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A F/RAND Commitment Does Not Bar Injunctive Relief According to New DOJ, USPTO and NIST Policy Statement on Remedies for Standards-Essential Patents

On December 19, the Antitrust Division of the Department of Justice (DOJ), the United States Patent and Trademark Office (USPTO) and the National Institute of Standards and Technology (NIST) issued a [Policy Statement on Remedies for Standards-Essential Patents Subject to Voluntary F/RAND Commitments](#). The statement sets forth the view of these agencies that a patent holder's commitment to offer a fair, reasonable and non-discriminatory license for a standards-essential patent (SEP) does not bar the patent holder from seeking injunctive relief or other remedies for infringement.

The new policy statement comes after the DOJ last December [withdrew](#) its support from a 2013 statement issued by the DOJ and USPTO (NIST was not a party to that statement). [According](#) to the DOJ, that earlier statement "had been construed incorrectly as suggesting that special remedies applied to SEPs and that seeking an injunction or exclusion order could potentially harm competition." When the DOJ announced its withdrawal from the earlier statement, Makan Delrahim, Assistant Attorney General for Antitrust said: "There is no special set of rules for exclusion when patents are part of standards. A FRAND commitment does not and should not create a compulsory licensing scheme."

As the new statement explains, if "injunctions and exclusionary remedies [were] not available in actions for infringements of standards-essential patents," this would be "detrimental to a carefully balanced patent system, ultimately resulting in harm to innovation and dynamic competition."

Therefore, according to the new statement:

Consistent with the prevailing law and depending on the facts and forum, the remedies that may apply in a given patent case include injunctive relief, reasonable royalties, lost profits, enhanced damages for willful infringement, and exclusion orders issued by the U.S. International Trade Commission. These remedies are equally available in patent litigation involving standards-essential patents. While the existence of F/RAND or similar commitments, and conduct of the parties, are relevant and may inform the determination of appropriate remedies, the general framework for deciding these issues remains the same as in other patent cases.

The new policy is in line with the DOJ's current views on the antitrust treatment of conduct surrounding the licensing of standards-essential patents, and in particular the effect of antitrust law on the incentives to

innovate established by patent law. Mr. Delrahim has articulated numerous times that he does not view a patent holder's refusal to license its technology in breach of its purported F/RAND commitments as an antitrust problem (though it may be a contractual issue). As he said in announcing the new policy statement: "Our patent system is what has made the American economy the innovation capital of the world, and we should not misapply the antitrust laws to diminish the incentive to innovate." Under Secretary of Commerce for Intellectual Property and Director of the USPTO Andrei Iancu [said](#): "The statement is balanced and structured to incentivize technological development and growth of standards-based industries" and it "effectively takes the government's thumb off the scale."

The purpose of the new statement is to "offer[] the views of the agencies only and has no force or effect of law," and the agencies note that "[i]t is not intended to be, and may not be, relied upon to create any rights, substantive or procedural, enforceable at law by any party." However, we can expect that the new policy will have at least some influence in the courts, particularly where the DOJ files statements of interest in private suits, which the DOJ has been doing with increasing frequency under Mr. Delrahim's leadership.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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