

2013 Senate Bill 498 (LRB -2996)

An Act to create 100.197 of the statutes; relating to: notifications concerning the assertion of rights under a patent or pending patent and providing a penalty. (FE)

2014

01-15.	S.	Introduced by Senators Farrow, Olsen and Jauch ; cosponsored by Representatives Neylon, Craig, Kapenga, Knodl, Marklein, Bies, Jacque, Czaja, Barca, Bewley and Smith .	572
01-15.	S.	Read first time and referred to Committee on Government Operations, Public Works, and Telecommunications	572
02-06.	S.	Public hearing held	
02-10.	S.	Fiscal estimate received	
03-04.	S.	Senate Amendment 1 offered by Senator Farrow (LRB a1730)	733
03-05.	S.	Senate Amendment 1 to Senate Amendment 1 offered by Senators Farrow, Shilling and Wirch (LRB a2012)	735
03-05.	S.	Executive action taken	
03-06.	S.	Report adoption of Senate Amendment 1 to Senate Amendment 1 recommended by Committee on Government Operations, Public Works, and Telecommunications, Ayes 7, Noes 0	738
03-06.	S.	Report adoption of Senate Amendment 1 recommended by Committee on Government Operations, Public Works, and Telecommunications, Ayes 7, Noes 0	739
03-06.	S.	Report passage as amended recommended by Committee on Government Operations, Public Works, and Telecommunications, Ayes 7, Noes 0	739
03-06.	S.	Available for scheduling	
03-07.	S.	Placed on calendar 3-11-2014 pursuant to Senate Rule 18(1)	743
03-11.	S.	Read a second time	755
03-11.	S.	Senate Amendment 1 to Senate Amendment 1 adopted	755
03-11.	S.	Senate Amendment 1 adopted	755
03-11.	S.	Ordered to a third reading	755
03-11.	S.	Rules suspended	755
03-11.	S.	Read a third time and passed	755
03-11.	S.	Ordered immediately messaged	756
03-12.	A.	Received from Senate	737
03-18.	A.	Read first time and referred to committee on Rules	750
03-18.	A.	Made a special order of business at 10:38 AM on 3-20-2014 pursuant to Assembly Resolution 28	767
03-20.	A.	Read a second time	
03-20.	A.	Ordered to a third reading	
03-20.	A.	Rules suspended	
03-20.	A.	Read a third time and concurred in	
03-20.	A.	Representative Mason added as a cosponsor	
03-20.	A.	Ordered immediately messaged	
03-21.	S.	Received from Assembly concurred in	

SR

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ADOPTED DOCUMENTS:

Orig Engr SubAmdt

13 -2996/1

Amendments to above (if none, write "NONE"): SA1 — a 1730/3
SA1-SA1 — a 2012/1

Corrections - show date (if none, write "NONE"): None

Topic Rel

3-24-14 JR Miller
Date Enrolling Drafter



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-2996/1
MPG:eev:jm

2013 SENATE BILL 498

January 15, 2014 – Introduced by Senators FARROW, OLSEN and JAUCH, cosponsored by Representatives NEYLON, CRAIG, KAPENGA, KNODL, MARKLEIN, BIES, JACQUE, CZAJA, BARCA, BEWLEY and SMITH. Referred to Committee on Government Operations, Public Works, and Telecommunications.

1 **AN ACT to create** 100.197 of the statutes; **relating to:** notifications concerning
2 the assertion of rights under a patent or pending patent and providing a
3 penalty.

Analysis by the Legislative Reference Bureau

This bill regulates written communications attempting to enforce or assert rights in connection with a patent or pending patent. Under the bill, such a written communication is called a “patent notification.” Under the bill, a “target” of a patent notification is an individual who is a resident of this state or a company that is domiciled in or does substantial business in this state and who either receives a patent notification or has customers who receive a patent notification concerning a product, service, process, or technology of the target.

