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**TO MARK OR NOT TO MARK: APPLICATION OF THE PATENT  
MARKING STATUTE TO WEBSITES AND THE INTERNET**

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I. INTRODUCTION

[1] Chapter 35, Section 287(a) (“Marking Statute”), of the Patent Act of 1952 provides the following:

Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them, or importing any patented article into the United States, may give notice to the public that the same is patented, either by fixing thereon the word "patent" or the abbreviation "pat.", together with the number of the patent, or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after

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such notice. Filing of an action for infringement shall constitute such notice.<sup>1</sup>

[2] The Marking Statute expressly limits the patent owner's recovery of damages if the patent owner, anyone making, offering for sale, or selling, failed to mark its patented invention, being sold within the United States, with the associated patent number. In these cases, damages must be limited to those that accrue after the infringer is provided actual notice of infringement. The authors suggest that, in light of relevant jurisprudence and the purpose of the Marking Statute, owners of patents that are directed to any business activities on the Internet should mark their own websites, and require their licensees to mark their websites, with the relevant patent numbers to avail themselves of constructive notice.<sup>2</sup>

## II. BACKGROUND

[3] The first American patent statute did not contain a marking requirement.<sup>3</sup> The United States Supreme Court in *Boyden v. Burke*<sup>4</sup> explained that all patents were public records and “[a]ll persons [were] bound to take notice of their contents . . .”<sup>5</sup> The first marking duty was imposed by the Patent Act of 1842,<sup>6</sup> which required all patentees and assignees to mark each product sold with the date of the patent.<sup>7</sup> Failure to mark a product would result in a fine of “not less than one hundred dollars.”<sup>8</sup> The statutory penalty was eventually removed by the Patent Act of 1861 which instead provided that “no damages shall be recovered” by the patent owner unless there was constructive notice by marking, or actual notice to the infringer.<sup>9</sup> The Patent Act of 1927 changed the required marking from the date of patent to the word “patent” and the

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<sup>1</sup> 35 U.S.C. § 287(a) (2000).

<sup>2</sup> Constructive notice, as used in this article, refers to notice of patent protection resulting from affirmative marking of a patented article.

<sup>3</sup> 7 DONALD S. CHISUM, CHISUM ON PATENTS § 20.03(7)(c) (2006) [hereinafter CHISUM ON PATENTS].

<sup>4</sup> *Boyden v. Burke*, 55 U.S. 575 (1852).

<sup>5</sup> *Id.* at 582-83.

<sup>6</sup> *Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387, 395-96 (1936).

<sup>7</sup> *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1443 (Fed. Cir. 1998) (citing Act of 1842, 5 Stat. 543, 544).

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

patent number.<sup>10</sup> The Patent Act of 1952 codified the Marking Statute as it exists today and states that the patentee can provide sufficient constructive notice by abbreviating “patent” to “pat.” instead.<sup>11</sup> The patent owner is thus required by the Marking Statute to mark all patented articles offered for sale in the United States in order to avail itself of the constructive notice requirement and be able to recover damages as of the date of infringement.<sup>12</sup>

[4] The purposes of the Marking Statute are to 1) help avoid penalizing for innocent infringement; 2) encourage patentees to give notice to the public that the article is patented; and 3) aid the public in identifying whether an article is patented.<sup>13</sup> Due to its public policy rationale, the marking duty can be analogized to estoppel<sup>14</sup> or reasonable reliance.<sup>15</sup> The Court of Appeals for the Federal Circuit (“Federal Circuit”) has explained that marking is a form of “*in rem* notice to the world” of patent protection,<sup>16</sup> rendering the duty to mark a proactive measure imposed on the patent owner.<sup>17</sup> As such, knowledge of patent protection by an alleged infringer is immaterial,<sup>18</sup> and the patent owner is itself required to comply

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<sup>10</sup> See Carl Oppedahl, *Patent Marking of Systems*, 11 SANTA CLARA COMPUTER & HIGH TECH. L.J. 205, 210 (1995) [hereinafter Oppedahl] (providing an extensive discussion of the history of the marking requirement).

<sup>11</sup> 35 U.S.C. § 287(a) (1999).

<sup>12</sup> See *Amsted Indus. Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994) (explaining that a patent holder may recover damages on unmarked articles only after either the infringer received actual notice of infringement or the filing date of an infringement lawsuit).

<sup>13</sup> *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1443 (Fed. Cir. 1998) (internal citations omitted).

<sup>14</sup> See Oppedahl, *supra* note 10, at 211 (explaining that when a patent owner fails to mark a patented item “it may be understood to have led the public to believe that [the item] is not patented, and thus cannot be heard to complain for damages if a member of the public who has not been given actual notice of the patent chooses to copy the product.”).

<sup>15</sup> See *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) (holding that where there is no marking present, the “public may rely upon the lack of notice in exploiting shapes and designs accessible to all.”).

<sup>16</sup> *Am. Med. Sys. v. Med. Eng'g Corp.*, 6 F.3d 1523, 1537 (Fed. Cir. 1993).

<sup>17</sup> *Amsted*, 24 F.3d at 187 (citing *Dunlap v. Schofield*, 152 U.S. 244, 247-48 (1894) holding that notice “is an affirmative act, and something to be done by [the patent owner].”).

<sup>18</sup> *Gart v. Logitech, Inc.*, 254 F.3d 1334, 1346 (Fed. Cir. 2001) (agreeing with *Amsted*, 24 F.3d at 187 that “it is irrelevant...whether the defendant knew of...his own infringement.”).

with the Marking Statute and is also required to police compliance by its licensees.<sup>19</sup> Lack of marking does not constitute an affirmative defense but limits the recovery of pre-notice damages.<sup>20</sup>

### III. COMPLIANCE WITH THE MARKING STATUTE ON THE INTERNET

[5] The Marking Statute states that a patent owner can satisfy the notice requirement by either providing constructive notice by marking its “patented article” with the relevant patent number<sup>21</sup> or by providing actual notice “of the infringement” to the infringer.<sup>22</sup> It expressly states that where actual notice of infringement has not been provided, “[f]iling of an action for infringement shall constitute such notice.”<sup>23</sup> Thus, the statute provides that a patent owner “is entitled to damages from the time when it either began marking its product in compliance with section 287(a) or when it actually notified [the accused infringer] of its infringement, whichever was earlier.”<sup>24</sup> It is widely accepted that marking is not required when neither the patent owner nor its licensees produce the patented article<sup>25</sup> or when the patent-in-suit is only directed to a process or a method,<sup>26</sup> because in both situations there is “nothing to mark.”<sup>27</sup>

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<sup>19</sup> CHISUM ON PATENTS, *supra* note 3, § 20.03(7)(c)(ii) (citing a myriad of cases at n. 130 to support the conclusion that the patent owner must supervise those acting “under [him]”); *see also Amsted*, 24 F.3d at 185 (explaining that “[a] licensee who makes or sells a patented article does so ‘for or under’ the patentee, thereby limiting the patentee’s damage recovery when the patented article is not marked.”).

<sup>20</sup> *Motorola, Inc. v. United States*, 729 F.2d 765, 769 (Fed. Cir. 1984).

<sup>21</sup> 35 U.S.C. § 287(a) (1999).

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Am. Med. Sys. v. Med. Eng'g Corp.*, 6 F.3d 1523, 1537 (Fed. Cir. 1993); *accord Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111 (Fed. Cir. 1996).

<sup>25</sup> *Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387, 397 (1936); *see also Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1443 (Fed. Cir. 1998) (stating that even though *Wine Ry.* interpreted a predecessor to the current Marking Statute, it applies to the modern statutory counterpart).

<sup>26</sup> *Am. Med. Sys.*, 6 F.3d at 1538 (citing *Bandag, Inc. v. Gerrard Tire Co.*, 704 F.2d 1578, 1581 (Fed. Cir. 1983)); *see also State Contracting & Eng'g Corp. v. Condotte Am., Inc.*, 346 F.3d 1057 (Fed. Cir. 2003) (distinguishing cases where the patent-in-suit contains both method and apparatus claims from those where the patent-in-suit contains only method claims, and holding that where the patent-in-suit contains only method claims and the infringing product is made using the patented method, the Marking Statute does not apply to limit the patent owner’s recovery of damages).

