

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

Americans For Fair Patent Use, LLC

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Plaintiff,

v.

Civil Case No. 2:10-cv-00439
JURY

The Orvis Company, Inc.

Defendant.

COMPLAINT FOR FALSE PATENT MARKING

Plaintiff Americans for Fair Patent Use, LLC (“AFPU”) files this complaint against Defendant The Orvis Company, Inc. (“Orvis”) and alleges as follows:

NATURE OF THE ACTION

1. This is an action for false patent marking arising under 35 U.S.C. § 292.
2. As set forth in detail below, Orvis violated 35 U.S.C. § 292(a) by using false patent markings in advertising products for sale with the intent to deceive the public.
3. AFPU seeks an award of monetary damages from the Defendants, one-half of which shall be paid to the United States pursuant to 35 U.S.C. § 292(b).
4. This Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331, 1332, 1338(a), and 1355(a).

BACKGROUND

5. Orvis has violated 35 U.S.C. § 292(a) (the “False Marking Statute”) by marking unpatented articles with the intent to deceive the public.

6. More specifically, Orvis, with the intent to deceive the public, marked advertisements for products with a patent that is expired and, therefore, does not and cannot cover the advertised products.

7. Additionally, Orvis, with the intent to deceive the public, marked advertisements for products with the number of a patent that, even if not expired, would not cover the advertised products.

8. The marking and false marking statutes exist to give the public notice of patent rights. Congress intended the public to rely on marking as a ready means of discerning the status of intellectual property embodied in an article of manufacture or design. *Clontech Laboratories, Inc. v. Invitrogen corp.*, 406 F.3d 1347, 1356 (Fed. Cir. 2005)

9. Federal patent policy recognizes an important public interest in permitting full and free competition in the use of ideas which are, in reality, a part of the public domain. *Wine Ry. Appliance Co. v. Enterprise Ry. Equipment Co.*, 297 U.S. 387, 397 (1936).

10. Acts of false marking deter innovation and stifle competition in the marketplace. *Forest Group, Inc. v. BonTool Co.*, 590 F.3d 1295, 1302 (Fed. Cir. 2009). If an article that is within the public domain is falsely marked, potential competitors may be dissuaded from entering the same market. *Id.* at 1303. False marking can cause unnecessary investment in design around or costs incurred to analyze the validity or enforceability of a patent whose number has been marked upon a product with which a competitor would like to compete. *Id.*

11. Furthermore, false marking misleads the public into believing that a patentee controls the article in question (as well as like articles), and places the risk of determining whether the article is controlled on the public rather than the manufacturer or seller of the article, thereby increasing the cost to the public of ascertaining whether a patentee in fact controls the intellectual

property embodied in an article. *Clontech Laboratories, Inc. v. Invitrogen corp.*, 406 F.3d 1347, 1356-57 (Fed. Cir. 2005).

12. Thus, in each instance where it is represented that an article is patented, a member of the public desiring to participate in the market for the marked article must incur the cost of determining whether the involved patents are valid and enforceable. *Clontech*, 406 F.3d at 1356 n.6. Failure to take on the costs of a reasonably competent search for information necessary to interpret each patent, investigation into prior art and other information bearing on the quality of the patents, and analysis thereof can result in a finding of willful infringement, which may treble the damages an infringer would otherwise have to pay. *Id.*

13. False markings may also create a misleading impression that the falsely marked product is technologically superior to previously available products, as articles bearing the term "patent" may be presumed to be novel, useful, and innovative.

14. The False Marking Statute explicitly permits *qui tam* actions. *Forest Group*, 590 F.3d at 1303. Indeed, Congress's interest in preventing false marking was so great that it enacted a statute which sought to encourage parties to enforce the statute. *Id.* By permitting members of the public to sue on behalf of the government, Congress allowed individuals to help control false marking. *Id.* at 1303-4.

