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EMPOWERING INVENTORS

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I. INTRODUCTION

Focusing on the intersection of commercial law and patent law, leading scholars often ask: When, if ever, should patent holders be allowed to contract around patent law? This is an unsettled question, both theoretically and doctrinally. For example, while Professors John Duffy and Richard Hynes have argued that “[c]ourts do not balk at permitting a variety of commercial arrangements such as leasing and licensing to avoid exhaustion,”¹ there are also recent opinions where federal courts were not so open to the use of commercial law in patent transactions.² And although Professor Robin Feldman believes that “[c]ourts should not allow contract law to be used to navigate around restrictions imposed on patent holders by other areas of law,”³ Commissioner Scott Kieff has argued that not allowing patent holders to

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1. See John F. Duffy & Richard Hynes, *Statutory Domain and the Commercial Law of Intellectual Property*, 102 VA. L. REV. 1, 54 (2016). For several notable examples in recent Supreme Court intellectual property jurisprudence where patent holders successfully used commercial law to avoid the application of particular patent doctrines, see also *id.* at 54–60.

2. See, e.g., Xuan-Thao Nguyen, *In the Name of Patent Stewardship: The Federal Circuit’s Overreach into Commercial Law*, 67 FLA. L. REV. 127, 127 (2015) (providing examples where the Federal Circuit has misapplied or completely ignored parties’ use of commercial law in patent transactions).

3. ROBIN FELDMAN, *RETHINKING PATENT LAW* 148 (2012).

contract around doctrines such as patent exhaustion “may greatly frustrate the ability of commercial parties to strike deals over patents.”⁴

This Article does not offer an opinion on whether patent holders should be allowed to use a variety of commercial law arrangements to avoid the application of any particular patent law doctrine. It does not do so out of concern that much of the recent conversation conflates the boundaries of patent and contract in an unhelpful way, leading to confusing debates regarding whether patent holders are using contract law to impermissibly broaden the scope of their patents or control downstream access.

Instead, this Article seeks to redirect scholarly focus to the following question: Why *might* we allow parties to use contract law to avoid the application of a particular patent doctrine or to achieve a result not permitted by patent law alone? Although patent licensing is nothing new, scholars have largely focused on patent law, leaving the role of contract law in patent licensing undertheorized.

This Article aims to begin filling this gap in the literature through the exploration of contract theory from perspectives beyond the instrumentalist paradigm of private law, with a particular focus on Professor Seana Shiffrin’s accommodation theory.⁵ Recognition of a strong promissory culture is fundamental to both the practice of promising and the ability to generate legal obligations as morally equal persons, whether for autonomy, liberty, efficiency, trust, or other purposes. Moreover, parties are capable of understanding and creating their own unique and complex promissory culture to help them achieve their particular aims. An examination of *Eli Lilly v. Emisphere Technology, Inc.*⁶ shows parties’ ability to practice a complex moral code of promising that is fundamental to productive research and development (“R&D”) collaborative partnerships. While the *Eli Lilly* Court arguably does reach the right result, enforcing the particular promissory obligations made to one another,⁷ the most important part of this opinion is the downstream effect on future R&D collaborations. In short, parties should feel secure that their promissory commitments will be interpreted and enforced as expressed in their respective collaboration agreements. Moreover, because of the central importance of recognizing and supporting a strong promissory culture,

4. F. Scott Kieff, *Quanta v. LG Electronics: Frustrating Patent Deals by Taking Contracting Options off the Table?* 2008 CATO SUP. CT. REV. 315, 316 (2008).

5. See Seana Valentine Shiffrin, *The Divergence of Contract and Promise*, 120 HARV. L. REV. 708, 713 (2007) [hereinafter Shiffrin, *Divergence*].

6. See generally *Eli Lilly & Co. v. Emisphere Tech., Inc.*, 408 F. Supp. 2d 668 (S.D. Ind. 2006) (holding Eli Lilly breached its agreement to not work on side projects using Emisphere’s technology without consulting Emisphere).

7. See generally *Eli Lilly & Co. v. Emisphere Tech., Inc.*, No. 103CV1504, 2006 WL 1131786 (S.D. Ind. Apr. 25, 2006) (unreported opinion) (compelling Eli Lilly to assign resulting patent from a side project to Emisphere).

this Article argues that the promises exchanged in the recent Supreme Court opinion *Kimble v. Marvel*⁸ should have been enforced, with the result that Marvel would have to continue paying royalties to Kimble beyond the patent expiration.

Yet contract law is not without limit. The public policy defense in contract law should play an important role in ensuring that parties do not overreach in their private agreements in a way that renders performance of such agreements contrary to social welfare. This Article uses the overly restrictive licensing practices of the Wisconsin Alumni Research Foundation in the 1920s and 1930s as an example of where the court is justified in not enforcing a promise made given the unique context surrounding the public's need for access to particular patented technology.

This Article proceeds in five Parts. Part I explains the decision to take a largely non-instrumental viewpoint of contract. Part II more deeply explores Shiffrin's accommodation theory. Applying lessons learned from Shiffrin's theory, Part III reexamines *Eli Lilly v. Emsiphere* and *Kimble v. Marvel*. Part IV then examines limits of contract law that are particularly important when the subject matter of the agreement involves patented technology. Part V concludes.

II. THE PUBLIC-PRIVATE DEBATE

Patent law aims "to promote the Progress of Science and useful Arts."⁹ Many scholars look to utilitarian theory when evaluating patent system performance or the propriety of having a patent system at all.¹⁰ Utilitarianism brings many public-law characteristics to patent law.¹¹ Inevitably, however, patent rights also heavily interact with

8. See generally *Kimble v. Marvel Entm't, LLC*, 135 S. Ct. 2401 (2015) (holding royalty agreement between inventor and Marvel for web-shooting toy unenforceable based upon rule barring post-patent expiration royalties).

