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In *Forest Group v. Bon Tool*, the Federal Circuit enunciated that penalties for false patent marking under 35 U.S.C. § 292 are on a *per article* basis, not a per decision basis as many district courts had previously interpreted the statute. Because any person can bring suit against one suspected of false marking, patent holders are especially vulnerable for allegations of false marking when, for example, products are marked with a patent that does not actually cover the product. Patentees should carefully monitor marked products to avoid accusations of false marking and the nuisance and expense of litigation.

35 U.S.C. § 292 states that whoever marks any unpatented article with "patent," "patent pending," or a similar word or number having the same meaning for the purpose of deceiving the public shall be fined not more than \$500 for every such offense. The statute also provides that any person may sue for the penalty, in which case one-half of the fine shall go to the person suing and the other to the United States.

Thus, the elements of false marking include: (1) marking an unpatented article; and (2) an intent to deceive the public. Intent to deceive is a state of mind of the actor. The actor must act with sufficient knowledge that the marking is improper and that one would be misled into thinking that the marking is true. In other words, the actor must lack a reasonable belief that the article was properly marked.

In the instant case, Forest knew that certain marked products it sold were not covered by the patent in question based on a judicial determination in an unrelated case. Subsequent to the disposition in the unrelated case, Forest placed at least one more order to the manufacturer for additional articles marked with the patent number. The district court found that Forest had falsely marked its products with an intent to deceive because Forest had the requisite knowledge that the products were not covered by its patent. Forest was fined \$500 for a single decision to falsely mark.

The Federal Circuit found that the statute's plain language requires the penalty for false marking to be imposed on a *per article* basis. In reaching its decision, the Federal Circuit found that the district court did not err in finding Forest had the requisite knowledge that its product did not fall within the patent claims. Even though Forest argued that a per article assessment would encourage a "cottage industry" of litigation for those who have suffered no harm, the court relied on the language of the statute, which clearly states that "any person" may sue for the penalty. While the Federal Circuit found for a per article penalty, it also emphasized that courts have discretion based on the \$500 maximum set by the statute. Thus, inexpensive mass produced articles may be assessed a much lower penalty, for example, on the order of a fraction of a penny per article.

Patentees must now be especially careful about mismarking products. While intent to deceive must be established, any mismarking could result in an allegation of false marking. Furthermore, mass produced articles could still toll a hefty fine even on a fraction of a penny basis. Therefore, patentees should be especially diligent to remove patent markings for expired patents, products not covered by the patent, abandoned applications, and invalid or unenforceable patents.