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Methods, Marking, and Messiness: Revisiting the Federal Circuit’s Rule That Product Marking is not Required Where a Patent is Directed to a Method

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INTRODUCTION

Section 287(a) of Title 35 of the United States Code, known as the “marking statute,” says patentees and their licensees “may” give constructive notice to the public that an article is patented by printing the word “patent” or the abbreviation “pat.” along with the patent number on that article.¹ If a patentee or licensee fails to mark a patented article as suggested by section 287(a), and another party infringes the patent, the patentee may only recover damages accruing after the infringer has actual notice of the infringement.² The primary purpose of the marking statute is to protect the public from innocent infringement of patents.³

The Court of Appeals for the Federal Circuit created a difference between inventions claimed as methods and inventions claimed as apparatuses when it held that the notice provisions of section 287 do not apply “where the patent is directed to a process or method.”⁴ The Federal Circuit justified this exception to section 287(a) by observing that “ordinarily, where the patent claims are directed to only a method or process there is nothing to mark.”⁵

In 2008, the Supreme Court considered whether courts should

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1. 35 U.S.C. § 287(a) (2006).
2. *Id.*
3. *Wine Ry. Appliance Co. v. Enter. Ry. Equip. Co.*, 297 U.S. 387, 394 (1936).
4. *Bandag, Inc. v. Gerrard Tire Co.*, 704 F.2d 1578, 1581 (Fed. Cir. 1983).
5. *Am. Med. Sys., Inc. v. Med. Eng’g Corp.*, 6 F.3d 1523, 1538 (Fed. Cir. 1993).

treat method claims and apparatus claims differently in another context: patent exhaustion.⁶ The case of *Quanta Computer, Inc. v. LG Electronics, Inc.* required the Court to consider whether there was any justification for the long-held belief that method patents are not subject to the patent exhaustion doctrine, which limits a patent owner's right to control the use or disposition of an item incorporating a patented invention after that item is lawfully sold.⁷ The Court found that even though a method patent is not linked to a tangible article, "[e]liminating exhaustion for method patents would seriously undermine the exhaustion doctrine" and would not be in the public interest because patentees could avoid exhaustion simply by casting their inventions in the form of method claims rather than apparatus claims.⁸ The Court rejected the argument that method claims are never exhaustible,⁹ thus eliminating a perceived difference between method claims and apparatus claims.

Given the Supreme Court's reasoning in *Quanta Computer*, this paper investigates whether the Federal Circuit's rule that section 287(a) does not apply when a patent is directed to a method may also be susceptible to a challenge. The paper begins by introducing the marking statute, section 287(a), and its overarching goal to protect the public from innocent infringement. Next, the paper explores how the Federal Circuit arrived at its rule and suggests, based on the Supreme Court's reasoning in *Quanta Computer* and courts' treatment of method claims in other areas of patent law, that the court erred in deriving its rule by interpreting what constitutes a "patented article" too narrowly and by misinterpreting the Supreme Court case on which it relied for support. The paper then reviews the Federal Circuit cases on marking and notes that the Federal Circuit's rule does not serve the goals of the patent system or the marking statute. Finally, the paper suggests that section 287(a) should apply whenever a patentee manufactures a product that embodies a patented invention, however that invention is claimed, and it explains why doing so promotes the objectives of the marking statute.

THE PURPOSE OF THE MARKING STATUTE

Section 287(a) specifies that

[p]atentees, 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

6. *Quanta Computer, Inc. v. LG Electronics, Inc.*, 128 S.Ct. 2109, 2113 (2008).

7. *Id.*

8. *Id.* at 2117.

9. *Id.* at 2118.

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 to so 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 such notice. Filing of an action for infringement shall constitute such notice.¹⁰

The statute does not require patentees or their licensees to mark patented articles; instead, it encourages marking by specifying that a patent holder failing to mark its patented articles can only recover damages for the period after an infringer has actual notice of the infringement.¹¹

The primary goal of the marking statute is to prevent innocent infringement.¹² The statute furthers this goal in two ways. First, it helps the public determine whether an item is patented.¹³ The patent laws create a “clear . . . demarcation between public and private property,”¹⁴ and marking fulfills the “policy goal of notifying the public concerning the patent status of items in commerce.”¹⁵ When a design is not marked, “[t]he public may rely upon the lack of notice in exploiting shapes and designs accessible to all.”¹⁶ The Supreme Court stressed the importance of “a tangible article proclaiming its own character,” emphasizing that the notice provided by marking helps to prevent the public from assuming, incorrectly, that an item is not patented.¹⁷

Second, by restricting the damages a patentee may recover for infringement when the patentee fails to mark its products, the marking statute encourages patentees to give constructive notice to the public that the articles they manufacture are patented.¹⁸ The Supreme Court observed that the marking statute “requires nothing unreasonable of patentees.”¹⁹ Courts allow patentees who initially fail to mark their products to recover damages for the time period starting immediately after they comply with the marking statute, which provides a strong incentive to give notice that the item is patented.²⁰ The Federal Circuit observed that “[t]o prevent recovery of damages for failure to immediately mark . . . provides no incentive

10. 35 U.S.C. § 287(a) (2006).

11. *Id.*

12. *Wine Ry. Appliance Co.*, 297 U.S. at 394.

13. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989).

14. *Id.*

15. *Amsted Indus. Inc. v. Buckeye Steel Castings Co.*, 24 F.3d 178, 185 (Fed. Cir. 1994) (citing *Am. Med. Sys.*, 6 F.3d at 1537).

16. *Bonito Boats*, 489 U.S. at 162.

17. *Wine Ry. Appliance Co.*, 297 U.S. at 395, 398.

18. *Amsted Indus.*, 24 F.3d at 185.

19. *Wine Ry. Appliance Co.*, 297 U.S. at 398.

20. *Am. Med. Sys.*, 6 F.3d at 1537.

for a patentee who inadvertently or unavoidably fails to mark initially to mark in the future,” and it does not “remedy the problem of having unmarked products in the marketplace.”²¹

ORIGIN OF THE RULE THAT SECTION 287(A) DOES NOT APPLY WHEN
A PATENT IS DIRECTED TO A METHOD

The Federal Circuit’s rule regarding marking is that section 287(a) “does not apply where the patent is directed to a process or method.”²² The following review of the Supreme Court case on which the Federal Circuit relied when it announced this rule illustrates the rule is not well-grounded in Supreme Court precedent and is thus ripe for a challenge.

