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## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB No. 564

**Abstract:** Prohibits bad faith assertions of patent infringement and subjects violators to unfair or deceptive trade practice penalties.

Proposed law provides for the following definitions:

"Demand letter" means a letter, e-mail, or other communication that:

- (a) Asserts, alleges or claims that the target has engaged in patent infringement.
- (b) Requests or demands the target to obtain a license to a patent or to otherwise pay compensation in order to avoid litigation.

"Target" means a Louisiana person or business:

- (a) Who has received a demand letter or against whom an assertion or allegation of patent infringement has been made.
- (b) Who has been threatened with litigation for alleged patent infringement.
- (c) Whose customers have received a demand letter asserting that the person's or business's product, service, or technology, or the person's use thereof, has infringed a patent.

Proposed law prohibits a person from making a bad faith assertion of patent infringement.

Proposed law provides that a court may consider any of a list of factors as evidence that a person has made a bad faith assertion of patent infringement.

Proposed law provides that any violation of proposed law shall be an unfair or deceptive trade practice or act declared unlawful by the Unfair Trade Practices and Consumer Protection Law, and shall subject the violator to any and all penalties, remedies, actions, and relief provided for in present law.

Proposed law provides that the remedies and rights provided under proposed law are in addition to and do not preclude any remedy otherwise available under law.

Proposed law provides that any person who is found liable under the provisions of proposed law shall be liable for all costs, expenses and fees related to investigations and proceedings associated

with the violation, including attorney fees. An action to recover costs, expenses, fees, and attorney fees shall be ancillary to, and shall be brought and heard in the same court as the civil action brought under the provisions of present law.

If any provision of proposed law or the application thereof is held invalid, such invalidity shall not affect other provisions or applications of proposed law which can be given effect without the invalid provisions or applications, and to this end the provisions of proposed law are declared severable.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 51:1428)