
Note

Defining Unpatented Article: Why Labeling Products with Expired Patent Numbers Should Not Be False Marking

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Many of the products and packages that we use every day are marked with a patent number: shampoo bottles, tools, cigarette lighters, coffee cup lids, pharmaceuticals, even food.¹ Recently, many lawsuits have been filed asserting that products such as these are falsely marked because the patent referred to is expired.² In each of these cases, the plaintiff seeks a large award, in the millions or billions of dollars.³

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1. *E.g.*, High Performance Color-Depositing Shampoo, U.S. Patent No. 6,500,413 (filed Apr. 12, 2000); Liquid Gas-Operated Lighter, Particularly Pocket Lighter, U.S. Patent No. 4,496,309 (filed Mar. 18, 1992); Oral Sustained Release Acetaminophen Formulation and Process, U.S. Patent No. 4,968,509 (filed Jan. 19, 1989); Lid for Drinking Cup, U.S. Patent No. 4,589,569 (filed Aug. 22, 1984); Calorie-Free Sweetener Without Sourness, U.S. Patent No. 3,946,121 (filed Aug. 8, 1974).

2. *See, e.g.*, *Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790, 792 (E.D. Va. 2009), *aff'd in part and vacated in part*, 608 F.3d 1356 (Fed. Cir. 2010); *Staufner v. Brooks Bros., Inc.*, 615 F. Supp. 2d 248, 250 (S.D.N.Y. 2009), *rev'd*, Nos. 2009-1428, 2009-1430, 2009-1453, 2010 WL 3397419 (Fed. Cir. Aug. 31, 2010); Amended Verified Complaint at 5, *Brinkmeier v. Graco Children's Prods., Inc.*, 684 F. Supp. 2d 548 (D. Del. 2010) (No. 09-cv-00262-JJF), 2010 WL 2519463; Verified Complaint at 3-4, *Brinkmeier v. BIC Corp.*, No. 09-cv-00860-SLR (D. Del. Nov. 13, 2009), 2009 WL 4899522; Complaint for False Patent Marking at 9, *Pub. Patent Found., Inc. v. McNEIL-PPC, Inc.*, No. 09-cv-05471 (S.D.N.Y. June 15, 2009), 2009 WL 5000584 [hereinafter *McNEIL Complaint*]; Complaint for False Patent Marking at 4, *Pub. Patent Found., Inc. v. Cumberland Packing Corp.*, No. 09-cv-04360-MGC (S.D.N.Y. May 6, 2009), 2009 WL 3121111 [hereinafter *Cumberland Complaint*]; *see also* Dionne Searcey, *New Breed of Patent Claim Bedevils Product Makers*, WALL ST. J., Sept. 1, 2010, at A1; McDonnell, Boehnen, Hulbert & Berghoff, LLP, *Cases: District Court*,

The “false marking statute,” § 292(a) of the Patent Act, states, in part, “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 that the same is patented for the purpose of deceiving the public . . . [s]hall be fined not more than \$500 for every such offense.”⁴ In many of the recent false marking cases, the plaintiffs are not asserting any individual harm; rather, they are taking advantage of a *qui tam* provision in the false marking statute that allows any person—even one uninjured by the violation—to sue and collect a proportion of the penalty.⁵ If the plaintiff is successful, one-half of the award goes to the person suing and the other half to the United States.⁶

Traditionally, cases brought under the false marking statute asserted that the product marked with a patent number was never covered by the claims of the patent.⁷ However, more

FALSE PATENT MARKING, <http://www.falsemarking.net/district.php> (last visited Nov. 08, 2010) (compiling a list of the false marking cases currently filed).

3. See, e.g., Memorandum in Support of Solo Cup Company’s Motion to Dismiss for Failure to State a Claim Pursuant to Fed. R. Civ. P. 12(b)(6) at 2, *Solo Cup*, 646 F. Supp. 2d 790 (No. 07-cv-00897) [hereinafter Solo Cup Motion to Dismiss] (noting that plaintiff’s demands for \$500 per article amounted to a claim for more than \$100 billion); see also Matthew Barakat, *Legal Quirk Lets Anyone Sue over Old Patents*, DAILY HERALD (Arlington Heights, Ill.), June 16, 2009, at 1, available at 2009 WLNR 11621736 (discussing a federal court ruling that allows a person to sue on behalf of the government if they have evidence that a company is guilty of false marking).

4. 35 U.S.C. § 292(a) (2006).

5. *Id.* § 292(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.”).

6. *Id.* The award for false marking is up to \$500 per offense. *Id.* § 292(a).

7. Of the thirteen circuit court cases that have been decided, only three involved the issue of marking with expired patents: *Arcadia* and the two most recent decisions, *Solo Cup* and *Stauffer*. *Stauffer v. Brooks Bros., Inc.*, Nos. 2009-1428, 2009-1430, 2009-1453, 2010 WL 3397419, at *3–6 (Fed. Cir. Aug. 31, 2010) (concluding that *Stauffer* had standing to sue for false marking); *Pequignot v. Solo Cup Co.*, 608 F.3d 1356, 1356 (Fed. Cir. 2010) (holding that Solo Cup had falsely marked its products by labeling them with expired patent numbers, but lacked the intent to deceive required for liability); *Forest Group, Inc. v. Bon Tool Co.*, 590 F.3d 1295, 1296 (Fed. Cir. 2009) (holding that Forest Group’s marking of stilts after the district court had construed the patents not to cover the stilts was false marking); *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1350 (Fed. Cir. 2005) (examining whether there was false marking because Invitrogen marked products with multiple patent numbers when not every patent applied to the product); *Boyd v. Schildkraut Giftware Corp.*, 936 F.2d 76, 79 (2d Cir. 1991) (holding that accidental marking with an inapplicable patent number does not constitute false marking); *Arcadia Mach. & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 1125 (Fed. Cir. 1986) (finding no false marking because the errors in labeling were “inadvertent, the re-

recently, noncompetitor plaintiffs have begun bringing cases for violation of the false marking statute against patentees that mark products with the number of a patent that has expired, even though the marked product is covered by the claims of the patent.⁸ A number of recent Federal Circuit decisions have encouraged plaintiffs to bring this type of case.

In the past year, the Federal Circuit greatly increased the potential payoff for plaintiffs bringing false marking claims. In 2009, the court held that each article marked constitutes an “offense” for which a patentee may be fined up to \$500.⁹ By rejecting the interpretation of several district courts that an “offense” meant a decision to mark,¹⁰ the court greatly increased the incentive for plaintiffs to bring suits alleging false marking. Then, in 2010, the Federal Circuit held that, for the purposes of the false marking statute, an article covered by the claims of a patent becomes an “unpatented article” when the patent expires.¹¹ Moreover, the Federal Circuit also held that virtually any consumer has the right to bring an action against a manufacturer for false marking.¹² These decisions have resulted in

sult of oversight, or caused by patent expirations”); *Mayview Corp. v. Rodstein*, 620 F.2d 1347, 1360 (9th Cir. 1980) (remanding to the district court to determine if the defendants had an intent to deceive the public); *Brose v. Sears, Roebuck & Co.*, 455 F.2d 763, 769 (5th Cir. 1972) (determining whether there had been mismarking when the marked article was not covered by the cited patent); *Filmon Process Corp. v. Spell-Right Corp.*, 404 F.2d 1351, 1354 (D.C. Cir. 1968) (finding that Spell-Right had continued to mark its product as patented even though it was no longer using the patented process to make the product); *Santa Anita Mfg. Corp. v. Lugash*, 369 F.2d 964, 968 (9th Cir. 1966) (holding that there was no false marking even though some products were marked with two patent numbers when only one applied); *G. Leblanc Corp. v. H. & A. Selmer, Inc.*, 310 F.2d 449, 460 (7th Cir. 1962) (determining whether the elements of false marking were met when the plaintiff had advertised an article as patented even though no patents had been filed); *Graffius v. Weather-Seal*, 165 F.2d 782, 782–83 (6th Cir. 1948) (affirming the district court’s determination that the article was not marked in a way that implied it was patented and that the defendant had not marked with an intent to deceive the public); *London v. Everett H. Dunbar Corp.*, 179 F. 506, 508 (1st Cir. 1910) (emphasizing that even when an unpatented article is marked as patented an intent to deceive the public is also required for false marking).

8. *E.g.*, Amended Complaint for False Patent Marking at 8, *Solo Cup*, 646 F. Supp. 2d 790 (No. 07-cv-00897), 2007 WL 4885280 (alleging that Solo had marked billions of plastic cup lids with an expired patent number); *McNEIL Complaint*, *supra* note 2, at 6–9 (alleging that McNEIL falsely marked Tylenol® by labeling its packaging with expired patent numbers).

9. *Forest Group*, 590 F.3d at 1304.

10. *Id.* at 1302.

11. *Solo Cup*, 608 F.3d at 1361.

12. *Stauffer*, 2010 WL 3397419, at *4.

an onslaught of lawsuits against manufacturers who mark their products with the numbers of expired patents.¹³

This Note concludes that, in contrast to the Federal Circuit's recent holding, a product once covered by a valid patent that has now expired should not be considered an unpatented article for the purposes of § 292(a). Excluding products covered by expired patents from the definition of "unpatented article" would prevent exploitative litigation and furthers the false marking statute's purpose. Part I describes the history of marking, the purposes of the false marking statute, and the courts' interpretations of the statute. Part II examines the effects on public policy and litigation of treating a product as an unpatented article after its protecting patent has expired. Part III proposes that the Federal Circuit should reverse its recent decisions and hold that a product covered by an expired patent should not be considered an unpatented article under § 292(a).

I. THE DEVELOPMENT OF PATENT MARKING AND FALSE MARKING

The patent false marking statute, § 292(a), prevents marking an "unpatented article" with "the word 'patent' or any word or number importing that the same is patented for the purpose of deceiving the public."¹⁴ The Federal Circuit has recently held that "unpatented article" should encompass not only articles for which a patent has never been issued, but also articles that are covered by the claims of an expired, but once valid, patent.¹⁵ In order to determine if this expanded interpretation of the false marking statute is consistent with its historical application and purpose, the following sections detail the history of the false marking statute, the policy reasons for regulating marking of patented articles, and the ways in which courts have interpreted the statute in prior litigation.

