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## **The New Patent Troll Litigation—Attacking Your Patent Marking: Defending Your Company and Obtaining Insurance Coverage**

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The patent laws have imposed liability for false patent marking since the Patent Act of 1842. For more than 160 years, however, relatively few false marking cases were prosecuted. This began to change with the Federal Circuit's 2005 decision in *Clontech Labs., Inc. v. Invitrogen Corp.*[1] Clontech made it much easier to prove the "intent to deceive" element of a violation. While the Clontech decision sparked renewed interest in the false marking statute, the Federal Circuit's December 2009 decision in *Forest Group, Inc. v. Bon Tool Co.*[2] unleashed a torrent of new false marking cases. The Forest Group decision rejected a century-old interpretation of the false marking statute, 35 U.S.C. § 292, in favor of an interpretation that has the potential of resulting in astronomical exposure in the tens of millions of dollars, of which the qui tam relator (the party bringing the false marking action) is permitted to keep half.

While these decisions have created the potential for enormous exposure for companies and spurred a wave of lawsuits by opportunistic plaintiffs hoping to cash in, there are steps companies can take to avoid or minimize false patent marking liabilities. With the proper monitoring of their patent marking practices, companies can seek to avoid becoming targets in the first place. If sued, companies should make sure they are raising all available defenses to defeat or minimize liability. In addition, insurance policies typically purchased by businesses may provide critical financial assistance to companies that are the target of false patent marking actions. Those policies may cover the costs of defending against those allegations, as well as some or all of the potential liability.

*Pequignot v. Solo Cup Co.*[3] highlights the substantial dollars at stake. Pequignot alleged that Solo marked cup lids (an estimated 21 billion of them) with two expired patents. At \$500 per lid, the statutory maximum liability, Solo is faced with potential exposure of more than \$10 trillion if it is found to have engaged in false marking. Even if the court were to impose a liability of only a tenth of a cent per lid, however, Solo is still looking at \$21 million in potential exposure if it is found to have violated the statute. With this kind of potential windfall at stake, a new breed of trolls has been born, "patent marking trolls," which in the first three months of 2010 have filed more than 100 false patent marking suits.[4]

No industry appears immune from these suits. Defendants, to name a few, have included Adobe Systems (Adobe Reader), Snap-On (tool storage cabinets), Leapfrog (LEAPSTER®), and WHAM-O (FRISBEE®).

With trolls monitoring the marking activities of companies with a new level of enthusiasm, companies must review their patent marking programs with equal vigor to ensure compliance with the law. Failure to take timely action or keep patent markings current going forward can potentially expose a company to a claim for millions of dollars.

The present alert is divided into two sections. The first section provides an overview of false marking law, strategies for avoiding false marking actions, and potential strategies that may be

used in the litigation context. The second section provides an overview of insurance coverage issues related to false marking actions.

## I. False Marking

The false patent marking statute provides

Whoever marks upon, or affixes to, or uses in advertising in connection with any unpatented article, the word “patent” or any word or number importing that the same is patented for the purpose of deceiving the public . . . [s]hall be fined not more than \$500 for every such offense.[5]

Establishing a false marking offense under § 292 thus requires proof that the defendant (1) marked an unpatented article and (2) had the intent to deceive the public.[6]

### A. Intent to Deceive

Historically, a claim for false marking would fail absent evidence of an actual intent to deceive.[7] This changed with the Federal Circuit’s decision in *Clontech*. *Clontech* held that intent to deceive the public may be inferred upon proof “by a preponderance of the evidence that the party accused of false marking did not have a reasonable belief that the articles were properly marked (i.e., covered by a patent).”[8] Once the inference is invoked, a patent owner’s blind assertions of subjective good faith will not suffice to avoid liability.[9]

The inference established by *Clontech* caused a significant jump in the filings of false marking actions. In the four and one-half years following *Clontech*, there were more than 30 new false marking cases filed, including the *Pequignot v. Solo Cup Co.* case.

