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April 1, 2014

COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
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.

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,

1 or later becomes, the subject of a patent infringement allegation;  
2 and

3 3. "Person" means any natural person, partnership, corporation,  
4 company, trust, business entity or association, and any agent,  
5 employee, partner, officer, director, member, associate, or trustee  
6 thereof.

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

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

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

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

22 3. The assertions contained in the communication lack a  
23 reasonable basis in fact or law because:  
24

- 1           a. the person asserting the patent is not a person, or  
2           does not represent a person, with the current right to  
3           license the patent to, or to enforce the patent  
4           against, the intended recipient or any affiliated  
5           person;
- 6           b. the communication seeks compensation for a patent that  
7           has been held to be invalid or unenforceable in a  
8           final, unappealable or unappealed judicial or  
9           administrative decision;
- 10          c. the communication seeks compensation on account of  
11          activities undertaken after the patent has expired; or
- 12          d. the content of the communication fails to include such  
13          information necessary to inform an intended recipient  
14          or any affiliated person about the patent assertion by  
15          failing to include any one of the following:
- 16               (1) the identity of the person asserting a right to  
17               license the patent to or enforce the patent  
18               against the intended recipient or any affiliated  
19               person;
- 20               (2) the patent number issued by the United States  
21               Patent and Trademark Office alleged to have been  
22               infringed; or
- 23               (3) the factual allegations concerning the specific  
24               areas in which the intended recipient or

1 affiliated person's products, services, or  
2 technology infringed the patent or are covered by  
3 the claims in the patent.

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

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

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

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

12 4. Seek compensation for past or present infringement, or for a  
13 license to the patent,  
14 provided that the person is not acting in bad faith.

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

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

20 2. Any institution of higher education; or

21 3. Any technology transfer organization whose primary purpose  
22 is to facilitate the commercialization of technology developed by an  
23 institution of higher education.  
24

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

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

7 A. The attorney general shall have the authority to enforce  
8 this act and conduct civil investigations and bring civil actions  
9 for violations of this act.

10 B. In an action brought by the attorney general under this act,  
11 the court may award or impose any relief available under Section 4  
12 of this act.

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

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

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

- 3 1. Damages;
- 4 2. Costs and fees, including reasonable attorney fees; and
- 5 3. Punitive damages in an amount equal to Fifty Thousand  
6 Dollars (\$50,000), or three (3) times the total damages, costs and  
7 fees, whichever is greater.

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

9 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY  
10 April 1, 2014 - DO PASS AS AMENDED  
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