15. Under 35 U.S.C. § 292, intent to deceive is a state of mind arising when a party acts with sufficient knowledge that what it is saying is not so. *Clontech*, 406 F.3d at 1352. Intent to deceive, while subjective in nature, is established in law by objective criteria. *Id.*

16. Furthermore, the mere assertion by a party that it did not intend to deceive will not suffice to escape statutory liability. *Clontech*, 406 F.3d at 1352. Such an assertion, standing alone, is worthless as proof of no intent to deceive where there is knowledge of falsehood. *Id.*

17. AFPU, on its own behalf and on behalf of the United States, seeks an award of monetary damages of \$500 for each of Defendants' violations of 35 U.S.C. § 292(a), one-half of which shall be paid to the United States pursuant to 35 U.S.C. § 292(b).

PARTIES

AFPU

18. AFPU is a Texas limited liability company and has its principal place of business at 5113 S.W. Parkway, Suite 140, Austin, Texas 78735.

19. AFPU was established by F&B LLP to encourage the fair use of the patent system and deter abuse of the patent system, which harms the public welfare and stifles competition.

20. Orvis' false marking is an example of such harmful conduct. AFPU represents the interests of the public against misuses of patents and the patent system by commercial entities, such as Orvis.

Orvis

21. On information and belief, Orvis is a corporation organized and existing under the laws of the State of Vermont with its headquarters located at 178 Conservation Way, Sunderland, Vermont, 05250.

22. On information and belief, Orvis regularly retains sophisticated legal counsel to prosecute patents on its behalf.

23. Orvis owns numerous patents.

24. Orvis currently employs counsel pursuing patent applications pending before the United States Patent and Trademark Office and has counsel pursuing an appeal before the Board of Patent Appeals and Interferences involving a patent application related to a bed covering for families with pets.

25. On information and belief, Orvis knows that patents expire and an expired patent cannot protect any product from competition.

26. On information and belief, Orvis is aware of the False Marking Statute and knows that intentionally marking products with an expired patent or a patent that does not cover the product is a violation of that statute.

PERSONAL JURISDICTION

Orvis

27. Orvis regularly conducts business in this judicial district.

28. Orvis sells (directly through its website, and through retail stores, for example Winchester's Sportman's Outfitters, 4111 Glimer Road in Longview, Texas 75604,) products in this judicial district or has purposefully shipped products to this judicial district through established distribution channels.

29. Orvis is subject to personal jurisdiction in this judicial district because it has sufficient minimum contacts with the forum as a result of business conducted within the State of Texas and within the Eastern District of Texas.

30. Orvis has systematic and continuous contact with this judicial district.

THE FALSELY MARKED PATENTS

31. The application that became US Patent 150,883 (the "'883 patent") was filed on April 4, 1874 and issued as a patent on May 12, 1874. Exhibit A.

32. U.S. Patent 150,883 expired May 12, 1891.

33. The '883 patent relates to an improved fishing reel.

ORVIS' FALSE MARKING OF ITS PRODUCTS

34. On information and belief, Orvis sells, offers to sell, has sold and/or has offered to sell numerous products, which it falsely advertised as patented, either by the '883 patent or another

