Clear skies overhead, patent marking protects well, innovation blooms

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"Patent marking" is the practice of labelling a product to provide notification that it is protected by one or more patents.

From a public perspective, it serves three related purposes: avoiding innocent infringement; encouraging patentees to give notice to the public and aiding the public to identify whether an article is indeed patented. (Nike, Inc. v. Wal-Mart Stores, Inc., 138 F.3d 1437, 1998, p. 1443).

From a patent holder's perspective, patent marking puts the public on notice that the product is protected by one or more patents, which can deter potential infringers from copying the invention without permission. Additionally, it can help establish that an infringer had knowledge of the patent, which can be important in determining damages in an infringement lawsuit. Indeed, in some jurisdictions, and in particular the United States, proper patent marking serves as notice to an infringer, thereby allowing a patent owner, when suing an infringer, to demonstrate earlier infringement, which may result in higher monetary damages in a patent infringement lawsuit. The ability to establish higher potential damages may also provide for an improved negotiation position in discussions vis-à-vis a settlement or a potential sale.

As such, patentees who make, offer for sale, sell, or import any article covered by a patent would be well advised to mark a patented article. Patentees should also require their licensees to do the same and monitor licensee products to ensure the licensee complies with the marking requirements.

United States

Current U.S. case law suggests that marking should only be required when a commercial product is covered by a product (apparatus/system) claim. In cases where there are only method and/or process claims in a patent, the courts have generally indicated that there is no marking requirement.

Properly marking patented products at an early stage can have a significant positive impact on the calculation of damages, since such calculation takes into account damages accrued only after an infringer received either "constructive" or "actual" notice of the alleged infringement.

This can be done by physically affixing a notice to the product if possible, or by including the notice in packaging or advertising materials. The notice should typically include the word "patent" or the abbreviation "pat." and the number(s) of the applicable patent(s).

Marking can also help enhance damages for past infringement, as the patent statute provides for enhanced damages and attorney fees in cases where an infringer has actual notice of the patent.

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Not marking or incorrectly marking a product directly affects available remedies. Indeed, the patent marking statute 35 U.S. Code § 287 provides that a patent owner is required to mark their products that are covered by one or more patents with the appropriate patent numbers:

"… 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 can not be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. …"

Although patent marking is not required by law, 35 U.S. Code § 287 further encourages patent holders to give public notice of a patented article through physical application of the patent number to the article by providing:

"… 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."

It is worth noting that marking a product with a patent that does not cover the product, without the consent of the owner or marking the product as patent pending when there is no patent pending may create liability for false patent marking. As a result, ensuring patent marking is accurate is an important feature of any patent marking practice. Marking a product with an expired patent, however, is not considered false patent marking thanks to amendments made to the marking statute in 2011.

Also of note, once marked, a patent owner's marking must be "substantially consistent and continuous." (Nike, Inc. v. Wal-Mart Stores, Inc., 138 F.3d 1437, 1998, p. 1446)

Virtual Patent Marking

The patent marking statute additionally provides that notice to the public may be given that a product is patented:

"…by fixing thereon the word "patent" or the abbreviation "pat." together with an address of a posting on the Internet, accessible to the public without charge for accessing the address, that associates the patented article with the number of the patent, or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice."

A URL suitable for patent marking would reference a page which lists the patent(s) in question cross-referenced with at least one representative product and representative product numbers, for example. Images of the representative products are sometimes also included. A typical URL is www.widget.com/patents. Currently, it is not recommended to use other machine readable types of markings such as bar codes or QR codes.

Europe

The European Patent Convention (EPC) itself does not require marking. The EPC is also silent as to the ramifications of marking or not, and the question can really only be answered on a country-by-country basis.

In the United Kingdom, for example, damages cannot be awarded or an order for accounting of profits cannot be made against an innocent infringer (see UK Patent Act, subsection 62(1)). Of note is that the onus is on the infringer to prove their innocence, i.e., that at the date of the infringing act they were not aware, and had no reasonable grounds for supposing, that the patent (or published application for a patent) existed. As such, correctly marked products that put the public on notice of the patent may be used as a barrier to an infringer attempting to claim ignorance of the existence of

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the patent. Of note is that the United Kingdom also provides for virtual patent marking, provided it is accessible to the public free of charge and it clearly associates the product with the number of the patent.

In view of the above, however, marking products in Europe in order to put the public on notice of the patent or to establish that an infringer had knowledge of the patent may prove beneficial.

Canada

In Canada, patent marking is not required by law, meaning that it is not mandatory for a patent owner to mark their products or processes to indicate that they are protected by one or more patents, and the Supreme Court has confirmed that the fact that the public is notified by the marking of patented products should not be used to calculate damages. Regardless, there are some situations where a patent owner may choose to mark their products or processes in order to put the public on notice of the patent or to establish that an infringer had knowledge of the patent. However, care should be taken to ensure correct marking. Indeed, paragraph 75(1)(b) of the *Patent Act* provides that every person is guilty of an indictable offence and is liable to a fine of not more than? $200 or to imprisonment for a term of not more than three months, or to both, who with intent to deceive the public, offers for sale as patented in Canada any article that is not patented in Canada.

Industrial Design

In Canada, the law of marking related to industrial designs differs from that of patents. As seen above in regard to patents, marking effectively plays no role in the determination of compensation for infringement. With designs, however, marking can be a key factor in establishing monetary damages. Indeed, subsection 17(1) of the *Industrial Design Act* provides a defence to a finding of infringement in that, if the infringer can “establish” that they were not aware that the design was registered, the most the plaintiff can be awarded is an injunction.

On the other hand, subsection 17(2) of the *Industrial Design Act* provides that if the plaintiff “establishes” that the articles or their packaging were marked to indicate that they are the subject of a registered industrial design, the infringer cannot take advantage of the defence of subsection 17(1) of the *Industrial Design Act*. The statute is particular, and it is important to mark items covered by the design correctly. In particular, the items must be marked with the capital letter “D” in a circle and the name, or common abbreviation, of the current owner of the design, for example ? Widget Ltd. Of note is that the design mark can be on the articles or the labels or packaging associated with the article.

In summary, patent marking is an important aspect of patent law that allows the public to know that a product or process is protected by one or more patents, and also serves as a tool for patent owners to deter infringement, establish knowledge of the patent and collect damages for past infringement.

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