

in 28 U.S.C. §2462, which imposes a five-year limit on any action for the enforcement of any civil fine.⁹⁹

(b) Marking and Notice

The patent statute, 35 U.S.C. §287(a), provides for notice to the public by marking the patented article. In the event of a 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.

Thus the statute requires either actual or constructive notice that the article is patented, or no damages can be recovered by the patentee. The purpose behind the marking statute is to give notice to the public of the patent.¹⁰⁰ The patent owner has the burden of pleading and proving at trial that it complied with the statutory requirements for marking or notice. Compliance with §287(a) is a question of fact.¹⁰¹

Absent notice, actual or constructive, knowledge of a patent is irrelevant. Section 287 requires "notice of the infringement."¹⁰² Actual notice of infringement requires the affirmative communication of a specific charge of infringement against a specific accused product or device. It is irrelevant whether the defendant knows of the patent or of its own infringement. The correct approach under §287 must focus on the action of the patentee, not the knowledge or understanding of the infringer.¹⁰³ Determining whether the patentee's communication

⁹⁹*Arcadia Mach. & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 229 USPQ 124 (Fed. Cir. 1986).

¹⁰⁰*American Med. Sys., Inc. v. Medical Eng'g Corp.*, 6 F.3d 1523, 28 USPQ2d 1321 (Fed. Cir. 1993). In *Cover v. Hydramatic Packing Co.*, 83 F.3d 1390, 38 USPQ2d 1783 (Fed. Cir. 1996), the court considered whether §287 might preempt state commercial law such as the UCC.

¹⁰¹*Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 39 USPQ2d 1001 (Fed. Cir. 1996). Like the determination of infringement, 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 its patent and of their infringement of it. *Gart v. Logitech Inc.*, 254 F.3d 1334, 59 USPQ2d 1290 (Fed. Cir. 2001). A manifestly obvious typographical error that does not prevent interested members of the public from discerning the number of a patent alleged to protect an article does not result in a failure to mark. *Allen Eng'g Corp. v. Bartell Indus. Inc.*, 299 F.3d 1336, 63 USPQ2d 1769 (Fed. Cir. 2002). In *Wiener v. NEC Elec., Inc.*, 102 F.3d 534, 41 USPQ2d 1023 (Fed. Cir. 1996), the evidence showed that certain devices were marked by hand with pen and ink. The court concluded that a reasonable factfinder could conclude that the devices were properly marked.

¹⁰²*Devices for Medicine, Inc. v. Boehl*, 822 F.2d 1062, 3 USPQ2d 1288 (Fed. Cir. 1987). The defendant had stipulated to infringement and tried only the notice issue. The Federal Circuit regarded plaintiff's argument that the stipulation of infringement made notice unnecessary as "simply irrational."

¹⁰³*Amsted Indus. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 30 USPQ2d 1462 (Fed. Cir. 1994). Thus, a broadside letter to the industry, informing it of the patent and warning against infringement, is not notice of the infringement within the meaning of §287. The court passed the

provides sufficient specificity regarding its belief that the recipient may be an infringer cannot take into consideration the knowledge or understanding of the alleged infringer, but must focus on the action of the patentee. Therefore, whether or not the alleged infringer subjectively believed that the patentee's letter was a charge of infringement has no bearing on the adequacy of notice.¹⁰⁴

There are several important limitations on this requirement. First, neither marking nor actual notice is required if the patented invention is not made or sold by the patentee or someone acting under its authority.¹⁰⁵ A licensee who makes or sells a patented article does so "for or under" the patentee within the meaning of 35 U.S.C. §287, thereby limiting the patentee's damage recovery when the patented article is not marked.¹⁰⁶ In the cases of third parties that are unrelated to the patentee, however, it is often more difficult for the patentee to ensure compliance. Thus a rule of reason approach is justified and substantial compliance may be found to satisfy the marking statute. The court may consider whether the patentee made reasonable efforts to ensure compliance.¹⁰⁷

Second, §287 applies only to patented articles, and neither actual nor constructive notice is required where the patent claims only a process.¹⁰⁸ Where a patent contains both article and method claims, and both are charged to infringe, marking is necessary, whether the method be one for using the article¹⁰⁹ or one for making it.¹¹⁰

question whether it would be sufficient if the infringer acknowledges a specific communication to be a notice of infringement.

¹⁰⁴*Gart v. Logitech Inc.*, 254 F.3d 1334, 59 USPQ2d 1290 (Fed. Cir. 2001). In this case the court found adequate notice in a letter that included a specific reference to the claims in suit and an offer of a license.

¹⁰⁵*Wine Ry. Appliance Co. v. Enterprise Ry. Equip. Co.*, 297 U.S. 387 (1936).

