

# Table of Contents

## CHAPTER 1. PATENT AND TECHNOLOGY LICENSING IN THE UNITED STATES

|        |                                                                   |
|--------|-------------------------------------------------------------------|
| § 1:1  | Introduction to patent & technology licensing                     |
| § 1:2  | U.S. patent rights                                                |
| § 1:3  | —The definition of inventions                                     |
| § 1:4  | —Inventions created with artificial intelligence                  |
| § 1:5  | —Novelty under                                                    |
| § 1:6  | —Obviousness under                                                |
| § 1:7  | —Enablement, best mode and claim definiteness requirements        |
| § 1:8  | Types of U.S. patents—Original patents                            |
| § 1:9  | —Reissue patents                                                  |
| § 1:10 | —Reexamined patents                                               |
| § 1:11 | Types of U.S. patent applications—Original or parent applications |
| § 1:12 | —Continuation applications                                        |
| § 1:13 | —Continuation-in-part applications                                |
| § 1:14 | —Divisional applications                                          |
| § 1:15 | —Reissue applications                                             |
| § 1:16 | —Reexamination applications                                       |
| § 1:17 | Post-grant patent review                                          |
| § 1:18 | Patent term                                                       |
| § 1:19 | Patent Infringement—Damages                                       |
| § 1:20 | —Direct infringement under section 271(a)                         |
| § 1:21 | Patent infringement—Induced infringement under section 271(b)     |
| § 1:22 | —Contributory infringement under section 271(c)                   |
| § 1:23 | —Infringement by exporting components under section 271(f)        |
| § 1:24 | —Infringement by foreign processes under section 271(g)           |
| § 1:25 | The patent exhaustion doctrine                                    |
| § 1:26 | The implied license doctrine                                      |
| § 1:27 | Ownership of U.S. patents                                         |
| § 1:28 | Ownership of foreign patents                                      |

- § 1:29 Enforcement of U.S. patent rights
- § 1:30 —The Declaratory Judgment Act
- § 1:31 —District and Appellate Court Jurisdiction
- § 1:32 —Standing to sue
- § 1:33 Assignor Estoppel
- § 1:34 Suits against the United States
- § 1:35 Enforcement of U.S. patent rights—Res Judicata  
as a bar to suit
- § 1:36 Unenforceability due to inequitable conduct
- § 1:37 Patent damages and injunctions
- § 1:38 Patent marking
- § 1:39 Preemption of state patent law

## **CHAPTER 2. U.S. TRADE SECRET LAW**

- § 2:1 Trade secret rights
- § 2:2 Definition of a trade secret—Restatement of  
Unfair Competition
- § 2:3 —Uniform Trade Secrets Act
- § 2:4 —Independent economic value
- § 2:5 —Not generally known or readily ascertainable
- § 2:6 —Efforts to maintain secrecy
- § 2:7 Trade secret misappropriation
- § 2:8 Remedies for misappropriation—Compensatory  
damages
- § 2:9 —Injunctive relief
- § 2:10 —Other relief
- § 2:11 Scope of trade secret rights
- § 2:12 Enforcement of state trade secret rights
- § 2:13 Federal Defend Trade Secrets Act
- § 2:14 —Definitions
- § 2:15 —Remedies

## **CHAPTER 3. TYPES OF PATENT AND TECHNOLOGY LICENSES**

- § 3:1 Introduction
- § 3:2 The pure trade secret license
- § 3:3 The pure patent license
- § 3:4 Hybrid patent and technology or trade secret  
licenses
- § 3:5 Drafting considerations for hybrid licenses
- § 3:6 Licensing of Standard Essential Patents (SEPs)

## TABLE OF CONTENTS

### **CHAPTER 4. INTERFACE BETWEEN THE PATENT, TRADE SECRET, TRADEMARK, AND COPYRIGHT LAWS**

- § 4:1 Introduction
- § 4:2 The patent law preemption issue
- § 4:3 Conflicts between first inventors
- § 4:4 Public versus secret use
- § 4:5 The copyright preemption issue
- § 4:6 The overlap between copyright and trademarks
- § 4:7 The impact of artificial intelligence on copyrights

