Virtual Patent Marking

October 26, 2021
Meet the Speakers

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Virtual Patent Marking: Agenda

**Topics**
- Patent Marking Requirements
- Virtual Marking: Case Law, Examples, Pitfalls
- Minimizing Liability Risk for False Marking
- Questions

**Housekeeping**
- CLE
- Questions
- Materials

**Indication the Product is Patented**

- "Patent" or "Pat."
- If Possible: On the Product Itself (Including Digital Products)
- If Not: On the Packaging or a Label

**Association Between Product and Patent Number**

- The Patent Number Itself
- URL Linking to a Webpage that Associates Patent Number with the Product

**Product-to-Patent Association**

- AND

**Must mark “substantially all” of the products**

Marking must be “substantially consistent and continuous”
Virtual Marking: Case Law, Examples, Pitfalls

**DO:** Mark the product itself whenever possible, even if the product is virtual
  - Patent numbers in software code and accompanying documentation were inadequate when a “tangible item,” like a webpage, could be marked

**DO:** Make it easy to find the marking webpage, ideally provide direct URL
  - Mark with URL of company homepage inadequate when user had to navigate to patents webpage containing a “15x4 cell datasheet listing numerous patents”
Virtual Marking: Case Law, Examples, Pitfalls

**DO:** Associate the particular patented product with particular patent(s)
  - Marking by product category inadequate (here “LCD display patents”)
  - “[I]t is the [required] function of the website to associate the patent and the patented article”
  - “Mere direction to a general website listing patents for all the patentee’s products does not create this same association…[i]t merely creates a research project for the public”

**DO NOT:** Simply list every patent on a webpage
  - Effectiveness of website requiring navigation from homepage to “Patents and Trademarks” page with >100 patents is “an intriguing issue”
Virtual Marking: Case Law, Examples, Pitfalls

Example webpages from *Mfg. Res. Int'l v. Civiq Smartscape, LLC*

**MRI LCD Display Patents**

<table>
<thead>
<tr>
<th>App. No.</th>
<th>Title</th>
<th>App Date</th>
<th>Grant Date</th>
<th>Patent No.</th>
<th>Country</th>
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<tbody>
<tr>
<td>12/787,152</td>
<td>A METHOD FOR DRIVING A COOLING FAN WITHIN AN ELECTRONIC DISPLAY</td>
<td>06/25/2010</td>
<td>04/15/2014</td>
<td>8,700,225</td>
<td>United States</td>
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<td>12/266,749</td>
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<td>11/07/2008</td>
<td>09/13/2011</td>
<td>8,016,492</td>
<td>United States</td>
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<td>13/858,426</td>
<td>APPARATUS AND METHOD FOR ASSEMBLING LARGE ELECTRONIC DISPLAYS</td>
<td>04/05/2013</td>
<td>04/19/2016</td>
<td>9,331,492</td>
<td>United States</td>
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<td>12/124,741</td>
<td>BACKLIGHT ADJUSTMENT SYSTEM</td>
<td>05/21/2012</td>
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<td>01/19/2010</td>
<td>05/09/2014</td>
<td>8,202,868</td>
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</tbody>
</table>

**Association by Product Category, Not Specific Product**

“products are covered under one or more of the following patents”

**Simply listing all patents that could possibly apply to a product...merely creates a research project for the public.”**

~14 Pages of Patent Numbers

>20 Patents Listed
Virtual Marking: Case Law, Examples, Pitfalls

Marking must be “substantially all” and “substantially consistent and continuous”

- **DO:** Have a formal marking program, and document its implementation
    - Held “substantially consistent and continuous” because
      - Virtual mark linked directly to marking webpage
      - Engineering and assembly drawings showed the mark
      - The website had operated since relevant date
      - CEO testified that virtual mark was consistently applied to substantially all products

- **DO:** Work with licensees and manufacturers to ensure the marking program is consistently followed
    - “[Plaintiff] implicitly authorized third-party manufacturers to sell hardware with [software product] installed, and the absence of marking on the patented combination precludes [Plaintiff]'s pre-suit recovery.”
Virtual Marking: Case Law, Examples, Pitfalls

Example webpage from Asia Vital Components Co. v. Asetek

URL: http://asetek.com/company/patents/

Marked with “pat. www.ip-mark.com”; URL redirected to virtual marking webpage

Navigation
Home / Company / Patents

Specific Product → Patent Numbers
Virtual Marking: Application to Common Practices

Common Practices from 2014 USPTO Virtual Marking Report

• Website listing each product’s model identifier and the patents associated with that model identifier
  – Probably effective, especially if the website is searchable or there is a reasonable number of products

• Website listing only the patent numbers, without any model identifier
  – Probably not effective, and creates false marking risk especially if unpatented products are marked

