

Fall 2019

Law 633/BA537/ENGR522: Intellectual Property and Commercialization ("Commercialization of Research and Technology--Legal, Business, and Technological Considerations.")

Potential Students: Graduate level students in Business Administration, Law, Engineering and Liberal Arts Science

Time: September 5, September 26, October 31, November 21, 6:30 PM – 8:30 PM, Room 164

Instructor: Robert Patino, J.D.
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Office Hours: By appointment

Text: We will be following several parts of *Transactional Intellectual Property: From Startups to Public Companies* by Gruner et al. All other course materials will be provided in pdf or made available online.

Course Delivery Methods: Course instructions and materials will be delivered online. Once every three to four weeks, a 2 hour instructional class will be conducted on Thursday evenings. Course deliverables/projects will be due before each class. A quiz during the second class and a final Exam will be included to examine your comprehension of the readings, presentations, interviews and workshops.

Course Description: Course (1) teaches substance & practice of commercializing products of scientific & technical research (2) provides a basic understanding of intellectual property laws in the commercialization context & how those laws are applied in various fields of technology. Students will learn how to value intangible assets, taking into account their commercial potential & legal status. The course will explore the legal & business issues surrounding marketing of new products that embody technology. Students will prepare & negotiate license agreements. Students will analyze legal & business issues surrounding whether & how to enforce intellectual property rights. Content & methods of course delivery & evaluation has been approved for provision by distance education.

Course Outcomes and Objectives:

Outcome 1: Students will be able to review an intellectual property portfolio and comprehend the extent of their protection.

- Objective A: Students will explain and comprehend the difference between a trademark, patent, copyright and trade secret.
- Objective B: Students will demonstrate their ability to know when to use trademarks, patents, copyrights and trade secrets for a given idea.
- Objective C: Students will explain the scope of protection for a given intellectual property portfolio.

Outcome 2: Students will be able to develop a business plan that advances the value of their intellectual property portfolio.

- Objective A: Students will demonstrate an understanding of the present state of their technology and comprehend “next steps” to advance its value.
- Objective B: Students will navigate set-backs such as disclosure mishaps or development complication scenarios.
- Objective C: Students will understand when to abandon their idea and when and how to seek additional funds to “ramp up” development or production.
- Objective D: Students will understand different valuation models that exist with intellectual property valuation.

Outcome 3: Students will be able to develop a strategy of marketing their intellectual property portfolio and understand some negotiation basics.

- Objective A: Students will comprehend a multitude of marketing strategies and match one that best fits their business model.
- Objective B: Students will understand the difference between assigning their interest, exclusive and non-exclusive licenses, and retaining important rights.
- Objective C: Students will draft a term sheet reflecting their business interests and their intellectual property value.
- Objective D: Students will present their term sheet and negotiate with the instructor.

Outcome 4: Students will be able to understand some of the limits of their intellectual property rights and comprehend some basic legal pitfalls.

- Objective A: Students will comprehend the risks of 3rd party challenges to their intellectual property rights such as patent claim exhaustion and claim invalidation.
- Objective B: Students will understand the risks when 3rd parties challenge their product development with their own intellectual property assets.
- Objective C: Students will demonstrate an understanding of some basic issues associated with commercializing university owned technologies.

Course Outline

Week 1: Overview of IP: (1) Online video, (2) Module 1 PowerPoint – IP Basics, (3) Read pgs. 965 –1005.

Week 2: Introduction of Sample Business Considerations and Hypothetical Start Up: (1) Read pgs. 1 – 14, (2) Review Hypothetical. Find the associated published issued patent(s) and/or patent application(s) and have them printed and ready for 1st in-class discussion [due Sept. 8], (3) Module 2 PowerPoint – Scope of Protection.

Week 3: Capturing Value Through IP: (1) Read pgs. 15 – 36, (2) **Do Quiz #1** Answer Questions in Quiz #1 by Sept 16 at 10:00 PM, (3) **Do Group Project #1 Business Plan (Due in 4 weeks – October 5).**

[Patent Print Outs are due at the beginning of class on September 5. Bring an extra set for yourself.]