¹⁰⁶*Amsted Indus. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 30 USPQ2d 1462 (Fed. Cir. 1994). In this case the court held squarely that this applies as well to a situation where the patentee makes an element of the patented invention and sells it to a customer, who then completes the claimed structure. Such a sale impliedly authorizes the customer to make, use, and sell the patented invention and marking is therefore required. The court rejected the patentee's argument that it would have been guilty of false marking under §292 had it placed the marking on the element that it did sell. See also *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 39 USPQ2d 1001 (Fed. Cir. 1996).

¹⁰⁷*Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 39 USPQ2d 1001 (Fed. Cir. 1996). Here, it appeared that 95% of the products sold by the licensee of the patentee were marked. The patentee even went so far as to notify the licensee's suppliers of the need to mark. This was held to support a jury determination of compliance with the marking statute.

¹⁰⁸*American Med. Sys., Inc. v. Medical Eng'g Corp.*, 6 F.3d 1523, 28 USPQ2d 1321 (Fed. Cir. 1993); *Bandag, Inc. v. Gerrard Tire Co.*, 704 F.2d 1578, 217 USPQ 977 (Fed. Cir. 1983).

¹⁰⁹*Devices for Medicine, Inc. v. Boehl*, 822 F.2d 1062, 3 USPQ2d 1288 (Fed. Cir. 1987). The patentee did not require its licensee to mark the product, and there was no evidence that a patent marking had ever appeared on the product. The court reasoned that, having sold the product unmarked (or having permitted its licensee to do so), the patentee can hardly maintain entitlement to damages for use of the product by a purchaser uninformed that use would violate the method claims. This holding appears to answer the question left open in *Hanson v. Alpine Valley Ski Area, Inc.*, 718 F.2d 1075, 219 USPQ 679 (Fed. Cir. 1983), although it may be possible to draw distinctions in specific factual settings.

¹¹⁰*American Med. Sys., Inc. v. Medical Eng'g Corp.*, 6 F.3d 1523, 28 USPQ2d 1321 (Fed. Cir. 1993). In an interesting twist, the court has held that there is no obligation to mark a

In one case the court undertook an exhaustive review of the case law of when and to what extent a patented device must be marked. It held, in light of the permissive wording of §287 and the policy of encouraging notice by marking, that the statute precludes recovery of damages only for infringement for any time prior to compliance with the marking or actual notice requirements of the statute. Therefore, a delay between issuance of the patent and compliance with the marking provisions of §287 will not prevent recovery of damages after the date that marking has begun.¹¹¹ The court cautioned, however, 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.¹¹²

Based upon a careful review of the parallel development of §287(a) and 35 U.S.C. §289, the court has held that the patent marking provisions of §287(a) apply to the recovery of a design patent infringer's profit under §289.¹¹³

The criteria for actual notice under §287(a) are not co-extensive with the criteria for filing a declaratory judgment action. Thus, actual notice may be achieved without creating a case of actual controversy in terms of 28 U.S.C. §2201. It is not controlling whether the patentee threatens suit, demands cessation of infringement, or offers a license under the patent. Although there are numerous possible variations in form and content, the purpose of the actual notice requirement is met when the recipient is notified, with sufficient specificity, that the patent holder believes that the recipient of the notice may be an infringer. Thus, the actual notice requirement is satisfied when the recipient is informed of the identity of the patent and the activity

product with a method patent number even though the product is also the subject of apparatus claims in another patent. The court said "[w]e have not previously held that a patent containing only method claims is examined to see if something could have been marked in order to assess whether the notice provision applies, and we decline to do so now." Apparently, asserted patents will be considered independently on this question. *American Medical* was distinguished on the ground that there a single patent contained both method and apparatus claims. *State Contr. & Eng'g Corp. v. Condotte Am. Inc.*, 346 F.3d 1057, 68 USPQ2d 1481, 1493 (Fed. Cir. 2003).

¹¹¹*American Med. Sys., Inc. v. Medical Eng'g Corp.*, 6 F.3d 1523, 28 USPQ2d 1321 (Fed. Cir. 1993). The patentee shipped several thousand unmarked devices before the patent issued, and about 2,000 after it issued, and did not begin shipping marked devices until over three months after issue.

¹¹²*American Med. Sys., Inc. v. Medical Eng'g Corp.*, 6 F.3d 1523, 28 USPQ2d 1321 (Fed. Cir. 1993). The court held that marking alone without distribution provides no notice to the public where unmarked products are continuing to be shipped. The world cannot be put on notice if the patentee marks certain products but continues to ship unmarked products. Therefore, the patentee was not in full compliance with §287 while it continued to ship its unmarked products, which continued to mislead the public into thinking that the product was freely available. Full compliance was not achieved until it consistently marked substantially all of its patent products and was no longer distributing unmarked products.