WINE RAILWAY APPLIANCE COMPANY V. ENTERPRISE RAILWAY EQUIPMENT COMPANY

The Federal Circuit’s rule has its roots in the 1936 Supreme Court case of *Wine Railway Appliance Company v. Enterprise Railway Equipment Company*.²³ At the time of *Wine Railway*, the marking statute differed slightly from section 287(a) in that rather than suggesting patentees and their licensees mark patented articles, it imposed a duty on patentees and their assigns, legal representatives, and licensees to mark patented articles.²⁴ The penalties for failure to mark were the same as in section 287(a), however.²⁵

The patent at issue, owned by Wine Railway Appliance Company, claimed a door mechanism for railway cars.²⁶ Wine Railway brought suit against Enterprise Railway Equipment Company for alleged infringement.²⁷ Neither Wine Railway nor any licensee ever made or sold an article embodying the infringed patent.²⁸ After the district court awarded damages to the patentee, the Court of Appeals for the Sixth Circuit reversed.²⁹ The court concluded, based on an examination of statutory language and history, that the marking statute “requires the patentee or his assignee who does not make or vend the article to give [actual] notice of the patent and limits the recovery for infringement thereof to damages sustained thereafter.”³⁰ Thus, the Sixth Circuit held that

21. *Id.*

22. *Bandag, Inc.*, 704 F.2d at 1581.

23. *Wine Ry. Appliance Co.*, 297 U.S. at 387.

24. *Id.* at 392.

25. 35 U.S.C. § 287(a) (2006).

26. U.S. Patent No. 1,434,953 (filed Feb. 2, 1922); *Enter. Ry. Equip. Co. v. Wine Ry. Appliance Co.*, 77 F.2d 159, 160 (6th Cir. 1935).

27. *Wine Ry. Appliance Co.*, 297 U.S. at 391.

28. *Id.* at 393.

29. *Enter. Ry. Equip. Co.*, 77 F.2d at 161.

30. *Id.*

because non-producing patent holders, having no products to mark, cannot avail themselves of the constructive notice provisions of the marking statute, non-producing patentees cannot recover damages for the time period before the infringer had actual notice of the patent.³¹

On appeal, the Supreme Court considered whether a non-producing patentee's damages for patent infringement should be limited to the time period following actual notice to the infringer.³² Enterprise asserted that because the marking statute gives a patent holder two means to give notice, namely constructive notice by marking if the patent holder makes products or actual notice if it does not, "no hardship is worked upon him who does not make and sell and no lack of harmony with other provisions of the patent laws exists."³³

The Court rejected Enterprise's argument, noting "[i]f respondent's position is correct, process patents and patents under which nothing has been manufactured may be secretly infringed with impunity, notwithstanding injury to owners guilty of no neglect."³⁴ The Court observed that constructive notice "can only be given in connection with some fabricated article. Penalty for failure implies opportunity to perform."³⁵ Because the constructive notice provisions of the marking statute "would seem to impose on [non-producing patentees] a duty to the public impossible of performance," and the Court found no support in the history of the marking requirement for the idea that a non-producing patentee could not recover damages from an infringer "unless and until [the infringer] could be run down and served with actual notice," the Court held that the marking statute does not apply to non-producing patentees, and such patentees can recover damages accruing before they give actual notice to infringers.³⁶

BANDAG, INC. V. GERRARD TIRE COMPANY, INC.

The Federal Circuit relied on *Wine Railway* when it first announced its rule that Section 287(a) does not apply when a patent is directed to a method.³⁷ In the 1983 case of *Bandag, Inc. v. Gerrard Tire Company, Inc.*, Bandag sued Gerrard for infringement of Bandag's patent for a tire recapping process.³⁸ Gerrard argued that

31. *Id.*

32. *Wine Ry. Appliance Co.*, 297 U.S. at 392.

33. *Id.* at 394.

34. *Id.* at 395.

35. *Id.*

36. *Id.* at 395, 397.

37. *Bandag, Inc.*, 704 F.2d at 1581.

38. *Id.* at 1579.

Bandag failed to mark products it made using the patented process, and therefore that Bandag's damages should be limited to those accruing after it notified Gerrard of the infringement.³⁹ The district court held that the constructive notice requirements of section 287(a) "refer only to 'articles' and do not apply 'where the patent is directed to a process or method.'"⁴⁰

The Federal Circuit agreed.⁴¹ Without explaining why, the court asserted that the language of section 287(a) is "clear."⁴² The court then referred to, but did not examine or discuss, *Wine Railway* and concluded it is "settled in the case law that the notice requirement of this statute does not apply where the patent is directed to a process or method."⁴³ The court held that section 287(a) did not apply in the case at hand because the patent claimed a method, and thus Bandag's damages should not be limited to the time period following actual notice to Gerrard.⁴⁴

Bandag thus established the Federal Circuit's rule that when a patent is directed to a method, section 287(a) does not apply.

THE FEDERAL CIRCUIT'S ERRORS

The Federal Circuit made two errors in *Bandag*. First, it apparently concluded that "patented article" does not include inventions claimed as methods. Second, it misconstrued what the Supreme Court said in *Wine Railway*.

"PATENTED ARTICLE" ENCOMPASSES INVENTIONS CLAIMED AS METHODS

Section 287(a) refers to a "patented article."⁴⁵ The Federal Circuit apparently reasoned in *Bandag* that "patented article" does not include inventions claimed as methods, whether methods of making or methods of using. The court offered no support for this contention, other than its assertion that the language in section 287(a) is "clear."⁴⁶ In defining what constitutes a "patented article" in other contexts, however, courts and the United States Patent and Trademark Office (USPTO) do not distinguish between method claims and claims in other statutory categories.⁴⁷ For example, the USPTO allows applicants to include both method claims and

39. *Id.* at 1580.

40. *Id.*

41. *Id.* at 1581.

42. *Bandag, Inc.*, 704 F.2d at 1581.

43. *Id.*

44. *Id.*

45. 35 U.S.C. § 287(a) (2006).

46. *Bandag, Inc.*, 704 F.3d at 1581.

