

How To Avoid Pitfalls And Gray Areas In Virtual Patent Marking

By Ryan Davis

Law360 (October 31, 2022, 8:20 PM EDT) -- For more than a decade, patent owners have been able to list their patent numbers online instead of on products. But despite many advantages, attorneys say the option can cause problems if it's not done right, and presents some murky questions that courts haven't yet answered.

Virtual patent marking, as the process is known, was made possible by the America Invents Act in 2011. Posting patent numbers online is an easier way for companies to notify the public of their patents, which can be a critical part of damages determinations in an infringement case.

Before the law was passed, patent numbers had to be marked on the patented product itself, an unappealing prospect that required changing molds or labels whenever the information had to be updated. Under the AIA, products can instead be marked with the address of a website listing the patents.

"I think virtual marketing has been successful, and it's been adopted by a number of companies. It makes a lot of sense," said Bill Frankel of Crowell & Moring LLP.

Yet even 11 years on, there's still some confusion among companies about what a virtual marking website should look like, and new issues are still arising that haven't been resolved in litigation.

The touchstone of the marking statute is public notice. The statute contemplates that when virtual marking, the website should put the public on notice of the patent rights "without charge," which provides valuable guidance, said Brianna Chamberlin of Fish & Richardson PC.

"Even though there is still a lot of ambiguity with virtual marking, some of the questions we've been getting asked can be answered by reading the statute carefully and considering that virtual marking should provide the same public notice as actual patent marking would," she said.

What to Include

While patent owners are not required to notify the public of the patents covering their products, not doing so can limit the potential damages available in litigation.

Patent owners can recover damages for up to six years before a complaint is filed if the accused infringer has notice of the patents, which can include the date the patent is first listed on a virtual marking

website. As a result, "not doing it properly could cause tens of millions of dollars of mistakes," said Bryan Nese of Mayer Brown LLP.

In the relatively small number of decisions to date dealing with virtual marking, the courts have emphasized that in order to pass muster, virtual marking websites have to be explicit about which of the company's patents cover which products and features.

In a 2019 decision in *Manufacturing Resources International Inc. v. Civiq Smartscales LLC*, U.S. District Judge Richard Andrews of Delaware held that the website "must do more than simply list the patentee's patents." A laundry list of every patent that could apply to a product does not provide notice, he wrote, "it merely creates a research project for the public."

The goal for companies and their attorneys in setting up a virtual marking program is to make it so anyone looking at the website can easily grasp what the patents cover. But that can be challenging when, say, a complex electronic device includes many different technologies.

For instance, if a patented feature is included in only some models of a product and the website suggests that the patent covers all of them, that may cause problems. Similarly, just listing the patents for every feature found in a product without identifying them isn't sufficient.

"Where I think a lot of parties get into trouble with virtual marking is just being a little too *laissez faire* about it, and not really taking the extra steps to make sure that you're being absolutely clear," Nese said. He added that "the case law I've seen hasn't given us great guidance on where the line is."

Staying Current

Since the goal of a virtual marking website is to put the public on notice of the patents, it's important for companies to ensure not only that it doesn't go down or become difficult to access, but also that it's accurate and up to date.

It takes work to constantly monitor the site, adding and subtracting new patents and products. But when companies are vigilant about keeping the site current and complete, it shows that they are making an effort to let the public know about their patents, Frankel said.

One thing that could cause problems "is just that companies throw up these sites and forget about them," he said.

In addition to adding new patents to the site as they are issued, companies and attorneys have grappled with what to do with the website when a patent is found invalid.

Once a legal dispute over a patent's validity has ended and there is a final cancellation, it should be removed from the list, since failing to do so could give rise to an allegation of false marking. Although the AIA raised the bar for such claims to require a showing of an intent to deceive the public, it's best to avoid any risk, attorneys said.

However, situations where a court or the Patent Trial and Appeal Board has found a patent invalid and that decision is still subject to appeal present "one of those large gray areas," Chamberlin of Fish & Richardson said.

One option could be to continue listing the patent with a note that it's been found invalid but an appeal is pending. While that would provide the most information, the patent owner may not want to draw attention to the invalidity ruling. No marking disputes have yet come up in litigation that deal with this scenario.

"Hopefully, this could be an area where a court could provide some type of additional guidance," Chamberlin said. "But of course that's such a unique fact pattern that I doubt you will see that for a very long time."

Novel Questions

Attorneys said they've fielded several other questions from clients about virtual marking that don't have definitive answers, and advise that the best course of action is to keep it simple.

In a 2019 decision in California, a judge declined to rule on whether it was permissible for a patent owner to mark products with the company homepage rather than a specific page dedicated to listing patents, but noted that it was challenging to locate the patent information from the main page.

"If that's the standard, to me that opens up a whole can of worms," Nese of Mayer Brown said. "What is 'difficult to access'?"

He questioned whether that means a URL made up of a long string of characters could be deemed too challenging to visit. To avoid risks, it's best to make everything about the site and the information on it as straightforward as possible, Nese said.

"The more you deviate from that very basic kind of identification, I think, the more likely you are approaching something that a court would say, 'That's too confusing,'" he said.

Chamberlin said she's been asked if a patent owner can request information from users in order to access the patent website, and if it's permissible to print a QR code on the product, instead of the website address. Neither of those approaches has been analyzed by the courts, she said.

The statute's reference to "an address of a posting on the internet," indicates one should consider a URL rather than a QR code to minimize risk, Chamberlin said. Using the latter could impede access, since not everyone knows how to use a QR code and may not have access to a smart device to read them, she noted.

Likewise, the plain language of the statute says the site should be "accessible to the public without charge," which seemingly counsels against asking for anything in return for viewing it, she said.

"At the end of the day, for purposes of meeting the marking requirement, you should make it as simple and as easy as possible for someone to be able to see the patent rights that you're holding out there as covering your product," Chamberlin said.

--Editing by Alanna Weissman and Kelly Duncan.