Week 4: Valuing IP Assets: (1) Read pgs. 36 – 50, (2) Read *Tell Me Again – Why Should I Spend Money On Filing Patents?* Mike Lloyd, Les Nouvelles, (3) Module 4 PowerPoint – Creating Value, and (4) Watch Invotex Group video,

Week 5: Patent Claims – Construction and Scope: (1) Module 5 PowerPoint, (2) Read online assignment, (3) **Do Writing Assignment #1 due at the beginning of the next class.**

Week 6: Creating an Entity for IP Commercialization: (1) Read pgs. 73 – 97 & Read pgs. 106 – 112, (2) Watch Singleton video, (3) Module 6 PowerPoint – Funding Sources.

[Writing Assignment #1 is due at the beginning of class on September 26 and Business Plan is due Oct. 5]

Week 7: Approaching Companies and Investors: (1) Read *Just a Simple CDA?* By Jeffrey L. Newton, Les Nouvelles, (2) pgs. 655 – 688, (3) Module 8 PowerPoint – Approaching Companies and Investors, (4) **Do Group Project #2 Term Sheets Due October 24, Negotiation is October 31.**

Week 8: Licensing: (1) Read pgs. 339 – 347 & 359 - 373 & 435 – 445 & 462 -463, (2) Watch Life Technologies Video.

Week 9: Term Sheets: (1) Read *How to Determine Fair License Terms: No Need for Rules of Thumb Anymore* Ralph Villiger, Les Nouvelles, (2) See Invitrogen video, (3) Read *Does Upfront Payment Reduce Running Royalty Rate?* Jiaqing “Jack” Lu, Les Nouvelles, (4) Read *Technology Royalty Rates in SEC Filings*, Thomas R Varner, Les Nouvelles

Week 10: Ownership Issues related to IP: (1) Read pgs. 241 - 273 (2) See GSK video.

[License Negotiations will be performed on October 31]

- Week 11: Due Diligence: (1) Read pgs. 623 – 655, (2) Read Good Patent Due Diligence By Miller et al, Les Nouvelles, (3) Do **Project #3 Due November 21.**
- Week 12: IP Enforcement and Patent Exhaustion: (1) Read pgs. 373 – 390, (2) Read *The U.S. Supreme Court Clarifies Patent Exhaustion* Paul et al., Les Nouvelles.
- Week 13: 3rd Party Challenges to your IP: (1) Read pgs. 347 – 365, (2) Read *When Can a Licensee Challenge a Licensed Patent?* Irving N. Feit, Les Nouvelles.

[Project #3 Due on November 21 and Final Class]

- Week 14: Managing an IP Portfolio and the Notice Requirement: (1) Read pgs. 748 – 753, (2) Read *Properly Marking Your IP* and (3) *Recent U.S. Court Decisions and Developments Affecting Licensing* Paul et al., Les Nouvelles (Read only the sections with Headings: *Already, LLC v. Nike; Kirtsaeng v. John Wiley & sons, Inc.; Tech. Licensing Corp. v. JVC Americas Corp*).
- (Misc.): Acquiring and Using Government/University IP: (1) Read pgs. 893 – 913, (2) *Moving Research to Patient Applications through Commercialization: Understanding and Evaluating the Role of Intellectual Property*, Robert Patino. – This is optional reading material but may be required if you miss a class and want to make up the lost points -

Final Exam will be a Take Home Exam

Grading:

45% from class projects [20% from Project 1; 10% from Project 2; 15% from Project 3]; 10% from class attendance; 15% from quiz/assignment; 30% from class final. If you have to miss a class, you will be given 1 opportunity to do a research project to make up for the attendance and quiz for the one class you might miss. Please see me in advance of missing this class to schedule this.

Emergency Procedures. Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on

campus, available on BERT's website at www.bert.siu.edu, Department of Safety's website www.dps.siu.edu (disaster drop down) and in Emergency Response Guideline pamphlet. Know how to respond to each type of emergency.

Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. **It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency.** The Building Emergency Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.

Recording Policy: All live classes will be recorded. Access to those classes may be provided by asking the instructor for permission. Tom Furby will then provide access to the recording on a limited basis.