

Choosing patent claims to assert

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In patent litigation, a patentee may recover damages for up to six years prior to the filing of the complaint. However, the patent-marking statute, 35 U.S.C. Section 287(a), may limit the amount of past damages the patentee can recover when the patentee or its licensee makes or sells a product covered by the patent, but does not mark the product with the patent number. Nevertheless, under current law of the U.S. Court of Appeals for the Federal Circuit, there is an important exception to the patent-marking statute — a patentee that asserts only method claims is exempt. Because past damages may form a significant part of potential recovery, understanding when to limit the asserted claims may be a critical component in forming a litigation strategy.

Section 287(a) requires that “[p]atentees, and persons making, offering for sale, or selling within the United States any patented article for or under them” provide public notice that an article is patented by either marking the article with the patent number or by providing actual notice to the infringer. Actual notice is satisfied by serving the complaint or by otherwise informing the alleged infringers of the patent and their infringement of the patent. No damages may be recovered for the period before such marking or actual notice is provided.

This duty to mark does not always apply. The duty to mark does not apply if the patentee does not make or sell a product covered by the patent. Similarly, the duty does not extend to

patented methods or processes, because “there is nothing to mark.” *American Medical System Inc. v. Medical Engineering Corp.* (Fed. Cir. 1993). In these scenarios, a patentee does not have to mark or provide actual notice to the infringer to recover past damages.

But what happens if an asserted patent contains both method claims and apparatus claims? Under current Federal Circuit law, a patentee can still avoid its patent-marking obligations by not asserting any apparatus claims in an infringement action. *Crown Packaging Technology Inc. v. Rexam Beverage Can Co.* (Fed. Cir. 2009). In other words, a patentee that has products covered by the asserted patent but does not mark may nevertheless be exempt from Section 287(a) by only asserting the method claims of the patent.

Thus, a patentee that makes or sells a practicing product but does not mark may face the decision of whether to limit its case to method claims. This decision may depend on a multitude of case-specific factors. For example, proving infringement of a method claim requires different (and often more onerous) evidentiary hurdles because evidence of actual use is required to prove infringement of a method claim. Thus, the strength of an infringement case may be weakened if a patentee is limited to method claims. Nevertheless, the possibility of past damages may outweigh such weaknesses where future damages are significantly limited either because the asserted patent is close to expiration or the accused product is close to end-of-life (EOL). Further, due to the local rules of many jurisdictions requiring early disclosures

of infringement contentions, litigants often must make the decision of whether to assert only method claims early on. The following list summarizes some key considerations:

- The strength of the method claims and likelihood of obtaining proof of actual performance. Litigants should weigh the strength of the method claims (both from an infringement and validity standpoint) against the need to recover past damages.

- Whether the patentee had already provided actual notice such as through a notice letter prior to filing the lawsuit. If actual notice has been provided to the accused infringer long before the complaint was filed, then past damages will be available even if the patentee failed to mark its products. However, litigants should consider the risk of laches and equitable estoppel defenses when asserting an early notice date.

- The shelf life of the accused products. If the accused products are relatively new, then the potential future damages may obviate the need to obtain past damages. On the other hand, accused products that are EOL or soon to be EOL may limit the damages theory to only past damages.

- The life of the asserted patents. Similarly, if the patents have a long life remaining, the potential of future damages may obviate the need to obtain past damages. On the other hand, patents that may soon expire or have already expired may limit the damages theory to only past damages.

There are many other case-dependent factors that will affect the decision of which types of claims to assert. In any event, both plaintiffs and defendants in patent cases should be aware of

these considerations when forming their respective litigation strategies.

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