

## Conditional Patent Marking - "What's Up With That?"



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**F**ollowing *Forest Group v. Bon Tool* and its progeny, patentees need to reconsider marking with a form of conditional language such as "this product may be covered by one or more of the following patents."

Relying on the 2005 *Clontech Labs* decision, the CAFC in *Forest Group* made clear that evidence of mismarking creates a rebuttable presumption of intent to deceive and conclusory denials will not overcome the presumption. In a 1985 pre- *Clontech* decision, the CAFC in *Arcadia Machine & Tool*, held that certain conditional language did not violate the false marking statute. "May be manufactured under" was properly found not to be deceptive in any way. Affidavits established that any errors in labels having "is manufactured under" were due to inadvertence, oversight, or patent expirations. All products having these labels were made under one or more of the listed patents. Would the Federal Circuit today have ruled differently on the facts in *Arcadia*? What if the affidavits merely made conclusory statements? At a minimum, one of the excuses given, that the mismarking was caused by patent expirations would no longer be considered a viable excuse in view of the CAFC's *Pequignot v. Solo Cup* decision.

Two recent decisions appear to indicate that *Arcadia* is no longer good law. In *Astec America v. Power-One*, the district court rejected the notion of a blanket approval of conditional language, holding that the issue is whether the plaintiff can show that the language was employed with the intent to deceive. The district court in *Josephs v. Federal-Mogul*, held that intent to deceive could be found even when "may be covered" was used. The court noted that while it may be difficult to plead intent to deceive in that circumstance, it would not be impossible and therefore it granted plaintiff leave to amend the complaint dismissed on Rule 9(b) grounds.

The *Pequignot* district court decision distinguished *Arcadia* on the facts in that there was evidence that no patent or application covered some of the marked products, whereas the evidence in *Arcadia* showed that all the products were covered by at least one patent or appli-

cation. The court stated the "may be covered" language, violates §292 if done with intent to deceive, because it "clearly suggests that the article is protected by the patent laws," and "potential inventors and consumers cannot readily confirm whether the article is protected." In effect, the conditional statement "functions as a *de facto* 'no trespassing' sign." By affirming this holding in *Pequignot* the CAFC in effect held that the presumption applies even though the language is technically true. The court stated that "it is highly questionable whether such a statement could be made 'for the purpose of deceiving the public,' when the public would not reasonably be deceived into believing the products were definitely covered by a patent. Regardless, the district court correctly held that *Pequignot* raised no genuine issue of material fact regarding Solo's intent and *that Solo therefore successfully rebutted the presumption.*" *Id.* (emphasis added).

Thus, even though the "may be covered" language is technically true in the case where all the products are covered by at least one patent or application as in *Arcadia*, the CAFC may consider it a false statement because competitors cannot readily confirm which patent covers the article and they must instead undertake an expensive inquiry to interpret each patent.

The CAFC has clearly stated that the cost of determining whether an article is subject to a valid patent should be borne by the patentee, not the public. Conditional language, although technically true, may give rise to a presumption of intent to deceive, especially if there are some products not covered by any of the patents. Thus, the "may be covered" language is not an automatic get out of jail free card. Moreover, it is questionable whether the conditional language will satisfy marking notice under §287(a). The CAFC noted in dicta that the "may be covered" language employed by *Solo Cup* without listing any patent numbers would not satisfy notice. There is no reported decision that awarded past damages based on a conditional language marking. Thus, the value of using conditional language marking is questionable at best, because the risk of a false marking fine exists.

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