

EXHIBIT 35

infringement. The correct approach to determining notice under section 287 must focus on the action of the patentee, not the knowledge or understanding of the infringer.” *Id.*

B. Arthrex’s Compliance with § 287(a)

The parties dispute whether Arthrex could have provided Defendants with actual notice of infringement of the ’541 patent as a result of the Standstill Agreement, which refers to continuations of the ’186 and ’052 patents such as the ’541 patent. Defendants argue that the Standstill Agreement could not have provided actual notice of the ’541 patent because the Standstill Agreement was entered into on August 12, 2014, and the ’541 patent did not issue until September 2, 2014. Arthrex contends that the Standstill Agreement could have put Defendants on notice of future infringement of the ’541 patent because the Agreement grants the parties rights and obligations with respect to later-arising continuation patents. Accordingly, the principal dispute is a legal one—whether § 287(a) requires a patentee to provide actual notice of infringement of a specific patent after that patent has issued. If § 287(a) requires such an affirmative act after a patent’s issuance date, then Arthrex cannot as a matter of law collect damages for Defendants’ infringement of the ’541 patent until January 20, 2015, when the parties agree actual notice was provided.

Under the circumstances, the Court holds that § 287(a) did not require Arthrex to have provided affirmative notice of the ’541 patent after the ’541 patent issued. Defendants have not disputed that the Standstill Agreement could satisfy § 287(a)’s actual notice requirement with respect to the ’186 and ’052 patents. The Standstill Agreement was limited in duration, but the notice that may have been provided by the Agreement is similar to the actual notice that can be provided by a license offer. *See Ralston Purina Co. v. Far-Mar-Co, Inc.*, 772 F.2d 1570, 1577 (Fed. Cir. 1985) (“The offering of a license is actual notice.”). While the Standstill Agreement

only explicitly refers to the '186 and '052 patents, the scope of a patentee's actual notice may expand based on subsequent events—at least when the parties are entangled in an ongoing and complex patent dispute. *See Funai Elec. Co. v. Daewoo Elecs. Corp.*, 616 F.3d 1357, 1373 (Fed. Cir. 2010). When the threshold specificity required by § 287(a) is met with respect to one product of infringement, for example, “ensuing discovery of other models and related products may bring those products within the scope of the notice.” *Id.* If notice of specific products can expand to include later-discovered products, notice of infringement of a parent patent can expand to include notice of infringement a continuation patent. The Federal Circuit has acknowledged that an accused infringer's actual notice of a parent patent is relevant to the § 287(a) inquiry. *See K-TEC, Inc. v. Vita-Mix Corp.*, 696 F.3d 1364, 1379 (Fed. Cir. 2012) (noting that patentee “provided notice that the MP container infringed various claims of the '117 patent's parent”).

The policy of § 287(a) supports the Court's conclusion. “[T]he purpose of the actual notice requirement is met when the recipient is notified, with sufficient specificity, that the patent holder believes that the recipient of the notice may be an infringer.” *SRI Int'l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 1470 (Fed. Cir. 1997). “Besides alerting the alleged infringer to avoid further infringement, the notice requirement also permits the alleged infringer to contact the patentee about an amicable and early resolution of the potential dispute.” *Lans v. Digital Equip. Corp.*, 252 F.3d 1320, 1327 (Fed. Cir. 2001). “[K]nowledge of the patentee's identity facilitates avoidance of infringement with design changes, negotiations for licenses, and even early resolution of rights in a declaratory judgment proceeding.” *Id.* Defendants cannot argue that Arthrex's allegations concerning infringement of the '541 patent caught Defendants by surprise given the parties' ongoing patent dispute and the Standstill Agreement.

Under the correct legal standard, the Court cannot hold as a matter of law that any notice provided by the Standstill Agreement is insufficient to provide actual notice of Defendants' infringement of the '541 patent. Compliance with the marking statute is an issue of fact, *Gart v. Logitech, Inc.*, 254 F.3d 1334, 1339 (Fed. Cir. 2001), and the Standstill Agreement raises a triable issue concerning actual notice. The Standstill Agreement covers products accused under the '186 and '052 patents that are now accused of infringing the '541 patent, and the Agreement grants rights and obligations with respect to the '541 patent because the '541 patent is a child of the '186 and '052 patents. Such rights and obligations came into being when the '541 patent issued after the parties entered the Standstill Agreement. A reasonable juror could conclude that the scope of notice provided by the Standstill Agreement expanded to include notice of infringement of the '541 patent after the '541 patent issued. Accordingly, summary judgment cannot be granted.

III. CONCLUSION

For the foregoing reasons, Defendants' motion for partial summary judgment (Dkt. 181) is **DENIED**.

SIGNED this 28th day of November, 2016.


ROY S. PAYNE
UNITED STATES MAGISTRATE JUDGE