Patents dealing with activities on the Internet can take the form of a system,<sup>28</sup> software,<sup>29</sup> business method,<sup>30</sup> or combination thereof.

A. *CONSTRUCTIVE NOTICE BY MARKING*

1. WEBSITE *IS* THE PATENTED ARTICLE

[6] When a website is expressly included in a patent claim, it functions as a direct limitation on the scope of the patent. The Federal Circuit has not had the opportunity to determine whether a website can constitute a patented article. However, case law indicates that when given the opportunity, the Federal Circuit will likely hold that a website that is expressly claimed in the patent-in-suit constitutes a patented article under the Marking Statute and must be marked to satisfy the constructive notice requirement and not limit the recovery of damages.

[7] The Marking Statute expressly requires any “patented article” to be marked.<sup>31</sup> Absent direction from the Federal Circuit,<sup>32</sup> district courts have held that the determination of whether an article “embodies” a patent and constitutes a “patented article” parallels an inquiry into whether an article infringes a patent.<sup>33</sup> Such an inquiry requires a two-step analysis.<sup>34</sup> First,

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<sup>27</sup> *Am. Med. Sys.*, 6 F.3d at 1538.

<sup>28</sup> See Oppedahl, *supra* note 10, at 223 (suggesting that complex, possibly geographically dispersed, systems that combine several patented items, both method and apparatus, should be marked by patent numbers corresponding to every patent containing apparatus claims in order to comply with the marking requirements of § 287 (a)).

<sup>29</sup> See *State St. Bank & Trust Co., v. Signature Fin. Group, Inc.*, 149 F.3d 1368, 1375 (Fed. Cir. 1998) (holding that a computer “programmed with...software [ ] admittedly produces a ‘useful, concrete, and tangible result’” and is “statutory subject matter, even if the useful result is expressed in numbers....”).

<sup>30</sup> See *id.* (explaining that when an innovative business method meets the statutory requirements of utility, novelty, and non-obviousness, it may be protected under the patent law as any other process or method).

<sup>31</sup> 35 U.S.C. § 287 (a) (1999).

<sup>32</sup> John LaBarre & Xavier Gomez-Velasco, *Ready, Set, Mark Your Patented Software!*, 12 RICH. J.L. & TECH. 3, ¶ 37 (2005) [hereinafter *LaBarre & Gomez-Velasco*] (stating that the Federal Circuit has not yet had the opportunity to address what constitutes a “patented article” under the Marking Statute).

<sup>33</sup> *Laitram Corp. v. Hewlett-Packard Co.*, 806 F. Supp. 1294, 1296 (E.D. La. 1992); see also *Clancy Sys. Int'l, Inc. v. Symbol Techs., Inc.*, 953 F. Supp. 1170, 1173 (D. Colo. 1997) (stating that “one test for determining whether a product is a ‘patented article’

all claims in the patent-in-suit must be construed in a *Markman* hearing to determine their scope and meaning.<sup>35</sup> Second, the properly construed patent claims must be compared to the article in question to decide whether the claims cover the article.<sup>36</sup> As a question of fact, the second prong of this test is to be left to the trier of fact.<sup>37</sup>

[8] By analogy, the test of whether an article is covered by the patent-in-suit and constitutes a “patented article” under the Marking Statute, requires the court to ask if the article had been produced or sold by someone other than the patentee or its licensees, “would it directly and literally infringe the independent claims of the patent.”<sup>38</sup> This inquiry looks to the relationship between the article in question and the patent-in-suit.<sup>39</sup>

[9] Based on the foregoing discussion, when a website is expressly disclosed in, or otherwise falls within the scope of one of the patent claims, it acts as a limitation on the scope of the patent and constitutes a “patented article.”<sup>40</sup> In this situation, the language of the Marking Statute makes clear that the patent owner and its licensees must mark such a website with the relevant patent numbers to avail themselves of the benefits of constructive notice and to be capable of recovering damages as of the date of infringement.

## 2. THE WEBSITE IS *NOT* THE PATENTED ARTICLE

[10] The Federal Circuit has rendered several arguably conflicting decisions relating to the marking duty as it applies where the patent-in-suit does not claim the article or website in question. The question then

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under section 287(a) is to ask whether the product would infringe the patent if sold by an unauthorized party.”).

<sup>34</sup> *Gart v. Logitech, Inc.*, 254 F.3d 1334, 1339 (Fed. Cir. 2001).

<sup>35</sup> *Id.*; *see also Markman v. Westview Instruments*, 517 U.S. 370, 372 (1996).

<sup>36</sup> *Id.*

<sup>37</sup> *Palumbo v. Don-Joy Co.*, 762 F.2d 969, 974 (Fed. Cir. 1985).

<sup>38</sup> *Laitram*, 806 F. Supp. at 1296; *see also Clancy*, 953 F. Supp. at 1173.

<sup>39</sup> *Broadcom Corp. v. Agere Sys., Inc.*, No. 04-CIV-2416, 2004 U.S. Dist. LEXIS 18163, \*9-11 (E.D. Pa. Sept. 8, 2004) (following *Clancy* and *Laitram* in applying the two-part “patented article” test).

<sup>40</sup> 35 U.S.C. § 287 (a) (1999).

becomes what conditions must be met to trigger the marking duty in relation to a website even though the website is not the “patented article.” The Federal Circuit has announced several possible solutions. The most recent Marking Statute case decided by the Federal Circuit, *Sentry Protection Products v. Eagle Manufacturing Co.*,<sup>41</sup> did not overrule or distinguish any of the following cases and each can presumably support a valid legal argument.

I. NO AFFIRMATIVE DUTY TO MARK WHEN *ONLY* METHOD CLAIMS ARE FOUND INFRINGED EVEN THOUGH THE PATENT MAY CONTAIN BOTH METHOD AND APPARATUS CLAIMS

[11] One line of cases holds that the Marking Statute does not apply where only process or method claims are being asserted because there is no “patented article” that satisfies the requirements of the statute. For example, in *Hanson v. Alpine Valley Ski Area*,<sup>42</sup> Hanson was awarded a patent covering a method and apparatus for making snow used in winter sports and licensed its use and development to Snow Machines Incorporated (“SMI”).<sup>43</sup> One competitor, Hedco, Inc., sold snow-making devices that used Hanson’s patented method to Alpine Valley Ski Area, Inc. (“Alpine”) without a license or permission from Hanson.<sup>44</sup> The district court held that Hanson’s patent was valid and infringed by Alpine.<sup>45</sup>

[12] On appeal, Alpine argued that Hanson was precluded from recovering damages for the infringement prior to the filing of the lawsuit because Hanson’s licensee, SMI, did not mark the devices that it sold with the patent number.<sup>46</sup> Judge Friedman noted that even though Hanson’s patent contained both apparatus and method claims, the only claims found infringed, after claim construction and relevant comparison, were directed to a method.<sup>47</sup> The Federal Circuit cited its recent decision in *Bandag, Inc. v. Gerrard Tire Co., Inc.*, when holding that the notice requirement of

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<sup>41</sup> *Sentry Prot. Prods. v. Eagle Mfg. Co.*, 400 F.3d 910, 919 (Fed. Cir. 2005).

<sup>42</sup> *Hanson v. Alpine Valley Ski Area*, 718 F.2d 1075 (Fed. Cir. 1983).

<sup>43</sup> *Id.* at 1076.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 1082.

