

To Mark or Not to Mark? U.S. Patent Holders Should Take Time to Carefully Consider Their Patent Marking

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It's never a bad time for companies holding U.S. patents to assess their patent marking strategy and compliance. Patent marking is often neglected or relegated to the marketing team, but it shouldn't be. Whether what and how you mark products and advertise goods as patented or patent pending can have serious implications.

There are two statutes in the Patent Act devoted to this topic. One encourages proper marking, while the other discourages *improper* marking.

I. Encouraging Proper Marking (Failure to Mark)

Marking products with the patent number(s) covering them serves a notice function encouraged by statute. Specifically, 35 U.S.C. §287 can limit the damages period available for infringement of a patent where an owner or licensee of the patent failed to mark products they sold that were covered by the patent. Infringement damages are typically available six years back from the date the suit is filed, assuming the patent rights and the infringement date back that far. But if patent marking was required and not performed, that period is truncated before the date upon which the plaintiff gave the defendant actual notice of infringement of a particular patent by a specific product. Often, this actual notice date is the date the suit was filed.

There are many nuances under this oft-litigated section of the Patent Act, and courts don't align on the answer to every related question. Method claims are generally immune to the marking requirement; however, courts have truncated the damages window for entire patents over a failure to mark where apparatus or system claims are asserted in addition to method claims—even where the apparatus or system claims were later dropped. The failure to mark is specific to a patent, not a patentee. Of course, if a patent has never been licensed or practiced by any of its owners, the marking requirement is not triggered.

However, the statute would still apply to a non-practicing entity that obtained the patent from a practicing entity that failed to mark. Courts differ on the diligence required to monitor and enforce marking by licensees, but a failure to require marking or monitor it at all will also trigger the statute.

Generally, a good-faith effort to comply with the statute will suffice. If a product presents adequate space, the product itself should be marked. If not, the marking may be included conspicuously on the product packaging.

Marking simply in advertisements or on a webpage where the product is sold typically will not do.

The marking should either include the patent number(s) or an indication that the product is patented, along with a website URL that identifies the relevant patent(s). This "virtual marking" is typically preferred because the patents covering a product may change over time. There are many varieties of patent marking websites and examples can be found by searching "patents" or "intellectual property" on corporate website homepages to find the correct hyperlink. Some favor over-inclusion, while others are very specific about which patents cover which products. We do not endorse any particular format here because it is a decision that can have many implications and should be made on a company-by-company basis after consultation with counsel.

II. Discouraging Improper Marking (False Marking)

While the Patent Act encourages marking of patented products, it penalizes the advertisement or marking of products as patented or “patent pending” when that is not so. This “false marking” is controlled by 35 U.S.C. §292. Whether a patent actually covers a product involves legal questions of claim interpretation made by a court, and the false marking statute is not triggered where companies get this wrong based on a reasonable belief that a patent covers a product. The statute requires some level of purposeful intent to deceive the public. However, courts have inferred this intent where the patentee should have known the marking was false.

The obvious example of a violation is when a company claims some product or process is patented or “patent pending” when there is no patent or application at all.

Though there is no requirement to mark processes (*i.e.*, method claims, as discussed above), it is a statutory violation to claim a process is patented when it is not. Another common violation is for a company to claim something is “patented” when there is only a patent application pending. You must wait for the application to be issued before converting a tagline from “patent pending” to “patented,” and only if you reasonably believe that the issued claims cover the product or process.

At least one court has found that these terms imply the existence of U.S. patents or applications and found that a company committed false marking by advertising products sold in the U.S. as “patented” based only on foreign patents.

Though the government can pursue a false marking claim, it seldom does so.

However, competitors may state a private right of action under the false marking statute by alleging a competitive injury (*e.g.*, lost sales) resulting from the false marking. While it may be difficult to prove, it is certainly plausible that claiming your device is patented would harm your competitor’s ability to sell a similar device. Indeed, that is generally the point of making the statement in the first place. If proven, false marking harm can be significant.

Closing Thoughts

Avoiding false marking is merely a matter of knowing and adhering to the basic rules. Determining whether to mark a particular product with a specific patent is a more complex decision. Marking a product with a patent is an admission that the product practices the patent, which may have claim construction or other implications in patent litigation, and is not a decision that should be relegated to marketing.

Consider having a panel that includes patent counsel make these decisions and review existing marking claims periodically.

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If you have questions about patent marking, want a review of your present marking procedures, or need help developing some, please contact Mike Turner or your NGE attorney.

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