

# **Table of Contents**

## **Volume 1**

### **PART I. INTRODUCTION**

#### **CHAPTER 1. OVERVIEW**

##### **I. BUSINESS AND LEGAL CONSIDERATIONS**

- § 1:1      Introduction
- § 1:2      Business uses of intellectual property rights—
  - Importance of intellectual property rights to the firm
  - Value and uses of intellectual property rights
- § 1:3      Technology transfers and business strategy
- § 1:4      Business uses of intellectual property rights—
  - Technology transfers and business strategy—
    - Technology transfers
  - Basic technology transfer arrangements
  - Technology-based strategic alliances
- § 1:8      General considerations in negotiating technology transfers
  - Confidentiality and nondisclosure agreements
  - Due diligence investigation
  - Substantive terms of the transaction
  - Representations and warranties
  - Legal and regulatory considerations
  - Covenants and closing conditions
  - Forms of technology-based transactions—Introduction
  - Licensing Arrangements
  - Research and development arrangements
  - Purchasing and manufacturing arrangements
  - Distribution arrangements
  - Joint venture arrangements
  - Investment transactions
  - Alternative methods for funding research and development
- § 1:23     Considerations in selecting technology partners—
  - Locating potential technology partners
  - Evaluating potential licensing partners
  - Evaluating potential investment partners
  - Evaluating potential joint venture partners

§ 1:27 —Relative size of the potential partner

## II. CHECKLISTS

§ 1:28 Considerations in selecting technology partners—  
Checklist: Interviewing prospective technology  
partners

# PART II. INTELLECTUAL PROPERTY RIGHTS

## CHAPTER 2. INTELLECTUAL PROPERTY IN THE GLOBAL MARKETPLACE

- § 2:1 Types of intellectual property rights
- § 2:2 —Patents
- § 2:3 —Trade secrets
- § 2:4 —Copyrights
- § 2:5 —Trademarks
- § 2:6 —Special types of intellectual property rights
- § 2:7 Summary comparison of intellectual property rights
- § 2:8 —Protectable subject matter
- § 2:9 —Standards for obtaining protection
- § 2:10 —Perfecting intellectual property rights
- § 2:11 —Rights of intellectual property owners
- § 2:12 Differences among international intellectual property laws
  - § 2:13 —Patent laws
  - § 2:14 ——Scope of patent protection
  - § 2:15 ——Term of protection
  - § 2:16 ——Working requirements
  - § 2:17 ——Enforcement
  - § 2:18 —Trade secret laws
  - § 2:19 ——Scope of protectable subject matter
  - § 2:20 ——Trade secrets and the employment relationship
  - § 2:21 ——Duration of trade secret protection
  - § 2:22 ——Rights against third parties
  - § 2:23 —Copyright laws
  - § 2:24 ——Eligible works and media forms
  - § 2:25 ——Limitations on exclusive rights
  - § 2:26 ——Term of protection
  - § 2:27 ——Enforcement
  - § 2:28 —Trademark laws
  - § 2:29 ——Registration policies

## TABLE OF CONTENTS

- § 2:30 ——Use requirements
- § 2:31 ——Compulsory licensing
- § 2:32 ——Licensing restrictions
- § 2:33 ——Enforcement
- § 2:34 —Semiconductor chip designs
- § 2:35 —International registration of industrial designs
- § 2:36 —Other examples of intellectual property rights
- § 2:37 International intellectual property conventions
- § 2:38 —Paris convention
- § 2:39 —Berne convention
- § 2:40 —Universal Copyright Convention
- § 2:41 —Madrid Agreement
- § 2:42 Executive summary for clients regarding intellectual property rights in the global marketplace

## CHAPTER 3. U.S. PATENT LAW AND PRACTICE

### I. BUSINESS AND LEGAL CONSIDERATIONS

- § 3:1 Introduction
- § 3:2 Patent risk assessment
- § 3:3 —Industry climate
- § 3:4 —Technical sophistication
- § 3:5 —Competition
- § 3:6 —Development difficulties
- § 3:7 —Availability of alternative forms of protection
- § 3:8 Protecting patentability rights
- § 3:9 —Employee invention agreements
- § 3:10 —Invention development record
- § 3:11 —Joint development agreements
- § 3:12 —Invention disclosures
- § 3:13 —Evaluation of invention disclosures
- § 3:14 —Patentability search
- § 3:15 —Public disclosure or use
- § 3:16 Selecting patent counsel
- § 3:17 Requirements for patentability
- § 3:18 —Patentable subject matter
- § 3:19 —Utility
- § 3:20 —Novelty
- § 3:21 —Nonobviousness
- § 3:22 —Inventorship
- § 3:23 Patent applications
- § 3:24 —Oath or declaration

- § 3:25 —Specification
- § 3:26 ——Background
- § 3:27 ——Summary
- § 3:28 ——Preferred embodiment
- § 3:29 ——Claims
- § 3:30 ——Information Disclosure Statement
- § 3:31 —Drawings
- § 3:32 —Filing fees
- § 3:33 —Provisional applications
- § 3:34 —Review and examination
- § 3:35 ——Initial rejections and objections
- § 3:36 ——Responses to initial rejections and objections
- § 3:37 ——Examiner's reconsideration
- § 3:38 ——Final rejection
- § 3:39 ——Appeal from final rejection
- § 3:40 ——Accelerated examination procedures
- § 3:41 ——Reissue patent applications
- § 3:42 ——Certificate of correction
- § 3:43 ——Reexamination of issued patents
- § 3:44 Strategic uses of patent rights
- § 3:45 —Financing
- § 3:46 —Patent enforcement
- § 3:47 —Licensing
- § 3:48 —Capital contribution
- § 3:49 Infringement of patent rights
- § 3:50 —Direct infringement
- § 3:51 —Indirect infringement
- § 3:52 —Burden of proof
- § 3:53 —Defenses
- § 3:54 —Injunctive relief
- § 3:55 —Damages
- § 3:56 —Unfair import investigations by the International Trade Commission
- § 3:57 Software patents

## II. FORMS

- § 3:58 Invention disclosure form
- § 3:59 Patent perfection and protection procedures questionnaire
- § 3:60 Patent rights assignment
- § 3:61 Executive summary for clients regarding U.S. patent law and practice

TABLE OF CONTENTS

## CHAPTER 4. U.S. COPYRIGHT LAW AND PRACTICE

### I. BUSINESS AND LEGAL CONSIDERATIONS

- § 4:1 Introduction
- § 4:2 Protectable works
- § 4:3 —Works of authorship
- § 4:4 —Originality requirement
- § 4:5 —Tangible medium of expression requirement
- § 4:6 Ownership of copyrights
- § 4:7 —Works made for hire
- § 4:8 —Joint authorship
- § 4:9 Creation of copyright rights
- § 4:10 —Copyright registration
- § 4:11 ——Advantages of registration
- § 4:12 ——Persons entitled to file for registration
- § 4:13 ——Registration elements
- § 4:14 ——Application forms
- § 4:15 ——Deposit requirements
- § 4:16 ——Effective date of registration
- § 4:17 ——Renewal of registration
- § 4:18 ——Online works
- § 4:19 —Copyright notices
- § 4:20 Fundamental rights of the copyright owner
- § 4:21 Moral rights of the copyright holders
- § 4:22 Fundamental rights of the copyright owner—Transfers of copyright ownership
  - § 4:23 —Assignments and termination rights
  - § 4:24 —Duration of copyright protection
  - § 4:25 Infringement of copyright rights
  - § 4:26 —Proof of infringement
  - § 4:27 —Contributory infringement
  - § 4:28 —Doctrine of fair use
  - § 4:29 —Avoiding third-party infringement claims
  - § 4:30 —Damages—Actual damages
  - § 4:31 ——Statutory damages
  - § 4:32 ——Attorneys' fees
  - § 4:33 ——Injunctive relief
  - § 4:34 —Criminal penalties
  - § 4:35 —Recording copyrights with U.S. Customs and Border Protection
  - § 4:36 Semiconductor chips
  - § 4:37 Computer software

- § 4:38 —Preexisting works
- § 4:39 —Functional constraints
- § 4:40 —Substantial similarity test
- § 4:41 —Degree of protection
- § 4:42 —Authorized copies and adaptation
- § 4:43 —Fair use doctrine and reverse engineering
- § 4:44 Copyright law and the internet
- § 4:45 —Uploaded content and system caching
- § 4:46 —Print or CD works
- § 4:47 —Linking and framing
- § 4:48 —Digital Millennium Copyright Act
- § 4:49 —Duties of service providers
- § 4:50 —Safe harbor provisions
- § 4:51 ——System storage and information locating tools
- § 4:52 ——System caching
- § 4:53 ——Transmission and routing
- § 4:54 ——Notice and take-down provisions
- § 4:55 ——Copyright management information and security measures

## II. FORMS

- § 4:56 Assignment of copyright
- § 4:57 Copyright license
- § 4:58 Copyrightable works policy
- § 4:59 Employee agreement for copyrightable works policy
- § 4:60 Policy of university with respect to copyrightable materials

## CHAPTER 5. U.S. TRADE SECRETS LAW AND PRACTICE

- § 5:1 Overview
- § 5:2 General definitions of trade secrets
- § 5:3 —Restatement of Torts
- § 5:4 —Uniform Act
- § 5:5 —State legislation and decisions
- § 5:6 —Other trade secret definitions
- § 5:7 Eligible subject matter
- § 5:8 General definitions of trade secrets—Processes, methods, machines and devices
- § 5:9 —Business information
- § 5:10 —Customer lists
- § 5:11 —Submitted ideas
- § 5:12 —Computer software programs
- § 5:13 —General business knowledge