### B. Offense

The flood gates that *Clontech* cracked open were blown wide open last December when the Federal Circuit held in *Forest Group* that “each article that is falsely marked with intent to deceive constitutes an offense under 35 U.S.C. § 292.”[10] Thus, under *Forest Group*, district courts have the discretion to assess up to \$500 per article that is falsely marked. In reaching its holding, the *Forest Group* court rejected the controlling century-old interpretation of the false marking statute set forth in *London v. Everett H. Dunbar Corp.*, 179 F. 506 (1st Cir. 1910).[11] The *London* court held that continuous false marking of multiple articles constituted a single statutory offense rather than a separate statutory offense for each falsely marked product.[12]

The *Forest Group* court recognized that its decision could “encourage ‘a new cottage industry’ of false marking litigation by plaintiffs who have not suffered any direct harm.”[13] The court, however, tried to mitigate the impact of its decision by emphasizing that district courts have discretion in setting the appropriate statutory award under the statute:

This does not mean that a court must fine those guilty of false marking \$500 per article marked. The statute provides a fine of “not more than \$500 for every such offense.” 35 U.S.C. § 292(a) (emphasis added). By allowing a range of penalties, the statute provides district courts the

discretion to strike a balance between encouraging enforcement of an important public policy and imposing disproportionately large penalties for small, inexpensive items produced in large quantities. In the case of inexpensive mass-produced articles, a court has the discretion to determine that a fraction of a penny per article is a proper penalty.[14]

Case law will develop over time to fill in the contours of how courts will calculate the appropriate statutory award for each offense. The determination, however, is sure to be fact specific and require analysis of the defendant's deceptive intent, the cost of the mismarked products, and the volume of sales.[15] Other factors that courts may analyze include: the amount of harm caused by the defendant's actions, the defendant's profit on each mismarked product, and the nature of the mismarking, including the difficulty of the public in determining that mismarking had occurred.

### C. Unpatented Article

In order to determine if an article is "unpatented" for purposes of the false marking statute, an analysis similar to that performed in the infringement context is required.

[I]n order to determine if an article is "unpatented" for purposes of section 292, it must be first determined whether the claims of a patent cover the article in question. To make that determination, the claim in question must be interpreted to ascertain its correct scope, and then it must be ascertained if the claim reads on the article in question.[16]

Due to the complexity of this analysis and the proofs associated therewith, the vast majority of the recently filed false patent marking cases are based on the marking of expired patents rather than patents that never covered the product. This is because the proof of the "unpatented article" element of the offense is perceived to be relatively straightforward in such circumstances. With respect to an expired patent, the plaintiff-relator potentially need only prove that the marked patent has expired, which, even if not admitted by the defendant, requires relatively straightforward proof.

The position of the plaintiff-relators in these cases—that the "unpatented article" element is satisfied where a defendant marks the product with an expired patent—has at least some support in the case law. Three recent district court decisions have held that marking a product with an expired patent that covered the product meets the "unpatented article" element.[17] The Brinkmeier and DP Wagner cases each rely exclusively on Chisum on Patents to support their holding.[18] While the Pequignot I decision also cites to Chisum, it also proffers additional rationale.[19]

Notwithstanding these rulings, strong arguments exist to conclude that § 292 does not apply to the marking of expired patents. Moreover, these arguments do not appear to have been considered by any court to date.

To violate § 292, a defendant must have marked an "unpatented article." The fact that the patent covering the article has expired does not necessarily mean that the product is "unpatented." The expiration of the patent simply precludes future infringement of the patent; it does not necessarily change the fact that the articles that are covered by the claims of the patent

remain patented. Indeed, Congress itself recognized that an invention remains “patented” even after the term of the patent therefore:

[W]hoever without authority makes, uses, offers to sell, or sells any patented invention . . . during the term of the patent therefor, infringes the patent.[20]

As a matter of statutory construction, therefore, an article should be found to remain “patented” even after its corresponding patent expires.[21] Under such a construction, the marking of an expired patent on a product that is otherwise covered by the claims of the patent would not be a violation of § 292, as the product would not be “unpatented” within the meaning of § 292. The arguments set forth in *Pequignot I* to the contrary appear unconvincing in light of the plain language of the Patent Act.

Each of the linguistic arguments set forth in *Pequignot I* fails to recognize that Congress has expressly stated that an invention remains patented even after the patent therefor expires. [22] The *Pequignot I* rationale and arguments are also inconsistent with 35 U.S.C. § 102.[23] Further, the court’s construction is inconsistent with how the term “unpatented article” was used in the original false marking statute included in the Patent Act of 1842. This is made clear by reviewing the false marking statute together with the marking statute from the Act of 1842.

