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Note

Restoring Truth: An Argument to Remove the *Qui Tam* Provision from the False Marking Statute of the Patent Act

*Craig Deutsch**

I. INTRODUCTION

In August 2009, a patent attorney's attempt at a billion dollar verdict under the false marking statute of the Patent Act¹ was denied by the Federal District Court of the Eastern District of Virginia.² In addition to finding for the defendant, Solo Cup Company, the court interpreted the false marking statute in a way that all but eliminated any incentive for a plaintiff to seek recovery under the statute.³ The lack of penalty given by the Eastern District of Virginia and other courts seems to have rendered the statute ineffective and has made a meaningful recovery difficult to obtain.

Section 292(a) of the Patent Act provides that “[w]hoever 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.”⁴ Subsection (b) of § 292 allows anyone to

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* J.D. Candidate 2011, University of Minnesota Law School. B.M.E. 2008, University of Minnesota Institute of Technology.

1. 35 U.S.C. § 292 (2006).
2. *See* Pequignot v. Solo Cup Co., 646 F. Supp. 2d 790, 804 (E.D. Va. 2009).
3. *See id.* at 801 (indicating an offense is defined as a decision to falsely mark as opposed to each falsely marked article constituting an offense). The Federal Circuit has clarified that the statute requires each false marked item to be penalized as an offense. *See* Forest Group, Inc. v. Bon Tool Co., 590 F.3d 1295 (Fed. Cir. 2009).
4. § 292(a).

sue under the statute.⁵ The informant or relator, i.e. the individual bringing a so-called *qui tam* action, recovers half the profits while the other half is reserved for the use of the United States.⁶

The goal of this Note is to demonstrate the minimal effectiveness provided by the *qui tam* provision of the current false patent marking statute and propose changes to effectively police the false marking of unpatented articles. Section I traces the history of *qui tam* actions generally, their adoption into the Patent Act of 1854, and the subsequent development of false patent marking jurisprudence over the past 164 years. The current statute, as interpreted by various state and district courts, effectively eliminates the *qui tam* nature of the statute by removing the incentive for an uninjured relator to bring suit.⁷ However, based on the limited harm false patent marking appears to inflict on the public and the patent system, along with the inefficiencies that result when a lawsuit proceeds where an injured plaintiff is not present, it appears that the *qui tam* nature of the current statute has a greater capacity for harm than good.

II. BACKGROUND: A STATUTE CENTURIES IN THE MAKING

The original false marking statute was introduced by Congress in the Patent Act of 1842, prescribing a fine of “not less than one hundred dollars, with costs” and allowing anyone to bring suit.⁸ Although unique to modern United States statutory law,⁹ *qui tam* actions that allowed an individual to bring suit regardless of injury or privity were once not uncommon.

5. § 292(b).

6. *Id.*

7. *See, e.g.*, *London v. Everett H. Dunbar Corp.*, 179 F. 506, 508 (1st Cir. 1910); *Pequignot*, 646 F. Supp. 2d 790; *A.G. Design & Assocs. v. Trainman Lantern Co.*, No. C07-5158RBL, 2009 WL 168544, at *3 (W.D. Wash. Jan. 23, 2009); *Forest Group, Inc. v. Bon Tool Co.*, No. H-05-4127, 2008 U.S. Dist. LEXIS 57134 (S.D. Tex., July 29, 2008), *vacated*, 590 F.3d 1295 (Fed. Cir. 2009).

8. Patent Act of 1842, ch. 263, § 5, 5 Stat. 543, 544.

9. In fact, only three true *qui tam* actions in addition to the false marking statute remain. 25 U.S.C. § 202 (2006); 17 U.S.C. § 1326 (2006); 31 U.S.C. §§ 3729–3733 (2006).

A. ENGLISH DEVELOPMENT AND ABOLITION OF *QUI TAM* ACTIONS

Originating in Roman and Anglo-Saxon law,¹⁰ *qui tam* is short for “*qui tam pro domino rege quam pro se ipso in hac parte sequitur*”¹¹ meaning “who pursues this action on our Lord the King’s behalf as well as his own.”¹² *Qui tam* actions gained widespread use in fourteenth century England as the only way to adequately enforce national policies with limited resources over a vast geographic area.¹³ Parliament deputized its citizens to enforce *qui tam* provisions directed at everything from the price of wine to bribery of jurors.¹⁴

As the number of *qui tam* actions in England increased, an industry of professional informers developed.¹⁵ Such informers were not looked upon favorably, to say the least. In referring to informers, Sir Edward Coke used such descriptive language as “viperous Vermin”¹⁶ and “*turbidum hominum genus*,” a wild or disordered class of men.¹⁷ Professional informers were in search of private gain, often coming at the expense of the impoverished.¹⁸

The “unsavory reputation”¹⁹ of the informers appears to be warranted. Because the effectiveness of *qui tam* statutes was based on a private reward to an uninjured party, the incentive of an informer often conflicted with the policy underlying a particular statute. As a result, individuals were often punished where no punishment was warranted and fraudulently accused of wrongdoing when no wrong had been committed.²⁰ It was not uncommon for an informer to entrap an unsuspecting victim to commit a crime in order to receive the statutory reward.²¹ Additionally, informers often attempted to maximize profits by

10. See J. Randy Beck, *The False Claims Act and the English Eradication of Qui tam Legislation*, 78 N.C. L. REV. 539, 566 (2000) (“Roman criminal law relied on a system of prosecution by private citizens, known as *delatores*.”).

11. *Vt. Agency of Natural Res. v. United States ex rel. Stevens*, 529 U.S. 765, 769 n.1 (2000).

12. *Id.*

13. Beck, *supra* note 10, at 567.

14. *Id.* at 568.

15. *Id.* at 567.

16. EDWARD COKE, *THE THIRD PART OF THE INSTITUTES OF THE LAWS OF ENGLAND* 194 (W. Clarke & Sons 1809) (1628).

17. *Id.* at 191.

18. Beck, *supra* note 10, at 578.

19. *Id.* at 577.

