Duration of Licenses

William Fisher
October 31, 2017
Permissible Duration of Licenses

2000 2020 time

Patent application
Permissible Duration of Licenses

2005: Patentee licenses right to produce the invention to X

Patent application

2000  2020  time
Permissible Duration of Licenses

Patent application

Duration of the license
Permissible Duration of Licenses

Payments (based on sales)

Duration of the license

Patent application

2005

2000

2020

time
Permissible Duration of Licenses

- Patent application: 2005
- Duration of the license: 2000 to 2020
- Payments (based on sales): 2020 to 2035

Time line: 2000 to 2035
Permissible Duration of Licenses

- Patent application: 2005
- Duration of the license: 2000 to 2020
- Payments (based on sales): 2020 to 2035

Held: Impermissible
--Brulotte (SCOTUS 1964)
--Kimble (SCOTUS 2015)
Permissible Duration of Licenses

- Patent application: 2005
- Duration of the license: 2000 to 2020
- Payments (based on sales): 2035

"Workaround" #1
Permissible Duration of Licenses

- Partially Delayed Payments (based on pre-2020 sales)
- Duration of the license
- Patent application
- "Workaround" #2
Permissible Duration of Licenses

Step-down License Payments, tied to accompanying license of trade secrets or “know-how”

“Workaround” #3
Permissible Duration of Licenses

“Milestone” Payments as part of joint venture to commercialize the invention

Duration of the license

Patent application

“Workaround” #4
Permissible Duration of Licenses

- Patent application: 2000
- Duration of the license: 2005 to 2020
- Payments (based on sales): 2020 to 2035

Held: Impermissible
--Brulotte (SCOTUS 1964)
--Kimble (SCOTUS 2015)