[I]f any person . . . shall write, paint, print, mould, cast, carve, engrave, stamp, or otherwise make or affix the word “patent,” or the words “letters patent,” or the word “patentee,” or any word or words of like kind, meaning, or import, with the view or intent of imitating or counterfeiting the stamp, mark, or other device of the patentee, or shall affix the same or any word, stamp, or device, of like import, on any unpatented article, for the purpose of deceiving the public, he, she, or they, so offending, shall be liable for such offence, to a penalty of not less than one hundred dollars . . . .

. . . That all patentees and assignees of patents hereinafter granted, are hereby required to stamp, engrave, or cause to be stamped or engraved, on each article vended, or offered for sale, the date of the patent; and if any person or persons, patentees or assignees, shall neglect to do so, he, she, or they, shall be liable to the same penalty . . . .[24]

Under the Patent Act of 1842, a person who marked an unpatented product with “patent” or like words was liable for a penalty, which was not less than \$100. Conversely, a patentee was affirmatively obligated under the patent marking statute contained in the Act of 1842 to mark each article vended with the date of the patent. If the patentee failed to mark each article, the patentee was liable for penalty of not less than \$100. The patent marking statute, however, required the patentee to mark “each article vended” without regard to whether the patent had expired.[25] By definition, therefore, the term “unpatented article” in the Act of 1842 is required to be construed to exclude articles for which a previously granted patent had expired; otherwise, a patentee who marked to avoid liability under the patent marking statute would potentially be exposed to liability under the false marking statute.[26]

There is no reason to construe the term “unpatented article” differently today than it was required to be construed under the original Act of 1842.

Construing “unpatented article” to exclude articles on which an expired patent has been marked is also consistent with the notice requirement of the patent marking statute, as it provides the public with “a ready means of discerning the status of the intellectual property embodied in an article of manufacture or design.”[27]

It is also worth noting that courts have historically held that there is no culpable mismarking, regardless of intent, if a number of patents are listed on an article even though not all of them cover the product.[28] Clontech appears to have altered this approach. In Clontech, the Federal Circuit stated in dicta that in order to avoid false marking the article in question must be “covered by at least one claim of each patent with which the article is marked.”[29] At least one district court has followed the Clontech dicta.[30]

#### D. Prophylactic Measures Available to Avoid or Reduce Exposure

Review current patent marking practices for both products and product packaging and conduct periodic follow-up reviews. The reviews should include an analysis of product changes, if any, to determine whether such changes may alter the applicability of the marked patents. During the reviews it should also be verified that expired patents are not being marked (at least until the question of the scope of the term “unpatented article” is settled) and alterations in claim scope (through reexamination, reissue, or litigation of the marked patents) have not occurred. If products are marked with “patent pending,” the review process should verify that one or more applicable patent applications remain pending.

In view of Clontech, when listing multiple patents on a product, only list patents that actually cover the products marked.

Document reasons for marking each patent. The documented reasons should include, to the extent possible, a non-privileged basis for marking each patent so that the attorney-client privilege is not required to be waived in the event of litigation.

When licensing patents into a company, include a marking indemnification clause if the licensor insists on a marking provision.

When licensing patents out of a company, consider whether a marking provision is justified, particularly where the licensee may demand an indemnity provision.

#### E. Litigation Strategies

If a violation of the false marking statute is based on marking of an expired patent, move for failure to state a claim or judgment on the pleadings based on the arguments in Section I.C above.[31]

Consider bringing a motion to dismiss if the intent to deceive element of the claim has not been pled with sufficient particularity to meet the Twombly and Iqbal plausibility standard or the Rule 9(b) specificity standard.

If products have been mismarked, immediately develop a convincing, affirmative explanation of why the mismarking did not involve any intent to deceive, and consider bringing a summary judgment motion on this ground as early as practicable.

Aggressively pursue the plaintiff for contentions. Many of the plaintiffs in the false marking cases have filed multiple litigations, and it is highly unlikely that they have conducted a reasonable investigation or have any evidence of the defendant's intent to deceive the public or whether the allegedly mismarked patents cover the product.

When being sued for patent infringement by a manufacturing patentee, consider whether a counterclaim for false marking should be brought against the plaintiff.