A. THE DEVELOPMENT OF THE FALSE MARKING STATUTE

Congress first introduced the false marking statute in 1842, imposing a penalty on any person marking as patented "any thing . . . [for] which he hath not or shall not have obtained letters patent."¹⁶ The statute also penalized infringers

13. Searcey, *supra* note 2, at A1.

14. 35 U.S.C. § 292(a) (2006).

15. *Solo Cup*, 608 F.3d at 1361.

16. Patent Act of 1842, ch. 263, § 5, 5 Stat. 543, 544.

who had not purchased or licensed the article from the patentee, but nevertheless marked their product as patented with the intent to “counterfeit[]” and with the “purpose of deceiving the public.”¹⁷ Congress revised the false marking statute in 1870 when it updated the Patent Act, again imposing a penalty on any person who marked as patented anything for which “he has not obtained a patent” and on persons who marked with the “intent to imitate or counterfeit.”¹⁸ Congress further extended the penalty to persons who mark “any unpatented article [with] the word ‘patent,’ or any word importing that the same is patented, for the purpose of deceiving the public.”¹⁹ In the most recent major revision to the Patent Act in 1952, Congress codified the false marking statute as 35 U.S.C. § 292, making it an “ordinary criminal action.”²⁰ The House Report described the statute as “relating to falsely marking an article as being patented when it was not patented.”²¹ In its current form, the statute still applies to those who mark articles without the consent of the patentee and also to “[w]hoever . . . marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word ‘patent’ or any word or number importing that the same is patented for the purpose of deceiving the public.”²²

Initially, Congress used the false marking statute to impose a marking obligation, requiring that every patented article be marked with the date the patent issued.²³ Because the term of the patent was measured from the time of issue, this meant that the expiration of the patent was easily discernible from the

17. *Id.*; see also *G. Leblanc Corp. v. H. & A. Selmer, Inc.*, 310 F.2d 449, 459 (7th Cir. 1962) (holding that an intent to deceive the public is a prerequisite to finding a party guilty of false marking). This intent element prevents the false marking statute from creating strict liability for false marking. *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1352 (Fed. Cir. 2005).

18. Patent Act of 1870, ch. 230, § 39, 16 Stat. 198, 203.

19. *Id.*

20. H.R. REP. NO. 82-1923, at 10 (1952), *reprinted in* 1952 U.S.C.C.A.N. 2394, 2403. The most current version of the statute includes amendments made in 1994 as part of the Uruguay Round Agreements Act, but these changes only pertained to the location of the use and sale of the article. Uruguay Round Agreements Act, Pub. L. No. 103-465, § 533(b)(6), 108 Stat. 4809, 4988 (1994).

21. H.R. REP. NO. 82-1923, at 10. The legislative history on record for the statute’s incorporation into the 1952 Patent Act is very sparse. Solo Cup Motion to Dismiss, *supra* note 3, at 9.

22. 35 U.S.C. § 292(a) (2006); see also *Clontech*, 406 F.3d at 1352 (refusing to render the false marking statute a statute of strict liability and maintaining the “intent to deceive” requirement).

23. Patent Act of 1842, ch. 263, § 6, 5 Stat. 543, 544–45.

marking information.²⁴ In 1870, Congress eliminated the marking requirement, replacing it with a statute that incentivized marking by making recovery of damages contingent on marking.²⁵ In its most recent revision in 1952, Congress continued to provide an incentive to mark by requiring that the article be marked as patented in order to satisfy the notice requirement used in calculating damages against infringers.²⁶

When Congress first introduced the false marking statute in 1842, it imposed a minimum \$100 penalty.²⁷ In 1870, it preserved a \$100 minimum penalty “for every such offense.”²⁸ In the most recent major revision to the Patent Act in 1952, the penalty for false marking was changed to a maximum of \$500 “per offense.”²⁹ Due to the inclusion of a *qui tam* provision in the statute, half the penalty imposed on the defendant is taken by the party bringing the action.³⁰

Congress included a *qui tam* provision when it first enacted the false marking statute, stipulating that one-half of any penalty recovered should be paid to “any person or persons who shall sue.”³¹ *Qui tam* is an abbreviation of the Latin phrase *qui tam pro domino rege quam pro se ipso in hac parte sequitur*, which translates to “who as well for the king as for himself sues in this matter.”³² *Qui tam*, or “informer,” actions allow a private person to sue for a penalty, part of which the government re-

24. ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, *PATENT LAW AND POLICY: CASES AND MATERIALS* 59 (4th ed. 2007) (noting that historically the term of a U.S. patent was fixed).

25. Patent Act of 1870, ch. 230, § 38, 16 Stat. 198, 203 (1870).

26. 35 U.S.C. § 287 (2006). A patent holder can only recover damages for infringement from the date it began marking the article or gave adequate notice to the infringer that the article was patented. Preston Moore & Jackie Nakamura, *The United States Patent Marking and Notice Statute*, 22 *AIPLA Q.J.* 85, 90–91 (1994).

27. Patent Act of 1842, ch. 263, § 5.

28. Patent Act of 1870, ch. 230, § 39.

29. *Forest Group, Inc. v. Bon Tool Co.*, 590 F.3d 1295, 1302 (Fed. Cir. 2009). The Federal Circuit’s holding in this case settled a controversy regarding how to define an “offense” for the purposes of 35 U.S.C. § 292. *Forest Group*, 590 F.3d at 1302–03; see also Donald W. Rupert, *Trolling for Dollars: A New Threat to Patent Owners*, 21 *INTELL. PROP. & TECH. L.J.*, Mar. 2009, at 4. The Federal Circuit decided that Congress meant “per offense” to mean per article sold, not to refer to each time a decision to mark was made. *Forest Group*, 590 F.3d at 1302–03.

30. See CHARLES DOYLE, *CONG. RESEARCH SERV.*, R40785, *QUI TAM: THE FALSE CLAIMS ACT AND RELATED FEDERAL STATUTES 5–6* (2009), available at <http://www.fas.org/sgp/crs/misc/R40785.pdf>.

31. Patent Act of 1842, ch. 263, § 5.

32. *BLACK’S LAW DICTIONARY* 1282 (8th ed. 2004).

ceives.³³ Today, the false marking statute is one of only three remaining federal *qui tam* statutes in the United States.³⁴ Like other informer statutes, the false marking statute offers rewards “as a matter of public policy to accomplish outlawing of fraudulent and illegal acts to the public detriment.”³⁵ Historically, the *qui tam* action has almost always been brought by a competitor in the context of patent litigation.³⁶ However, the party bringing the action need not be a victim.³⁷ In *qui tam* suits, the United States—not the plaintiff bringing the action—must have suffered an injury, and the government “is therefore the real plaintiff in the action.”³⁸

As part of the Patent Act, the false marking statute is governed by the Court of Appeals for the Federal Circuit.³⁹ The Federal Circuit applies a four part test to determine if labeling as patented rises to the level of false marking: (1) that a marking imports that the article is patented, (2) that the marking is

33. DOYLE, *supra* note 30, at 1.

34. *Id.* at 4. The other statutes are the False Claims Act, 31 U.S.C. §§ 3729–3733 (2009), and the Indian Protection Provision of 25 U.S.C. § 201 (2006). See DOYLE, *supra* note 30, at 5–8, 21–22.

35. *Calderwood v. Mansfield*, 71 F. Supp. 480, 481 (N.D. Cal. 1947) (refusing to find false marking where metal watch wrist bands were marked with a design patent number that did not cover the product because plaintiff could not demonstrate a purpose to deceive the public).

36. *Brose v. Sears, Roebuck & Co.*, 455 F.2d 763, 766 (5th Cir. 1972) (“As is true in nearly all of the relatively few *qui tam* informer actions brought in the past one and a quarter century this one is used as a weapon in the arsenal of patent litigation . . .”); *Filmon Process Corp. v. Spell-Right Corp.*, 404 F.2d 1351, 1355 (D.C. Cir. 1968) (“That provision is designed to protect the exclusiveness of the use of the invention granted to the patentee. The patentee is given this remedy to protect his patent position, and as a practical matter, the patentee is the only likely enforcer of it, as recovery requires proof that the statements were made without his consent.”).

37. Cf. Christina L. Brown & Taffie N. Jones, *Proposed Legislation Under the Patent Reform Act*, MCDONNELL BOEHNEN HULBERT & BERGHOFF LLP’S FALSE MARKING NOTES & COMMENTS (Mar. 22, 2010), <http://falsemarkingmbhb.typepad.com/mbhbs-false-marking-notes-comments/2010/03/proposed-legislation-under-the-patent-reform-act.html> (describing proposed amendments that would require a false marking plaintiff to have suffered competitive injury); R. David Donoghue, *Patent Reform Act Has False Marking in Its Sites*, CHI. IP LIT. BLOG (Apr. 23, 2010), <http://www.chicagoip litigation.com/2010/04/articles/legal-news/patent-reform-act-has-false-marking-in-its-sites/> (same).

38. *United States ex rel. Hall v. Tribal Dev. Corp.*, 49 F.3d 1208, 1212 (7th Cir. 1995).

39. Since its establishment in 1982, the Federal Circuit has been solely responsible for appeals of cases arising under the patent laws. 28 U.S.C. § 1295 (2000); Brian H. Redmond, Annotation, *Jurisdiction of United States Court of Appeals for Federal Circuit Under 28 U.S.C.S. § 1292 and 1295*, 97 A.L.R. FED. 694, 713–39 (1990).

falsely affixed to (3) an unpatented article, and (4) that the marking of the article as patented was done with a purpose of deceiving the public.⁴⁰

B. THE POLICIES BEHIND THE REGULATION OF MARKING

Marking articles with a patent number can serve a variety of purposes for the patentee, the consumer, and the patentee's competitors. In regulating marking, Congress and the courts have sought to balance the costs and benefits of marking to both the patentee and the public, paralleling the more general policies of patent protection.⁴¹ The main functions of marking an article with a patent number are to protect the public, to deter mismarking, to provide notice to potential infringers, and to allow the public to identify a product's intellectual property status.⁴²

Marking protects "the public against the fraudulent use of the word patent."⁴³ Marking an unpatented article as patented allows the marker to mislead the public⁴⁴ and enjoy the benefits of patenting, including status recognition and even potential monopoly rights, without providing the corresponding benefits to society.⁴⁵ Preventing unscrupulous persons from

40. *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1351 (Fed. Cir. 2005); *see also* *Mayview Corp. v. Rodstein*, 620 F.2d 1347, 1359 (9th Cir. 1980).