### **CHAPTER 5. THE U.S. ANTITRUST LAWS**

- § 5:1 Introduction
- § 5:2 Trade secret versus patent attributes
- § 5:3 Secrecy agreements as restraints of trade
- § 5:4 Trade secret licensing restrictions
- § 5:5 Licensing restrictions—Patent license  
restrictions—Patent misuse
- § 5:6 —Product price restraints
- § 5:7 —Territorial restraints
- § 5:8 —Quantity, field of use restrictions, and exclusive  
dealing
- § 5:9 —Grantback provisions
- § 5:10 —Tying agreements
- § 5:11 —Contracts and conspiracies in restraint of  
trade—Patent pools and package licensing
- § 5:12 —Monopolization
- § 5:13 —Bad faith assertion of a trade secret
- § 5:14 Challenging the validity of the licensed patent
- § 5:15 Reverse payment settlement agreements

### **CHAPTER 6. GOVERNMENT REGULATION OF INTELLECTUAL PROPERTY LICENSING**

- § 6:1 2017 Justice Department and FTC Guidelines
- § 6:2 Agency analysis
- § 6:3 The rule of reason
- § 6:4 The antitrust safety zone
- § 6:5 Application of principles
- § 6:6 Invalid patent rights

## **CHAPTER 7. REGULATION OF LICENSING IN OTHER JURISDICTIONS**

- § 7:1 General background for licensing
- § 7:2 Japanese guidelines for the regulation of unfair trade practices with respect to patent and know-how license agreements
- § 7:3 Japan FTC clearance procedures
- § 7:4 Analysis of patent and know-how license agreements
- § 7:5 Restrictions in patent license agreements—  
Acceptable restrictions
- § 7:6 —Questionable restrictions
- § 7:7 —Unacceptable restrictions
- § 7:8 Restrictions in know-how license agreements—  
Acceptable restrictions
- § 7:9 —Questionable restrictions
- § 7:10 —Unacceptable restrictions
- § 7:11 EEC block exemption licensing regulations—  
Background
- § 7:12 —The burden of notification
- § 7:13 —The requirement of two or more parties
- § 7:14 —The exhaustion of monopoly doctrine
- § 7:15 The 2004 Regulation No. 772/2004 of 27 April 2004—The New Block Exemptions
- § 7:16 —Article 1—Definitions
- § 7:17 —Article 2—Exemption from violating Treaty Article 81(1)
- § 7:18 —Article 3—Safe harbour provisions and market-share thresholds
- § 7:19 —General recitals
- § 7:20 —Article 4—Hard core restrictions
- § 7:21 —Article 5—Excluded “soft” restrictions
- § 7:22 —Article 6—Withdrawal of exemption in individual cases
- § 7:23 —Compliance with the 2004 TTBER regulations
- § 7:24 EEC joint R and D agreements

## **CHAPTER 8. LICENSE CREATION, INTERPRETATION AND ENFORCEMENT**

- § 8:1 State vs. federal law
- § 8:2 Selection of controlling law
- § 8:3 Choice of law rules for licenses

## TABLE OF CONTENTS

- § 8:4 Article 2 of the Uniform Commercial Code
- § 8:5 The Restatement (Second) of Contracts
- § 8:6 —Contract formation
- § 8:7 —The statute of frauds
- § 8:8 —Mistake
- § 8:9 —Mutual mistake
- § 8:10 —Mistake by one party
- § 8:11 —Misrepresentation, duress and undue influence
- § 8:12 —The interpretation of licenses
- § 8:13 —Assignments and settlement agreements
- § 8:14 —Remedies for breach of contract

## CHAPTER 9. SOFTWARE LICENSE AGREEMENTS

- § 9:1 Shrink-wrap and click licenses
- § 9:2 Generative artificial intelligence end user licenses
- § 9:3 The Uniform Computer Information Transactions Act (UCITA)
- § 9:4 Software license general provisions
- § 9:5 Software license confidentiality provisions

## CHAPTER 10. GENERAL LICENSE CLAUSES

- § 10:1 Introductory statement
- § 10:2 Recitals and whereas clauses
- § 10:3 Definitions
- § 10:4 The license grant
- § 10:5 Improvements and grant-backs
- § 10:6 Payment provisions
- § 10:7 Treatment of confidential information
- § 10:8 Best efforts
- § 10:9 Warranties and indemnities
- § 10:10 Patent marking
- § 10:11 Breaches
- § 10:12 Force majeure
- § 10:13 Term and termination
- § 10:14 Most favored licensee clauses
- § 10:15 Litigation and policing provisions
- § 10:16 Assignment and succession clauses
- § 10:17 Bankruptcy and insolvency clauses
- § 10:18 Executory contracts in bankruptcy