47. The statutory categories are process, machine, manufacture, and composition of matter. 35 U.S.C. § 101 (2006).

apparatus claims in a single patent application.⁴⁸ Likewise, in determining whether an invention is “on sale,” which triggers the statutory on-sale bar,⁴⁹ courts do not distinguish between method claims and apparatus claims.⁵⁰ Finally, the Supreme Court in *Quanta Computer* clarified that the patent exhaustion doctrine applies to method claims just as it applies to apparatus claims.⁵¹ That courts and the USPTO do not distinguish between method claims and apparatus claims in these areas of patent law suggests the Federal Circuit’s reading of “patented article” in the marking context as not encompassing inventions claimed as methods was too narrow.

“The Invention” is “The Invention,” Whether Claimed as an Apparatus or as a Method of Manufacture or Use

The fact that patent applicants are free to draft claims in multiple statutory categories to claim a single invention supports the argument that an article embodying an invention claimed as a method is a “patented article.”⁵² Claims to a method of using a machine are not patentably distinct from claims to the machine itself.⁵³ Furthermore, the Supreme Court noted in *Quanta Computer* that “[a]pparatus and method claims ‘may approach each other so nearly that it [is] difficult to distinguish the process from the function of the apparatus.’”⁵⁴ Allowing an applicant to claim an invention as both an apparatus or composition of matter and as a method of manufacture or use does not materially increase the scope of protection offered by the patent, which by definition already includes the right to exclude others from making or using an invention.⁵⁵

Thus, “the invention” is whatever is claimed, irrespective of the statutory categories of the claims. Consequently, a “patented article” should include any article that embodies a patent claim.

The Sale of a Product Made Using a Patented Process is a Sale of the Invention

Courts’ treatment of inventions claimed as methods in determining whether the on-sale bar applies also shows that a “patented article” includes an invention claimed as a method. The on-sale bar of section 102(b) of the patent law prevents an applicant from receiving a patent if the invention sought to be patented was “on

48. *In re Kuehl*, 475 F.2d 658, 666 (C.C.P.A. 1973).

49. 35 U.S.C. § 102(b) (2006) bars an applicant from receiving a patent if the invention sought to be patented was “on sale” in the United States more than one year before the patent application filing date.

50. *Scaltech, Inc. v. Retec/Tetra, LLC*, 269 F.3d 1321, 1328 (Fed. Cir. 2001).

51. *Quanta Computer, Inc.*, 128 S.Ct. at 2113.

52. *Kuehl*, 475 F.2d at 666.

53. *In re Abernathy*, 118 F.2d 358, 360 (C.C.P.A. 1941).

54. *Quanta Computer, Inc.*, 128 S.Ct. at 2117–18 (quoting *United States ex rel. Steinmetz v. Allen*, 192 U.S. 543, 559 (1904)).

55. *Kuehl*, 475 F.2d at 666.

sale” in the United States more than one year before the patent application filing date.⁵⁶ Although it is clear how a party sells an invention claimed as an apparatus, to apply section 102(b) to method patents, courts have had to address when a method or process is “on sale.”

In 1829, the Supreme Court considered whether an inventor who had developed a new technique for the manufacture of rubber hose had placed his invention on sale when he licensed a third party to market the hose and sold thousands of feet of hose to a city.⁵⁷ The Court held that the inventor was barred by section 102(b) from receiving a patent because he had sold the product his process produced.⁵⁸

In *Scaltech, Inc. v. Retec/Tetra, LLC*, the Federal Circuit recognized that a patentee puts a process “on sale” by offering to use that process for its intended purpose, even though the patentee is not offering to sell the process itself.⁵⁹ The court noted that the on-sale bar “applies to the sale of an ‘invention,’ and in [the] case, the invention was a process.”⁶⁰

Thus, the Federal Circuit and the Supreme Court treat the sale of a product produced by a patented method as a sale of “the invention,” which supports the argument that a “patented article” is any article produced using a patented process.

There is No Difference Between Inventions Claimed as Methods and
Inventions Claimed in Other Statutory Categories in the Context
of Patent Exhaustion

The Supreme Court’s decision in *Quanta Computer* also supports the argument that articles encompassing inventions claimed by method claims are “patented articles.” In *Quanta Computer*, the Court considered whether there is a difference between method claims and claims in other statutory categories in the context of the patent exhaustion doctrine.⁶¹ The patent exhaustion doctrine imposes strict limits on the power of a patent holder to attach conditions to the use of a patented article.⁶² The doctrine reflects the sentiment that although “the remuneration of genius and useful ingenuity is a duty incumbent upon the public, the rights and welfare of the community must be fairly dealt with and effectually guarded. Considerations of individual emolument can never be permitted to

56. 35 U.S.C. § 102(b) (2006).

57. *Bonito Boats*, 489 U.S. at 149 (citing *Pennock v. Dialogue*, 27 U.S. (2 Pet.) 1 (1829)).

58. *Id.* (citing *Pennock*, 27 U.S. (2 Pet.) 1).

59. *Scaltech, Inc.*, 269 F.3d at 1328.

60. *Id.*

61. *Quanta Computer, Inc.*, 128 S.Ct. at 2117.

62. *United States v. Masonite Corp.*, 316 U.S. 265, 277 (1942).

operate to the injury of these.”⁶³

In a unanimous opinion, the Court rejected the argument that because method claims are not linked to a tangible article, they cannot be exhausted through a sale.⁶⁴ Noting that the Court’s precedents “do not differentiate transactions involving embodiments of patented methods or processes from those involving patented apparatuses or materials,” the Court observed it had held repeatedly that method patents are exhausted by the sale of items embodying the patented methods.⁶⁵ Exempting method patents from the doctrine of patent exhaustion would undermine the doctrine because patentees could “shield practically any patented item from exhaustion” simply by drafting method claims instead of or in addition to apparatus claims.⁶⁶ The Court observed, disapprovingly, that commentators had, in fact, recommended claiming inventions as methods so they would “survive numerous transactions regarding the patented good, allowing the force of the patent to intrude deeply into the stream of commerce.”⁶⁷ Thus, the Court held method claims are subject to patent exhaustion.⁶⁸

In sum, method claims are not treated differently than apparatus claims in other areas of patent law. The patent laws allow inventors to claim their inventions using both method claims and apparatus claims. Furthermore, courts consider an invention to be “on sale” if it embodies a claimed method or if it embodies an apparatus claim. Finally, method claims, like apparatus claims, are subject to patent exhaustion. These observations show that the patent laws apply generally to inventions, however those inventions are claimed. To be consistent with the treatment of method claims in other contexts, a product produced using a patented method or used according to a patented method must be a “patented article” within the meaning of 287(a). The Federal Circuit erred by apparently assuming in *Bandag* that “patented article” does not include inventions claimed as methods.