41. *See* Clarisa Long, *Patent Signals*, 69 U. CHI. L. REV. 625, 626–32 (2002) (discussing a traditional view of the costs, rights, and rewards of patent ownership and the "exchange of information for protection"). One of the justifications for the patent system is the assumption that intellectual property protections motivate inventors to reveal information to the public that they would otherwise keep secret. *Id.* at 625–26.

42. *Accent Designs, Inc. v. Jan Jewelry Designs, Inc.*, 827 F. Supp. 957, 969 (S.D.N.Y. 1993) (discussing the false marking statute's function as a deterrent of competitors' false marking activity); Bonnie Grant, *Deficiencies and Proposed Recommendations to the False Marking Statute: Controlling Use of the Term 'Patent Pending'*, 12 J. INTELL. PROP. L. 283, 284–85 (2004) (discussing the functions of putting infringers on notice and allowing the public to identify the intellectual property status of a product).

43. *Oliphant v. Salem Flouring Mills Co.*, 18 F. Cas. 647, 647 (D. Or. 1878) (No. 10,486).

44. *Clontech*, 406 F.3d at 1356–57 ("[T]he act of false marking misleads the public into believing that a patentee controls the article in question . . . and increases the cost to the public of ascertaining whether a patentee in fact controls the intellectual property embodied in an article.").

45. *See* Elizabeth I. Winston, *The Flawed Nature of the False Marking Statute*, 77 TENN. L. REV. 111, 124 (2009) ("Indicating that an item is patented when no patent has issued represents the clearest examples of harm to the public and to the patent system."); *see also* *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 152 (1989) (discussing how the federal patent laws

“imposing upon the community by the unauthorized and false use of the word ‘patent’” was early recognized to be one of the purposes of the false marking statute.⁴⁶ It is now “well settled” that that this protection is one of the purposes of the false marking statute.⁴⁷

Marking deters manufacturers from implying that an article is patented when no application has been applied for or received.⁴⁸ A manufacturer mismarks a product when it labels the article with an inapplicable patent number.⁴⁹ The U.S. patent laws were designed to “confer on the authors of useful inventions an exclusive right in their inventions.”⁵⁰ In order to maintain the value of this exclusive right, it is necessary to “protect a patentee against the fraudulent use of his name or device.”⁵¹ To this end, the statute allows the penalization of those who would “palm off upon the public unpatented articles, by falsely and fraudulently representing them to have been patented.”⁵² Indeed, in almost all patent false marking cases, the defendant was accused of marking a product with a patent number that had never applied to the product being sold.⁵³

balance the “tension between the desire to freely exploit” inventions and the “need to create an incentive” to invent); Tun-Jen Chiang, *A Cost-Benefit Approach to Patent Obviousness*, 82 ST. JOHN’S L. REV. 39, 41–42 (2008) (discussing the costs and benefits of the patent system to society).

46. *Oliphant*, 18 F. Cas. at 647.

47. *Accent Designs*, 827 F. Supp. at 969; *see also* *Calderwood v. Mansfield*, 71 F. Supp. 480, 482 (N.D. Cal. 1947) (“Obviously the statutory object is to penalize those who would palm off upon the public unpatented articles, by falsely and fraudulently representing them to have been patented.”).

48. *See Accent Designs*, 827 F. Supp. at 969 (“It is well settled that Section 292 was intended to protect . . . against . . . words imparting that an application for patent had been made when no application had been made or if made, is not pending.”).

49. *See Clontech*, 406 F.3d at 1352–53 (“[I]n order to establish knowledge of falsity the plaintiff must show by a preponderance of the evidence that the party accused of false marking did not have a reasonable belief that the articles were properly marked (i.e., covered by a patent).”); *Brose v. Sears, Roebuck & Co.*, 455 F.2d 763, 768 (5th Cir. 1972) (“[I]f a device claimed to be covered by license of a cited patent is so obviously not revealed by it as the patentese world would view it, the use of such a legend would be mismarking.”).

50. *Grant v. Raymond*, 31 U.S. 218, 241 (1832).

51. *Accent Designs*, 827 F. Supp. at 969.

52. *Forest Group, Inc., v. Bon Tool Co.*, No. H-05-4127, 2008 WL 2962206, at *3 (S.D. Tex. July 29, 2008) (citing *Calderwood*, 71 F. Supp. at 482), *aff’d in part and vacated in part*, 590 F.3d 1295 (Fed. Cir. 2009).

53. *See, e.g., Clontech*, 406 F.3d at 1351–52 (noting that Invitrogen’s products were not covered by the claims of the patents they were marked with and never had been).

Another primary function of marking is to allow the marker to provide notice to potential infringers that the product is patented. Under 35 U.S.C. § 292(a), a patentee is considered to have given notice to the public that the product is patented simply by labeling the article with “the word ‘patent’ or the abbreviation ‘pat.’, together with the number of the patent.”⁵⁴ Congress incentivized marking by stipulating that marking serves as notice of infringement and may be used as the basis for calculating damages against infringers.⁵⁵

Marking allows the public to identify the product’s intellectual property status. The federal patent statutes were designed to inform the public and allow competitors and consumers to determine if a product is patented.⁵⁶ Marking is meant to provide “a ready means of discerning the status of intellectual property”⁵⁷ and to help prevent innocent competitors from becoming infringers.⁵⁸ When an article is falsely marked as patented it “increases the cost to the public of ascertaining whether a patentee in fact controls the intellectual property embodied in an article.”⁵⁹ Thus, by marking an article with a patent number a manufacturer not only protects its own interests but also informs and protects the public and its potential competitors.

54. 35 U.S.C. § 287(a) (2006).

55. *Id.*; *see, e.g.*, *Am. Med. Sys., Inc. v. Med. Eng’g Corp.*, 6 F.3d 1523, 1537 (Fed. Cir. 1993) (“Congress structured . . . [35 U.S.C. § 287] so as to tie failure to mark with disability to collect damages”); *Motorola, Inc. v. United States*, 729 F.2d 765, 768 (Fed. Cir. 1984) (“35 U.S.C. § 287 advises a patent owner to mark his patented article with a notice of his patent rights. Failure to do so limits his recovery of damages to the period after the infringer receives notice of the infringement.”); *see also* Moore & Nakamura, *supra* note 26, at 90–91 (discussing the role of marking in a patent holder’s ability to recover from an infringer).

56. *Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387, 397 (1936) (“All these acts reveal the purpose to require that marks be put on patented articles for the information of the public.”).

57. *Clontech*, 406 F.3d at 1356 (quoting *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989)).

58. *See, e.g.*, Edward W. Remus & Heather Bjella, *Importance of Marking and Notice of Infringement: An Update*, 77 PAT. TRADEMARK & COPYRIGHT J. 107, 108 (2008) (explaining the policy of protecting innocent copiers).

59. *Clontech*, 406 F.3d at 1356–57.

C. CURRENT LITIGATION—EXPIRED PATENTS AND UNPATENTED ARTICLES

Over its nearly 170 years of history, the false marking statute has been litigated surprisingly little.⁶⁰ In the cases that have arisen, the question of what constitutes an “unpatented article” is a common issue.

In *Arcadia Machine & Tool Inc. v. Sturm, Ruger & Co.*, the Federal Circuit examined whether including expired patents on the label was a violation of the false marking statute.⁶¹ The court held that the patentee did not violate the false marking statute because it had no intent to deceive the public.⁶² It is noteworthy that the court determined that the errors in marking were “inadvertent, the result of oversight, or caused by patent expirations.”⁶³ Because an intent to deceive is required for liability under the statute, the Federal Circuit’s grouping of patent expirations with unintentional acts implied that marking with expired patents, even if intentional, was insufficient to establish liability under the false marking statute.

The Federal Circuit also addressed how the term “unpatented article” should be determined in *Clontech Laboratories, Inc. v. Invitrogen Corp.*⁶⁴ Clontech accused the patentee, Invitrogen, of marking products with patents even though the products did not fall within the claims of the patents.⁶⁵ The court placed the burden on Clontech to demonstrate the four elements of false marking: (1) that Invitrogen’s marking imports that the article is patented, (2) that the marking is falsely affixed to (3) an unpatented article, and (4) that the marking of the article as patented was done by Invitrogen with the purpose of deceiving the public.⁶⁶ The court held that Invitrogen had marked an unpatented article because “the article in question [was] not covered by at least one claim of each patent with which the article is marked.”⁶⁷ Moreover, the court also found unpersuasive Invitrogen’s argument that “there [was] no harm

60. Only thirteen circuit court cases regarding the statute have been decided. See *supra* note 7 and accompanying text.

61. *Arcadia Machine & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 1125 (Fed. Cir. 1986).

62. *Id.* at 1152.

63. *Id.*

64. *Clontech*, 406 F.3d at 1352.

65. *Id.* at 1351.

66. *Id.*; see also *Mayview Corp. v. Rodstein*, 620 F.2d 1347, 1359 (9th Cir. 1980).

