

Caltech Ten-Figure Patent Verdict Showcases Impact of University Intellectual Property

Minding Your Business Blog on February 7, 2020

A California jury recently ordered Apple, Inc. (“Apple”) and Broadcom, Ltd. (“Broadcom”) to pay the California Institute of Technology (“Caltech”) over \$1.1 billion in damages for infringing several patents owned by Caltech. The patents relate to a type of error correction code used in wireless technology (known as “irregular repeat and accumulate” codes) to improve transmission rates and performance. The products alleged to have used these codes include multiple models of the Apple iPhone, iPad, iPod, iMac and other popular Apple products. Apple is responsible for \$838 million of the damages, and Broadcom’s share is \$270 million. If the verdict stands, it will be one of the largest patent awards in history. However, both Apple and Broadcom have signaled their intent to appeal, and large jury verdicts are sometimes set aside in favor of lower settlements.

In the university setting, high value patented technologies like this one can have a unique impact that extends beyond the named parties. For example, Caltech’s online patent policies state that the inventors are collectively entitled to 25% of the income received from licensing of a patent after certain expenses and third party income sharing are deducted. The same policies invite the inventors to donate a portion of their income share to support research of their choosing within Caltech, with Caltech vowing to match the contributed amount. Moreover, the patents state that the U.S. Government has the right, in limited circumstances, to require the patent owner to license others on reasonable terms, as provided for by the terms of the applicable National Science Foundation grant. In determining what is “reasonable” for a given patent, prior licenses or payments can be considered key evidence, further extending the possible impact of the case to future prospective licensees on the open market. (The U.S. Government itself has a paid-up license in the invention, as is typical where federal funds have been received.) As a result, more parties have a stake in this technology than initially meet the eye.

The case is *California Institute of Technology v. Broadcom Ltd., et al.*, No. 2:16-cv-03714, in the U.S. District Court for the Central District of California (Los Angeles).

[View Original](#)