## TABLE OF CONTENTS

- § 5:14 —Nonsecret information
- § 5:15 Secrecy requirement
- § 5:16 Generally known outside of business
- § 5:17 Security measures
- § 5:18 Acquisition or duplication by proper means
- § 5:19 Memorializing protection program in formal writing
- § 5:20 Economic value and use requirements
- § 5:21 Protection of trade secrets in litigation
- § 5:22 Enforcing trade secret rights
- § 5:23 —Acts creating basis for liability
- § 5:24 —Injunctive relief
- § 5:25 —Damages
- § 5:26 —Federal statutes and criminal liability
- § 5:27 —State statutes and criminal liability
- § 5:28 Foreign trade secret laws
- § 5:29 Antitrust and competition laws
- § 5:30 Definition of “know-how” for tax purposes
- § 5:31 Tax aspects of licenses and transfers of trade secrets

## CHAPTER 6. TRADE SECRET PROTECTION PROGRAMS

### I. BUSINESS AND LEGAL CONSIDERATIONS

- § 6:1 Overview
- § 6:2 Establishing and organizing a trade secret protection program
- § 6:3 —Coordinator or committee
- § 6:4 —Initial audit
- § 6:5 —Access restrictions
- § 6:6 —Employee disclosure obligations
- § 6:7 —Third party disclosure procedures
- § 6:8 —Periodic review
- § 6:9 —Policy statements and guidelines
- § 6:10 —Training programs
- § 6:11 Identifying and classifying company business information
  - § 6:12 —Identifying company business information
  - § 6:13 —Classifying company business information
- § 6:14 Physical security measures
  - § 6:15 —Controlling access to trade secret information
  - § 6:16 —Use of confidentiality legends and special markings
  - § 6:17 —Restricting copying of sensitive information
  - § 6:18 —Physical security of facilities
  - § 6:19 —Restricting visitor access to trade secret information

- § 6:20 —Transferring trade secret information
- § 6:21 —Document destruction procedures
- § 6:22 —Protection of trade secret information on computers
- § 6:23 —Special measures for highly sensitive information
- § 6:24 —Other physical security measures
- § 6:25 Protection of trade secrets in the employment relationship
- § 6:26 —Informing employees of protection obligations
- § 6:27 —New employees and trade secrets of prior employers
- § 6:28 —Confidentiality and assignment of inventions agreements
- § 6:29 —Non-competition agreements
- § 6:30 —Exit interviews
- § 6:31 —Post-employment notices to employees and new employers
- § 6:32 —Employee departures and physical security measures
- § 6:33 Review of public disclosures
- § 6:34 Protection of trade secrets obtained from third parties
- § 6:35 Protection against disclosure by third parties
- § 6:36 —Pre-disclosure investigation
- § 6:37 —Content of nondisclosure agreements
- § 6:38 —Confidentiality provisions in standard contracts
- § 6:39 —Disclosure of trade secrets to federal agencies

## II. CHECKLISTS

- § 6:40 Checklist for protecting trade secrets
- § 6:41 Checklist for designing and implementing a trade secret protection program

## III. FORMS

- § 6:42 Guide to the protection of trade secrets
- § 6:43 Statement of trade secret security program
- § 6:44 Memorandum to employees regarding importance of protecting the company's proprietary information
- § 6:45 Employee's acknowledgment of employer's trade secret program
- § 6:46 Executive summary for clients regarding trade secret protection program

# CHAPTER 7. CONFIDENTIALITY AND NONDISCLOSURE AGREEMENTS

## I. BUSINESS AND LEGAL CONSIDERATIONS

- § 7:1 Background; Requirements for trade secret protection

TABLE OF CONTENTS

§ 7:2	Validity and enforceability of confidentiality agreements
§ 7:3	—Implied duties to protect confidential information
§ 7:4	—Contractual nondisclosure obligations
§ 7:5	—Advantages of express contracts
§ 7:6	—Disadvantages of express contracts
§ 7:7	Elements of confidentiality agreements—Definitions of confidential information
§ 7:8	—General definitions
§ 7:9	—Detailed listing of general classes of information
§ 7:10	—Specific listing of covered information
§ 7:11	—Information identified by disclosing party
§ 7:12	—Combination method
§ 7:13	—Information requested by receiving party
§ 7:14	—Information derived from observation or inspection
§ 7:15	—Form of embodiment of confidential information
§ 7:16	—Acknowledgement of confidentiality
§ 7:17	—Procedures for identifying confidential information
§ 7:18	—Exclusions
§ 7:19	—“Already known” information
§ 7:20	—“Independently developed” information
§ 7:21	—Information disclosed without violating agreement
§ 7:22	—Restrictions on disclosures to third parties
§ 7:23	—Information subsequently disclosed to others
§ 7:24	—Obligations of receiving party
§ 7:25	—Precautions to prevent disclosures
§ 7:26	—Standard of care
§ 7:27	—Permitted disclosures
§ 7:28	—Required disclosures
§ 7:29	—Activities of receiving party
§ 7:30	—Limits on receiving party’s liability
§ 7:31	—Return of confidential information
§ 7:32	Types of confidentiality/nondisclosure agreements
§ 7:33	General confidentiality agreements—Unilateral agreement
§ 7:34	—Mutual agreement
§ 7:35	—Review of secret process
§ 7:36	—Negotiation of potential business venture
§ 7:37	Customer and vendor nondisclosure agreements— Disclosure of confidential information to customers
§ 7:38	—Receipt of confidential information from customers
§ 7:39	—Nondisclosure by vendor

## TECHNOLOGY MGMT & TRANSACTIONS

- § 7:40 Joint development agreements—Joint venture nondisclosure agreement
- § 7:41 —Joint product research and development arrangement
- § 7:42 —Confidential data exchange agreements
- § 7:43 New product idea agreements—Unsolicited idea agreements
- § 7:44 —New product idea review agreements
- § 7:45 Investment relationship agreements—Corporate partnering agreement
- § 7:46 —Agreement for delivery of information to corporate investors
- § 7:47 —Corporate partnering agreement—Private investor nondisclosure agreement
- § 7:48 Acquisitions
- § 7:49 Confidentiality provisions in standard contracts
- § 7:50 —License agreements
- § 7:51 —Product design agreements
- § 7:52 —Technology development agreement
- § 7:53 —New product development agreement
- § 7:54 —Government contracts
- § 7:55 Employment relationships
- § 7:56 Pre-disclosure investigation
- § 7:57 Formal termination of nondisclosure agreements

## II. FORMS

- § 7:58 Confidentiality/nondisclosure agreement
- § 7:59 Mutual data exchange agreement
- § 7:60 Business combination mutual non-disclosure agreement
- § 7:61 Computer mutual nondisclosure agreement
- § 7:62 Mutual non-disclosure agreement—Template for customized description of nature and scope of disclosures
- § 7:63 Idea submission agreement
- § 7:64 Mutual nondisclosure agreement—Public companies

## CHAPTER 8. U.S. TRADEMARK LAW AND PRACTICE

### I. BUSINESS AND LEGAL CONSIDERATIONS

- § 8:1 Introduction
- § 8:2 Governing law—Federal trademark statutes and regulations

## TABLE OF CONTENTS

§ 8:3	—State statutes and common law
§ 8:4	General requirements for protection—Use requirement
§ 8:5	—Distinctiveness requirement
§ 8:6	— —Fanciful and arbitrary marks
§ 8:7	— —Suggestive marks
§ 8:8	— —Descriptive marks
§ 8:9	— —Generic marks
§ 8:10	—Trademark notices
§ 8:11	Clearing a mark for use
§ 8:12	Trademark registration
§ 8:13	—Application procedures—Applicants
§ 8:14	— —Filing requirements
§ 8:15	— — —Drawing
§ 8:16	— — —Fees
§ 8:17	— — —Specimens
§ 8:18	— — —Additional requirements for intent-to-use applications
§ 8:19	— — —Where to send the application and correspondence
§ 8:20	—Application review
§ 8:21	Scope of trademark rights
§ 8:22	Maintenance and duration of trademark registration
§ 8:23	—Declaration of continued use
§ 8:24	—Declaration of incontestability
§ 8:25	—Renewals
§ 8:26	Recording trademark rights with U.S. Customs and Board Protection
§ 8:27	Trademark infringement
§ 8:28	Trade dress protection
§ 8:29	False advertising
§ 8:30	Trademark dilution
§ 8:31	Trademark law and the internet
§ 8:32	—Domain names and trademark infringement
§ 8:33	—Domain name registration
§ 8:34	Trademark management and protection programs
§ 8:35	Trademark licenses and assignments
§ 8:36	Trademark-related policies and procedures

## II. FORMS

§ 8:37	Assignment of trademark
§ 8:38	Trademark license agreement—General form
§ 8:39	—Foreign licensing rights
§ 8:40	—Investment advisory relationship
§ 8:41	Executive summary for clients regarding U.S. trademark law and practice

- § 8:42 Trademark use policy
- § 8:43 Trademark and logo usage guidelines
- § 8:44 General trademark guidelines