THE FEDERAL CIRCUIT MISINTERPRETED *WINE RAILWAYS* AS SUPPORTING THE RULE IT
ANNOUNCED IN *BANDAG*

In *Bandag*, the Federal Circuit relied on *Wine Railway* with no persuasive discussion or analysis to support the proposition that section 287(a) does not apply where a patent is directed to a method.

63. *Kendall v. Winsor*, 62 U.S. 322, 329 (1858).

64. *Quanta Computer, Inc.*, 128 S.Ct. at 2118.

65. *Id.* at 2117.

66. *Id.* at 2118.

67. *Id.* at 2117 n.5 (quoting JOHN R. THOMAS, *Of Text, Technique, and the Tangible: Drafting Patent Claims Around Patent Rules*, 17 J. MARSHALL J. COMPUTER & INFO. L. 219, 252 (1998)).

68. *Quanta Computer, Inc.*, 128 S.Ct. at 2118.

Yet the Supreme Court's discussion and holding in *Wine Railway* do not support the Federal Circuit's rule.

First, *Wine Railway* concerned a non-producing patentee: “[n]either [the patentee] nor another with its consent has ever manufactured or vended an article under the infringed patent.”⁶⁹ The question on appeal was whether the marking statute applies to non-producing patentees.⁷⁰ After examining the history of the marking statute and its objectives, the Court concluded it would be unfair to prevent a non-producing patentee from recovering fully for damages caused by another party's infringement of its patent simply because the patentee had no product it could mark to give constructive notice.⁷¹ The Court said nothing about a patentee's obligation to mark when it does manufacture products. In fact, the Court stressed the importance of marking products to the overall scheme of the patent laws: “[t]he idea of a tangible article proclaiming its own character runs through this and related provisions.”⁷²

Second, the patent at issue in *Wine Railway* claimed only an apparatus – a door mechanism for railway cars.⁷³ The patent contained no method or process claims.⁷⁴ Given the facts of the case and the Court's tendency to refrain from deciding any more than it must to resolve the case or controversy before it,⁷⁵ it is unlikely the Court would have addressed whether the marking statute applies to method patents.

Finally, the Court did not say in *Wine Railway* that the marking statute is inapplicable when a patent is directed to a method or a process. In fact, the Court's only mention of process patents was in response to the infringer's erroneous argument that a non-producing patentee cannot recover for damages accruing before giving actual notice to an infringer.⁷⁶ Specifically, the Court said that “[i]f respondent's position is correct, process patents and patents under which nothing has been manufactured may be secretly infringed with impunity, notwithstanding injury to owners guilty of no neglect.”⁷⁷ Although the Federal Circuit interpreted this statement as saying the

69. *Wine Ry. Appliance Co.*, 297 U.S. at 393.

70. *Id.* at 392.

71. *Id.* at 395.

72. *Id.*

73. U.S. Patent No. 1,434,953 (filed Feb. 2, 1922).

74. *Id.*

75. *See, e.g., FCC v. Pacifica Found.*, 438 U.S. 726, 777 (1978) (Stewart, J., dissenting) (“It is apparent that the constitutional questions raised by the order of the Commission in this case are substantial. Before deciding them, we should be certain that it is necessary to do so.”); *Alabama v. Shelton*, 535 U.S. 654, 676 (2002) (Scalia, J., dissenting) (arguing “that question is not the one before us, and the Court has no business offering an advisory opinion on its answer,” and further observing the Court has a “longstanding refusal to issue advisory opinions”).

76. *Wine Ry. Appliance Co.*, 297 U.S. at 394.

77. *Id.* at 395.

marking statute does not apply to process patents, the Court only said that if an infringer secretly infringes a patent holder's process patent, the patent holder, who has no way to discover the infringement, has no satisfactory remedy if it can only recover damages following actual notice to the infringer. Significantly, the Court stressed the innocence of the patent holder when its patents are secretly infringed, noting the injury would be to "owners guilty of no neglect."⁷⁸ The Court said nothing about whether a patentee who manufactured, but failed to mark, products using a process it had patented would also be "guilty of no neglect."

Even if one assumes the Court did intend in *Wine Railway* to make a statement about the applicability of the marking statute to process patents, the statement it made is subject to at least one other interpretation. The Federal Circuit apparently assumed the phrase "under which nothing has been produced"⁷⁹ modified only the word "patents"; thus, the court read this sentence, divorced from its context, as saying the marking statute does not apply to process patents. Because the infringed patent in the case claimed an apparatus, however, one can argue that the word "apparatus" is implied before the second instance of the word "patents." In this interpretation, one can read the phrase "under which nothing has been produced" as modifying "process patents and [apparatus] patents." Under this construction, the Court said that when nothing has been produced under a patent, whether a process patent or an apparatus patent, the patentee has no duty to mark. This reading would be consistent with the facts of the case, namely that the patentee was a non-producing patentee, and with the Court's holding that the marking statute does not apply to non-producing patentees.

Contrary to what the Federal Circuit implied by citing the case in *Bandag*, the Supreme Court did not say in *Wine Railway* that the marking requirement does not apply when a patent is directed to a method or a process. It only said that when an infringer secretly infringes a process patent, the patentee's remedy should not be limited to damages accruing after the patentee gives actual notice to the infringer. Thus, the Federal Circuit's reliance on *Wine Railway* to support the general rule it announced in *Bandag* was misplaced.

THE AFTERMATH: APPLICATION AND REFINEMENT OF THE FEDERAL CIRCUIT'S RULE

In several cases after *Bandag*, the Federal Circuit applied and refined the rule that section 287(a) does not apply when a patent is directed to a method. This section examines the cases in detail.

78. *Id.*

79. *Id.*

HANSON V. ALPINE VALLEY SKI AREA, INC.