- § 10:19 Retention of rights by licensee in bankruptcy
- § 10:20 Licensee bankruptcy
- § 10:21 Choice of law and forum provisions
- § 10:22 Severability and merger provisions
- § 10:23 Arbitration and dispute resolution
- § 10:24 Notice provisions
- § 10:25 No-challenge clauses
- § 10:26 Glossary of Licensing Terminology

## **CHAPTER 11. TRADEMARK AND TRADE DRESS LICENSING & MERCHANDISING**

- § 11:1 General trademark definitions and protection
- § 11:2 Trademark licensing
- § 11:3 Use by the licensee
- § 11:4 Quality control by the owner
- § 11:5 Sublicensing rights
- § 11:6 Termination
- § 11:7 Estoppel of the licensee
- § 11:8 Standing to sue
- § 11:9 Monetary relief for infringement
- § 11:10 Willful infringement
- § 11:11 Profit Disgorgement
- § 11:12 Attorney's fees
- § 11:13 Merchandising

## **CHAPTER 11A. MULTIMEDIA LICENSING**

- § 11A:1 Introduction
- § 11A:2 Major characteristics
- § 11A:3 Categorization
- § 11A:4 Usage/Application
- § 11A:5 Size of the Multimedia Licensing Industry
- § 11A:6 Multimedia licensing

## **CHAPTER 12. CASE STUDIES IN LICENSING**

- § 12:1 The Ransburg patent licensing and enforcement program
- § 12:2 The licensed technology—The Ransburg commercial No.2 system

## TABLE OF CONTENTS

- § 12:3 The Ransburg patents
- § 12:4 Litigation and licensing of the Ransburg patents
- § 12:5 Ransburg standard license agreement
- § 12:6 Epilogue

## CHAPTER 13. THE ROLE OF ARTIFICIAL INTELLIGENCE IN LICENSING

- § 13:1 Defining Artificial Intelligence (“AI”)
- § 13:2 The basic components of AI
- § 13:3 Examples of AI in everyday life
- § 13:4 The current size of the AI industry and projected growth
- § 13:5 AI’s impact on the global economy
- § 13:6 Origins of AI
- § 13:7 Tasks that can be performed by AI
- § 13:8 Leaders in the AI space
- § 13:9 Leading applications of AI in the legal industry
- § 13:10 AI in licensing
- § 13:11 Who owns works created or designed by AI?
- § 13:12 What are the primary applications of AI in the creation of artwork?
- § 13:13 Currently available AI programs
- § 13:14 AI Legal disputes in the United States
- § 13:15 AI legal disputes outside the U.S.
- § 13:16 Pending AI cases
- § 13:17 Leading AI companies in the US and abroad and their specialties
- § 13:18 Legal exposure for users of AI
- § 13:19 Downsides of using AI to solve problems
- § 13:20 Current and potential future legislation involving AI
- § 13:21 Current AI guidelines
- § 13:22 Major governmental and international AI guidelines
- § 13:23 Corporate AI governance guidelines
- § 13:24 The future of AI
- § 13:25 Bibliography on AI publications/articles
- § 13:26 Issued Patents on AI
- § 13:27 Public AI licensing deals with reported value