9. U.S. CONST. art. I, § 8.

10. See PETER S. MENELL, *INTELLECTUAL PROPERTY: GENERAL THEORIES* 130 (1997) (citations omitted); see also ROBERT P. MERGES, *JUSTIFYING INTELLECTUAL PROPERTY* 2 (2011) (identifying "[t]he traditional utilitarian formulation" as one that "seeks to maximize the net social benefit of the practices it regulates"). Intellectual property scholars have also recently explored other justifications of intellectual property law. See *id.* at 6 (finding efficiency necessary but insufficient and exploring other justifications of intellectual property law); see also Jeanne C. Fromer, *Expressive Incentives in Intellectual Property*, 98 VA. L. REV. 1745, 1746 (2012) (arguing multiple theories "can be complementary in important ways because there is a utility to more-rights concerns"); Mark Bartholomew, *Trademark Morality*, 55 WM. & MARY L. REV. 85, 85 (2013) (arguing that "under [the] utilitarian façade, judicial assessments of highly charged questions of right and wrong are also at work"); Jeremy N. Sheff, *Marks, Morals, and Markets*, 65 STAN. L. REV. 761, 761 (2013) (developing a new theory of trademark justification that draws "on the contractualist tradition in moral philosophy").

11. If we buy into the utilitarian justification of the U.S. Constitution's mandate "to promote the Progress of Science . . ." it is clear the public's interest is the main concern. See Ted Sichelman, *Purging Patent Law of "Private Law" Remedies*, 92 TEX. L. REV. 517, 528

other rights that are thought to be private, specifically those arising in property, tort, and contract.¹² To some scholars, this interaction of patent law and private law may not be particularly problematic. These scholars believe that, while this interaction certainly creates complexity, there is no fundamental difference between public law and private law.¹³ If private rights and duties are not fundamentally about governing relationships among individuals, but rather a mechanism of social control achieved through incentives designed to advance socially desired outcomes, it follows that subjects often classified as private law are really just “public law in disguise.”¹⁴

For example, if tort law is valuable only to the extent that it leads to a good social policy of deterring “socially unreasonable” conduct and compensating victims of this type of conduct, then tort law is just another example of law that governs the relationships, rights, and duties among individuals and the state.¹⁵ In a similar vein, it has been said that contract law is really just a form of public law when we view contract law as a mechanism to help contracting parties maximize their joint gains from transactions.¹⁶ In helping parties achieve effi-

(2015) (explaining there is “nearly universal agreement that the patent system’s primary goal is to promote innovation, rather than to vindicate individual, private rights”). Moreover, the Patent Act governs innovators’ and creators’ rights, obligations, and relationship with the United States Patent and Trademark Office, so it seems plausible to argue patent law is an example of public law, at least if we agree public law is law that “governs the rights, obligations, and relationships between private individuals or entities and the state.” Jeffrey A. Pojanowski, *Private Law in the Gaps*, 82 *FORDHAM L. REV.* 1689, 1704 (2014). Compare Megan M. LaBelle, *Patent Law as Public Law*, 20 *GEO. MASON L. REV.* 41, 46 (2012) (challenging “the conventional wisdom that patent validity disputes are private law litigation and argu[ing] that they are more properly treated as public law litigation”), with John M. Golden, *Patent Privateers: Private Enforcement’s Historical Survivors*, 26 *HARV. J.L. & TECH.* 545, 550 (2013) (“At heart, patents themselves are devices to harness private law enforcement to advance a public policy of promoting scientific and technological progress.”).

12. See John C.P. Goldberg, *Pragmatism and Private Law*, 125 *HARV. L. REV.* 1640, 1640 (2012) (identifying these three subjects in the domain of private law).

13. See, e.g., Duncan Kennedy, *The Stages of the Decline of the Public/Private Distinction*, 130 *U. PA. L. REV.* 1349, 1357 (1982) (arguing one cannot take the “distinction seriously as a description, as an explanation, or as a justification of anything”).

14. Leon Green, *Tort Law Public Law in Disguise*, 38 *TEX. L. REV.* 1 (1959).

15. See WILLIAM L. PROSSER, *HANDBOOK OF THE LAW OF TORTS* § 1 (4th ed. 1971); see also DAN B. DOBBS, *THE LAW OF TORTS* §§ 8, 12 (2000) (explaining that the dominant aims of tort law are twofold: to deter undesirable behavior and to compensate those injured by that behavior); Oliver Wendell Holmes, Jr., *The Path of the Law*, 457 *HARV. L. REV.* 467 (1897) (stating that “the question of liability, if pressed far enough, is really the question how far it is desirable that the public should insure the safety of those whose work it uses”).

16. See Alan Schwartz & Robert E. Scott, *Contract Theory and the Limits of Contract Law*, 113 *YALE L.J.* 541, 544 (2003) (“The theory’s affirmative claim, in brief, is that contract law should facilitate the efforts of contracting parties to maximize the joint gains [] from transactions. The theory’s negative claim is that contract law should do nothing else. Both claims follow from the premise that the state should choose the rules that regulate commercial transactions according to the criterion of welfare maximization.”); see also Eric A. Posner, *Economic Analysis of Contract Law After Three Decades: Success or Failure?*,

cient outcomes, the state should select rules “according to the criterion of welfare maximization.”¹⁷

It may be true that “virtually all commentators assume that private law is a form of public regulation,”¹⁸ but this Article sides with other scholars in the view that private law is distinct from public law. Building on this idea, private law governs the rights and duties among individuals and should not simply be reduced to calculations of economic or general social welfare.¹⁹ Yet little patent literature explores the use and value of contract law beyond that of helping parties reduce transactions costs.

This Article argues that if patent scholars take seriously the role of contract law in buying, selling, and transferring patent rights and patented technology, as well as the idea that private law is distinct from public law, then we as scholars should also consider the role of contract law from the perspective of those who take the idea of private law seriously.²⁰ Shiffrin is one such scholar. This next Part explores Shiffrin’s seminal article, *The Divergence of Contract and Promise*.²¹

112 YALE L.J. 829, 834 (2003) (“The normative position [of efficiency theories] assumes that contract law should be efficient.”).

17. Richard Posner’s work is the classic example of this type of thinking. *See generally* RICHARD POSNER, *ECONOMIC ANALYSIS OF LAW* 25–31 (8th ed. 2011). *See also* Schwartz & Scott, *supra* note 16, at 544. Efficiency theorists such as Ian Ayres, among many others, do not claim that efficiency theories of contract law are a mechanism for describing or predicting the content of current law; rather, recent efficiency analysis normatively predicts what contract law ought to be. *See* Ian Ayres, *Valuing Modern Contract Scholarship*, 112 YALE L.J. 881–82 (2003).

18. Nathan V. Oman & Jason M. Solomon, *The Supreme Court’s Theory of Private Law*, 62 DUKE L.J. 1109, 1118 (2013) (citations omitted).