• Website listing different product types with their associated patent numbers
  – Fact-dependent. Might be effective, but not always (see Mfg. Res. Int’l)

• Website listing the patent numbers with the associated Universal Product Code (UPC) of the product
  – Possibly effective, although the marking statute language suggests associating the product with a patent, not a patent with products
Virtual Marking: Application to Common Practices

• Website listing the patent numbers and hyperlinks to PDF documents of the patents associated with the product
  – Listing patents without product association is ineffective
  – Linking to patent document is not required by the statute

• Website listing the patent numbers according to any of the above configurations, with or without information indicating when the listing was last updated
  – Case law requires substantially consistent and continuous marking
  – For virtual marks, a routine update program (with indications on the website) can help meet this requirement and create evidence of continuous marking
Virtual Marking: Application to Common Practices

- **UNSETTLED**: How to treat timing mismatches between patent issuance and marking for virtual marks
  - If a product is marked with “Patent Pending: www.url.com/pat”, and the virtual mark is updated to reflect an issued patent, is that effective?
  - If a product launches before a patent issues with “Patent: www.url.com/pat” or “Pat. www.url.com/pat” and the virtual mark accurately reflects the patent pending status, is that a false marking risk?
    - What if the mark is “Patent Information: www.url.com/pat”?
  - Safest option may be to wait until the first patent issues before updating the physical marking
Minimizing Liability Risk for False Marking in USA

35 U.S.C. § 292

**False Mark**
- “[T]he article in question is not covered by at least one claim of each patent with which the article is marked”
  - Clontech Labs., Inc. v. Invitrogen Corp., 406 F.3d 1347, 1352 (Fed. Cir. 2005)
- Exception for expired patents in § 292(c)

**Intent To Deceive Public or Counterfeit**
- “[T]he combination of a false statement and knowledge that the statement was false creates a rebuttable presumption of intent to deceive the public”
  - Pequignot v. Solo Cup Co., 608 F.3d 1356 (Fed. Cir. 2010)
- “The bar for proving deceptive intent here is particularly high, given that the false marking statute is a criminal one”

**Proper Plaintiff**
- U.S. Government, for false marking penalties of up to $500 per article sold, or
- Competitor, for competitive injury

- Improper association could pose false marking risk, e.g. virtual marks listing all patents
- No statutory exception for invalidated or narrowly-constrained patents
- Mitigate with good faith belief that action is appropriate and taken for purpose other than deceiving public
- Marketing materials carry false marking risk
- Penalty enforcement limited to federal government in 2011
- Claim for competitive damages can arise as counter-claim to infringement
Solo Cup: False Marking Before America Invents Act

- Plaintiff sought up to ~$10 trillion in penalties for marking expired patent numbers on disposable plasticware
  - Solo Cup Co. conceded the facts
  - Asserted it had no intent to deceive public
  - District court found no intent to deceive and granted summary judgment for Solo Cup Co., and Federal Circuit affirmed

- “[A] good faith belief that an action is appropriate, especially when it is taken for a purpose other than deceiving the public, can negate the inference of a purpose of deceiving the public”
  - Advice of counsel
  - Intent to reduce cost (~$ millions) and business disruption of re-tooling
  - Good faith step of replacing worn out molds with unmarked molds
    - Established program supported by documents
  - “[Solo Cup] provided the consumer with an easy way to verify whether a specific product was covered; the consumer could ‘contact www.solocup.com’ for details.”
    - Unclear whether this is a mitigation for virtual marking program

From Plaintiff’s Exhibit B
False Marking Cases Since the America Invents Act

- Split of authority over which competitor claims survive a motion to dismiss
    - Counter-claim survived motion to dismiss when patentee “chose[] to simply list products as patented without including a patent number” in its advertising
    - This, “combined with the facts suggesting [patentee]’s knowledge of which items were patented, contribute to an inference that [patentee] falsely marked its products with intent to deceive the public.”
    - Required counter-claimant to show causal link between alleged false mark and competitive harm
    - Weight of authority appears to require allegations supporting causal link

- Unsettled, but best practices appear to be:
  - Associating products with patents if virtual marking
    - Mitigates risk of allegation that virtual marks claim patents that do not cover product
  - Not marking products covered by no patents
  - Not marketing products as patented when covered by no patents
  - Removing markings for invalidated patents
  - Documenting good faith efforts to correctly mark products
  - Advice of counsel can be helpful
False Marking in International Markets

- Varies significantly by jurisdiction
- Some other countries have stricter marking statutes
  - For example, some consider expired patents false marking
  - Some have penalties ranging to criminal charges for egregious cases
  - Some will enjoin sales of falsely marked products, or order their destruction
    - For example, the German Act Against Unfair Competition (Gesetz gegen den unlauteren Wettbewerb, UWG) has a provision for preliminary cease & desist orders
Thank you!

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