## **CHAPTER 9. INTELLECTUAL PROPERTY IN THE EMPLOYMENT RELATIONSHIP**

### **I. BUSINESS AND LEGAL CONSIDERATIONS**

- § 9:1 Overview
- § 9:2 Employee duties to protect confidential information and trade secrets
- § 9:3 Ownership and assignment of employee innovations
- § 9:4 Form and content of confidentiality and innovation assignment agreement
- § 9:5 —Identification and protection of confidential information
- § 9:6 —Prior knowledge and relationships
- § 9:7 —Disclosure and assignment of employee innovations
- § 9:8 —Conflicting employment and activities
- § 9:9 —Termination of employment
- § 9:10 Agreements restricting competitive activities of employees
- § 9:11 Employee interview checklist and statement
- § 9:12 Employee exit interview worksheet
- § 9:13 Post-employment letters
- § 9:14 Employees who will not sign

### **II. FORMS**

- § 9:15 Proprietary information and inventions agreement
- § 9:16 Employee statement
- § 9:17 Employee exit interview worksheet
- § 9:18 Termination certificate
- § 9:19 Letter to terminated employee
- § 9:20 Employee confidential information and invention assignment agreement with conflict of interest guidelines and covenants on security and use of open source software
- § 9:21 Employment offer letter and employee confidentiality, non-solicitation and assignment of creative works agreement
- § 9:22 Independent contractor agreement for provision of technology-related services by individual—Cash and equity-based compensation

## TABLE OF CONTENTS

# CHAPTER 10. INTELLECTUAL PROPERTY STRATEGY

- § 10:1 Introduction
- § 10:2 Identification of business goals and objectives
- § 10:3 Identification of the company's intellectual property rights
- § 10:4 Valuation of the company's intellectual property rights
- § 10:5 Understanding the competitive landscape
- § 10:6 Formulation of the intellectual property rights strategy
- § 10:7 Implementation of the intellectual property rights strategy
- § 10:8 Role of board of directors in intellectual property rights strategy

# CHAPTER 11. INTELLECTUAL PROPERTY COMPLIANCE PROGRAMS AND MANUALS

## I. BUSINESS AND LEGAL CONSIDERATIONS

- § 11:1 Introduction
- § 11:2 Preliminary issues and considerations
- § 11:3 Participants in the design and implementation of compliance program
  - Legal department
  - Board of directors and senior management
  - Technical groups
  - Business units
  - Sales and marketing
  - Information services
  - Personnel
  - Other departments
- § 11:12 Intellectual property compliance committee
- § 11:13 Intellectual property audits
- § 11:14 Intellectual property policies and procedures
- § 11:15 Intellectual property compliance manual
- § 11:16 Training programs

## II. FORMS

- § 11:17 Instructions for preparing an intellectual property compliance manual
- § 11:18 Technology hardware purchasing policy
- § 11:19 Computer and telecommunications resources use policy
- § 11:20 Software use policy

- § 11:21 Artificial intelligence (“AI”) usage policy
- § 11:22 Policy statement on use of artificial intelligence (“AI”) in management reporting

## **PART III. TECHNOLOGY MANAGEMENT AND DEVELOPMENT**

### **CHAPTER 12. TECHNOLOGY MANAGEMENT**

#### **I. BUSINESS AND LEGAL CONSIDERATIONS**

- § 12:1 Scope and challenges of managing emerging technologies—Definition of emerging technologies
- § 12:2 —Distinguishing challenges of emerging technologies
- § 12:3 —Emerging technologies and established companies
- § 12:4 Strategic aspects of technology management
- § 12:5 —Competitive advantages of technology
- § 12:6 —Technology-based definition of the company’s business portfolio
- § 12:7 —Developing the technology strategy
- § 12:8 —Implementing and monitoring the technology strategy
- § 12:9 Management responsibility for technology activities
- § 12:10 —Creating the technology strategy
- § 12:11 —Planning and coordinating research and development activities
- § 12:12 Scope and practice of technology management
- § 12:13 Technology forecasting
- § 12:14 —Technology monitoring and expert opinions
- § 12:15 —Trend analysis
- § 12:16 —Scenario planning
- § 12:17 —Predicting the rate of diffusion of emerging technologies
- § 12:18 Technology selection
- § 12:19 —Technology scanning
- § 12:20 —Evaluation and selection
- § 12:21 Methods for acquisition of new technologies
- § 12:22 Internal research and development
- § 12:23 —Categories of research and development activities
- § 12:24 —General strategic considerations
- § 12:25 —Measuring research and development productivity and performance

## TABLE OF CONTENTS

- § 12:26 — Productivity measures
- § 12:27 — Evaluation based on benefits to the organization
- § 12:28 — Organizational structure
- § 12:29 Inbound technology transfer
- § 12:30 — Contract research and development arrangements
- § 12:31 — Purchasing and licensing arrangements
- § 12:32 — Joint development arrangements
- § 12:33 — Joint ventures and strategic alliances
- § 12:34 — Advantages of technology outsourcing
- § 12:35 — Identifying and evaluating technology outsourcing opportunities
- § 12:36 Exploitation strategies
- § 12:37 Appropriating and protecting the advantages of technologies
  - § 12:38 — Statutory intellectual property rights
  - § 12:39 — Trade secrets
  - § 12:40 — Complementary assets
  - § 12:41 — Lead time
  - § 12:42 Knowledge management

## II. FORMS

- § 12:43 Executive summary for clients regarding technology management
- § 12:44 Interim chief technology officer agreement
- § 12:45 Technology hardware purchasing policy

## CHAPTER 13. RESEARCH AND DEVELOPMENT

- § 13:1 Scope of research and development activities
- § 13:2 — Models of research and development activities
- § 13:3 — Initial research and development activities by emerging companies
- § 13:4 — Performing contract research and development for outside parties
- § 13:5 — Outsourcing research and development activities
- § 13:6 Strategic planning for research and development
- § 13:7 — Research and development portfolio analysis
- § 13:8 — Budgeting
- § 13:9 — Measuring productivity and performance
- § 13:10 Management of research and development activities
- § 13:11 Organizing research and development activities
- § 13:12 Policies and procedures
- § 13:13 — Intellectual and tangible property rights policies
- § 13:14 — Invention disclosure forms

- § 13:15 —Intellectual and tangible property assignment agreements
- § 13:16 —Conflicts of interest policies
- § 13:17 —Consulting policies and agreements
- § 13:18 —Policies and agreements to protect confidential information
- § 13:19 Processes for internal technology transfer
- § 13:20 Management of internal research and development projects
  - § 13:21 —Scope and content of research program
  - § 13:22 —Field of activity
  - § 13:23 —Program goals and objectives
  - § 13:24 —Content of research program
  - § 13:25 —Duration and completion
  - § 13:26 —Research budget
  - § 13:27 —Staffing
  - § 13:28 —Management procedures
- § 13:29 Management of technology development projects
- § 13:30 Management of outsourcing arrangements
- § 13:31 —Identification and selection of outsourcing partners
- § 13:32 —Protection of intellectual property rights
- § 13:33 —Scheduling
- § 13:34 —Technical and scientific background and expertise
- § 13:35 —Quality controls
- § 13:36 —Technology transfer and technical assistance
- § 13:37 —Reputation and reliability
- § 13:38 —Terms and conditions of research and development agreements

## CHAPTER 14. PRODUCT DEVELOPMENT

- § 14:1 Introduction
- § 14:2 The new product development process
- § 14:3 Strategic planning for new products
- § 14:4 Product development strategies for technology-based organizations
  - § 14:5 —Dominant sector strategy
  - § 14:6 —Product group specialist strategy
  - § 14:7 —Market specialist strategy
  - § 14:8 —Technology specialist strategy
- § 14:9 Organizational structure for new product development
- § 14:10 —Function-based new product specialist approach
- § 14:11 —Fraternal approach
- § 14:12 —Entrepreneurial approach

## TABLE OF CONTENTS

- § 14:13 —Impact of structure on success of development projects
- § 14:14 —Managing functional boundaries
- § 14:15 Identification and selection of new product opportunities
  - § 14:16 Concept generation
  - § 14:17 Concept evaluation and testing
  - § 14:18 —Initial evaluation
  - § 14:19 —Feasibility study
  - § 14:20 —Concept testing
  - § 14:21 —Full screen
  - § 14:22 —Financial analysis
  - § 14:23 —Product definitions and protocols
  - § 14:24 Development stage
  - § 14:25 —Development team management
  - § 14:26 —Organizational structure of new product development teams
    - Selection of team members
    - Team management
  - § 14:27 —Design
  - § 14:28 —Product use testing
  - § 14:29 —Marketing plan
  - § 14:30 Launch
  - § 14:31 —Launch planning
  - § 14:32 —Launch management
  - § 14:33 —Activities and schedules
  - § 14:34 —Product announcement strategies
  - § 14:35 —Reseller motivation strategies
  - § 14:36 —Market testing
  - § 14:37 —Internal marketing activities
  - § 14:38 Product development problems
  - § 14:39 —Delayed product development
  - § 14:40 —Premature product launch
  - § 14:41 —Accelerated product development schedules
  - § 14:42 Product development for global markets
  - § 14:43 Development of new services
  - § 14:44 Evaluating the new product development program
  - § 14:45 Conclusion: Conditions for successful product development

