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# Intelligence



### **TRENDING**

# Major Research Universities Agree to Technology Access Framework Amid COVID-19 Pandemic

A growing number of major universities, including Harvard University, Massachusetts Institute of Technology, Stanford University, Yale University, Cornell University and Georgetown University, have committed to a set of technology licensing and patenting principles aimed at providing greater access to the universities' innovations that may be useful in combatting coronavirus (COVID-19). The principles are referred to as the "COVID-19 Technology Access Framework" (the Framework) and under this Framework universities commit to using "rapidly executable, non-exclusive, royalty-free licenses to intellectual property rights...for the purpose of making and distributing products to prevent, diagnose and treat COVID-19 infection during the pandemic and for a short period thereafter." In exchange for the royalty-free licenses, the Framework requests that licensees commit to distributing the resulting products as widely as possible and at a low cost that allows broad accessibility. The Framework expresses a commitment to making technology related to addressing the COVID-19 pandemic accessible with as few administrative burdens as possible.

The Framework acknowledges that there is a balance of interests between protecting intellectual property rights to incentivize innovation by rewarding the inventor and allowing widespread access to such innovation in a time of need. The position taken in the Framework is that intellectual property rights should not create a barrier to addressing widespread, urgent and essential health-related needs at this time, and universities are embracing this notion. Isaac T. Kohlberg, Harvard's Senior Associate Provost and Chief Technology Development Officer stated, "The coronavirus pandemic demands that institutions and companies worldwide step up to answer the call for solutions that may spare lives, without delay. By our commitment to the [Framework], we are taking steps to incentivize the mobilization of lifesaving innovations and resources during a time of urgent need."[1]

Universities do not appear to be publishing information about any licenses actually granted pursuant to this Framework, if any exist yet, and it is unclear if such information will ever be public. For the full text of the Framework and list of all signatories,

visit: https://otl.stanford.edu/covid-19-technology-access-framework.

Q2 2020

#### **FEATURED TOPICS**

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## **GC SURVIVORS KIT**

A Batman Car-Seat
Patent, Bane of the StateCourt Docket

# **DID YOU KNOW?**

U.S. Supreme Courts
Rejects Willfulness
Requirement to Award
Profits for Trademark
Infringement

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## **GC SURVIVORS KIT**



# A Batman Car-Seat Patent, Bane of the State-Court Docket

(Image from U.S. Design Patent No. D524,559)

It's the sad truth that patent lawyers cannot often be found haunting the halls of a state courthouse. Like bankruptcy and ERISA litigation, patent infringement cases cannot be filed in state court. But, in light of recent legal developments, state court is just where you might have to head for certain

patent law disputes involving licensing agreements.

That was what the Federal Circuit recently held in *Inspired Development Group LLC v. Inspired Products Group, LLC d/b/a KidsEmbrace.*[2] Inspired owned a series of design patents covering children's car seats shaped like cartoon and comic book characters, the most important of which was one in the shape of Batman. A dispute arose over royalty payments between Inspired and its exclusive licensee, KidsEmbrace. Inspired filed its lawsuit in federal court, alleging claims for breach of contract and unjust enrichment. After KidsEmbrace won summary judgment, Inspired—drawing inspiration from the Joker—challenged the jurisdiction of the very court it filed its case in and ultimately won a doover in state court on appeal.

In dismissing the case, the Federal Circuit relied on a 2013 decision from the United States Supreme Court holding that federal jurisdiction is lacking over a claim of legal malpractice arising from a federal patent infringement trial.[3] This was so even if the state court would be required to adjudicate federal patent law issues to determine whether malpractice was committed. And—according to the Federal Circuit—the same held true for Inspired's claim for unjust enrichment. Even if the state court would need to determine whether KidsEmbrace sold infringing Batman car seats to determine whether it was unjustly enriched, a sufficiently "significant" federal question was still lacking.