20. See *id.* at 581–83.

21. *Id.*

neglecting to bring a settlement to the court's attention.²² In doing so, an informer could keep money that would otherwise be given to the King under the statute.²³ The history of the *qui tam* statute in England lives up to its reputation of little more than "legalised blackmail."²⁴

Further, the subject matter of many *qui tam* statutes was looked upon unfavorably by England's citizenry to begin with. Several *qui tam* provisions were enacted, for example, to seek out and fine anyone practicing a religion not in accordance with the Church of England.²⁵ Later provisions, such as the Sunday Observance Act of 1780, created such disfavor that they helped lead to the repeal of English *qui tam* legislation.²⁶

Ultimately, because of the abuses inherent in a system of private enforcement, *qui tam* statutes in England rapidly declined as a permanent police force developed.²⁷ As Gerald Hurst, a member of the House of Commons, stated in encouraging the abolition of *qui tam* legislation:

[I]t is wrong for a free country to allow an informer to seek redress for his own pecuniary advantage in respect of a public wrong in which he has no direct personal interest or concern. A wrong to the State should surely be atoned for by a penalty payable to the State alone.²⁸

This statement was met with virtually unanimous support, and the Common Informers Act of 1951 eliminated English *qui tam* statutes²⁹ and the myriad abuses they accompanied.

B. INTRODUCTION OF *QUI TAM* ACTIONS TO THE UNITED STATES

Despite the eventual dismissal of *qui tam* actions from England, several *qui tam* statutes were enacted in the early United States. Initial statutes were directed at policing the behavior of various government officials and, as in England, many later statutes governed economic activities.

22. *Id.* at 580.

23. *Id.*

24. 293 PARL. DEB., H.C. (5th ser.) (1934) 843–46 (statement of Mr. Hurst), *available* at http://hansard.millbanksystems.com/commons/1934/nov/06/common-informer#S5CV0293P0_19341106_HOC_271.

25. Beck, *supra* note 10, at 592–93.

26. *Id.* at 596.

27. *Id.* at 601.

28. Gerald Hurst, *The Common Informer*, 147 CONTEMP. REV. 189, 189 (1935).

29. Common Informers Act, 1951, 14 & 15 Geo. 6, c. 39, § 1 (Eng.).

The most widely utilized *qui tam* actions in United States law were brought under

the False Claims Act.³⁰ The False Claims Act of 1863 was enacted in order to protect the federal government from fraud by Civil War contractors shipping overpriced and defective goods to the Union army.³¹ At the bequest of President Lincoln,³² legislation was passed creating a penalty of double the amount of damages suffered by the government plus an additional \$2,000 for each violation.³³

There were several rationales for providing a *qui tam* action for such a crime. First, individuals working in the defense industry were presumably most likely to possess knowledge of fraud or other wrongdoing.³⁴ The *qui tam* provisions created an incentive for such individuals to act as whistleblowers, bringing hidden crimes to light.³⁵ As Senator Howard stated in discussing the *qui tam* provisions of a later version of the False Claims Act:

The bill offers . . . a reward to the informer who comes into court and betrays his conspirator, if he be such; but it is not confined to that class . . . In short, sir, I have based the [*qui tam* provision] upon the old-fashioned idea of holding out a temptation, and “setting a rogue to catch a rogue,” which is the safest and most expeditious way I have ever discovered of bringing rogues to justice.³⁶

Second, the *qui tam* action was seen as a way to promote efficient government use of resources.³⁷ By creating an incentive for a private individual to prosecute an offense, the government’s burden of enforcement was reduced.

The number of *qui tam* statutes in operation in the United States has dwindled. Today only four statutory vehicles for *qui tam* actions remain.³⁸ The most widely used *qui tam* statute is

30. Sean Hamer, *Lincoln’s Law: Constitutional and Policy Issues Posed by the Qui tam Provisions of the False Claims Act*, 6 KAN. J.L. & PUB. POL’Y 89, 90–91 (1996).

31. Jaime McMahon, *Qui tam Can, Qui tam Can’t: An Analysis of Vermont Agency of Natural Resources v. United States ex rel. Stevens*, 17 GA. ST. U. L. REV. 1119, 1121 (2001).

32. Hamer, *supra* note 30, at 90.

33. S. REP. NO. 99-345, at 4 (1986).

34. Hamer, *supra* note 30, at 90.

35. *Id.*

36. CONG. GLOBE, 33d Cong., 3d Sess. 955–56 (1863) (statement of Sen. Howard).

37. Beck, *supra* note 10, at n.64.

38. 17 U.S.C. § 1326 (2006); 25 U.S.C. § 201 (2006); 31 U.S.C. §§ 3729–3733 (2006); 35 U.S.C. § 292 (2006).

provided as part of the False Claims Act.³⁹ Since 1986, approximately \$2.698 billion has been recovered by the Justice Department through *qui tam* actions under the Act.⁴⁰ The remaining three *qui tam* statutes have seen less action. 25 U.S.C. § 201 provides a cause of action and half of the recovery to the informer against a person for unlawful dealings with Indians under Title 25.⁴¹ The Copyright Act provides a cause of action for false copyright notice.⁴² And, of course, the Patent Act allows a *qui tam* action against whoever falsely marks as patented an unpatented article.⁴³

C. THE FALSE MARKING PROVISION OF THE PATENT ACT OF 1854

The original Patent Act was introduced by the first Congress in 1790 and was transformed by the 1836 Patent Act into substantially the system recognized today.⁴⁴ Recognizing the power that a patented article held in the marketplace, patent marking was sometimes abused by unscrupulous producers.

In order to avoid infringement of another's patent, it was wise, just as today, to perform a patent search before introducing a new product. However, in the early days of the patent system, a patent search necessarily entailed a trip to the Patent Office, no doubt a substantial burden in the 1800s. To solve this logistical dilemma, Congress enacted a requirement that patented articles be marked as such, thus providing notice to the public and diminishing the risk of inadvertent infringement.⁴⁵ However, the reliance of the public on whether or not an article was marked as patented allowed patent marking to be abused. By falsely marking its products as patented, a marketer could attempt to create an image of superiority to consumers while preventing potential

39. 31 U.S.C. §§ 3729–3733.

40. Beck, *supra* note 10, at 638.

41. 25 U.S.C. § 201.

42. 17 U.S.C. § 1326.

43. 35 U.S.C. § 292.

44. ROBERT PATRICK MERGES & JOHN FITZGERALD DUFFY, PATENT LAW AND POLICY: CASES AND MATERIALS 8 (4th ed. 2007).

45. See *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1443 (Fed. Cir. 1998) (“The marking statute serves three related purposes: 1) helping to avoid innocent infringement; 2) encouraging patentees to give notice to the public that the article is patented; and 3) aiding the public to identify whether an article is patented.”) (internal citations omitted).

competitors from entering the market for fear of infringement.