<sup>47</sup> *Id.* at 1083.



the Marking Statute did not apply to limit the recovery of damages where only process or method claims were found infringed.<sup>48</sup>

[13] Similarly, in *Devices for Medicine, Inc. v. Boehl*,<sup>49</sup> Devices for Medicine sued Boehl for infringement of three patents disclosing and claiming apparatus and methods of using introducers to insert medical devices into the human body.<sup>50</sup> On appeal, Judge Markey did not engage in a full discussion of the marking requirement<sup>51</sup> but agreed with *Hanson* that where a patent contains method and apparatus claims, notice under the Marking Statute is not required where only method claims were being asserted.<sup>52</sup>

[14] Based on *Hanson* and *Devices for Medicine*, marking of a website is presumably not required when it is not the “patented article” itself but merely uses an asserted process or method claimed in the patent-in-suit. The Federal Circuit based its holding in both cases on the well-established principle that the Marking Statute does not limit the recovery of damages when the patent-in-suit is directed at a process or method.<sup>53</sup> Mere use of a patented method does not produce a website, and as such, does not bring it within the language of the Marking Statute. Both cases are still good law, as *Hanson* was recently cited with approval in *State Contracting & Engineering Corp. v. Condotte America, Inc.*,<sup>54</sup> for the proposition that the Marking Statute does not apply when only process claims were found infringed and the patent contained apparatus claims.<sup>55</sup>

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<sup>48</sup> *Id.* (citing *Bandag Inc. v. Gerrad Tire Co.*, 704 F.2d 1578, 1581 (Fed. Cir. 1983)).

<sup>49</sup> *Devices for Med., Inc. v. Boehl*, 822 F.2d 1062 (Fed. Cir. 1987).

<sup>50</sup> *Id.* at 1063.

<sup>51</sup> The Federal Circuit found that *Devices for Medicine* failed to preserve its objection to damages for appeal. *See generally id.*

<sup>52</sup> *Id.* at 1066; *see also* Oppedahl, *supra* note 10, at 221 (stating that marking is not required when only method claims are asserted, but where apparatus claims are being asserted, the apparatus needs to be marked).

<sup>53</sup> *See supra* note 26-27 and accompanying text; *see also* *LaBarre & Gomez-Velasco*, *supra* note 32, at ¶¶ 11-12.

<sup>54</sup> *State Contracting & Eng'g Corp. v. Condotte Am., Inc.*, 346 F.3d 1057, 1074 (Fed. Cir. 2003).

<sup>55</sup> *Id.*

II. NO AFFIRMATIVE DUTY TO MARK *UNLESS* A PATENT CONTAINS BOTH  
METHOD AND APPARATUS CLAIMS AND A TANGIBLE ITEM THAT HAS BEEN  
*PRODUCED BY THE INFRINGED METHOD CLAIM EXISTS*

[15] Another line of cases suggests that where a tangible item is not claimed in the patent-in-suit, but is produced by a claimed method in the patent, it sufficiently constitutes a “patented article” under the Marking Statute even though it is not the patented invention itself. Instructive on point, in *American Medical Systems v. Medical Engineering Corp.*,<sup>56</sup> American Medical Systems, Inc. (“AMS”) and Medical Engineering Corp. (“MEC”) were both “vigorous competitors” in the development, marketing, and sale of penile prostheses.<sup>57</sup> AMS developed and received a patent claiming a new “apparatus and method for packaging a fluid-containing penile prosthesis in a pre-filled, sterile state.”<sup>58</sup> The claimed method resulted in a packaging configuration referred to as the “wet pack” and was advantageous to the older dry-pack packaging system.<sup>59</sup> At the same time, MEC was also working on its own method of creating a wet pack for its own prostheses.<sup>60</sup> During a trade show, MEC personnel saw AMS’s packaging and replicated the package’s design.<sup>61</sup> After finding that MEC had infringed AMS’s patent, the district court limited AMS’s recovery of damages for lost profits to those incurred after the filing of the lawsuit due to an initial failure to mark in compliance with the Marking Statute.<sup>62</sup>

[16] On appeal to the Federal Circuit, AMS argued that the district court improperly limited its recovery of damages.<sup>63</sup> AMS argued that it was not required to mark its “wet pack” under the Marking Statute because it only asserted a method claim at trial.<sup>64</sup> Writing for the Federal Circuit, Judge Michel analyzed relevant precedent and held that:

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<sup>56</sup> *Am. Med. Sys. v. Med. Eng'g Corp.*, 6 F.3d 1523, 1527 (Fed. Cir. 1993).

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.* at 1528.

<sup>61</sup> *Id.*

<sup>62</sup> *Id.* at 1530.

<sup>63</sup> *Id.* at 1538.

<sup>64</sup> *Id.*

The purpose behind the marking statute is to encourage the patentee to give notice to the public of the patent. The reason that the marking statute does not apply to method claims is that, ordinarily, where the patent claims are directed to only a method or process there is nothing to mark. *Where the patent contains both apparatus and method claims, however, to the extent that there is a tangible item to mark by which notice of the asserted method claims can be given, a party is obliged to do so if it intends to avail itself of the constructive notice provisions of section 287(a).*<sup>65</sup>

This pronouncement suggests the possibility that the Federal Circuit is no longer convinced that the Marking Statute does not apply to claims directed at a process or method in any situation and in all circumstances. The difficulty with Judge Michel's often cited *American Medical Systems* directive is that if a patent contains both apparatus and method claims, marking a tangible item that implements or provides access to a claimed method, but is not the claimed apparatus, may be deceptive and even seen as an implicit limitation on the scope of the patent.<sup>66</sup> Another drawback inherent in marking an item that is not the "patented article" is that such marking has no direct connection to the patent itself. This lack of connection may give rise to implications of false marking under Section 292 of the Patent Act.<sup>67</sup> Although the requisite intent to deceive the public can be negated by a showing of goodwill to provide public notice of patent

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<sup>65</sup> *Id.* at 1538-39 (emphasis added).

<sup>66</sup> See Oppedahl, *supra* note 10, at 216 (suggesting that a patent owner may argue that marking a non-covered product may "amount[] to an admission regarding the scope of the claims of the patent.").

<sup>67</sup> 35 U.S.C. § 292 (2007); Professor Chisum explains that the Patent Act prohibits three types of false marking:

- (1) counterfeit marking (i.e. use of a patent mark without the patent owner's permission);
- (2) false patent marking (i.e. the use of a patent mark on an unpatented article); and
- (3) false patent pending marking (i.e. the use of 'patent applied for' or 'patent pending' when no patent application covering the article is in fact pending)

CHISUM ON PATENTS, *supra* note 3, § 20.03(7)(c)(vii).

protection,<sup>68</sup> this added risk may be a deterrent for some patent owners who are unwilling to engage in litigation.

[17] However, the careful wording used by Judge Michel in *American Medical Systems* suggests that this potential risk may have been foreseen and addressed. The Federal Circuit found that AMS was required to mark its “wet pack” with the patent-in-suit because it was a “physical device produced by the claimed method that was capable of being marked.”<sup>69</sup> This language implies that the court was looking for a nexus between the asserted method of a combination patent and a tangible item that is connected, by means of its creation, to the asserted method. After this nexus is established between the tangible item and the asserted method, the tangible item is treated as a “patented article” under the Marking Statute and must be marked to provide constructive notice. Several recent district court opinions dealing directly with website marking have relied on *American Medical Systems* to reach the same result.

[18] The first case to directly address whether a website is a tangible item for the purposes of the Marking Statute was *Soverain Software L.L.C. v. Amazon.com, Inc.*<sup>70</sup> Soverain alleged that Amazon.com had infringed three patents by operating websites that included virtual shopping carts to conduct e-commerce.<sup>71</sup> All three patents-in-suit contained both method and apparatus claims.<sup>72</sup> Amazon.com argued that Soverain failed to produce evidence that any of its thirty-two licensees marked their websites with the relevant patent numbers.<sup>73</sup> Soverain argued that a “website is an intangible object” that does not have to be marked.<sup>74</sup> Judge Davis explained that “[w]hen dealing with a patent that includes method and apparatus claims, a tangible item that can be marked is required to be marked.”<sup>75</sup>

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<sup>68</sup> CHISUM ON PATENTS, *supra* note 3, § 20.03(7)(c)(vii).

<sup>69</sup> *Am. Med. Sys. v. Med. Eng'g Corp.*, 6 F.3d 1523, 1539 (Fed. Cir. 1993) (emphasis added).

<sup>70</sup> *Soverain Software L.L.C. v. Amazon.com, Inc.*, 383 F. Supp. 2d 904 (E.D. Tex. 2005).

<sup>71</sup> *Id.* at 906.

<sup>72</sup> *Id.*

<sup>73</sup> *Id.* at 909.