patent, within the last five years in the United States and continues to falsely advertise as patented in the United States including the following products: Taylor Supply City Rider Motorcycle Jacket; Schott Flight Jacket; Hardwick Washed Tweed Blazer; Lincoln Highway Watch; Schott® Flight Jacket; Gitman Oxford-Cloth Tartan Shirt; Fall River Flannel Shirt; Cotton Submariner's Sweater; Pure Cotton Shawl Cardigan; Taylor Supply® Hill Climber Jacket; Stronghold Jeans; Grown & Sewn Washed-Twill Pants; Rising Sun Miner's Pants; Annapolis Naval Officer's Pants; Genuine Suede Western Vest; US Military Socks; Schott® Naval Pea Coat; Brooklyn Army Base Chinos; Marlboro Shearling Cabin Jacket; Cowboy Knives; American Whipcord Trousers; Gitman Oxford Shirt; WWII Officer's Shirt; Rand Fur-Felt Cowboy Hat; Frye® Engineer Boot; Red Wing® Beckman; Heritage-Leather Jeans Belt; Rising Sun Long-Sleeved Tee Shirt; Custom Steel Trout Belt Buckles; Cavalry Scout Web Belt; Vintage Military Leather Bracelet; Vintage Leather Saddle Shoes; Coronado Leather Belt; Stronghold® Awning-Stripe Canvas Shirt; Genuine Rawhide Steer Head; King's Saddlery Lasso; Temple WWII Vintage Canvas-and-Leather Pack; Temple WWII Vintage Canvas-and-Leather Weekend Duffle; Canvas-and-Leather iPad® Sleeve; Vintage Leather Brogue; Vintage 1951 Ford F-1 Pickup Truck; Pure Cotton American Flag; Special Edition Mitey Mite Bamboo Fly Rod; Gokey Sauvage Hikers; Zip-Neck Henley; Country Corduroy Sport Jacket; Custom Sandanona Pull On Boots; Sauvage Oxfords; Sandanona Gokey Pull-On Boots; Gokey Classic Upland Boots; Gokey Classic Double-Sole Mocs; World's Most Durable Boat Shoes by Gokey®; Wrinkle-Free Gingham Sport Coat; Hopsack Travel Blazer; Ranger Belt; Packable Felt Hat; American Bison Thifold Leather Wallet; American Bison Hipster Wallet; Jefferson River Hat; Gokey® Snakeproof Boots; Hopsack Double-Breasted Blazer; Orvis Aviator Glasses; Col. Littleton No. 1 Saddlebag Briefcase; Col. Littleton No. 37 Satchel; Col. Littleton No. 23 Pocket Journal; Col. Littleton No. 1 Belt; Col. Littleton Engravable Wristwires; Col. Littleton No. 7 Money Clip; Cannon Valley Boot—Hand Sewn in America; Dorfman Pacific Oil Cloth Cap; Bison

Tapered Edge Belt; Gokey Bullhide Belt; Traditional Surcingle Belt; Invincible Extra Socks; Farrier's Belt; Heritage Leather Double-Prong Belt; Donegal Herringbone Tweed Pants; Genuine Bison Leather Saddle Shoe; Col. Littleton Mailbag Briefcase; Col. Littleton No. Grip; Sterling Silver Sporting Tradition Pins; Heathered Felt Fedora; Leather iPhone® Holder and Notepad; Woodstock Jacket; Genuine American Bison Wool Cap and Gloves; Orvis Stormy Kromer Hat; Colonel's Eyeglass Case; College Desk Box; Colonel's Leather Phone Case; Merino Wool Ultra-Ragg Socks; Col. Littleton Ranger Belt; Genuine Hornback Crocodile Leather Belt; Hand-Engraved Ranger Belt; Poplin Expandable Comfort-Waist Pants; American Boot-Cut Jeans; Selvage Dress Jeans; Vanson Leather Ike Jacket; Col. Littleton Dispatch Bag; Col. Littleton Document Bag; Brass Knife; Crossroads Belt; Cotton-and-Leather Jeans Belt; Alden Heritage Leather Bit Loafer; Alden® Shell Cordovan Belt; Tropical Wool Check Pants; Red Wing® Boatman Chukka; Wolverine® ,-Mile Boots; Stetson® Buffalo-Fur Rancher's Hat; Allen Edmonds Catskill Shoes; Orvis Denim Carpenter Pants; Orvis Carpenter Pants; Wicklow Donegal Sportcoat; Teviotdale Valley Sport Coat; Gokey® Lug Sole Camp Moc; Gokey Lug Sole Loafer; Gokey® Leather-Sole Loafer; Gokey Adventure Boot; Sam Browne Double-Stud Belt; Gokey® Rodeo Belt; Invincible Boot Sock; Wool Fedora; Frye® Roper Boot; Heritage Plaid Wallet; Grant's Pass Leather Belt; Deerskin Driving Cap; Bison Tab Surcingle Belt; Sedgwick Bridle-Leather Belt; Military Officer's Belt; Col. Littleton No. Knife; Sedgwick Bridle Leather Ranger Belt; Lone Pine Ultra Bandera Jacket; Allen Edmonds® Cascade Boot; Oiled Nubuck Oxford; Chocolate Bucks Belt; Stetson® Packable Western; Double H Cowboy Boots; Castleton Dress Belt; Merino Wool Jean; Crushable Buffalo Fur Hat; Waxed-Cotton-and-Leather Satchel; Allen Edmonds Calfskin Boots; Battenkill® Money/Credit Clip; Sandanona Leather Shell Bucket; Battenkill All-Leather Hipster Wallet; Braided Italian Linen Belt; Men's Leather Shave Kit; Wetlander Boots featuring Gokey® Bullhide Leather; Orvis Bison Leather Football; Paul Pocket Folder Knife; Orvis Knit Cap; Col. Littleton

