

# INTELLECTUAL PROPERTY: 2018 IN REVIEW

The range of our Intellectual Property practice was on display last year, as we worked on a broad portfolio of matters that demonstrate our talents and capabilities. Below, we highlight some of our key matters that produced great results for our clients.

As these matters demonstrate, S&C's growing IP group handles highly complex matters, often crafting fresh solutions and strategies.

## Taking on High-Stakes IP Trials



**Clients turn to us for our expertise in handling high-stakes trials.** Last year, Columbia University came to us for a major patent infringement dispute as the case was heading to a jury trial. Pursuing infringement claims against industry giant Symantec, the University is battling to enforce its patent rights on cutting-edge technology that uses machine learning to detect malware, with up to \$400 million in past damages at stake.

The dispute raises novel issues of keen interest to the IP community. For example, Columbia contends that *inter partes* review by the Patent and Trademark Office precludes Symantec from raising certain defenses in court that Columbia's patents are invalid. The trial is scheduled in the Eastern District of Virginia and will likely take place later this year. [Garrard Beene](#) and new partner [Dustin Guzior](#) are leading our team on the heels of winning a \$940 million award for client Blackberry against Qualcomm that enabled the company to refocus its business goals.

"I'm continually in awe of our clients' incredible innovations," says Garrard, who leads our IP litigation group. "We understand the extraordinary value of our clients' IP assets, and know how to present a compelling case aimed at protecting that value in court."

## Complex Divestitures and Tackling a "Patent Thicket"



**Last year, we played a key role in the largest government-mandated antitrust divestiture in history**—a \$9 billion sale of IP and other assets to BASF to secure clearance for client Bayer's \$63 billion acquisition of Monsanto. As one of the premier practices at the intersection of IP transactions and antitrust, we stepped in to lead the highly complex IP transfers and licensing arrangements at the heart of the divestiture, and to resolve antitrust complications arising from Bayer's immense portfolio of patents, which the Department of Justice portrayed as a "patent thicket."

[Mehdi Ansari](#) and [Nader Mousavi](#) developed the strategy for the IP transactions that drove the \$9 billion sale to BASF, and designed and implemented a nuanced structure for the allocation of rights in patents and key technologies between Bayer and BASF, while balancing intense and evolving regulatory demands. Mehdi and Nader led the drafting and negotiations of these complex licensing and transfer arrangements, successfully guiding the transaction to conclusion with BASF.

"In my over 20 years of practice focusing on IP transactions, this deal stands out as one of the most challenging, complex and important transactions we've had the honor to lead," says Nader.

[Dustin Guzior](#) and [Steve Holley](#), in consultation with our [IP transactions group](#), engaged in a multi-faceted negotiation with the DOJ and other antitrust regulators around the world over the fate of Bayer's thousands of crop science patents, as well as trademarks, trade secrets, software and other IP. Under long-standing policy, the DOJ typically mandates that IP connected to a divested business be assigned to the purchaser. The S&C partners convinced the government not to apply this rule indiscriminately, especially if the IP is not primarily related to the divested operations.

"We convinced regulators that they don't have to use a hammer for IP divestitures, they can use a scalpel," says Dustin.

## Preserving Options in "Dual-Track" Deals



**Last year, S&C's IP transactions group** worked closely with their M&A colleagues on several "dual-track" transactions, which have emerged as an increasingly common corporate strategy, particularly in the pharmaceutical space.

For one pharmaceutical client, our M&A lawyers handled a possible sale of the company, while on a parallel track, [Nader Mousavi](#) led the negotiation and drafting of the potential sale of future royalties from a drug that the client was developing. When the client decided not to pursue the M&A sale, we concluded the valuable royalty arrangement within days, seamlessly meeting the client's financial and strategic objectives.

In a different type of dual-track transaction, another client turned to our [IP transactions group](#) to develop and implement a broad, multi-industry licensing program for its innovative robotics technology. As the project proceeded, the client identified intense interest in its technology from a single large conglomerate that wanted to own the technology, not just receive a license. In close collaboration with our M&A colleagues, we devised a structure that maximized the value of the IP assets for our client. In this case, the structure of choice was a joint venture that provided the buyer with ownership of IP and exclusive rights in certain core fields, while our client retained financial upside in that venture as well as IP rights and flexibility outside of those core fields.

As these transactions illustrate, the business world can be unpredictable. Our [IP transactions group](#) has the skills, experience and creativity to help our clients successfully conclude deals on the basis of the full range of transactional options.

## Crafting Strategic Commercial Transactions



**Beyond M&A, we help our clients execute strategic commercial transactions** that often involve complex licensing, development, supply or manufacturing dimensions. For these undertakings, we draw on a range of skills that include our IP expertise. For example:

- For Navistar, an automotive company, we have handled several complex development, licensing and supply agreements with major vehicle manufacturers in Europe.
- Intel relies on us for a wide range of transactional matters, from patent-centric endeavors (such as enterprise-level patent cross-licenses and patent sales), to commercial matters, like its complex joint development and joint venture agreement with Micron.
- We advised Lumus, a leading developer of advanced optics for augmented reality glasses, on a strategic licensing and manufacturing transaction with Quanta Computer.

"We regularly advise clients on a wide range of transactions that involve IP and technology," says Mehdi. "S&C trains all of its lawyers as pragmatic deal lawyers, and our [IP transactions practice](#) is no exception."

### READ ABOUT RECENT DEVELOPMENTS IN IP

- [District Court Holds That FRAND Commitment Does Not Require Licensing at Chip Level](#)
- [Mandatory CFIUS Filings for Foreign Investment in Specified Critical Technologies Companies](#)
- [Supreme Court Upholds Award of Foreign Lost Profits for U.S. Patent Infringement](#)

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