

Opinions of Counsel Should Be Rendered Timely, and Evidence of Opinions of Counsel Should Be Credible

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The court first concluded that Omega is entitled to enhanced damages under the Supreme Court's *Halo Elecs., Inc. v. Pulse Elecs., Inc.* decision and reasonable attorney's fees under the *Octane Fitness, LLC v. ICON Health & Fitness, Inc.* decision. Importantly, the court stated that culpability for enhanced damages should be measured against the knowledge of the actor at the time of the challenged conduct.

In this case, CalAmp was fully aware of the asserted patents through licensing negotiations with Omega long before introducing the accused products. CalAmp presented various noninfringement arguments, but none was deemed credible. First, CalAmp's corporate representative and CalAmp's technical expert both argued that the accused devices did not infringe because they read vehicle speed data from a GPS module instead of a data bus, as required by the asserted claims. Second, those same witnesses argued that, to the extent that the accused products read speed data from the data bus, it was the end users who programmed the accused devices to perform that way – not CalAmp.

Both arguments were discredited by contradictory testimony and sworn interrogatory responses, which admitted that the accused products read speed data from the data bus and that it was, in fact, CalAmp that programmed them to operate that way. The court held that the contradictory evidence provided substantial support for the jury's finding of willfulness.

The court next analyzed CalAmp's evidence regarding opinions of counsel. CalAmp's representative testified that, in 2010, before launching the accused devices, CalAmp received verbal opinions of counsel that the accused products did not infringe then-existing patents.

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This testimony about oral assurances, however, was called into question by an email from three years later in which that same individual expressed concern about infringing certain claims (later asserted in this litigation) that "relate to how [CalAmp] program[s] a unit at the factory." In addition to citing the CalAmp representative's prior discredited testimony, the court reasoned that CalAmp's representative should have had no reason to worry or to suggest a noninfringement theory in 2013 had counsel in fact vetted the accused devices in 2010.

The court next concluded that CalAmp did not have a "close case" or a good-faith belief that the patents were not infringed or invalid. Regarding noninfringement, the court concluded that the defense theory emerged late in the litigation and therefore failed to mitigate CalAmp's culpability at the time of infringement. Further, regarding CalAmp's invalidity defense, the court found that the expert failed to articulate any motivation to combine the prior art references. Because there is no evidence that the expert provided CalAmp with invalidity opinions before launch, the court found that, under *Halo*, the after-the-fact invalidity opinion was of little merit in assessing enhanced damages. Additionally, although the United States Patent and Trademark Office (USPTO) issued Office Actions rejecting some of the asserted claims in *ex parte* reexamination proceedings, the court held that the USPTO's decision does not have any preclusive effect as to the jury verdict, unless the Federal Circuit affirms the USPTO before the jury's verdict becomes final.

The court awarded enhanced damages of threefold the actual damages and also awarded reasonable attorney's fees based on an analysis of the applicable *Read* factors, including evidence of deliberate copying, whether CalAmp had a good-faith basis for believing that it did not infringe or that the patents were invalid, the closeness of the case, the relative size and financial condition of CalAmp, and the duration of the infringement.

Omega Patents, LLC v. CalAmp Corp., Case No. 6:13-cv-1050-ORL-40DCI (M.D. Fla. April 5, 2017)

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Non-Infringement

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