Under the bill, a patent notification must contain certain information, including the number and a copy of each patent or pending patent that is the subject of the patent notification; an identification of each patent claim being asserted and the target’s product, service, process, or technology to which that claim relates; and the basis for each theory of each patent claim being asserted and how that claim relates to the target’s product, service, process, or technology. The bill provides a 30-day opportunity for a person to supplement a patent notification with any required information the person fails to include in the initial patent notification. A patent notification may not contain false, misleading, or deceptive information.

The bill provides that the Department of Agriculture, Trade, and Consumer Protection (DATCP) or the attorney general may investigate an alleged violation of

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the bill's requirements. The bill authorizes the attorney general to initiate a court action for an injunction of a violation of the bill's requirements, and in such an action, the bill authorizes the court to make any necessary orders to restore to any person any pecuniary loss the person may have suffered as a result of the violation. The bill also authorizes the attorney general to seek a forfeiture to the state of up to \$50,000 for each violation of the bill's requirements.

The bill further creates a private right of action for a target or other person aggrieved by a violation of the bill's requirements. The target or other person may seek an injunction restraining further violation and may recover an appropriate award of damages, an award of costs and reasonable attorney fees, and an award of punitive damages not to exceed \$50,000 for each violation or three times the aggregate amount of actual damages and costs and attorney fees awarded by the court, whichever is greater.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 100.197 of the statutes is created to read:

2 **100.197 Patent notifications.** (1) **DEFINITIONS.** In this section:

3 (a) "Patent notification" means a letter, e-mail, or other written
4 communication attempting in any manner to enforce or assert rights in connection
5 with a patent or pending patent.

6 (b) "Target" means a person who meets at least one of the conditions described
7 in s. 801.05 (1) (b), (c), and (d) and satisfies at least one of the following:

8 1. The person has received a patent notification.

9 2. One or more of the person's customers has received a patent notification
10 concerning a product, service, process, or technology of the person.

11 **(2) PATENT NOTIFICATION REQUIREMENTS.**

12 (a) A patent notification shall contain all of the following:

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1 1. The number of each patent or patent application that is the subject of the
2 patent notification.

3 2. A physical or electronic copy of each patent or pending patent.

4 3. The name and physical address of the owner of each patent or pending patent
5 and all other persons having a right to enforce the patent or pending patent.

6 4. An identification of each claim of each patent or pending patent being
7 asserted and the target's product, service, process, or technology to which that claim
8 relates.

9 5. Factual allegations and an analysis setting forth in detail the person's theory
10 of each claim identified under subd. 4, and how that claim relates to the target's
11 product, service, process, or technology.

INS,
SAI-1

12 6. An identification of each pending or completed court or administrative
13 proceeding, including any proceeding before the U.S. patent and trademark office,
14 concerning each patent or pending patent.

15 (b) A patent notification may not contain false, misleading, or deceptive
16 information.

17 (c) If a patent notification lacks any of the information required under par. (a),
18 the person may provide that information to the target within 30 days after the date
19 on which the target notifies the person that the patent notification is incomplete.

INS,
SAI-2

20 (3) ENFORCEMENT AND REMEDIES. (a) 1. The department or the attorney general
21 may investigate an alleged violation of (this section).

INS. SAI-3

22 2. The attorney general may commence an action in the name of the state to
23 restrain by temporary or permanent injunction a violation of (this section). Before
24 entry of final judgment in an action commenced under this subdivision, the court

INS.
SAI-4

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SECTION 1

1 may make any necessary orders to restore to any person any pecuniary loss the
2 person has suffered because of the violation. *INS. SAI-5*

3 3. The attorney general may commence an action in the name of the state to
4 recover a forfeiture to the state of not more than \$50,000 for each violation of *this*
5 *section.* *INS. SAI-6*

6 (b) A target or other person aggrieved because of a violation of *this section* may
7 commence an action for the following: *INS. SAI-8*

8 1. A temporary or permanent injunction restraining a violation of *this section.* *INS. SAI-9*

9 2. An appropriate award of damages.

10 3. The person's costs and, notwithstanding the limitations under s. 814.04 (1),
11 reasonable attorney fees.