The patent at issue in *Hanson v. Alpine Valley Ski Area, Inc.* contained claims to a method and apparatus for making snow.⁸⁰ Hanson licensed the patent to Snow Machines International (SMI), which subsequently failed to mark the machines it manufactured under the license.⁸¹ Hanson then sued Alpine Valley Ski Area, claiming Alpine had infringed the method claims of the patent by using snow-making machines made by a company that was not a licensee of Hanson's patent.⁸²

Alpine argued that because Hanson had not required SMI to mark its machines, Hanson's damages should be limited to those accruing after Hanson gave actual notice of infringement to Alpine.⁸³ The Federal Circuit found that even though the patent contained apparatus claims, the ski area only infringed the method claims.⁸⁴ The court cited *Bandag* for the proposition that section 287(a) does not apply when a patent is directed to a method, and consequently it held that Hanson could collect damages for infringement that occurred before he gave actual notice to Alpine.⁸⁵

Hanson thus stands for the proposition that when a patentee asserts only the method claims of a patent, section 287(a) does not apply, even if the patent also contains apparatus claims.

DEVICES FOR MEDICINE, INC. V. BOEHL

Devices for Medicine (DFM) was the exclusive licensee of a patent that claimed as apparatuses "introducers," which allowed physicians to introduce medical devices into the human body, and it claimed methods of using the introducers.⁸⁶ The case provides no detail about how the lawsuit arose, but one can infer that Boehl made devices that allegedly infringed the patent's method and apparatus claims. To limit the trial to the issue of whether DFM was entitled to damages, Boehl stipulated it would not contest infringement or validity.⁸⁷ The jury determined DFM was not entitled to damages because it had failed to require its licensees to mark introducers manufactured under their licenses.⁸⁸

DFM argued on appeal that because the patent contained method claims, section 287(a) did not apply, and DFM was not

80. *Hanson v. Alpine Valley Ski Area, Inc.*, 718 F.2d 1075, 1076 (Fed. Cir. 1983).

81. *Id.*

82. *Id.*

83. *Id.* at 1082.

84. *Id.* at 1082-83.

85. *Id.* at 1083 (citing *Bandag, Inc.*, 704 F.2d at 1581).

86. *Devices for Med., Inc. v. Boehl*, 822 F.2d 1062, 1063 (Fed. Cir. 1987).

87. *Id.*

88. *Id.* at 1066.

obligated to mark its products or require its licensees to do so.⁸⁹ The Federal Circuit disagreed, noting that the claimed method was for the use of the product.⁹⁰ The court observed that “[h]aving sold the product unmarked, DFM could hardly maintain entitlement to damages for its use by a purchaser uninformed that such use would violate DFM’s method patent.”⁹¹ The court affirmed the judgment.⁹²

Devices for Medicine thus established that when a patentee asserts both claims to an apparatus and claims to the method of using that apparatus, section 287(a) applies.

AMERICAN MEDICAL SYSTEMS, INC. V. MEDICAL ENGINEERING CORPORATION

American Medical Systems (AMS) and Medical Engineering Corporation (MEC) were stiff competitors in the field of penile prostheses.⁹³ AMS owned a patent claiming an apparatus and a method for packaging “a fluid-containing penile prosthesis in a pre-filled, sterile state.”⁹⁴ In May of 1985, MEC employees saw a product embodying AMS’s patent at an industry trade show.⁹⁵ The product was not marked, and AMS did not represent at the time that the product was protected by patents.⁹⁶ MEC obtained a sample of AMS’s product, referred to it in the design of its own product, and began selling a competing product in 1985.⁹⁷

AMS sued MEC for patent infringement in 1987.⁹⁸ The district court found the patent was not invalid and MEC’s product infringed.⁹⁹ In determining damages, the district court found that AMS shipped more than ten thousand unmarked products in total, and it did not begin to sell marked products until more than three months after the patent issued.¹⁰⁰ The court thus awarded damages only for the period after AMS gave actual notice to MEC that it was infringing AMS’s patent.¹⁰¹

AMS argued on appeal that it was not obligated to mark its products.¹⁰² Although AMS acknowledged its patent had both apparatus and method claims like the patent in *Devices for Medicine*,

89. *Id.*
90. *Id.*
91. *Id.*
92. *Devices for Med., Inc.*, 822 F.2d at 1066.
93. *Am. Med. Sys.*, 6 F.3d at 1527.
94. *Id.*
95. *Id.* at 1528.
96. *Id.*
97. *Id.*
98. *Id.* at 1529.
99. *Am. Med. Sys.*, 6 F.3d at 1529.
100. *Id.* at 1530, 1534.
101. *Id.* at 1530.
102. *Id.* at 1538.

whereas the claims in *Devices for Medicine* were to a method of using the product, AMS's patent claimed a method of making the product.¹⁰³ AMS argued that this difference was significant: because the sale of a product carries an implied license to use that product, failure to mark the product creates a false impression that the buyer may use the product for its intended purpose.¹⁰⁴ On the other hand, AMS argued, a party who buys a product does not do so with an expectation that he or she then has an implied license to make additional products like it or to use a particular manufacturing method to make additional products.¹⁰⁵

The Federal Circuit rejected AMS's argument.¹⁰⁶ The court observed that the objective of the marking statute is "to encourage the patentee to give notice to the public of the patent," and "[t]he reason 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."¹⁰⁷ The court emphasized that when a patent claims both apparatuses and methods, "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)."¹⁰⁸ Noting that AMS had asserted both apparatus and method claims, and "there was a physical device produced by the claimed method that was capable of being marked," the court held that AMS was obligated to mark its product if it wanted to recover damages for infringement of the method claims occurring before it gave actual or constructive notice to MEC.¹⁰⁹

American Medical Systems thus established that when a patent claims both an apparatus and a method of either using or making the apparatus, and the patent holder asserts both method and apparatus claims, section 287(a) applies.

TEXAS DIGITAL SYSTEMS, INC. V. TELEGENIX, INC.

Texas Digital Systems (TDS) owned four patents directed to methods and devices for controlling pixel colors in a light emitting diode display.¹¹⁰ TDS sued Telegenix for infringement of all four patents, asserting both apparatus and method claims.¹¹¹ The district court found the asserted claims were not invalid, and following a jury

103. *Id.*

104. *Am. Med. Sys.*, 6 F.3d at 1538.

105. *Id.*

106. *Id.*

107. *Id.*

108. *Id.* at 1538–39.

109. *Id.* at 1539.

110. *Tex. Digital Sys., Inc. v. Telegenix, Inc.*, 308 F.3d 1193, 1197 (Fed. Cir. 2002).

