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CLIENT ALERT

Cessation of Sales of Unmarked Product Prior to Suit Did Not Obviate § 287's Notice Obligations

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Arctic Cat Inc. v. Bombardier Recreational Products Inc., No. 2019-1080 (Fed. Cir. Feb 19, 2020)

The patentee sued the alleged infringer in the Southern District of Florida alleging patent infringement of two patents directed to thrust steering systems for personal watercraft (PWCs). At trial, the jury found the patents infringed and not invalid, and found infringement to be willful.

In this second appeal, the patentee appealed the district court's summary judgment in favor of the accused infringer that the patentee was not entitled to pre-suit damages for failure to comply with 35 U.S.C. § 287. The patentee argued because § 287 is written in the present tense, it only applies while there are sales of products practicing the asserted patents. The court, however, agreed with the accused infringer that to recover damages after the sales of unmarked product, a patentee must begin marking its products or provide actual notice to an alleged infringer. Cessation of sales of unmarked product is not enough. Failure to comply with the notice requirements of § 287 precludes recovery of damages prior to filing the complaint.

The patentee further argued it was entitled to six years of pre-suit damages under 35 U.S.C. § 286 based on the jury's willfulness finding, which should be sufficient to establish actual notice under § 287. The court rejected the patentee's position, pointing out that willfulness turns on the knowledge of an infringer, but § 287 is directed to the patentee's conduct. Since § 287 imposes notice obligations on the patentee, only the patentee can discharge those obligations.

A copy of the opinion can be found here.

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