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Legislative Document

No. 1660

S.P. 654

In Senate, December 23, 2013

An Act Regarding Bad Faith Assertions of Patent Infringement

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Secretary of the Senate on December 23, 2013. Referred to the Committee on Judiciary pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator HASKELL of Cumberland.
Cosponsored by Representative DeCHANT of Bath and
Representatives: BEAULIEU of Auburn, BERRY of Bowdoinham, FOWLE of Vassalboro,
McCABE of Skowhegan.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 14 MRSA c. 757** is enacted to read:

3 **CHAPTER 757**

4 **ACTIONS FOR BAD FAITH ASSERTION OF PATENT INFRINGEMENT**

5 **§8701. Actions for bad faith assertion of patent infringement**

6 **1. Definitions.** As used in this chapter, unless the context otherwise indicates, the
7 following terms have the following meanings.

8 A. "Demand letter" means a letter, an e-mail or other written communication
9 asserting that a target has engaged in patent infringement.

10 B. "Person" means a natural person, corporation, trust, partnership, incorporated or
11 unincorporated association or any other legal entity.

12 C. "Target" means a person:

13 (1) Who has received a demand letter;

14 (2) Against whom a lawsuit has been filed alleging patent infringement; or

15 (3) Whose customers have received a demand letter asserting that the person's
16 product, service or technology has infringed a patent.

17 **2. Prohibition.** A person may not make a bad faith assertion of patent infringement
18 against another person.

19 **3. Civil action.** A target may bring a civil action in Superior Court against a person
20 who has made a bad faith assertion of patent infringement against the target. In
21 determining whether a person made a bad faith assertion of patent infringement:

22 A. The court may consider the following factors as evidence that the person made a
23 bad faith assertion of patent infringement:

24 (1) The demand letter does not contain:

25 (a) The patent number;

26 (b) The name and address of the patent owner or owners and assignee or
27 assignees, if any; or

28 (c) Factual allegations concerning the specific areas in which the target's
29 products, services or technology infringed the patent or are covered by the
30 claims in the patent;

31 (2) The demand letter does not contain the information described in
32 subparagraph (1), the target requested the information and the person did not
33 provide the information within a reasonable period of time;

34 (3) Prior to sending the demand letter, the person failed to conduct an analysis
35 comparing the claims in the patent to the target's products, services or technology

1 or an analysis was done but does not identify specific areas in which the
2 products, services or technology are covered by the claims in the patent;

3 (4) The demand letter includes a demand for payment of a license fee or a
4 response within an unreasonably short period of time;

5 (5) The person offered to license the patent for an amount that is not based on a
6 reasonable estimate of the value of the license;

7 (6) The person knew or should have known that the assertion of patent
8 infringement is meritless;

9 (7) The assertion of patent infringement is deceptive; and

10 (8) The person or a subsidiary or affiliate of the person previously filed or
11 threatened to file a lawsuit based on the same or similar claim of patent
12 infringement and:

13 (a) Those threats or lawsuits lacked the information described in
14 subparagraph (1); or

15 (b) The person attempted to enforce the claim of patent infringement in
16 litigation and a court found the claim to be meritless; and

17 B. The court may consider the following factors as evidence that the person did not
18 make a bad faith assertion of patent infringement:

19 (1) The demand letter contains the information described in paragraph A,
20 subparagraph (1);

21 (2) The demand letter does not contain the information described in paragraph A,
22 subparagraph (1), the target requested the information and the person provided
23 the information within a reasonable period of time;

24 (3) The person engaged in a good faith effort to establish that the target infringed
25 the patent and to negotiate an appropriate remedy;

26 (4) The person made a substantial investment in the use of the patent or in the
27 production or sale of a product or item covered by the patent;

28 (5) The person is:

29 (a) The inventor or joint inventor of the patent or, in the case of a patent filed
30 by and awarded to an assignee of the original inventor or joint inventor, is the
31 original assignee; or

32 (b) An institution of higher education or a technology transfer organization
33 whose primary purpose is to facilitate the commercialization of technologies
34 developed by an institution of higher education that is owned by or affiliated
35 with an institution of higher education; and

36 (6) The person demonstrated good faith business practices in previous efforts to
37 enforce the patent or a substantially similar patent or successfully enforced the
38 patent or a substantially similar patent through litigation.

