



EDVA: Solo Cup Not Liable for Improper Patent Marking

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Last week, in a case it described as one of “practically first impression,” the Eastern District of Virginia granted summary judgment in favor of Solo Cup Co. that it was not liable for improper patent marking under 35 U.S.C. § 292(a). *Pequignot v. Solo Cup Co.*, No 1:07cv897-LMB/TCB (E.D. Va. July 2, 2009). The Court agreed with Solo that the advice of counsel it received to replace patent-marking molds with non-marking molds in a gradual fashion was reasonable. Solo’s overall conduct was held to evidence a lack of intent to deceive the public. The Court also held that an “offense” under the statute is the overall decision to mark improperly, thereby rejecting Pequignot’s argument that Solo should be penalized for each and every lid it marked.

The Court ruled from the bench on July 2 during a hearing on the parties’ cross motions for summary judgment. Judge Brinkema remarked early on that the Court would be addressing “several issues of first impression or nearly first impression” and that the case had drawn interest from the IP community. The Court observed that it may “structure a lot of law in this area of false marking and damages.”

On the merits, the Court focused on Solo’s behavior after it discovered that its products were being marked with an expired patent number. Solo approached its outside counsel and requested advice on how to address the situation. The company followed counsel’s advice and replaced the patent-marking molds, as they became worn, with non-marking molds. The Court viewed that course of action as “extremely clear evidence of no intent to in any way mislead or defraud the competitors or the public.”

Plaintiff Pequignot unsuccessfully argued that there was a factual dispute about whether the legal advice was actually received and acted upon by Solo. The Court disagreed, stating that “[t]here are interpretations that are in dispute but not material issues of fact that are in dispute.”

Solo also prevailed on summary judgment with respect to its fallback position, namely, that even if there were intent to deceive the public, the offenses punishable under the statute are the decisions to mark improperly, not each and every marking of a product. Thus, in an alternative holding, the Court decided that the maximum amount of damages for which Solo could be liable is \$1500.

