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ADVOCATI RES MENTIS

Got Patents? Then Mark Your Products Accordingly

Marking patented products with their corresponding patent numbers is an important part of any patent strategy, particularly if the patent owner wishes to maximize the damages awarded for infringement of the patent. A corollary here is that an accused infringer may also take advantage of the marking requirement to avoid payment of damages, particularly if the patentee has failed to mark.

In more detail, a patent affords its owner the powerful right to exclude others from practicing the invention that is claimed in the patent. Thus, all competitors must have some form of permission, such as a license, to practice the claimed invention; otherwise, they are excluded from doing so. Practicing the claimed invention without such permission is patent infringement, and if proven in court, the patent owner is entitled to receive monetary compensation or "damages" from the infringer. However, the law governing patents specifies that "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." Thus, the infringer is only responsible for damages that occurred after its notice of the patent being infringed.

There are generally three ways to put potential infringers on "notice" of a patent: (1) by marking patented articles with the appropriate patent numbers; (2) by sending a letter that informs the infringer of the patent and the alleged infringing activity (such as the specific infringing product or products), accompanied by a proposal to abate the infringement, whether by license or otherwise; or (3) by filing an action for infringement in federal court. Of these notice serving strategies, patent marking provides a patentee with the most complete and effective choice.

For example, the non-marking strategies require the patentee to police the marketplace for infringing activity so that an affirmative and timely "actual notice" can be given. Such strategies also preclude damages for infringing activity prior to the giving of actual notice. Thus, once an identified infringer is given actual notice of a patent by the patentee, the infringer can simply stop its infringing activity and avoid having to pay any damages.

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Also, sending an actual notice letter may open the door for the infringer to file a "declaratory judgment action" against the patentee, where the infringer preemptively initiates litigation to gain home court advantage. In such a suit, the alleged infringer asks the court to find that it is not infringing the patent and/or the patent is invalid or otherwise unenforceable.

On the other hand, timely and properly marking patented articles with their corresponding patent numbers serves to avoid innocent infringement by putting the world on "constructive notice" of the patent from day 1 of the article's commercial life. Thus, even if an infringer failed to notice the patent marking on a product, it is still liable for damages for infringing activity related to that product. In addition, there is no risk of the patentee being sued in a declaratory judgment action.

The manner in which patent marking is carried out is relatively straight forward. Specifically, the marking requirement is satisfied by literally marking the word "patent" or the abbreviation "pat.", together with the number of the patent on the patented article (e.g., Pat. 1,234,567, which happens to be a 1917 patent for a soft negligee collar). If the character of the article will not allow such marking, then the packaging containing one or more of the patented articles can be so marked. Note, however, that various courts will not accept the marking of packaging unless there is a sufficient reason as to why the article itself was not marked. If more than one patent applies to the article, then each applicable patent number should be listed. Marking literature (e.g., marketing materials) associated with patented articles is also helpful, but on its own may not be sufficient to satisfy the marking requirement. In addition, the marking must be "substantially consistent and continuous" in order to provide constructive notice to the public. The safe bet here is to mark substantially all, if not every single article that is released to the public.

Phrases like "Patent Pending" have no legal effect. Rather, such expressions merely operate to inform the public that a patent application has been filed in the United States Patent and Trademark Office. Intentional false marking of an unpatented article as patented or patent pending is against the law and is punishable by fine. False marking further includes marking a product with the number of an expired or otherwise abandoned patent with the intent to deceive the public. If a patentee initially fails to mark a patented article, the marking defect can be cured by simply starting to mark. The patentee may then capture damages accruing after the date the marking requirement was satisfied. Even patented products intended for export-only may benefit from marking, depending on the target countries.

Only tangible things or their packaging need to be marked to reap the full-damage benefit. To this end, marking is not required if the patent is directed to a process or method, simply because there is nothing tangible to mark. Thus, damages for the infringement of patented methods and processes may be obtained regardless of the infringer's notice of the patent. However, if the patented method or process produces a tangible product (e.g., pill or integrated circuit), then it is prudent to mark that product accordingly, especially if the patent claims both a method of making the product as well as the product itself, which is a common patenting strategy. In any case, if the patentee is suing for infringement of a product claim, then proper patent marking is required prior to any sales, marketing, or other such commercial activity to recover full damages. Otherwise, the patentee will not be able to capture pre-notice damages, even if successful in proving infringement.