## II. Insurance Coverage for Alleged False Patent Marking

In addition to taking steps to avoid or defend against false patent marking actions, companies that are the targets of such allegations should carefully review their insurance policies. Certain coverages often found in the liability insurance policies typically purchased by businesses may be triggered by the allegations in false patent marking actions. These insurance policies would be obligated to pay at the very least the cost of defending the actions, if the policyholder can establish that patent marking allegations even potentially fall within the coverage of the policy.

### A. General Liability Coverage

Most companies maintain commercial general liability (CGL) insurance, which covers many types of lawsuits. With respect to false marking claims, the "personal and advertising injury liability" coverage within CGL policies may pay for defense fees and settlements or judgments entered against the defendant companies. "Advertising injury" means injury arising out of a list of enumerated offenses, which the policyholder is alleged to have committed in its advertising. "Personal injury" coverage also involves a list of covered offenses, but has no requirement of a connection to any advertising.

No court yet has addressed whether false marking claims trigger this coverage. However, companies that have been sued should carefully review their CGL policies to determine if the claims against them potentially fit within the specific advertising injury or personal injury language contained in their policies. Additionally, companies should not presume that they have no coverage simply because the complaint that has been filed against them does not include an express cause of action for one of their CGL policies' enumerated advertising injury or personal injury coverage offenses. In fact, one of the most important benefits of CGL coverage, the duty to defend, does not depend on the specific label the underlying claimant gives its legal theories, but on the factual allegations the claimant makes.[32] Thus, even though "false patent marking" is not specifically enumerated as a covered offense, such allegations still can trigger coverage if the facts as pleaded fall within one of the enumerated offenses. "[R]emote facts buried within causes of action that may potentially give rise to coverage are sufficient to invoke the defense duty." [33] Any ambiguities in the policy language are construed in favor of coverage, and doubts about the underlying allegations are construed in favor of finding a duty to defend.[34]

If a company's CGL policies do not cover the false marking claims against it, coverage still may be available under other policies, including the company's umbrella liability policies. Umbrella policies may provide broader coverage than the primary CGL policies and, thus, may require the umbrella carrier to defend the company (or pay for settlements or judgments) even though the primary policy does not. In addition, some companies may have other types of policies beyond those discussed in this paper, such as Intellectual Property Policies, Media Special Perils Policies, and Errors & Omissions Policies that they should be examined to determine whether they provide coverage for false marking lawsuits.

## B. Covered Offenses Potentially Implicated by False Patent Marking Allegations

There is some variation among CGL policies as to the enumerated offenses contained in the advertising injury and personal injury provisions within those policies. However, depending upon the specific allegations in a patent action, the language in many of those policies may provide companies with a basis to assert coverage.

"Advertising injury" often is defined to include "misappropriation of advertising ideas or style of doing business." This offense has been interpreted broadly enough to encompass the types of allegations found in many false marking actions. In *American Simmental Ass'n v. Coregis Insurance Co.*,<sup>[35]</sup> the court held that the offense of "unauthorized taking of advertising ideas or style of doing business" covered allegations of improper designation and advertising of cattle as "fullblood," when the designation was inaccurate. Similarly, in *Pennfield Oil Co. v. American Feed Industry Insurance Co. Risk Retention Group, Inc.*,<sup>[36]</sup> the court held that an action alleging false statements about FDA approval fell within coverage for "misappropriation of advertising ideas or style of doing business." Thus, allegations of improper designation of goods as patented also may fall within the offense.

Other enumerated offenses found in some policies also may provide coverage. In *Polaris Industries, L.P. v. Continental Insurance Co.*,<sup>[37]</sup> for example, the policyholder was sued for "misrepresenting, in its advertisements, that [it] invented the electronic fuel-injection system used in its snowmobiles." Such allegations bear obvious similarity to allegations that a policyholder misrepresented the status of its patent rights in connection with its products. The *Polaris* court found that the allegations fell within the coverage of the enumerated offenses of "piracy, unfair competition, or idea misappropriation during the course of advertising activities."<sup>[38]</sup> While "piracy" and "unfair competition" do not appear as enumerated advertising injury offenses as commonly in current policies as they did at the time *Polaris* was decided, some policies still include them. A company faced with false marking allegations certainly should check its policies to determine the breadth of the enumerated advertising injury offenses.

