

License Agreements: Hot Topics

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1

Overview – Licensing Topics

- Licensing / patent prosecution overlap considerations in view of *Immunex Corp. v. Sandoz Inc.*, No. 2020-1037 (Fed. Cir., July 1, 2020)
 - Being right and still losing in court
- Pandemic Risks for Innovators/Patentees
 - Compulsory Licensing
 - March-In Rights



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2

Licensing / Prosecution – Immunex v. Sandoz

- License – Agreement between two parties granting certain rights (and reserving others) to a Licensee for a period of time in a particular Field and Territory, in exchange for something of value to the Licensor
- Courts interpret under state law, not federal patent law
- Key License Terms today:
 - Exclusive v. Non-Exclusive
 - Patent Rights (or other IP)
 - Control of future prosecution of licensed Patent Rights
 - Right to sue for infringement; primary v. secondary right

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3

3

Licensing / Prosecution – Immunex v. Sandoz

- Patentee Hoffman-La Roche, exclusive licensee Immunex and exclusive sublicensee Amgen Mfg. sued Sandoz for patent infringement
- Sandoz argued invalidity for **obviousness-type double patenting (OTDP)**, written description, and obviousness
- Immunex had exclusive license and paid royalties to Roche; Immunex was later acquired by Amgen
- Parties eliminated license and replaced with “Accord & Satisfaction” to grant Immunex/Amgen a paid-up, irrevocable, exclusive license to the patents-in-suit, with right to sublicense, and to prosecute applications and bring suit.

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4

4

Licensing / Prosecution – Immunex v. Sandoz

- Roche retained the “secondary” right to sue for infringement at its expense, and the right to veto further assignment of patents by Immunex
- Sandoz argued Immunex effectively owned the patents-in-suit since “all substantial rights” were conveyed. Other Immunex patents would render the patents-in-suit invalid for OTDP (since they were commonly owned)
- Immunex argued “common ownership” must consider ownership at time of invention.
- Fed. Cir.: Agreed with Sandoz and adopted the “all substantial rights” test, rejecting Immunex’s “time of invention” approach (citing MPEP § 804.03(II))

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5

5

Licensing / Prosecution – Immunex v. Sandoz

- But the Fed. Cir. Limited its holding: “where one of the rights transferred is the right to prosecute the patent at issue, identification of the effective ‘patentee’ is informative in evaluating whether the patents are commonly owned” even if the assignment had not been effectuated at the time of invention.
- And worse news for Sandoz:
 - The “all substantial rights” test was *not satisfied* since Roche retained secondary enforcement and alienation rights
 - OTDP could not apply because Immunex did not “commonly own” the patents-in-suit due to reservations by Roche
 - *Speedplay v. Bebop*, 211 F.3d 1245 (Fed. Cir. 2000) distinguished since licensee could block suit by licensor

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6

6

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