

Prerequisites to Recovery of Damages: Importance of Marking and Notice of Infringement

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**PREREQUISITES TO RECOVERY OF DAMAGES:
IMPORTANCE OF MARKING AND
NOTICE OF INFRINGEMENT***

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I. INTRODUCTION

Historically, patentees have not afforded 35 U.S.C. § 287(a) the serious attention or respect it deserves, and indeed requires. Proposals have been made to eliminate it. It remains, however, the law.

Valuable patent rights, in the form of monetary recovery in infringement litigation, can be irretrievably lost due to inadequate compliance with the marking and notice provisions of the statute. This unfortunate result is due largely to patent owners' lack of familiarity with the statute and the consequences of not adhering to its requirements, and possible misunderstanding as to how to comply with the marking duty. The goal of this paper is to increase the awareness and appreciation of the statute, and to suggest practical strategies to ensure compliance with the marking and notice requirements.¹

* This paper is based, in part, on a paper presented by Edward W. Remus and Thomas A. Fairhall at the summer 1993 Association of Corporate Patent Counsel meeting in Coeur d'Alene, Idaho entitled "The Notice Required to Commence the Damage Period for Patent Infringement."

¹ This paper is directed to U.S. law and practice. Generally speaking, the laws of other countries do not impose requirements of patent marking or giving an infringement notice. However, the laws are sufficiently varied from country to country that consultation with foreign associates to ascertain the local law and practice is advisable.

II. THE MARKING AND NOTICE STATUTE, 35 U.S.C. § 287(A)

A. The Text of the Statute

Section 287. Limitation on damages and other remedies; marking and notice

(a) Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them or importing any patented article into the United States may give notice to the public that the same is patented, either by affixing thereon the word "patent" or the abbreviation "pat.", together with the number of the patent, or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.²

B. The Statute is Strictly Construed by Most Courts

The majority of the courts *strictly* construe § 287(a), both in terms of what constitutes proper patent marking, and what constitutes being "notified of the infringement". *E.g.*, *U.S. Cosmetics Corp. v. Greenberg Traurig*, 2007 U.S. Dist. LEXIS at *7 (D. N.J. 2007); *M-S Cash Drawer Corp. v. Block & Co., Inc.*, 26 U.S.P.Q.2d 1472, 1474 (C.D. Ca. 1992); *Lemelson v. Fisher Price Corp.*, 545 F. Supp. 973, 976 (S.D.N.Y. 1982). The Northern District of Illinois, at least prior to the Federal Circuit decision in *Amsted Indus., Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178 (Fed. Cir. 1994), has taken the opposite view. *See Am. Can Co. v. Dart Ind., Inc.*, 205

² Section § 287(b), which was added to the statute in 1988, contains additional damages limitations applicable to product-by-process patents, and is outside the scope of this paper.

U.S.P.Q. 1006, 1008 (N.D. Ill. 1979) (notice provision liberally construed); *Rutherford v. Trim-Tex, Inc.*, 25 U.S.P.Q.2d 1866, 1868-69 (N.D. Ill. 1992) (marking requirement liberally construed).

C. The Policies Behind the Statute

Section 287(a) is designed to implement two related public policies:

1. To provide a means by which the public can readily identify the intellectual property status of articles in commerce. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 109 S. Ct. 971, 983 (1989). Unpatented articles which are not protected by copyright or trademark are in the public domain and may be utilized, even copied, by anyone.

2. To prevent an innocent infringer, or even an innocent copyist of the patented but unmarked subject matter, from being liable in damages. *Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387, 56 S. Ct. 528, 529-30 (1936). There is a strong public policy in promoting free access and use of unpatented subject matter. *Sears, Roebuck & Co. v. Stiffel Lighting Co.*, 376 U.S. 225, 84 S. Ct. 784 (1964). A chilling effect would be placed on such use if a person innocently copied an article which was believed to be unpatented, due to its not being marked, but was later subject to damages for patent infringement.

The incentive for patent owners to mark, and thus to initiate implementation of these policies, is the *penalty* imposed where the public duty to mark is breached -- *i.e.*, *no damages are recoverable prior to the particular defendant being "notified of the infringement"*.

III. THE REQUIREMENTS FOR PATENT MARKING

A. Persons Who Must Patent Mark

1. A patentee that makes, offers for sale, or sells "a patented article"

Patentees that make, offer for sale, or sell a patented article must mark the article according to § 287(a). The term "patented article" is interpreted to include, in addition to apparatus subject matter, patented compositions of matter and computer software. *E.g., Merck & Co. v. Mediplan Health Consulting, Inc.*, 434 F. Supp.2d 257, 261 (S.D.N.Y. 2006) (pharmaceutical compound); *Soverain Software L.L.C. v. Amazon.com, Inc.*, 383 F. Supp.2d 904 (E.D. Tex. 2005) (software conversion kit). Similarly, a patentee who manufactures a component of the patented invention and then sells that component to a customer for assembly into the patented article must mark that component, or require its customers to mark, in order to comply with 35 U.S.C. § 287(a). *Amsted Indus., Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 184-85 (Fed. Cir. 1994).

Where the patent contains claims to two inventive features and the patentee (or licensee) makes and sells an article with one feature and fails to mark the article, but suit is filed on the claims to the properly marked second feature, the failure to mark does not affect the damages recoverable in the suit for infringement of the second feature. *Toro Co. v. McCulloch Corp.*, 898 F. Supp. 679 (D. Minn. 1995). In a case of first impression, the court in *Toro* construed the phrase "any action for infringement" to be related to the marking requirement for a "patented article", and held that Section 287(a) does not limit recovery in an action when an unmarked article, which has been made and sold, contains one of the inventions disclosed in a patent but does not contain the invention of the predicate suit.

PRACTICE TIP

Consider reviewing the scope of the patent claims with the client and make sure that *all products* covered by the patent are marked. Where a product is covered by more than one patent, all the patent numbers should be included in the marking to preserve the right to recover damages under each patent.

Patent marking is an issue that needs to be revisited periodically *during* the lifetime of the patent, and not just at the issuance of the patent. As products are changed, and as new products are introduced, the patent coverage should be re-evaluated, and marking performed if the patent claims cover products which are made or sold. Indeed, this procedure could perform the additional function of identifying those new products of the company which have no patent coverage, and thus which could become subject matter for an early patent application. A suggested time for revisiting the marking issue is the date of payment of maintenance fees.

2. Persons who make, offer for sale, or sell for or under the patentee

The patentee's licensees (express and implied) and other persons making or selling the patented subject matter under the authorization of the patentee must patent mark, regardless of the form that the authorization may take. *Hakan Lans v. Digital Equip. Corp.*, 252 F.3d 1320, 1328 (Fed. Cir. 2001); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111-12 (Fed. Cir. 1996); *Amsted v. Buckeye*, 24 F.3d at 184-85; *Butterfield v. Oculus Contact Lens Co.*, 332 F. Supp. 750, 761 (N.D. Ill. 1971), *aff'd*, 177 U.S.P.Q. 33 (7th Cir. 1973).

