

Chapter 19

The Basics of Enforcement



(how Alex turned a clean file and a calm plan into credible pressure)

Alex decided that “enforcement” didn’t mean swinging a hammer; it meant showing up with the **right tools**—evidence, timing, and business options—so the other side **chose** to move. This chapter makes the pathway concrete: how Alex watched the market, built evidence-of-use (EOU), chose the right forum (court, trade, or customs), controlled risk in first letters, and balanced leverage (injunctions, damages) against cost (discovery, counterattacks). We’ll keep it practical and weave in (AI)deas where AI helps—and where it can hurt you.

Step 1 — Watch the market without chasing shadows

Alex didn’t patrol the whole internet. Alex defined **watch lists**:

- **Competitors & new entrants** in the same performance band.
- **Distributors & OEMs** likely to rebrand similar guts.

- **Trade shows & certification databases** (lighting, controls) where spec sheets appear first.
- **Import channels** for suspicious look-alikes.

What Alex captured regularly

- **Datasheets & manuals** (rev numbers matter).
- **High-res photos/teardowns** (public source or bought units).
- **Promo videos** (timing charts and UI breadcrumbs often leak operation).
- **FCC/CE filings** (sometimes schematics and block diagrams are public).

(A)**Idea — Action:** Use AI as **radar**, not as judge. Let it surface new SKUs and cluster look-alikes. A human still decides what's worth a teardown or test.

Step 2 — Build a real Evidence-of-Use file

EOU turned “we think” into “here’s where.” Alex’s EOU was short and surgical:

- **Claim 1 chart:** left column = each limitation; right column = where the accused product **teaches** it

(datasheet page, scope capture, teardown photo).

- **One or two dependent claims** that close obvious design-arounds.
- **Photos/figures** annotated with **callouts** that mirror the claim terms.
- **Bench data** (if needed): scope traces showing **sampling cadence**, **window length**, hysteresis effect, or **thermal placement/pressure** footprints.

Chain-of-custody wasn't overkill: Alex **bought** samples, **dated** photos, and saved receipts. If a lab test was necessary, Alex preserved **settings and protocols** so a third party could replicate them.

(A)Idea — Avoidance: Never let an AI “infer” a limitation you didn't **measure** or **see**. Hallucinated mappings are poison in a letter—and dangerous in court.

Step 3 — Choose your (first) forum with intent

Different tools move different counterparties.

District court (civil action)

- **Why Alex considered it:** damages, potential injunction, full discovery leverage.

- **What mattered:**
 - **Venue** grounded in where the defendant resides or has a **regular and established place of business** plus acts of infringement.
 - **Claim construction (Markman):** the court construes claim terms; this can decide cases.
 - **Cost & time:** significant; think in **six–seven figures** and years, not months.
- **When it moved deals:** when the counterparty valued U.S. retail channels or had investor pressure tied to litigation exposure.

ITC (Section 337)

- **Why Alex considered it: import exclusion orders—**powerful if accused products are imported.
- **What mattered:**
 - **Domestic industry** requirement (Alex's product or licensing efforts in the U.S.).
 - **Speed:** fast schedules compared to district court.
 - **No damages:** remedy is exclusion/cease, not money.

- **When it moved deals:** when the competitor's supply chain ran through customs.

Customs/CBP and design looks

- **Record design patents** or trademarks with U.S. Customs to aid border screening.
- **Why it works:** visible features (bezel, lens) are easier to spot than invisible control loops.
- **Alex's use:** paired with design patents to interdict blatant look-alikes at ports.

(A)Idea — **Advisory:** Ask one question: *What remedy will change behavior fastest for this defendant?* If it's border pressure, think ITC/CBP. If it's damages or a future injunction, think district court.

Step 4 — First contact without triggering a race to the courthouse

Aggressive letters can provoke a **declaratory-judgment** (DJ) suit in the other side's favorite venue. Alex's template:

1. **Business-forward opener:** product overlap; respect for innovation; interest in a discussion.

2. **Short EOU excerpt:** one annotated figure + two claim elements mapped—enough to be **credible**.
3. **Invitation:** propose a call, term-sheet framework, and (optionally) a **mutual standstill** and **NDA** to talk safely.
4. **No bluster, no ultimatums.** The goal was a license conversation, not a public brawl.

If a DJ was a real risk with this party, Alex sometimes **opened with a license invitation** framed as a business opportunity, not an accusation, and moved to specifics under NDA.

Step 5 — Remedies and what they really meant

Injunctions

- **Preliminary injunction:** hard to get; requires showing likelihood of success, irreparable harm, balance of equities, and public interest.
- **Permanent injunction (after win):** judged under similar equitable factors; practicing entities fare better than pure licensors.
- **Alex's stance:** valuable when channel conflict or brand dilution hurt **now**; otherwise, damages + future redesign commitments often did the job.

Damages

- **Reasonable royalty:** the baseline; depends on **economic factors** and the contribution of the patented feature to product value.
- **Lost profits:** available if Alex could show demand for the patented feature and the absence of non-infringing alternatives (among other proofs).
- **Marking & notice:** correct **patent marking** (virtual page kept current) and **actual notice** influence how far back damages reach. Alex's ops team kept marking clean (Ch. 13).