The Court, however, left the federal courthouse door potentially open for slightly different cases. It emphasized the traditional contractual relationship existing between Inspired and KidsEmbrace, lest a creative litigant try to disguise an ordinary patent infringement claim as one for "unjust enrichment." It also suggested that a federal forum might be available for state-law claims raising an issue of patent infringement that seek prospective relief. However, since Inspired's lawsuit sought only backward-looking damages, such concerns were not raised.

While not dictating any specific outcome, the *Inspired* opinion suggests two potential strategies for litigants seeking to avoid a state-court forum for a licensing dispute raising issues of patent infringement or validity. First, on the transactional side, one ought to consider including a clause in the license agreement providing that a material breach by the licensee will automatically terminate the license. That way, the licensor may be able to join a federal claim for patent infringement along with its claim for breach of contract to obtain a federal venue. Second, one might also seek to assert a state-law claim authorizing injunctive relief based upon infringing activities. In Connecticut, for example, a court may enter injunctive or other equitable relief to remedy a violation of the Connecticut Unfair Trade Practices Act.[4] Depending on the circumstances of the case, such a claim for injunctive relief may present

a sufficiently "significant" federal issue to open the federal courthouse doors.

The nuances of federal question jurisdiction are complex enough to land even normally savvy litigators in a padded room at Arkham Asylum. But hopefully this article will place a few helpful tools in your utility belt to avoid allowing your opponent to snatch victory from the jaws of defeat as in this recent decision of the Federal Circuit.

See this article published in the *Connecticut Law Tribune*.

#### **DID YOU KNOW?**

# U.S. Supreme Courts Rejects Willfulness Requirement to Award Profits for Trademark Infringement

On Thursday, April 23, 2020, in ruling on *Romag Fasteners Inc. v. Fossil Inc.*, the U.S. Supreme Court held that a plaintiff in a trademark infringement suit is not required to show that a defendant *willfully* infringed the plaintiff's trademark as a precondition to receive an award of the defendant's profits. See *Romag Fasteners Inc. v. Fossil Inc.*, 590 U.S. 2020.

The court's holding serves to unify the nation on the issue regarding awarding profits for trademark infringement, which previously divided various federal circuit courts across the country. The U.S. Court of Appeals for the Federal Circuit, relying on Second Circuit precedent in ruling on *Romag Fasteners* before it went to the U.S. Supreme Court, held that a showing of willfulness is required in order to award profits in a trademark infringement suit. In reversing the Federal Circuit's ruling, the U.S. Supreme Court nonetheless acknowledged that "[w]ithout question, a defendant's state of mind may have a bearing on what relief a plaintiff should receive...[b]ut acknowledging that much is a far cry from insisting on the inflexible precondition [of requiring willfulness]." The court relied on the text of the federal Lanham Act in reaching its decision, noting that though the Act requires showing willfulness to award profits in a trademark dilution suit, the Act contains no such requirement of willfulness to award profits in an infringement suit.

Under Romag Fasteners, trademark infringers can be forced to pay damages based on their profits to a brand owner, even if they haven't violated the law willfully.

### **ENDNOTES**

[1] Ensuring Access to Lifesaving Technologies During the Pandemic, Harvard Office of Technology Development (April 07, 2020), <a href="https://otd.harvard.edu/news/ensuring-access-to-lifesaving-technologies-during-the-pandemic">https://otd.harvard.edu/news/ensuring-access-to-lifesaving-technologies-during-the-pandemic</a>.

[2] Inspired Development Group LLC v. Inspired Products Group, LLC, Appeal No. 2018-1616 (Fed. Cir. Sept. 18, 2019).

- [3] Gunn v. Minton, 568 U.S. 251 (2013).
- [4] Conn. Gen. Stat. § 42-110g.

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Also find a recent article on "The U.S.-Mexico Patent Prosecution Super-Highway" published on IPWatchdog (<u>HERE</u>).



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