All licensees, actual or implied, must take reasonable efforts to comply with the duty to mark, as any substantial failure to mark is legally equivalent to no marking at all. *Briggs v. Wix Corp.*, 308 F. Supp. 162, 170 (N.D. Ill. 1969). The patentee must make reasonable efforts to ensure that its licensees patent mark. *Crown Packaging Tech., Inc. v. Rexam Beverage Can Co.*, 498 F. Supp. 2d 718, 728 (D. Del. 2007). Courts use a "rule of reason" approach to determine if failure to mark is justified. *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111 (Fed. Cir. 1996) ("with third parties unrelated to the patentee it is often more difficult for a patentee to ensure compliance

with the marking provision," so courts apply a rule of reason approach); *Bowling v. Hasbro, Inc.*, 490 F. Supp. 2d 262, 277 (D. R.I. 2007).

PRACTICE TIP

The patentee should actively police its licensees to ensure that the licensees patent mark. Additionally, the patentee should be aware of the need to mark by *implied* licensees, and if possible, avoid placing the onus of marking on another party such as an implied licensee. Where the patentee sells a component of a patented combination to a customer and authorizes the customer to make or sell the combination, at least one component, and preferably the patentee's component, must be marked.

The patentee should also be aware of the problems that can arise where a product, initially marked, is repackaged by a downstream customer. While the court in *Analytical Controls v. American Hospital & Supply Corp.*, 518 F. Supp. 896, 898, 899 (S.D. Ind. 1981) held in one such case that the failure of a downstream repackager to re-mark containers of a patented pharmaceutical was excusable, an argument can be made that this result was in error. In *Analytical Controls*, the patentee's exclusive licensee was required to mark, and did mark, the bulk pharmaceuticals. The customer of the licensee did not mark the repackaged pharmaceuticals. Steps should have, and could have, been taken in that circumstance to require the customer/repackager to mark. At the very least, litigation on that issue was a costly, and preventable, undertaking. The more steps that the patentee takes to ensure that it marks its product and that it requires its licensees to mark the licensees' products, the more likely that a court or jury may forgive nonmarking.

Even where only the patentee makes and uses the patented article *but does not sell*, and fails to mark, there has been a failure to mark necessitating that the patentee must still give the defendant notice of infringement, if damages are to be recovered. *T.D. Williamson, Inc. v.*

Laymon, 723 F. Supp. 587, 606 (N.D. Okla. 1989), *aff'd on other grounds in unpublished opinion*, 923 F.2d 872 (Fed. Cir. 1991).

B. Persons Who May Not Need To Patent Mark

1. Non-manufacturing patentee

Patentees who do not make the patented article, or a component of a patented article, have neither a duty, nor even an opportunity, to mark. Under these facts, there is no need to give notice of infringement in order to start the period of damages running. *Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387 (1936); *Texas Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1219-20 (Fed. Cir. 2002); *IMX, Inc. v. LendingTree, LLC*, U.S.P.Q.2d (BNA) 1373 (D. Del. 2005).

2. Method or process patents

The general rule is that if a patent is directed solely to a method or process, there is no duty to mark, since there is no "patented article" available for marking. *State Contr. & Eng'g Corp. v. Condotte Am., Inc.*, 346 F.3d 1057, 1073 (Fed. Cir. 2003); *Bandag, Inc. v. Gerrard Tire Co.*, 704 F.2d 1578, 1581 (Fed. Cir. 1983). However, this rule is subject to an exception: If the patent contains method *and* apparatus claims and the patentee asserts the apparatus claims and has made the apparatus, or the patentee makes and sells a machine or apparatus that implements the claimed method, then the patentee must mark the machine. *Devices for Med., Inc. v. Boehl*, 822 F.2d 1062, 1066 (Fed. Cir. 1987). If only the method claims are asserted against the infringer in a lawsuit, the marking requirement does not come into play. *See Hanson v. Alpine Valley Ski Area, Inc.*, 718 F.2d 1075, 1082-83 (Fed. Cir. 1983) (the patent at issue had apparatus and method claims, but the patentee only asserted the method claims. The court found that the patent was "a process patent," and therefore ignored the contention that the patentee's failure to mark

the patented machine required actual notice to infringer). The subsequent Federal Circuit decision in *American Medical Systems, Inc. v. Medical Engineering Corp.*, seemed to question the validity of *Hanson*, however, in holding that “[w]here the patent contains both apparatus and method claims . . . , to the extent that there is a tangible item to mark by which notice of the asserted method claims can be given, a party is obliged to do so if it intends to avail itself of the constructive notice provisions of 35 U.S.C. § 287(a).” *Am. Med. Sys., Inc.*, 6 F.3d 1523, 1538-39 (Fed. Cir. 1993). The Federal Circuit reaffirmed the validity of *Hanson* in *Crown Packaging Technology, Inc. v. Rexam Beverage Can Co.* stating that, “35 U.S.C. § 287(a) [does] not apply where the patentee only assert[s] the method claims of a patent which include[s] both method and apparatus claims.” *Crown Pkg. Tech., Inc.*, 559 F.3d 1308, 1316 (Fed. Cir.). The court specifically distinguished *American Medical Systems* by noting that in that case, the patentee had asserted both apparatus and method claims. *Crown Pkg. Tech., Inc.*, 559 F.3d at 1317.

When a product is produced by a patented process, and that product is imported into the U.S. in violation of a patentee's rights, the marking and notice provisions of 35 U.S.C. § 287(b) apply.

PRACTICE TIP

When a patentee has both method and apparatus claims applicable to a particular machine, be certain to mark the machine so as not to limit future litigation to only method claims.

C. How and Where to Mark

1. The Statutory Command

Section 287(a) provides that a patent marking must be placed on the patented article itself “or when, from the character of the article, this *can not be done*, by fixing to it, or to the package

wherein one or more of them is contained, a label containing a like notice." 35 U.S.C. § 287(a) (emphasis added).

PRACTICE TIP

A legible marking should be placed prominently on the article itself, if at all possible. Marking the packaging for the article only, when the product itself could be marked, can be a disastrous failure to mark. See *Creative Pioneer Prods. Corp. v. K-Mart Corp.*, 5 U.S.P.Q.2d 1841, 1848 (S.D. Tex. 1987) (patentee marked packages of pliers with patent number, but not product itself when product could have been easily marked; held insufficient marking); cf. *Bergstrom v. Sears, Roebuck and Co.*, 496 F. Supp. 476, 494 n.9 (D. Minn. 1980) (marking fire grate with hang tags sufficient constructive notice). Where marking of the article *cannot be done* (as in the case of a liquid or minute article), a label containing a patent notice must be placed on the package or container for the article. *Heraeus Electro-Nite Co. v. Midwest Inst. Co., Inc.*, 2007 U.S. Dist. LEXIS 84408 (E.D. Pa. 2007); *U.S. Cosmetics Corp. v. Greenberg Traurig, LLP*, 2007 U.S. Dist. LEXIS 22793 (D. N.J. 2007). Where the article is such that the patent marking on the article is very small, such marking should be made anyway, supplemented with a marking on the package for the article. Marking of instructional literature or pamphlets for the article, in and of itself, is not sufficient marking under the statute. *Calmar, Inc. v. Emson Research, Inc.*, 850 F. Supp. 861, 868 (C.D. Cal. 1994); *Stryker Corp. v. Intermedics Orthopedics, Inc.*, 891 F. Supp. 751, 830 (E.D.N.Y. 1995). However, such marking, *if in addition to marking on the article itself or on the package for the article when the article cannot be marked*, would seem to bolster the claim that patent marking was performed since its purchaser/user would be presumed to have read the instructions.