In order to “defend[] the patentees in their rights,”⁴⁶ § 5 was introduced into the Patent Act, imposing a minimum fine of \$100 for an unpatented article marked as patented.⁴⁷ As elaborated by an early court, the patent system privileges an inventor with the exclusive right to an invention.⁴⁸ The false marking statute is intended to assist in maintaining the integrity of the patent system by preventing public deception with regards to such a privilege.⁴⁹

D. THE ELEMENTS OF FALSE MARKING UNDER § 292

The elements of a violation of the original statute have persisted since its inception with only minor changes. The current false marking statute, codified at § 292 of the Patent Act, can be separated into four distinct elements, each of which raises a number of issues.⁵⁰

The first two elements are relatively straightforward. The relator must show a marking importing that an object is patented.⁵¹ Such a marking could include the words “patent,” “patentee,” or other words or numbers, and, after the passage of the 1952 Patent Act,⁵² “patent applied for” or “patent pending.”⁵³ The language may appear on the article itself or in “advertising in connection”⁵⁴ with the article. As evidenced from the text of the statute, the critical factor is that the marking convey that the article is patented.

To satisfy the second element, the marking must be “falsely affixed”⁵⁵ to the article. A violation of the statute can only occur by the party that “does the actual marking and

46. CONG. GLOBE, 27th Cong., 2d Sess. 833 (1842).

47. Patent Act of 1842, ch. 263, § 5, 5 Stat. 543, 544.

48. *See* Nichols v. Newell, 18 F. Cas. 199, 199 (C.C.D. Mass. 1853) (No. 10,245).

49. *Id.* at 199–200.

50. Clontech Labs., Inc. v. Invitrogen Corp., 406 F.3d 1347, 1351 (Fed. Cir. 2005).

51. *Id.*

52. S. REP. NO. 82-1979 (1952), *reprinted in* 1952 U.S.C.C.A.N. 2394, 2424. The legislative history provides little insight into why the statute was amended to include such language or why such language was not originally within the scope of the statute.

53. 35 U.S.C. § 292 (2006).

54. *Id.*

55. *Id.*

affixing.”⁵⁶ A subsequent seller of a falsely marked article who has not mismarked the article does not violate the statute.⁵⁷

The third element of the false marking statute requires that the article is in fact unpatented.⁵⁸ An article is unpatented under § 292 if it is not covered by at least one claim of the patent that is marked upon the article.⁵⁹ Thus, a proper analysis requires first a determination of the claim scope of the patent in question followed by a determination of whether at least one claim reads upon the article.⁶⁰ If the article is not within the scope of at least one claim of the patent, the article is falsely marked. When multiple patents are marked on the article, § 292 requires that at least one claim from every patent read on the article.⁶¹ An article may also be deemed “unpatented” for purposes of the statute where a patent application is filed but rejected or not yet issued, a method of producing the article is patented but the article itself is not,⁶² the patent has been invalidated, or the article was previously covered by a patent but the patent has subsequently expired.⁶³

The fourth and final element requires the plaintiff to show intent to deceive on the part of the defendant.⁶⁴ The element of intent is often the most difficult to prove because, as in most areas of litigation, rarely is direct evidence of such intent available.⁶⁵ In *Clontech Laboratories, Inc. v. Invitrogen Corp.*,

56. *Felt v. Ronson Art Metal Works, Inc.*, 107 F. Supp. 84, 87 (D. Minn. 1952).

57. *See id.*

58. *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1351 (Fed. Cir. 2005).

59. *Id.* at 1352.

60. *Id.*

61. *Id.*

62. *Id.* at 1358. It appears, however, that there would be no violation as long as it was clear that the patent referred to a method and not the article itself. “This is not a case where the cDNA library products were marked with language stating that the products were made by the ‘methods’ of any patents. Rather, the record shows that the marking language included the statement: ‘This product is the subject of U.S. Patent No. 5,668,005.’” *Id.* at 1357.

63. It is harder, however, to show intent to deceive when the patent previously covered the article but has since expired. *See Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790, 797–98 (E.D. Va. 2009).

64. *Clontech Labs.*, 406 F.3d at 1352.

65. *See Pequignot*, 646 F. Supp. 2d at 796–97 (“[A] high bar . . . is set for proving deceptive intent.”); *see also Star Scientific, Inc. v. R.J. Reynolds Tobacco Co.*, 537 F.3d 1357, 1366 (Fed. Cir. 2008) (“[T]he inference [of deceptive intent] must not only be based on sufficient evidence and be

the Federal Circuit defined the requisite intent to deceive as “a state of mind arising when a party acts with sufficient knowledge that what it is saying is not so and consequently that the recipient of its saying will be misled into thinking that the statement is true.”⁶⁶ Thus, there is no strict liability for the inadvertent mismarker. However, the fact that an unpatented article is marked as patented, coupled with knowledge of the falsity of the marking will warrant an inference that the requisite intent to deceive was present.⁶⁷

After the elements of a violation have been established, the question of damages remains. The original false marking statute prescribed a minimum fine of \$100. The minimum fine was changed to a higher maximum fine of \$500 because, as the senate report claims, it was “interpreted as a maximum”⁶⁸ anyway. The statute calls for a fine to be imposed “for *every* such offense.”⁶⁹

The question of what constitutes an offense under § 292 vaulted a 2007 lawsuit by a patent attorney to the forefront of the blogosphere. Matthew Pequignot filed a complaint under 35 U.S.C. § 292 against Solo Cup Company (“Solo”) for continuing to mark products after the applicable patent numbers had expired and for marking products with a statement that the article “may be covered” by a patent. Citing the language of the statute, Mr. Pequignot sought an award of \$500 “per false marking.”⁷⁰ As the court indicated, Solo marked billions of its products with the expired patent numbers.⁷¹ A quick run of the numbers indicates Mr. Pequignot was likely to come out ahead if his claims were successful.

In defending itself, Solo first argued that marking an article with an expired patent cannot, as a matter of law,

reasonable in light of that evidence, but it must also be the single most reasonable inference able to be drawn from the evidence”); *Brose v. Sears, Roebuck & Co.*, 455 F.2d 763, 768 (5th Cir. 1972) (holding that the plaintiff bears the burden to show that the defendant acted with intent to deceive).

66. *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347, 1352 (Fed. Cir. 2005) (citing *Seven Cases of Eckman’s Alterative v. United States*, 239 U.S. 510, 517–18 (1916)).

67. *Id.* (citing *Norton v. Curtiss*, 433 F.2d 779, 795–96 (C.C.P.A. 1970)).

68. S. REP. NO. 82-1979 (1952), *reprinted in* 1952 U.S.C.C.A.N. 2394, 2424.

69. 35 U.S.C. § 292 (2006) (emphasis added).

70. *Pequignot v. Solo Cup Co.*, 540 F. Supp. 2d 649, 650 (E.D. Va. 2008).