19. *See, e.g.*, Goldberg, *supra* note 12, at 1640 (“Private law defines the rights and duties of individuals and private entities as they relate to one another. It stands in contrast to public law, which establishes the powers and responsibilities of governments, defines the rights and duties of individuals in relation to governments, and governs relations between and among nations.”); *id.* at 1659 (“It is erroneous to treat private law as just a species of public regulation.”); *see also* ERNEST J. WEINRIB, *THE IDEA OF PRIVATE LAW* 5 (1995) (“Private law . . . is to be grasped only from within and not as the juridical manifestation of a set of extrinsic purposes [or favored social goals]. If we must express this intelligibility in terms of purpose, the only thing to be said is that the purpose of private law is to be private law.”); Seth Davis, *The False Promise of Fiduciary Government*, 89 NOTRE DAME L. REV. 1145, 1206 (2014) (arguing in relation to fiduciary government that “[t]o translate private fiduciary law into public law results either in resort to general principles that provide no helpful guidance or fiduciary doctrines that are an ill fit for public law problems”).

20. *See* INTRODUCTION TO PHILOSOPHICAL FOUNDATIONS OF CONTRACT LAW 1 (Gregory Klass et al. eds., 2014) (“Laws . . . are instruments that society can employ to achieve [its] purposes. . . . Because laws involve the deployment of collective resources and are ultimately backed by state coercion, they also require justification. That justification [lies] in the moral, political, or other principles that render the use of collective resources and state coercion permissible.”).

21. In exploring only Shiffrin’s accommodation theory, largely due to space constraints in this Symposium, this Article undoubtedly leaves out rich theories that would also be helpful to consider when looking at the role and use of commercial law in patent law. *See, e.g.*, CHARLES FRIED, *CONTRACT AS PROMISE: A THEORY OF CONTRACTUAL OBLIGATION* 17 (1981) (arguing under the promissory theory of contract law that promising is best

Through the exploration of her normative theory as applied to contract law, this Article aims to show how patent scholars may better understand the promissory role within contract law that affects how parties develop and commercialize their respective patent rights and patented technology.

III. ACCOMMODATING EMBEDDED PROMISES IN CONTRACT LAW

As briefly stated above, some scholars, including Judge Richard Posner, believe the primary reason states should get involved in the contractual affairs of individuals is to help parties reduce transaction costs.²² This in turn promotes efficiency, leading to increased social welfare.²³ Other scholars, perhaps most famously represented by Professor Charles Fried, argue that the involvement of the state in private affairs is justified because the primary purpose of contract law is to enforce the “primitive moral institution of promising.”²⁴ In this way, contract law is not justified on instrumental grounds but instead on

viewed as a device that free individuals “have fashioned on the premise of mutual trust, and which gains its moral force from that premise”); P.S. ATIYAH, PROMISES, MORALS, AND LAW (1981) (reliance theory of contract law); Lon L. Fuller & William R. Perdue, Jr., *The Reliance Interest in Contract Damages*, 46 YALE L.J. 52 (1936) (reliance theory of contract law); Randy E. Barnett, *A Consent Theory of Contract*, 86 COLUM. L. REV. 269 (1986) (transfer theory of contract law); PETER BENSON, *The Unity of Contract Law*, in THE THEORY OF CONTRACT LAW 118, 134 (2001) (transfer theory of contract law); Andrew S. Gold, *A Property Theory of Contract*, 103 NW. UNIV. L. REV. 1 (2009) (entitlement theory of contract law); see also Bridgeman, *supra* note 23, at 344 (2009) (arguing “contract law is distinct in that it solves a particular kind of coordination problem”); Anthony T. Kronman, *Contract Law and Distributive Justice*, 89 YALE L.J. 472 (1980); Nathan B. Oman, *Consent to Retaliation: A Civil Resource Theory of Contractual Liability*, 96 IOWA L. REV. 529, 531 (2011) (arguing “contractual liability consists of consent to retaliation in the event of breach”). Another interesting theory to consider with regard to research and development collaboration agreements in patent law is Dori Kimel’s relational theory. See generally DORI KIMEL, FROM PROMISE TO CONTRACT: TOWARDS A LIBERAL THEORY OF CONTRACT LAW (2003). Kimel finds the practice of promising a key element to creating and fostering trusting personal relationships. See *id.* at 14–31. Moreover, promises are commonly made and exchanged in the type of arms-length relationships that overtime “tend to generate a wealth of relationship-specific norms capable of supplementing, competing with, altering, or altogether defeating promissory norms.” *Id.* at 110.

22. POSNER, *supra* note 17, at 25–31.

23. See *id.*; see also Curtis Bridgeman, *Contracts as Plans*, 2009 ILL. L. REV. 341, 353–54 (2009) (“Much of law and economics scholarship is dedicated to the idea that a primary and proper concern of law is to promote efficiency, that is, to reduce transaction costs in private ordering.”); Liam Murphy, *Contract and Promise*, 120 HARV. L. REV. F. 10, 15 (2007) (explaining that the “most prominent theory of contract today, that of the economic analyst, justifies institutions of contract law in terms of their contribution to aggregate social welfare, and that justification at no point runs through the instrumental value of the extralegal practice of promise”).

24. FRIED, *supra* note 21, at 40; see also *id.* at 1 (“The promise principle, which in this book I argue is the moral basis of contract law, is that principle by which persons may impose on themselves obligations where none existed before.”). See generally STEPHEN A. SMITH, CONTRACT THEORY (2004).

moral grounds. Yet there are other scholars, such as Shiffrin, who reject the isolation of the efficiency theories from morality or promising theories.²⁵

Shiffrin finds elements of truth in both theories. As a result, she is not satisfied with a contract theory grounded in either law and economics or morality alone.²⁶ Instead, Shiffrin argues that the legal system generally, with contract law serving as a specific example, should not aim to endorse any particular interpersonal morality, but instead be “fashioned, justified, and interpreted to accommodate the opportunity for [people] to lead a full and coherently structured moral life.”²⁷ The foundation of Shiffrin’s theory is the recognition that there are two sets of simultaneous norms at play: legal and moral. She explains that we should be cautious when a person, or what Shiffrin refers to as a “moral agent,” is subject to overlapping and potentially conflicting legal and moral norms. Because contract law is largely presented as a promise-based practice in the United States,²⁸ moral agents are confronted with simultaneous moral and legal norms. When this occurs, legal theory should accommodate moral agency.²⁹

Accommodating moral agency within the confines of contract law is important for patent transactions. This is because contract law provides “the *power* to make binding promises, as well as to forgo a variety of other related forms of commitment [that] is an integral part of the ability to engage in special relationships in a morally good way, under conditions of equal respect.”³⁰ If contract law can empower us as humans to engage in the commitments and relationships necessary

25. See Jeffrey M. Lipshaw, *Objectivity and Subjectivity in Contract Law: A Copernican Response to Professor Shiffrin*, 21 CANADIAN J.L. & JUR. 399, 407 (2008) (“The fundamental issue in contract theory is why the state should enforce private agreements.”); see also Bridgeman, *supra* note 23, at 342 (“Although no one seriously questions that the state should enforce contracts, there is much less agreement about why it should.”). Perhaps, at least in part, this new wealth of contract theory is in response to the statement made by two leading theorists in 2003 that “[c]ontract law has neither a complete descriptive theory, explaining what the law is, nor a complete normative theory, explaining what the law should be.” Alan Schwartz & Robert E. Scott, *Contracts Theory and the Limits of Contract Law*, 113 YALE L.J. 543 (2003).

