

Have You Marked Your Products?

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Good news — you got a patent that covers your best-selling product. You might think that you have taken all the essential steps to safeguard your invention with your patent. But to collect the maximum amount of damages from those who may be infringing your patent, you would need to give proper notice of your patent. One of the best ways to provide notice is by properly marking any product covered by a patent with the patent number — a practice called patent marking.

Benefits of patent marking. The benefits of marking products with patent numbers that cover the products are twofold. Marking patented products gives competitors and would-be infringers actual notice of the existence of the patents that the patent owner believes cover the product so that they may avoid inadvertently infringing the patents. A common business intelligence practice is to acquire your competitors' products. If one of those products has a patent number marked on it, then at the very least, the competitor should have all of the information necessary to investigate whether their competitive product will infringe that patent and to avoid infringement through a design-around if necessary.

Marking patented products also allows the patent owner to collect past damages from any infringer in patent litigation. Past damages refers to the amount of damages from the initiation of the infringing activity (or the six-year statute of limitations, whichever is less) up to the date that actual notice is provided, such as when the patent owner files and serves a complaint for patent infringement. While patent infringement occurs whether an infringer knows about the patent or not, damages can only be collected from infringers once they have actual or constructive notice of the patent. Marking is one way to provide notice. While notice could also be provided through a cease-and-desist letter, that requires the patent owner to both know of the infringer and know of the infringing activity.

If no actual notice is provided and products covered by the patent have been sold but not marked, then a patent owner can only collect damages for infringing activity from the date the complaint was filed going forward, but not for any infringing sales before the filing of the complaint. Patent owners who fail to mark their products fail to put the public on notice of the patent(s) that cover the product. Thus, when another entity infringes that patent without notice, society

gives the benefit of the doubt to the accused infringer and deems the patent owner as having given up their rights to collect damages prior to actual notice.

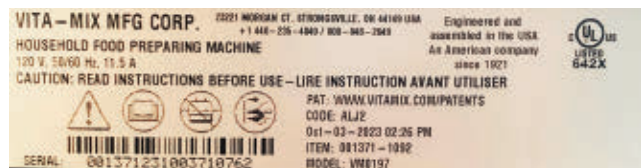
How to mark. There are several ways to properly mark products. The first is through physical marking of the product itself. This method requires marking the product with the term “Patent” or “Pat.” followed by the patent number. This information could be molded into the surface of the product itself. Alternatively, it could be included on a label that is affixed to the product. The benefit of using a label is that, as new patents issue and old patents expire, manufacturers can easily change the label to ensure it is up to date. If it is not feasible to mark the product itself with the patent number, then the same information should be affixed to the product's packaging.

Alternatively, patent owners can stamp on the product (or packaging if marking the product is not feasible) a URL for a webpage that lists all of the patents that cover a company's product (Figure 1). That webpage would then have a list of the company's products and the patents whose claims cover the products. This is called “virtual marking.” Companies that decide to utilize virtual marking must make the webpage accessible to the public, cannot require a click-through agreement or fee, and must make the process as straightforward as possible. The advantage of virtual marking is that the product never needs to change as the company's patent portfolio does and a website is more readily kept up to date.

Require licensees to mark. Patent marking applies to both patent owners and those who license the patents. If a licensee fails to mark the products, a patent owner may be unable to collect past damages for infringement prior to actual notice of the infringement the same way as if the patent owner had failed to mark their own products. Because of this, patent owners should require marking in their license agreements and then follow up to ensure the licensee is complying.

False marking. Companies should be aware that wrongly associating a patent number on a product could result in adverse consequences. Marking a product with the wrong patent number or marking “patent pending” when there is no such patent application risks a \$500 fine for each offense (*i.e.*, for each product wrongly marked). But only persons who have suffered a “competitive injury” are entitled to bring a claim, and must show that the article was marked with the intent of counterfeiting or deceiving the public.

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▲ Figure 1. A product can have a virtual marking such as the one shown above.