71. *Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790, 796 (E.D. Va. 2009).

constitute a violation of the false marking statute.⁷² The court found unpersuasive Solo's arguments that expired patents did not fall within the statute's language or that public policy was better served by exempting expired patents from the false marking statute.⁷³ As the court stated, such an exemption would injure the public's ability to "assume 'the status of the intellectual property' by the simple presence of a 'Patent No. XXX' marking."⁷⁴

More important than whether or not expired patents are within the false marking statute, Solo raised the constitutional question of whether Mr. Pequignot could properly bring suit where he had not sustained injury from Solo's actions.⁷⁵ Furthermore, Solo argued that even if Mr. Pequignot did have constitutional standing to pursue an action under § 292, the action would violate the Take Care clause of Article II, § 3 of the Constitution.⁷⁶ Citing the Supreme Court, the Eastern District of Virginia held that, as a partial assignee of the government's claims through a *qui tam* action, Mr. Pequignot had Article III standing.⁷⁷ The court also found no separation of powers problems because the first *qui tam* actions were enacted "before the ink on the Constitution was even dry"⁷⁸ and the Executive Branch itself had intervened in the present case to defend the constitutionality of the statute.⁷⁹

Solo's luck would change quickly, however. The facts of the case before the court did not favor Mr. Pequignot. There was no dispute that expired patent numbers had been marked on several of Solo's products, and thus whether a violation occurred hinged upon whether Solo acted for the purpose of deceiving the public.⁸⁰ The court rejected the argument that

72. *Pequignot*, 540 F. Supp. 2d at 650.

73. *Id.* at 652–54.

74. *Id.* at 654.

75. *Pequignot v. Solo Cup Co.*, 640 F. Supp. 2d 714, 715 (E.D. Va. 2009).

76. *Id.* As the court indicated, "[T]he 'Take Care' Clause of Article II . . . requires that the President 'shall take Care that the Laws be faithfully executed.' This provision, which grants the Executive Branch the power to enforce federal law, is part of the scheme of separation of powers, in which Congress passes laws, the President enforces them, and the judiciary interprets them." *Id.* at 724 (internal citation omitted).

77. *Id.* at 724.

78. *Id.* at 726.

79. *Id.* at 728.

80. *See* 35 U.S.C. § 292 (2006).

knowledge of falsity is sufficient to establish conclusively intent to deceive. The court found persuasive Solo's argument that it had developed and implemented a policy to replace manufacturing molds containing the expired patent numbers but that the process would take place gradually as the molds wore out due to an expected cost of \$500,000.⁸¹

Although there was "no need to address the meaning of 'offense' in the damages provision of § 292,"⁸² the court provided its opinion on the matter anyway because of the probability that such commentary "could significantly effect [sic] the incentives for *qui tam* actions" in the future.⁸³ The court indicated several plausible options including defining each falsely marked article as an "offense," each decision to mark as an "offense,"⁸⁴ or, citing a novel approach employed by one court, each week of false marking as an "offense."⁸⁵ The Eastern District of Virginia chose to define "offense" as the "distinct decision to falsely mark"⁸⁶ stating that, if Solo had possessed the requisite intent to deceive, Solo would have committed at most three offenses punishable by no more than \$1500.⁸⁷

Notwithstanding that the court's statements were dicta, the court was absolutely correct that such an interpretation of "offense" will greatly affect the incentive to bring a *qui tam* action. However, after finding that § 292 was indeed valid and enforceable, and clearly espousing the critical role the statute serves in protecting the patent system and the public, the Eastern District of Virginia seemed to have little difficulty in rendering the *qui tam* nature of the statute moot as applied. By imposing a penalty in the range of only hundreds of dollars a court certainly dissuades private individuals from bringing any future *qui tam* actions. Since the *Solo* decision, the Federal Circuit has taken the opportunity to correct the varied interpretations given to the statute and has indicated that the

81. *Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790, 793–94 (E.D. Va. 2009).

82. *Id.* at 801.

83. *Id.*

84. *Id.*

85. *Id.* at 802 n.19 (citing *Icon Health & Fitness, Inc. v. The Nautilus Group, Inc.*, No. 1:02CV109TC, 2006 U.S. Dist. LEXIS 24153, at *7 (D. Utah Mar. 23, 2006)).

86. *Id.* at 801.

87. *Id.* at 804.

statute requires a fine on a per article basis.⁸⁸ It remains in the courts discretion, however, to impose a penalty anywhere from the maximum of \$500 to as low as “a fraction of a penny” as the court deems proper.⁸⁹

In 1896, Odin B. Roberts offered prophetic words in a Harvard Law Review note regarding the fate of the false marking statute:

It is clear, after a consideration of the cases under this statute, that the strictness of construction adopted by the courts, the heavy burden of proof which is imposed upon the informer, and the obvious difficulty of proving a fraudulent intent on the part of a defendant, combine to dissuade a person from undertaking the expense and trouble of litigation merely for the sake of plunder. Only a genuinely interested or inspired individual is likely to turn informer; and others are easily dissuaded from lodging complaint so soon as the true nature of their prospects is made clear to them.

It is more than likely, therefore, that actions *qui tam* under the patent statutes will continue to be a rarity in the Federal courts.⁹⁰

Qui tam statutes rose to prominence in England only to be completely barred from use.⁹¹ Similarly, the *qui tam* statutes in the U.S. have decreased to the point that § 292 of the Patent Act is one of only four remaining *qui tam* actions.⁹² While cases such as *Solo* prove Odin’s statement is all too true, the good news for the patent system and the public at large is that the presence of alternative means for recovery, coupled with the limited damage that a violation of the statute causes to begin with, means that little harm is felt by removing the *qui tam* incentive from the false marking statute.

III. ANALYSIS

In *Pequignot v. Solo Cup Co.*, the Eastern District of Virginia raises important issues that go straight to the core of the relevancy and efficacy of the false marking statute of the Patent Act. If the policies the statute was built upon are sound, that is, that false marking deceives consumers, stifles

88. *Forest Group, Inc. v. Bon Tool Co.*, 590 F.3d 1295, 1304 (Fed. Cir. 2009).

89. *Id.*

90. Odin B. Roberts, *Actions Qui tam under the Patent Statutes of the United States*, 10 HARV. L. REV. 265, 274 (1896).

91. *See* Common Informers Act, 1951, 14 & 15 Geo. 6, c. 39 (Eng.).

92. *See supra* note 9.

competition, chills innovation, and ultimately harms the patent system, Pequignot and others like him should be lauded as defenders of invention and compensated accordingly with generous verdicts. It is more likely, however, that the instinct that hesitates to allow recovery by a plaintiff lacking both injury and privity is justified. Pequignot and other informers should not be able to recover under a *qui tam* statute where the harm to the public and the patent system is limited. Where the injury is in fact extensive, however, the *injured* party should recover. In addition to the constitutional questions raised by a *qui tam* action for false patent marking, it appears there are sufficient mechanisms in place to deter the false marking of unpatented articles and provide remedy to those injured by false marking.

