

# Advanced Licensing Law

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## Advanced Licensing Law

- **Overview – The Continued Importance of IP Licensing**
- **Focus Topics**
  - Pre-Deal Diligence
  - Drafting Effective Limitation of Liability Clauses
  - Avoiding the Naked Trademark License
  - Understanding Patent Misuse
  - Confidentiality and the Risk of the Inadvertent Non-compete
  - The Pitfalls of Joint Development Agreements
  - No Challenge Provisions in IP Licenses
  - The Elusive Concepts surrounding Exclusivity

## The Continued Importance of IP Licensing in Modern Business

- US licensing revenues totaled more than \$39 Billion in 2014
- Licensing revenue consistently growing at 2.6% annually from 2009-2014
- Over 33,000 employees are dedicated to licensing activities
- Main licensing business include:
  - Patent licensing in pharmaceutical and electronics industry
  - Performance Rights, Publishing and other Music Licensing
  - Franchising and related trademark licensing
  - Software licensing

Source: IBISWorld's *Intellectual Property Licensing Report – 7/2014*

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## Pre-License Diligence Issues

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## Pre-License Diligence: Patent Litigation Landscape Searches

- Which entities are actively asserting patents in the licensor's technology area?
  - Patterns in patent suits may indicate whether the licensee is next on the list to be sued.
  - Competitor patent suits are often invoked by new licensing initiative in their industry

## Pre-License Diligence: Regulatory

- There are a number of regulatory schemes that may apply to the business model that is enabled by the licensed technology and both licensee should run through them as part of the diligence process. Examples (SaaS example):
  - TCPA ("Telephone Consumer Protection Act" 47 U.S.C. 22)
  - CAN-SPAM (15 U.S.C. 103)
  - DMCA ("Digital Millenioum Copyright Act (17 U.S.C. 512)
  - COPPA ("Children's Online Privacy Protection Act" 15 U.S.C. 6501)
  - HIPPA ("Health Insurance Portability and Accountability Act")
  - GDPR ("General Data Protection Regulation Regulation" (EU) 2016/679)

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