In the case of database systems in which a website is intrinsic to the invention, that website may constitute a "tangible item to mark by which notice of the asserted method claims can be given." In these cases, the website should display a marking. *IMX v. LendingTree, LLC*, U.S.P.Q.2d (BNA) 1373 (D. Del. 2005)

Under the authority of *Rutherford v. Trim-Tex, Inc.*, 803 F. Supp. 158 (N.D. Ill. 1992), courts take "a practical common sense approach when dealing with issues of compliance for the marking provisions of § 287(a)." *Id.* at 163. In *Rutherford*, the court held that where the product is sold with no markings of any kind on the product itself, and only the package is marked, and where the patentee would have to undergo a significant burden to mark the product (as by adding a manufacturing step), then this extra burden may justify marking the package only, and that the

failure to mark the product itself may not be fatal. *See also Heraeus Electro-Nite*, 2007 U.S. Dist. LEXIS 84408 (holding that because the patented probes at issue “are used once, soon after they are removed from their packaging, are destroyed by being immersed in molten steel . . . [and] that users of the probes would not be able to read patent information were it marked on the probes”, alternative marking on the packaging was sufficient). The court in *Rutherford* noted that where the product itself bears markings or printing on it, then the public should be able to rely upon the fact that a patent, if it exists, should also be noted in the writing, citing with approval the *K-Mart* case, *supra*. In other words, if the article is patented and bears markings other than a patent marking, the patentee will not be heard to complain that it was too burdensome to mark the article. *Briggs & Stratton Corp. v. Kohler Co.*, 398 F. Supp. 2d 925, 972 (W.D. Wisc. 2005); *John L. Rie, Inc. v. Shelly Bros., Inc.*, 366 F. Supp. 84, 90 (E.D. Penn. 1973) (patented article already had writing, so court rejected patent owner's claim that the devices in question were too small to clearly mark). *But see Heraeus Electro-Nite*, 2007 U.S. Dist. LEXIS 84408 at *13 (stating that *Rie* does not “create a strict rule of law that alternative marking cannot satisfy the Marking Statute where the patentee is able to place other information on the patented product itself.” Rather, the product’s physical properties and conditions of use may dictate otherwise).

Finally, custom may be a relevant factor in determining whether marking is sufficient constructive notice. *Wayne-Gossard Corp. v. Sondra Mfg. Co.*, 579 F.2d 41, 43 (3rd Cir. 1978) (based on certain assumptions, including that fact that "the custom of the trade is not to place any markings on the foot hose," the Third Circuit decided it *could* conclude that marking the package was sufficient); *cf. Wayne-Gossard Corp. v. Sondra Mfg. Co.*, 434 F. Supp. 1340, 1364 (E.D. Pa. 1977) ("custom of the trade is not a relevant consideration under [§287], and the fact that others do not mark their footsocks does not excuse plaintiff").

2. Marking of Expired Patents

The false marking statute provides, in part, that:

[w]hoever marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word “patent” or any word or number importing that the same is patented for the purpose of deceiving the public . . . [s]hall be fined not more than \$500 for every such offense.

35 U.S.C. § 292(a).

Because the false marking statute allows “any person to sue for the penalty” of up to \$500 per offense (interpreted by the Federal Circuit as “per article”) and share half of the recovery with the U.S. government, the incentive exists for competitors and non-competitors alike to initiate false marking causes of action that could result in potentially enormous damage awards. The Federal Circuit ruled that such awards must be imposed on a “per article basis,” but gave courts the discretion to determine what constitutes a proper penalty. *Forest Group, Inc. v. Bon Tool Co.*, 2009-1044 (Fed. Cir. Dec. 28, 2009).

The decision in *Pequignot v. Solo Cup Co.*, 540 F. Supp. 2d 649 (E.D. Va. 2008), makes clear that companies can easily be exposed to costly litigation and large statutory damages. The court in *Pequignot* held that the prohibition against marking “unpatented articles” extends to those articles that were once protected by a now-expired patent. *Id.* This expands the reach of the false marking statute beyond that which had previously been considered by the Federal Circuit. Until *Pequignot*, the term “unpatented article” had only been applied to the scenario in which an article was not covered “by at least one claim of each patent with which the article is marked.” *Clontech Labs., Inc. v. Invitronqen Corp.*, 406 F.3d 1347, 1352 (Fed. Cir. 2005). By extending the false marking statute to articles that were once, but are no longer, covered by a patent, the courts have prompted false marking litigation. *See Pequignot v. Gillette*, 1:08-CV-49 (E.D. Va. Jan. 17, 2008); *Pequignot v. Gillette Co.*, 2:08-CV-222 (E.D. Tex. June 2, 2008).

There still exists, however, one more hurdle in proving false marking. A finding of intent to deceive the public is a prerequisite to finding a party guilty of false marking. *Aradia Mach. & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 1125 (Fed. Cir. 1986). In the *Pequignot* case, the court held that in relying on its counsel's advice, Solo Cup did not intend to mislead or defraud its competitors or the public. *Pequignot v. Solo Cup Co.*, No. 1:08-CV-897, 2009 U.S. Dist. LEXIS 76032 at **21-22 (E.D. Va. Aug. 25, 2009). While the intent prerequisite may pose a difficult obstacle, patent holders still face the threat of costly litigation.

PRACTICE TIP

Be acutely aware of this newly developing litigation trend. Patent marking review should be docketed to coincide with the expiration date of each patent on the docket. Make certain that if multiple patents are part of your mark that the product is in fact covered by all patents listed. Do not use conditional language stating that a product "may be covered" by certain patents. *See Pequignot*, 540 F. Supp. 2d at 655 (noting that marking an article with a conditional statement such as "this product may be covered by one or more U.S. or foreign pending or issued patents" will not relieve one of liability under the statute). Finally, documenting marking practices and the bases for each marking provides the best protection against potential false marking claims.