67. *Clontech*, 406 F.3d at 1352.

in marking products with patents even when those products do not fall within the bounds of properly construed claims” because the additional marking provides additional information to potential infringers.⁶⁸ Nonetheless, the court did not find Invitrogen liable for false marking because Clontech was unable to demonstrate Invitrogen did not have an “honest good faith belief in marking its products.”⁶⁹

Clontech’s definition of an unpatented article as an article not “covered by at least one claim of each patent with which the article is marked”⁷⁰ left open the question of whether a court should consider an article covered by the claims of expired patents unpatented. A series of cases were filed against defendants whose products were marked with now-expired patents.⁷¹ In 2010, the Federal Circuit was asked to determine specifically if such an article, covered by the claims of an expired patent, is an unpatented article for the purposes of the false marking statute.⁷² The court held that “an article that is no longer protected by a patent is not ‘patented,’ and is more aptly described as ‘unpatented.’”⁷³

In *Pequignot v. Solo Cup Co.*, a patent attorney sued Solo on behalf of the United States for false marking.⁷⁴ Pequignot alleged that Solo had marked its packages, as well as billions of

68. *Id.* at 1356.

69. *Id.* at 1355.

70. *Id.* at 1352.

71. *See, e.g.*, *Brinkmeier v. Graco Children’s Prods., Inc.*, 684 F. Supp. 2d 548, 549 (D. Del. 2010) (alleging Graco engaged in false marking by marking children’s products and its website with expired patents); *Stauffer v. Brooks Bros., Inc.*, 615 F. Supp. 2d 248, 254 (S.D.N.Y. 2009) (charging Brooks Brothers with falsely marking its adjustable bow ties by marking them with the number of a patent that expired more than fifty years ago), *rev’d*, Nos. 2009-1428, 2009-1430, 2009-1453, 2010 WL 3397419 (Fed. Cir. Aug. 31, 2010); Amended Verified Complaint, *supra* note 2, at 5 (asserting that BIC’s labeling of lighters with the numbers of now-expired patents constitutes false marking); McNEIL Complaint, *supra* note 2, at 4–5 (alleging that Tylenol® packaging is falsely marked because of its inclusion of expired patent numbers); Cumberland Complaint, *supra* note 2, at 4–5 (asserting that Sweet’N Low packaging is falsely marked because of its inclusion of expired patent numbers); Complaint for False Patent Marking at 5, *Pequignot v. Gillette Co.*, No. 08-cv-00049 (E.D. Va. Jan. 17, 2008) (alleging that Gillette marked a variety of razors, antiperspirants, deodorants, and their packages with expired patent numbers).

72. *Pequignot v. Solo Cup Co.*, 608 F.3d 1356, 1360–61 (Fed. Cir. 2010).

73. *Id.* at 1361.

74. *Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790, 792 (E.D. Va. 2009), *aff’d in part and vacated in part*, 608 F.3d 1356 (Fed. Cir. 2010).

lids for hot and cold beverages, with expired patents.⁷⁵ The Federal Circuit agreed with Pequignot that “an article covered by a now-expired patent is ‘unpatented.’”⁷⁶ The Federal Circuit cited the district court’s reasoning that “[a]n article that was once protected by a now-expired patent is no different [from] an article that has never received protection from a patent. Both are in the public domain.”⁷⁷ The Federal Circuit held that the statute’s language was unambiguous and so it need not consider legislative history.⁷⁸

Although the Federal Circuit noted that the district court had stated that when a product is marked with an expired patent number “any person with basic knowledge of the patent system can look up the patent and determine its expiration date,”⁷⁹ the Federal Circuit dismissed this argument because “determining the expiration date of a patent can, at times, be difficult.”⁸⁰ The court held that because the term may be altered by the issue date, term adjustments, and payment of maintenance fee, marking a patent with an “expired patent number imposes on the public ‘the cost of determining whether the involved patents are valid and enforceable.’”⁸¹ The Federal Circuit found that by marking products with expired patent numbers, Solo had falsely marked.⁸² Nevertheless, the Federal Circuit held that Solo was not liable for false marking because Solo had not acted with intent to deceive.⁸³

Since the Federal Circuit’s holdings in *Bon Tool* and *Solo Cup*, the number of false marking cases filed has increased

75. *Id.*

76. *Solo Cup*, 608 F.3d at 1361.

77. *Id.* (alteration in original).

78. *Id.* at 1361–62.

79. *Id.* at 1362 (quoting *Solo Cup*, 646 F. Supp. 2d at 798).

80. *Id.*

81. *Id.* (quoting *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1367 n.6 (Fed. Cir. 2005)).

82. *Id.*

83. *Id.* at 1364 (“[W]e agree with the district court that Solo has provided sufficient evidence that its purpose was not to deceive the public, and that Pequignot has provided no credible contrary evidence.”). The intent to deceive the public is part of the four-part test adopted by the Federal Circuit in *Clontech. Clontech*, 406 F.3d at 1351. Even if the patentee has marked the article with an inapplicable patent number, it may not be liable for false marking if the contestant cannot prove its intent to deceive the public by a preponderance of the evidence. *Id.* at 1355.

dramatically.⁸⁴ Many of these cases were filed not by a competitor or person harmed by the alleged false marking but rather by people seeking to employ the *qui tam* provision of the statute by making general allegations that marking after patent expiration has inhibited competition.⁸⁵ These plaintiffs have filed suits against defendants with high volumes of products, seeking the maximum damages for every product labeled since expiration of the patent.⁸⁶ If successful, these plaintiffs would collect half of these potentially astronomical awards, establishing an incentive for others to file this type of suit,⁸⁷ providing a means to damage manufacturers' reputations,⁸⁸ and ultimately creating an incentive for manufacturers not to mark.⁸⁹

84. See Mary Alice Robbins, *TX Marks the Spot: Texas Ranks First in Number of False-Marking Suits Filed*, TEXAS LAW., Aug. 2, 2010, available at <http://www.law.com/jsp/tx/PubArticleTX.jsp?id=1202464074292> (noting the surge in false marking suits); Searcey, *supra* note 2, at A1; Justin Gray, *False Marking Case Information*, GRAY ON CLAIMS, <http://www.grayonclaims.com/false-marking-case-information/> (last updated Nov. 4, 2010) (compiling a list of the false marking cases currently filed).

85. See, e.g., *Stauffer v. Brooks Bros., Inc.*, 615 F. Supp. 2d 248, 252 (S.D.N.Y. 2009) (citing Stauffer's complaint that alleged an injury to the public and to the United States because defendant's conduct had "wrongfully quelled competition with respect to such bow tie products," and further alleged defendants had "wrongfully and illegally" advertised patent monopolies that they did not possess), *rev'd*, Nos. 2009-1428, 2009-1430, 2009-1453, 2010 WL 3397419 (Fed. Cir. Aug. 31, 2010); Amended Complaint for False Patent Marking, *supra* note 8, at 5 (alleging that "every person in the United States is a potential competitor of SOLO CUP" and that the alleged false marking "is likely to, or at least has the potential to, discourage or deter each person or company" from competing with Solo Cup). Most of the complaints have been filed by patent attorneys. See *Stauffer*, 615 F. Supp. 2d at 251; *Pequignot v. Solo Cup Co.*, 540 F. Supp. 2d 649, 650 (E.D. Va. 2008).

86. *Rupert*, *supra* note 29, at 3; see also, e.g., Amended Complaint for False Patent Marking, *supra* note 8, at 10 (alleging that "[e]ach individual lid" marked with an expired patent number caused harm to the public and was a separate offense under 35 U.S.C. § 292).

87. David A. Oblon, *Expired-Patent Suits Could Be Windfall for Lawyers*, VA. LAW. WEEKLY BLOG (June 22, 2009), <http://valawyersweekly.com/blog/2009/06/22/expired-patent-suits-could-be-windfall-for-lawyers/>. Indeed a significant increase in false marking cases has been seen in the past few months, including more than twenty filed in one two-day period. Dennis Crouch, *False Marking False Marking False Marking All at up to \$500 Per Offense*, PATENTLY-O BLOG (Feb. 26, 2010, 7:17 PM), <http://www.patentlyo.com/patent/2010/02/false-marking-false-marking-false-marking-false-marking-all-at-up-to-500-per-offense.html>.

88. Oblon, *supra* note 87.

89. Searcey, *supra* note 2, at A1 (describing how the increased litigation is resulting in lawyers advising their clients not to mark their products with patent numbers); see also Ed Green, *Protecting Your Company from Patent Marking Bounty Hunters*, INTELL. PROP. COUNS., Oct. 2009, at 14.

II. DEFINING FALSE MARKING

The recent increase in cases brought by third parties to challenge the marking of articles with expired patent numbers represents a departure from the traditional implementation of the false marking statute. This section will contrast how courts historically have defined false marking and the Federal Circuit's recent holdings, detail the importance of the *qui tam* action to the prevention of false marking, and explore the effects of allowing articles to be marked with expired patent numbers. This section suggests that the Federal Circuit's interpretation of the false marking statute radically changed the statute's implementation and incentivized false marking litigation, to the detriment of both manufacturers and the public.

A. THE COURTS' STRUGGLES TO DEFINE A FALSELY MARKED PRODUCT

Since the introduction of the false marking statute, a major aspect of enforcing the statute has been defining what articles were falsely marked. In one of the first cases to address the marking of products with expired patent numbers, *Wilson v. Singer Manufacturing Co.*, an Illinois court was asked to determine if Singer sewing machines labeled with plates stating the machine was patented violated the false marking statute.⁹⁰

The plate affixed to each machine was inscribed with the issue date for each patent that covered the machine, but the plates continued to be affixed to the sewing machines after all the patents had expired.⁹¹ The court found the offense was not complete because nothing stamped on the product indicated the existence of a "subsisting patent" on the machine.⁹²

Similarly, in *Arcadia Machine & Tool Inc. v. Sturm, Ruger & Co.*, the Federal Circuit failed to explicitly hold that including expired patents on the label violated the false marking statute.⁹³ The court held that the patentee did not violate the false marking statute because it had no intent to deceive the public.⁹⁴ However, the court noted that the errors in marking were "inadvertent, the result of oversight, or caused by patent expi-

90. *Wilson v. Singer Mfg. Co.*, 12 F. 57, 57-58 (N.D. Ill. 1882).

91. *Id.* at 58-59.