A. HOW AND TO WHAT DEGREE DOES FALSE MARKING HARM THE PATENT SYSTEM?

In analyzing the language and application of the false marking statute, the first step

necessarily involves looking at the harm the statute was created to prevent. From the day the statute was originally enacted “to protect the rights of patentees,” courts and commentators have reiterated the same general statements in support of the statute.⁹³ As the court in *Pequignot* stated, “[p]atent markings are an essential component of [a carefully created patent] system.”⁹⁴ They prevent burdening potential inventors and consumers with the hassle of looking up patent markings to determine validity.⁹⁵ But, however wrong it may be for a producer to deceitfully mark an article, the harm to the patent system and to the public appears to have been at least partially overstated.

1. Harm to the Policies Underlying the Patent System

The standard argument for creating a harsh penalty against false marking is that false marking undermines the very purpose of the patent system: incentivizing invention.

93. See, e.g., *Nike, Inc. v. Wal-Mart Stores, Inc.*, 138 F.3d 1437, 1443 (Fed. Cir. 1998) (“The marking statute serves three related purposes: 1) helping to avoid innocent infringement; 2) encouraging patentees to give notice to the public that the article is patented; and 3) aiding the public to identify whether an article is patented.”) (internal citations omitted).

94. *Pequignot v. Solo Cup Co.*, 540 F. Supp. 2d 649, 654 (E.D. Va. 2008).

95. *Id.*

According to this argument, would-be inventors will avoid a particular area upon seeing a marked article for fear of a costly infringement suit down the road.⁹⁶ An invention marked with a patent marking “is, in effect, a ‘no trespassing’ sign,” a court has said.⁹⁷

This argument is unpersuasive for two related reasons. First, it is true that patent marking is analogous to a no-trespassing sign with regards to the *invention*, but not necessarily with regard to the entire *article* that is marked. The presence of a patent marking may provide little or no information as to the actual subject matter covered by the patent. A potential inventor with the foresight to avoid infringement will presumably understand that the patent may apply to a feature that is less than completely intertwined with the function of the article. Even if the marked patent is accurate and valid, a patent search must be performed before an inventor can make an informed decision about entering or avoiding a market.

Second, the entire patent system is based on public disclosure and accessibility of prior inventions. There is little better display of the patent system operating effectively than when an inventor properly “design[s] around” an existing patent to avoid infringement.⁹⁸ “[I]ndeed one of the purposes of the patent disclosure system is to encourage this valuable form of competition.”⁹⁹ Such innovation cannot take place unless patents are easily accessible. The more accessible such information is, the less of a threat false marking causes. If looking up a patent imposes too great a burden on a would-be inventor, perhaps the exchange of exclusive rights granted for public disclosure that the patent system is based upon needs to be recalibrated.¹⁰⁰

96. See Rick Weiss, Op-Ed., *The ‘Patent Pending’ Problem*, BOSTON GLOBE, Feb. 9, 2009, at A13.

97. *Pequignot*, 540 F. Supp. 2d at 654.

98. See *Rehrig Pac. Co. v. Norseman Plastics Ltd.*, No. SACV 03-00470-JVS, 2003 U.S. Dist. LEXIS 27566, at *81–82 (C.D. Cal. Sept. 29, 2003) (citing *State Industries, Inc. v. A.O. Smith Corp.*, 751 F.2d 1226, 1235 (Fed. Cir. 1985). (“[c]onduct such as Smith’s, involving keeping track of competitor’s products and designing new and possibly better or cheaper functional equivalents is the stuff of which competition is made and is supposed to benefit the consumer.”)).

99. *Id.*

100. When information is not readily accessible, even accurate and lawful

2. Harm to the United States Government

Another argument for harshly penalizing false marking is that, because the government is the exclusive grantor of patent rights, false marking harms the government itself. Marking an unpatented article as patented commits a fraud upon the government. But, however fraudulent falsely marking an article may be, it seems the harm to the government is minimal. By marking an article as patented, one is telling the public that the article has some unique feature and that the requirements of the patent system have been satisfied. Despite the falsity of such a statement when the article is in fact unpatented, the value of the patent system is not likely to be diminished.

In many scenarios, false statements made by an individual member of the market may have a negative effect on the perception consumers have of competing products. If a competitor makes false statements about its product, for example that it is made of fine cotton when in fact it is made of an inferior polyester blend, legitimate sellers of fine cotton may be harmed by a reduced perception of the quality of fine cotton among consumers.¹⁰¹ But does the same scenario play out in the context of false marking? That is, does marking an unpatented article as patented lessen the value of articles that truly are patented? The answer must be no. A patent confers no government endorsement as to the quality of the invention or suitability for a particular purpose. A patent merely recognizes that an invention is new, useful, non-obvious, and disclosed in compliance with a number of statutory requirements.¹⁰² That the patent marking was never intended to confer special status on the patentee in the marketplace indicates the patentee is not losing anything they were entitled to in the first place.

3. Harm to the Consumer and the Competition

Generally, there is at least a perception among the lay public that an article marked as patented is superior in some way to unpatented articles. It is this perception that false markers attempt to take advantage of. As the *Pequignot* court stated, “[t]o the extent that there is any real injury caused by false marking, it is to competitors of the entity abusing patent

patent marking can unduly chill innovation and deter competition.

101. See, e.g., RESTATEMENT (FIRST) OF TORTS § 761 cmt. a (1939).

102. See 35 U.S.C. § 101 (2006).

markings.”¹⁰³ To the extent that consumers make purchasing decisions on the basis of patent coverage, truthful competitors are harmed. There is some doubt, however, whether patent coverage affects consumer decision making. One court denied recovery explicitly on the basis that false marking was not likely to affect purchasing decisions.¹⁰⁴ Of course whether a patent marking is likely to affect a consumer’s decision likely depends on such factors as the complexity of the product and its cost, increases in either of which likely render deception less probable. However, in the event that consumers purchase on the basis of false representation and competitors are harmed, remedies would be available under a false marking statute absent a *qui tam* provision or through alternate means such as the Lanham Act.¹⁰⁵

Ultimately, there is no doubt that the intentional false marking of an unpatented article is wrong and should be remedied where injury results. However, a *qui tam* relator seeks to impose punishment even where injury is absent. It seems that decisions such as *Solo* that minimize the *qui tam* incentive for a potential relator is consistent with a limited level of harm that often ensues from a violation of the statute.