## CHAPTER 15. FINANCING RESEARCH AND DEVELOPMENT

### I. BUSINESS AND LEGAL CONSIDERATION

- § 15:1 Introduction

- § 15:2 R&D partnerships and special purpose companies
- § 15:3 —Royalty/warrants structure
- § 15:4 —Formation of limited partnership
- § 15:5 —Research agreement
- § 15:6 —Joint venture arrangement
- § 15:7 —Purchase of limited partnership's joint venture interest
- § 15:8 —Warrants to purchase sponsoring corporation's stock
- § 15:9 —General terms of business relationship
- § 15:10 —Equity structure
- § 15:11 —Formation of limited partnership
- § 15:12 —Conversion of limited partnership to corporate form
- § 15:13 —Management and operation of successor corporation
- § 15:14 —Joint venture structure
- § 15:15 —“SWORDs”
- § 15:16 Strategic alliances
- § 15:17 —Types of strategic alliances
- § 15:18 —Advantages and risks of strategic alliances
- § 15:19 —Procedures for establishing strategic alliances
- § 15:20 —Preliminary analysis
- § 15:21 —Evaluation and selection of strategic partners
- § 15:22 —Guidelines for negotiating strategic alliances
- § 15:23 —Managing strategic alliances
- § 15:24 —Corporate partnering
- § 15:25 —R&D relationships
- § 15:26 —Product development and purchase arrangements
- § 15:27 —Investment relationships
- § 15:28 —Selecting the investment instrument
- § 15:29 —Terms of convertible preferred stock
- § 15:30 ——Dividends
- § 15:31 ——Liquidation preference
- § 15:32 ——Voting rights
- § 15:33 ——Conversion provisions
- § 15:34 ——Redemption
- § 15:35 ——Agreements and covenants of the junior partner
- § 15:36 ——Information rights
- § 15:37 ——Management participation
- § 15:38 ——Registration rights
- § 15:39 ——Right to participate in subsequent financings
- § 15:40 ——Covenants regarding conduct of business activities
- § 15:41 ——Ancillary agreements

## TABLE OF CONTENTS

- § 15:42 ——Equity investment and funding for R&D
- § 15:43 ——Senior partner option to acquire junior partner
- § 15:44 —Negotiated acquisitions

## II. FORMS

- § 15:45 Cross license agreement: Research and development partnership
- § 15:46 Development agreement: research and development partnership
- § 15:47 Joint venture and partnership purchase option agreement
- § 15:48 Joint venture agreement: Research and development partnership
- § 15:49 Technology development agreement

# CHAPTER 16. UNIVERSITY RESEARCH AND COMMERCIALIZATION ACTIVITIES

## I. BUSINESS AND LEGAL CONSIDERATIONS

- § 16:1 Introduction
- § 16:2 Unique legal and business issues
- § 16:3 —Academic integrity
- § 16:4 —Laws regulating university access to rewards of commercialization
- § 16:5 —Restrictions on academic freedom to publicly release information
- § 16:6 —Role of patent protection
- § 16:7 —Transition to “for-profit” values
- § 16:8 Bayh-Dole Act
- § 16:9 —Requirements for retaining title to federally-funded inventions
- § 16:10 —Retained rights of federal agencies in funded inventions
- § 16:11 —March-in rights
- § 16:12 —Preference to US manufacturing requirements
- § 16:13 —Royalty sharing requirements
- § 16:14 State assistance for research activities
- § 16:15 Organization of university technology development activities
- § 16:16 —Corporate development
- § 16:17 —Industrial liaison
- § 16:18 —Sponsored research
- § 16:19 —Technology transfer
- § 16:20 —Consultancy support and other activities

- § 16:21 —Institutional structures
- § 16:22 Internal university intellectual property policies
- § 16:23 Evaluating and commercializing university technologies
- § 16:24 University technology licensing arrangements
- § 16:25 University research arrangements
- § 16:26 Individual consulting agreements with research sponsors
- § 16:27 Other structures for commercializing university technology

## II. FORMS

- § 16:28 University research agreement
- § 16:29 University licensing agreement
- § 16:30 University patent and know how license agreement
- § 16:31 License agreement: University research program
- § 16:32 Clinical trial agreement
- § 16:33 License agreement between not-for-profit developer and manufacturer
- § 16:34 License and product development consultation agreement

## CHAPTER 17. GOVERNMENTAL RESEARCH AND DEVELOPMENT AND TECHNOLOGY TRANSFER ACTIVITIES

- § 17:1 Introduction
- § 17:2 The federal government's role in research and development
- § 17:3 The federal government's role in technology transfer
- § 17:4 Transferring federally owned technology by licensing
- § 17:5 Cooperative research and development agreements
- § 17:6 Working with universities and not-for-profit organizations
- § 17:7 Private sector strategies for improving technology transfer—Making contact with a federal laboratory
- § 17:8 —Cultural adaptation in the private sector
- § 17:9 —Learning from large companies
- § 17:10 Federal laboratory strategies for improving technology transfer—Federal laboratory consortium
- § 17:11 —Protecting intellectual property
- § 17:12 —Developing good licensing practices
- § 17:13 —Creating quality CRDAs faster
- § 17:14 —Accelerating cultural change throughout the federal system

## TABLE OF CONTENTS

- § 17:15 —Making laboratory inventors accessible
- § 17:16 —Assessing and marketing laboratory capabilities
- § 17:17 —Legislation
- § 17:18 —Avoiding conflict of interest
- § 17:19 —Copyrighting software created by federal employees
- § 17:20 —Expanding the federal technology transfer resource base

## PART IV. TECHNOLOGY TRANSACTIONS

### CHAPTER 18. GENERAL CONSIDERATIONS IN NEGOTIATING TECHNOLOGY TRANSACTIONS

#### I. BUSINESS AND LEGAL CONSIDERATIONS

- § 18:1 Introduction
- § 18:2 Confidentiality and nondisclosure agreements
- § 18:3 Substantive terms of the transaction
- § 18:4 —Scope of the technology transfer
- § 18:5 —Compensation
- § 18:6 —Protection of transferred technology
- § 18:7 —Technical assistance and training arrangements
- § 18:8 —Risk-allocation procedures
- § 18:9 Representations and warranties
- § 18:10 —Representations for technology transfer transactions
- § 18:11 —Utility of intellectual property rights
- § 18:12 —Related representations and warranties
- § 18:13 —Qualifications
- § 18:14 Domestic legal and regulatory considerations
- § 18:15 —Antitrust laws
- § 18:16 —Product testing laws and regulations
- § 18:17 —Export control laws
- § 18:18 ——Department of Commerce (“DOC”)
- § 18:19 ——Definitions
- § 18:20 ——Controlled transactions
- § 18:21 ——Export license applications
- § 18:22 ——Department of State (“DOS”)
- § 18:23 ——Munitions list
- § 18:24 ——Registration requirements
- § 18:25 ——License requirements

- § 18:26 — — — Prohibited exports and sales to certain countries
- § 18:27 — — Department of Treasury (“DOT”)
- § 18:28 — — Sanctions for violations
- § 18:29 — — Multilateral export control regimes
- § 18:30 — — Other U.S. governmental export controls
- § 18:31 — — Compliance programs
- § 18:32 — — Antiboycott regulations
- § 18:33 — — Import laws
- § 18:34 — — Products liability laws
- § 18:35 — — Bankruptcy considerations
- § 18:36 — — Foreign legal and regulatory considerations
- § 18:37 — — Competition laws
- § 18:38 — — Regulation of technology transfer arrangements
- § 18:39 — — Regulation of inbound investment
- § 18:40 — — Agency and distributorship laws
- § 18:41 — — Customs laws and import controls
- § 18:42 — — Product certification standards
- § 18:43 — — Covenants
- § 18:44 — — Protection of intellectual property assets
- § 18:45 — — Intellectual property litigation
- § 18:46 — — Future business activities of target company
- § 18:47 — — Subsequent assignments and licenses
- § 18:48 — — Remedial actions
- § 18:49 — — Legal opinions
- § 18:50 — — Types of intellectual property opinions
- § 18:51 — — Trade secrets
- § 18:52 — — Patents
- § 18:53 — — Trademarks
- § 18:54 — — Copyrights
- § 18:55 — — Transfers of title
- § 18:56 — — Consents and approvals
- § 18:57 — — Employees and consultants
- § 18:58 — — Infringement opinions
- § 18:59 — — Litigation opinions
- § 18:60 — — Form and structure of the legal opinion—Date of the opinion
- § 18:61 — — Scope of investigation
- § 18:62 — — Assumptions and statement of facts
- § 18:63 — — The opinion
- § 18:64 — — Perfecting assignments of intellectual property rights
- § 18:65 — — Assignments of statutory rights
- § 18:66 — — Assignments of trade secrets and proprietary information
- § 18:67 — — Assignments of jointly owned intellectual property

