Patents fail to work well as property rights when they fail to provide clear notice to the world of the scope of the patent rights. Empirical evidence shows that patent notice failure is a huge problem in the United States that has grown worse in recent years. In this paper we argue that one reason patents fail to provide good notice is that patent applicants have positive incentives to make the scope of their rights unclear. The patent system is afflicted by a notice externality in the sense that much of the cost of fuzzy patent boundaries is "externalized" to parties other than the patent owner. We develop this notion of patent notice externalities and make recommendations for patent reform that induce patent applicants to internalize a greater share of the cost associated with notice failure.