In addition, some false marking complaints may be drafted broadly enough to trigger the defamation and disparagement-related offenses enumerated in many advertising injury and personal injury coverages. Courts have read these offenses broadly to include any allegations, regardless of the label given to the legal theory, where the essence is that the policyholder made false statements damaging to the reputation of another or another's products.<sup>[39]</sup> If a patent marking complaint contains allegations that the defendant company's "markings" amount to statements that another company is an infringer, or its similar products are infringing, such allegations may fall within the defamation or disparagement offenses. The same may be true if

the plaintiff alleges that the company's "false markings" somehow diminished the reputation of other companies. In *Pennfield Oil*, for example, the court found advertising injury coverage for allegations that a policyholder had falsely advertised the FDA approval status of its product, because the "advertisements and materials at issue implicitly disparage [its competitor's] product because [the competitor] is the only other manufacturer of the product with FDA approval." [40]

### C. Committed in the Course of Advertising

Advertising injury coverage typically requires that the alleged offense be committed in the policyholder's "advertisement," or "in the course of advertising your goods, products or services." Courts have split on the breadth given the term "advertising" when it is not defined by the policies. Some have required widespread promotion to the public. [41] Others have held the term includes more targeted marketing, and even individual solicitations. [42]

The false marking statute creates liability on the part of "[w]hoever marks upon, or affixes to, or uses in advertising" a false designation of patent status. [43] It also requires that this marking be done "for the purpose of deceiving the public." [44] Thus, false marking complaints that track this statutory language about "advertising" directed at "the public" may trigger at least a duty to defend, even in jurisdictions that define "advertising" to require widespread solicitation of the public.

Moreover, if the false patent marking complaint is drafted broadly enough to trigger the defamation and disparagement offenses, which are listed in both "advertising injury" and "personal injury" coverages, there would be no need to show any connection to "advertising."

### D. Causal Link Between Injury and Advertising

Courts have generally held that there must be a "causal connection" between the advertising and the alleged injury: "[the language] requires the injury to be the actual result of the advertising activity, not merely the result of some other activity that happens to be advertised." [45] In false marking complaints where the alleged injury tracks the statutory language, the deception of the public arguably occurred because the defendant company allegedly marked and advertised an unpatented article as patented. In that circumstance, the alleged injury should have a causal link to the alleged advertising.

### E. Companies Should Not Acquiesce to Exclusions That Insurers Likely Will Raise

Insurers likely will raise a variety of exclusions or other coverage defenses to avoid coverage for false marking claims. Companies should not readily acquiesce to such insurer efforts. Below we address three key exclusions we expect insurers to raise and why they should not apply to false marking claims.

Most CGL policies include an Intellectual Property exclusion, which typically excludes coverage for injury "arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights." This exclusion should not apply to false marking claims because the crux of the allegations in these actions is that there are no patent rights in the article.

Hence, if there are no patent rights, or any other intellectual property rights, then the claim cannot allege injury “arising out of the infringement of . . . patent . . . rights.”

CGL policies also exclude coverage for advertising injury “arising out of oral or written publication of material . . . with knowledge of its falsity,” or otherwise intentionally caused. Since the false marking statute requires that the false marking was done “for the purpose of deceiving the public,”[46] we expect insurers will claim that coverage is excluded under intentional act exclusions or general public policy against insuring intentional harm. Courts, however, have not confined the state of mind required by the statute quite so narrowly. In *Forest Group*, the court held that “[a] party asserting false marking must show by a preponderance of the evidence that the accused party did not have a reasonable belief that the articles were properly marked.”[47] A “reasonable belief” standard imports concepts of negligence, which should not trigger the exclusions for knowing violations or other intentional conduct. Even if the allegations in a complaint allege knowing misconduct, there may be a duty to defend if the relevant law would support liability under a lesser standard of intent.[48]

Last, CGL policies cover “damages” that the policyholder is legally obligated to pay, and some contain exclusions for fines or penalties. Since the false marking statute on its face refers to the recovery it authorizes as a “fine[]” and a “penalty,”[49] insurance companies will argue that these liabilities do not constitute sums the policyholder is legally obligated to pay as “damages” as that term is used in the Insuring Agreement of a CGL policy. The *Forest Group* decision, however, held that the language of the statute gives courts discretion to set the level of the recovery “to strike a balance between encouraging enforcement of an important public policy and imposing disproportionately large penalties for small, inexpensive items produced in large quantities.”[50] To the extent that courts exercise this discretion to calibrate the amount recovered to the amount of harm the court perceives from the false marking, there is a viable argument that the recovery will act as traditional “damages.”[51] Moreover, even if the statutory amounts are not considered “damages,” false marking complaints frequently also seek such other and further relief the court deems just and proper, which courts have held invokes “damages” sufficiently to trigger at least a duty to defend.[52]