TABLE OF CONTENTS

§ 18:68 —Assignments of license agreements

**II. FORMS**

§ 18:69 U.S. export control compliance policy

**CHAPTER 19. ANTITRUST AND  
COMPETITION LAW ASPECTS OF  
TECHNOLOGY TRANSACTIONS**

- § 19:1 Introduction
- § 19:2 Overview of U.S. antitrust laws
- § 19:3 —Rule of reason and *per se* rule
- § 19:4 —Horizontal and vertical restraints
- § 19:5 —The Sherman Act
- § 19:6 —The Clayton Act
- § 19:7 —The Hart-Scott-Rodino Antitrust Improvements Act
- § 19:8 ——Acquisitions of securities or assets
- § 19:9 ——Corporate joint ventures
- § 19:10 ——IP acquisitions and licenses
- § 19:11 ——Non-corporate entities and interests
- § 19:12 ——Procedural considerations
- § 19:13 —The National Cooperative Research and Production Act
- § 19:14 Regulation of technology licensing arrangements under U.S. antitrust laws
- § 19:15 —Guiding principles
- § 19:16 ——Procompetitive benefits and anticompetitive effects
- § 19:17 ——Nature and market power of IP rights
- § 19:18 ——Rule of reason analysis of licensing arrangements
- § 19:19 ——Resale restrictions and the “exhaustion” doctrine
- § 19:20 ——Patent misuse doctrine
- § 19:21 —Historical development of antitrust policies regarding patent licensing arrangements
- § 19:22 —Analysis and regulation of patent licenses
- § 19:23 ——Exclusive licensing arrangements
- § 19:24 ——Territorial restrictions
- § 19:25 ——Field-of-use and customer restrictions
- § 19:26 ——Price restrictions
- § 19:27 ——Output restrictions
- § 19:28 ——Tying and packaging arrangements
- § 19:29 ——Exclusive dealing arrangements
- § 19:30 ——Grant-back provisions
- § 19:31 ——Royalties

- § 19:32 ——Restrictions on licensee challenges to patent validity
- § 19:33 ——Cross-licensing and pooling arrangements
- § 19:34 —Analysis and regulation of trade secret licenses
- § 19:35 ——Trade secret misappropriation and illegal conspiracies
- § 19:36 ——Use of trade secrets and illegal monopolization
- § 19:37 —Analysis and regulation of trademark and copyright licenses
- § 19:38 ——Analysis and regulation of trademark licenses—  
Resale pricing provisions
- § 19:39 ——Horizontal restraints
- § 19:40 ——Vertical nonprice restraints
- § 19:41 ——Analysis and regulation of copyright licenses—  
Resale pricing provisions
- § 19:42 ——Tying arrangements
- § 19:43 ——Blanket licensing
- § 19:44 Regulation of joint ventures and collaborative arrangements under U.S. antitrust laws
- § 19:45 —Joint ventures
- § 19:46 ——Analyzing the competitive effects of the joint venture
- § 19:47 ——Application of rule of reason analysis
- § 19:48 ——Collateral agreements
- § 19:49 ——Spillover effects of joint ventures
- § 19:50 ——Bottleneck or essential facilities concerns
- § 19:51 —Competitor collaborations guidelines
- § 19:52 Extraterritorial application of U.S. antitrust laws

## **CHAPTER 20. INTELLECTUAL PROPERTY AUDITS**

### **I. BUSINESS AND LEGAL CONSIDERATIONS**

#### **A. INTRODUCTION**

- § 20:1 Overview
- § 20:2 Identification of the intellectual property rights
- § 20:3 Ownership
- § 20:4 Perfection and protection
- § 20:5 Infringement analysis and contractual restrictions
- § 20:6 Use of the results of the investigation

#### **B. PROCEDURES FOR CONDUCTING THE INVESTIGATION**

- § 20:7 Investigation plan

## TABLE OF CONTENTS

- § 20:8 Investigation team
- § 20:9 Investigation process
- § 20:10 Documented form of the investigation

### C. COLLECTING THE INFORMATION

- § 20:11 Overview
- § 20:12 Information collection procedures
- § 20:13 —Questionnaires
- § 20:14 —Document requests
- § 20:15 Information collection procedures
- § 20:16 —Interviews
- § 20:17 —Inspections
- § 20:18 —Legal opinions and independent reports
- § 20:19 —Registry searches
- § 20:20 Basic document and information requirements
- § 20:21 Information collection procedures—Statutory intellectual property rights
  - Trade secret rights
  - Technology rights agreements
  - Employment agreements
  - Intellectual property disputes and litigation
  - Other documents and information

### D. ANALYZING THE INFORMATION

- § 20:27 Overview
- § 20:28 Description of intellectual property rights
- § 20:29 —Assets owned by the company
- § 20:30 —License agreements
- § 20:31 Ownership of intellectual property rights
- § 20:32 —Search procedures
- § 20:33 —Employees and consultants
- § 20:34 —Licenses from third parties to company
- § 20:35 —Company licenses to third parties
- § 20:36 Perfection and protection
- § 20:37 —Statutory rights
- § 20:38 —Trade secrets
- § 20:39 —Protective provisions in licensing agreements
- § 20:40 —Prosecuting infringement claims against third parties
- § 20:41 Infringement of third-party rights
- § 20:42 —Prior employment relationships
- § 20:43 —Misappropriation of trade secrets
- § 20:44 —Copyright infringement
- § 20:45 Restrictions and limitations

## TECHNOLOGY MGMT & TRANSACTIONS

- § 20:46 Infringement of third-party rights—Contractual restrictions and limitations
- § 20:47 —Intellectual property litigation

### E. COMPETITIVE UTILITY OF INTELLECTUAL PROPERTY ASSETS

- § 20:48 Overview
- § 20:49 Statutory rights
- § 20:50 —Patents
- § 20:51 —Copyrights
- § 20:52 —Trademarks
- § 20:53 —Trade secrets
- § 20:54 Curing defects in ownership of technology
- § 20:55 —Statutory filings and notices
- § 20:56 —Written assignments
- § 20:57 —Licensing the rights of third parties
- § 20:58 —Challenging the validity of existing third-party patents
- § 20:59 —Reverse engineering
- § 20:60 —Independent development
- § 20:61 —Product redesign

### II. FORMS

- § 20:62 Intellectual property questionnaire
- § 20:63 Intellectual property interview
- § 20:64 Analysis of intellectual property rights
- § 20:65 Executive summary for clients regarding intellectual property audits

## Volume 2

### CHAPTER 21. DUE DILIGENCE IN TECHNOLOGY TRANSACTIONS

#### I. BUSINESS AND LEGAL CONSIDERATIONS

- § 21:1 Overview
- § 21:2 —Identification of the intellectual property rights
- § 21:3 —Ownership
- § 21:4 —Perfection and protection
- § 21:5 —Infringement analysis and contractual restrictions
- § 21:6 —Using the due diligence investigation

TABLE OF CONTENTS

§ 21:7	Conducting the due diligence investigation—The investigation plan
§ 21:8	—Choosing the investigation team
§ 21:9	—Management and the due diligence investigation
§ 21:10	—The investigation process
§ 21:11	—Documented form of the investigation
§ 21:12	Collecting the information
§ 21:13	—Information collection procedures
§ 21:14	—Questionnaires
§ 21:15	—Document requests
§ 21:16	—File review
§ 21:17	—Interviews
§ 21:18	—Inspections
§ 21:19	—Legal opinions and independent reports
§ 21:20	—Registry searches
§ 21:21	—Basic document and information requirements
§ 21:22	—Statutory intellectual property rights
§ 21:23	—Trade secret rights
§ 21:24	—Technology rights agreements
§ 21:25	—Employment agreements
§ 21:26	—Intellectual property disputes and litigation
§ 21:27	—Other documents and information
§ 21:28	Analyzing information
§ 21:29	Description of intellectual property rights
§ 21:30	—Assets owned by target company
§ 21:31	—Trade secrets
§ 21:32	—License agreements
§ 21:33	Ownership of intellectual property rights
§ 21:34	—Search procedures
§ 21:35	—Employees and consultants
§ 21:36	—Employee assignments of inventions
§ 21:37	—Consultant assignments
§ 21:38	—Representations and warranties
§ 21:39	—Licenses from third parties to target company
§ 21:40	—Target company licenses to third parties
§ 21:41	Perfection and protection
§ 21:42	—Statutory rights
§ 21:43	—Patents
§ 21:44	—Copyrights
§ 21:45	—Trademarks
§ 21:46	—Trade secrets
§ 21:47	—Trade secret protection procedures
§ 21:48	—Nondisclosure agreements
§ 21:49	—Protective provisions in licensing agreements

- § 21:50 —Prosecuting infringement claims against third parties
- § 21:51 Infringement of third-party rights
- § 21:52 —Prior employment relationships
- § 21:53 —Misappropriation of trade secrets
- § 21:54 —Copyright infringement
- § 21:55 Restrictions and limitations
- § 21:56 —Contractual restrictions and limitations
- § 21:57 —Intellectual property litigation
- § 21:58 Competitive utility of intellectual property assets
- § 21:59 —Statutory rights
- § 21:60 ——Patents
- § 21:61 ——Copyrights
- § 21:62 ——Trademarks
- § 21:63 —Trade Secrets
- § 21:64 Curing defects in ownership of technology
- § 21:65 —Written assignments
- § 21:66 —Licensing the rights of third parties
- § 21:67 —Reverse engineering
- § 21:68 —Independent development

## II. FORMS

- § 21:69 Intellectual property due diligence questionnaire
- § 21:70 Intellectual property due diligence document request—Short form
  - § 21:71 —Long form
- § 21:72 Intellectual property due diligence interview
- § 21:73 Intellectual property ownership analysis
- § 21:74 Intellectual property perfection and protection analysis
- § 21:75 Mutual confidentiality agreement
- § 21:76 Unilateral non-disclosure agreement

## CHAPTER 22. RESEARCH AND DEVELOPMENT ARRANGEMENTS

### I. BUSINESS AND LEGAL CONSIDERATIONS

- § 22:1 Overview
- § 22:2 —Types of research and development arrangements
- § 22:3 —Key terms of the research and development arrangement
- § 22:4 The research program
- § 22:5 —Scope and content of the research program