3. Patented Combination of Elements

Marking one component of a patented combination is not false marking. *Connecticut Tel. & Elec. Co. v. Auto. Equip. Co.*, 14 F.2d 957, 968-69 (D. N.J. 1926), *aff'd*, 19 F.2d 990 (3rd Cir.), *cert. denied*, 275 U.S. 564 (1927). If the patentee sells one component of a patented combination, and that component has no substantial noninfringing uses, the patentee should mark the component and not leave the marking task to its licensee (actual or implied). *See, e.g., Amsted v. Buckeye, supra*, 24 F.3d at 184-85 (implied licensees that assembled patentee's component into patented combination did not mark the combination; damages recoverable only after date of receipt of infringement notice); *ADC Telecomm., Inc. v. Siecor Corp.*, 954 F. Supp. 820 (D. Del. 1997) (patentee who only marked one component of a patented combination did not

violate the marking statute where it only sought damages due to infringement of the marked component). However, where the component is a staple article of commerce with substantial noninfringing uses, and the patentee sells the staple component unmarked, one court has held the duty of the patentee to mark did not arise, even where the purchasers of the component made the patented combination. *Abington Textiles Mach. Works v. Carding Specialists (Canada) Ltd.*, 249 F. Supp. 823 (D.D.C. 1965). The court in *Abington* did not address whether the purchasers of the component had a duty to mark. Arguably, the purchasers of the unpatented component should have marked, since the purchasers (cotton mills) of the patentees' product (rollers) made the patented combination (a cotton processing machine using the rollers) "for or under" the patentee. If the cotton mills had turned around and sold the machines to the public (which they did not), then clearly the duty to mark would have arisen. The Federal Circuit explicitly refused to follow the *Abington* case in *Amsted v. Buckeye, supra*.

If a patent discloses a multi-component product where the components are inextricably linked and therefore must be sold as a unit, marking one of the components is sufficient constructive notice because it would be unreasonable in such a situation to assume the public would conclude that the unmarked component was not part of the patented invention. *MGM Well Servs. V. Mega Lift Sys., LLC*, 505 F. Supp. 2d 359, 375-76 (S.D. Tex. 2007); *Douglass Press, Inc. v. Arrow Int'l, Inc.*, 1997 WL 441329 (N.D. Ill. 1997).

4. Proper Patent Marking

The patent marking requirement itself comprises the term "Patent" or "Pat." *together with* the patent number. Merely marking the goods "patented" or "protected by U.S. patents", alone, is

insufficient. If the goods are marked with multiple patent numbers, the constructive notice requirement is probably met as to all such patents in the notice.³

5. The Cost of Marking is No Excuse

The courts have rejected the attempted excuse of failure to mark because it would have been too expensive to mark. *E.g., Smith v. Walter*, 56 F. 499, 501 (S.D.N.Y. 1893). *But see Rutherford v. Trim-Tex, Inc.*, 25 U.S.P.Q.2d 1866 (N.D. Ill. 1992) (court considers economic burden of marking a product itself, rather than marking container for product).

6. Documentation and Record Keeping Regarding Patent Marking

As practitioners are aware, disputes frequently arise in litigation as to whether the patentee has properly complied with the marking requirement, particularly when, in reality, some goods will likely be shipped through error without proper marking. *See, e.g., Am. Med. Sys. v. Med. Eng'g Corp.*, 6 F. 3d 1523, 1537 (Fed. Cir. 1993).

PRACTICE TIP

The patentee and its counsel should keep meticulous records and fully document the acts taken to comply with § 287. This would include records as to advice to mark by counsel, when marking was initiated, samples of labels which were applied to the goods, and perhaps a sign-off sheet by all responsible individuals involved indicating that the marking duty was carried out. The importance of marking must be communicated to the individual responsible for marking, whether that person is on the shop floor or in the marketing department. While patent marking may seem like a chore to the uninitiated, it is a chore that must be done by the patentee to protect its rights, and to prevent a financial or professional embarrassment, should infringement occur.

In this regard, in-house patent counsel are at an advantage, as they are in a better position to communicate and monitor the need for patent marking to the proper

³ If, in the actual notice, the patentee intentionally buries the patent number in an *unreasonably long* list of expired or irrelevant patents, an argument could be made that purpose of the marking requirement was not complied with.

individual. Outside patent counsel should do what is necessary to impress upon the in-house counsel or other legal contact the great importance of marking.

D. When To Mark

1. Only De Minimis Non-Marking at Patent Issuance is Excusable

Patent marking should commence on the date of issuance of the patent. While the courts have recognized that some products may not have been marked immediately after the patent issues, e.g., while machinery is retooled or labels are made, the courts generally excuse only a *de minimis* failure to mark. *Hazeltine Corp. v. Radio Corp. of Am.*, 20 F. Supp. 668, 671-72 (S.D.N.Y. 1937). In other words, substantially all patented products must be marked. *Id.* What is or is not *de minimis* is a question of fact unique to each situation. *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111 (Fed. Cir. 1996).

PRACTICE TIP

If the practitioner is aware that the client is producing or selling the patented article during the pendency of the patent application, consider advising the client of the marking requirement before the patent issues so that the client can retool or relabel, thereby commencing marking on the date of issuance. A good opportunity is the receipt of the notice of issuance from the PTO. A patentee should ideally take steps to prevent an infringer from alleging that more than a *de minimis* failure to mark occurred at patent issuance.

2. Late Marking

Until the Federal Circuit's decision in *American Medical Systems, Inc. v. Medical Engineering Corp.*, 6 F.3d 1523 (Fed. Cir. 1993), the authorities were split on the issue of whether late marking, i.e., marking commencing after a substantial number of patented articles have been made or sold unmarked, starts running the period of constructive notice and for recovery of damages. The Federal Circuit ruled in the *American Medical Systems* case that even if there has been a delay between issuance of the patent and compliance with the marking

provisions of 35 U.S.C. § 287(a), recovery of damages will commence on the date when marking is begun, even if the number of unmarked goods sold prior to marking was not *de minimis*. The Federal Circuit, however, cautioned that "once marking has begun, it must be substantially consistent and continuous in order for the party to avail itself of the constructive notice provisions of the statute." *Am. Med. Sys.*, 6 F.3d at 1535-37.

IV. THE CONSEQUENCE OF FAILING TO PROPERLY MARK: ACTUAL NOTICE OF INFRINGEMENT REQUIRED

If the patentee was under a duty to ensure that patent marking was performed and the duty was breached, no damages are recoverable until the infringer is "notified of the infringement." 35 U.S.C. § 287(a).⁴

The consequence of failing to mark is that potential monetary recovery in an infringement action can be substantially reduced. In particular, in the usual case some time elapses after infringement begins and before the defendant is given an infringement notice. In this circumstance, there is *no recovery* for infringement occurring before the date of notice. It is surprising how often patents wind up in litigation where patent marking would have been easy to perform, but was not. All too often, there is no ready or satisfactory explanation for this unfortunate result. Note, however, the availability of injunctive relief is not affected by § 287. *Eversharp, Inc. v. Fisher Pen Corp.*, 204 F. Supp. 649, 675 (N.D. Ill. 1961).

