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PUBLISHED: JANUARY 10, 2020

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Husch Blackwell Secures Federal Circuit Victory for Nidec Motor

Husch Blackwell prevailed before the Federal Circuit on behalf of defendant Nidec Motor Corporation in its patent dispute with Molon Motor and Coil Corporation when an appellate panel affirmed a district court’s decision to grant Nidec summary judgment.

The case involved complex applications of Illinois contract law to intellectual property licensing agreements. The origins of the dispute go back to 2004, when Molon filed a patent infringement lawsuit against Merkle-Korff, a Nidec predecessor company. That lawsuit resulted in a 2006 agreement between the litigants where Molon “forever covenants not to sue” Merkle-Korff regarding the patents-in-suit. Later, in 2007, the parties jointly entered into another agreement that was essentially a licensing agreement.

In 2012 Nidec acquired Merkle-Korff. According to Molon’s complaint, the scope of the 2007 agreement’s merger clause did not extend the license to Nidec and that it extinguished the foregoing covenant established in 2006 with Merkle-Korff not to sue. The district court rejected these arguments, holding that there were substantive differences between the contracts, and the Federal Circuit concurred, stating “we find no legal support for the sweeping proposition that an overlapping patent is sufficient to render two agreements the same subject matter.” Furthermore, the appellate panel found the 2006 covenant still “operable” and that it thereby barred the lawsuit against Nidec, rejecting Molon’s argument that the mere existence of the merger clause in the 2007 agreement demonstrates the parties’ “intent to...override all other agreements.”

The Husch Blackwell trial team was led by Rudy Telscher and included Kara Fussner and Brendan McDermott.