TABLE OF CONTENTS

§ 22:6	— Field of activity
§ 22:7	— Program goals and objectives
§ 22:8	— Content of the research program
§ 22:9	— Duration and completion of the research program
§ 22:10	— The research budget
§ 22:11	— Components of the research budget
§ 22:12	— Capital equipment and facilities
§ 22:13	— Researching party's profit on research project
§ 22:14	— Supplemental funding from third parties
§ 22:15	— Amendments and modifications
§ 22:16	— Payment procedures
§ 22:17	— Accounting procedures
§ 22:18	— Staffing of the research project
§ 22:19	— Management and reporting procedures
§ 22:20	— Management procedures
§ 22:21	— Technical progress reviews
§ 22:22	— Reporting procedures
§ 22:23	— Review meetings and monitoring of project
§ 22:24	— Voting and dispute resolution procedures
§ 22:25	— Records and reports
§ 22:26	— Technology exchange and technical assistance
§ 22:27	Contributions to the research program
§ 22:28	— Contributions of existing technologies to the research project
§ 22:29	— Participation of sponsor personnel in research program
§ 22:30	— Supply of raw materials by sponsor
§ 22:31	Representations and covenants
§ 22:32	— Representations and warranties
§ 22:33	— Researching party's obligation to conduct research work
§ 22:34	— Restrictions on competitive activities
§ 22:35	— Confidentiality
§ 22:36	— Insurance and products liability
§ 22:37	— Publications and presentations
§ 22:38	— Supply of products for preclinical studies
§ 22:39	— Escrow arrangements
§ 22:40	— Independent contractor status
§ 22:41	— Additional research projects
§ 22:42	— Sponsor's right of first review
§ 22:43	— Exchange of new product ideas
§ 22:44	Ownership and protection of the technology
§ 22:45	— Ownership of project-related technology

- § 22:46 —Perfection and maintenance of intellectual property rights
- § 22:47 ——Preparation and prosecution of patent applications
- § 22:48 ——Protection of technical information
- § 22:49 ——Responsibility for patent infringement actions
- § 22:50 Uses of project-related technology
- § 22:51 —Uses of sponsor-owned technology by researching party
- § 22:52 ——Right to use technology for internal purposes
- § 22:53 ——Right to use technology outside field of activity
- § 22:54 ——Agreement to supply products to sponsor
- § 22:55 —Uses of project-related technology owned by researching party
- § 22:56 ——Sponsor's right of first refusal for exclusive license
- § 22:57 ——Sponsor's option to act as sole distributor
- § 22:58 —Creation of joint venture to commercialize technology
- § 22:59 —Uses of technology in the joint-venture context
- § 22:60 —Use of technologies outside the original field of activity
- § 22:61 —Use of basic technologies contributed to research program
- § 22:62 Termination of the research arrangement escrow arrangements
- § 22:63 —Events causing termination of the research arrangement—Failure or nonviability of research program
- § 22:64 ——Inability of sponsor to fund research program
- § 22:65 ——Other events causing termination of research program
- § 22:66 —Rights and obligations of the parties upon termination
- § 22:67 Certain tax aspects of research and development arrangements—Research and development cost sharing
- § 22:68 —Section 197
- § 22:69 —Sections 162 and 174
- § 22:70 —Treatment of computer software
- § 22:71 —Research and experimentation tax credit

## II. FORMS

- § 22:72 Cooperative development agreement
- § 22:73 Research agreement for therapeutic products

## TABLE OF CONTENTS

- § 22:74 Funded innovative research agreement
- § 22:75 Base research agreement
- § 22:76 Research services agreement
- § 22:77 Development and license agreement (hardware)
- § 22:78 Joint research and development agreement
- § 22:79 Collaborative research agreement

# CHAPTER 23. LICENSING ARRANGEMENTS

## I. BUSINESS AND LEGAL CONSIDERATIONS

- § 23:1 Overview
- § 23:2 Legal and regulatory aspects of licensing arrangements
  - § 23:3 General types of licensing arrangements
  - § 23:4 —Classification by licensed subject matter
    - § 23:5 ——Patent license
    - § 23:6 ——Trademark license
    - § 23:7 ——Copyright license
    - § 23:8 ——Trade secret license
    - § 23:9 ——Hybrid licenses
  - § 23:10 —Classification by permitted functional uses
    - § 23:11 ——Use licenses
    - § 23:12 ——Manufacturing license
    - § 23:13 ——Modification license
    - § 23:14 ——Distribution license
    - § 23:15 ——Sublicenses
    - § 23:16 ——Licensing to original equipment managers and value-added resellers
  - § 23:17 Advantages and disadvantages of licensing arrangements
    - § 23:18 —Potential advantages of a licensing arrangement
      - § 23:19 ——Access to vertical capabilities
      - § 23:20 ——Technology acquisition and exchange
      - § 23:21 ——Market penetration
      - § 23:22 ——Neutralizing blocking patents
      - § 23:23 ——Local regulatory requirements
      - § 23:24 ——Protection of intellectual property rights
      - § 23:25 ——Cost reduction
      - § 23:26 ——Enhancing cash flow and harvesting
    - § 23:27 General types of licensing arrangements—Potential disadvantages of a licensing arrangement
      - § 23:28 ——Dependence
      - § 23:29 ——Expropriation of licensed technology

- § 23:30 ——Risks to value of goodwill
- § 23:31 ——Licensee's costs of exploiting licensed rights
- § 23:32 Contents of the licensing agreement
- § 23:33 Definition and use of the licensed technology
- § 23:34 ——Definition of the licensed subject matter
- § 23:35 ——Statutory intellectual property rights
- § 23:36 ——Trade secrets
- § 23:37 ——Definition of the licensed technology—Rights licensed from third parties
- § 23:38 ——Changes in legal form of protection
- § 23:39 ——Licensor-developed improvements and enhancements
- § 23:40 ——Definition of the licensed subject matter— Licensee-developed enhancements and improvements
- § 23:41 ——Scope of use of the licensed subject matter
- § 23:42 ——Permitted functional uses of the licensed subject matter
- § 23:43 ——Field of use restrictions: Products and applications
- § 23:44 ——Field of use restrictions: Geographic and territorial
- § 23:45 ——Exclusive and nonexclusive license rights
- § 23:46 ——Contractual restrictions on exclusivity
- § 23:47 ——Performance conditions for exclusivity
- § 23:48 ——“Most favored licensee” clauses
- § 23:49 ——Legal consequences of exclusive licensing
- § 23:50 ——Sublicensing and assignment
- § 23:51 Warranties and guarantees
- § 23:52 ——Warranties against infringement of third-party rights
- § 23:53 ——Defending infringement claims by third parties
- § 23:54 ——Right to obtain license or modify infringing technology
- § 23:55 ——Risks of providing noninfringement representations
- § 23:56 ——Due diligence procedures
- § 23:57 ——Remedies for breach of representation
- § 23:58 ——Performance warranties and guarantees
- § 23:59 ——Additional representations and warranties—No conflicts regarding ownership or right to use
- § 23:60 ——Legal validity
- § 23:61 ——Regulatory matters
- § 23:62 ——Government licenses
- § 23:63 ——Limitations and disclaimers of warranties

TABLE OF CONTENTS

§ 23:64	Rights and obligations of the parties
§ 23:65	—Protection of the licensed subject matter
§ 23:66	— —Establishment and maintenance of statutory rights
§ 23:67	— —Infringement actions by or against third parties
§ 23:68	— —Confidentiality
§ 23:69	— —Use of protective notices
§ 23:70	—Technical assistance
§ 23:71	— —Transfer of technical information
§ 23:72	— —Technical assistance and training
§ 23:73	— —Other technical and commercial support
§ 23:74	—Licensee's improvements and grant-back provisions
§ 23:75	—Licensee's duty to exploit licensed subject matter
§ 23:76	—Restrictions on licensee engaging in competitive activities
§ 23:77	—Patent marking and nonendorsement
§ 23:78	—Quality control and products liability claims
§ 23:79	—Breach of the terms of the licensing agreement
§ 23:80	— —Limitations on the forms of damages
§ 23:81	— —Limitations on the amount of damages
§ 23:82	— —Limitations on the type of remedies
§ 23:83	— —Injunctive relief
§ 23:84	— —Statute of limitations
§ 23:85	Compensation, accounting, and payment
§ 23:86	—Royalties
§ 23:87	— —Scope of compensable uses
§ 23:88	— —Royalty measurement standard
§ 23:89	— —Royalty rate
§ 23:90	— —Minimum and maximum royalty provisions
§ 23:91	— —Royalty stacking provisions
§ 23:92	— —Government-owned inventions
§ 23:93	— —Most favored licensee clauses
§ 23:94	— —Patent licenses
§ 23:95	— —Trade secret licenses
§ 23:96	— —Duration
§ 23:97	— “Lump-sum” or nonroyalty payments
§ 23:98	— —Mature technologies
§ 23:99	— —Limited life of licensed technology
§ 23:100	— —Cost recovery
§ 23:101	— —Incentive for exploitation
§ 23:102	— —Protection against country risk
§ 23:103	— —Relation to royalty payments
§ 23:104	—In-kind payments
§ 23:105	—Accounting and payment procedures

- § 23:106 Term and termination of the licensing agreement
- § 23:107 —Term of the licensing agreement
- § 23:108 —Early termination provisions
- § 23:109 —Effect of termination and post-termination covenants
- § 23:110 —Final settlement of accounts
- § 23:111 —Protection of confidential information
- § 23:112 —Continued service to existing customers
- § 23:113 —Termination damages
- § 23:114 Transferring federally-owned technology by licensing

