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

# IP and Technology Contracting Syllabus (Draft)

<table>
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<th>WEEK</th>
<th>TOPIC</th>
<th>READINGS ASSIGNED FOR THE CLASS</th>
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| 1    | **Administrative Issues**  
• Introduction  
• Description of Course  
• Grading  
• Questions  
**Review and Overview of U.S. Intellectual Property Laws**  
• Patent  
• Trade Secret  
• Copyright  
• Trademark  
• Other emerging rights | Dauchy, pp. 487-535 |
| 2    | **Overview of Technology Transactions**  
Types of Technology Agreements:  
• Confidentiality; Inventions; Assignment; Development; License; Channel; Service  
Styles of Technology Agreements:  
• Form; Negotiated; Master with Statements of Work; Electronic, etc.  
Anatomy of a Technology Contract:  
• Recitals  
• Definitions  
• License Grant / Restrictions  
• Consideration  
• IP Ownership  
• Reps and Warranties  
• Limits on Liability; Indemnity  
• Term and Termination  
• Miscellaneous | Dauchy, pp. 176-213  
Sample agreements |
### 3 IP Ownership
Relevant Statutory Provisions
- Patent
- Trademark
- Copyright
Sample Agreements and Provisions
- Employee Invention Assignment Agreement
- Independent Contractor Agreement
- Non-Disclosure Agreement
- Acquisition Agreement
- “Ownership” provision in various licenses
Recordation and Filings
- Patent and Trademark Office (PTO)
- Copyright Office
- Domain Name Registrar
Security Interests
Dauchy, pp. 535-551
- Selected provisions of Copyright Act, Patent Act, Trademark Act
- Security Interests in Intellectual Property and Licenses of Intellectual Property, Lynn P. Hendrix (Optional)
- CCNV v. Reid (Optional)
- In re Peregrine Entertainment
- Sample Contractor Agreement, Employee Proprietary Information and Invention Assignment Agreement

### 4 License Grant Issues
License Grant Provisions
- Relevant IP rights
- Restrictions
Term and Termination
Non-Disclosure Agreement exercise
- Samples: Mutual NDA; Recipient-favorable NDA; Discloser-favorable NDA
- Term / termination and trade secrets issues
- Key provisions checklist
The Business of Licensing IP Rights
- Sample grant provisions
- Sample NDAs, Contractor Agreement, Employee Proprietary Information and Invention Assignment Agreement

### 5 Consideration
Fee Models
- Upfront Licensing Fee
- Royalties
- Subscription
Revenue Recognition Issues
Legal Issues
- Patent and Copyright Misuse (hybrid and/or package licenses)
- Antitrust Issues in Distribution Arrangements
Aaronson v. Quikpoint Pencil Co.
- Lasercomb America, Inc. v. Reynolds
- Digidyne Corp. v. Data General Corp
Sample fee and payment provisions
| 6 | **UCC** | Selected UCC Article 2 provisions  
*Hawaiian Telephone Co. v. Microform*  
*Colonial Life Ins. v. Electronic Data Systems*  
*Triangle Underwriters, Inc. v. Honeywell, Inc.*  
*Advent Systems, Ltd. v. Unisys Corp.*  
Sample warranty provisions |
|---|---|---|
| 7 | **Risk Allocation Provisions**  
Representations and Warranties  
Disclaimers  
Indemnities  
Liquidated Damages | *D.P Technology Corp. v. Sherwood Tool, Inc.*  
*Triad Systems v. Alsip*  
*Sierra Diesel v. Burroughs Corp.*  
*RRX Industries, Inc. v. Lab-Con, Inc.*  
*Transport Corp. of American, Inc. v. International Business Machines Corp*  
*Chatlos Systems, Inc. v. National Cash Register Corp*  
*Software Product Liability: Understanding and Minimizing the Risks, By Lawrence B. Levy and Suzanne Y. Bell (Berkley Technology Law Journal, Issue 5:1, Spring 1990) (Optional?)*  
Sample warranty provisions  
Sample indemnification provisions |
| 8 | **License Agreements**  
Sample Transactions:  
- 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) | Sample agreements and provisions |
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<th>Channel Agreements</th>
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<td>Key Provisions:</td>
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<td>• 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</td>
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<td>Sample OEM and VAR Agreements</td>
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<td>Rocky Mountain Microsystems, Inc. v. Public Safety Systems, Inc.</td>
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<td>Moore v. Microsoft Corp.</td>
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<td>Quill Corporation v. North Dakota</td>
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<td>IP Due Diligence Exercise</td>
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<td>Sample IP due diligence checklists</td>
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<td><strong>Advanced Issues</strong></td>
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<td>Open Source Software Licensing</td>
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<td>• Open source vs. proprietary software licensing</td>
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<td>• Enforceability and other issues</td>
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<td>Outsource Agreements</td>
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<td>Licenses in Bankruptcy</td>
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<td><strong>Lubrizol Enterprises, Inc. v. Richmond Metal Finishers, Inc</strong></td>
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<td><strong>Open Source Licensing: Virus or Virtue</strong>, By Christian N. Nadan</td>
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<td><strong>Taking the Case: Is the GPL Enforceable</strong>, By Jason B. Wacha (Optional)</td>
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<td><strong>Bringing it All Together</strong></td>
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