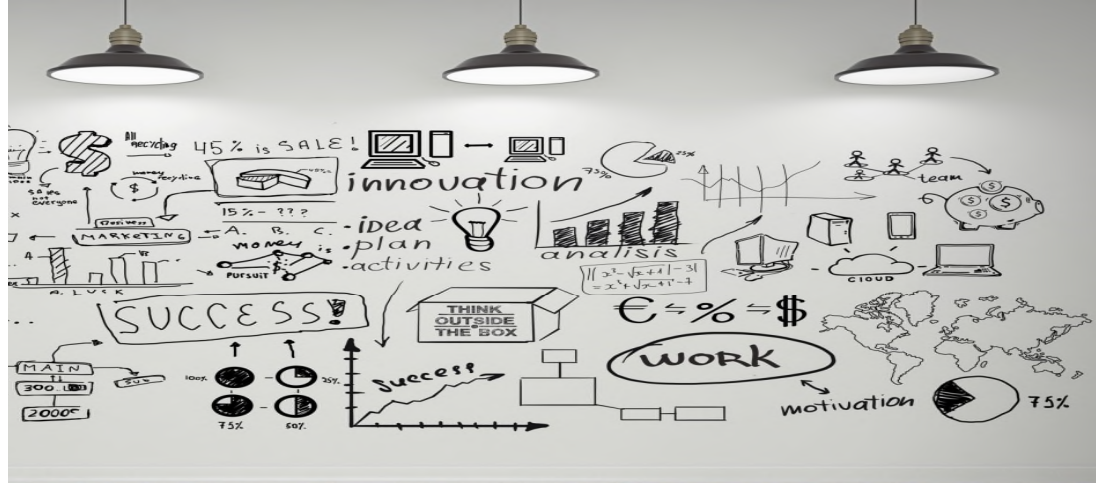


Barker Brettell

Intellectual
Property

PATENTS



Why use Marking?

Marking, in the IP world, means labelling your product with details of the IP rights that protect it. In some countries marking can help you to effectively claim damages from infringers during litigation. Different jurisdictions have different rules on how (and if) products should be marked however, and some have strict penalties for incorrect marking. You should therefore weigh the benefits of marking against the potential risks before you launch your product, and you should always keep your marking up to date.

What are the benefits of marking?

IP infringement is not always intentional. Sometimes a person infringes another's IP rights accidentally, simply because he or she did not know those rights existed. The patent and design laws of many countries around the world have provisions that protect such 'innocent infringers' from the full consequences of their infringement. Notable countries with such laws include USA, and many European jurisdictions such as UK, France, Belgium, Netherlands, Spain and Switzerland.

In countries which have provisions for innocent infringers, if you make or sell a patented product and find it being copied by a third party, then that third party might be able to escape paying you damages for your lost sales (or might only have to pay a reduced amount of damages) if he can show that he did not know your patent existed, and had no reasonable grounds for suspecting it either. The same is often true for registered designs.

The purpose of marking is to avoid this situation. An infringer will have difficulty proving that he had no knowledge of your rights if your product is clearly marked with information notifying him that those rights exist. Correctly marking your products can thus ensure that you are able to fully claim the damages to which you are entitled if you need to take an infringer to court.

Marking can also have a useful deterrent effect. Competitors can often be reluctant to copy a product that is obviously protected – at least without some consideration of the strength of the patent or design rights that cover it first. Finally, marking can be a positive marketing tool – advertising that your product is patented can help you position yourself in the market as an innovative and cutting edge business.

Do I have to mark my products?

No, you do not. In most countries marking is entirely optional (we are not aware of any countries where it is currently compulsory). However, as described above, in many countries failing to mark your products can put you at risk of not being able to fully recover damages during litigation.

In a few countries, such as Germany and Austria, there are no provisions restricting the recovery of damages from innocent infringers, and so marking products in those countries is not quite so important. Nevertheless, marking can still be beneficial even in countries which do not protect innocent infringers, as it can put third parties on notice of your IP rights, and potentially deter them from committing an infringement in the first place.

Are there any disadvantages to marking?

The short answer is, 'not if you do it right'. Many countries have penalties for falsely claiming that a product is patented or patent pending however, and so it is important to make sure your marking is up-to-date and not misleading.

This is especially the case in the USA, where you can be fined **per product** falsely marked. This means that 1000 falsely marked products would incur a fine of 1000 x the false marking fine. At present, the fine is up to \$500 per article, meaning a \$0.5 million fine could be levied for just 1000 wrongly marked items. Further, in the USA it is possible for a competitor to sue you for damages caused by your false marking (in most countries, it is only the Patent Office who can sue). In practical terms, it is unlikely that such an action would be successful, as the competitor would have to be able to prove they suffered a competitive injury as a result of your false marking – this is only likely to be case if you falsely claim you have a patent when you don't, or if you claim that their patent covers your goods. A statement referring to a patent that once genuinely covered your product but that has now expired is not a cause for action.