92. *Id.*

93. *Arcadia Machine & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 1125 (Fed. Cir. 1986) (holding instead that there must be a showing that the false marking or mismarking was "for the purpose of deceiving the public").

94. *Id.*

rations.”⁹⁵ Because an intent to deceive is required for liability under the statute, the Federal Circuit’s grouping of patent expirations with unintentional acts implied that marking with expired patents, even if intentional, was insufficient to establish liability under the false marking statute.

In contrast, more recently in *Solo Cup*, the Federal Circuit held that the term “unpatented article” includes articles that fall within the scope of an expired patent.⁹⁶ The Federal Circuit cited the Supreme Court’s language in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*: “An article that ‘has been freely exposed to the public . . . stands in the same stead as an item for which a patent has expired or been denied: it is unpatented and unpatentable.”⁹⁷ In addition, the Federal Circuit rejected Solo’s arguments based on policy and legislative history, stating that the “statute is unambiguous.”⁹⁸ Finally, the Federal Circuit held that public policy also supported holding that articles marked with expired patent numbers were falsely marked.⁹⁹

1. Extension of the Supreme Court’s Use of “Unpatentable”

In deciding *Solo Cup*, both the district court and the Federal Circuit cited the Supreme Court’s language in *Bonito Boats*, noting that once “a patent has expired or been denied: it is *unpatented* and unpatentable.”¹⁰⁰ There are several reasons why the Court’s description of an expired patent as “unpatented” should not be extended to the false marking statute. In *Bonito Boats*, the Supreme Court’s intent was to prevent a state from creating patent-like rights for products in addition to those of the federal patent system, and it did not address

95. *Id.*

96. *Pequignot v. Solo Cup Co.*, 608 F.3d 1356, 1361 (Fed. Cir. 2010). The district court distinguished *Wilson*, finding that Singer had made the patents’ status clear by listing the issuance date for each patent on the product, whereas Solo Cup’s marking was insufficient to communicate the patent’s status. *Pequignot v. Solo Cup Co.*, 540 F. Supp. 2d 649, 651 (E.D. Va. 2008). At the time of the *Wilson* decision, patent term was seventeen years from the issue date of the patent. Since 1995, patent term is twenty years from the filing date of the patent. *MERGES & DUFFY*, *supra* note 24, at 59–60. Thus, under the current Patent Act, even the inclusion of the issue date of the patent would be insufficient to easily communicate the patent’s status.

97. *Solo Cup*, 608 F.3d at 1361 (alteration in original) (quoting *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 159 (1989)).

98. *Id.* at 1361–62.

99. *Id.* at 1362.

100. *Solo Cup*, 540 F. Supp. 2d at 652 (quoting *Bonito Boats*, 489 U.S. at 159); *see also Pequignot*, 608 F.3d at 1361.

whether a product covered by an expired patent should be marked.¹⁰¹ Moreover, in noting that the “notice requirement is designed ‘for the information of the public,’” the Court highlighted that the “detailed information concerning the claims of the patent holder” was “compiled in a central location” during the application process.¹⁰² Thus, the Supreme Court recognized that one of the functions of patent marking is to direct the public to the patent documentation.¹⁰³ The Court also stated that “the ultimate goal of the patent system is to bring new designs and technologies into the public domain through disclosure.”¹⁰⁴ It would be contradictory if, even after the use of the patent passes to the public, disclosure of the patent’s existence was limited.

In *Bonito Boats*, the Supreme Court also reaffirmed that “after the expiration of a federal patent, the subject matter of the patent passes to the free use of the public as a matter of federal law,”¹⁰⁵ because “on the expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property.”¹⁰⁶ The subject matter covered by the patent cannot be covered by *another* patent and the monopoly ceases to exist, but expiration does not mean that the original patent never existed or the patent no longer describes the invention. Indeed, subsequent patent applications related to the patented invention that are submitted to the Patent Office are required to reference even expired patents.¹⁰⁷ Although expiration causes a patent to become unenforceable, it does not cause the patent to cease to exist.

The *Solo Cup* court also failed to recognize that a patent’s expiration is only part of its status as intellectual property. For example, a Patent No. XXX imprint does not communicate the claims of the patent, which aspects of the product or its use are covered by the patent, or whether there are additional patent applications or patents that might cover the product. As the

101. *Bonito Boats*, 489 U.S. at 141–42.

102. *Id.* at 161–62 (quoting *Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387, 397 (1936)).

103. *See id.*

104. *Id.* at 151.

105. *Id.* at 152.

106. *Id.* (quoting *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 185 (1896)).

107. *See* Tom Brody, *Duty to Disclose: Dayco Products v. Total Containment*, 7 J. MARSHALL REV. INTELL. PROP. L. 325, 325 (2008) (emphasizing the importance of disclosing any known relevant information to the Patent Office).

Supreme Court recognized in *Bonito Boats*, one of the functions of patent marking is to direct the public to the patent documentation where “detailed information concerning the claims of the patent holder is compiled in a central location.”¹⁰⁸

In conclusion, nothing compelled the Federal Circuit to extend the Supreme Court’s dicta in *Bonito Boats* to the application of the false marking statute. On the contrary, the functions of patent marking recognized by the Court in *Bonito Boats* argue against treating an article covered by an expired patent as unpatented.

2. Statutory Interpretation: The False Marking Statute Is Not Unambiguous

The *Solo Cup* court also held that an article covered by an expired patent should be considered an unpatentable article as a matter of statutory interpretation.¹⁰⁹ The statute, the Federal Circuit concluded, was “unambiguous.”¹¹⁰ Curiously, the Federal Circuit did not explain why it considered the statutory language unambiguous. The term “patent” may refer to either the “governmental grant” of the patent rights or to the “official document” that describes the invention.¹¹¹ Although the governmental grant of rights has clearly ended after the patent has expired, the document describing the invention and granting the rights continues to exist. Thus, an article described in an expired patent, and marked with the number of an expired patent document, may be viewed as covered by a patent rather than “unpatented.”

Moreover, this interpretation would not cause invalidated patents to be considered patented. Although the document issued for an invalid patent still exists, it does not describe an invention.¹¹² That is, an article described in an invalid patent is “unpatented” in the sense that no document describing the invention exists or ever existed. In contrast, an article covered by an unenforceable patent is still exemplified by an official docu-

108. *Bonito Boats*, 489 U.S. at 161–62.

109. *Pequignot v. Solo Cup Co.*, 608 F.3d 1356, 1361 (Fed. Cir. 2010).

110. *Id.* at 1362.

111. BLACK’S LAW DICTIONARY 1156 (8th ed. 2004); *see also, e.g.*, *Kemin Foods, L.C. v. Pigmentos Vegetales del Centro S.A. de C.V.*, 301 F. Supp. 2d 970, 974 (S.D. Iowa 2004) (“A patent is a legal document that defines the metes and bounds of the patentee’s invention.”).

112. A patent may be found invalid if it fails to meet a condition for patentability or does not adequately describe (enable) the invention. 35 U.S.C. § 282 (2002).

ment describing an invention. In this sense, an article claimed in an unenforceable patent may still be viewed as covered by a patent.¹¹³ Therefore, an unenforceable patent is much like an expired patent—it continues to exist but may not be enforced—and is distinguishable from a cancelled or annulled patent.¹¹⁴

Since the statute is ambiguous and susceptible to more than one interpretation, the court should have adopted the construction that resulted in a reasonable result consistent with the legislative purpose.¹¹⁵ As discussed below, treating articles covered by expired patents as patented is more consistent with the goals of the legislature's patent regime.

3. Marking with an Expired Patent Number Does Not Increase the Burden on the Public

The *Solo Cup* court also found that requiring the public to determine the status of an expired patent from a patent number marked on an article “imposes on the public ‘the cost of determining whether the involved patents are valid and enforceable.’”¹¹⁶ The court's reasoning is in stark contrast to the reasoning of the Eastern District of Pennsylvania in *FMC Corp. v. Control Solutions, Inc.*¹¹⁷ The *FMC Corp.* court held that al-

113. In fact, many of the same policy arguments for allowing an article to be marked with an expired patent number can also be made for allowing an article to be marked with an unenforceable patent number. The patent number continues to direct the public to a source of information about the article, and it is relatively easy to determine the patent's status.

114. 69 C.J.S. *Patents* § 218 (2010) (“The authority to cancel or annul a patent is vested only in the federal courts, and proceedings to cancel or annul a patent may be maintained only by the United States.”). A patent may be declared unenforceable in a case with a private litigant, but a patent may only be cancelled in a case brought by the federal government. *Id.*

115. *Haggar Co. v. Helvering*, 308 U.S. 389, 394 (1940) (“All statutes must be construed in the light of their purpose. A literal reading of them which would lead to absurd results is to be avoided when they can be given a reasonable application consistent with their words and with the legislative purpose.”); see also 73 AM. JUR. 2D *Statutes* § 172 (2010) (“[I]f a statute is capable of being construed in different ways, that construction which works absurd or unreasonable result should be avoided.”).

116. *Pequignot v. Solo Cup Co.*, 608 F.3d 1356, 1362 (Fed. Cir. 2010) (quoting *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1367 n.6 (Fed. Cir. 2005)).

117. 369 F. Supp. 2d 539 (E.D. Pa. 2005). Curiously, the *Solo Cup* court also found in a later holding that “[w]hen a product is marked with an expired patent number, any person with basic knowledge of the patent system can look up the patent and determine its expiration date.” *Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790, 798 (E.D. Va. 2009), *aff'd in part and vacated in part*, 608 F.3d 1356 (Fed. Cir. 2010).

though “the Patent Act imposes a duty to mark products covered by a patent, there is no stated corresponding duty to remove the patent number on a product whose patent has expired.”¹¹⁸ The court also found “no reason” to deny a company the right to display an expired patent number, finding that the marking informed “the public of where to acquire the information” needed to practice the invention.¹¹⁹

In addition, a potential competitor or other member of the public may already be responsible for determining what patents might apply and if they are valid and enforceable. For example, for a competitor interested in making a product, determining the intellectual property landscape is part of the cost of doing business.¹²⁰ Because there is no obligation to mark,¹²¹ and a patent number may be removed at any time (not just because of expiration), even an unmarked product may be covered by a valid and enforceable patent. The burden on the public is, in fact, less if an expired patent number is on a product than if no patent number is on the product because the number directs the public to the patent documentation.¹²²

The district court in *Solo Cup* also concluded that an article covered by an expired patent was “no different than an article that has never received protection from a patent” because “[b]oth are in the public domain.”¹²³ But a never-patented article is not necessarily found within the public domain, and there is no obligation to place the invention in the public domain.¹²⁴ In contrast, one of the inventor’s obligations in filing a patent is to “disclose the technologic knowledge upon which the

118. *FMC Corp.*, 369 F. Supp. 2d at 584 (citing DONALD S. CHISUM, 7 CHISUM ON PATENTS § 20.03[7][c] (2005)).

