

"Do Patent Licensees Have it Both Ways?" 188 N.J.L.J. 281, Intellectual Property & Life Sciences Supplement, April 23, 2007

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Until recently, a party who licensed and paid a royalty for a patent was not permitted to institute a lawsuit to challenge the validity of that patent while still reaping the benefits of the license agreement (including immunity from an infringement suit). In 2004, the Federal Circuit dismissed a declaratory judgment action for lack of subject matter jurisdiction, ruling that no actual controversy existed to support jurisdiction. *Gen-Probe Inc. v. Vysis, Inc.*, 359 F.3d 1376 (Fed. Cir. 2004). The court found that the licensee continued to pay contract royalties and thus was in good standing, and that the license agreement insulated the licensee and therefore obliterated any reasonable apprehension that it will be sued for infringement.