⁴ However, if the patentee is bringing the claim against the Federal Government for just compensation pursuant to 28 U.S.C. § 1498, the marking and notice provisions of 35 U.S.C. § 287 do not apply. *Motorola v. United States*, 729 F.2d 765, 770-72 (Fed. Cir. 1984). Thus, the Government is liable under eminent domain principles for the taking of the patentee's intellectual properties, regardless of whether marking or notice occurred. *Id.* This paper is primarily addressed to actions brought under Title 35 of U.S.C.

A. "Notification of Infringement" Under § 287

The statute provides that filing suit for infringement is an act sufficient to constitute "notice of infringement." Notice "must be an affirmative act on the part of the patentee which informs the defendant of the infringement." *Lans v. Digital Equipment Corp.*, 252 F.3d 1320, 1327-28 (Fed. Cir. 2001). Typically, a letter or other communication from the patentee to the infringer is used as a vehicle for giving notice of infringement. Prior to the Federal Circuit's decision in *Amsted v. Buckeye*, most courts strictly construed the actual notice requirement to require a specific charge or accusation of infringement in the letter or other communication, and a few courts adopted a more liberal view of actual notice. The Federal Circuit sided with *Buckeye* and held that actual notice requires an affirmative accusation of infringement as to a specific product. *Amsted Indus., Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994). The "liberal view" of actual notice is now dead.

PRACTICE TIP

It is recommended that where there has been a failure to mark, and where an infringer is discovered, the patentee should issue an unequivocal accusation of infringement, as to a specific product, and of a particular patent. A lesser and more ambiguous communication may serve other important purposes, such as starting negotiations or establishing an element for a willfulness case, but this loose procedure risks a finding of noncompliance with the actual notice provision of § 287. Obviously, the patentee ideally should not be in the position in the first place of having to send an infringement notice, since it should have properly marked. But if, after a review of the facts surrounding the patentee's marking efforts, it is determined that a notice of infringement needs to be sent, the author should not compromise at that late date on the language of the letter.

If venue considerations are of extreme importance, to begin accrual of damages, consideration might be given to filing suit immediately upon a thorough and good faith study of the accused product and conclusion of infringement. Sending a letter in the nature of an infringement notice may result in a declaratory judgment action in an unfavorable venue.

The Supreme Court held in the landmark case of *Dunlap v. Schofield*, 152 U.S. 244 (1894) that actual notice of infringement requires that the patentee inform the infringer (1) of the patent and (2) "of their infringement of it." *Id.* at 248-49.⁵ *Dunlap* was cited with approval by the Federal Circuit in *Amsted v. Buckeye*.

These general principles have been interpreted by the courts on numerous occasions over the last 100 years. Under the prevailing strict interpretation of § 287, failure to satisfy *any one of three* separate criteria of an infringement notice may result in a failure to give the required notice. Synthesizing the case law, the three criteria of an effective notice of infringement are:

- (1) an identification of the patent number;
- (2) a correct identification of the particular accused product; and
- (3) a charge of infringement.

However, some cases recognize a limited exception to the general rule: where the infringer admits that it was notified of the infringement, the courts generally will excuse noncompliance with the third requirement. *See Livesay Window Co. v. Livesay Indus., Inc.*, 251 F.2d 469, 475 (5th Cir. 1958); *Chubb Integrated Sys., Inc. v. Nat'l Bank of Wash.*, 658 F. Supp. 1043 (D. D.C. 1987); *T.D. Williamson, Inc. v. Laymon*, 723 F. Supp. 587, 606 (N.D. Okla. 1989), *aff'd on other grounds in unpublished opinion*, 923 F.2d 871 (Fed. Cir. 1990). This vitality of this law has not been squarely addressed by the Federal Circuit. Nevertheless, the patentee will probably be safe and meet the test of *Amsted v. Buckeye* by including in an infringement notice the three key elements, *supra*.

Some case examples of the three criteria of an effective infringement notice may be helpful.

⁵ The previous version of the marking statute which was interpreted by the Court in *Dunlap* was substantially the same as § 287(a) as to the requirement of notifying the infringer "of the infringement."

1. Identify the asserted patent by number.

See Butterfield v. Oculus Contact Lens Co., 332 F. Supp. 750, 762 (N.D. Ill. 1971) (no actual notice because letters did not properly identify patents alleged to be infringed). Broad assertions of patent protection, or ownership of a large number of patents, is not sufficient. *Smith v. Dental Products Co.*, 140 F.2d 140, 151 (7th Cir.), *cert. denied*, 322 U.S. 743 (1944). *But see Ceeco Mach. Mfg. Ltd. v. Intercole, Inc.*, 25 U.S.P.Q.2d 1774 (D. Mass. 1992) (actual notice need not include the patent number, but in this case, the defendant acknowledged that he knew of the specific patent).

2. Correctly identify the accused product with particularity.

See Amsted v. Buckeye, 24 F.3d at 186-87 (patentee did not identify accused product but rather urged recipient to not copy or make a competing product); *Refac Elec. Corp. v. A&B Beacon Business Mach., Inc.*, 695 F. Supp. 753, 755 (S.D.N.Y. 1988) (patentee incorrectly identified products which were later asserted to be infringing; held not an infringement notice).

3. Specifically accuse the identified product with infringement of the patent.

See Amsted v. Buckeye, supra, (informational letter warning recipient not to infringe insufficient; later letter which charged infringement held sufficient); *Am. Med. Sys., Inc. v. Medical Eng'g Corp.*, 794 F. Supp. 1370, 1392 (E.D. Wisc. 1992) (specific accusation of infringement required), *rev'd on other grounds*, 6 F.3d 1523 (Fed. Cir. 1993); *Maxwell v. K Mart Corp.*, 880 F. Supp. 1323, 1339 (D. Minn. 1995); *Federal Mach. & Welder Co. v. Mesta Mach. Co.*, 27 F. Supp. 747, 751 (W.D. Pa. 1939), *rev'd on other grounds*, 110 F.2d 479 (3rd Cir. 1940) (warning to defendant not to infringe in the future held not actual notice).

In one Federal Circuit decision, however, the word “infringe” was not used in a letter held to be sufficient notice. *Gart v. Logitech, Inc.*, 254 F.3d 1334 (Fed. Cir. 2001). The patentee

specifically identified the potentially infringing product, provided a copy of the relevant patent and pointed the alleged infringer to particular claims, but only stated that the alleged infringer may “wish to have [its] patent counsel examine the enclosed patent (particularly claims 7 and 8) to determine whether a non-exclusive license is needed under that patent.” *Id.* at 1337. In reversing the district court’s finding of inadequate notice, the Federal Circuit noted that “[t]he whole point of offering a license is to insulate a licensee from infringement charges by the licensor.” Thus, from an objective standpoint, it was clear that the patentee was asserting infringement. *Id.* at 1346; *see also Minks v. Polaris Indus., Inc.*, ___ F.3d ___ (Fed. Cir. 2008) (noting that the ongoing nature of the relationship of the two parties was significant in assessing actual notice and stating that, “[a]ctual notice thus turns on the point at which this charge [of infringement]—in any of its various forms in the history of the relationship between Minks and Polaris—was sufficiently specific such that Polaris ‘knew of the adverse patent and the alleged infringement.’”); *SRI Int’l v. Advanced Tech. Lab.*, 127 F.3d 1462, 1470 (Fed. Cir. 1997) (“the actual notice requirement of § 287(a) is satisfied when the recipient is informed of the identity of the patent and the activity that is believed to be an infringement, accompanied by a proposal to abate the infringement, whether by license or otherwise.”).