¹¹³*Nike Inc. v. Walmart Stores Inc.*, 138 F.3d 1437, 46 USPQ2d 1001 (Fed. Cir. 1998). In order to reach this result, the court had to distinguish *Braun Inc. v. Dynamics Corp.*, 975 F.2d 815, 24 USPQ2d 1121 (Fed. Cir. 1992). There, it had held that §284 does not authorize enhancement of §289 profits. This decision, it concluded, was not based upon drawing a rigorous distinction between damages and profits, but on the provision of §289 that bars the design patentee, upon recovering the infringer's profits, from "twice recover[ing] the profit made from the infringement."

that is believed to be an infringement, accompanied by a proposal to abate the infringement, whether by license or otherwise.¹¹⁴

The actual notice requirement of §287(a) demands notice of the patentee's identity as well as notice of infringement. The purpose of the actual notice requirement is met when the recipient is notified, with sufficient specificity, that the patent holder believes that the recipient of the notice may be an infringer. Besides alerting the alleged infringer to avoid further infringement, the notice requirement also permits the alleged infringer to contact the patentee about an amicable and early resolution of the potential dispute. Thus, without knowledge of the patentee's identity, an alleged infringer may lose the benefit of this primary purpose of the notice requirement. An alleged infringer may lose the opportunity to consult with the patentee about design changes to avoid infringement. Similarly, without knowledge of the patentee, an alleged infringer may lose the chance to negotiate a valid license. In sum, knowledge of the patentee's identity facilitates avoidance of infringement with design changes, negotiations for licenses, and even early resolution of rights in a declaratory judgment proceeding.¹¹⁵

Failure of a licensee to mark in accordance with a specific contractual requirement may be actionable.¹¹⁶ Failure to raise at trial an issue of limitation of damages by failure to mark precludes raising the issue on appeal.¹¹⁷ Notice, actual or constructive by marking, is not a prerequisite to recovery against the government under 28 U.S.C. §1498.¹¹⁸

Courts have enjoined infringement notices when the patent owner acted in bad faith, for example, by making threats without

¹¹⁴*SRI Int'l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 44 USPQ2d 1422 (Fed. Cir. 1997). Here, it was found sufficient to have said, in writing, that the patentee believed that certain specified products may infringe the patent (which was enclosed) and that a license was available. In *Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 227 USPQ 177, 181 (Fed. Cir. 1985), the court indicated that an offer of a license is actual notice of another's patent rights, at least in the context of creating a duty of due care not to infringe.

¹¹⁵*Lans v. Digital Equip. Corp.*, 59 USPQ2d 1057 (Fed. Cir. 2001). Also, notice from someone closely associated with the patentee does not satisfy §287(a). Only the patentee has authority to grant licenses or accept design changes to facilitate the purposes of the notification requirement. A looser notification rule would present notable enforcement problems. Courts would have to decide the degree of association sufficient to satisfy the rule. Must the notifying party control the patentee, or simply have an interest in the patentee? Indeed, how much control or interest would suffice? Agency principles would not likely ease this problem because the notifying party would not likely even purport to act on behalf of the patentee. Accordingly, a looser rule would both frustrate the purpose of notification and present difficult, if not unworkable, enforcement problems. *Id.* In the case of actual notice, the notice of the infringement must come from the patentee not the infringer. Thus, where an infringer's attorney advises it that it is infringing, that is not the notice contemplated by §287. *American Med. Sys., Inc. v. Medical Eng'g Corp.*, 6 F.3d 1523, 28 USPQ2d 1321 (Fed. Cir. 1993).

¹¹⁶See *Lisle Corp. v. Edwards*, 777 F.2d 693, 227 USPQ 894 (Fed. Cir. 1985); *Yarway Corp. v. Eur-Control USA Inc.*, 775 F.2d 268, 227 USPQ 352 (Fed. Cir. 1985). Could the damages for breach of contract include loss of damages to the patentee due to the lack of marking?

¹¹⁷*Weinar v. Rollform Inc.*, 744 F.2d 797, 223 USPQ 369 (Fed. Cir. 1984).