B. IS § 292 CONSTITUTIONALLY PERMISSIBLE?

Solo asserted in its defense against *Pequignot*’s claims that the *qui tam* nature of the false marking statute is objectionable on constitutional grounds.¹⁰⁶ Article III of the Constitution limits federal jurisdiction to the resolution of “Cases” or “Controversies.”¹⁰⁷ The Supreme Court has elaborated that Article III requires three distinct elements for a plaintiff to have proper standing.¹⁰⁸ First, a plaintiff must show an actual injury that is not conjectural or hypothetical.¹⁰⁹ Second, the

103. *Pequignot v. Solo Cup Co.*, 640 F. Supp. 2d 714, 729 (E.D. Va. 2009).

104. *Forest Group, Inc. v. Bon Tool Co.*, No. H-05-4127, 2008 U.S. Dist. LEXIS 57134, at *24 (S.D. Tex. July 29, 2008) *vacated in part*, 590 F.3d 1295 (Fed. Cir. 2009).

105. *See, e.g.*, *Upjohn Co. v. Riahom Corp.*, 641 F. Supp. 1209 (D. Del. 1986); *John Wright, Inc. v. Casper Corp.*, 419 F. Supp. 292, 327 (E.D. Pa. 1976); *In re Uranium Antitrust Litigation*, 473 F. Supp. 393, 408 (N.D. Ill. 1979).

106. *Pequignot*, 640 F. Supp. 2d at 715.

107. U.S. CONST. art. III, § 2, cl. 1.

108. *See Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560–61 (1992).

109. *Vt. Agency of Natural Res. v. United States ex rel. Stevens*, 529 U.S.

plaintiff must be able to show a causal link between the defendant's alleged behavior and the injury.¹¹⁰ Third, the requested relief must be likely to remedy the injury.¹¹¹

Historical arguments are often proffered in support of the constitutionality of *qui tam* actions. The First Congress, several members of which were involved in the drafting of the Constitution, enacted several *qui tam* statutes.¹¹² Additionally, a long line of cases have consistently validated *qui tam* actions.¹¹³ Although *qui tam* statutes originated at the same time as the Constitution, this is not *per se* evidence of validity. "The long standing tradition [of the *qui tam* action] . . . provides no evidence that it fulfills the tests of injury in fact, causation, and redressability."¹¹⁴

The Supreme Court has affirmed the constitutionality of *qui tam* actions, at least with respect to *qui tam* actions under the False Claims Act.¹¹⁵ In *Vermont Agency of Natural Resources v. United States ex rel. Stevens*, the Court stated that the *qui tam* reward provided an interest in the outcome of the action but that it was only a "byproduct" of the suit and thus was insufficient to satisfy the injury portion of the three prong test.¹¹⁶ However, the Court found that a *qui tam* plaintiff has standing as an assignee of the United States' injury suffered by violations of the False Claims Act and reiterated the historical significance of *qui tam* actions.¹¹⁷ According to the logic of the court, so long as the government's alleged injury would satisfy Article III, Congress has authority to assign a claim to a private plaintiff.¹¹⁸

Such a solution, however, seems to circumvent the

765, 771 (2000) (quoting *Whitmore v. Arkansas*, 495 U.S. 149, 155 (1990)).

110. *Id.* (citing *Simon v. E. Ky. Welfare Rights Org.*, 426 U.S. 26, 41 (1976)).

111. *Id.*

112. *Pequignot v. Solo Cup Co.*, 640 F. Supp. 2d 714, 726 (E.D. Va. 2009).

113. *See, e.g., United States ex rel. Stillwell v. Hughes Helicopters, Inc.*, 714 F. Supp. 1084, 1097 (C.D. Cal. 1989) (citing *Associated Indus. of New York State, Inc. v. Ickes*, 134 F.2d 694, 704 (2d Cir. 1943); *Pub. Interest Bounty Hunters v. Bd. of Governors*, 548 F. Supp. 157, 161 (N.D. Ga. 1982); *Calderwood v. Mansfield*, 71 F. Supp. 480, 481 (N.D. Cal. 1947).

114. *Hamer*, *supra* note 30, at 95.

115. *Vt. Agency of Natural Res. v. United States ex rel. Stevens*, 529 U.S. 765, 771 (2000).

116. *See id.* at 775.

117. *Id.*

118. KATHLEEN M. SULLIVAN & GERALD GUNTHER, *CONSTITUTIONAL LAW* 46 (16th ed. 2007).

underlying purposes of the standing requirement.¹¹⁹ Arguing that standing is an essential element of the separation of powers, Antonin Scalia stated that “the law of standing roughly restricts courts to their traditional undemocratic role of protecting individuals and minorities against impositions of the majority, [while excluding courts] from the even more undemocratic role of prescribing how the other two branches should function”¹²⁰ Such a concern is easily observed in the historical use of *qui tam* actions in England, where informers sought recovery without deference to prosecutorial discretion that would routinely be exercised if the Executive branch were bringing an action.¹²¹

The logic of the Supreme Court is further tensioned when applied to § 292 because, as the Eastern District of Virginia stated, false patent marking “does not involve a proprietary injury to the United States To the extent that there is any real injury caused by false marking, it is to competitors of the entity abusing patent markings.”¹²² The government has little injury to assign. Competitors could be granted a private right of action against a false marker without the enactment of a *qui tam* statute.¹²³ Considering the limited benefit provided by the *qui tam* nature of the false marking statute, coupled with the prospect of upsetting the constitutional balance served by the standing doctrine, Congress would be prudent in limiting recovery to competitors or others directly injured by a false marking.

C. WHAT SHOULD BE DONE WITH THE FALSE MARKING STATUTE?

It appears that, as applied, § 292 has lost its identity as a *qui tam* statute under which anyone can bring a lawsuit. If the maximum recovery suggested by many courts continues to be accepted, there is virtually no situation in which the award to a relator will outweigh the cost of litigation absent exogenous considerations. Even when the fine for a violation of the statute

119. Hamer, *supra* note 30, at 96.

120. SULLIVAN & GUNTHER, *supra* note 118, at 46 (quoting Antonin Scalia, *The Doctrine of Standing as an Essential Element in the Separation of Powers*, 17 SUFFOLK U. L. REV 881 (1983)).

