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COVID-19: "Good Samaritan" Patent Infringement Liability

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The COVID-19 pandemic has led many companies to marshal their resources to produce products such as coronavirus test kits, pharmaceutical treatments, vaccines, ventilators, and personal protective equipment. The urgent need for these products arose suddenly, leaving little time for companies to assess potential legal risks. This e-alert addresses the concern that these "good Samaritan" companies may be exposed to patent infringement liability, and discusses some unique defenses that they may ultimately be able to rely upon.

In response to patent infringement concerns, commentators have suggested various government-driven solutions. First, some propose that the government exercise its "march-in rights" under the Bayh-Dole Act and license companies to manufacture and sell patented virus-fighting technology. 35 U.S.C. § 203(a). But the Bayh-Dole Act applies only in very narrow circumstances and only to technologies developed with government funding. Notably, the government has never exercised its "march-in rights." Second, some suggest that the government provide companies with "authorization or consent" to practice the patented technology, and thereby immunize the companies from liability under 28 U.S.C. § 1498(a). Under this statute, the government could assume liability for a company's unlicensed patent use and limit the patent owner's recourse to a suit against the United States in the Court of Federal Claims. Third, Senator Sasse (R-NE) recently introduced a Senate bill that would suspend patent rights for patents related to COVID-19 for the duration of the national emergency, but also would add 10 extra years to the patent term.[1] This bill has been widely criticized.[2] We will address these potential government interventions in later e-alerts, but none of these approaches will help companies if the government does not act affirmatively. If the government does not act, how can these companies defend themselves?

A novel but potentially effective patent infringement defense for "good Samaritan" companies during the COVID-19 crisis may be the "public necessity" defense. Public necessity is a seldom-used common law defense arising in tort law. It provides that one is privileged to commit acts that otherwise would constitute a trespass to chattels or conversion (i. e., interference with another's personal property rights) "if the act is or is reasonably believed to be necessary for the purpose of avoiding a public disaster." Restatement (Second) of Torts §§ 196, 217, 262. A classic example is a firefighter who destroys a house in order to stop the spread of a fire that threatens the community. If the firefighter reasonably believes this action is necessary to protect the community from disaster, the "public necessity" privilege insulates the firefighter from liability to the homeowner.

The public necessity privilege historically has not been applied in the patent infringement context. This is not surprising. Before the COVID-19 pandemic, it would have been difficult to imagine circumstances in which patent infringement might be necessary to mitigate a public disaster. But the patent law recognizes other equitable defenses to patent infringement, such as equitable estoppel, and one could argue that the COVID-19 pandemic presents precisely the sort of situation for which the public necessity defense was intended to apply. Because patent rights are property rights analogous to personal property, one could argue that patent infringement, conceptually, is akin to a trespass on (or conversion of) that property.

The COVID-19 pandemic arguably is the precise sort of "public disaster" for which the public necessity privilege was created. The privilege was designed to apply to wide-spread threats, as might arise from a "public enemy" or "pestilence." Likewise, privilege applies only when the threat of disaster is "imminent." Few would dispute that the

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COVID-19 pandemic is both wide-spread and imminent. Companies that quickly shifted their manufacturing to produce technology for this national emergency could argue that because they acted for the public good at an urgent time of need, the "public necessity" privilege should insulate them from patent infringement liability. On the other hand, one also may envision profiteers trying to exploit this defense to justify their infringement.

Of course, the novel application of an equitable defense to patent infringement brings us into uncharted territory. It remains to be seen whether courts would recognize the defense, and if so, under what circumstances. For example, would a company be disqualified from asserting a public necessity privilege if it profited from the infringement? Assuming courts were to recognize this defense, the outcome likely would depend on the unique facts of each case. This issue might be mooted by the anticipated flood of new laws that emerge when the COVID-19 dust settles. Those laws may include a public necessity privilege for "good Samaritan" companies. Until then, "good Samaritan" companies and their patent counsel should evaluate and address potential infringement risks proactively.

Please contact the authors or your Miller Canfield attorney with further questions.

This information is based on the facts and guidance available at the time of publication, and may be subject to change.

[1] *See* Facilitating Innovation to Fight Coronavirus Act, 116th Cong. § 3 (March 30, 2020) (available at https://www.sasse.senate.gov/public/_cache/files/9e3d592b-7741-4b1d-9d08-24b26d9d6c0f/facilitating-innovation-to-fight-coronavirus-act.pdf).

[2] *See, e.g.*, https://www.eff.org/deeplinks/2020/04/lengthening-patent-terms-10-years-exactly-wrong-response-covid-19; https://www.ipwatchdog.com/2020/04/08/facilitating-innovation-to-fight-coronavirus-act-legislation-mixed-bag/id=120483/.