

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION**

**ALEXSAM, INC.**

**v.**

**PIER 1 IMPORTS, INC.**

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**Case No. 2:08-CV-15**

**ORDER**

Before the Court is Plaintiff Alexsam, Inc.’s Motion for Partial Summary Judgment Regarding Marking Under 35 U.S.C. § 287 (Doc. No. 207). The marking statute, 25 U.S.C. § 287, requires that parties mark patented articles in order to recover pre-litigation damages. Plaintiff argues that the marking requirement of 35 U.S.C. § 287(a) does not apply to the patents-in-suit. Plaintiff maintains that the marking requirement is inapplicable when the patent covers a process or method. Plaintiff contends that the patents-in-suit cover methods and systems for activating prepaid cards, particularly gift cards, using existing retail point-of-sale devices. Accordingly, Plaintiff concludes that it, and presumably any licensees, had no duty to mark their products with the patent numbers. The Court disagrees.

A party “is entitled to damages from the time when it either began marking its products in compliance with section 287(a) or when it actually notified [the infringer] of the infringement, whichever is earlier.” *Am. Med. Sys. Inc. v. Med. Eng’g Corp.*, 6 F.3d 1523, 1537 (Fed. Cir. 1993). The marking statute does not apply to method or process claims because ordinarily there is nothing to mark. *Id.* at 1538. “[H]owever, to the extent that there is a tangible item to mark by which notice of the asserted method claims can be given, a party is obliged to do so if it intends to avail itself of the constructive notice provisions of section 287(a).” *Id.* at 1538–39. *See Soverain Software LLC v. Amazon.com, Inc.*, 383 F. Supp. 2d 904, 908–09 (E.D. Tex. 2005);

*IMX, Inc. v. Lendingtree, LLC*, No. Civ. 03-1067-SLR, 2005 WL 3465555, at \*4 (D. Del. Dec. 14, 2005).

In this case, a key component of the patents-in-suit is the existence of an electronic gift certificate card. A gift card constitutes a “tangible item” to mark. Accordingly, Plaintiff, and any licensees, had an obligation to mark the cards as patented in order to claim pre-litigation damages. *See Soverain*, 383 F. Supp. 2d at 909; *see also Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1111–12 (Fed. Cir. 1996) (explaining that “[w]here the failure to mark is caused by someone other than the patentee, the court may consider whether the patentee made reasonable efforts to ensure compliance with the marking requirement”).

The Court finds that Plaintiff had a duty to mark its cards, and the Court withholds judgment on whether Plaintiff satisfied this burden. *See Soverain Software*, 383 F. Supp. 2d at 908 (“Compliance with the marking statute is a question of fact.”). Accordingly, it is Plaintiff’s burden at trial to demonstrate that the gift cards were properly marked or that Plaintiff took reasonable steps to ensure the cards were marked with the relevant patent numbers. Thus, Plaintiff’s motion is **DENIED**.

**It is SO ORDERED.**

**SIGNED this 14th day of October, 2011.**

  
MICHAEL H. SCHNEIDER  
UNITED STATES DISTRICT JUDGE