<sup>74</sup> *Id.*

<sup>75</sup> *Id.* (citing *Am. Med. Sys.*, 6 F.3d at 1538 for support).

[19] Recognizing that the case fell under the Federal Circuit's holding in *American Medical Systems*, the court defined a website as a tangible item because "tangible item[s], as used in *American Medical Systems*, [are] those items that can be marked and intangible items [are] those that cannot be marked."<sup>76</sup> Although not expressly discussed, the facts and holding suggest that the court treated the licensees' websites as the apparatus indicated in the patents-in-suit for implementing the method claims. Since the websites were tangible items capable of being marked, the holding treated each website as a "patented article" under the Marking Statute.

[20] The same decision was reached by the district court in *IMX, Inc. v. LendingTree, L.L.C.*<sup>77</sup> IMX asserted infringement of its patent covering an interactive "method and system for trading loans in real time" where loan applications were stored in a remote server database and could be accessed through a website.<sup>78</sup> IMX created IMX Exchange software that could be accessed by lenders and brokers through a website.<sup>79</sup> The website was not part of the claims and thus not the patented invention itself.<sup>80</sup> IMX argued that unlike *Soverain*, its website did not practice the patent but was just the means through which the IMX Exchange software could be accessed.<sup>81</sup> Judge Robinson held that while the website is not the patented invention, it "is *intrinsic to the patented system* and constitutes a 'tangible item to mark by which notice of the asserted method can be given.'"<sup>82</sup>

[21] *Soverain* and *IMX* stand for two propositions. First, a website is a tangible item that is capable of being marked to provide public notice.<sup>83</sup> Second, a website that is not the patented invention itself but is intrinsic to the patented invention constitutes a "patented article" under the Marking Statute and must be marked to provide constructive notice of patent

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<sup>76</sup> *Id.* (first alteration in original).

<sup>77</sup> *IMX, Inc. v. LendingTree, L.L.C.*, No. 03-1067-SLR, 2005 U.S. Dist. LEXIS 33179 (D. Del. Dec. 14, 2005).

<sup>78</sup> *Id.* at \*3-4.

<sup>79</sup> *Id.* at \*4.

<sup>80</sup> *Id.* at \*9.

<sup>81</sup> *Id.*

<sup>82</sup> *Id.* at \*12 (emphasis added).

<sup>83</sup> See *supra* notes 76-82 and accompanying text.

protection.<sup>84</sup> Stated another way, a website that is created to provide access to, or allow users to interact with the patented invention, is intrinsic to the patented invention and constitutes a “patented article.” This logic echoes the “produced by” and nexus requirements implied in *American Medical Systems*.<sup>85</sup>

[22] The intrinsic test used in *IMX* is also supported by the express language of the Marking Statute authorizing the marking of packaging that contains one or more patented articles when marking of the article itself is impossible due to its character.<sup>86</sup> Using the facts in *Soverain* and *IMX* as a base, when the patent in question is directed to a system that is comprised of multiple elements, some tangible and some intangible,<sup>87</sup> a website that incorporates or was created to provide access to the patented invention can be reasonably analogized to packaging that contains “one or more” patented articles.<sup>88</sup> When marking of a tangible item, such as the remote server in *IMX*, is possible but would not provide sufficient public notice as required by the statute due to its inaccessibility to the public, marking the packaging will be sufficient.<sup>89</sup>

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<sup>84</sup> See *supra* notes 81-82 and accompanying text.

<sup>85</sup> See *IMX, Inc. v. Lending Tree, LLC*, No. 03-1067-SLR, 2005 U.S. Dist. LEXIS 33179, at \*12, n. 4 (D. Del. Dec. 14, 2005) (“There is no meaningful distinction between a patented method that results in a product that can be marked [produced by] and a patented system that results in a service implemented through an Internet-based website that can be marked [nexus].”) (brackets added for emphasis).

<sup>86</sup> 35 U.S.C. § 287(a) (1999).

<sup>87</sup> See *IMX*, 2005 U.S. Dist LEXIS 33179 at \*3-4, 9 (noting that the patent-in-suit contained both method and system claims covering a system comprised of a “unique interactivity” to occur over the Internet, loan database, and remote transaction server); see also *Soverain Software L.L.C. v. Amazon, Inc.*, 383 F. Supp. 2d 904, 906 (The patents-in-suit “describe a network-based sales system that includes a buyer computer, a merchant computer, a payment computer, and a virtual shopping cart.”).

<sup>88</sup> See *Wayne-Gossard Corp. v. Sondra Mfg. Co.*, 579 F.2d 41, 43 (3d Cir. 1978) (suggesting that custom of the trade should be considered when determining whether marking of the packaging is sufficient, and indicating that marking of the package rather than the “fashion hosiery” socks themselves was sufficient to satisfy the marking requirement under § 287).

<sup>89</sup> See *Rutherford v. Trim-Tex, Inc.*, 803 F. Supp. 158, 162 (N.D. Ill. 1992) (“[M]arking of the package may sufficiently comply with the [marking] statute when there is some reasonable consideration presented for not marking the article . . . or . . . marking the article itself would not provide sufficient notice to the public.”).

[23] The Federal Circuit in *State Contractors & Engineering* explained that the court should not search for some tangible item capable of being marked when the patent-in-suit contains only method claims.<sup>90</sup> Marking is only required in connection with some fabricated article.<sup>91</sup> Moreover, *Hanson* and *Devices for Medicine* are not at odds with the “produced by” limitation of *American Medical Systems*. *Hanson* and *Devices for Medicine* addressed situations where the tangible items were not produced by the asserted methods but merely used those methods. Under the holdings of both cases, marking is not required when a website is only using the patented method, even though the website is a tangible item.<sup>92</sup> Under *American Medical Systems*, *Soverain*, and *IMX*, when the website is produced by the patented method or is developed exclusively to provide access to the patented invention, it is intrinsic to the patented system and is treated as a “patented article” under the Marking Statute because of its close nexus to the patented system.<sup>93</sup> The *American Medical Systems*

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<sup>90</sup> See *State Contr. & Eng'g Corp. v. Condotte Am., Inc.*, 346 F.3d 1057, 1074 (“We have not previously held that a patent containing only method claims is examined to see if something could have been marked in order to assess whether the notice provision applies, and we decline to do so now.”).

<sup>91</sup> *Tex. Digital Sys. v. Telegenix, Inc.*, 308 F.3d 1193, 1220 (Fed. Cir. 2002) (relying on *Wine Railway* to hold that marking is only required in connection with some fabricated article), *overruled in part on other grounds* by *Phillips v. AWH Corp.*, 415 F.3d 1303, 1319-24 (Fed. Cir. 2005).

<sup>92</sup> See *supra* notes 53-55 and accompanying text.

<sup>93</sup> See *supra* 69, 83-85 and accompanying text; see also *Halliburton Servs. v. Smith Int'l, Inc.*, 317 F. Supp. 2d 719, 725-726 (E.D. Tex. 2004) (relying on *American Medical Systems* to require marking when the patent owner asserted patents that contained both method and apparatus or system claims and “distributed tangible items *created* by the [patented] methods and by which [the patent owner] could have given notice of [patent protection].”) (emphasis added); *accord Philips Elecs. N. Am. Corp. v. Contec Corp.*, 312 F. Supp. 2d 649, 651-52 (D. Del. 2004) (finding that where a tangible item is produced by an asserted method in a combination patent, and the tangible item is capable of being marked, it must be so marked to comply with *American Medical Systems* and the Marking Statute); *accord Merck & Co. v. Mediplan Health Consulting, Inc.*, 434 F. Supp. 2d 257, 261 (S.D.N.Y. 2006) (explaining that when a patent owner produced a physical item by the asserted method on which it could have given notice of patent protection, compliance with the Marking Statute was required); *accord Inline Connection Corp. v. AOL Time Warner*, 465 F. Supp. 2d 312, 324 (D. Del. 2007) (holding that when a service provider distributed a patented system where the only tangible item was a wall jack specifically designed for the patented system, the wall jack was intrinsic to the patented system and should have been marked to comply with the Marking Statute).

opinion does not overrule *Hanson* or *Devices for Medicine*, but rather builds on their rationales.

