In *Brulotte v. Thys Co.*, 379 U.S. 29 (1964), the Supreme Court held that a patent licensing agreement is *per se* unenforceable to the extent that it requires the licensee to pay royalties *after* the patent expires. The Court reasoned that such an agreement is an impermissible effort to extend the patent beyond its term. In recent years, courts and commentators alike have criticized *Brulotte*, arguing that a private licensing agreement does not expand the monopoly rights of the patent in the marketplace. Today, the Court granted certiorari in *Kimble v. Marvel Enterprises, Inc.*, No. 13-720, to consider whether it should overrule *Brulotte*.

In 1990, Petitioner Stephen Kimble invented a toy that allows a child to imitate the comic book character Spider-Man by spraying foam string from a canister strapped to the child's wrist. In 2001, following litigation, Kimble and Respondent Marvel Enterprises entered a licensing agreement: Marvel agreed to pay Kimble about $500,000 plus 3% of "net product sales" in perpetuity. The patent for Kimble's innovation expired in May 2010. In subsequent litigation, Marvel asserted that, under *Brulotte*, the licensing agreement was unenforceable after the 2010 expiration of the patent. Marvel prevailed in the district court, and the Ninth Circuit affirmed. *Kimble v. Marvel Enterprises, Inc.*, 727 F.3d 856 (9th Cir. 2013).

The Court of Appeals nonetheless severely criticized *Brulotte*, observing that its core assumption—that "by extracting a promise to continue paying royalties after expiration of the patent, the patentee extends the patent beyond the term fixed in the patent statute"—"is not true." "After the patent expires," the court explained, "anyone can make the patented process or product without being guilty of patent infringement." Thus, the effect of *Brulotte*, in the lower court's view, is simply to allow a patentee to extract royalties at "a lower rate over a longer period of time" rather than only "at a higher rate over a shorter period of time."

Following the petition for certiorari, the Supreme Court sought the views of the United States. The Solicitor General, on behalf of the United States, urged denial of the petition. In the government's view, *Brulotte* "fits comfortably within a line of precedents establishing that the federal patent laws are not indifferent to what happens when a patent's prescribed term expires."

Absent extensions, amicus briefs in support of the petitioner will be due on February 2, 2015, and amicus briefs in support of the respondent will be due on March 4, 2015. Any questions about the case should be directed to Paul Hughes (+1 202 263 3147) in our Washington office.