119. *Id.* (“This Court finds no reason why FMC may not display its [expired] patent number to inform the public of where to acquire the informational and teaching quid pro quo that underlies the granting of patent protection.”).

120. See, e.g., Walter C. Linder, *Fundamentals of Successful Patent Strategy Development and Administration*, in DEVELOPING A PATENT STRATEGY: LEADING LAWYERS ON COUNSELING CLIENTS ON PATENT PROTECTION, EVALUATING PATENT PORTFOLIOS, AND WORKING WITH THE USPTO 1, 1 (2010), available at 2010 WL 4460.

121. Cf. Patent Act of 1842, ch. 263, 5 Stat. 543 (imposing an obligation to mark).

122. See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 161–62 (1989) (discussing the federal patent scheme’s role in providing information to the public about the status of intellectual property).

123. *Pequignot v. Solo Cup Co.*, 540 F. Supp. 2d 649, 652 (E.D. Va. 2008).

124. Indeed, many unpatented articles in public use are protected by trade secret rights. Oscar Liivak, *Rethinking the Concept of Exclusion in Patent Law*, 98 GEO. L.J. 1643, 1685 (2010).

patent is based.”¹²⁵ A patentee—even the owner of an expired patent—has disclosed his invention to the public. Even after a patent expires, an article continues to be described by the patent claims¹²⁶ and referred to by its patent number, and both the patent and its status may be easily discovered by searching for the patent number found on the marked article. An article covered by an expired patent is, therefore, not unpatented in the same sense as an article that has never been covered by a patent.

B. *QUI TAM* ACTIONS AS A MEANS TO PREVENT FALSE MARKING

In addition to determining whether an article has been falsely marked, a court must also determine whether the party that is bringing the action has the standing to contest the marker’s actions. The number of parties that may bring such an action is significantly increased by the false marking statute’s *qui tam* status. The increased number of potential plaintiffs decreases the burden on the government to enforce proper marking.¹²⁷

Nevertheless, in order for a plaintiff to properly bring a *qui tam* action under the false marking statute, the false marking must have caused an injury to the government or the public.¹²⁸ Yet, it is difficult to imagine a situation where the marking of an article with an expired patent would result in an injury to the public or the government.¹²⁹ Nevertheless, the Federal Circuit held in *Stauffer v. Brooks Brothers, Inc.* that almost any

125. *Capon v. Eshhar*, 418 F.3d 1349, 1357 (Fed. Cir. 2005); *see also Bonito Boats*, 489 U.S. at 150 (“The federal patent system thus embodies a carefully crafted bargain for encouraging the creation and disclosure of new, useful, and nonobvious advances in technology and design in return for the exclusive right to practice the invention for a period of years.”).

126. *Cf. Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1352 (Fed. Cir. 2005) (establishing the Federal Circuit’s test that an article must be “covered by at least one claim of each patent with which the article is marked”).

127. *Winston*, *supra* note 45, at 117.

128. *Stauffer v. Brooks Bros., Inc.*, 615 F. Supp. 2d 248, 254 (S.D.N.Y. 2009) (“Section 292 thus assigns . . . to ‘any person’ . . . the authority to bring suit to vindicate cognizable injuries incurred on the public or the United States through violation of its provisions.” (quoting 35 U.S.C. § 292(b) (2006))), *rev’d*, Nos. 2009-1428, 2009-1430, 2009-1453, 2010 WL 3397419 (Fed Cir. Aug. 31, 2010).

129. It is easier to imagine a situation where a single potential competitor might be injured, but it is difficult to believe that every potential competitor would fail to ascertain the status of the patent.

plaintiff has standing to sue because “a violation of that statute inherently constitutes an injury to the United States.”¹³⁰

Stauffer sued Brooks Brothers for false marking of adjustable men’s bow ties because Brooks Brothers continued to mark the bow ties with patent numbers that expired in 1954 and 1955.¹³¹ Stauffer alleged that Brooks Brothers injured the public because the false marking “misleads and wrongly imposes the costs of evaluating patents on the public”¹³² and “wrongfully quelled competition with respect to . . . bow tie products thereby causing harm to the economy of the United States.”¹³³ The Federal Circuit reversed the district court and concluded that Stauffer’s standing arose “from his status as ‘any person’”; that Stauffer had “sufficiently alleged” an injury to the United States, caused by Brooks Brothers’s alleged conduct; and the injury was likely to be cured by a favorable decision.¹³⁴ The case was remanded to the district court.¹³⁵

District courts have reached different decisions on the issue of standing. Some courts have held, as the Federal Circuit did, that “a violation to the statute inherently constitutes an injury to the United States.”¹³⁶ However, other courts, including the district court in *Stauffer*, have ruled that the defendant’s competitors were not deterred by the marking with the expired patent¹³⁷ and therefore competition had not been “quelled” sufficiently to result in harm to the economy of the United

130. *Stauffer v. Brooks Bros., Inc.*, Nos. 2009-1428, 2009-1430, 2009-1453, 2010 WL 3397419, at *4 (Fed. Cir. Aug. 31, 2010).

131. *Id.* at *1.

132. *Id.* at *3.

133. *Id.* (quoting Complaint at 38, *Stauffer*, 615 F. Supp. 2d 248) (No. 08-cv-10369).

134. *Id.* at *6.

135. *Id.*

136. *Id.* at *4; *see also* *Shizzle Pop, LLC v. Wham-O, Inc.*, No. CV 10-3491 PA (FFMx), 2010 WL 3063066, at *2-3 (C.D. Cal. Aug. 2, 2010) (holding that the plaintiff had standing); *Pequignot v. Solo Cup Co.*, 640 F. Supp. 2d 714, 728 (E.D. Va. 2009) (finding that the plaintiff had standing even though the only injury to the United States could only be to “its sovereignty”), *aff’d in part and vacated in part*, 608 F.3d 1356 (Fed. Cir. 2010).

137. *Stauffer*, 615 F. Supp. 2d at 255. The district court relied on the Supreme Court’s holding in *Lujan v. Defenders of Wildlife* that in order to have standing a plaintiff must demonstrate a concrete, particularized, “actual or imminent” injury “so as to reduce the possibility of deciding a case in which no injury would have occurred at all.” *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 564 (1992).

States.¹³⁸ Indeed, in *Stauffer*, the competitors received their bow ties from the same supplier, and their products were identically marked.¹³⁹ Therefore, it is almost impossible to imagine how any real injury was suffered by the public or the United States.

In contrast to marking with inapplicable patent numbers, it is difficult to imagine how marking products with accurate, now-expired patent numbers “inherently constitutes an injury to the United States.”¹⁴⁰ Indeed, continuing to mark an article allows the public and competitors to quickly determine the patented status of the product and how to copy it.¹⁴¹ The number of parties that may bring an action under the false marking statute is already large because the false marking statute’s *qui tam* status and the Federal Circuit’s broad interpretation. Continuing to interpret the statute to include articles covered by expired patents makes the statute’s reach inappropriately broad.

C. THE ANTICIPATED EFFECTS OF CONTINUING TO ALLOW ARTICLES COVERED BY EXPIRED PATENTS TO BE MARKED

The increasing amount of false marking litigation has focused attention on the effects of allowing an article to be marked with an expired patent number. As noted above, marking with an expired patent number does not increase the burden on the public and may, in fact, make it easier for competitors to conduct patentability or marketability analyses.¹⁴²

138. *Stauffer*, 615 F. Supp. 2d at 255; *see also* United States *ex rel.* FLFMC, LLC v. Wham-O, Inc., No. 10cv0435, 2010 WL 3156162, at *8 (W.D. Pa. Aug. 3, 2010) (holding that a noncompetitor plaintiff lacked standing).

139. *Stauffer*, 615 F. Supp. 2d at 255.

140. *Stauffer*, 2010 WL 3397419, at *4.

141. *See* Pequignot v. Solo Cup Co., 646 F. Supp. 2d 790, 798 (E.D. Va. 2009) (“[M]arking an article with an expired patent can work to the marker’s detriment, because public patent documents reveal all of the previously patented design features that are now in the public domain, thus creating a road map for anyone wishing to legally copy the product.”), *aff’d in part and vacated in part*, 608 F.3d 1356 (Fed. Cir. 2010); *see also* Searcey, *supra* note 2, at A1 (describing how “it can be relatively simple” to determine if patent numbers on products are outdated “because patents are numbered chronologically”).

142. *FMC Corp. v. Control Solutions, Inc.*, 369 F. Supp. 2d 539, 584 (E.D. Pa. 2005) (“This Court finds no reason why FMC may not display its [expired] patent number to inform the public of where to acquire the informational and teaching *quid pro quo* that underlies the granting of patent protection.”); *see* U.S. PATENT & TRADEMARK OFFICE, MANUAL OF PATENT EXAMINING PROCEDURE § 2126 (8th. ed., rev. 8, 2010) (assuming the general availability of patents as prior art for the purposes of the USPTO).