111. *Id.* at 1201.

verdict in favor of TDS, the court awarded TDS a reasonable royalty.¹¹²

On appeal, Telegenix argued the district court erroneously relied on *Wine Railway* when it sustained the jury's damages award, which included damages for infringement dating back to 1992.¹¹³ Telegenix argued TDS did not give notice of the infringement until 1998, and thus damages should have been calculated only from the time of actual notice.¹¹⁴ TDS argued that because it did not produce or sell a patented product, section 287(a) did not apply, and it had no duty to mark products.¹¹⁵

The Federal Circuit agreed with TDS.¹¹⁶ Observing that “[t]he recovery of damages is not limited where there is no failure to mark, i.e., where the proper patent notice appears on products or where there are no products to mark,” the court concluded that the district court did not misapply *Wine Railway*.¹¹⁷ Notably, the court's holding did not turn on the type of claims TDS asserted or whether the patent claimed the invention as an apparatus, as a method, or using both types of claims.

In contrast to the other Federal Circuit cases discussed here, *Texas Digital* was factually similar to *Wine Railway* in that TDS was a non-producing patentee.¹¹⁸ Under *Wine Railway*, therefore, the marking statute did not apply.

CROWN PACKAGING TECHNOLOGY, INC. V. REXAM BEVERAGE CAN CO.

Crown Packaging Technology and Rexam Beverage Can Company competed in selling can ends to companies called “fillers.”¹¹⁹ As their name implies, fillers fill cans with fluids, such as soda or beer, and then they attach a can end to seal the container.¹²⁰ Rexam owned a patent claiming an apparatus and method for “necking” containers.¹²¹ Necking is a procedure to reduce the diameter of the top of a can body to facilitate sealing the can body to the can end.¹²² Rexam made machines that performed its patented method and also licensed its patent to a company called Belvac, which

112. *Id.*

113. *Id.*

114. *Id.* at 1219.

115. *Id.*

116. *Tex. Digital Sys., Inc.*, 308 F.3d at 1219.

117. *Id.* at 1220 (citing *Wine Ry. Appliance Co.*, 297 U.S. at 393).

118. *Id.* at 1219.

119. *Crown Packaging Tech., Inc. v. Rexam Beverage Can Co.*, 559 F.3d 1308, 1309 (Fed. Cir. Mar. 17, 2009).

120. *Id.* at 1309 n.1.

121. *Id.* at 1316; U.S. Patent No. 4,774,839 (filed Feb. 6, 1987).

122. *Crown Packaging Tech., Inc. v. Rexam Beverage Can Co.*, 498 F.Supp.2d 718, 722 (D. Del. 2007).

also manufactured machines embodying Rexam's patented method.¹²³ Crown purchased Belvac's machines.¹²⁴ Neither Rexam nor Belvac marked machines embodying the invention.¹²⁵

Crown manufactured and introduced to the market a can end called the "Superend."¹²⁶ After Rexam introduced its own can end, the "End," to compete with the Superend, Crown sued Rexam for patent infringement.¹²⁷ Rexam counterclaimed, asserting Crown infringed five of Rexam's patents, including the method claims of the necking patent.¹²⁸ The district court held that because Belvac failed to mark its machines, Rexam could not recover damages for the time period before it gave actual notice of infringement to Crown.¹²⁹ Citing *American Medical Systems*, the court reasoned that when a patent claims an invention both as an apparatus and as a method, "and a tangible item results from the process," the patent holder "is obligated to mark and is not relieved of that duty simply by asserting only the method claims" of the patent.¹³⁰ The court observed that to allow Rexam to circumvent the marking requirement by asserting only the method claims of a patent would be "at odds with the very purpose of the marking statute: 'to avoid innocent infringement, encourage patentees to give public notice of patent protection, and aide [*sic*] the public in identifying patented articles.'"¹³¹ The court concluded that whether Rexam asserted method claims, apparatus claims, or both types of claims, to avail itself of the constructive notice provisions of section 287(a), Rexam was required to mark its own machines and require Belvac to mark the machines Belvac manufactured.¹³²

The Federal Circuit disagreed.¹³³ After stating "[t]he law is clear" that the notice provisions of section 287(a) are inapplicable when a patent is directed to a process or method,¹³⁴ the court observed that the case was "factually identical" to *Hanson* because Rexam asserted only method claims of a patent that included both apparatus and method claims.¹³⁵ The court distinguished *American Medical Systems* as requiring a patentee to mark its products only if

123. *Id.* at 727.

124. *Id.* at 722.

125. *Id.* at 723.

126. *Crown Packaging Tech., Inc.*, 559 F.3d at 1309.

127. *Id.*

128. *Crown Packaging Tech., Inc.*, 498 F.Supp.2d at 722.

129. *Id.* at 729.

130. *Id.* at 728 (citing *Am. Med. Sys.*, 6 F.3d at 1538).

131. *Id.* (quoting *Merck & Co., Inc. v. MediPlan Health Consulting, Inc.*, 434 F. Supp. 2d 257, 263 (S.D.N.Y. 2006)).

132. *Id.*

133. *Crown Packaging Tech., Inc.*, 559 F.3d at 1316.

134. *Id.* (citing *Bandag, Inc.*, 704 F.2d at 1581).

135. *Id.*

the patent holder *asserts* both method and apparatus claims.¹³⁶ In this case, because Rexam only asserted method claims, section 287(a) did not apply.¹³⁷

The Federal Circuit thus clarified in *Crown Packaging* that when a patent holder asserts only method claims of a patent, the constructive notice provisions of section 287(a) do not apply, even if that patent also contains apparatus claims.¹³⁸

SUMMARY OF THE FEDERAL CIRCUIT'S HOLDINGS

After *Crown Packaging*, whether the notice provisions of section 287(a) apply turns on whether a patent holder asserts only method claims, or method claims and claims in another statutory category. *Bandag* established that when a patent claims only methods, section 287(a) does not apply.¹³⁹ *Devices for Medicine* established that when a patentee asserts both apparatus and method claims, the constructive notice provisions of section 287(a) apply, and the patentee must mark its products to recover damages for the time period before an infringer had actual notice of the infringement.¹⁴⁰ The Federal Circuit clarified in *Crown Packaging* that *American Medical Systems* is consistent with *Devices for Medicine*.¹⁴¹ *Hanson* and *Crown Packaging* established that when a patentee claims both methods and apparatuses in a patent but asserts only method claims against an infringer, the patentee does not have to mark its products to recover damages occurring before the patent holder gave actual notice to an infringer.¹⁴² Table 1 summarizes the state of the law on marking after *Crown Packaging*.