Other jurisdictions impose fines for incorrect marking too, but in general these are not so severe as those in the USA. In the UK for instance, the maximum fine is currently £1,000 for each **type** of product that is falsely marked (rather than for each individual product), and so the financial penalty for false marking is much lower. It is perhaps more significant that false marking is a criminal offence in the UK, and officers of an offending company may be personally liable. Therefore it is safer to make sure you mark you product correctly in order to avoid the risk of incurring a criminal record (although in reality prosecutions for false marking are very rare).

So how do I mark my product correctly?

Marking is not rocket science – in most cases all you need to do is make sure that in addition to saying your product is patented (if you have a granted patent) or patent pending (if your application is still undergoing examination) you also provide enough information for a third party to identify the specific IP right or rights that cover that product. Usually this will mean including the number of the patent or registered design.

Examples of suitable forms of marking are:

Patent applied for number/no. Patent pending number/no. Patent application number/no. Pat. Pending Brevet déposé (in FR)	GB 9912345.6 or US 09/123,456
International patent publication number/no. Patent publication number/no.	WO 00/12345 EP 1234567 A
Patents Pat. no. Patent nos Breveté (in FR)	US 6789012 or EP 1234567 B (AT, CH, DE, BE)*
Patent information is available at www.example.co.uk/patents	(but see the section below on virtual marking)

*For European patents that have been validated in a number of countries, "Pat. No. EP 1 234 567 B (AT, CH, DE, FR)" should be sufficient in each of the validation countries; in this case Austria (AT), Switzerland (CH), Germany (DE) and Belgium (BE), without needing to identify a separate patent number for each.

In many countries it is sufficient to mark your IP information on the packaging of your product or literature closely associated with the product (e.g. an instruction book). However in some countries, such as the USA, it is necessary to mark the product itself if that is feasible.

For instance, if the product is a moulding, then the marking could be incorporated in the die used for casting (though only if you are certain you won't need to change the marking before you want to change the die). Alternatively, the marking could be a decal applied to the product, or could be etched or otherwise formed in the product. If at all possible, the marking should be naked-eye legible, and also included in any associated literature, advertisements and websites as well.

However you choose to mark your product, the key things to make sure are:

- **Marking information must be kept up to date.** Claiming you have a granted patent when that patent has lapsed is, in many countries, an offence. Similarly, claiming you have a pending application after it has been refused (or before it has been filed) is not permitted. Once your patent rights have lapsed you **must** amend your marking information to remove the claim that the product is patented. In the UK at least, you are allowed reasonable time to do this (e.g. time to sell off marked stock).
- **Do not imply you have a patent if you don't.** If you haven't filed a patent application yet, do not claim that you have. Similarly, if you have a pending application, do not imply that it is granted. If you have a mixed set of granted patents and pending applications that all cover your product, a distinction should be drawn between the applications and the granted rights so that there is no suggestion that an application has been granted when it hasn't. (N.B. the opposite is not such a problem – in the UK, at least, it is unlikely to be unlawful to suggest that there is a pending application when that has now matured into a granted patent.)
- **Make sure you include the numbers of your rights.** If you don't, your marking is unlikely to be effective, but you can still be open to prosecution for making false claims that your product is patented (if it is not).
- **If you are not sure, check.** Marking requirements can differ from country to country, and some countries (e.g. France) prefer you to identify your rights in their local language. Marking in English still is usually acceptable, but it is nevertheless advisable to check the local requirements in any key countries not listed above in which English is not an official language to confirm whether or not marking in English will be effective.

What is virtual marking?

The option of 'virtual' or 'web' marking has recently been introduced in some countries, most notably the UK and the USA. Virtual marking means marking your goods with a website address that directs a third party to a website detailing the rights that protect them, rather than marking the goods themselves with the details of those rights. Whilst this is a welcome step forward – it is much easier to keep marking information up-to-date on a website than it is on a product or its packaging – it is not without its own potential pitfalls. To be effective, it is important that the website indicated on the product is **freely accessible** and **clearly associates** the product in question with the relevant patent and/or application numbers, e.g. by including any relevant model numbers and variants that exist. Simply providing the web address of the company home page and expecting a third party to navigate to the patent information themselves is unlikely to suffice.

Virtual marking is less widely accepted than the more conventional method of physically marking the products or packaging, and is not currently recommended in many European countries. In the UK it is only an option for patents, and not for registered designs (although we are expecting this to change soon). It is likely that virtual marking will become more widespread over time however, and so if you have a particular interest in the current position in a specific European country, or if you have any other marking queries, please contact your usual Barker Brettell attorney.