In addition, extending the term “unpatented article” to cover items once protected by a valid patent has already created a new litigation threat with “potentially devastating consequences.”¹⁴³ A large number of these types of cases have already been filed, and the damages being demanded are in the billions of dollars.¹⁴⁴

Including articles covered by expired patents in the definition of “unpatented article” is also creating an incentive not to mark.¹⁴⁵ In fact, 35 U.S.C. § 287 creates in a patent holder an “obligation to mark its product consistently and continuously in order to provide constructive notice of the patent.”¹⁴⁶ Congress designed § 287 so that a patentee can only recover damages for infringing sales that occurred after it gave notice of its patent rights¹⁴⁷ in order to “encourage the patentee to give notice to the public of the patent.”¹⁴⁸ Because a manufacturer is required to mark a product to satisfy the notice requirements of § 287, a manufacturer must balance the danger of being sued for inaccurately marking with having the ability to sue for infringement.¹⁴⁹ The continued prospect of potential litigation created by extending the false marking statute to cover articles protected by now-expired patents will quickly spoil the incentive to

143. Remus & Bjella, *supra* note 58, at 110 (noting the potential for “enormous damage awards”); Oblon, *supra* note 87 (theorizing that damages could run “into [the] billions of dollars”); Brian C. Riopelle & Steven D. Hamilton, *False Marking Claims for Products Stamped with Expired Patents, Legal Updates*, MCGUIREWOODS (June 16, 2009), <http://www.mcguirewoods.com/news-resources/item.asp?item=4051>; *see also* Searcey, *supra* note 2, at A1 (noting that such findings could result in extreme damage awards).

144. Gene Quinn, *Apple and Others Sued for \$60 Billion+ for False Patent Marking*, IP WATCHDOG (July 31, 2010, 1:51 PM), <http://ipwatchdog.com/2010/07/31/apple-sued-false-patent-marking/id=11858/>. The plaintiff in these suits, Americans for Fair Patent Use, is an LLC formed by an intellectual property boutique in Austin, Texas. Robbins, *supra* note 84.

145. *See, e.g.*, Searcey, *supra* note 2, at A1 (noting that increased litigation has resulted in at least one attorney advising his clients not to mark, even though that means the clients cannot seek damages for infringement).

146. *Forest Group, Inc., v. Bon Tool Co.*, No. H-05-4127, 2008 WL 2962206, at *3 (S.D. Tex. July 29, 2008), *aff'd in part and vacated in part*, 590 F.3d 1295 (Fed. Cir. 2009).

147. *Id.*

148. *Am. Med. Sys., Inc. v. Med. Eng'g Corp.*, 6 F.3d 1523, 1538 (Fed. Cir. 1993).

149. *See* Roger D. Blair & Thomas F. Cotter, *Strict Liability and its Alternatives in Patent Law*, 17 BERKELEY TECH. L.J. 799, 834–45 (2002) (discussing the rights, benefits, and pitfalls of patent marking to the marker and its competitor).

mark created by § 287, resulting in a decreased incidence of marking.¹⁵⁰

Furthermore, it cannot be assumed that a patentee who innocently marks a product with an expired patent will be protected from the costs of litigation by the intent requirement of the false marking statute.¹⁵¹ Although the intent requirement may protect the patentee from a court's imposition of liability, discovery and litigation may stretch for months or even years,¹⁵² at considerable cost to the marking company.

Excluding articles marked with expired patent numbers from the meaning of unpatented article is necessary to prevent additional litigation against patent owners who innocently mark products with expired patent numbers, to prevent the development of incentives not to mark, and to create the national uniformity that the patent system relies on.¹⁵³

III. EXCLUDING PRODUCTS COVERED BY EXPIRED PATENTS FROM THE MEANING OF "UNPATENTED ARTICLE"

Third parties' attempts to profit from the *qui tam* provision in the false marking statute by challenging products labeled with expired patents is developing into a huge liability for manufacturers. Yet patentees rely on the notice function of patent marking to protect them from infringers and to provide notice in infringement suits. In order to promote the notice functions of marking and to ensure the proper use of the informer action, the Federal Circuit should reverse its recent holding to exclude products covered by expired patents from the meaning of "unpatented article." Alternatively, Congress should amend

150. See, e.g., *Oblon*, *supra* note 87; *Riopelle & Hamilton*, *supra* note 143.

151. A requirement of 35 U.S.C. § 292(a), is that the marker must have affixed the patent number with the "purpose of deceiving the public." 35 U.S.C. § 292(a) (2006).

152. See, e.g., *Arcadia Mach. & Tool Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 1125 (Fed. Cir. 1986) ("Arcadia had totally failed, after at least nine months of discovery, to produce any evidence of intent to deceive the public."). The litigation in *Solo Cup* lasted over a year before the court found that there was "not a scintilla of evidence that Solo ever . . . manifested any actual deceptive intent." *Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790, 799 (E.D. Va. 2009), *aff'd in part and vacated in part*, 608 F.3d 1356 (Fed. Cir. 2010).

153. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) ("One of the fundamental purposes behind the Patent and Copyright Clauses of the Constitution was to promote national uniformity in the realm of intellectual property.").

the false marking statute and protect the informer action by explicitly excluding expired patents from the statute's coverage.

A. PRECEDENTIAL SUPPORT FOR ONCE PATENTED IS ALWAYS PATENTED

Articles covered by once-valid-but-now-expired patents and marked with the numbers of those expired patents should not be considered unpatented articles for the purposes of the false marking statute. Legislative history and judicial precedent—until the Federal Circuit's recent holdings—support the conclusion that an article once patented is always patented.

Congress initially established the false marking statute to prevent a person from marking as patented “any thing . . . [for] which he hath not or shall not have obtained letters patent.”¹⁵⁴ Nothing in this language suggests that lawmakers meant the statute to be extended to cover articles for which a patent was obtained but has now expired. Moreover, nothing in the revisions to the statute or the legislative history implies that Congress intended to expand the statute to cover anything other than articles that have never been patented.¹⁵⁵

Treating articles covered by the claim of an expired patent as patented articles is consistent with the interpretation of the false marking statute in prior case law. For example, in *Wilson v. Singer Manufacturing Co.*, an Illinois court held that Singer had not violated the false marking statute by labeling its sewing machines with plates stating that the machine was patented, even though the patents had expired.¹⁵⁶ Similarly, in *Arcadia Machine & Tool Inc. v. Sturm, Ruger & Co.*, the Federal Circuit held that the patentee, Ruger, did not violate the false marking statute even though it had included expired patents

154. Patent Act of 1842, ch. 263, § 5, 5 Stat. 543, 544 (1842).

155. See H.R. REP. NO. 82-1923, at 9 (1952), *reprinted in* 1952 U.S.C.C.A.N. 2394, 2403 (describing § 292 as being minimally revised but maintaining it such that it relates “to falsely marking an article as being patented when it was not patented, which is now the present law”); *cf.* Patent Reform Act of 2010, S. 515, 111th Cong. § 146(k)(1) (2010) (restricting plaintiffs to those who can show that they have suffered a competitive injury). If passed, this legislation would effectively eliminate the entire group of plaintiffs seeking to enforce the false marking statute against those marking articles with expired patent numbers. Joshua M. Dalton & Deana El-Mallawany, *Recent Wave of False Marking Lawsuits Highlights Need to Monitor Patent Marking Practices*, BINGHAM MCCUTCHEN LLP (Mar. 8, 2010), <http://www.bingham.com/Media.aspx?MediaID=10466>.

156. *Wilson v. Singer Mfg. Co.*, 12 F. 57, 58–59 (N.D. Ill. 1882).

on its products' labels.¹⁵⁷ In *Clontech Laboratories, Inc. v. Invitrogen Corp.*, the Federal Circuit held that "unpatented article" means that "the article in question is not covered by at least one claim of each patent with which the article is marked."¹⁵⁸ Even after a valid patent expires, the claims of a patent continue to read on the article. Furthermore, even though the subject of the patent passes into the public domain, the subject matter remains described and exemplified in the patent claims.¹⁵⁹ Thus, there exists a statutory interpretation whereby articles covered by an expired patent are still patented. Holding that articles covered by expired patents are not "unpatented articles" would be consistent with this judicial precedent. In addition to legislative and judicial precedent, public policy strongly supports a holding that once patented is always patented.

B. POLICY SUPPORT FOR ONCE PATENTED IS ALWAYS PATENTED

Considering an article covered by an expired patent as patented is consistent with the purposes of the false marking statute. Marking products as patented helps direct the public to the patent documentation where "detailed information concerning the claims of the patent holder is compiled in a central location."¹⁶⁰ Allowing products covered by the claims of a patent to be marked with that patent number facilitates this public notice function of patents.

Moreover, marking with an expired patent number does not destroy the public notice function of marking. Some have suggested that the public and competitors alike interpret a patent number as being evidence of an enforceable—not expired—patent.¹⁶¹ However, unlike a product that has never been pat-

157. *Arcadia Mach. & Tool*, 786 F.2d at 1125.

158. *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1352 (Fed. Cir. 2005).

159. *Compare Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 152 (1989) ("[O]n the expiration of a patent the monopoly created by it ceases to exist, and the right to make the thing formerly covered by the patent becomes public property." (quoting *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 185 (1896))), *with id.* at 151 ("[T]he ultimate goal of the patent system is to bring new designs and technologies into the public domain through disclosure."). Indeed, many infringement suits continue to be litigated long after the patent has expired, and the information contained within those claims continues to act as prior art for the purposes of future patents. *See, e.g.*, 35 U.S.C. § 102 (2006); U.S. PATENT & TRADEMARK OFFICE, *supra* note 142, § 706.02(a).

160. *Bonito Boats*, 489 U.S. at 161–62.