## APPENDICES

- Appendix A. U.S. Department of Justice and Federal

|              |                                                                                                                               |
|--------------|-------------------------------------------------------------------------------------------------------------------------------|
|              | Trade Commission Antitrust<br>Guidelines for the Licensing of<br>Intellectual Property (Issued January<br>12, 2017)           |
| Appendix A1. | Section 365(n)(1) of the Bankruptcy Code<br>(11 U.S.C.A. § 365)                                                               |
| Appendix B.  | Japanese Guidelines for the Regulation<br>of Unfair Trade Practices                                                           |
| Appendix C.  | EEC Block Exemption Regulations                                                                                               |
| Appendix C1. | Application of Article 81(3) of the Treaty<br>to Categories of Technology Transfer<br>Agreements                              |
| Appendix C2. | Guidelines on the Application of Article<br>81                                                                                |
| Appendix C3. | Implementation of the Rules on<br>Competition Laid Down in Articles 81<br>and 82 of the Treaty                                |
| Appendix D.  | Research and Development Regulations                                                                                          |
| Appendix D1. | PTO Guidelines for AI                                                                                                         |
| Appendix D2. | Copyright Office Guidelines for AI                                                                                            |
| Appendix D3. | Economic Espionage Act (18 U.S.C.A.<br>§ 1831 – 1839) (As Amended May 11,<br>2016 by the Defend Trade Secrets Act<br>of 2016) |
| Appendix E.  | Sample Computer Software Licenses                                                                                             |
| Appendix E1. | Sample Software Package Label Licenses                                                                                        |
| Appendix E2. | Exclusive Hybrid License                                                                                                      |
| Appendix E3. | Sample Nonexclusive Hybrid License                                                                                            |
| Appendix E4. | Sample Patent and Technology Cross-<br>License Agreement                                                                      |
| Appendix E5. | Sample Trademark, Trade Dress and<br>Trade Name License Agreement                                                             |
| Appendix E6. | Sample Copyright Use License and<br>Worldwide Assignment                                                                      |
| Appendix E7. | Prototype License Agreement                                                                                                   |
| Appendix E8. | Patent and Trademark License<br>Agreement                                                                                     |
| Appendix E9. | Trademark License Agreement—Short<br>Form                                                                                     |

## TABLE OF CONTENTS

|               |                                                                                                                                                            |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Appendix E10. | Sample Publishing Agreements<br>Containing AI Provisions                                                                                                   |
| Appendix E11. | Agreement for Content as “Work Made<br>for Hire” Utilizing Artificial<br>Intelligence Tools and Procedures                                                 |
| Appendix E12. | Merchandising License Agreement Deal<br>Memo                                                                                                               |
| Appendix E13. | International Merchandising Agreement                                                                                                                      |
| Appendix E14. | Merchandising Representative<br>Agreement                                                                                                                  |
| Appendix E15. | Multimedia License Agreement                                                                                                                               |
| Appendix E16. | Video Game License Agreement                                                                                                                               |
| Appendix E17. | Worldwide Patent License Agreement                                                                                                                         |
| Appendix E18. | Joint Development Agreement                                                                                                                                |
| Appendix E19. | Chemical Plant Construction and<br>Operation License                                                                                                       |
| Appendix F.   | Summary of Hypothetical Reasonable<br>Royalty Cases in the Federal Circuit<br>(based on hypothetical negotiations<br>using <i>Georgia-Pacific</i> factors) |
| Appendix F1.  | Sample Lawsuit Settlement Agreement<br>Involving Patents and Licenses                                                                                      |
| Appendix F2.  | Sample Complaint for Damages and<br>Injunctive Relief for Infringement of<br>Copyright in AI Material                                                      |
| Appendix F3.  | Landmark Complaint by NY Times for AI<br>Copyright Infringement                                                                                            |
| Appendix F4.  | Sample Expert Witness Engagement<br>Letter                                                                                                                 |
| Appendix G.   | Sample Work for Hire Agreement                                                                                                                             |
| Appendix G1.  | Example Non-Disclosure Agreements                                                                                                                          |
| Appendix G2.  | Employment Agreement—Notice of<br>Immunity                                                                                                                 |
| Appendix G3.  | Sample AI Usage Policy                                                                                                                                     |
| Appendix H.   | Ransburg One-Page License                                                                                                                                  |
| Appendix H1.  | Ransburg Figures 1-3                                                                                                                                       |
| Appendix H2.  | Ransburg Patent No. 2,685,536                                                                                                                              |
| Appendix H3.  | Ransburg Patent No. 2,794,417                                                                                                                              |

## LICENSING LAW HANDBOOK

|              |                               |
|--------------|-------------------------------|
| Appendix H4. | Ransburg Patent No. 2,893,893 |
| Appendix H5. | Ransburg Patent No. 2,893,894 |
| Appendix H6. | Ransburg Patent Re: 24,602    |

### **Table of Cases**

### **Index**