

IP Management Co. Inks \$5.6M Patent Fees Class Action Deal

By **Kelly Knaub**

Law360, New York (March 14, 2017, 8:08 PM EDT) -- Intellectual property management firm CPA Global has agreed to pay a class of companies \$5.6 million to settle allegations brought by California-based medical diagnostics company Run Them Sweet that CPA overcharged clients for fees on filing patent applications, according to documents filed in Virginia federal court Monday.

Under the deal, CPA Global Ltd. and CPA Global North America LLC will pay \$5.6 million to settle claims that CPA overcharged its clients for country and foreign exchange charges in connection with foreign patent renewal services that CPA Global performed under its contracts, according to RTS's brief supporting its bid for preliminary approval of the deal.

RTS asked the court to certify a class that includes all former and current CPA Global patent holder clients located in the U.S. that were introduced to CPA Global by an introducer agent, had 20 or fewer foreign patent renewals performed by CPA Global within any year in the class period and did not, within any year in the class period, have more than 40 foreign patent renewals performed by CPA Global.

The proposed class period runs from January 1, 2012, through December 31, 2016, according to the brief.

"Plaintiff and its counsel believe that the settlement agreement achieved represents an excellent result for the settlement class in light of the considerable complexity of the case, as well as the costs, burden and attendant risks of further litigation," the motion states.

RTS also asked the court to set a date for a final approval hearing, during which time the court can determine the amount of attorneys' fees and litigation expenses to award to class counsel, as well as any service award to RTS.

The California-based medical diagnostics company filed a class action against CPA Global in June 2016 in California's Northern District. The case was transferred to Virginia's Eastern District about four months later.

Specifically, RTS asserted claims for breach of contract, unjust enrichment and violation of California's Unfair Competition Law, alleging that CPA Global substantially overcharged it and issued "opaque invoices" that failed to break down exact expenses, which RTS said made it difficult to determine the actual costs CPA Global incurred in making payments.

RTS alleged that CPA Global used similar contracts and pricing structures for all or nearly all of its clients and overcharged them according to a systematic scheme.

The court granted CPA Global's bid to dismiss the unjust enrichment and California Unfair Competition Law claims in December 2016.

RTS filed an amended class action the following month, adding claims for fraud by concealment, breach of the implied covenant of good faith and fair dealing, unjust enrichment and false advertising in violation of Virginia state law, as well as injunctive relief. CPA Global promptly

moved to dismiss those claims, and the parties in the meantime conducted discovery and agreed to a mediation, according to the brief.

The parties reached the deal, which releases all claims, as a result of a mediation that was conducted in late January.

CPA Global denies any wrongdoing under the deal.

Attorneys for the parties did not respond to a request for comment on Tuesday.

The proposed class is represented by Geoffrey A. Neri and Ethan J. Brown of Brown Neri Smith & Khan LLP, Adam R. Gonnelli of The Sultz Law Group and Innessa S. Melamed of Faruqi & Faruqi LLP.

CPA Global is represented by Demme Doufekias, Penelope Athene Prevolos and Grant C. Schrader of Morrison & Foerster LLP.

The case is Run Them Sweet LLC v. CPA Global Limited et al., case number 1:16-cv-01347, in the U.S. District Court for the Eastern District of Virginia.

--Editing by Sara Ziegler.