161. *E.g.*, Amended Complaint for False Patent Marking, *supra* note 8, at 4; *see also* Grant, *supra* note 42, at 283 ("There are two harmful effects.

ented, a product covered by an expired patent still possesses the features that caused it to be patentable.¹⁶² A consumer is not deceived as to the article's fitness for patenting when it is marked with an expired patent number.¹⁶³ The "character and value of the article" do not change when a patent expires.¹⁶⁴ Commentators have also argued that the public assumes that an article marked with a patent number is more valuable.¹⁶⁵ In fact, an article's fitness for patenting can bear little relation to its commercial value or usefulness because an invention may meet the utility requirement even when it is not superior to the prior art.¹⁶⁶

Moreover, marking with the patent number—even if it is expired—permits the public to determine the patents that apply to the article, locate them, and determine their status.¹⁶⁷ For most patents, it is possible for anyone with experience with patents to determine if a patent has expired and entered the public domain.¹⁶⁸ Being able to locate the applicable patents

. . . First, incorrect marking may deter scientific research when an inventor sees a mark and decides to forgo continued research to avoid an infringement action. Second, incorrect marking may deceive consumers and harm the industry when the public purchases products based on the mark."); Winston, *supra* note 45, at 127–28 (noting that because the patent issue date is no longer required to be marked, harm results to the public because they must now research every patent to see if it is currently valid).

162. See *Oliphant v. Salem Flouring Mills Co.*, 18 F. Cas. 647, 647–48 (D. Or. 1878) (No. 10,486) ("[T]he word 'patent' upon an article is prima facie an assertion that it has some peculiar value or merit The impression which the fact ordinarily makes upon the mind is, that the article marked 'patent' is in some respects more useful or desirable than articles of the same general kind or use which are not so marked.").

163. See *id.* (noting that only if an item is originally patentable will a patent be granted).

164. See *id.* at 648 ("If, then, a person marks an unpatented article with the word 'patent,' the public are thereby liable to be deceived as to the character and value of the article.").

165. See, e.g., *id.* at 647–48 (noting that an item marked with the word "patent" denotes a value that is perceived by the public to be more valuable in some respects than an item which does not contain the word); Grant, *supra* note 42, at 289 ("The existence of a patent could cause a consumer to believe that the product is of superior quality to other products on the market without a patent mark . . .").

166. 60 AM. JUR. 2D *Patents* § 145 (2010).

167. See Ameet Sachdev, *Manufacturers Face Patent-Suit Headaches: Recent Ruling Raises Potential Bounty for Consumers Alleging 'False Marks' on Goods*, CHI. TRIB., Mar. 2, 2010, at C17, available at 2010 WLNR 4329031 ("[I]t takes only a matter of minutes to determine whether a patent has run out . . .").

168. Cf. Solo Cup Motion to Dismiss, *supra* note 3, at 9 (arguing that Solo's

may even be an advantage to a competitor.¹⁶⁹ First, marking can direct competitors to the enabling disclosure contained in the patent application.¹⁷⁰ Second, a careful manufacturer searches the prior art for applicable patents during development in order to prevent infringement.¹⁷¹ There is much to suggest that the public and competitors should not rely on patent marking alone to determine a product's intellectual property status.¹⁷² Nevertheless, when a product is marked with relevant patents, a searcher will be able to determine more easily what the patents cover, their status, and their relationship to other potentially applicable patents.¹⁷³ Thus, marking an article with an expired patent number does not destroy the public notice function but may even provide additional information and advantages to the public and potential competitors. By ensuring that articles covered by an expired patent are considered patented articles for the purposes of the false marking statute, ongoing marking will be encouraged, bolstering the public notice function of the statute.

Holding that articles covered by the claims of expired patents are patented will also generate ancillary benefits. These benefits include allowing the patentee or marker of the product to provide useful information without imposing an undue burden on the public; preventing the development of incentives not to mark; averting exploitative litigation such as *Solo Cup*; and limiting the enforcement of the false marking statute to violations that have the potential to cause serious harm to the public. In contrast, treating articles covered by the claims of expired patents will encourage an astonishing amount of

mark provided an easy way for a potential competitor to determine the status of the patent).

169. *See id.*

170. *Id.*

171. *See, e.g.,* Linder, *supra* note 120, at *1 (“Virtually any business involved in the development, manufacture, or distribution of products, services, or information will benefit from a patent and intellectual property strategy.”).

172. *See, e.g.,* Grant, *supra* note 42, *passim* (explaining that proper marking is not mandatory nor does it apply to pending patent applications); John LaBarre & Xavier Gómez-Velasco, *Ready, Set, Mark Your Patented Software!*, RICHMOND J.L. & TECH., 6 (Fall 2005), <http://jolt.richmond.edu/v12i1/article3.pdf> (explaining that there is no marking requirement if the patent covers a process).

173. *See* Neil S. Hirshman & Rashmi Chandra, *Intellectual Property Due Diligence Methodology*, in ACQUIRING OR SELLING THE PRIVATELY HELD COMPANY 2001, at 9, 11 (PLI Corp. L. & Practice, Course Handbook Ser. No. B0-00Z0, 2001) (describing an analysis of a patent portfolio).

exploitative litigation.¹⁷⁴ Lawsuits such as *Solo Cup* are being brought by patent-marking trolls—individuals who do not own patents, but who look for high-volume products that might result in large penalty recoveries.¹⁷⁵ Yet, the holding in *Solo Cup* resulted in the formation of companies simply to file these cases.¹⁷⁶ The attempts by these plaintiffs to use the false marking statute to extract “significant amounts of money from companies”¹⁷⁷ are contrary to the purposes of the *qui tam* aspect of the false marking statute.

The informer aspect of the false marking statute is intended to offer rewards “to accomplish outlawing of fraudulent and illegal acts to the public detriment,”¹⁷⁸ not as a money-making scheme for private parties. Where false marking of an article does create “an actual or imminent injury in fact to competition, to the United States economy, or the public,”¹⁷⁹ the false marking statute provides a valuable enforcement provision. However, allowing this action to be misused by patent trolls weakens the false marking statute and creates needlessly costly litigation.

174. See Susan Decker, *Firms Fight Outbreak of Patent Lawsuits: Pfizer, P&G Accused of Falsely Marking Items*, STAR-LEDGER (Newark, N.J.), Feb. 28, 2010, at 1, available at 2010 WLNR 4222330 (describing the “explosion” in the number of patent false marking cases filed after the Federal Circuit’s recent decision that a manufacturer “may face a penalty of up to \$500 for every item that’s falsely marked”).

175. Rupert, *supra* note 29, at 3 (“[A] ‘troll’ is [sic] pejorative term describing a non-manufacturing patent owner who owns one or more patents and asserts the patent(s) against alleged infringers, with a desire typically to obtain settlement rather than actually trying any lawsuit.”); see also Matthew Marquardt, *A New Breed of Patent Troll? False Patent Marking in the US*, LEXOLOGY (Mar. 5, 2010), <http://www.lexology.com/library/detail.aspx?g=b20b6e5f-d408-4364-9cc4-ab648bb8d70c> (referring to these plaintiffs as “marking trolls”); Erik Sherman, *Trolls Target Patent Marking with a Trillion Dollar Lawsuit*, BNET (Mar. 1, 2010), <http://www.bnet.com/blog/technology-business/trolls-target-patent-markings-with-a-trillion-dollar-lawsuit/2723> (discussing the new type of patent troll).

176. Robbins, *supra* note 84 (describing the formation of Americans for Fair Patent Use by an intellectual property boutique and the Patent Compliance Group by an attorney). These companies, formed for the purpose of filing false marking suits, have filed dozens of suits in 2010. See McDonnell, Boehnen, Hulbert & Berghoff, LLP, *supra* note 2 (listing recent false marking suits filed across the country).

177. Rupert, *supra* note 29, at 4.

178. *Calderwood v. Mansfield*, 71 F. Supp. 480, 481 (N.D. Cal. 1947).

179. *Stauffer v. Brooks Bros., Inc.*, 615 F. Supp. 2d 248, 255 (S.D.N.Y. 2009), *rev’d*, Nos. 2009-1428, 2009-1430, 2009-1453, 2010 WL 3397419 (Fed. Cir. Aug. 31, 2010).

C. A CONSERVATIVE INTERPRETATION OF THE FALSE MARKING STATUTE

The Federal Circuit's decision that an "offense" in 35 U.S.C. § 292 should be defined on a per article basis¹⁸⁰ firmly established a financial motivation for plaintiffs to sue under the *qui tam* provision of the false marking statute. The ruling in *Solo Cup* that an article covered by an expired patent is an unpatented article¹⁸¹ overly broadened the false marking cause of action. Either Congress or the Federal Circuit should act to limit the *qui tam* provision and arrest the current trend towards exploitative litigation.

The Federal Circuit is uniquely positioned to prevent further additional litigation by explicitly holding that articles covered by expired patents are not "unpatented articles" for the purposes of the false marking statute. Failure by the Federal Circuit to act is likely to induce extensive legislative restrictions on this *qui tam* action, potentially resulting in the loss of a mechanism to enforce the proper use of a patent marking.¹⁸² Nevertheless, if the Federal Circuit fails to act, Congress should take decisive action to protect the informer action by amending the false marking statute to clarify that it excludes articles covered by expired patents. This conservative interpretation of the statute by the Federal Circuit or Congress would restrict the enforcement of the false marking statute to violations that have the potential to cause serious harm to the public and would preserve incentives to mark.

CONCLUSION

The recent spate of litigation by third parties using the false marking statute against the makers of articles covered by expired patents presents a significant financial risk for patentees. If this litigation is allowed to continue, it will create incentives for manufacturers not to mark their products, contravening the public notice function of the patent act. The Federal Circuit or Congress should act to prevent labeling articles covered by valid but now-expired patents from being false mark-

180. *Forest Group, Inc. v. Bon Tool Co.*, 590 F.3d 1295, 1303 (Fed. Cir. 2009).

181. *Pequignot v. Solo Cup Co.*, 608 F.3d 1356, 1361 (Fed. Cir. 2010).

182. All but two other American *qui tam* actions have been repealed. See DOYLE, *supra* note 30, at 4. Proposed legislation would entirely remove the *qui tam* action from § 292. See Patent Reform Act of 2010, S. 515, 111th Cong. § 146(k)(1) (2010) (amending 35 U.S.C. § 292(b) to require competitive injury for a plaintiff to bring suit); see also *Brown & Jones*, *supra* note 37.

ing. This exclusion is consistent with legislative and judicial precedent as well as public and patent policy. In addition, this limitation will prevent the development of incentives not to mark and avert exploitative litigation.