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PATENT & TRADEMARK MARKING / FALSE MARKING WHITE PAPER

Recent cases and an aggressive plaintiffs' bar have made the patent and trademark marking and false marking statutes particularly important to patent and trademark owners.

Marking is the providing of notice of ownership of patents, patent applications, and trademark registrations.

False marking is the intentional marking of products with a patent number when the product does not lie within the scope of the patent.

Manufacturers must be particularly careful that when meeting obligations of the patent marking that they are not actually committing false marking.

Proper Patent Marking Required to Recover Monetary Damages

35 USC § 287 requires that a product be properly marked in order for a patent owner to receive the full remedies (i.e. monetary damages) from the defendant in patent infringement litigation.

Proper patent marking should include the following marking:

Patent X,XXX,XXX (Where X,XXX,XXX is the patent number); or

Pat. X,XXX,XXX

The marking should be directly on the product. If impossible or impractical, the notice can be placed on a label or packaging.

Failure to provide any notice will limit the damages that can be recovered.

In cases where the proper marking is missing, steps can be taken to provide notice by other means (e.g. a letter giving notice of the patent numbers). The notice may "restart" the calculation of damages.

Care must be taken in confirming that the product being sold is within the scope of the claims of the patent. If the product is not within the scope of the claims, then marking the invention with the patent number is false marking. *Read Below*.

Determining the scope of claims is a difficult proposition and should be done with the consultation of an attorney who is experienced in reading patents and patent claims.

Loren Donald Pearson and the attorneys of Assouline & Berlowe can perform **product marking reviews** to confirm that they fall within the scope of a patent's claims and that the marking is proper. Write to Estefania Ochoa (EO@AssoulineBerlowe.com) to schedule a **product marking review** with Mr. Pearson.

Ask Loren Donald Pearson (LDP@AssoulineBerlowe.com) about the **patent expiration service** to prevent expired patents numbers from remaining on products.

Patent Pending

There is no requirement to mark an invention as patent pending. However, most applicants still mark their inventions to warn competitors and notify customers.

An invention covered by a patent application should include the following marking:

Patent Pending

Patent Applied for

Such notice is not a predicate to receiving damages.

However, including a "patent pending" notice can warn competitors that a patent may issue ultimately. This can discourage competition or encourage a license. The notice also suggests that the manufacturer is receiving advice from an attorney and that the manufacturer is policing its intellectual property rights.

In addition, many manufacturers receive a marketing benefit by marking that their invention is "patent pending." Doing so suggests that the product is innovative and proprietary.

It is proper to mark inventions that are within scope of provisional patent applications as well as non-provisional patent applications as "patent pending".

Care must be taken to confirm that a product is within the scope of the claims of the application. Being within the scope of the claims protects the manufacturer from false marking claims.

Loren Donald Pearson and the attorneys of Assouline & Berlowe can perform **product marking reviews** to confirm that they fall within the scope of a patent application's claims and that the marking is proper. Write to Estefania Ochoa (EO@AssoulineBerlowe.com) to schedule a product marking review with Mr. Pearson.

If a potential infringer of a patent application is identified, a registered patent attorney should be contacted. The application owner should consider paying for immediate publication to establish provisional patent rights under 35 USC § 154(d). Infringement is also grounds for requesting expedited examination.

For immediate publication, email Estefania Ochoa (EO@AssoulineBerlowe.com) for a consultation with Mr. Pearson.

False Marking Creating Liability of $500 per item Sold

Recent cases have affirmed *qui tam* actions awarding plaintiffs $500 per item sold. The plaintiffs' bar is now driving suits against manufacturer/patent holders.

False marking is a tort caused by improperly marking a product to suggest patent coverage by a patent or patent application.

Penalties

The statute provides for a penalty of $500 per mismarked item sold.

Typical Problems

A manufacturer makes a product and marks it as "patent pending" without ever filing a patent application.

A manufacturer marks a product as "patent pending" but the product does not fall within the scope of the claims.

A manufacturer marks a product as "U.S. Patent No. X,XXX,XXX" but the actual product does not fall within the scope of the claims.

A manufacturer marks as products as "U.S. Patent No. X,XXX,XXX" after the patent has expired. Patents expire due to term, failure to pay a maintenance fee, and by judicial order.

Recent Cases

In *The Forest Group, Inc., v. Bon Tool Co.*, 590 F.3d 1295 (Fed. Cir. 2009), the Federal Circuit awarded $500 per article manufactured in a *qui-tam* (i.e. an undirectly injured party assisting in a public prosecution) lawsuit.

One way of defending against false marking suits is attacking the intent requirement. In *Pequignot v. Solo Cup* (Fed. Cir. 2010) the Federal Circuit held that the presumption of intent

was still valid, but was also rebuttable. This may provide one defense particularly in cases involving false marking after a patent has expired.

