

## CASE LAW UPDATE

August 10, 2005

<b>CASE</b>	<i>Clontech Laboratories, Inc. v. Invitrogen Corporation</i> (Fed. Cir. May 5, 2005)
<b>MAIN ISSUES</b>	Is 35 U.S.C. § 292 (false patent marking) a strict liability statute? What proof is needed to establish an intent to deceive the public?
<b>EXECUTIVE SUMMARY</b>	A patentee who falsely marks its products with a patent number is not automatically liable for the statutory fine imposed by 35 U.S.C. § 292. Proof of intent to deceive the public, by a preponderance of the evidence, is required.
<b>KEY TERMS</b>	False patent marking; mismarking; 35 U.S.C. § 292

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**PROCEDURAL POSTURE** Clontech sued Invitrogen for, among other things, false patent marking. Invitrogen countersued Clontech for infringement of Invitrogen's patents covering certain enzymes used in DNA synthesis. Chief Judge Robinson of the U.S. District Court for the District of Delaware, following a bench trial, found Invitrogen liable for false patent marking of its enzyme products because it allegedly knew those products did not meet an activity limitation in certain claims of its patents.

**FACTS** Reverse transcriptases ("RTs") are used to synthesize DNA. When longer DNA strands are synthesized, RTs with no RNase H activity are preferred because they produce a superior DNA yield. Invitrogen sold these preferred RTs and owned patents directed to the enzymes themselves claiming "substantially no RNase H activity" as well as the method of using the enzymes, kits including the enzymes, and the DNA products produced using the enzymes.

Invitrogen had performed a number of tests on its enzyme products to characterize their activity. In particular, it performed certain tests in the year 2000 for the express purpose of determining whether its enzyme products met the "substantially no RNase H activity" claimed in its patents. The 2000 tests yielded 14 data points. All but one data point showed that the enzymatic activity fell within the claimed activity. Clontech alleged Invitrogen falsely marked its products because two of its data points put Invitrogen on notice that its enzyme products were not within the scope of its patent claims. Invitrogen countered that: (1) the disputed data points were statistically insignificant and could be explained by experimental error; and (2) substantially all the data supported its patent marking.

**HOLDING** The Federal Circuit REVERSED the district court's finding of false patent marking because the evidence did not support the court's conclusion that the 2000 tests put Invitrogen on clear notice that its products were not covered by the patents used to mark those products.

**COURT'S REASONING** The Court considered this a case of first impression and the panel followed sparse 1st and 5th Circuit law interpreting 35 U.S.C. § 292 as not imposing strict liability -- instead requiring a plaintiff to demonstrate that the defendant had intent to deceive the public when it erroneously marked its products. The panel reasoned that proof of such intent required a showing that the defendant had: (1) sufficient knowledge that its products were not within the patent claims; and (2) knowledge that the public would be misled by defendant's false assertion that its products were within its patent claims.

**PANEL** Clevenger, Dyk, Prost (Unanimous decision)