26. See Shiffrin, *Divergence*, *supra* note 5, at 713 (“Both approaches harbor some elements of truth and so neither seems correct.”). Robin Kar echoes this sentiment, arguing that contract law “is neither a mere mechanism to promote efficiency nor a mere reflection of any familiar moral norm . . .” *Contract as Empowerment*, 83 UNIV. CHI. L. REV. 759, 759 (2016). As Kar sees it, “[c]ontract law is instead a mechanism of empowerment,” functioning to “empower[] people to use legally enforceable promises as tools to influence other people’s actions and thereby meet a broad range of human needs and interests.” *Id.*

27. Shiffrin, *Divergence*, *supra* note 5, at 717.

28. See Andrew S. Gold, *A Moral Rights Theory of Private Law*, 52 WM. & MARY L. REV. 1873, 1924 (2011).

29. See Shiffrin, *Divergence*, *supra* note 5, at 710, 713, 717–18. Shiffrin makes clear that while accommodation must take place, no particular type or aspect of morality should be endorsed by the state. See *id.*

30. Seana Valentine Shiffrin, *Promising, Intimate Relationships, and Conventionalism*, 117 PHILOSOPHICAL REV. 481, 485 (2008) (hereinafter Shiffrin, *Promising*).

for the kind of interpersonal interaction that is fundamental for humans to flourish, then perhaps embracing contract law in patent transactions can help empower inventors in a way that captures values not currently encouraged or fostered in patent law. These values include confidence, cooperation, and trust — all central components to successful R&D collaborations taking place in the shadow of patent law.³¹

Beyond the foundation of Shiffrin's theory, there are two further points in *The Divergence of Contract and Promise* that are particularly relevant to patent transactions. The first point is that we should care when there is a gap between morality and law as it may have a corrosive effect on our "robust culture of promissory commitment" that is learned early in life and is ubiquitous throughout our culture.³² Moral agents are capable of creating, understanding, and following a uniquely complicated and intricate sphere of promises. Shiffrin explains: "Within our moral practices of promising, agents can signify an understanding that there is a commitment but that it is fairly loose and flexible; it is not illusory, but it is subject to change for lesser reasons than would normally be acceptable for standard promises."³³ Conversely, agents can also impart that a particular promise requires swift, firm action with a clear mandate.³⁴ Parties in R&D collaborative partnerships employ this type of complex network of promises, as Part III explains. If the legal norms are not constrained in such a way to support these complex networks of promises, then there may be a negative downstream effect on future R&D collaborations.³⁵

The second point to take from Shiffrin's work relates to this potential downstream damage to the strong promissory culture needed in R&D collaboration and patent transactions generally. There are times when the law must diverge from the moral norms at issue. Not all private agreements are ones that society does or should want to enforce; yet, importantly, the law must be transparent when this divergence is necessary. The application of the public policy defense in contract law is illustrative.³⁶ Under the public policy defense, the parties' agreement as created and entered by the parties is not enforced or is declared illegal because it is contrary to, for example, some state or

31. See Murphy, *supra* note 23, at 14 (explaining that contract law helps parties enter "mutually beneficial agreements [that] would go unmade for want of mutual confidence of performance"); see also Shiffrin, *Divergence*, *supra* note 5, at 747 n.75, 750.

32. Shiffrin, *Divergence*, *supra* note 5, at 749.

33. *Id.* at 726.

34. See *id.*

35. See *id.* at 714 (arguing further that without a strong promissory culture she doubts a "large-scale, just social system could thrive and that its legal system could elicit general patterns of voluntary obedience").

36. See RESTATEMENT (SECOND) OF CONTRACTS § 178 (AM. LAW INST. 1981).

federal statute or a general public policy.³⁷ In such an instance, the moral norm of keeping one's promise comes second to the legal norm. The rationale behind the decision to override the parties' private agreement "should be transparent and accessible to the moral agent."³⁸ Part V argues that the public policy defense can, and should, act as a check to patent licensing.

Professor Michael Pratt has named this concept within Shiffrin's theory the "transparency constraint."³⁹ When the law and its rationale diverge from a moral norm, it should be "compatible with [a moral agent's] developing and maintaining moral virtue."⁴⁰ Furthermore, the law and its rationale should be one that the agent can accept as some sort of justification for such divergence.⁴¹

Shiffrin grounds this concept by reference to our democratic society, explaining that "the law should be understood as ours — as authored by us and as the expression of our joint social voice."⁴² Understanding that citizens will not know every law or its justifications, we should nevertheless as a society demand a strong justification for how the government makes its decision.⁴³ When there is uncertainty and a lack of transparency for why a particular practice seems to be separate from a moral norm, our understanding of the meaning attributed to promising and to our free will to generate legal obligations with an accompanying remedy is weakened.⁴⁴ Consequently, the state should be transparent in exercising its judicial discretion to not enforce a particular promise in order to prevent further downstream corrosion on our promissory culture. The next Part will argue that the transparency constraint is currently missing when patent law intersects with commercial law, which has led to an overwhelming suspicion of patent licensing and created uncertainty about what patent holders may and may not do in contractual agreements.

In summary, Shiffrin's view of contract law illustrates that contracts are not just about reducing transaction costs, although that certainly might be important to a moral agent. Instead, we as humans are autonomous moral agents empowered by contract law to generate legal obligations for any purpose that is important to us, within prevailing legal norms. When it is understood that promises are embedded in contract law and that law accommodates parties' unique moral values,

37. See, e.g., David A. Friedman, *Bringing Order to Contracts Against Public Policy*, 39 FLA. ST. U. L. REV. 563, 581 (2012).