The Federal Circuit recently affirmed the existence of *qui-tam* cases in Stauffer v. Brooks Brothers, Inc. v. United States (Fed. Cir. 2010)

Preventing false marking

Include a system to notify manufactures of the expiration of patents so notice may be removed. Contact Mr. Pearson (LDP@AssoulineBerlowe.com) to subscribe to the **patent expiration service**.

Confirm as patents issue that the manufactured item falls within the scope of at least one of the claims of the patent before marking the product.

Confirm that a patent application has been filed before the item is sold. If necessary, file a provisional patent application to generate a filing date. The provisional patent application should include at least one broad claim to guarantee that the manufactured product falls within the scope of the invention.

Write to Estefania Ochoa (EO@AssoulineBerlowe.com) to schedule a **product marking review** with Mr. Pearson.

Competitors with False Marking Liability

Competitors' products should be reviewed for false marking. Even if a false marketing claim is not used, the claim can be used as leverage in other negotiations.

Law

35 USC 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 fixing 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. (Emphasis added.)

35 USC 292 False marking.

(a) Whoever, without the consent of the patentee, marks upon, or affixes to, or uses in advertising in connection with anything made, used, offered for sale, or sold by such person within the United States, or imported by the person into the United States, the name or any imitation of the name of the patentee, the patent number, or the words "patent," "patentee," or the like, with the intent of counterfeiting or imitating the mark of the patentee, or of deceiving the public and inducing them to believe that the thing was made, offered for sale, sold, or imported into the United States by or with the consent of the patentee; or Whoever marks upon, or affixes to, or uses in advertising in connection with any unpatented article the word "patent" or any word or number importing the same is patented, for the purpose of deceiving the public; or Whoever marks upon, or affixes to, or uses in advertising in connection with any article the words "patent applied for," "patent pending," or any word importing that an application for patent has been made, when no application for patent has been made, or if made, is not pending, for the purpose of deceiving the public - Shall be fined not more than $500 for every such offense.

(b) Any person may sue for the penalty, in which event one-half shall go to the person suing and the other to the use of the United States.

Trademark Marking

A registered trademark should be marked to guarantee that the maximum damages can be collected in case.

Proper Marking of a Registered Trademark:

Registered in U. S. Patent and Trademark Office

Reg. U.S. Pat. & Tm. Off.

®

(R)

For goods, the notice should be place on labels and/or packaging. For goods, the notice should be placed on promotional materials, advertisements, and signage.

False Trademark Marking effect on Trademark Prosecution

Marking a specimen in a trademark as being registered before the application has been registered will render the specimen unusable to show use.

Absence of Registration Notice

Not including a registration notice will limit the amount of money that can be recovered in a trademark infringement law suit. In some cases, the absence of the notice may prevent recovery completely.

TM or SM

TM stands for trademark, which is used on marks that identify the source of goods. SM stands for service mark, which is used on marks that identify the source of services.

TM and SM have no statutory significance. Whenever a registration is owned, ® is preferred.

TM and SM are often used to indicate ownership of an unregistered mark. Users of marks can create common-law trademark rights by using a mark even without ever filing a trademark application. Using TM and SM to identify such marks suggest to customers and competitors that the business considers the given mark to be proprietary. TM and SM suggest that the owner may enforce its common-law trademark rights.

TM and SM should be used to identify state trademarks. Using ® to identify a state trademark registration is inappropriate.

TM and SM should be used on marks that have not yet been registered. Unregistered marks may be pending in the Trademark office or may never have been applied for. Using TM and SM will discourage competitors from using similar marks and will help the user to be an exclusive user of the mark.

Contact for more Information on False Marking

Contact Assouline & Berlowe, P.A. to schedule a consultation with Loren Donald Pearson regarding your businesses marking and/or false marking issues:

Loren Donald Pearson is a Registered Patent Attorney and Florida Bar Board Certified Intellectual Property Attorney. He is a partner at Assouline & Berlowe, P.A. and manages the firm's intellectual property group. Mr. Pearson has over fifteen (15+) years experience helping businesses identifying, registering, and policing their intellectual property.

Law

15 USC §1111. Notice of registration; display with mark; recovery of profits and damages in infringement suit

… [A] registrant of a mark registered in the Patent Office, may give notice that his mark is registered by displaying with the mark the words "Registered in U. S. Patent and Trademark Office" or "Reg. U.S. Pat. & Tm. Off." or the letter R enclosed within a circle, thus (R); and in any suit for infringement under this Act by such a registrant failing to give such notice of registration, no profits and no damages shall be recovered under the provisions of this Act unless the defendant had actual notice of the registration.