Legal Alert

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QUESTION: CAN A PATENT HOLDER SPIN A WEB TO CHARGE ROYALTIES AFTER THE PATENT TERM EXPIRES?

ANSWER: NOT EVEN A SUPERHERO CAN CHARGE ROYALTIES FOR THE USE OF AN INVENTION AFTER THE PATENT TERM EXPIRES!

Justice Elena Kagan reminds us of the importance of careful judicial decisions and appropriate legal writing to explain those decisions: "[I]n this world, with great power there must also come—great responsibility." S. Lee and S. Ditko, Amazing Fantasy No. 15: "Spider-Man," p. 13 (1962). We learn that you can write like a superhero by swinging from the threads of Supreme Court decisions. Legal writings should be sufficiently formal, provide a consistent theme, and not get tangled like flies in webs.

The Untangled Law.

Stephen Kimble held a patent for "a toy that allows children (and young-at-heart adults) to roll-play as "a spider person" by shooting webs—really pressurized foam string—from the palm [the] hand." Mr. Kimble would receive royalties on the Web Blaster toys as long as they were still being sold.

In *Kimble v. Marvel Entertainment, LLC*, 576 U.S. ____ (2015), Justice Kagan begins: "In *Brulotte v. Thys Co.*, 379 U.S. 29 (1964), this Court held that a patent holder cannot charge royalties for the use of his invention after its patent term has expired."

Tangled Threads of Embellishment.

When Marvel purchased Mr. Kimble's patent, part of the deal required Mr. Kimble to receive a 3% royalty on future sales of Web Blasters. "The parties set no end date for royalties, apparently contemplating that they would continue for as long as kids want to imitate Spider-Man (by doing whatever a spider can)." (Does anyone remember the Spider-Man Cartoon Theme Song from the 1960s?)

Patents as Super Heroes!

"Patents endow their holders with certain superpowers, but only for a limited time." Patents typically last 20 years and when they expire their "superpowers" pass to the public "free from all restriction."

Consistency in Rulings!

Justice Kagan's spidey sense told her to stick with existing law. "*Stare decisis*—in English, the idea that today's Court should stand by yesterday's decisions—is 'a foundation stone of the rule of law.'" Changing legal rules might trap the unwary so, "as Justice Brandeis famously wrote, that it is usually 'more important that the applicable rule of law be settled than that it be settled right.'"

Consistency in Themes and Images?

Justice Kagan's ruling hung from the *Brulotte* case. "*Brulotte* was brewed in the same barrel. There, an inventor licensed his patented hop-picking machine to farmers in exchange for royalties from hop crops harvested both before and after his patents' expiration dates."

Justice Kagan noted that "critics of our ruling can take their objections across the street, and Congress can correct any mistake it sees." (Presumably, the critics could swing across the street using their Web Blasters.) "All our interpretive decisions…are balls tossed into Congress's court for acceptance or not as that branch elects."

The case "lies at the intersection" of property and contracts where "considerations favoring *stare decisis* are 'at their acme.'" (You really need superpowers to cross that intersection and reach the acme.) "As against this superpowered form of *stare decisis*, we would need a superspecial justification to warrant reversing *Brulotte*."

Justice Kagan then relied upon a variety of important legal phrases such as "doctrinal dinosaur," "last man-standing," "no dice," "hinge," "dead-right," "high bar," "bright-line," "trumping," "wellspring," and "light of day." Using these well-established doctrines, Justice Kagan said of Mr. Kimble's arguments: "Maybe. Or then again, maybe not." So Mr. Kimble's superpowers expired with his patent.

Lessons?

1. Patents and the rights associated with them generally lose their superpowers in 20 years.

2. Mere mortals should not try to write like Supreme Court Justices! Like Spider-Man, some of the Justices have radioactive blood.