121. Beck, *supra* note 10, at 583–84.

122. Pequignot v. Solo Cup Co., 640 F. Supp. 2d 714, 728 (E.D. Va. 2009).

123. *Id.*

is prescribed on a per mark basis as the Federal Circuit has recently stated, a sufficient award is not guaranteed. Congress can intervene to restore the statute to its original form. On the other hand, perhaps Congress should affirm explicitly what the courts have done implicitly in eliminating the incentive for a *qui tam* relator to bring suit. After all, *qui tam* actions have not exactly withstood the test of time. The increasing scarcity of *qui tam* statutes evinces the lack of utility they offer. Moreover, the historical reasons for the creation of *qui tam* provisions no longer persist. Unlike the False Claims Act, premised in part on the idea that internal whistleblowers will most effectively bring hidden frauds to light,¹²⁴ false marking is not usually detectable only by someone with inside information.¹²⁵ Further, the decreased reliance on patent marking through increased accessibility of patent information has mitigated the threat posed by unscrupulous markers. Ultimately, the unfair advantage, if any, that a vendor obtains by selling an unpatented article as patented is addressed at the lowest cost by careful consumers or through litigation by individuals directly affected by the false marking.

1. The *qui tam* nature of the statute hinders enforceability

One possible revision of the false marking statute is to interpret the statute in a more penalizing manner, imposing a fine on each falsely marked article. In late 2009, the Federal Circuit did exactly that. Such a decision seems consistent with the plain language of the statute which establishes a maximum penalty of \$500, leaving it to the court's discretion to weigh the appropriate level of punishment based on the harm and culpability of the defendant. The *qui tam* nature of the statute remains, however, presenting several problems to an otherwise logical solution. It seems that the statute is better off without the assistance of "10,000 lawyers."¹²⁶

The absence of false marking cases at the circuit court level can be interpreted as an indicator that the statute is underutilized. Indeed, only ten appellate cases have been heard in the life of the statute.¹²⁷ The reason for this phenomenon is

124. See *supra* notes 35–36.

125. Perhaps in the case of items marked patent pending, a false marking would be difficult for the public to detect at least for 18 months, after which a publication should have issued.

126. 89 CONG. REC. 7606 (1943) (statement of Sen. Langer).

127. *Clontech Labs., Inc. v. Invitrogen Corp.*, 406 F.3d 1347 (Fed. Cir.

attributable in part to the reasons that Odin B. Roberts predicted in 1896.¹²⁸ Because of the *qui tam* nature of the statute, courts construe the statute with complete strictness, increasing an already difficult burden of proving fraudulent intent.¹²⁹ Due to the difficulty in recovery, *qui tam* plaintiffs are hesitant to bring a suit. This fact evinces that almost all false marking cases have been between direct competitors. However, despite the presence of plaintiffs who appear to be directly injured by the defendant's actions and who will likely benefit from a favorable decision, courts are hesitant to apply *qui tam* statutes in favor of plaintiffs. The historical abuses that have accompanied *qui tam* actions as well as the possible presence of a plaintiff with questionable standing to pursue an action in the court has encouraged courts to strictly construe *qui tam* actions in favor of defendants.¹³⁰ Courts further limit recoverability under the false patent marking statute due to its criminal nature.¹³¹ It seems the statute could be a more effective mechanism against false marking absent a *qui tam* provision.

Assume, hypothetically, that the statute was interpreted by the courts to allow recovery for each falsely marked article and the plaintiff's burden of proving intent was reduced. The number of *qui tam* actions under the statute would certainly increase. A scenario directly analogous to such a proposition took place under the False Claims Act. In 1986, the recovery

2005); *Arcadia Mach. & Tool Inc. v. Sturm, Ruger & Co., Inc.*, 786 F.2d 1124 (Fed. Cir. 1986); *London v. Everett H. Dunbar Corp.*, 179 F. 506 (1st Cir. 1910); *Mayview Corp. v. Rodstein*, 620 F.2d 1347 (9th Cir. 1980); *Brose v. Sears, Roebuck & Co.*, 455 F.2d 763 (5th Cir. 1972); *Filmon Process Corp. v. Spell-Right Corp.*, 404 F.2d 1351 (D.C. Cir. 1968); *Boyd v. Schildkraut Giftware Corp.*, 936 F.2d 76 (2nd Cir. 1991); *G. Leblanc Corp. v. H. & A. Selmer, Inc.*, 310 F.2d 449 (7th Cir. 1962); *Graffius v. Weather-Seal*, 165 F.2d 782 (6th Cir. 1948); *Santa Anita Mfg. Corp. v. Lugash*, 369 F.2d 964 (9th Cir. 1966).

128. Roberts, *supra* note 90, at 274.

129. *Id.*

130. *United States ex rel. Marcus v. Hess*, 127 F.2d 233, 235 (3d Cir. 1942) ("That dislike has been implemented in court decisions for informer statutes have been construed with utmost strictness.").

131. See *French v. Foley*, 11 F. 801, 804 (S.D.N.Y. 1882) ("□The rule that penal laws are to be construed strictly, is perhaps not much old than construction itself.") (quoting *United States v. Wiltberger*, 18 U.S. 76, 95 (5 Wheat.) (1820)).

available under the statute was greatly increased¹³² with dramatic results. No recovery was had by a *qui tam* relator under the statute in 1987.¹³³ A mere ten years later, 533 suits were filed and the government recovered \$629.9 million.¹³⁴

There is little doubt that a similar result could be achieved with the Patent Act. *Qui tam* relators have generally been looked upon with skepticism, however, and for good reason. The abuses present in the English system of *qui tam* enforcement would likely reappear, even if to a lesser degree, with an increased opportunity to reap a large payout.

The most important factor in arguing against increasing the incentive for a *qui tam* relator to bring an action under the false marking statute, however, is that the increased costs of such a statute would be unwarranted based on the limited degree and limited scope of harm caused by false patent marking in cases involving *qui tam* plaintiffs. The addition of more stringent penalties will likely impose costs that are greater than, or at least unlikely to remedy the damage of, those caused by false marking.¹³⁵ As one scholar explained:

[D]eterrence, or deterrence plus compensation, can never be the exclusive goals of a regulatory regime. . . . At some point, additional enforcement efforts or stiffer penalties impose costs on the public, on regulated individuals, or on third parties that threaten to outweigh any corresponding deterrence and compensation gains. A rational regulatory system seeks an optimal level of enforcement—one that adequately fulfills the statutory purposes while minimizing social costs.¹³⁶

There is little room for argument that potential *qui tam* relators prowling for a vulnerable false mark would spur manufacturers to honestly and accurately mark their products. But the benefit is unlikely to be worth the resulting cost to

132. See The False Claims Amendment Act of 1986, Pub. L. No. 99-562, 116 Stat. 3153 (codified at 31 U.S.C. §§ 3729–3733).

133. Christina Orsini Broderick, *Qui tam Provisions and the Public Interest: An Empirical Analysis*, 107 COLUM. L. REV. 949, 955 (2007).