### 3. SUFFICIENCY OF MARKING

[24] Once a duty to mark is established, only full compliance with the Marking Statute will avail the patent owner of constructive notice. The Marking Statute provides that the patented article itself, or, if marking the article itself cannot be done, the packaging where the article is contained, is to be marked.<sup>94</sup> Marking must consist of “the word ‘patent’ or the abbreviation ‘pat.’ together with the number of the patent”<sup>95</sup> and must be legible and accessible to an interested person.<sup>96</sup> However, the location of marking is something that “must be left to the judgment of the patentee.”<sup>97</sup>

[25] The Federal Circuit, in *American Medical Systems*, explained that neither the express language nor legislative history of the Marking Statute imposes any time limit by which marking must begin in order to avail the patent owner of damages prior to the date of the lawsuit.<sup>98</sup> Judge Michel noted that once marking begins, the policy purpose of the Marking Statute, to provide public notice of patent protection, has been satisfied and damages are no longer limited.<sup>99</sup> The court construed the Marking Statute to “preclude recovery of damages only for infringement for any time prior to compliance with the marking or actual notice requirements of the statute.”<sup>100</sup> It further found that a mere “delay between issuance of the patent and compliance with the marking provisions of section 287(a) will not prevent recovery of damages after the date that marking has begun.”<sup>101</sup> Therefore, once marking of a website has begun, it must be consistent throughout all webpages and establish a nexus between the patent and the patented system to satisfy the Marking Statute.

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<sup>94</sup> 35 U.S.C. § 287(a) (1999).

<sup>95</sup> *Id.*

<sup>96</sup> *See* *Trussell Mfg. Co. v. Wilson-Jones Co.*, 50 F.2d 1027, 1030 (2d Cir. 1931) (holding that marking so fine that a magnifying glass is required to read it does not provide “sufficient notice to the public.”).

<sup>97</sup> *Sessions v. Romadka*, 145 U.S. 29, 50 (1892).

<sup>98</sup> *Am. Med. Sys. v. Med. Eng’g Corp.*, 6 F. 3d 1523, 1537 (Fed. Cir. 1993).

<sup>99</sup> *Id.*

<sup>100</sup> *Id.*

<sup>101</sup> *Id.*



## I. "SUBSTANTIALLY ALL" REQUIREMENT

[26] To assure compliance with the Marking Statute, substantially all websites of the patent owner and its licensees that constitute a "patented article," expressly or by relation, must be marked. In *American Medical Systems*, the Federal Circuit cautioned that "once marking has begun, it must be substantially consistent and continuous in order for the party to avail itself of the constructive notice provisions of the statute."<sup>102</sup> The consistent and continuous requirement is met when the patent owner and its licensees mark all patented articles made and no longer distribute unmarked products.<sup>103</sup> When the patent owner or its licensees mark, but do not distribute the marked articles, the notice requirement has not been satisfied.<sup>104</sup> However, the Federal Circuit in *Maxwell v. J. Baker, Inc.*,<sup>105</sup> has recognized the difficulty a patent owner may encounter when ensuring compliance by its licensees. The court held that where the failure to mark is not caused by the patent owner, but rather by its licensees, whether marking was "substantially consistent and continuous"<sup>106</sup> will be determined by a "rule of reason,"<sup>107</sup> under which the court must inquire into whether the patent owner "made reasonable efforts to ensure compliance with the marking requirement."<sup>108</sup>

[27] Although an omission of marking from any substantial number of distributed products constitutes noncompliance,<sup>109</sup> it has been suggested that omission of marking from a relatively small number of patented articles made and sold might be dismissed as *de minimis*.<sup>110</sup> Guided by

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<sup>102</sup> *Id.*

<sup>103</sup> *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1446 (Fed. Cir. 1998); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111 (Fed. Cir. 1996).

<sup>104</sup> *Am. Med. Sys.*, 6 F.3d at 1538; *Nike*, 138 F.3d at 1446.

<sup>105</sup> *Maxwell*, 86 F.3d at 1111-12.

<sup>106</sup> *See id.* (relying on *Am. Med. Systems*, 6 F.3d at 1538 to support its holding).

<sup>107</sup> *Id.*

<sup>108</sup> *Id.*; *see also* *Inline Connection Corp. v. AOL Time Warner*, 465 F. Supp. 2d 312, 323 (D. Del. 2007) (citing *Maxwell* to support the application of the "rule of reason").

<sup>109</sup> *Am. Med. Sys.*, 6 F.3d at 1537.

<sup>110</sup> *See Hazeltine Corp. v. Radio Corp. of Am.*, 20 F. Supp. 668, 671-72 (D.N.Y. 1937) (interpreting the predecessor to § 287(a), Revised Statutes, § 4900, to require "marking of every patented article sold -- subject, of course, to the implied exception of *de minimus*");

equity, the Federal Circuit in *Lisle Corp. v. Edwards*,<sup>111</sup> took the position that the policy of the Marking Statute does not require the marking of every patented article ever sold or distributed when such compliance “would be unduly burdensome, if not impossible.”<sup>112</sup> However, “[w]here the public finds marking or writings upon the article itself, the public should be able to rely upon the fact that a patent, if it exists, should also be noted with that writing.”<sup>113</sup>

[28] While the “rule of reason” applies to provide additional protection to the patent owner when its licensees fail to mark a tangible item,<sup>114</sup> it should not be relied upon. To take advantage of the rule, the patent owner would have to show that it licensed its patent many times, making it unable to reasonably enforce marking by all licensees. However, in the context of a website, the patent owner will likely be unable to make such a showing due to the ease of accessibility and indexing of websites in general, and the fact that it is very easy to mark a website with the relevant patent numbers.<sup>115</sup> As such, the patent owner should police compliance with the Marking Statute by all of its licensees in order to satisfy the “substantially consistent and continuous” standard announced in *American Medical Systems* and its progeny.<sup>116</sup>

## II. NEXUS REQUIREMENT

[29] The nexus requirement for finding a tangible item intrinsic to a “patented article” finds its way into the sufficiency of marking. The purpose of the Marking Statute is to prevent innocent infringement by

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*accord* Maxwell v. K Mart Corp., 880 F. Supp. 1323, 1336 (D. Minn. 1995) (citing *Hazeltine* to hold that an “implied de minimis exception protects the patentee whose compliance with the marking statute is nearly perfect.”); *accord* CHISUM ON PATENTS, *supra* note 3, § 20.03(7)(c)(iii), n. 151 (citing numerous cases to support the same proposition).

<sup>111</sup> *Lisle Corp. v. Edwards*, 777 F.2d 693 (Fed. Cir. 1985).

<sup>112</sup> *Id.* at 695.

<sup>113</sup> *Rutherford v. Trim-Tex, Inc.*, 803 F. Supp. 158, 163 (N.D. Ill. 1992). *Cf.* *Creative Pioneer Prods. Corp. v. K Mart Corp.*, No H-83-4137, 1987 U.S. Dist. LEXIS 13474, at \*14-15 (S.D. Tex. 1987) (finding that marking on a product’s packaging was insufficient to comply with the Marking Statute where the product had text embossed on its handle).

<sup>114</sup> *See supra* notes 106-108 and accompanying text.

<sup>115</sup> *See supra* note 113 and accompanying text.

<sup>116</sup> *See supra* notes 102-104 and accompanying text.

providing public notice of patent protection.<sup>117</sup> Sufficient notice must inform the public that a certain tangible item is covered by the listed patent.<sup>118</sup> Such is the purpose of marking the “patented article” with “patent” or “pat.” and the relevant patent number.<sup>119</sup> This requirement implies that a nexus must exist between the “patented article” and the patent. Since a website consists of several webpages linked together, avoiding ambiguities requires that a marking note all relevant patents and either provide a clear and consistent statement of patent protection, or provide a more generalized patent statement covering the website as a whole.

