

A Little Case With A Huge Impact

Companies using improper patent markings may now face multi-million dollar fines thanks to a recent Federal Circuit case. See *Forest Group v. Bon Tool Co.*, 590 F.3d 1295 (Fed. Cir. 2009). Before the courts ruling in *Forest Group Inc. v. Bon Tool Co.*, companies found violating the False Patent Marking Statute, 35 U.S.C. § 292(a), were only fined a maximum \$500 penalty for a single offense of false marking. This is true regardless of the number of individual products.

The Changing Scene

Since the Federal Circuit's decision in *Forest Group Inc.*, companies may now face penalties for each falsely marked article. For example, a court could assess fines totaling \$5,000,000 for a group of 10,000 falsely-marked products. Before *Forest Group Inc.*, the total fine would have been \$500 in such a case. In the wake of this decision, almost 100 cases have been filed under the False Patent Marking Statute. Companies with large patent products who sell consumer products in large volume are especially at risk for false marking fines because of the potential for high damages awards.

What's In It For You?

If your company applies patent markings, you may be at risk. Companies and legal counsel must be mindful of the increased risks associated with using false patent markings. Going forward, companies should consider taking the following actions:

- Review patent marking policies and revise if necessary;
- Develop a system to remove markings for expired or false patents;
- Review patents when product designs change and revise when necessary; and
- Direct product manufacturers to immediately update manufacturing or labeling equipment if a patent is no longer good. Confirm the manufacturer changed the markings before product distribution.

Although the risk of potential liability is real, companies should continue marking patent-protected products. More importantly, to collect maximum damages for patent infringement, federal law requires that the patentee give notice the article is patented. 35 U.S.C. § 287(a). When an article is not marked, the patentee must show the infringer was notified of the infringement and continued to infringe after notice. Even then, the infringing party is only liable for infringement occurring after receiving notice of the infringement.

If you need help protecting your interest in patented products, please contact [Charles Forlidas](#) at (404) 962-6444.

The opinions expressed in this bulletin are intended for general guidance only. They are not intended as recommendations for specific situations. As always, readers should consult a qualified attorney for specific legal guidance. Should you need assistance from a Miller & Martin attorney, please call 1-800-275-7303.

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