136. *Id.* The court appears to have ignored its statement in *American Medical Systems* that “[w]here 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).” *Am. Med. Sys.*, 6 F.3d at 1538–39 (emphasis added).

137. *Id.*

138. *Id.*

139. *Bandag, Inc.*, 704 F.2d at 1581.

140. *Devices for Med.*, 822 F.2d at 1066.

141. *Crown Packaging Tech., Inc.*, 559 F.3d at 1316.

142. *Hanson*, 718 F.2d at 1083; *Crown Packaging*, 559 F.3d at 1316.

Table 1: Summary of Federal Circuit holdings

What is claimed	What is asserted	Section 287(a) applies?	Source
Methods only	Method claims only	No	<i>Bandag</i>
Methods and apparatuses	Method claims and apparatus claims	Yes	<i>Devices for Medicine, American Medical Systems</i>
Methods and apparatuses	Method claims only	No	<i>Hanson, Crown Packaging</i>

PROBLEMS WITH THE FEDERAL CIRCUIT'S RULE

In several ways, the Federal Circuit's marking rule undermines the goals of section 287(a) and the overarching objectives of the patent laws. First, the rule does not protect the public from innocent infringement. Second, it encourages patent applicants to file only or primarily method claims. Third, it encourages patent applicants who wish to patent both a method and an apparatus to file separate patent applications for the method and the apparatus.

THE FEDERAL CIRCUIT'S RULE DOES NOT PROTECT THE PUBLIC FROM INNOCENT INFRINGEMENT

The rule that section 287(a) does not apply when a patent is directed to a method does not protect the public from innocent infringement because it does not allow the public to determine the status of the intellectual property embodied in an article. Through the marking statute, the federal patent laws provide "a basis for the public to ascertain the status of the intellectual property embodied in any article in general circulation."¹⁴³ Most members of the public are not patent law experts and do not understand the different statutory categories of inventions, or that an inventor could claim an invention as an apparatus, as a method, or using both types of claims. A person who sees or purchases an unmarked product justifiably believes the product is not patented and, thus, that he or she is free to use it, reverse-engineer it, or copy it. If in fact the method of making or

143. *Bonito Boats*, 489 U.S. at 161–62.

using the product is patented, and the patentee asserts only method claims against infringers, members of the public who rely on the lack of notice on the product may have to pay damages accruing well before they receive actual notice of the patented invention embodied in the product. The Federal Circuit's rule thus interferes with the primary purpose of the marking statute, which is to prevent innocent infringement.¹⁴⁴

THE FEDERAL CIRCUIT'S RULE ENCOURAGES PATENT APPLICANTS TO FILE METHOD CLAIMS INSTEAD OF APPARATUS CLAIMS

By allowing patent holders who assert only method claims to evade the marking requirement of section 287(a), the Federal Circuit's rule encourages patent applicants to draft only method claims in a patent application.¹⁴⁵ Yet it is in the public interest for patent applicants to claim their inventions using multiple statutory classes because it encourages applicants to provide more detailed disclosures in order to meet the written description and enablement requirements of the patent laws; these disclosures then increase the "wealth of technical knowledge disclosed in the patent."¹⁴⁶ The Supreme Court has said that public disclosure and the eventual unencumbered public use of inventions are "the centerpiece of federal patent policy."¹⁴⁷ Moreover, the "constitutional purpose of the patent system is promoted by encouraging applicants to claim, and therefore to describe in the manner required by [the patent laws], all aspects of what they regard as their inventions, regardless of the number of statutory classes involved."¹⁴⁸

The Federal Circuit's rule, however, encourages patent applicants to draft only method claims in a patent application so they can manufacture unmarked products, put those products into the stream of commerce, and then circumvent section 287(a) when they

144. *Wine Ry. Appliance Co.*, 297 U.S. at 398.

145. The Federal Circuit's rule does not directly discourage patent applicants from filing both apparatus and method claims, but in conjunction with the expense of obtaining a patent, it may have that effect. In theory, a patent applicant could file both apparatus and method claims in a patent application and then later choose to assert only the method claims to take advantage of the Federal Circuit's rule and avoid the constructive notice provisions of section 287(a). In practice, however, the basic filing fee for a patent allows applicants to file only three independent claims. 37 C.F.R. § 1.16(h) (2008). As of March 2009, the added cost for each additional independent claim was two-thirds of the basic filing fee. 37 C.F.R. § 1.16(a)(1) (2008). For example, as of March 2009, an independent inventor could file a patent application with as many as three independent claims and as many as twenty claims in total for a fee of \$165. 37 C.F.R. § 1.16(a)(1)(2008). Each additional independent claim would add \$110 to the filing fee, and each claim in excess of twenty would add \$26. 37 C.F.R. § 1.16(h)-(i)(2008). The high incremental cost of filing more than three independent claims thus encourages patent applicants to draft fewer, rather than more, claims. As a result of the Federal Circuit's rule, which encourages patent applicants to maximize the number of method claims, patent applicants may decide to file all method claims and no apparatus claims.

146. *Kuehl*, 475 F.2d at 666.

147. *Bonito Boats*, 489 U.S. at 157.

148. *Kuehl*, 475 F.2d at 666.

sue infringers. When an applicant drafts only method claims, the public may not receive the full benefit of the applicant's knowledge of how best to make and use the invention. The Supreme Court recognized the undesirability of a rule that allows patent applicants to draft method claims to avoid patent exhaustion,¹⁴⁹ and it is likely the Court would also frown on a rule that encourages patent applicants to draft method claims to evade the marking statute, which serves the important function of encouraging patentees to give notice to the public that the articles they sell are patented.¹⁵⁰

THE FEDERAL CIRCUIT'S RULE ENCOURAGES PATENT APPLICANTS WHO WISH TO
CLAIM BOTH A METHOD AND AN APPARATUS TO FILE MULTIPLE PATENT
APPLICATIONS

When a patent applicant wants to patent both an apparatus and a method of making or using that apparatus, the Federal Circuit's rule encourages the applicant to file two patent applications – one claiming only methods, and the other claiming the apparatus – to evade section 287(a). The case of *State Contracting & Engineering Corporation v. Condotte America, Inc.* illustrates that this strategy can be effective.¹⁵¹ State Contracting & Engineering Corporation owned a patent claiming a method of forming an integrated column and pile for use in building structures in sandy soil.¹⁵² It also owned a separate patent with apparatus claims to a reinforced concrete member.¹⁵³ In a single cause of action, State Contracting sued several private contractors for infringement of both patents.¹⁵⁴ After the district court ruled as a matter of law that the patents were not invalid, the jury found the patents infringed and awarded a reasonable royalty to State Contracting.¹⁵⁵

On appeal, the contractors challenged the jury instruction about the date from which damages should be awarded.¹⁵⁶ They argued that because State Contracting had asserted two patents and had not distinguished between them in its infringement claims, and because the two patents together contained both apparatus and method claims, State Contracting was obligated to mark its products if it wanted to recover damages for infringement occurring before it gave actual notice to the contractors.¹⁵⁷ The Federal Circuit rejected this

149. *Quanta Computer, Inc.*, 128 S.Ct. at 2118.