38. Shiffrin, *Divergence*, *supra* note 5, at 718.

39. Michael G. Pratt, *Contract: Not Promise*, 35 FLA. ST. U. L. REV., 801, 805 & n.25 (2008).

40. Shiffrin, *Divergence*, *supra* note 5, at 718.

41. See *id.*

42. *Id.*

43. See *id.*

44. See *id.*

we can also argue that contract allows parties to be more honest with others,⁴⁵ to make plans,⁴⁶ to give assurances,⁴⁷ and to foster trust that builds meaningful and collaborative relationships.⁴⁸

IV. THE DIVERGENCE OF PATENT LAW AND PROMISE

We can see the importance of accommodating moral agents who engage in the complex practice of promising in biotech and pharmaceutical collaborative R&D agreements. These agreements routinely contain different levels of flexibility and rigidity,⁴⁹ allowing parties to respond to exogenous shocks and reassess the direction of their relationship while also instilling the values of trust and coordination.⁵⁰ Parties use the formal mechanism of a contractual agreement to support a highly uncertain environment, such as when parties come together to create “something,” when that something has yet to be defined. When parties employ promissory norms to set boundaries on certain types of behavior while also using the flexible promissory norms of “good faith” and “reasonable” to signal that the parties will continue to develop their relationship with one another in the hopes of achieving some new innovation requiring the skills and assets of the two parties,⁵¹ we see the convergence of contract and promise that empowers inventors in ways the patent system alone does not. This is the type of robust promissory culture that Shiffrin argues must be accommodated in our legal system.

One particular example of this is seen in a “Collaboration and License Agreement” between Sangamo Biosciences and Shire AG.⁵² The parties started with a simple, rigid promise that Shire AG will receive access to Sangamo’s zinc finger DNA-binding technology.⁵³

45. See generally Shiffrin, *Promising*, *supra* note 30.

46. See generally Bridgeman, *supra* note 23.

47. See generally T.M. SCANLON, *ASSURANCES* (1998).

48. See generally Kimel, *supra* note 21.

49. As Shiffrin explains, parties are capable of understanding a wide variety of complex promising, where “agents can signal an understanding that there is a commitment but that it is fairly loose and flexible; it is not illusory, but it is subject to change for lessor reasons than would normally be acceptable for standard promises.” Shiffrin, *Divergence*, *supra* note 5, at 726. Conversely, moral agents have the ability to signal when flexibility is not desired that, in essence, come “hell or high water,” this promise must be kept. See *id.* at 726–27.

50. See Ronald J. Gilson, Charles F. Sabel & Robert E. Scott, *Braiding: The Interaction of Formal and Informal Contracting in Theory, Practice, and Doctrine*, 110 COLUM. L. REV. 1377, 1382–83 (2010).

51. Gilson, Sabel, and Scott find that parties are at least partially self-governing by intertwining formal governance mechanisms that are enforceable in contract law with informal mechanisms that are unenforceable. They call this process “braiding,” with the contract that contains these intertwined mechanisms called a “contract for innovation.” *Id.* at 1383.

52. Collaboration and License Agreement between Sangamo Biosciences and Shire AG (Jan. 31, 2012) (on file with author).

53. See *id.*

This access is clearly expressed in the agreement and reflects Shire AG's return promise of how it may and may not use the technology and the knowledge gained from it. Yet the parties came together not for the purpose of a one-time interaction between Shire AG and Sangamo, but for the parties to determine if an inter-firm collaboration could produce a viable product using zinc finger DNA-binding technology.⁵⁴ To signal this desire, the parties used normative, flexible terms, such as "reasonably," "good faith," and "diligent[]." ⁵⁵

The parties did not bind themselves to an inflexible promise due to the high level of uncertainty and the recognition that the desires of the parties may change with more information. With this flexible exchange of promissory commitments, the parties understand that they *may* develop therapeutic or diagnostic products and that they *must* work together in good faith. This agreement, granting access under other rigid parameters while also allowing for a flexible agreement to collaborate as the relationship develops, is precisely the type of promissory culture that can empower inventors, whether in similar R&D partnerships or more general patent transactions.⁵⁶

Yet the state must also be sensitive to the unique promissory culture that each respective collaboration agreement creates. Enforcing the agreement beyond what the parties agreed to do would have an undesirable effect on future collaborations. The outcome of *Eli Lilly & Co. v. Emisphere Technologies* is a good illustrative example of a court understanding the parties' respective promises to one another, and allowing parties to empower themselves using existing and well-known contract law without going beyond the parties' expectations.⁵⁷

In 1997, Eli Lilly and Emisphere entered an agreement to collaborate on research covering chemical carrier compounds.⁵⁸ After several years working together, Emisphere believed Eli Lilly had started to conduct secret, independent research using Emisphere's carriers, a direct violation of the promissory obligations and norms set by the

54. *See id.*

55. Ronald J. Gilson et al., *Contracting for Innovation: Vertical Disintegration and Interfirm Collaboration*, 109 COLUM. L. REV. 431, 433–43, 460 (2009). The authors posit that using these terms by themselves is insufficient to constrain opportunism because of the moral hazard that one party has "the discretion to adjust performance as conditions change, always choosing the best alternative for himself." *Id.* at 434. While I agree that this is problematic, I think these terms can effectively be used when there is an enforcement mechanism such as a joint steering committee where a clearer definition of required behavior may be decided upon cooperatively.

56. Gilson, Sabel, and Scott have a series of papers discussing these types of collaborative relationships, which I have argued is largely based on the earlier theoretical work of scholars like Shiffrin. This agreement is also what I have called a "modern material transfer agreement" in a separate project. *See* Karen Sandrik, *Innovative Contracting for Better Material Agreements*, TEX. INTELL. PROP. L.J. (forthcoming 2016).

57. *Eli Lilly*, 408 F. Supp. at 672–75.

58. *See id.* at 671.

parties in the Collaboration and Research Agreement.⁵⁹ The court agreed, explaining that “[t]he research relationship required Lilly and Emisphere to share valuable information [and that] [t]he relationship [broke] down in a dispute over whether Lilly breached the contract by pursuing its own secret research projects with Emisphere’s proprietary carriers.”⁶⁰ Ultimately, the court held that Lilly breached the contractual agreement, stating that the parties “entered into a close, collaborative research relationship that required trust and good faith on both sides” and that the law and facts supported Emisphere’s claim.⁶¹

In *Eli Lilly*, contract law functioned as Shiffrin believes it should. The substance of contract law converged with the moral norms of the agreement empowering the parties to enter into a relationship as moral equals and treat each other with the same respect. When Eli Lilly broke its promise, the state was justified in enforcing the private agreement as outlined by the parties themselves — in this particular instance, by holding that all patents issuing as a result of the collaboration belong to Emisphere and not Eli Lilly.