134. *Id.*

135. As the *Solo Cup* court stated, the damage, if any is present, is felt by competitors. *Pequignot v. Solo Cup Co.*, 640 F. Supp. 2d 714, 728 (E.D. Va. 2009). Of course the false marker will be deterred from illicit marking even if the penalty is being paid to an uninjured relator and the government. However, the cost passed on to consumers may not be worth the benefit of a marketplace free of inaccurate patent markings. Limiting suits to competitors or other damaged parties, as the statute currently achieves as applied, prevents such wasted costs from being incurred.

136. Beck, *supra* note 10, at 609–10.

manufacturers, a cost eventually passed on to consumers in some form.

The facts of the *Solo* case provide an appropriate example of the magnitude of the costs at issue. Correcting the marking of Solo's products was estimated to be \$500,000 dollars.¹³⁷ Of course, the case was decided on the grounds that Solo lacked specific intent to deceive the public. However, imagine a slightly altered fact scenario in which the defendant similarly lacks the intent to deceive but has not yet implemented a formal plan of correcting the markings, thus lacking the evidence Solo was able to proffer in its defense. Should the defendant in this case be penalized for false marking? Perhaps the answer is yes where a plaintiff who has been injured by the false marking is bringing the lawsuit. Further, where a competitor has been injured, consumers have necessarily been injured as well. A lawsuit under § 292 would provide remedy to the harm while deterring prohibited conduct in the future. In the event that a *qui tam* relator is bringing suit where an injured competitor is not present, however, perhaps a penalty is not warranted. Where an injured party is absent, the costs of the lawsuit itself would be inefficient with no resulting benefit to the public. Such an action would never be brought absent an artificially created award.

Consider as another example a situation in which a vendor clearly intends to deceive consumers with a false patent marking but fails to do so. Surely some penalty should be imposed for the fraudulent intent. But since there is no injury, there is no injured plaintiff to bring a lawsuit. Allowing a relator to profit in such a situation seems unwarranted since there is little public benefit that can result from the relator's enforcement. Ultimately, the optimal level of enforcement is most easily determined by the actions of parties injured by false marking rather than by a relator seeking to profit from a violation of the statute.

Even if the harm of false marking is seen as warranting greater punishment than the current false marking statute provides, the *qui tam* nature will likely act as a hindrance to an effective statute. The ability of an uninjured party to bring an action has cornered the courts into an interpretation of the false marking statute that provides minimal punishment. By

137. *Pequignot v. Solo Cup Co.*, 646 F. Supp. 2d 790, 793 (E.D. Va., 2009).

removing *qui tam* relators, the statute could be amended to properly address the harm of false marking while reducing the risk of an analogous increase in unwanted social costs of inefficient litigation.

2. False Patent Marking as False Advertising

In many ways, false patent marking exhibits very few differences than any other form of false advertising. Labeling an unpatented product as patented is comparable to labeling a product or its promotional materials with the message that the product contains an exclusive feature that can only be found in the particular product. Because of the similarities, false advertising laws such as § 43(a) of the Lanham Act provide a suitable model for discussing the most desirable embodiment of a false marking statute.¹³⁸ Even better, the Lanham Act itself can provide a mechanism to a party that finds itself injured by false marking.

Five elements are required for recovery under the Lanham Act in the patent context.¹³⁹ A plaintiff must prove that:

- 1) the defendant has made false or misleading statements of fact concerning his own product or another's;
- 2) the statement actually deceives or tends to deceive a substantial portion of the intended audience;
- 3) the statement is material in that it will likely influence the deceived consumer's purchasing decisions;
- 4) the advertisements were introduced into interstate commerce; and
- 5) there is some causal link between the challenged statements and harm to the plaintiff.¹⁴⁰

Several courts have held that false or misleading claims of patent protection undoubtedly violate § 43(a) of the Lanham Act.¹⁴¹ In fact, the elements of the Lanham Act seem particularly well suited to address the issue of false marking. First, requiring some level of harm to the plaintiff removes the skepticism courts have exhibited in allowing uninjured relators to recover. Further, the plaintiff must show that the false marking is somehow material. A claim will be denied under the

138. See 15 U.S.C. § 1125(a) (2006).

139. *Zenith Elecs. Corp. v. Exzec, Inc.*, 182 F.3d 1340, 1348 (Fed. Cir. 1999).

140. *Am. Council of Certified Podiatric Physicians & Surgeons v. Am. Bd. of Podiatric Surgery, Inc.*, 185 F.3d 606, 613 (6th Cir.1999); See also *Zenith*, 182 F.3d at 1347.

141. See, e.g., *Upjohn Co. v. Riahom Corp.*, 641 F. Supp. 1209 (D. Del. 1986); *John Wright, Inc. v. Casper Corp.*, 419 F. Supp. 292, 327 (E.D. Pa. 1976); *In re Uranium Antitrust Litigation*, 473 F. Supp. 393, 408 (N.D. Ill. 1979).

Lanham Act even if a product marking is clearly false where no injury results from the marking.¹⁴² And, importantly, the evidence of causation a plaintiff must introduce to support a claim depends upon the relief sought.¹⁴³ As the Eighth Circuit noted, “[a]n injunction, as opposed to money damages, is no windfall to the commercial plaintiff.”¹⁴⁴ Because money damages primarily benefit the competitor, however, a higher standard of causation is required.¹⁴⁵ Ultimately, § 43(a) provides a form of relief against false patent marking without the problems associated with the *qui tam* nature of the false marking statute of the Patent Act.

IV. CONCLUSION

In the scope of false patent marking, one thing is clear: the *qui tam* provision is little more than a remnant of history that limits the efficacy of the statute. Courts such as the Eastern District of Virginia appear correct in strictly construing the statute so as to prevent a plaintiff from easily recovering where no injured party is present. Increasing the penalty of false patent marking only benefits informers at a cost to the public while providing little additional remedy where an injury has actually occurred. The ability of *qui tam* informers to bring suit does little more than hinder the recovery of victims who truly have suffered an injury as a result of false patent marking. Although the *qui tam* provision of the false marking statute raises serious constitutional questions, these questions need not be addressed because the statute appears better off free of *qui tam* litigants. Absent a provision allowing *qui tam* litigants to pursue an action, courts will be free to appropriately enforce the statute without fear of attracting informers looking to cash in on violations of the law.

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

143. *Surgeons*, 185 F.3d at 618.

144. *Black Hills Jewelry Mfg. Co. v. Gold Rush, Inc.*, 633 F.2d 746, 753 n.7 (8th Cir. 1980).

145. *Id.*