Personalized Bowie Knife; Crow's-Foot Pleated Pant; Stretch-Web Belt; Gokey Lightweight Upland Boot; Hand-sewn Leather Loafer; Porters Lotion; Handmade All-Weather Walker; Invincible Extra Hiking Socks; Langholm Sport Coat; Wyman Brook Hand-Sewn Loafer; Bison Pull-On Insulated Roper Boots; Italian Grain Strap Belt; Bison Leather Money Clip; Alligator Dress Belt; Stetson Buffalo Hat; Col. Littleton No. Boot Jack; Pine Bluff Leather Jacket; Secure Loop Leather Cell Phone Holster; Pheasant Trim Felt Hat; Field Trialer Felt Hat; Thermal Pro® GuideWeight™ Fleece Jacket; CoolMax Under-Wader Sock; Heritage Leather Shotshell Ranger Belt; Wood Grain Leather Belt; Wool and Pheasant Fedora; Scottish Driving Cap; The Durham Oxford; Ultimate Shotshell Belt; Scottish Tweed Sport Coat; Calfskin Dress Belt; Wind River Leather Jacket; Alligator iPhone® Holder and Notepad; Colonel's Alligator Eyeglass Case; and any other product in the Orvis U.S. Patent collection (collectively the "Orvis Products").

35. Orvis advertises the Orvis Products as its "U.S. Patent Collection" importing that all of the Orvis Products are covered by a U.S. Patent as shown in Exhibit B.

36. Orvis advertised the Orvis Products as its "U.S. Patent Collection" to mislead the public into believing that the Orvis Products are covered by U.S. Patents.

37. Orvis advertised the Orvis Products as its "U.S. Patent Collection" to mislead the public into believing that its products are of a superior quality to its competitors products, as shown by the language in the advertisements in Exhibits B and C.

38. Orvis advertised the Orvis Products as its "U.S. Patent Collection" to mislead the public into believing that Orvis controls the intellectual property embodied in the Orvis Products.

39. Orvis falsely marks advertisements for the Orvis Products both on the internet at www.orvis.com and in printed catalogs. *See* Exhibits B & C.

40. On information and belief, the '883 patent expired before Orvis created the advertisements attached as Exhibit B.

41. On information and belief, the '883 patent expired before Orvis sold any of the Orvis products.

42. On information and belief, the '883 patent expired before Orvis include reference to the '883 patent in any advertisement for any of the Orvis Products.

43. On information and belief, the '883 patent expired before Orvis ever advertised any of the Orvis Products.

44. Even if the '883 patent were not expired, it would not cover any of the Orvis products.

45. On information and belief, Orvis knew that the '883 patent was expired before it created the advertisements attached as Exhibit B and C.

46. Because the '883 patent expired over 100 years ago, Orvis cannot possibly have a reasonable believe that the '883 patent is not expired.

47. Because the founder of Orvis, Charles F. Orvis, is listed as the inventor of the '883 patent and because Mr. Orvis passed away in 1915, nearly 100 years ago, Orvis cannot reasonably believe that the '883 patent is not expired.