Conditional notices of infringement are insufficient to provide notice when marking is absent. In one case, *Ceeco Mach. Mfg. Ltd. v. Intercole Inc.*, 25 U.S.P.Q.2d 1774 (D. Mass. 1992), the court held a notice stating, “if you purchase the pre-twister machine you will be infringing” sufficient despite being “less explicit than would typically be required,” due to the defendant’s active concealment of the infringement from the patentee. Thus, when the defendant is at fault for the patentee not being able to explicitly charge infringement, the court may give some flexibility to the specific accusation requirement.

4. Case examples of alleged "infringement notices"

Contents of Letter

"This is to advise you that Amsted has acquired . . . the '269 patent. . . [Our predecessor actively enforced it and Amsted] expects our industry to respect its patents. Accordingly, you should acquaint yourself with the ['269 patent] and refrain from supplying or offering to supply component parts which would infringe or contribute to the infringement of the patent. You should not offer to supply items which are copies of or designed to replace our LOW PROFILE centerplate."

Amsted Industries, Inc. v. Buckeye Steel Castings, Inc., 24 F.3d 178, 186 (Fed. Cir. 1994) (letter drafted by patent attorney).

"I am writing to you because your company is commercially involved with digital color image editing." The letter goes on to identify the '919 patent and informs the reader that it has been licensed out. The letter continues, "companies involved in the scanning, processing, and editing of digital color images greatly benefit from a license to use the patented technology. . . . We encourage you to review U.S. Patent No. 4,500,919 and consider its relevance to your products and the value of licensing this important technology. If you are interested, we are pleased to discuss a nonexclusive license arrangement." *Mass. Inst. of Tech. v. Abacus Software, Inc.*, 2004 U.S. Dist. LEXIS 30048 (E.D. Tex. 2004)

Court's Holding

Infringement notice requirement not met since no express charge of infringement was contained in letter, even though defendant copied LOW PROFILE center plate and was advised by counsel that it was infringing. 24 F.3d at 187. The patentee specifically accused the defendant of infringement in a later letter, which was held to constitute notice.

Infringement notice requirement not met. The court deemed the letter "informational" in nature as opposed to actual notice of infringement.

Contents of Letter

"To those who have not (taken licenses), and whom I have good reason to be infringing, I feel that I should give this formal notice of the patent so that they might avoid innocent continuance of the infringement."

Butterfield v. Oculus Contact Lens Co., 332 F. Supp. 750, 762 (N.D. Ill. 1971) (emphasis added) (letter drafted by patentee, a non-lawyer).

"As you know, Dr. Smith has very broad patent protection and your manufacture and sale is unauthorized and, in our opinion, constitutes an infringement, and Dr. Smith demands that an accounting be made at once and that he be paid for past infringement."

Smith v. Dental Products Co., 140 F.2d 140, 151 (7th Cir. 1944) (emphasis added).

Letter at issue referred to three different patents (including patent in suit), stated that the operation of an accused machine by the defendant "infringes the patents", and expressed an intent to seek damages.

In re Yarn Processing Patent Validity Litigation, 602 F. Supp. 159, 164, 166 (W.D. N.C. 1984).

"Also, your Texas Instrument, Nelson and other calculator watch and clock products are covered by the claims of U.S. Patent 3,955,355. "

Refac Electronics v. A & B Beacon Business Machines, 695 F. Supp. 753, 755 (S.D.N.Y. 1988) (emphasis added).

Court's Holding

Infringement notice requirement met.
332 F. Supp. at 762.

Infringement notice requirement not met despite the general charge of infringement because the specific patent was not identified.
140 F. 2d at 152.

Infringement notice requirement met.
602 F. Supp. at 170.

Infringement notice requirement not met because correct accused product not identified in letter.
695 F. Supp. at 755.

Contents of Letter

Patent attorney for patentee spoke by telephone on numerous occasions with agents and officers of the infringer regarding the patent and the defendant's product, but withheld accusing the defendants of infringement to prevent declaratory judgment action. *American Medical Systems, Inc. v. Medical Engineering Corp.*, 794 F. Supp. 1370, 1392 (E.D. Wisc. 1992).

The only evidence regarding notice was defendant's testimony saying plaintiff called him and told him that he "better back off" but that "the word 'patent'" was never used. *Codata Corp. v. Thermotech Services Co., Inc.*, 1996 WL 145956 (S.D.N.Y. 1996).

Court's Holding

No infringement notice given because the patentee did not specifically accuse the defendant with infringement. 794 F. Supp. at 1392.

"The available evidence does not support an inference that [plaintiff] communicated to [defendant] a specific charge that defendants were infringing" the patent in question. The court thus dismissed plaintiffs' claim for damages for infringement.

PRACTICE TIP

Examples of Questionable/Inadequate Infringement Notices

- (i) "If you make product X, we may challenge you for patent infringement." (Not a notice of infringement because there is no charge of infringement, and there is no identification of a patent).
- (ii) "We believe your machines might use some of the features of Patent No. 4,123,456, copy enclosed." (Not a notice of infringement because there is no charge of infringement, and there is no specific identification of a product).
- (iii) "I enclose patent No. 4,123,456 for your review. We have aggressively asserted it in the past and intend to protect our patent rights in the future. Do not infringe it." (Not a notice of infringement because there is no charge of infringement, and there is no identification of an accused product).
- (iv) "My client has broad patent protection on paper shredders. Your shredder, model no. 332, infringes our patents." (Not a notice of infringement because the patent is not identified with particularity.)
- (v) "We own U.S. Patent No. 4,123,456. If you copy the center plate disclosed in the patent or make a competing product, we will consider you to be infringing and will

sue you for damages." (Not an infringement notice because no charge of infringement made and accused product not identified.)

5. Notification of the patent.

Notification of the existence of the patent, or even the defendant's knowledge of the patent, or the defendant's knowledge that it is infringing, is *not actual notice of infringement of the patent*. Notice is an affirmative act to be performed by the patentee. The defendant's knowledge of the patent is irrelevant, because the statute requires that the patentee notify the defendant "*of the infringement.*" *Amsted v. Buckeye*, 24 F.3d at 186-87; *Devices for Medicine, Inc. v. Boehl*, 822 F.2d 1062, 1066 (Fed. Cir. 1984); *Merck & Co. v. Mediplan Health Consulting, Inc.*, 434 F. Supp. 2d 257, 264 (S.D.N.Y. 2006).