150. *Amsted Indus.*, 24 F.3d at 185.

151. *State Contracting & Eng'g Corp. v. Condotte Am., Inc.*, 346 F.3d 1057, 1060 (Fed. Cir. 2003).

152. *Id.*

153. *Id.* at 1061.

154. *Id.* at 1060.

155. *Id.* at 1072.

156. *Id.* at 1073.

157. *State Contracting & Eng'g Corp.*, 346 F.3d at 1073, 1074.

argument, noting that when the court determines whether the marking statute applies, it “look[s] to the asserted patents independently.”¹⁵⁸ After quoting the *Bandag* court’s statement that the notice requirement does not apply when the patent is directed to a method,¹⁵⁹ the court said it had “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 it “decline[d] to do so now.”¹⁶⁰

Thus, by asserting a method patent and an apparatus patent in a single cause of action, State Contracting achieved what it could not have achieved by asserting a single patent claiming both the method and the apparatus. Under *American Medical Systems and Devices for Medicine*, had State Contracting asserted method and apparatus claims of a single patent, because it failed to mark its products, it would have been able to recover damages only for the period following actual notice to the contractors.¹⁶¹ Instead, by asserting separate method and apparatus patents, State Contracting evaded the provisions of section 287(a) and recovered damages predating when it gave actual notice to the infringing contractors.¹⁶² The Federal Circuit’s holding in *State Contracting* thus allows patent holders to do with two patents what they cannot do with one patent, and it thus encourages patent applicants to file separate apparatus and method patent applications. With the United States Patent and Trademark Office already overwhelmed with patent applications,¹⁶³ courts should seek to reduce incentives to file multiple patent applications on a single invention.

SECTION 287(A) SHOULD APPLY WHENEVER A PATENT HOLDER
MANUFACTURES A PRODUCT THAT EMBODIES A PATENTED
INVENTION, HOWEVER CLAIMED

The Supreme Court has said that the marking statute “provides protection against deception by unmarked patented articles, and requires nothing unreasonable of patentees.”¹⁶⁴ If it is not unreasonable to require a patent holder to mark a tangible product claimed as an apparatus, it is likewise not unreasonable to require the patent holder to mark that same tangible product made using a

158. *Id.* at 1074.

159. *Id.* at 1073 (quoting *Bandag, Inc.*, 704 F.3d at 1581).

160. *Id.* at 1074 (citing *Hanson*, 718 F.2d at 1083).

161. *Am. Med. Sys.*, 6 F.3d at 1539; *Devices for Med.*, 822 F.2d at 1066.

162. *State Contracting & Eng’g Corp.*, 346 F.3d at 1074.

163. United States Patent and Trademark Office, U.S. Patent Activity Calendar Years 1790 to the Present, http://www.uspto.gov/web/offices/ac/ido/oeip/taf/h_counts.htm (last visited Mar. 20, 2009) (indicating that in 2007, the United States Patent and Trademark Office received more than 480,000 utility, design, and plant patent applications).

164. *Wine Ry. Appliance Co.*, 297 U.S. at 398.

patented method, or used according to a patented method. Regardless of whether a patent claims an invention as an apparatus, a method, or some other statutory class, the burden should be on the patent holder to give constructive notice to the public that an article the patent holder manufactures is protected by a patent.

If section 287(a) were to apply whenever a patent holder manufactures a product that embodies a patented invention, the determination of whether a patent holder's damages should be limited to the period following actual notice to the infringer would turn on (1) whether the patent holder manufactured a product embodying a patented invention, however claimed, and (2) whether the patent holder marked the product. This rule would lead to results independent of whether the patentee asserted only method claims or both method and apparatus claims. It would also encourage patent applicants to make more complete disclosures of their inventions by drafting both method and apparatus claims, and it would discourage patentees from attempting to evade the marking statute by filing separate method and apparatus patents. Furthermore, the rule would support the marking statute's ultimate objective of avoiding innocent infringement by informing the public of the patent status of articles in the stream of commerce.

CONCLUSION

The Federal Circuit's rule that section 287(a) does not apply when a patent is directed to a method or process resulted from a misinterpretation of what the Supreme Court said in *Wine Railway Appliance Company v. Enterprise Railway Equipment Company*. *Wine Railway* concerned a non-producing patentee, and the Court held that the patentee's damages for patent infringement should not be limited by a statute requiring product marking for the simple reason that non-producing patentees have no products to mark.¹⁶⁵ The Federal Circuit's rule goes well beyond the Court's holding, and in practice the rule does not support the goals of the marking statute or the patent laws.

Because the Federal Circuit's rule focuses on the statutory category of claims a patent holder asserts against an infringer, the rule encourages patent applicants to claim their inventions using only method claims, which reduces the knowledge the public receives in exchange for the patent grant. The Supreme Court in *Quanta Computer* recognized that a rule that encourages applicants to draft method claims to shield their inventions from patent exhaustion does not serve the public interest,¹⁶⁶ and the Court would likely also find

165. *Id.* at 397.

166. *Quanta Computer, Inc.*, 128 S.Ct. at 2118.

that the Federal Circuit's rule is undesirable because it provides a way for patent holders to introduce unmarked patented articles into the stream of commerce, which misleads the public. The rule also encourages applicants to file multiple patent applications, one of which contains only method claims, to enable the patent holder to evade section 287(a), which burdens an already-overburdened United States Patent and Trademark Office.

A more reasonable rule – and one that would better serve the objectives of the marking statute and the patent system – would be that section 287(a) applies whenever a patent holder manufactures a product that embodies a patented invention, however that invention is claimed.