## II. FORMS

- § 23:115 Exclusive license agreement
- § 23:116 License agreement
- § 23:117 Patent license agreement
- § 23:118 Technology transfer and cross-license agreement
- § 23:119 Technology license agreement
- § 23:120 Trade secret license agreement
- § 23:121 Technology product purchase and software license agreement

# CHAPTER 24. MANUFACTURING AND DISTRIBUTION ARRANGEMENTS

## I. BUSINESS AND LEGAL CONSIDERATIONS

- § 24:1 Overview
- § 24:2 —Forms of manufacturing and distribution relationships
- § 24:3 —Basic distributorship relationship
- § 24:4 —Original equipment manufacturer relationship
- § 24:5 —Manufacturing and distribution licensing relationship
- § 24:6 —Laws governing the sale of goods—Domestic laws
- § 24:7 —United Nations Convention for the International Sale of Goods
- § 24:8 ——Obligations of the seller/remedies of the buyer
- § 24:9 ——Obligations of the buyer/remedies of the seller
- § 24:10 Standard terms of product purchase agreements
- § 24:11 Manufacturing arrangements—General business considerations—Competitive advantages of manufacturing

TABLE OF CONTENTS

§ 24:12	— General business and legal aspects of manufacturing activities
§ 24:13	— Outsourcing manufacturing requirements
§ 24:14	— Manufacturer selection process
§ 24:15	— Preliminary negotiations
§ 24:16	— Confidentiality agreements
§ 24:17	— Letter of intent
§ 24:18	— Limited prototype manufacturing agreement
§ 24:19	— Product or process development agreement
§ 24:20	— Contract manufacturing arrangements
§ 24:21	— Products developed by manufacturer
§ 24:22	— Products developed by purchaser
§ 24:23	— Master manufacturing agreements
§ 24:24	— Requirements contracts
§ 24:25	— Manufacturing facilities and equipment arrangements
§ 24:26	— Subcontracting arrangements
§ 24:27	— Manufacturing and distribution arrangements
§ 24:28	— Ancillary agreements
§ 24:29	— Tax considerations—Tax treatment of sale and purchase of goods
§ 24:30	— Inventories
§ 24:31	— Accounting methods
§ 24:32	— Installment sales
§ 24:33	— Imputed interest
§ 24:34	— Cancellation of manufacturing agreements
§ 24:35	Basic distributorship relationships
§ 24:36	— Types of distributorship arrangements— Nonexclusive distribution agreements
§ 24:37	— Exclusive distribution agreements
§ 24:38	— International distributor agreements
§ 24:39	— Dealer arrangements
§ 24:40	— Goods covered by the distribution arrangement
§ 24:41	— Products
§ 24:42	— Parts and supplies
§ 24:43	— Enhancements and improvements
§ 24:44	— Rights to new products
§ 24:45	— Scope of appointment
§ 24:46	— Geographic limitations
§ 24:47	— Market or customer limitations
§ 24:48	— Subdistributors and dealers
§ 24:49	— Exclusivity
§ 24:50	— Pricing and payment terms
§ 24:51	— Pricing of products sold to distributor
§ 24:52	— Payment terms

- § 24:53 — —Security for performance of payment obligations
- § 24:54 — —Pricing adjustments for unsold inventories
- § 24:55 — —Ordering and shipping procedures
- § 24:56 — —Ordering procedures
- § 24:57 — —Product availability
- § 24:58 — —Shipping procedures
- § 24:59 — —Manufacturer's failure to deliver on a timely basis
- § 24:60 — —Resale pricing
- § 24:61 — —Product warranties
- § 24:62 — —Express performance warranties
- § 24:63 — —Implied warranties and disclaimers
- § 24:64 — —Intellectual property warranties
- § 24:65 — —Technical support and service—Technical assistance
- § 24:66 — —Training classes
- § 24:67 — —Documentation
- § 24:68 — —Service
- § 24:69 — —Duties of the distributor
- § 24:70 — —Promotional activities
- § 24:71 — —Trademarks and goodwill
- § 24:72 — —Distributor review
- § 24:73 — —Term and termination
- § 24:74 — —Initial term and renewals
- § 24:75 — —Early termination
- § 24:76 — —Legal consequences of termination
- § 24:77 — —Post-termination obligations and procedures
- § 24:78 — —Outstanding orders
- § 24:79 — —Distributor inventories
- § 24:80 — — —Manufacturer products on distributor's premises
- § 24:81 — — —Customer service and warranty claims
- § 24:82 — — —Trademarks and marketing literature
- § 24:83 — — —Confidentiality obligations
- § 24:84 — —Tax considerations
- § 24:85 — — —Tax treatment of principal and distributor
- § 24:86 — — —Accounting methods
- § 24:87 — — —Cancellation of dealership or distributorship
- § 24:88 — —Original equipment manufacturer relationships
- § 24:89 — —Product specifications
- § 24:90 — —Product manufacture and acceptance procedures
- § 24:91 — —Pricing and ordering procedures
- § 24:92 — —Spare parts
- § 24:93 — —Product warranties

## TABLE OF CONTENTS

§ 24:94	—Confidentiality obligations
§ 24:95	—Termination
§ 24:96	Manufacture and distribution licensing
§ 24:97	—Definition of licensed products
§ 24:98	—Manufacturing activities
§ 24:99	— —Transfer of technical information
§ 24:100	— —Training and assistance
§ 24:101	— —Cooperative purchasing
§ 24:102	—Scope of manufacturing and distribution licenses
§ 24:103	—Senior party's obligation to purchase products
§ 24:104	— —Pricing
§ 24:105	— —Payment procedures
§ 24:106	— —Order forecast
§ 24:107	—Developer's right to purchase products

## II. FORMS

§ 24:108	Manufacturing license and product purchase agreement
§ 24:109	Manufacturing and purchase agreement
§ 24:110	Manufacturing and purchase agreement (computer systems)
§ 24:111	Exclusive manufacturing agreement
§ 24:112	Branded product manufacturing agreement
§ 24:113	Original design manufacturer agreement
§ 24:114	Manufacturing and integration services agreement
§ 24:115	Requirements supply agreement
§ 24:116	Technology OEM agreement
§ 24:117	Patent and know-how license agreement
§ 24:118	Escrow agreement (technical information)
§ 24:119	Exclusive field of use license agreement for biological materials
§ 24:120	OEM license agreement
§ 24:121	Licensing and technical assistance agreement
§ 24:122	Distributor agreement
§ 24:123	International distributor agreement (medical products)
§ 24:124	Manufacturing license and distribution agreement
§ 24:125	Retailer's standard terms and conditions for purchase of technology products
§ 24:126	OEM purchase agreement terms and conditions
§ 24:127	Manufacturing, sales and distribution exclusive license agreement
§ 24:128	Manufacturing license and distribution agreement—Issuance of equity interest in distributor as consideration for agreement

§ 24:129 Marketing and master distribution agreement

## CHAPTER 25. SOFTWARE DEVELOPMENT AND LICENSING ARRANGEMENTS

### I. BUSINESS AND LEGAL CONSIDERATIONS

- § 25:1 Software industry background—Industry standards
- § 25:2 —Preloaded versus customized software
- § 25:3 —Independent vendors
- § 25:4 —Systems management vendors
- § 25:5 —Packaged application software developers
- § 25:6 —Systems integrators and independent consultants
- § 25:7 —Software tool vendors
- § 25:8 —Operating systems vendors
- § 25:9 —Competitive factors
- § 25:10 Software development
- § 25:11 —Reverse engineering
- § 25:12 ——Clean room procedures
- § 25:13 ——Physical code comparisons
- § 25:14 —Copyright protection
- § 25:15 —Contractual protection
- § 25:16 —Software tracers
- § 25:17 —Trade secret protection programs
- § 25:18 —Patent protection
- § 25:19 ——Compliance factors
- § 25:20 ——Commercial value and life expectancy factors
- § 25:21 ——Competition factors
- § 25:22 —Basic terms of software development contracts—
  - Description of services and development of specifications
  - Ownership rights
  - Development schedule
  - Delivery and acceptance testing
  - Fees
  - Representations and warranties
  - Miscellaneous
- § 25:29 Software licensing agreements
- § 25:30 —Documenting the licensing arrangement
- § 25:31 —General forms of software license agreements—
  - Content licenses
  - Network licenses
  - Integrated hardware and software agreements
  - Integrated software and maintenance agreements

TABLE OF CONTENTS

§ 25:35	— —Original equipment manufacturer licenses
§ 25:36	— —Bulk licenses
§ 25:37	— —Distribution and value-added reseller arrangements
§ 25:38	— —Beta test licenses
§ 25:39	— —Single-use licenses
§ 25:40	— —Shrink-wrap licenses
§ 25:41	— —Multiple-use licenses
§ 25:42	—Technical and business factors for licensees
§ 25:43	— —Working environment track record
§ 25:44	— —Cost
§ 25:45	— —Financial, labor, and litigation history of vendors
§ 25:46	— —Modification or development work
§ 25:47	— —Installation or implementation in phases
§ 25:48	— —Negotiations
§ 25:49	—Technical and business factors for licensors
§ 25:50	—Hardware or system requirements
§ 25:51	—Development services
§ 25:52	—Scope of rights granted to licensee—Location of use
§ 25:53	— —Use by subsidiaries and affiliates
§ 25:54	— —Permitted individual users
§ 25:55	— —Copies of software
§ 25:56	— —Sublicenses
§ 25:57	— —Modification of software
§ 25:58	— —Exclusivity of rights
§ 25:59	—Establishing performance specifications
§ 25:60	— —Software capabilities and performance characteristics
§ 25:61	— —Adaptability of software
§ 25:62	— —Amount of consideration
§ 25:63	— —Warranty and maintenance coverage
§ 25:64	— —Timing of performance measurement
§ 25:65	—Installation and acceptance
§ 25:66	— —Acceptance procedures
§ 25:67	— —Repair of defects
§ 25:68	—Compensation
§ 25:69	— —Factors for determining compensation
§ 25:70	— —Installment or royalty-based payment arrangements
§ 25:71	— —Inspection and audit rights
§ 25:72	—Confidentiality
§ 25:73	—Documentation and support
§ 25:74	— —Documentation

