

IP AND TECHNOLOGY CONTRACTING

LAWS 7321-001

SPRING 2007

Instructors: Craig Garby; Jason Haislmaier

Time: Thursday, 6:15 PM – 7:55 PM

Prerequisites: Introduction to Intellectual Property Law (LAWS 6301); **or**
Copyright Law (LAWS 7301); **or**

With approval of the instructors for students who have taken one or more of Patent Law (LAWS 7311) and Trademark and Unfair Competition Law (LAWS 7341), or students who otherwise have a strong interest in intellectual property law (as demonstrated by work experience and/or other coursework).

Description: This course is about drafting, reviewing and negotiating contracts involving intellectual property rights in the context of technology transactions. We cover the following: development of IP; ownership of IP; assignment of IP; commercialization of IP (licensing, distribution, strategic, etc.); key issues (such as antitrust); and emerging issues (such as open source software and outsourcing). We have designed the course to provide “hands on,” practical experience, and will have mock negotiations, drafting tips and other exercises throughout the semester. The course gives students the essential tools needed to draft and analyze intellectual property and technology contracts.

Grading: Grades will be determined by class participation and a final exam.

Required Texts: *The Entrepreneur's Guide to Business Law* (Paperback) by Constance E. Bagley, Craig E. Dauchy
Course reader

Optional Texts: *Essentials of Licensing Intellectual Property* (Paperback), By Alexander I. Poltorak, Paul J. Lerner
The LESI Guide to Licensing Best Practices: Strategic Issues and Contemporary Realities, Licensing Executives Society International Publications

IP and Technology Contracting Syllabus (Draft)

WEEK	TOPIC	READINGS ASSIGNED FOR THE CLASS
1	<p><u>Administrative Issues</u></p> <ul style="list-style-type: none">• Introduction• Description of Course• Grading• Questions <p><u>Review and Overview of U.S. Intellectual Property Laws</u></p> <ul style="list-style-type: none">• Patent• Trade Secret• Copyright• Trademark• Other emerging rights	<p>Dauchy, pp. 487-535</p>
2	<p><u>Overview of Technology Transactions</u></p> <p>Types of Technology Agreements:</p> <ul style="list-style-type: none">• Confidentiality; Inventions; Assignment; Development; License; Channel; Service <p>Styles of Technology Agreements:</p> <ul style="list-style-type: none">• Form; Negotiated; Master with Statements of Work; Electronic, etc. <p>Anatomy of a Technology Contract:</p> <ul style="list-style-type: none">• Recitals• Definitions• License Grant / Restrictions• Consideration• IP Ownership• Reps and Warranties• Limits on Liability; Indemnity• Term and Termination• Miscellaneous	<p>Dauchy, pp. 176-213</p> <p>Sample agreements</p>

<p>3</p>	<p><u>IP Ownership</u></p> <p>Relevant Statutory Provisions</p> <ul style="list-style-type: none"> • Patent • Trademark • Copyright <p>Sample Agreements and Provisions</p> <ul style="list-style-type: none"> • Employee Invention Assignment Agreement • Independent Contractor Agreement • Non-Disclosure Agreement • Acquisition Agreement • “Ownership” provision in various licenses <p>Recordation and Filings</p> <ul style="list-style-type: none"> • Patent and Trademark Office (PTO) • Copyright Office • Domain Name Registrar <p>Security Interests</p>	<p>Dauchy, pp. 535-551</p> <p>Selected provisions of Copyright Act, Patent Act, Trademark Act</p> <p><i>Security Interests in Intellectual Property and Licenses of Intellectual Property</i>, Lynn P. Hendrix (Optional)</p> <p><i>CCNV v. Reid</i> (Optional)</p> <p><i>In re Peregrine Entertainment</i></p> <p>Sample Contractor Agreement, Employee Proprietary Information and Invention Assignment Agreement</p>
<p>4</p>	<p><u>License Grant Issues</u></p> <p>License Grant Provisions</p> <ul style="list-style-type: none"> • Relevant IP rights • Restrictions <p>Term and Termination</p> <p>Non-Disclosure Agreement exercise</p> <ul style="list-style-type: none"> • Samples: Mutual NDA; Recipient-favorable NDA; Discloser-favorable NDA • Term / termination and trade secrets issues • Key provisions checklist 	<p>The Business of Licensing IP Rights</p> <p>Sample grant provisions</p> <p>Sample NDAs, Contractor Agreement, Employee Proprietary Information and Invention Assignment Agreement</p>
<p>5</p>	<p><u>Consideration</u></p> <p>Fee Models</p> <ul style="list-style-type: none"> • Upfront Licensing Fee • Royalties • Subscription <p>Revenue Recognition Issues</p> <p>Legal Issues</p> <ul style="list-style-type: none"> • Patent and Copyright Misuse (hybrid and/or package licenses) • Antitrust Issues in Distribution Arrangements 	<p><i>Aaronson v. Quikpoint Pencil Co.</i></p> <p><i>Lasercomb America, Inc. v. Reynolds</i></p> <p><i>Digidyne Corp. v. Data General Corp</i></p> <p>Sample fee and payment provisions</p>