In other instances, the court would not be justified in fashioning such a strong remedy. This may mean promises are more easily called off, as the Shire AG and Sangamo agreement reflected, merely requiring the parties to use good faith in their collaborative efforts. In other instances, like the agreement between Emisphere and Eli Lilly, parties may want lasting promissory obligations after particular information is shared, especially if there are relatively low switching costs. Although we can always continue developing best practices for facilitating communication and foreseeing potential outcomes, parties have showed that they are capable of being both clear and complex regarding their mutual obligations when using the tool of enforceable promises to create, develop, and foster lasting collaborative relationships.

Even when a given series of promises is not as complex, Shiffrin’s accommodationist theory teaches that the law should still accommodate the embedded morality of promises.⁶² Consistently applying this principle of supporting and maintaining a robust promissory culture may mean different outcomes in patent cases. One such example is apparent in the 2015 Supreme Court opinion *Kimble v. Marvel*.

A few facts of *Kimble* are helpful to explain how the parties entered into the transaction and what promissory obligations were made.

59. The agreement provided, inter alia, that “Lilly shall not have any rights to use the Emisphere Technology or Emisphere Program Technology other than insofar as they relate directly to the Field and are expressly granted herein.” *Id.* at 674.

60. *Id.* at 671.

61. *Id.* at 697. A somewhat similar case and result was reached in *Medinol Ltd. v. Boston Scientific Corp.*, 346 F. Supp. 2d 575 (S.D.N.Y. 2004).

62. See *infra* Part III.

On May 25, 1990, Stephen Kimble filed a patent application as the inventor of “a toy-web-shooting glove.”⁶³ The following December, Kimble met with Lou Schwartz, President of Marvel’s predecessor, to discuss the potential purchase or license of Kimble’s invention, as well as other “ideas and know-how.”⁶⁴ No written agreement was reached during or after this meeting, although Kimble believed Schwartz verbally agreed that Kimble would be compensated if any of Kimble’s ideas were used.⁶⁵ Shortly thereafter, Marvel began marketing, producing, and selling the “Web Blaster.”⁶⁶ Similar to Kimble’s web-shooting glove, Marvel’s Web Blaster gave the user the ability to shoot foam string from a mounted can on the user’s wrist.

In 1997, Kimble sued Marvel claiming breach of (oral) contract as well as patent infringement.⁶⁷ Ultimately, a jury found that Marvel (Toy Biz) “agreed it would not use the ideas disclosed [] without first negotiating a reasonable royalty payment for their use”⁶⁸ and awarded Kimble 3.5% of past, present, and future Web Blaster net product sales.⁶⁹ Both parties appealed the district court’s decision and in 2001, while the appeals were still pending, the parties entered into a settlement agreement (“Settlement Agreement”).⁷⁰ This Settlement Agreement is detailed, and while it could be drafted better in parts, it is an unequivocal expression that Marvel assumed the promissory obligation of payment and agreed not to appeal the breach of contract result in exchange for Kimble’s agreement not to appeal the patent infringement result. The settlement set the purchase price of the patent at \$516,214.62, to be paid “upon execution and delivery of this Agreement, and [] 3% of ‘net product sales’ (as such term is used in the Judgment) excluding refill royalties made after December 31, 2000 . . .”⁷¹

The parties agreed only to a starting date for the royalties: December 31, 2000.⁷² The parties did not agree, or at least did not include, a termination date in the Settlement Agreement. This means there was no date that the 3% net product sales payments were set to stop. This is important because of the *Brulotte* rule, which says “a

63. See U.S. Patent No. 5,072,856 (filed May 25, 1990).

64. See *Kimble v. Marvel Enterprises Inc.*, 727 F.3d 856, 858 (9th Cir. 2013).

65. See *id.*

66. See *id.*

67. *Id.*

68. *Kimble v. Marvel Enterprises, Inc.*, 692 F. Supp. 2d 1156, 1157–58 (D. Ariz. 2010), *aff’d*, 727 F.3d 856 (9th Cir. 2013), *aff’d sub nom. Kimble v. Marvel Entm’t, LLC*, 135 S. Ct. 2401 (2015).

69. *Id.* The district court granted Marvel’s summary judgment motion on the patent infringement claim.

70. *Id.* at 858.

71. *Id.* The parties also agreed to: “(a) withdraw their appeals, (b) stipulate to vacating the district court judgment; and (c) stipulate to dismissing the case with prejudice.” *Id.*

72. See *id.*

patent holder cannot charge royalties for the use of his invention after its patent term has expired.”⁷³ Both parties stated in the most recent litigation that they were unaware of the *Brulotte* rule when entering the settlement.⁷⁴

When Marvel stopped paying the royalty payments, the litigation between the parties ensued again to determine if Marvel must continue paying royalties to Kimble. Ultimately, the Supreme Court decided to retain the *Brulotte* rule, holding the Settlement Agreement between Marvel and Kimble unenforceable because it called for royalty payments after the expiration of the patent. If the Court had stopped there, we might say that this is simply an example of when the parties’ exchange of promises should not be enforced given the particular legal rule at issue. In other words, these parties made promissory obligations to one another, and while we should value the moral norm of keeping promises, sometimes the law demands a different result. The policy of making the toy available after the patent expires to the entire public instead of just Marvel may override the interest of enforcing the private agreement of the parties.

Yet the Court did not stop at a simple declaration that the parties’ agreement is not enforceable given the rule against post-patent expiration royalties. Instead, the Court also responded to scholarly concerns that the rule was outdated and inefficient.⁷⁵ Justice Kagan explained that this was not such an upsetting result because “parties can often find ways around *Brulotte*, enabling them to achieve those same ends,” indicating that post-patent expiration royalties are not per se unenforceable.⁷⁶ During the *Kimble* oral argument, Justices Ginsburg, Kagan, Breyer, and Chief Justice Roberts all discussed potential ways to structure commercial transactions to get around the ban against post-patent royalties. They collectively questioned whether the “per se” rule is so insurmountable that overruling precedent was needed.⁷⁷

73. *Kimble v. Marvel Entm’t, LLC*, 135 S. Ct. 2401, 2405 (2015).