6. Industry notices in trade publications.

Industry notices of patent ownership in trade publications, mass mailings to the industry announcing patent ownership and enforcement policies, advertisements and bulletins and the like identifying the ownership of the patent and/or the patentee's enforcement policies with respect to the patent, and even notices identifying the fact of litigation to enforce the patent against others, are not notifications of the infringement under § 287. *Merck & Co. v. Mediplan Health Consulting, Inc.*, 434 F. Supp. 2d 257, 265 (S.D.N.Y. 2006); *In re Yarn Processing Patent Validity Litigation*, 602 F. Supp. 159, 169 (W.D.N.C. 1984); *Briggs v. Wix Corp.*, 308 F. Supp. 162, 171 (N.D. Ill. 1969).

B. The Minority "Liberal" Interpretation of the Actual Notice of Infringement Requirement.

As noted earlier, a minority position exists in the case law wherein a more "liberal" standard of an infringement notice appears to have been adopted. Generally speaking, these cases hold that the patentee has to do no more than what the marking requirement imposed: notify the

defendant of the patent number and the patentee's product. Under these cases, there is no requirement that the infringer be specifically accused of infringement. *See, e.g., T.D. Williamson, Inc. v. Laymon*, 723 F. Supp. 587 (N.D. Okla. 1989), *aff'd on other grounds in unpublished opinion*, 923 F.2d 871 (Fed. Cir. 1990), *Am. Can Co. v. Dart Ind., Inc.*, 205 U.S.P.Q. 1005, 1008 (N.D. Ill. 1979); *Oil Well Improvements Co. v. Acme Foundry & Mach. Co.*, 31 F.2d 898 (8th Cir. 1929). The Federal Circuit's decision in *Amsted v. Buckeye* overruled these decisions *sub silentio*.

C. Acknowledgements of Actual Notice

A common fact pattern in the cases is that the patentee sends a letter which otherwise does not charge the recipient with infringement, but the recipient writes back and denies that it is infringing or otherwise acknowledges that it has been given an infringement notice. The courts have held in this circumstance that the actual notice requirement has been met. *See, e.g., Chubb Integrated Sys., Inc. v. Nat'l Bank of Wash.*, 658 F. Supp. 1043 (D.D.C. 1987) (alleged infringer conceded that it understood letters offering a license to be a charge of infringement). As discussed above, the Federal Circuit in *Gart v. Logitech* addressed a similar fact pattern. The alleged infringer received a notice from the patentee specifying the allegedly infringing products, the particular claims they infringed, and a recommendation that the alleged infringer consider a license. While the notice did not specifically use the word "infringe," the court found it to be adequate notice. In that case, as in *Chubb*, the alleged infringer replied to the patentee thereby acknowledging the notice. Although the court noted the alleged infringer's acknowledgement of the letter, it seemed to focus its reasoning on the implication of infringement through the letter naming specific products, highlighting patent claims, and suggesting a license which, according to the court, "is to insulate a licensee from infringement." *Gart*, 254 F.3d at 1346. Regardless of

the rationale, it is clear from the circumstances in both *Chubb* and *Gart* that acknowledging a letter suggesting a license under a specific patent relating to a specific product will constitute acknowledgement of an effective notice under § 287(a).

PRACTICE TIP

This fact and case law pattern suggests that when a patentee sends your client an ambiguous letter, or a letter merely notifying your client of the patent, you should consider not sending a response if one is not asked for, or if a response is sent, not stating or implying in the letter that your client has been charged with infringement. As noted above, however, any response to a letter naming specific products, a specific patent, and a suggestion that you take a license will likely constitute acknowledgement of an infringement notice.

D. Oral Communications

An effective notice of infringement may be oral, provided it otherwise meets the standards for an infringement notice. *Articulate Sys., Inc. v. Apple Computer, Inc.*, 53 F. Supp. 2d 78, 79-80 (D. Mass. 1999). Of course, "oral" notices are fraught with evidentiary problems and should never be relied upon.

E. The Infringer's Mental State Prior to Notice of Infringement.

The actual notice requirement is not met when the infringer knows of the patent and subjectively believes that it is infringing the patent, but the patent owner has not taken the affirmative steps to give actual notice of the infringement. Indeed, the defendant's mental state (e.g., believing it would be considered an infringer) prior to receiving an infringement notice, is irrelevant. *AT&T Corp. v. Microsoft Corp.*, 290 F. Supp. 2d 409, 412 (S.D.N.Y. 2003); *Hoover Universal, Inc. v. Graham Packaging Corp.*, 1997 WL 413600 (C.D. Cal. 1997) (even if infringer had admitted infringement, it would not establish that the required notice had been given); *Aerogroup Int'l, Inc. v. Marlboro Footworks, Ltd.*, 1997 WL 83395 (S.D.N.Y. 1997) ("It is irrelevant for purposes of the notice requirement that the infringer knew of either the patent or of

its own infringement"); *see also*, *Amsted v. Buckeye*, 24 F.3d at 185-87; *Devices for Med.*, 827 F.2d at 1066 (knowledge of the patent is irrelevant, patentee must give notice of infringement); *Am. Med. Sys., Inc. v. Med. Eng'g Corp.*, 6 F.3d at 1537, n. 18.

F. Relationship to 35 U.S.C. § 271(c)

The notice requirements of 35 U.S.C. § 287(a) should not be confused with the notice requirement as a prerequisite to contributory infringement liability, set forth in 35 U.S.C. § 271(c). Compliance with 35 U.S.C. § 287(a) is a necessary prerequisite to recover damages, whereas compliance with 35 U.S.C. § 271(c) is a necessary prerequisite to establish contributory infringement liability. In other words, 35 U.S.C. § 271(c) is one step removed from the requirements from 35 U.S.C. § 287(a) in recovering damages.

The Supreme Court in *Aro Manufacturing Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964), by a bare majority, ruled that § 271(c) requires a showing that the alleged contributory infringer actually knew that the combination for which its component was specifically designed, was both patented and potentially infringing. This knowledge could be supplied by a letter from the patentee to the infringer. The knowledge requirement does not, however, include a legal conclusion as to the issue of validity and infringement. *Nordberg Mfg. Co. v. Jackson Vibrators, Inc.*, 153 U.S.P.Q. 777 (N.D. Ill. 1967), *rev'd on other grounds*, 393 F.2d 192 (7th Cir. 1968). Similarly, in *Trell v. Marley Electronics Corp.*, 916 F.2d 1443 (Fed. Cir. 1990), the Federal Circuit held that a court may not award damages for contributory patent infringement for sales made prior to the contributory infringer having acquired knowledge of the patent in question. Thus, although mere knowledge of the patent is insufficient to satisfy the actual notice requirements of 35 U.S.C. § 287(a), knowledge of (1) the patent and (2) that the combination for which the product is sold may be infringing, is sufficient knowledge under 35 U.S.C. § 271(c).

G. Send the Infringement Notice to Whom.

An infringement notice should be sent to the person who would be under a duty to report the notice to a responsible official under general agency principles. *Hoover Universal, Inc. v. Graham Packaging Corp.*, 1997 WL 413600 (C.D. Cal. 1997) ("[n]otice of infringement to potential customers of the accused infringer does not substitute for a charge of infringement made directly to the accused infringer").