6	<u>UCC</u>	<p>Selected UCC Article 2 provisions</p> <p><i>Hawaiian Telephone Co. v. Microform</i> <i>Colonial Life Ins. v. Electronic Data Systems</i> <i>Triangle Underwriters, Inc. v. Honeywell, Inc.</i> <i>Advent Systems, Ltd. v. Unisys Corp.</i></p> <p>Sample warranty provisions</p>
7	<u>Risk Allocation Provisions</u> Representations and Warranties Disclaimers Indemnities Liquidated Damages	<p><i>D.P Technology Corp. v. Sherwood Tool, Inc.</i> <i>Triad Systems v. Alsip</i> <i>Sierra Diesel v. Burroughs Corp.</i> <i>RRX Industries, Inc. v. Lab-Con, Inc.</i> <i>Transport Corp. of American, Inc. v. International Business Machines Corp</i> <i>Chatlos Systems, Inc. v. National Cash Register Corp</i></p> <p><i>Software Product Liability: Understanding and Minimizing the Risks</i>, By Lawrence B. Levy and Suzanne Y. Bell (Berkley Technology Law Journal, Issue 5:1, Spring 1990) (Optional?)</p> <p>Sample warranty provisions Sample indemnification provisions</p>
8	<u>License Agreements</u> Sample Transactions: <ul style="list-style-type: none"> • Patent and Know-How Licenses • Trademark Licenses • Copyright Licenses • Software Licenses (End User, Shrink-Wrap, Click-Wrap, Browse-Wrap, Beta Agreements) • Source Code Escrow Agreements (trigger events; rights to source code after trigger event; form DSI Technology Escrow Services) • Maintenance (and rights to upgrades) 	<p>Sample agreements and provisions</p>

9	<u>Channel Agreements</u> Sample Transactions: <ul style="list-style-type: none">• OEM• VAR Key Provisions: <ul style="list-style-type: none">• Specs of products; timing (lead times, forecasts); cost (re-scheduling, cancellation, currency issues); IP ownership; IP indemnity; manufacturing rights (escrows, licenses, second source suppliers), branding (and trademark) rights; marketing requirements; service requirements; training	<i>Spagnol Ent. v. Digital Equipment Corp.</i> <i>“Best Efforts” Standards Under New York Law: Legal and Practical Issues</i> , By David Shine, The M&A Lawyer, Vol. 7, No. 9 Sample OEM and VAR Agreements
10	<u>Development / Joint Venture Agreements</u>	<i>Rocky Mountain Microsystems, Inc. v. Public Safety Systems, Inc.</i> Sample agreements and provisions
11	<u>eCommerce Agreements</u> Electronic Contracting Sample Transactions: <ul style="list-style-type: none">• ASP Agreements• Website Development and Hosting Agreements Taxes in eCommerce Privacy Issues	<i>ProCD, Inc. v. Zeidenberg</i> <i>Person v. Google Inc.</i> , <i>Specht v. Netscape Communications Corp.</i> <i>Moore v. Microsoft Corp.</i> <i>Quill Corporation v. North Dakota</i>
12	<u>IP Due Diligence Exercise</u>	Sample IP due diligence checklists

13	<u>Advanced Issues</u> Open Source Software Licensing <ul style="list-style-type: none">• Open source vs. proprietary software licensing• Enforceability and other issues Outsourcing Agreements <ul style="list-style-type: none">• Service levels• Exclusions of coverage• Force majeure• Disaster Recovery Biotech Agreements Licenses in Bankruptcy	<i>Lubrizol Enterprises, Inc. v. Richmond Metal Finishers, Inc</i> <i>Open Source Licensing: Virus or Virtue</i> , By Christian N. Nadan <i>Taking the Case: Is the GPL Enforceable</i> , By Jason B. Wacha (Optional)
14	<u>Bringing it All Together</u>	