74. See Transcript of Oral Argument at 26, *Kimble v. Marvel Enterprises, Inc.*, 135 S. Ct. 2401 (2015) (No. 13-720). It is surprising that both parties were unaware of the *Brulotte* rule, as it had already been followed and distinguished in case law for several decades at this point. That said, perhaps it should not matter as the parties also seemingly agreed that Kimble sold its patent to Marvel, so the 3% net product sales was not tied directly to the patent in the first instance.

75. In particular, in a near-mirror example to that in an amicus brief filed by Mark Janis and signed by 14 scholars across the nation, the *Kimble* Court explained that a licensing arrangement could be entered whereby the licensee agrees to pay a 10% royalty on all sales during the 20-year patent term, but then spreads the payment over 40 years. See *Kimble*, 135 S. Ct. at 2409; see also Brief for Janis et al. as Amici Curae at 9, *Kimble v. Marvel Enterprises, Inc.*, 135 S. Ct. 2401 (2015) (proposing a hypothetical that would run afoul of the *Brulotte* rule where, “[f]or example, [a] patentee offers a license for a royalty rate of 10% of sales per year for the remaining 10 years of the patent” yet “[i]n response, the offeree, out of a concern for cash flow, proposes 5% for 20 years, which the patentee accepts”).

76. *Kimble*, 135 S. Ct. at 2408.

77. See *Kimble*, 135 S. Ct. at 2404–13.

For example, Justice Ginsburg stated during the oral argument, “I don’t understand why this should be so troublesome if the contract says these payments will be spread out over whatever period of time, but they are for the patent during the period when it was valid. If you say . . . that in the contract, then I don’t see where there’s a problem.”⁷⁸

Presumably, the *Kimble* Court felt it must follow precedent and also affirm that “Congress is the right entity to fix [the *Brulotte* rule],” but it also did not want parties, such as the Memorial Sloan Kettering Cancer Center, to lose access to patented technology because they are “cash-strapped” and cannot afford the payments during the sometimes short remaining life of a patent.⁷⁹ At first glance, this may be a decent middle-ground approach. It stays within the limits of the Supreme Court’s policy towards overruling precedents while allowing parties to fix the inefficiencies of the outdated rule themselves.

When we look at the downstream effects on our strong promissory culture however, we quickly see this is not a good or even decent middle-ground approach. There is a conflicting message: The *Brulotte* rule must remain intact, yet the parties can agree in a contract to continue making royalty payments after expiration so long as they use the word “amortizing” or similar language.⁸⁰ This approach encourages parties to game the system, resulting in more uncertainty in patent licensing law. Parties after *Kimble* may now be emboldened to break a promise because of the recognition that, despite the bargained-for and clearly expressed agreement, a cheap exit of the agreement based upon a technicality may be possible. This outcome is concerning here, and in other similar instances in patent licensing law,⁸¹ because the enforcement of law that is divergent from the moral norm of promising is done in a way that is not transparent. This creates uncertainty in

78. *See id.* at 4–5.

79. *See Kimble*, 135 S. Ct. at 2404.

80. One response is that the Supreme Court simply wanted a formal rule with so-called “magic words.” I certainly agree that in many instances requiring a high level of formality is useful, yet the Court should also then be transparent about what rule of interpretation is used regarding the parties’ agreement. It seems clear from the language that *Kimble* sold his patent to Marvel for around \$500,000. Royalty payments are not paid on sold patents. Further, it seems clear from the context that there was doubt about the validity of the district court infringement opinion. *Kimble* was not trying to extract value beyond the 20-year term; *Kimble* was trying to extract as much value from his patented technology as possible. Perhaps we might argue this was overcompensation for *Kimble* — that *Kimble* did not need the incentive of exclusive patent rights to create this type of invention — yet that is a question for patent law, not contract. The role of contract law is to empower individuals, such as *Kimble* and his co-inventor, to exploit their patent rights as they see fit. The scope of the patent, and whether the technology qualifies for patent protection in the first instance, is best left to the Patent Act.

81. *See generally* Karen E. Sandrik, *Formal but Forgiving: A New Approach to Patent Assignments*, 66 RUTGERS L. REV. 299 (2014).

the law and casts doubt as to whether parties are allowed to “contract around” the *Brulotte* rule or not.

The enforcement of contractual promises as expressed by parties is not unlimited. As Shiffrin anticipates, private agreements between two parties may have an effect on the public that justifies the state deciding not to enforce the contract or to declare the contract illegal or otherwise void. This next Part briefly shares the story of Professor Harry Steenbock and the Wisconsin Alumni Research Fund to illustrate the dividing line between an empowered inventor and an inventor with too much power.

V. THE LIMITS OF CONTRACT LAW

In the 1920s, Harry Steenbock, Professor of Agricultural Chemistry at the University of Wisconsin, working alongside others at times, invented an inexpensive process of fortifying food with vitamin D using ultraviolet radiation.⁸² Steenbock recognized his invention had the potential to prevent and cure rickets, a disease caused by a Vitamin D deficiency, but he was concerned that this potential might not be reached without proper management of his irradiation technology.⁸³ He was encouraged by the success of others using the patent system to “ensure the ‘safest, most healthful dissemination’ of irradiated foods.”⁸⁴ However, Steenbock was also concerned about “patent pirates” — those who patent the inventions of inventors like Steenbock and then charge high prices for access to the technology.⁸⁵ And, of course, Steenbock also recognized the desirable opportunity to seek licensing royalties that could be put back into research funding.⁸⁶ Finally, there are reports that Steenbock wanted to restrict access to his technology from the manufacturers of oleomargarine, the “butter of the poor.”⁸⁷

As a result of these interests, Steenbock obtained four patents covering his irradiation technology.⁸⁸ Shortly thereafter, he helped form the Wisconsin Alumni Research Foundation (“WARF”), an independent entity that would manage his patented technology.⁸⁹ In 1927, Quaker Oats was the first to license with WARF for the use of Steenbock’s irradiation technology to fortify its breakfast cereals with

82. See Humaravel Rajakumar et al., *Solar Ultraviolet Radiation and Vitamin D*, 97 AM. J. PUB. HEALTH 1746, 1748–49 (2007); see also Harry Steenbock & Amy L. Daniels, *Irradiated Foods and Irradiated Organic Compounds*, 84 JAMA 15 (1925).

