

By: Representative White

To: Judiciary A

HOUSE BILL NO. 904

1 AN ACT TO REENACT SECTIONS 75-24-351 THROUGH 75-24-357,
 2 MISSISSIPPI CODE OF 1972, WHICH PROHIBIT BAD FAITH ASSERTIONS OF
 3 PATENT INFRINGEMENT AND ESTABLISH REMEDIES FOR PREVAILING
 4 PLAINTIFFS IN CIVIL ACTIONS INSTITUTED UNDER THOSE STATUTES; TO
 5 CREATE NEW SECTION 75-24-359, MISSISSIPPI CODE OF 1972, TO CODIFY
 6 AND EXTEND THE DATE OF THE REPEALER ON THOSE REENACTED SECTIONS;
 7 TO AMEND SECTION 5, CHAPTER 416, LAWS OF 2015, TO DELETE THE
 8 REPEALER ON THE REENACTED SECTIONS PROHIBITING BAD FAITH
 9 ASSERTIONS OF PATENT INFRINGEMENT FROM THE EFFECTIVE DATE SECTION
 10 OF CHAPTER 416, LAWS OF 2015; AND FOR RELATED PURPOSES.

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

12 **SECTION 1.** Section 75-24-351, Mississippi Code of 1972, is
 13 reenacted as follows:

14 75-24-351. The following words shall have the following
 15 meaning, unless the content clearly states otherwise:

16 (a) "Affiliated person" means a person under common
 17 ownership or control of an intended recipient.

18 (b) "Intended recipient" means a person who purchases,
 19 rents, leases or otherwise obtains a product or service in the
 20 commercial market that is not for resale in the ordinary business
 21 and that is, or later becomes, the subject of a patent
 22 infringement allegation.



23 (c) "Person" means any natural person, partnership,
24 corporation, company, trust, business entity or association, and
25 any agent, employee, partner, officer, director, member,
26 associate, or trustee thereof.

27 **SECTION 2.** Section 75-24-353, Mississippi Code of 1972, is
28 reenacted as follows:

29 75-24-353. (1) It is a violation of Sections 75-24-351
30 through 75-24-357 for a person, in connection with the assertion
31 of a United States patent, to send, or cause any person to send,
32 any written or electronic communication that states that the
33 intended recipient or any affiliated person is infringing or has
34 infringed a patent and bears liability or owes compensation to
35 another person if:

36 (a) The communication threatens litigation if
37 compensation is not paid or the infringement issue is not
38 otherwise resolved and there is a consistent pattern of such
39 threats having been issued and no litigation having been filed;

40 (b) The communication falsely states that litigation
41 has been filed against the intended recipient or any affiliated
42 person; or

43 (c) The assertions contained in the communication lack
44 a reasonable basis in fact or law because:

45 (i) The person asserting the patent is not a
46 person, or does not represent a person, with the current right to



47 license the patent to, or to enforce the patent against, the
48 intended recipient or any affiliated person;

49 (ii) The communication seeks compensation for a
50 patent that has been held to be invalid or unenforceable in a
51 final, unappealable or unappealed judicial or administrative
52 decision;

53 (iii) The communication seeks compensation on
54 account of activities undertaken after the patent has expired; or

55 (iv) The content of the communication fails to
56 include the information necessary to inform an intended recipient
57 or any affiliated person about the patent assertion by failing to
58 include any one of the following:

59 1. The identity of the person asserting a
60 right to license the patent to or enforce the patent against the
61 intended recipient or any affiliated person;

62 2. The patent number issued by the United
63 States Patent and Trademark Office alleged to have been infringed;
64 or

65 3. The factual allegations concerning the
66 specific areas in which the intended recipient or affiliated
67 person's products, services, or technology infringed the patent or
68 are covered by the claims in the patent.

69 (2) It is not a violation of Sections 75-24-351 through
70 75-24-357 for any person who owns or has the right to license or
71 enforce a patent to:



72 (a) Advise others of that ownership or right of license
73 or enforcement;

74 (b) Communicate to others that a patent is available
75 for license or sale;

76 (c) Notify another of the infringement of the patent;
77 or

78 (d) Seek compensation on account of past or present
79 infringement, or for a license to the patent, if the person is not
80 acting in bad faith.

81 (3) The provisions of Sections 75-24-351 through 75-24-357
82 shall not apply to any written or electronic communication sent
83 by:

84 (a) Any owner of a patent who is using the patent in
85 connection with substantial research, development, production,
86 manufacturing, processing or delivery of products or materials;

87 (b) A state institution of higher learning;

88 (c) An agency of the State of Mississippi;

89 (d) A technology transfer organization that is owned by
90 or has a written affiliation agreement with a state institution of
91 higher learning or an agency of the State of Mississippi, or is
92 formed pursuant to Section 37-147-1 et seq.;

93 (e) Any person that has licensed patent rights from a
94 state institution of higher learning, an agency of the State of
95 Mississippi, or a technology transfer organization that is owned
96 by or has a written affiliation agreement, a state institution of



97 higher learning or an agency of the State of Mississippi, or is
98 formed pursuant to Section 37-147-1 et seq., provided that the
99 ownership of the patent rights remains with the state institution
100 of higher learning, the agency of the State of Mississippi, or the
101 technology transfer organization that is owned by or has a written
102 affiliation agreement with a state institution of higher learning
103 or an agency of the State of Mississippi, or is formed pursuant to
104 Section 37-147-1 et seq.; or

105 (f) Any person seeking a claim for relief arising under
106 35 USC Section 271(e) (2) or 42 USC Section 262s.

107 **SECTION 3.** Section 75-24-355, Mississippi Code of 1972, is
108 reenacted as follows:

109 75-24-355. (1) The Attorney General shall have the
110 authority under Sections 75-24-351 through 75-24-357 to conduct
111 civil investigations and bring civil actions.

112 (2) In an action brought by the Attorney General under
113 Sections 75-24-351 through 75-24-357, the court may award or
114 impose any relief available under state law.

115 (3) In addition to the relief provided for in Section
116 75-24-357, upon a motion by the Attorney General and a finding by
117 the court that there is a reasonable likelihood that a person
118 violated Section 75-24-353, the court may require the person to
119 post a bond in an amount equal to a good faith estimate of the
120 costs to litigate a claim and amounts reasonably likely to be



121 recovered if an action were to be brought under Section 75-24-355.
122 A hearing shall be held if either party requests a hearing.

123 **SECTION 4.** Section 75-24-357, Mississippi Code of 1972, is
124 reenacted as follows:

125 75-24-357. An intended recipient alleging a violation of
126 Sections 75-24-351 through 75-24-357 may bring an action in any
127 circuit court in this state. A court shall award litigation costs
128 and fees, including reasonable attorney's fees, to a plaintiff who
129 prevails in an action brought pursuant to this section. In
130 addition, the court may award the following remedies to a
131 plaintiff who prevails in an action brought pursuant to Sections
132 75-24-351 through 75-24-357:

- 133 (a) Actual damages; and
134 (b) Punitive damages in the amount equal to three (3)
135 times the actual damages.

136 **SECTION 5.** The following shall be codified as Section
137 75-24-359, Mississippi Code of 1972:

138 75-24-359. Sections 75-24-351 through 75-24-359, Mississippi
139 Code of 1972, shall stand repealed on July 1, 2021.

140 **SECTION 6.** Section 5, Chapter 416, Laws of 2015, is amended
141 as follows:

142 Section 5. This act shall take effect and be in force from
143 and after July 1, 2015 * * *.

144 **SECTION 7.** This act shall take effect and be in force from
145 and after July 1, 2018.