PRACTICE TIP

Clearly, sending the notice letter to the president or general counsel of the infringer should be done, if possible, to remove any question that it was not sent to the proper person. Where the infringer is a subsidiary of a larger parent corporation, it is probably better to send the notice to the subsidiary corporation, and to be absolutely safe, also to the parent corporation.

H. Source of the Notice.

The act of giving notice of infringement is an affirmative act to be performed *by the patentee*. *Dunlap v. Schofield*, 152 U.S. 244 (1894); *Am. Med. Sys., Inc.*, 6 F.3d at 1537, n. 18 (patentee is to be the source of the notice). A licensee is not the patentee, and hence notice from a customer of the infringer, or a licensee of the patentee, will probably not constitute the notice from the patentee that is required by § 287(a).

V. LITIGATION ISSUES

A. Burden of Pleading and Proof

The patentee has the burden of pleading and proving compliance with § 287, presumably by a preponderance of the evidence. *Dunlap v. Schofield*, 152 U.S. 244, 14 S.Ct. 576 (1894); *Sentry Prot. Prods. v. Eagle Mfg. Corp.*, 400 F.3d 910, 918 (Fed. Cir. 2005); *see also Motorola, Inc. v. United States*, 729 F.2d 765, 770 (Fed. Cir. 1984) (§ 287 is a limitation on damages, not a

"defense" of the infringer, and it is the plaintiff's burden to plead and prove compliance with § 287 in any action brought under Title 35, United States Code).

B. Declaratory Judgment

The patentee may hesitate to send an infringement notice for fear that it may provoke a declaratory judgment action. It must be remembered that if the patentee has complied with the marking requirement, it has preserved its entitlement to recover damages and it need not send an infringement notice. However, if marking was not performed, and if infringement is thereafter discovered requiring that an infringement notice be given, it is suggested that the letter be written as strongly as possible to protect the right to recover damages, even if this course of action risks provoking a suit by the infringer for a declaratory judgment. After all, even if a declaratory judgment action were to be brought, a district court judge has the discretion not to entertain the declaratory judgment action, even if the case or controversy requirement is met for jurisdiction. *E.g., Minn. Mining & Mfg. Co. v. Norton Co.*, 929 F.2d 670, 672 (Fed. Cir. 1991).

Despite the different standards for declaratory judgment jurisdiction and infringement notice, it could be argued that no communication should be held to amount to an infringement notice if it would cause the recipient the reasonable apprehension of being sued and establish the predicate for bringing an action for a declaratory judgment.⁶ Manifestly, it would be grossly unfair for an alleged infringer to begin to become liable in patent infringement damages by virtue

⁶ After the Supreme Court's decision in *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007), a "reasonable apprehension of suit" is no longer the test in establishing declaratory judgment jurisdiction. Rather, it remains "one of many" circumstances that may establish an Article III case or controversy. *Caraco Pharm. Labs. Ltd. v. Forest Labs. Ltd.*, 527 F.3d 1278, 1291 (Fed. Cir. 2008); *see also MedImmune*, 549 U.S. at 771 (framing the justiciability inquiry as "whether the facts alleged, under all the circumstances, show that there is a substantial controversy, between parties having adverse legal interests, of sufficient immediacy and reality to warrant the issuance of a declaratory judgment.").

of an affirmative communication from the patentee, but not to be able to come into court to contest the patent's validity or infringement. Some parity between the rights of the patentee and the alleged infringer should be recognized. While a "cease and desist" type of infringement notice will support a declaratory judgment action, a vague and ambiguous "notice of the patent" type of letter ordinarily will not support a declaratory judgment action.⁷ Thus, any such vague letter should not start the period of damages running where the patentee has not marked. Indeed, the Federal Circuit held in *Amsted v. Buckeye* that informational letters of the type that are insufficient to establish declaratory judgment jurisdiction are not notices of infringement. *Amsted v. Buckeye*, 24 F.3d at 186-87.

C. Summary Judgment

The marking and actual notice issues are often suitable for disposition on summary judgment. On the issue of actual notice, there are few material facts -- did the patentee mark? What did the patentee say to the infringer? *See Gart v. Logitech, Inc.*, 254 F.3d 1334, 1339 (Fed. Cir. 2001) (“compliance with the marking statute . . . is a question of fact. Thus, this issue is properly decided upon summary judgment when no reasonable jury could find that the patentee either has or has not provided actual notice to the ‘particular defendants by informing them of his patent and of their infringement of it.’” (internal citations omitted)).

D. Jury Instructions

If the court sends the issues of marking and notice to the jury, the instructions become pivotal. It may be helpful to ask the court to rule before trial on the jury instructions, thereby

⁷ Again, the “all circumstances” test from *MedImmune* is a developing area of the law. As of the date of this article, there have been no court opinions addressing a factual scenario in which there has been a failure to mark, followed by a notice of the relevant patent and a subsequent declaratory judgment action filed.

giving the parties an opportunity to brief the issue and urge the court to adopt their respective versions of the law.

E. Laches and Estoppel Issues

Any communication by a patentee in the nature of an infringement notice raises possible issues of laches and estoppel. Clearly, most courts and juries will find that when a patentee informs an infringer of any possible infringement, the clock will begin to run for the laches factor of unreasonable delay from the time when the patentee knew or should have known of the infringement. *See A.C. Auckerman Co. v. R.L. Chaides Constr. Co.*, 960 F.2d 1020, 1032 (Fed. Cir. 1992) (en banc)). Estoppel may arise if the patentee later communicates to the infringer that it will not be sued for infringement. *See id.* at 1041-43.

PRACTICE TIP

If the threat to sue is made, as by sending out an infringement notice, and if the dispute cannot promptly be settled, litigation should be pursued promptly.

F. Damages for Lost Sales of Diverted Products

The marking statute does not preclude assessing damages for lost sales of diverted products that occurred after actual notice of infringement has been given, even where the diverted sales are of products that are neither patented nor marked with the patent number. However, the accused infringer must have reasonably foreseen that it would be liable for the collateral sales. *Rite-Hite Corp. v. Kelley Co.*, 56 F.3d 1538, 1549 n.8 (Fed. Cir. 1995)(en banc)(affirming damages award for diverted sales of unpatented, unmarked accessory of patented product).

VI. CONCLUSION

Patent owners and patent counsel ought to pay close attention to the patent marking and infringement notice requirements. If the patentee has invested capital in obtaining patents,

common sense dictates that this investment should be protected by performing the simple, indeed ministerial, acts of properly marking the products covered by the patents in the patentee's portfolio. When the lack of performance of proper marking is first realized, the patentee should closely monitor the market for infringement and initiate full compliance with the marking duty. When infringement has been determined and the patentee has not marked, the patentee should consider sending out an *unequivocal* charge of infringement to insure adequate protection of the patentee's rights.

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