Enhanced damages (willfulness)

- Courts can **enhance** damages for **egregious** infringement conduct, typically where the infringer knew of the patent and acted recklessly.
- Alex treated willfulness as **outcome-dependent**—not as leverage in the first letter.

(A)Idea — **Action:** Keep a **damages memo** in draft: what units, what royalty bases, how marking and notice look, and whether lost-profits proof is realistic. Numbers focus minds.

Step 6 — Expect counterpunches (and plan your balance)

Accused parties don't just defend; they **attack**:

- **IPR/PGR at the PTAB**: challenges on prior art grounds; can stay the court case.
- **Antitrust/FRAND spin**: if standards or market share are in play, expect rhetoric.
- **Inequitable conduct allegations**: rarely stick, but sloppy IDS practice can invite noise.
- **Design-around**: the best counter; assume they will try it.

Alex's counter-counter:

- **Prosecution hygiene** (clean IDS, clear technical story).
 - **Continuations** ready to pivot claim scope if the market shifts.
 - **Evidence** organized by **claim element**.
 - **Offer alternatives**: a field-limited license, phase-in windows, or **design-around guidance** tied to royalty step-downs—sometimes a faster business peace.
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Costs, budgets, and off-ramps (don't romanticize)

- **Budgets:** litigation is expensive and unpredictable. Alex insisted on **budget milestones** (through claim construction; through summary judgment; through trial) with “stop-and-decide” gates.
 - **Funding:** contingency or litigation finance can align risk; due diligence will scrutinize **title, EOU, and prosecution history**—keep them spotless.
 - **Mediation/arbitration:** used selectively. Early **mediation** worked best **after** claim construction was previewed or when a preliminary injunction was plausible.
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Special path: enforcing design patents

Design cases often move **faster**:

- **Proof** is visual; ordinary-observer comparisons plus accused product photos.
- **Remedies:** damages and injunction; at the border, **recordation** helps CBP spot infringing looks.
- **Alex's play:** when a copycat cloned the **bezel/lens**, a design claim letter paired with customs recordation produced a quick settlement—no need to expose the control method claims.

International realities (short and useful)

- **Europe:** Preliminary injunctions can be more accessible in some countries if evidence is strong; coordinate with local counsel and supply quick, clear EOU.
 - **China:** Fast **utility model** grants can support early actions; **administrative** options exist alongside courts; **translation** accuracy is critical to both validity and enforcement.
 - **Coordination:** a U.S. action plus an ITC complaint and a targeted foreign filing can create a **global squeeze**—but only if your budget and team can handle it.
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AI in enforcement: speed with seatbelts

Helpful

- **Monitoring:** weekly scrapes of product catalogs and certification databases; clustering by mechanism (sampling, windows, thresholds).
- **First-pass claim charts:** draft tables mapping public text to claim elements as a **starting point**.
- **Video/audio analysis:** pulling stills and captions where vendors reveal timing or modes.

Guardrails

- **No confidential uploads** to public models (teardowns, source, bench data).
- **Human verification** for every cite.
- **Versioned memos:** keep a redlined human “why we believe” memo; it’s as much for your team as for a judge someday.

(AI)dea — Avoidance: Never send an AI-generated chart outside your team. Use it to **prepare**, then rewrite with eyes on the record.

Alex’s escalation ladder (copy the posture, not the prose)

1. **Quiet watch:** collect, don’t contact.
2. **Internal EOU:** tight chart + exhibit pack + damages memo (draft).
3. **Business outreach:** call + short deck; offer license frameworks.
4. **NDA + standstill:** if interest is genuine.

5. **Letter with exhibits:** two pages, professional tone; attach one chart page.
 6. **File (if needed):** district court and/or ITC; keep settlement open.
 7. **Parallel paths:** PTAB defense readiness; customs recordation for design looks.
 8. **Deal or decision:** license, consent judgment, or trial plan with go/no-go gates.
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A compact pre-suit checklist Alex ran every time

- **Standing & title:** assignments recorded; inventors named correctly.
- **Marking & notice:** website and packaging current; notice preserved.
- **EOU quality:** each claim limitation mapped to **competent evidence**.
- **Venue & remedy fit:** where to file, and **why that forum**.
- **Damages frame:** royalty base, apportionment logic, and lost profits (if any).

- **Countermeasures:** PTAB posture; prior-art vulnerabilities; prosecution statements that could narrow scope.
 - **Business plan:** off-ramps defined (license tiers, field splits, timing accommodations).
 - **Budget gates:** decision points pre-agreed (post-Markman, post-SJ).
 - **Communications:** tone set; no threats that invite a DJ in a bad venue.
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Why this chapter mattered to Alex

Enforcement worked because Alex **prepared early, moved calmly**, and aligned remedies with business goals. The file was clean, the story was technical, and the first asks were licenses—not ultimatums. When escalation was necessary, the team already knew **where, why, and how much**. That posture turned “potential conflict” into “predictable outcomes”—and most importantly, it kept engineering focused while the portfolio did its job.

Next up: **Chapter 20 — Infringement and Intent**—how courts think about direct and indirect infringement, induced and contributory liability, and what “willfulness” really looked like in practice—plus how Alex avoided stepping on those rakes from day one.