[30] Consistency was addressed in *IMX*,<sup>120</sup> where IMX, as the patent owner, identified its patent on its “Patent”<sup>121</sup> and “Patent Press Release”<sup>122</sup> webpages within the IMX Exchange website. Both webpages mentioned the IMX patent by reference and not by number, but used “IMX Exchange” to refer to the corporate entity and not to the patented system.<sup>123</sup> Additionally, the term “patented technology” was used to describe a “unique loan information and real-time trading system” on one

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<sup>117</sup> Nike, Inc. v. Wal-Mart Stores, Inc., 138 F.3d 1437, 1443 (Fed. Cir. 1998).

<sup>118</sup> See *Am. Med. Sys. v. Med. Eng’g Sys., Inc.*, 6 F.3d 1523, 1537 (stating that the purpose of the Marking Statute is to provide “*in rem* notice to the world” of patent protection).

<sup>119</sup> 35 U.S.C. § 287(a) (1999).

<sup>120</sup> *IMX, Inc. v. LendingTree, L.L.C.*, No. Civ. 03-1067-SLR, 2005 WL 3465555 (D. Del. Dec. 14, 2005).

<sup>121</sup> The statement on the “Patent” webpage provided:

IMX(R) Patents

IMX Exchange was awarded a patent in late 1999 for our unique loan information and real-time trading system. This was a milestone for IMX Exchange. We are pleased that the Patent Office has recognized the technology innovations created by our developers, and envisioned by our founder, Steve Fraser.  
Patent Press Release

*Id.* at \*2.

<sup>122</sup> The webpage “identifies the [patent-in-suit] patent by number and describes ‘the IMX Exchange invention [as] provid[ing] a method and system for trading loans in real time.’ In the same document, ‘IMX Exchange’ is described as an ‘Internet-based, business-to-business trading network.’” *Id.* at \*3 (alterations in original).

<sup>123</sup> *Id.* at \*3.

of the webpages,<sup>124</sup> and the same term was mentioned in connection with a “patented pricing technology” and not the IMX Exchange product on the other webpage.<sup>125</sup> The court held that since the language on the two webpages was inconsistent as far as what fell within the scope of the patent-in-suit, IMX failed to provide public notice that its “IMX Exchange” system was protected by the patent-in-suit.<sup>126</sup> The *IMX* decision suggests that had IMX used consistent language to describe the scope of its patent, or had it provided a more general patent statement, it would have satisfied the requirements of the Marking Statute.

[31] General patent statements have been permitted by the courts for a long time. This middle ground between no notice and highly detailed notice has been held to be sufficient to establish the requisite nexus and satisfy the Marking Statute. In *Chicago Pneumatic Tool Co. v. Hughes Tool Co.*,<sup>127</sup> the Court of Appeals for the Tenth Circuit held that marking a “patented article” with a statement that it was covered by “one or more of the following patents,” followed by several patent numbers, was sufficient to satisfy the statutory requirement.<sup>128</sup> This view has been endorsed by the Federal Circuit and a recent district court decision.<sup>129</sup> In *Amsted*

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<sup>124</sup> *Id.* at \*2.

<sup>125</sup> *Id.*

<sup>126</sup> *Id.* at \*4.

<sup>127</sup> *Chicago Pneumatic Tool Co. v. Hughes Tool Co.*, 192 F.2d 620 (10th Cir. 1951).

<sup>128</sup> *See id.* at 626 (holding that marking a device as “patented by ‘one or more of the following patents’ followed by the numbers of the patents in suit, and others not presently in controversy” was sufficient to satisfy the Marking Statute). Even though the decision predates the formation of the Federal Circuit, it is still good law. *See infra* note 129 and accompanying text (holding that marking a tangible item with a statement that it is covered by “one or more of the following patents” was sufficient to create the requisite nexus and provide sufficient public notice).

<sup>129</sup> *See* *Arcadia Mach. & Tool, Inc. v. Sturm, Ruger & Co.*, 786 F.2d 1124, 1125 (Fed. Cir. 1986) (affirming, in a suit for false patent marking, that a label stating that an item “is manufactured under one or more of the following U.S. Patents, or under one or more Patents Pending . . . and list[ing] thirty or so patents” was not deceptive in any way and provided sufficient public notice of patent protection); *accord* *Mass. Inst. of Tech. v. Abacus Software, Inc.*, 5:01CV344, 2004 WL 5268123, \*20 (E.D. Tex. Aug. 4, 2004) (citing *CHISUM ON PATENTS*, in turn citing *Chicago Pneumatic*, to “permit a listing of multiple patents with a statement that the article is covered by ‘one or more’ of those patents” as not intentionally deceptive under § 292, or false marking, and providing sufficient public notice of patent protection).

*Industries Inc. v. Buckeye Steel Castings Co.*,<sup>130</sup> the Federal Circuit explained that the policy goal of the Marking Statute is to encourage the good faith effort to provide public notice.<sup>131</sup> When the only tangible item available is not, or cannot be, treated as a “patented article,” the patent owner is not required to mark.<sup>132</sup> However, the patent owner can assure its own compliance with the Marking Statute by marking items as “for use under U.S. X,XXX,XXX”<sup>133</sup> or by requiring its licensees to mark items as “licensed under U.S. X,XXX,XXX.”<sup>134</sup>

[32] It is possible to provide a clear and consistent statement of patent protection, as suggested by *IMX*.<sup>135</sup> However, given the ever-developing nature of websites and associated technologies, it appears more practical for the patent owner and its licensees to provide a more general patent statement that the website as a whole is covered by “one or more of the following patents.”<sup>136</sup> This middle ground approach is generally accepted and avoids unnecessary difficulties inherent in the more detailed patent statements. Even though a general statement provides a more blanket intellectual property statement, it does not implicate the false marking provisions of the Patent Act as long as the statement is provided as a good faith effort to provide public notice of patent protection under the Marking Statute.

#### B. ACTUAL NOTICE TO THE INFRINGER

[33] The Marking Statute provides that when the patent owner or its licensees fails to mark as required, “no damages shall be recovered . . . in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter...”<sup>137</sup> Thus, sufficiency of notice focuses on whether the patentee’s actions were sufficient to provide notice and “not on what the infringer actually

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<sup>130</sup> *Amsted Indus. v. Buckeye Steel Castings, Co.*, 24 F.3d 178, 185 (Fed. Cir. 1994).

<sup>131</sup> *Id.* (citing *Am. Med. Sys.*, 6 F.3d at 1537).

<sup>132</sup> *Id.*

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*

<sup>135</sup> See *supra* notes 120-126 and accompanying text.

<sup>136</sup> See *supra* notes 127-134 and accompanying text.

<sup>137</sup> 35 U.S.C. § 287(a) (1999).

knew.”<sup>138</sup> Proper notice of infringement “must therefore come from the patentee, not the infringer.”<sup>139</sup> It is also established that notice from a party “closely associated” with the patent owner, such as a distributor, does not satisfy the Marking Statute because only the patent owner has the statutory right to exclude others.<sup>140</sup>

[34] Absent marking, the actual notice requirement is satisfied when the accused infringer “is notified, with sufficient specificity, that the patent holder believes that the recipient of the notice may be an infringer.”<sup>141</sup> In *Amsted*, the Federal Circuit explained that a letter notifying the entire industry, including the infringer, about the patent’s existence and ownership was insufficient to provide the requisite notice, absent a specific accusation of infringement.<sup>142</sup> Proper notice “requires the

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<sup>138</sup> See *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1446 (Fed. Cir. 1998) (knowledge of the patent by the infringer is irrelevant to the finding of sufficient actual notice under the Marking Statute); see also *Amsted Indus. v. Buckeye Steel Castings, Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994) (stating that the “correct approach to determining notice under section 287 must focus on the action of the patentee, not the knowledge understanding of the infringer.”).

<sup>139</sup> *Am. Med. Sys. v. Med. Eng’g Corp.*, 6 F.3d 1523, 1537 (Fed. Cir. 1993); see also *Devices for Med., Inc. v. Boehl*, 822 F.2d 1062, 1066 (Fed. Cir. 1987) (holding that “[a]bsent notice, [the infringer’s] ‘knowledge of the patents’ is irrelevant. Section 287 requires ‘proof that the infringer was notified of the infringement.’”) (emphasis added).