¹¹⁸*Motorola, Inc. v. United States*, 729 F.2d 765, 221 USPQ 297 (Fed. Cir. 1984).

intending to file suit, or sending notices indiscriminately to all members of the trade, or when it has no good faith belief in the validity of its patent. But a patentee that has a good faith belief that its patents are being infringed violates no protected right when it so notifies infringers. And an accused infringer should not be insulated from knowledge and fair warning of potential liability or deprived of the opportunity to respond to threatened litigation.¹¹⁹ Thus, communication to possible infringers concerning patent rights is not improper if the patent holder has a good faith belief in the accuracy of the communication. Although "bad faith" may encompass subjective as well as objective considerations, and the patent holder's notice is not irrelevant to a determination of bad faith, a competitive commercial purpose is not of itself improper, and bad faith is not supported when the information is objectively accurate. In general, a threshold showing of incorrectness or falsity, or disregard for either, is required in order to find bad faith in the communication of information about the existence or pendency of patent rights. Indeed, a patentee, acting in good faith on its belief as to the nature and scope of its rights, is fully permitted to press those rights even though it may misconceive what those rights are. It has long been recognized that patents would be of little value if infringers of them could not be notified of the consequences of infringement or proceeded against in the courts. Such action considered by itself cannot be said to be illegal. Thus it is not improper for a patent owner to advise possible infringers of its belief that a particular product may infringe the patent. A patentee has the right to inform a potential infringer of the existence of the patent, whereby the recipient of the information may adjust its activities, perhaps seek a license, or otherwise act to protect itself. The statute contemplates such notice. Federal law has uniformly upheld a patentee's right to publicize the issuance of patents and to so inform potential infringers. Indeed, judicially mandated silence would preserve the ignorance of potential infringers whose liability could build.¹²⁰

(c) *False Marking*

Section 292 of title 35 provides for civil penalties against those who falsely mark products with an indication that they are patented, or that a patent has been applied for. There can be no violation of §292 unless it be shown that the false marking was intentional, and for the purpose of deceiving the public.¹²¹ There is no jurisdiction

¹¹⁹*Mallinckrodt, Inc. v. Medipart, Inc.*, 976 F.2d 700, 24 USPQ2d 1173 (Fed. Cir. 1992). Having reversed a summary judgment of patent misuse, the court also vacated an injunction prohibiting the patent owner from sending out infringement notices.

¹²⁰*Mikohn Gaming Corp. v. Acres Gaming Inc.*, 165 F.3d 891, 49 USPQ2d 1308 (Fed. Cir. 1998).

¹²¹*Arcadia Mach. & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 229 USPQ 124 (Fed. Cir. 1986).

over a claim for false marking until the article allegedly mismarked actually exists. The article must be completed before §292 will allow a claim.¹²² Marking "patent pending" simply means that the product is made in accordance with a pending patent application; patents are never "pending," but this is no violation of §292.¹²³ The phrase "may be manufactured under" certain patents is not deceptive; nor is the omission of applicable patents from a label; nor are inadvertent errors that are the result of oversight or caused by patent expirations.¹²⁴

(d) *Marking Estoppel*

The court has not yet squarely passed on the validity of the so-called marking estoppel doctrine under which a party, usually a licensee, who marks its product with the patent number is estopped to deny that the product is covered by the patent.¹²⁵ However, the court has held that an admittedly noninfringing product cannot be converted by estoppel to an infringing product. The defendant had first marketed a product containing hemoglobin, which infringed, and then substituted lead acetate, which admittedly did not infringe. Nonetheless, it failed to alter a package insert stating that the product contained hemoglobin. On the theory that customers would not have purchased the defendant's product if they had known it contained lead acetate rather than hemoglobin, plaintiff argued that defendant should be estopped to deny infringement. The court distinguished the marking estoppel cases on the ground that since defendant never took a license, liability for royalty payments was not at issue, and defendant had not erroneously placed a patent number on its product, but erroneously identified a component.¹²⁶

§12.5 Fraudulent Procurement and Inequitable Conduct

(a) *Introduction*

Inequitable conduct is an offense against the PTO and the public. The offense is committed most commonly by intentional failures to

¹²²*Lang. v. Pacific Marine & Supply Co.*, 895 F.2d 761, 13 USPQ2d 1820 (Fed. Cir. 1990). But cf. *Amsted Indus. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 30 USPQ2d 1462 (Fed. Cir. 1994).

¹²³*Arcadia Mach. & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 229 USPQ 124 (Fed. Cir. 1986).

¹²⁴*Arcadia Mach. & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 229 USPQ 124 (Fed. Cir. 1986). Failure to remove patent markings for some time after expiration is not justification for refusing prejudgment interest. *Radio Steel & Mfg. Co. v. MTD Prods., Inc.*, 788 F.2d 1554, 229 USPQ 431 (Fed. Cir. 1986).

¹²⁵See, e.g., *Crane Co. v. Aeroquip Corp.*, 364 F. Supp. 547, 179 USPQ 596, *aff'd in part & rev'd in part on other grounds*, 504 F.2d 1086, 183 USPQ 577 (7th Cir. 1974).

¹²⁶*Smithkline Diagnostics, Inc. v. Helena Labs. Corp.*, 859 F.2d 878, 8 USPQ2d 1468 (Fed. Cir. 1988). One wonders whether the result would be the same if there were evidence that the component was deliberately misidentified.