

The Patent Right: Creative Licensing and Settlement Strategies

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- Basic Concepts
- Patent Licensing
- Settlement Agreements

Basic Concepts

- What is the Patent Right?
- What is a License?
- What is an Implied License?
- What are Sublicenses?
- What is Right to Have Made?

What is the Patent Right?

- Right to Exclude
- (Co)Ownership
- Making, Using, Selling
- Importing, Exporting, Offering for Sale

What is a License?

- Access to Technology by Written Agreement
- Exclusive or Non-Exclusive
- One or any Number of Patent Rights
- Consideration (SKr, CHF, Euro)

What is an Implied License?

- Assumed--So No Written Agreement
- Customers--Assumed Right to Use and ____ ?
- Software Exception
- Right to Make Assumes Right(s) to ____?
- Right to Sell Assumes Right(s) to ____ ?

What are Sublicenses?

- Right of Licensee/Owner to Grant Licenses
- Not Implied--But Better Explicitly Excluded
- Tricky--Can Lose Control of Patent

What is Right to Have Made?

- Not Implied--But Better Explicitly Excluded
- Ability of Licensee/Owner to Subcontract Manufacture
- Quality Control
- Competitor as Contract Manufacturer

Patent Licensing

- Patent Right is License from Federal Government
- Written Contract with Patent Right Owner
- What is a Label License?
- What is a Covenant Not to Sue?
- Repair v. Reconstruction

Patent Right is License from Federal Gov't

- Written Agreement
- Exclusive/All Rights (Make Use Sell)
- Limited Time/Limited Territory
(Country)
- Consideration is Detailed Description
& Tax

Written Contract with Patent Right Owner 1/2

- Parties and Effective/Termination Dates
- Definitions
- Whereas Clauses (Predicate Facts)
- Grant (What Rights, Field, Time?)
- Consideration (How Much, Paid, Audit?)
- Infringement

Written Contract with Patent Right Owner 2/2

- Notice
- Choice of Law--Construction, Venue
- Disputes--ADR?
- Severability
- Integration
- Counterparts

What is a Label License?

- Term from Vats of Chemical Additives
- Useful for Component Sales by Patent Right Owner
- Should be Disclaimed for Commodity Sales

What is a Covenant Not to Sue?

- Promise Not to Bring Infringement Claim
- Granted to Party and/or Product
- Like an Admission of No Infringement

Repair v. Reconstruction

- Repair an Implied Right
- Reconstruction is New Infringement
- Define Explicitly if Wear Replacement Issue

Settlement Agreements

- Put infringer in a Box
- Minimize Grant Scope
- Maximize Consideration

Put Infringer in a Box

- Infringement--Who Can/Must File Claim?
- Indemnification--Product Liability
- Grant Back
- Marking
- Assignment/Reversion
- Invalidity Challenge Limits

Minimize Grant

- Limit to Commercial Product
- Explicitly Deny Implied Rights
- Prevent Sublicense & Have Made Rights
- Prevent Applicability to Vendors/Customers
- Prevent Applicability to Acquired Business
- Require Periodic Renewals

Maximize Consideration

- Royalty Runs to Last Patent Expiration
- Invalidity Does Not End Payments
- Payments on Products Outside Territory
- Improvement Grant-backs
- Limit Invalidity Attacks
- License Fee for Past and Costs
- Chop Up Rights for Separate License

Recess

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