patents, Clariti responded that its products did not infringe the claims of the '054 and '811 patents on which Aspex focused, and this response was followed by silence for three years as to the patents now in suit, while Clariti continued to market the accused products without objection. Based on this conduct, the CAFC affirmed the district court's decision with regard to Aspex's claims regarding the '747 patent.

While it has always been advisable to thoroughly contemplate threatening letters before sending them, it is now clear that the potential consequences extend beyond just an angry competitor. Prematurely sending a letter threatening litigation (without having first formulating a plan to follow-up with enforcement) or simply failing to follow-up in a timely manner can have dire consequences, including having your complaint for patent infringement dismissed.

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