83. See Jay P. Kesan, *Transferring Innovation*, 77 FORDHAM L. REV. 2169, 2172 (2009).

84. Peter Lee, *Patents and the University*, 63 DUKE L.J. 1, 17 (2013).

85. *Id.* at 17–18.

86. *See id.* at 18.

87. *See, e.g.*, Rajakumar, *supra* note 82, at 1751.

88. *See Lee, supra* note 84, at 17.

89. *See id.*; see also Kesan, *supra* note 83, at 2172.

Vitamin D.⁹⁰ Licenses were also subsequently granted to pharmaceutical companies.⁹¹

At that point, Steenbock and WARF were empowered by the combination of patent law and contract law to share this important process with the public. As Shiffrin anticipates and specifically remains agnostic to, parties are empowered to express a broad range of values in private agreements. Steenbock had values that are laudable and ones we should foster in our inventors; he wanted to ensure that his technology was safe, effective, and accessible in order to eliminate a terrible disease affecting many children and poorer populations with little thought of increasing his own personal wealth.⁹²

Yet he was not selfless. Steenbock was also arguably empowered to express and achieve parochialism through consistent licensing restrictions aimed at keeping the irradiation technology within the dairy industry and away from the oleomargarine industry. As Steenbock and WARF continued to remain extremely cautious and intentional in how this technology was licensed, they drew sharp criticism for these licensing practices.⁹³ As the Ninth Circuit explained, oleomargarine was the “butter of the poor.”⁹⁴ And at that time in Europe, as Steenbock stated himself in testimony, oleomargarine was so important in certain countries that the governments required it to be fortified with Vitamin D in order to reach poorer populations.⁹⁵

Oleomargarine manufacturers sought to gain access to Steenbock’s technology, only to be repeatedly turned away. Should Quaker Oats and other licensees have been allowed to break their promise to Steenbock in their licensing agreements and share this technology to increase poorer populations’ access to this life-saving fortification in cheaper foods and beverages?

The common law of contracts of that time period had an available doctrine — one that remains relevant in today’s practice — that served as an important limiting mechanism when private agreements allowed or authorized actions contrary to social welfare.⁹⁶ This doctrine is the so-called public policy defense. Dating back to early English law⁹⁷ and American law,⁹⁸ the defense is generally applicable to

90. See Rajakumar, *supra* note 82, at 1751.

91. *See id.*

92. See Lee, *supra* note 84, at 18.

93. See *id.* at 18 (citing H.A. Toulmin, Jr., *Commercial Research by Universities Threatens Science and Education*, *PRODUCT ENGINEERING*, June 1947, at 81–82 (criticizing WARF for “exploiting publicly sponsored technology while not granting licenses for products outside of the dairy industry”).

94. *Vitamin Technologists v. Wisconsin Alumni Research Found.*, 146 F.2d 941, 945 (9th Cir. 1944).

95. *See id.*

96. See RICHARD A. LORD, *WILLISTON ON CONTRACTS* § 12:1 (4th ed. 1990).

97. See, e.g., *Holman v. Johnson* (1775) 98 Eng. Rep. 1120 (K.B.) (“No court will lend its aid to a man who founds his cause of action upon an immoral or an illegal act.”).

declare a contract or term within a contract illegal when the performance of it would result in, for example, a crime, tort, or other illegal act.⁹⁹ The defense of public policy is also used for performances that would not result in some criminal or tortious act, but instead amount to “agreements in restraint of trade and of champertous transactions.”¹⁰⁰ This public policy defense may be raised *sua sponte* by the courts.¹⁰¹

When oleomargarine manufacturers could not access Steenbock’s technology despite the obvious need in populations without access to breakfast cereals or milk, litigation ensued. In a Ninth Circuit opinion, the court was faced with determining whether the refusal to license technology to the users of oleomargarine was “against the public interest.”¹⁰² Ultimately, the court invalidated the patents, holding, among other things, that this restriction was against the public interest.¹⁰³ The court noted that because the patents were invalid, equity led the court to dismiss the suit on those grounds,¹⁰⁴ yet in the alternative, the court could have declared the licensing agreement between WARF and the licensees void in whole or in part as against public policy. Despite the promise made by Quaker Oats and others not to sublicense the technology outside the dairy industry, the non-enforcement of this promise was justified given the overwhelming need for public access to Steenbock’s technology. The public policy doctrine, both in its common law form and in the Restatement’s formulation,¹⁰⁵ provides a way for the state to justify its interference in a private agreement with transparency and a morally understandable justification.

VI. CONCLUSION

This Article has explored patent licensing law from a novel perspective. It has argued that patent licensing law is worth exploring from the perspective of those closest to contract law to help determine when to allow scientists, researchers, and inventors — whether in the shadow of patent law or not — to empower themselves through the mechanism of legally enforceable agreements to achieve a wide variety of aims. Moreover, this Article has aimed to show how the embed-

98. See, e.g., *McMullen v. Hoffman*, 174 U.S. 639 (1899) (“To hold contracts like the one involved in this case illegal is not to create any new rule of law for the purpose of affording the protection spoken of. It is but enforcing an old rule . . .”).

99. See LORD, *supra* note 96, at § 12F:2.

100. *Id.* (citations omitted).

101. See *Vitamin Technologists*, 146 F.2d at 946.

102. See *id.* at 945.

103. See *id.* at 951, 956.

104. See *id.* at 949.

105. See RESTATEMENT (SECOND) OF CONTRACTS, *supra* note 36, at § 178.

ded moral norms of promises in enforceable contractual agreements provide a different angle from which to approach the question of when parties may or may not contract around patent law.

As Shiffrin sees it, contract law does — and should — allow moral agency to thrive, providing parties the power to achieve meaningful, valuable relationships as moral equals. The law should accommodate this moral agency and continue to foster a strong promissory culture. This Article has explained how Shiffrin's theory applies to patent licensing. Yet applying Shiffrin's theory to patent licensing does not mean that contract law enables parties to achieve whatever they want in their agreements. The public policy defense is a tool available to courts when private agreements affect the public in some uniquely adverse way that justifies the court in declining to enforce it. When the court exercises this judicial power to not enforce a particular promise because, for example, the agreement creates anti-competitive behavior that causes the restriction of access to valuable life-saving technology, it should do so with transparency and provide justifications that we, as a democratic society, are able to stand behind morally. The public policy defense helps achieve this transparency with well-established principles that may help prevent corrosion of our general promissory culture.