An Act

ENROLLED HOUSE
BILL NO. 2837

By: McCall and Turner of the House

and

Jolley of the Senate

An Act relating to patent infringement; defining terms; prohibiting certain communications; construing provisions; providing exceptions to applicability of act; providing for enforcement of act; authorizing certain award or relief; authorizing bond under certain circumstances; providing for codification; and providing an effective date.

SUBJECT: Patent infringement

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 111 of Title 23, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Affiliated person" means a person under common ownership or control of an intended recipient;

2. "Intended recipient" means a person who purchases, rents, leases, or otherwise obtains a product or service in the commercial market that is not for resale in the ordinary business and that is, or later becomes, the subject of a patent infringement allegation; and

3. "Person" means any natural person, partnership, corporation, company, trust, business entity or association, and any agent,

employee, partner, officer, director, member, associate, or trustee thereof.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 112 of Title 23, unless there is created a duplication in numbering, reads as follows:

A. No person shall, in connection with the assertion of a United States patent, send or cause any person to send any written or electronic communication that states that the intended recipient or any affiliated person is infringing or has infringed a patent and bears liability or owes compensation to another person, if:

1. The communication falsely states that litigation has been filed against the recipient, or threatens litigation if compensation is not paid or the infringement issue is not otherwise resolved and there is a consistent pattern of such threats having been issued and no litigation having been filed;

2. The communication falsely states that litigation has been filed against the intended recipient or any affiliated person; or

3. The assertions contained in the communication lack a reasonable basis in fact or law because:

a. the person asserting the patent is not a person, or does not represent a person, with the current right to license the patent to, or to enforce the patent against, the intended recipient or any affiliated person,

b. the communication seeks compensation for a patent that has been held to be invalid or unenforceable in a final, unappealable or unappealed judicial or administrative decision,

c. the communication seeks compensation on account of activities undertaken after the patent has expired, or

d. the content of the communication fails to include such information necessary to inform an intended recipient or any affiliated person about the patent assertion by failing to include any one of the following:

(1) the identity of the person asserting a right to license the patent to or enforce the patent against the intended recipient or any affiliated person,

(2) the patent number issued by the United States Patent and Trademark Office alleged to have been infringed, or

(3) the factual allegations concerning the specific areas in which the intended recipient or affiliated person's products, services, or technology infringed the patent or are covered by the claims in the patent.

B. Nothing in this section shall be construed to be a violation of this chapter for any person who owns or has the right to license or enforce a patent to:

1. Advise others of that ownership or right of license or enforcement;

2. Communicate to others that a patent is available for license or sale;

3. Notify another of the infringement of the patent; or

4. Seek compensation for past or present infringement, or for a license to the patent,

provided that the person is not acting in bad faith.

C. The provisions of this act shall not apply to any written or electronic communication sent by:

1. Any owner of a patent who is using the patent in connection with substantial research, development, production, manufacturing, processing or delivery of products or materials;

2. Any institution of higher education; or

3. Any technology transfer organization whose primary purpose is to facilitate the commercialization of technology developed by an institution of higher education.

D. The provisions of this act shall not apply to a demand letter or civil action that includes a claim for relief arising under 35 U.S.C., Section 271(e)(2).

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 113 of Title 23, unless there is created a duplication in numbering, reads as follows:

A. The Attorney General shall have the authority to enforce this act and conduct civil investigations and bring civil actions for violations of this act.

B. In an action brought by the Attorney General under this act, the court may award or impose any relief available under Section 4 of this act.

C. In addition to the relief provided for in Section 4 of this act, upon a motion by the Attorney General and a finding by the court that there is a reasonable likelihood that a person violated Section 2 of this act, the court may require the person to post a bond in an amount equal to a good-faith estimate of the costs to litigate a claim and amounts reasonably likely to be recovered if an action were to be brought pursuant to the provisions of this section. A hearing shall be held upon request of either party.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 114 of Title 23, unless there is created a duplication in numbering, reads as follows:

A court may award the following relief to a plaintiff who prevails in an action brought pursuant to this act:

1. Damages;

2. Costs and fees, including reasonable attorney fees; and

3. Punitive damages in an amount equal to Fifty Thousand Dollars ($50,000.00), or three (3) times the total damages, costs and fees, whichever is greater.

SECTION 5. This act shall become effective November 1, 2014.

Passed the House of Representatives the 8th day of May, 2014.

Presiding Officer of the House
of Representatives

Passed the Senate the 14th day of April, 2014.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 13th

day of May, 2014, at 3:36 o'clock P M.

By: A Rockwell

Approved by the Governor of the State of Oklahoma this 16th

day of May, 2014, at 10:06 o'clock A M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 16th

day of May, 2014, at 1:25 o'clock P. M.

By: C. Benge