- § 25:75 ——Training
- § 25:76 ——Technical support
- § 25:77 ——Maintenance
- § 25:78 ——Covered services and exclusions
- § 25:79 ——Maintenance fees
- § 25:80 ——Discontinuation
- § 25:81 ——Updates and enhancements
- § 25:82 ——Derivative works and improvements
- § 25:83 ——Definitions
- § 25:84 ——Licensee's derivative works and improvements
- § 25:85 ——Licensor's derivative works and improvements
- § 25:86 ——Representations and warranties
- § 25:87 ——Noninfringement warranties
- § 25:88 ——Limitations on direct damages and total liability
- § 25:89 ——Incorporating sales materials
- § 25:90 ——Authorization codes
- § 25:91 ——Additional representations
- § 25:92 ——Indemnification
- § 25:93 ——Access to source code
- § 25:94 Employment and consulting agreements
- § 25:95 The Uniform Computer Information Transactions Act
- § 25:96 Open source software
- § 25:97 Tax considerations—Sales and leases of computer hardware and software—Treatment of developers, manufacturers, and lessors
  - § 25:98 ——Computers used for business purposes
  - § 25:99 ——Computers used for personal purposes
  - § 25:100 ——Depreciation of computer hardware and software—Computers and peripherals
  - § 25:101 ——Listed property
  - § 25:102 ——Business purpose requirement
  - § 25:103 ——Condition of employment
  - § 25:104 ——Record-keeping requirements
  - § 25:105 ——Personal use prohibition
  - § 25:106 ——Software

## II. FORMS

- § 25:107 Software development agreement
- § 25:108 Master software development agreement
- § 25:109 Custom software development agreement
- § 25:110 Software usage agreement
- § 25:111 OEM license agreement

## TABLE OF CONTENTS

§ 25:112	Software license agreement (letter agreement)
§ 25:113	Prerelease software license agreement
§ 25:114	Software license agreement
§ 25:115	Software license, services, support, and enhancement agreement
§ 25:116	OEM software license agreement
§ 25:117	Master software vending agreement
§ 25:118	Software license agreement for master vending agreement
§ 25:119	Software maintenance agreement for master vending agreement
§ 25:120	Software maintenance agreement by authorized reseller
§ 25:121	Software click-wrap license agreement
§ 25:122	Software consulting agreement
§ 25:123	Agreement for joint ownership of computer software
§ 25:124	Escrow agreement
§ 25:125	Royalty agreement
§ 25:126	Royalty agreement (for film exposure technology)
§ 25:127	Software procurement and use policy
§ 25:128	Policy for purchasing or licensing software
§ 25:129	Software as a service agreement
§ 25:130	Software development agreement—Proprietary AI software program
§ 25:131	Software license agreement—Point-of-sale and e-commerce software solution

## CHAPTER 26. INTERNET TRANSACTIONS

### I. BUSINESS AND LEGAL CONSIDERATIONS

§ 26:1	Introduction
§ 26:2	Organizational and physical components
§ 26:3	Transmission and storage of information
§ 26:4	Search tools
§ 26:5	Infrastructure
§ 26:6	Government regulation
§ 26:7	—Service providers
§ 26:8	—Uniform regulations and laws
§ 26:9	Workplace and marketplace use
§ 26:10	—E-mail communications
§ 26:11	—Intranets
§ 26:12	—Electronic commerce
§ 26:13	—Content and service providers
§ 26:14	—Business and financial risks

- § 26:15 Design and development
- § 26:16 —Types of design arrangements
- § 26:17 —Preliminary negotiations and agreements
- § 26:18 —Design agreements
- § 26:19 —Consulting agreements
- § 26:20 Hosting arrangements
- § 26:21 Content and intellectual property issues
- § 26:22 —Preexisting content
- § 26:23 —Third-party materials
- § 26:24 ——Content created by employees and independent contractors
- § 26:25 ——License agreements with third parties
- § 26:26 ——Third-party software
- § 26:27 ——Linking agreements
- § 26:28 —Ownership of content created during the development project
- § 26:29 ——Work made for hire
- § 26:30 ——Assignment
- § 26:31 ——Licensing
- § 26:32 —Photographs
- § 26:33 —Music
- § 26:34 Download licenses
- § 26:35 Intellectual property issues—Copyright law
- § 26:36 —Scope of content licenses
- § 26:37 —Copyright notices
- § 26:38 —Framing
- § 26:39 ——Third-party postings
- § 26:40 ——Security and privacy disclaimers
- § 26:41 ——Products for protecting online copyrights
- § 26:42 —Trademark law
- § 26:43 —Linking and framing
- § 26:44 —Meta-tagging
- § 26:45 Domain names
- § 26:46 —Domain name levels
- § 26:47 —Name availability searches and registration
- § 26:48 Dispute resolution procedures
- § 26:49 Joint ventures
- § 26:50 Advertising activities
- § 26:51 —Disclosures and disclaimers
- § 26:52 —Endorsements
- § 26:53 —Content presentation
- § 26:54 —Sweepstakes
- § 26:55 —Sales
- § 26:56 —Data collection
- § 26:57 —Federal CAN-SPAM Act of 2003

## TABLE OF CONTENTS

### II. CHECKLISTS

§ 26:58 Checklist for establishing an online business presence

### III. FORMS

§ 26:59 Web site design agreement  
§ 26:60 Web site hosting agreement  
§ 26:61 Web site design nondisclosure agreement  
§ 26:62 Work-made-for-hire agreement for Web site  
§ 26:63 Web site consulting agreement  
§ 26:64 Web site content license agreement  
§ 26:65 Web site content development agreement  
§ 26:66 Web site development legal questionnaire  
§ 26:67 Domain name sale agreement  
§ 26:68 Web site sponsorship agreement  
§ 26:69 ASP service agreement

## CHAPTER 27. MULTIMEDIA WORKS

### I. BUSINESS AND LEGAL CONSIDERATIONS

§ 27:1 Introduction  
§ 27:2 Strategies for collecting content for multimedia works  
§ 27:3 Text  
§ 27:4 —Copyright  
§ 27:5 —Trademark  
§ 27:6 —Titles  
§ 27:7 —Characters  
§ 27:8 Motion pictures  
§ 27:9 —Copyright  
§ 27:10 —Trademarks  
§ 27:11 —Titles  
§ 27:12 —Characters  
§ 27:13 —Special effects  
§ 27:14 Still images  
§ 27:15 —Copyright  
§ 27:16 —Trademarks  
§ 27:17 —Characters  
§ 27:18 —Privacy and publicity rights  
§ 27:19 Music and audio  
§ 27:20 —Copyright  
§ 27:21 —Trademarks  
§ 27:22 —Publicity rights  
§ 27:23 —Sampling  
§ 27:24 —Licensing

- § 27:25 ——Mechanical licenses
- § 27:26 ——Synchronization licenses
- § 27:27 ——Master use licenses
- § 27:28 ——Performance licenses
- § 27:29 ——Digital audio performance licenses
- § 27:30 Software
- § 27:31 Copyright
- § 27:32 Patents
- § 27:33 Trade secrets
- § 27:34 Innovative patent protection for multimedia

## II. FORMS

- § 27:35 Image merchandising license agreement
- § 27:36 Video license agreement
- § 27:37 Graphics license agreement
- § 27:38 Art work license agreement
- § 27:39 Illustration license agreement
- § 27:40 Music license agreement
- § 27:41 Synchronization and public performance license
- § 27:42 Publicity waiver and release
- § 27:43 Agreement for creation of original marketing content utilizing artificial intelligence tools and processes

# CHAPTER 28. TECHNOLOGY AND INTELLECTUAL PROPERTY ISSUES IN MERGERS AND ACQUISITIONS

## I. BUSINESS AND LEGAL CONSIDERATIONS

- § 28:1 Introduction
- § 28:2 Confidentiality and nondisclosure agreements
- § 28:3 Due diligence investigation
- § 28:4 Substantive terms of the transaction
- § 28:5 Representations and warranties
- § 28:6 Legal and regulatory considerations
- § 28:7 Covenants and closing conditions

## II. FORMS

- § 28:8 Asset purchase agreement
- § 28:9 Security agreement
- § 28:10 Patent License agreement
- § 28:11 Services agreement

TABLE OF CONTENTS

§ 28:12 Purchase of technology assets relating to specific product

**APPENDICES**

Appendix A. 2017 Antitrust Guidelines for the Licensing of Intellectual Property

Appendix B. European Union Technology Transfer Regulations

**Table of Laws and Rules**

**Table of Cases**

**Index**