## F. Securing Insurance Rights

Policyholders facing allegations of false patent marking should be aware of their insurance rights, and give notice under any insurance policy that may potentially provide coverage. Moreover, policyholders should not simply accept an insurance company’s denial of coverage. As the cases described above indicate, courts often find coverage for advertising injury much broader than insurance companies are willing to admit when first faced with a claim.

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[1] *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1352 (Fed. Cir. 2005).

[2] *Forest Group, Inc. v. Bon Tool Co.*, 590 F.3d 1295 (Fed. Cir. 2009).

[3] *Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790 (E.D. Va. 2009) (*Pequignot III*).

[4] One qui tam relator, Thomas A. Simonian, is responsible for 38 of these actions. Another, Patent Compliance Group, Inc., has brought 13.

[5] 35 U.S.C. § 292(a).

[6] Forest Group, 590 F.3d at 1300.

[7] See, e.g., *Boyd v. Schildkraut Giftware Corp.*, 936 F.2d 76, 79 (2d Cir. 1991) (“The scienter element of the penal offense also applies to the qui tam remedy.”).

[8] *Clontech*, 406 F.3d at 1352-53.

[9] *Id.* at 1352 (“Thus, under such circumstances, the mere assertion by a party that it did not intend to deceive will not suffice to escape statutory liability. Such an assertion, standing alone, is worthless as proof of no intent to deceive where there is knowledge of falsehood.”).

[10] *Forest Group*, 590 F.3d at 1301.

[11] *Id.* at 1300-04.

[12] *London*, 179 F. at 508.

[13] *Forest Group*, 590 F.3d at 1303.

[14] *Id.* at 1304.

[15] *Id.*

[16] *Clontech*, 406 F.3d at 1352.

[17] *Brinkmeier v. Graco Children’s Prods., Inc.*, No. 09-262-JJF, 2010 WL 545896, at \*3 (D. Del. Feb. 16, 2010) (“Under *Clontech*, it appears that a product marked with expired patents and valid patents would be an unpatented article for purposes of § 292.”); *Pequignot v. Solo Cup Co.*, 540 F. Supp. 2d 649, 652 (E.D. Va. 2008) (*Pequignot I*) (“Solo’s argument, that the term ‘unpatented article’ does not refer to an article subject to an expired patent, is in discord with black-letter patent law.”); *DP Wagner Mfg., Inc. v. Pro Patch Sys., Inc.*, 434 F. Supp. 2d 445, 452 n.3 (S.D. Tex. 2006) (“It is self evident that once a patent has expired it provides no protection for the article that it described. It necessarily follows that an article when marked with an expired patent number nonetheless remains an ‘unpatented article’ within the meaning of § 292.”).

[18] *Brinkmeier*, 2010 WL 545896, at \*3; *DP Wagner*, 434 F. Supp. 2d at 452 n.3.

[19] *Pequignot I*, 540 F. Supp. 2d at 651-54.

[20] 35 U.S.C. § 271(a) (emphasis added).

[21] Id.

[22] See id.

[23] 35 U.S.C. § 102(a), (b) provides:

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country . . . more than one year prior to the date of the application for patent in the United States.

Under the Pequignot I rationale, inventions that were once patented would become “unpatented” upon expiration of the patent therefor and would thus no longer constitute prior art under 35 U.S.C. § 102(a), (b). This would obviously lead to a nonsensical result.

[24] Patent Act of 1842, ch. 263, §§ 5-6, 5 Stat. 544-45 (1842) (emphasis added).

[25] See id.

[26] See id.

[27] *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) (emphasis added).

[28] See, e.g., *Santa Anita Mfg. Corp. v. Lugash*, 369 F.2d 964 (9th Cir. 1966); *Ansul Co. v. Uniroyal, Inc.*, 306 F. Supp. 541, 565-66 (S.D.N.Y. 1969), modified on other grounds, 448 F.2d 872 (2d Cir. 1971).