12 4. An award of punitive damages not to exceed \$50,000 for each violation or 3
13 times the aggregate amount awarded for all violations under subds. 2. and 3.,
14 whichever is greater. *INS. SAI-10* *INS. SAI-11*

15 (c) Each patent notification is a separate violation.

16 (5) NO LIMITATION OF RIGHTS AND REMEDIES UNDER OTHER LAW. Nothing in this
17 section may be construed to limit rights and remedies available to the state or any
18 person under any other law.

19 **SECTION 2. Initial applicability.**

20 (1) This act first applies to a patent notification, as defined in section 100.197
21 (1) (a) of the statutes, as created by this act, received by a target, as defined in section
22 100.197 (1) (b) of the statutes, as created by this act, or a customer of the target on
23 the effective date of this act.

24 (END)



**SENATE AMENDMENT 1,
TO SENATE BILL 498**

March 4, 2014 - Offered by Senator FARROW.

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 3, line 10: after "subd. 4." insert "if any".

SAI-1

3 ✓ 2. Page 3, line 17: delete lines 17 to 19 and substitute:

SAI-2

4 (c) 1. If a patent notification lacks any of the information required under par.
5 (a), the target may notify the person who made the patent notification that the patent
6 notification is incomplete.

7 2. Within 30 days after the date on which a target notifies a person under subd.
8 1., the person shall provide the target with the information required under par. (a)
9 that is necessary to complete the patent notification.

SAI-3

10 ✓ 3. Page 3, line 21: delete "this section." and substitute "sub. (2) (b) or (c) 2".

11 ✓ 4. Page 3, line 23: delete "this section." and substitute "sub. (2) (b) or to compel
12 a person who has violated sub. (2) (c) 2. with respect to a target to provide the target
13 with the information specified in sub. (2) (c) 2".

SAI-4

SAI-5

1 ✓ 5. Page 4, line 2: after "violation" insert "of sub. (2) (b) or (c) 2".

SAI-6

2 ✓ 6. Page 4, line 4: delete "this" and substitute "sub. (2) (b) or (c) 2".

SAI-8

3 ✓ 7. Page 4, line 5: delete that line.

4 ✓ 8. Page 4, line 6: delete "this section" and substitute "sub. (2) (b) or (c) 2".

SAI-9

5 ✓ 9. Page 4, line 8: delete "this section." and substitute "sub. (2) (b) or compelling

6 a person who has violated sub. (2) (c) 2. with respect to a target to provide the target
7 with the information specified in sub. (2) (c) 2.".

SAI-10

8 ✓ 10. Page 4, line 15: after "notification" insert "that violates sub. (2) (b) or is
9 the subject of a violation of sub. (2) (c) 2".

SAI-11

10 ✓ 11. Page 4, line 15: after that line insert:

11 (4) EXEMPTIONS. Subsection (2) does not apply to any of the following:

12 (a) A patent notification of an institution of higher education or of a technology
13 transfer organization that is owned, controlled, or operated by, or associated with,
14 an institution of higher education.

INS. SAI-SAI-1

15 (b) A patent notification attempting to enforce or assert a right in connection
16 with a patent or pending patent on a device, or a component of that device, that is
17 subject to approval by the federal food and drug administration or the federal
18 department of agriculture.

19 (c) A patent notification attempting to enforce or assert a right arising under
20 35 USC 271 (e) (2) or 42 USC 262.".

21

(END)



State of Wisconsin
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**SENATE AMENDMENT 1,
TO SENATE AMENDMENT 1,
TO SENATE BILL 498**

March 5, 2014 – Offered by Senators FARROW, SHILLING and WIRCH.

1 At the locations indicated, amend the amendment as follows:

SAI-~~SAI~~-1

2 1. Page 2, line 14: after that line insert:

3 “(ag) A patent notification of a health care or research institution that has
4 annual expenditures of at least \$10,000,000 and that receives federal funding.

5 (ar) A patent notification of an organization that is owned, controlled, or
6 operated by an institution specified in par. (ag).”

7 (END)