

ENROLLED ACT NO. 61, SENATE

SIXTY-THIRD LEGISLATURE OF THE STATE OF WYOMING
2016 BUDGET SESSION

AN ACT relating to patent infringement; prohibiting bad faith assertion of patent infringement; providing exceptions; specifying factors for determination of bad faith; providing a right of action; providing for damages; providing definitions; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 40-1-201 through 40-1-205 are created to read:

ARTICLE 2
BAD FAITH ASSERTION OF PATENT INFRINGEMENT

40-1-201. Definitions.

(a) As used in this article:

(i) "Demand letter" means a letter, email or other communication asserting or claiming that the target engaged in patent infringement;

(ii) "Target" means a person that:

(A) Receives a demand letter or other allegation of patent infringement;

(B) Is threatened with or has a lawsuit filed against the person that alleges patent infringement;
or

(C) Conducts business with a customer who receives a demand letter asserting that the person's product, service or technology infringes a patent.

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**40-1-202. Bad faith assertion of patent infringement;
prohibited; factors to determine bad faith.**

(a) Except as otherwise provided in this article, no person shall make a bad faith assertion of patent infringement as provided in this section.

(b) A court may consider any of the following factors as evidence that a person made a bad faith assertion of patent infringement:

(i) The person issued a demand letter which did not include one (1) or more of the following:

(A) The patent number;

(B) The name and address of the patent owner and assignee, if any;

(C) Specific factual allegations describing the target's product, service or technology that infringes the patent or is otherwise covered by the patent.

(ii) The person did not conduct an analysis comparing the patent to the product, service or technology of the target prior to sending the demand letter or, if an analysis was conducted, the analysis did not identify the specific area that the product, service or technology of the target infringes the patent or is otherwise covered by the patent;

(iii) If a demand letter does not contain all of the information provided in paragraph (i) of this subsection and the target requests the missing information,

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the person fails to provide the missing information within thirty (30) days;

(iv) The demand letter requires a response or payment of a license fee within a specified time that is less than thirty (30) days;

(v) The person knew or should have known that the claim of patent infringement is unenforceable;

(vi) The claim of patent infringement is deceptive;

(vii) The person making the assertion of patent infringement does not own or have the right to enforce or license the patent;

(viii) The person sent the same or substantially similar demand letter to multiple recipients and made assertions against a variety of products, services or technologies without addressing product, service or technology differences in a reasonable manner;

(ix) The person made a threat of legal action that the person knows or should have known cannot be legally taken or is not intended to be taken;

(x) The person falsely represents in a demand letter that a complaint has been filed with a court alleging patent infringement;

(xi) The claim of patent infringement is based on a patent that has expired or has previously been held invalid or unenforceable in a final unappealable or unappealed judicial or administrative decision;

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(xii) Any other factor the court finds relevant.

(c) A court may consider any of the following factors as evidence that a person has not made a bad faith assertion of patent infringement:

(i) The demand letter includes all of the information specified in paragraph (b)(i) of this section;

(ii) If a demand letter does not contain all of the information provided in paragraph (b)(i) of this section and the target requests the missing information, the person provides the missing information within thirty (30) days;

(iii) The person engages in a good faith effort to establish that the target has infringed the patent and to negotiate an appropriate remedy;

(iv) The person has made a substantial investment in the use of the patent or in the production or sale of a product, service or technology covered by the patent;

(v) The person is the inventor or joint inventor of the patent or, if the patent is filed by and awarded to an assignee of the original inventor or joint inventor, is the original assignee of the patent;

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

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40-1-203. Private right of action.

(a) A target or other person aggrieved by a bad faith assertion of patent infringement in violation of this article may bring an action in a court of proper jurisdiction. A court may award any of the following remedies to a plaintiff prevailing in an action brought pursuant to this section:

(i) Equitable relief;

(ii) Damages;

(iii) Costs and fees, including reasonable attorney fees;

(iv) Exemplary damages in an amount equal to fifty thousand dollars (\$50,000.00) or three (3) times the total of damages, costs and fees, whichever is greater.

40-1-204. Enforcement.

(a) The attorney general may enforce the provisions of this article and investigate violations of this article.

(b) The attorney general or any district attorney may on behalf of the state bring an action for temporary or permanent injunctive or other relief in any court of competent jurisdiction for any violation of this article. The court may, upon entry of final judgment finding a violation of this article, award restitution when appropriate to any person suffering loss because of a violation of this article if proof of the loss is submitted to the satisfaction of the court.

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40-1-205. Exceptions.

(a) The provisions of this article shall not apply to:

(i) A person that owns or has the right to license or enforce a patent if the person is:

(A) Notifying another of the ownership right or enforcement right in the patent;

(B) Notifying another that the patent is available for license or sale;

(C) Notifying another of the infringement of the patent pursuant to title 35 of the United States Code or section 262 of title 42 of the United States Code; or

(D) Seeking compensation from another person for a past or present infringement of a patent, or for a license, if it is reasonable to believe that the person owes the compensation.

(ii) A demand letter sent by:

(A) An owner of the patent that is using the patent in connection with substantial research, commercial development, production, manufacturing, processing or delivery of products or materials; or

(B) Any institution of higher education or any technology transfer organization whose primary purpose is to facilitate the commercialization of technology developed by an institution of higher education.

ORIGINAL SENATE
FILE NO. SF0065

ENGROSSED

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Section 2. This act is effective July 1, 2016.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk