A recent Federal Circuit decision, The Forest Group, Inc. v. Bon Tool Company, 590 F.3d 1295 (Fed. Cir. 2009), has spawned a litigation cottage industry for so-called “marking trolls” in the quest for substantial penalties for false patent marking. The Patent Act contains two competing provisions concerning marking of articles with patent numbers that cover the article. While marking is not mandatory, 35 USC § 287(a) provides that constructive notice can be given to the public by such marking. In the absence of such constructive notice, a patentee’s pre-lawsuit damages for infringement will be limited to the period prior to suit in which the infringer had actual notice of the infringement. However, the Patent Act, 35 USC § 292, also provides for a so-called qui tam action that can be brought by any member of the public (commonly called a “relator,” but also called a “marking troll” by the relator’s target) against a patentee who, with intention to deceive the public, falsely marks an article that is not covered by a patent. This qui tam action establishes a fine per offense of up to $500 to be divided equally between the member of the public bringing the action and the government. Until recently, the courts had interpreted the “per offense” provision very narrowly, thereby severely restricting the potential fine for false marking.

In The Forest Group decision, the Federal Circuit held that § 292 requires courts to impose penalties for false marking on a “per article” basis. The Federal Circuit interpreted the statute as providing discretion to the court in the amount of penalty to be imposed. Thus, the $500 penalty is an upper limit, with significantly smaller “per article” penalties being appropriate for inexpensive mass-produced articles.

A significant number of false marking suits have been filed by qui tam relators in the wake of The Forest Group decision. In addition, there have been proposals to amend the statute. However, in the meantime, prudent patentees should exercise care to make sure that marked products are actually covered by a patent. If a patent has already expired, or as the time for patent expiration approaches, either by reaching the end of the full patent term or earlier through non-payment of maintenance fees, prompt action should be taken to ensure that previously marked products are no longer marked.