

Intellectual Property Newsletter

Fall 2009

Volume 2, Issue 3

FIRM NEWS

SUPER LAWYER ANNOUNCED

Congratulations to attorney George H. Solveson who has been selected to be included in the 2009 *Wisconsin Super Lawyers* list. *Super Lawyers* is a listing of the most outstanding lawyers in the state who have attained a high degree of peer recognition and professional achievement.

George H. Solveson has extensive experience in intellectual property litigation, having litigated cases for a wide variety of clients in numerous Federal Courts across the country. Mr. Solveson is admitted to practice before the Wisconsin Supreme Court, numerous federal district and appellate courts, the U.S. Supreme Court, the U.S. Court of Appeals for the Federal Circuit and the U.S. Patent and Trademark Office.

RISING STARS ANNOUNCED

Congratulations to attorneys Joseph D. Kuborn, Aaron T. Olejniczak, Peter T. Holsen and Benjamin R. Imhoff who have been selected for inclusion on the 2009 *Wisconsin Rising Stars* list featuring outstanding young attorneys in the state of Wisconsin.

Joseph D. Kuborn counsels clients regarding all areas of intellectual property law. Mr. Kuborn has worked with a wide variety of technologies, including medical devices, RF technology, wireless communication devices, computer software and hardware, plastic film handling, home heating system controls and car wash operational controls.

Aaron T. Olejniczak specializes in patent litigation and is registered to practice before the Supreme Court of Wisconsin, the Eastern and Western District of Wisconsin, the U.S. Court of Appeals for the Federal Circuit and the U.S. Patent and Trademark Office. Mr. Olejniczak also counsels clients in obtaining, protecting and advancing their intellectual property rights.

Peter T. Holsen counsels clients regarding all areas of intellectual property law. He helps clients acquire, license and enforce domestic and international patents and trademarks, provides expert opinions regarding patent and trademark availability and infringement, and drafts and negotiates technology transfer and license agreements.

Benjamin R. Imhoff focuses his practice on domestic and international patent and trademark prosecution and enforcement. Mr. Imhoff's experience includes working in the medical technology field, specifically with patient monitoring and therapy devices and systems as well as hospital data and communication networks. In addition, Mr. Imhoff is experienced in ICANN domain name dispute resolution.

Considerations for Effective Patent Marking

By Ryann H. Beck and Peter T. Holsen

Understanding how and when to properly mark patented products is an important part of proactive patent portfolio management. Although federal law does not require patentees to mark patented products in order to enforce their exclusive rights, there are significant legal and commercial motivations for doing so. Patent marking can help prevent third party infringement, maximize potential damages in the event that infringement does occur, and add value to a patent.

When developing an effective marking program for your business, consider the desired benefits of your marking program, the requirements for properly marking your products, and the costs associated with program maintenance.

Benefits of Marking

Potential benefits of a properly executed patent marking program include higher damage awards, increased bargaining power for settlement or licensing, and elimination of the need for actual notice in the event of infringement. Unfortunately, many patent holders do not give adequate consideration to the issue of patent marking until it is too late to fully capitalize on the

benefits that accompany proper patent marking.

The federal patent marking statute establishes that patent owners may recover damages for infringement that occurs up to six years prior to an infringement action while a patent is properly marked. Meanwhile, patent owners that fail to properly mark their patented products may only recover damages for infringement that occurs after the infringer is notified of potential infringement—e.g. through a cease and desist letter. Thus, whether a patent owner has complied with the marking statute has a significant effect on the damage amount that can be recovered in an infringement action.

Proper Marking

By law, the mark must include the word "Patent" or "Pat." followed by the applicable patent number. It is also acceptable to use language such as "covered by one or more Patents:" followed by a listing of applicable patent numbers. Such marking is commonly used on products that are covered by a group of patents. The mark must be legible and unconcealed; however, consideration may be given to the use and

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Effective Patent Marking

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wear of an article, such that it would be proper to place a mark in a location that is less visible, yet would not be covered up or worn off in the course of normal use of the article.

Courts take a practical, common-sense approach to determining whether a patentee has complied with the marking statute. If marking a product is not feasible (i.e. the product is too small to be legibly marked or does not have a surface that is capable of being marked), the marking requirement can be satisfied by including the information on a label affixed to the product or on the products' packaging. Further, it is recognized that there is a point where marking an article itself becomes too costly to be considered feasible; in that instance, marking the packaging is sufficient. One caveat: if a patent owner places any writing or label on a product, the patent owner is best advised to include the patent mark as well because courts have generally been unwilling to accept arguments that marking an article is not feasible if any writing at all appears on the article.

Of course, the marking requirement only applies to the extent that there is a tangible product to mark. Thus, patentees that do not make or license any product covered by their patent, or owners of patents with only method claims, may recover damages for infringement that occurs starting the date the patent issues. It should be noted that apparatus claims pertaining to software do require marking. In general, owners of software patents containing any non-method claims can comply with the marking statute by placing the patent number on the packaging or delivery device (e.g. a website, a compact disc, etc.).

A marking program is only effective if substantially all articles covered by a patent are marked consistently and continuously in a manner that is compliant with the aforementioned rules. A non-compliant marking program will have the same legal effect as having no marking program, and damages will not be recovered for infringement that occurs while a patent was mismarked. Thus, in order to justify the cost of a marking program, efforts should be made to continually evaluate and maintain the program's statutory compliance. Additionally, marking program maintenance

requires that patent owners make a reasonable effort to ensure that licensees also comply with the marking statutes. For example, patent owners are typically expected to contractually require licensees to mark and to monitor licensees' compliance.

An Appropriate Marking Program

Patent marking can be expensive. Some of the costs associated with a patent marking program are the costs of affixing the mark, the cost of maintaining a current list of articles covered by each patent, and monitoring licensees for marking compliance. Further, falsely marking a product can be costly. Patent owners who mark products with expired or inapplicable patent numbers, or those who falsely mark a product with "patent pending," can be exposed to liability for patent marking misuse, which carries fines up to \$500.00 per offense.

While proper marking can be a wise investment, the cost of instituting and maintaining a proper marking program may not be justified for every patent. Patent owners might want to consider a marking strategy that targets select aspects of their patent portfolio. One approach is to selectively mark patents that the patentee is willing to enforce with infringement action, that are highly marketable to licensees, or that cover groundbreaking material.

International Considerations

Most countries worldwide have similar patent marking rules to those in the U.S. However, patentees are wise to examine the marking statutes of all countries in which they hold patents because the policy details do differ. Notably, each country has its own standard for the content of the mark. Further, countries place varying legal significance on marking. For example, marking has greater significance in Mexico, where marking is not only a prerequisite for damages, but also for obtaining a preliminary injunction. In contrast, marking is less significant in both Canada and Japan, where marking is not a prerequisite for obtaining damages.



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