[29] *Clontech*, 406 F.3d at 1352.

[30] *Brinkmeier*, 2010 WL 545896, at \*3.

[31] The Federal Circuit is set to hear oral argument in the *Pequignot v. Solo Cup Co.* case on April 6, 2010. One of the issues the court will decide on appeal is whether an “unpatented article” is an article marked with an expired patent that covered the article. Thus, defendants accused of false marking based on the marking of an expired patent will also want to closely watch for a decision in the *Pequignot* case.

[32] See, e.g., *CNA Cas. of Cal. v. Seaboard Sur. Co.*, 222 Cal. Rptr. 276, 280 (Cal. Ct. App. 1986); *Ruder & Finn Inc. v. Seaboard Sur. Co.*, 422 N.E.2d 518, 522-23 (N.Y. 1981); *McGinniss v. Employees Reins. Corp.*, 648 F. Supp. 1263, 1267-70 (S.D.N.Y. 1986).

- [33] Pension Trust Fund for Operating Eng'rs v. Fed. Ins. Co., 307 F.3d 944, 951 (9th Cir. 2002).
- [34] See, e.g., New Castle County, Del. v. Nat'l Union Fire Ins. Co. of Pittsburgh, Pa., 174 F.3d 338, 343 (3d Cir. 1999).
- [35] 282 F.3d 582, 587 (8th Cir. 2002).
- [36] No. 8:05CV315, 2007 WL 1290138, at \*8 (D. Neb. Mar. 12, 2007).
- [37] 539 N.W.2d 619, 622 (Minn. Ct. App. 1995).
- [38] Id. at 622-23.
- [39] See, e.g., McGinniss, 648 F. Supp. at 1267-70; Ruder & Finn, 422 N.E.2d at 522-23.
- [40] 2007 WL 1290138, at \*8.
- [41] See, e.g., Hameid v. Nat'l Fire Ins. of Hartford, 71 P.3d 761, 766 (Cal. 2003).
- [42] See, e.g., John Deere Ins. Co. v. Shamrock Indus., Inc., 696 F. Supp. 434, 439-40 (D. Minn. 1988), aff'd, 929 F.2d 413 (8th Cir. 1991).
- [43] 35 U.S.C. § 292(a) (emphasis added).
- [44] Id. (emphasis added).
- [45] Polaris, 539 N.W.2d at 622; see also Bank of the West v. Superior Court, 833 P.2d 545, 558-61 (Cal. 1992).
- [46] 35 U.S.C. § 292(a).
- [47] 590 F.3d at 1300 (citing Clontech Labs., Inc. v. Invitrogen Corp., 406 F.3d 1347, 1352-53 (Fed. Cir. 2005)).
- [48] See, e.g., Capitol Indem. Corp. v. Elston Self Serv. Wholesale Groceries, Inc., 551 F. Supp. 2d 711, 726 (N.D. Ill. 2008), aff'd, 559 F.3d 616 (7th Cir. 2009).
- [49] 35 U.S.C. § 292(a), (b).
- [50] 590 F.3d at 1304.
- [51] In the absence of an express exclusion, some courts have held that fines and penalties fall within general liability coverage. See, e.g., Wilson v. Chem-Solv, Inc., 1988 WL 109375 (Del. Super. Ct. Oct. 14, 1988) ("Civil penalties" fall within coverage for "damages."); Hercules Inc. v. Aetna Cas. & Sur. Co., Nos. 92C-10-105, 90C-FE-195-1-CV, 1998 Del. Super. LEXIS 124, at \*65-\*66 (Del. Super. Ct. Jan. 14, 1998) (in absence of specific exclusion, "fines" may be

covered under general liability policy), rev'd in part on a different issue sub nom. Hercules, Inc. v. AIU Ins. Co., 784 A.2d 481 (Del. 2001).

[52] See, e.g., Energex Sys. Corp. v. Fireman's Fund Ins. Co., No. 96 Civ. 5993 (JSM), 1997 U.S. Dist. LEXIS 8894, at \*13-\*14 (S.D.N.Y. June 24, 1997); B.H. Smith, Inc. v. Zurich Ins. Co., 676 N.E.2d 221, 224 (Ill. App. Ct. 1996).