48. None of the Orvis Products are fishing reels or any part of any fishing reel.

49. Because the '883 patent relates to fishing reels, Orvis cannot reasonably believe that, even if it were not expired, it would cover any of the Orvis Products.

50. Orvis knows that the '883 patent is expired at least as of the date of service of this complaint.

51. Orvis knows that even if the '883 patent were not expired it would not cover any of the Orvis Products.

52. Because the '883 patent expired before Orvis' first advertising of the Orvis Products, Orvis did not have, and never could have had a reasonable belief that advertising the Orvis Products as covered by the '883 patent was proper.

53. Because the '883 patent is expired Orvis' does not have and cannot have a reasonable belief that continuing to advertise the Orvis Products as covered by the '883 patent is proper.

54. On information and belief, Orvis used false patent markings in advertising the Orvis Products knowingly and with the intent to deceive the public.

CLAIM FOR RELIEF AGAINST ORVIS

55. AFPU incorporates Paragraphs 1-54 of this Complaint as if fully set forth in this paragraph.

56. On information and belief, despite the fact that the claims of an expired patent cannot afford patent protection, Orvis knowingly and intentionally used in advertising in connection with the Orvis Products the patent number of the '883 patent after its expiration with the intent to deceive the public.

57. Additionally, on information and belief, Orvis knowingly and intentionally used in advertising in connection with the Orvis Products the patent number of the '883 patent, which, even if not expired, does not cover any of the Orvis Products with the intent to deceive the public.

58. On information and belief, Orvis knowingly and intentionally used in advertising words misrepresenting the patent status of the Orvis Products with the intent to deceive the public.

59. Orvis knew or reasonably should have known that using patent numbers of expired patents in advertising in connection with its products violated federal patent marking laws which authorize marking or advertising only existing and enforceable patent or patent pending claims on a "patented" article.

60. On information and belief, Orvis intended to and has deceived the public by falsely advertising (or causing to be advertized) the patent protection status of the Orvis Products.

61. On information and belief, each false marking by Orvis identified in this Complaint is likely to discourage or deter persons and companies from commercializing competing products or pursuing development of competing products and or related products, which injures AFPU and the public by stifling competition and increasing the cost of goods.

62. On information and belief, Orvis' false advertising in connection with the Orvis Products has wrongfully quelled competition with respect to such products and mislead consumers thereby causing harm to AFPU, the United States, and the public.

63. On information and belief, Orvis has wrongfully and illegally asserted patent monopolies which it does not possess and, as a result, has benefited by limiting competition with respect to its products referenced in this Complaint – such benefit coming at the expense of AFPU, Orvis's competitors and the public.

64. Orvis' actions are in violation of 35 U.S.C. § 292.

JURY DEMAND

AFPU requests a jury trial for all issues triable by a jury.

PRAYER FOR RELIEF

WHEREFORE, AFPU respectfully requests that this Court:

- a) find that Orvis used false patent markings in advertising the Orvis Products in violation of 35 U.S.C. §292(a) and render judgment in favor of AFPU and against Orvis;
- b) order an accounting for the past five years of all falsely marked Orvis Products and fine Orvis \$500, or such other amount as the Court determines, per falsely marked

- product to penalize Orvis for its violation of §292(a) and deter Orvis and others from violating §292(a) in the future;
- c) direct that half of the fine be paid to the United States government pursuant to 35 U.S.C. § 292;
 - d) direct that the remaining half of the fine be paid to AFPU pursuant to 35 U.S.C. § 292;
 - e) order Orvis to develop and implement procedures, approved by the Court, to mitigate against false marking of its products in the future;
 - f) order Orvis to notify, to the extent reasonable, all Orvis customers who received any of its falsely marked advertisements of the erroneous nature of the patent markings;
 - g) enjoin Orvis from further distributing any of the afore mentioned falsely marked advertisements;
 - h) enjoin Orvis, its officers, directors, agents, employees, and assigns from mismarking or distributing advertisements mismarked with the expired or inapplicable patents enumerated herein in the future in violation of 35 U.S.C. § 292;

Dated this 15th day of October, 2010

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