<sup>140</sup> *Lans v. Digital Equip. Corp.*, 252 F.3d 1320, 1327 (Fed. Cir. 2001) (finding that endorsing a rule of notice where a party closely associated with the patent owner could provide actual notice under § 287 would require courts to “decide the degree of association sufficient to satisfy the rule.”). The court reasoned that:

[b]esides alerting the alleged infringer to avoid further infringement, the notice requirement also permits the alleged infringer to contact the patentee about an amicable and early resolution of the potential dispute. Thus, without knowledge of the patentee's identity, an alleged infringer may lose the benefit of this primary purpose of the notice requirement. An alleged infringer may lose the opportunity to consult with the patentee about design changes to avoid infringement. Similarly, without knowledge of the patentee, an alleged infringer may lose the chance to negotiate a valid license.

*Id.*

<sup>141</sup> *SRI Int'l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 1470 (Fed. Cir. 1997).

<sup>142</sup> *Amsted Indust., Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994).

affirmative communication of a specific charge of infringement by a specific accused product or device.”<sup>143</sup> The actual notice requirement is satisfied when the accused infringer “is informed of the identity of the patent and the activity that is believed to be an infringement...”<sup>144</sup> However, the Federal Circuit recognized in *SRI International, Inc. v. Advanced Technology Laboratories, Inc.*,<sup>145</sup> that actual notice may come in “numerous possible variations in form and content...”<sup>146</sup> Thus, the proposed course of action the patent owner is demanding, “whether the [patent owner] threatens suit, demands cessation of infringement, or offers a license under the patent,”<sup>147</sup> is irrelevant.

[35] Where the patent owner was required to mark its website with the relevant patents, but failed to do so, actual notice case law requires the patent owner, and the patent owner alone, to notify the infringer of patent protection and the allegedly infringing activity.<sup>148</sup> While the Federal Circuit has stated that notice does not have to propose a particular resolution to the infringement in order to satisfy the Marking Statute,<sup>149</sup> notice must nonetheless be of infringement and not mere patent ownership and scope.<sup>150</sup>

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<sup>143</sup> *Id.*; see also *Gart v. Logitech, Inc.*, 254 F.3d 1334, 1345 (Fed. Cir. 2001).

<sup>144</sup> *SRI Int'l*, 127 F.3d at 1470; *accord Amsted*, 24 F.3d at 188, n. 5 (suggesting that the requirements of the Marking Statute are satisfied “where the infringer acknowledges a specific communication to be a notice of infringement.”); *accord Ceeco Mach. Mfg., Ltd. v. Intercole, Inc.*, 817 F. Supp. 979, 986 (D. Mass. 1992) (stating that the express language of the Marking Statute does not require actual notice of infringement to include the same information required for marking: the word patent and the patent number).

<sup>145</sup> *SRI Int'l*, 127 F.3d at 1470.

<sup>146</sup> *Id.*; see also *Ralston Purina Co. v. Far-Mar-Co., Inc.*, 772 F.2d 1570, 1577 (Fed. Cir. 1985) (holding that “offering of a license is [sufficient] actual notice” under the Marking Statute).

<sup>147</sup> *SRI Int'l*, 127 F.3d at 1470.

<sup>148</sup> See 35 U.S.C. 287(a) (1999); *Lans v. Digital Equip. Corp.*, 252 F.2d 1320, 1327-28 (Fed. Cir. 2001); *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1446 (Fed. Cir. 1998); *Amsted*, 24 F.3d at 187; *Am. Med. Sys., Inc. v. Med. Eng'g Corp.*, 6 F.3d 1523, 1537 (Fed. Cir. 1993); *Devices for Med., Inc. v. Buehl*, 833 F.2d 1062, 1066 (Fed. Cir. 1987).

<sup>149</sup> See *SRI Int'l*, 127 F.3d at 1470; *Ralston Purina*, 772 F.2d at 1577.

<sup>150</sup> See *Gart v. Logitech, Inc.*, 254 F.3d 1334, 1345 (Fed. Cir. 2001); *SRI Int'l*, 127 F.3d at 1470 (Fed. Cir. 1997); *Amsted*, 24 F.3d at 187; *Ceeco Mach. Mfg., Ltd., v. Intercole, Inc.*, 817 F.Supp. 979, 985-86 (D. Mass. 1992).

## IV. EXAMPLES OF WEBSITE MARKING

[36] In order to assist understanding of the issue involved and show actual compliance with the Marking Statute, the authors provide several examples of website patent marking. These statements have not been tested in litigation, however the authors suggest that these examples constitute sufficient marking, under the legal discussion above, because they clearly provide public notice of patent protection.

## A. BUY.COM

[37] Buy.com is an online shopping depot.<sup>151</sup> At the bottom of its homepage and every other webpage, Buy.com provides a link to its “Terms of Use” which contains the user “Terms and Conditions.”<sup>152</sup> In paragraph 18 of the Terms and conditions, Buy.com provides the following intellectual property statement:

No delay or failure to take action under this Terms of Use shall constitute any waiver by Buy.com of any provision of this Terms of Use. . . . One or more patents may apply to this Web site, including without limitation: U.S. Patent Nos. 5,528,490; 5,761,649; and 6,029,142.<sup>153</sup>

## B. A9.COM

[38] Search engine A9.com, like Buy.com, provides a “conditions of use” link on its homepage, and every other webpage.<sup>154</sup> Following this link takes the user to the Conditions of Use, which users accept by visiting A9.com. In the “Patents” section, A9.com provides the following intellectual property statement:

One or more patents apply to this site and to the features and services accessible via the site, including without

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<sup>151</sup> Buy.com, <http://www.buy.com> (last visited Oct. 8, 2007).

<sup>152</sup> *Id.*

<sup>153</sup> Buy.com, Company Information, Aug. 8, 2005, <http://www.buy.com/corp/legal.asp> (last visited Oct. 8, 2007).

<sup>154</sup> A9.com, <http://www.a9.com> (last visited Oct. 8, 2007).



limitation: US Patent Nos. 6,006,225; 6,144,958; 6,185,558; 6,401,084 and all corresponding foreign counterparts. This site may include technology licensed from Amazon.com, Inc. or one of its affiliates.<sup>155</sup>

### C. AMAZON.COM

[39] Online superstore, Amazon.com, includes a very detailed statement of patent protection on its “Conditions of Use” webpage. The interested user can find the “Conditions of Use” link at the bottom of every webpage that falls within the Amazon.com website.<sup>156</sup> In the “Patents” section, Amazon.com provides the following intellectual property statement:

One or more patents apply to this Site and to the features and services accessible via the Site, including without limitation: U.S. Patent Nos. 5,715,399; 5,960,411; 6,006,225; 6,029,141; 6,064,980; 6,144,958; 6,169,986; 6,185,558; 6,266,649; 6,317,722; 6,360,254; 6,366,910; 6,401,084; 6,466,918; 6,489,968; 6,606,619; 6,853,982; 6,853,993; 6,912,505; 6,917,922 and all corresponding foreign counterparts. Portions of this Site operate under license of U.S. Patent Nos. 5,708,780; 5,715,314; 5,909,492; 6,205,437; 6,195,649; 5,717,860; 5,712,979; 5,819,285; 6,782,370; and 5,812,769.<sup>157</sup>

### D. MERCExchange

[40] MercExchange, e-commerce solution provider, has one of the more detailed intellectual property statements that the authors have found. By clicking on the “About Us” link on the left-hand side of the homepage, and following the “Solutions” tab at the top, MercExchange provides a listing of eight patents, the scope and summary of the patent, the patent

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<sup>155</sup> A9.com, Website Conditions of Use, Feb. 26, 2004, <http://www.a9.com/-/company/tou.jsp>.

<sup>156</sup> Amazon.com, <http://amazon.com> (last visited Oct. 8, 2007).

<sup>157</sup> Amazon.com, Conditions of Use, <http://www.amazon.com/gp/help/customer/display.html/105-6014672-5618849?ie=UTF8&nodeId=508088> (last visited Oct. 8, 2007).

number, and a link to the pdf version of the issued patent. One example is provided below.

**Method and Apparatus for Using Software Search Agents to Locate Items in Electronic Markets.** This patent relates to a method of using software search agents to locate items in electronic markets or electronic auctions around the world. The '176 patent claims describe a system consisting of multiple electronic markets and electronic auctions interconnected over a computer network such as the Internet. The software search agent may be provided item identifying information and initiate requests to other electronic market or electronic auction to determine whether the item sought is available for purchase at such electronic markets or electronic auctions. Item information maintained in data repositories associated with the electronic markets or electronic auctions is obtained by the software search agent and collected for later use, such as for presenting the item search results obtained to Internet users. Patent Number: 6.085,176<sup>158</sup>

#### E. OTHER EXAMPLES

[41] Some companies like Friendster.com, Priceline.com, and uBid.com do not provide such comprehensive and complete patent statements. At the bottom of every page included in the website is a brief patent statement:

Friendster.com:

U.S. Patent No. 7,069,308 & 7,117,254, and 7,188,153.<sup>159</sup>

Priceline.com:

U.S. Patents 5,794,207; 5,897,620; 6,085,169; 6,510,418 and 6,553,346.<sup>160</sup>

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<sup>158</sup> Mercexchange, Solutions, <http://www.mercexchange.com/solutions.htm> (last visited Oct. 8, 2007) (clicking on the underlined "Patent Number" link takes the user to a pdf copy of the issued patent).

<sup>159</sup> Friendster, <http://www.friendster.com/> (last visited Oct. 8, 2007).

uBid.com:

Protected by U.S. Patent Nos. 5,845,265; 6,202,051; 6,266,651 and pat. pending.<sup>161</sup>

[42] However, even these patent statements should be sufficient to provide public notice as is the underlying purpose of the Marking Statute.

## V. CONCLUSION

[43] Based on the foregoing discussion, the authors suggest that patent owners should mark all Internet websites that use, implement, or provide access to the patented technology.<sup>162</sup> Websites are tangible items that are capable of being marked.<sup>163</sup> When a website merely uses a patented method and the same website is not “produced” by the patented method,<sup>164</sup> presumably marking is not required because there is nothing to mark.<sup>165</sup> However, there is the possibility that a court will find that a website is “intrinsic” to the commercial embodiment<sup>166</sup> or implements the patented method, and as such, can be treated as a “patented article” under the Marking Statute.

[44] Patent owners should also require their licensees, as a part of the licensing agreement, to mark websites that practice the patents<sup>167</sup> and take

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<sup>160</sup> Priceline.com, <http://www.priceline.com/> (last visited Oct. 8, 2007).

<sup>161</sup> uBid.com, <http://www.ubid.com/> (last visited Oct. 8, 2007).

<sup>162</sup> See Sandra P. Thompson, *Committee No. 757 -- Special Committee On Patents and the Internet*, Subcomm. E., available at <http://www.abanet.org/intelprop/annualreport05/content/00-01/COMMITTEE%20NO%20757.pdf> (rejecting member-proposals that the marking statute be amended to include exceptions for Internet and other technology-related patents).

<sup>163</sup> See *Soverain Software LLC v. Amazon.com, Inc.*, 383 F.Supp.2d 904, 909 (E.D. Tex. 2005); *IMX, Inc., v. Lending Tree, LLC*, No. 03-1067-SLR, 2005 U.S. Dist. LEXIS 33179, at \*12 (D. Del. Dec. 14, 2005).

<sup>164</sup> See *Am. Med. Sys., Inc., v. Med. Eng'g Corp.*, 6 F.3d 1523, 1539 (Fed. Cir. 1993); *IMX*, 2005 U.S. Dist. LEXIS 33179, at \*9, 11, 12 n. 4.

<sup>165</sup> See *Am. Med. Sys.*, 6 F.3d at 1538; *State Contracting & Eng'g Corp. v. Condotte Am., Inc.*, 346 F.3d 1057, 1074 (Fed. Cir. 2005).

<sup>166</sup> See 35 U.S.C. 287(a) (1999); *Rutherford v. Trim-Tex, Inc.*, 803 F.Supp. 158, 162 (N.D. Ill. 1992); *IMX*, 2005 U.S. Dist. LEXIS 33179, at \*12.

<sup>167</sup> See 35 U.S.C. § 287(a) (1999) (extending the marking duty to those “persons making, offering for sale, or selling” the patented article).

reasonable steps to police compliance with the Marking Statute.<sup>168</sup> Such agreements combined with reasonable efforts to police compliance may allow the court, as in *Maxwell*, to find that failure to mark by licensees is not conclusive on the “substantially consistent and continuous”<sup>169</sup> requirement. Licensing agreements should also provide for a cause of action against the licensee in the instance that it fails to mark a website and this lack of marking is the proximate cause of reduced damages.

[45] If there is no constructive notice, the patent owner itself will have to provide actual notice of infringement to the accused infringer or file an infringement lawsuit.<sup>170</sup> Actual notice must be a specific charge of infringement and not just a statement of mere ownership.<sup>171</sup> The proposed resolution to the infringement, be it a license, a threat of a lawsuit, or a cease and desist demand, does not effect the sufficiency of notice as long as the accused infringer can determine from the actual notice what activity the infringing charge is based upon.<sup>172</sup>

[46] Under such circumstances, another option for the patent owner is to only assert method claims at trial.<sup>173</sup> While method claims may provide less protection than apparatus claims,<sup>174</sup> this is one possible way for the patent owner to avail itself of damages for infringement. However, asserting only method claims in a combined patent may be risky. This is based on the potential likelihood that the court will find that since the patent contains both method and apparatus claims, the website in question, a recognized tangible item, can be treated as a “patented article” and

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<sup>168</sup> See *Am. Med. Sys.* 6 F.3d at 1537; *Lisle Corp. v. Edwards*, 777 F.2d 693, 695 (Fed. Cir. 1985); *Rutherford*, 803 F.Supp. at 163.

<sup>169</sup> *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111-12 (Fed. Cir. 1996).

<sup>170</sup> See 35 U.S.C. § 287(a) (1999) (stating that where there is no constructive notice, damages cannot be recovered until actual notice, where actual notice may take the form of “[f]iling of an action for infringement....”).

<sup>171</sup> See *Amsted Indus. Inc., v. Buckeye Steel Castings Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994).

<sup>172</sup> *Id.*

<sup>173</sup> See *supra* Part III (A)(2)(i).

<sup>174</sup> See *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, 1312-18 (Fed. Cir. 2005) (holding that method claims cannot be infringed when one step of the patented method is performed outside the US).

should have been marked.<sup>175</sup> Additionally, asserting only method claims when marking was otherwise required but not provided may lead to a result that is at odds with the purpose of the Marking Statute.<sup>176</sup> While a patent owner has complete discretion as to which claims to assert at trial, such election should not allow the patent owner to circumvent his marking duty.<sup>177</sup>

[47] Marking websites with patent information also makes economic sense. If constructive notice of patent protection is provided by marking, damages are calculated from the date of infringement<sup>178</sup> and the patent owner can recover damages for infringement committed over the past six years,<sup>179</sup> absent other considerations. On the other hand, when constructive notice is not provided, the patent owner can only recover those damages that occurred after actual notice, notification of infringement, or filing of the lawsuit.<sup>180</sup> However, it is likely that infringing activity will stop once conclusive notice of infringement is received, and the only remedy available to the patent owner would be an injunction.<sup>181</sup>

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<sup>175</sup> *Merck & Co. v. Mediplan Health Consulting, Inc.*, 434 F. Supp. 2d 257, 261 (S.D.N.Y. 2006) (explaining that where a combined patent covers a tangible item, as well as method claims, the patent owner is “not relieved of the duty to mark simply by asserting only the method claims of the patent.”).

<sup>176</sup> *See Amsted*, 24 F.3d at 187.

<sup>177</sup> *See Oppedahl*, *supra* note 10, at 221 (suggesting that the patent owner should not be able to escape his marking duty by simply asserting process or method claims at trial).

<sup>178</sup> 35 U.S.C. § 287(a) (1999).

<sup>179</sup> *Id.* § 286 (2007).

<sup>180</sup> *Id.* § 287(a) (1999).

<sup>181</sup> *Id.* § 283 (2007).