

# Contract-based protection

# Contractual Protection of IP

- **Facilitated/Negotiated access**
  - Under terms consistent with intended use

# Facilitated Access to Private Property

- Private property
  - IPRs
  - Tangible property not covered by IPRs
  - "know-how"
- Usually through legal contracts
  - Negotiated licenses
  - Compulsory licensing
  - Joint ventures
  - Cross licensing
  - Patent pools

# Tangible Properties

- Tangible properties containing intellectual property
- Examples:
  - Cell lines that you have established from appropriately obtained materials
  - Confidential research data
  - Hybridoma supernatants
  - Other research results

# "Know-How" IP

- Confidential information
- May or may not be recorded or in a tangible form
- Contract will often include confidentiality as one of the terms of the agreement
- Examples of "Know-How"
  - Diagrams or other technical information
  - Visiting scientists communicating information or demonstrating techniques
  - Information exchanged in a scientific meeting

# Example Contracts associated with Management of IP (with no formal IPRs)

- Material Transfer Agreements
  - May set terms of use, much like licensing IPRs
  - May forbid the attachment of IPRs to any derived products
- Non-disclosure (Confidentiality) Agreements

# Contractual Protection of IP

- Does not mean that the IP is in the Public Domain, just because there are no statutory IPRs associated with the IP
- Enforcement is dependent upon local laws, other agreements (E.g., Bilateral Free-Trade Agreements between two sovereign states).

# Contractual Protection of IP

- Presents an opportunity to include provisions that have not yet been included in statutory IP protection laws such as benefit-sharing provisions
- Usual, contract-law issues, associated with this type of protection
  - Who has signature authority?
  - Terms and conditions
- Provisions included in the contract dependent upon negotiation between the parties

- *Contracts Also Associated with IPR*

# Types of Contracts associated with Management of IP with IPRs

- Sale or Assignment of IPR
  - Employment agreements
  - Joint venture agreements
  - Collaboration agreements

# Types of Contracts associated with Management of IP with IPRs

- Licensing Agreements
  - Technology License
  - Patent License
  - Humanitarian License
  - Option License
  - Trademark Licensing and Franchising Agreement
  - Copyright License Agreement
  - Software Licenses
  - Educational Courseware Contracts
  - "Package inserts" in reagent boxes
  - Equipment Acquisition Agreements

# Contracts/Licenses of IPR, also:

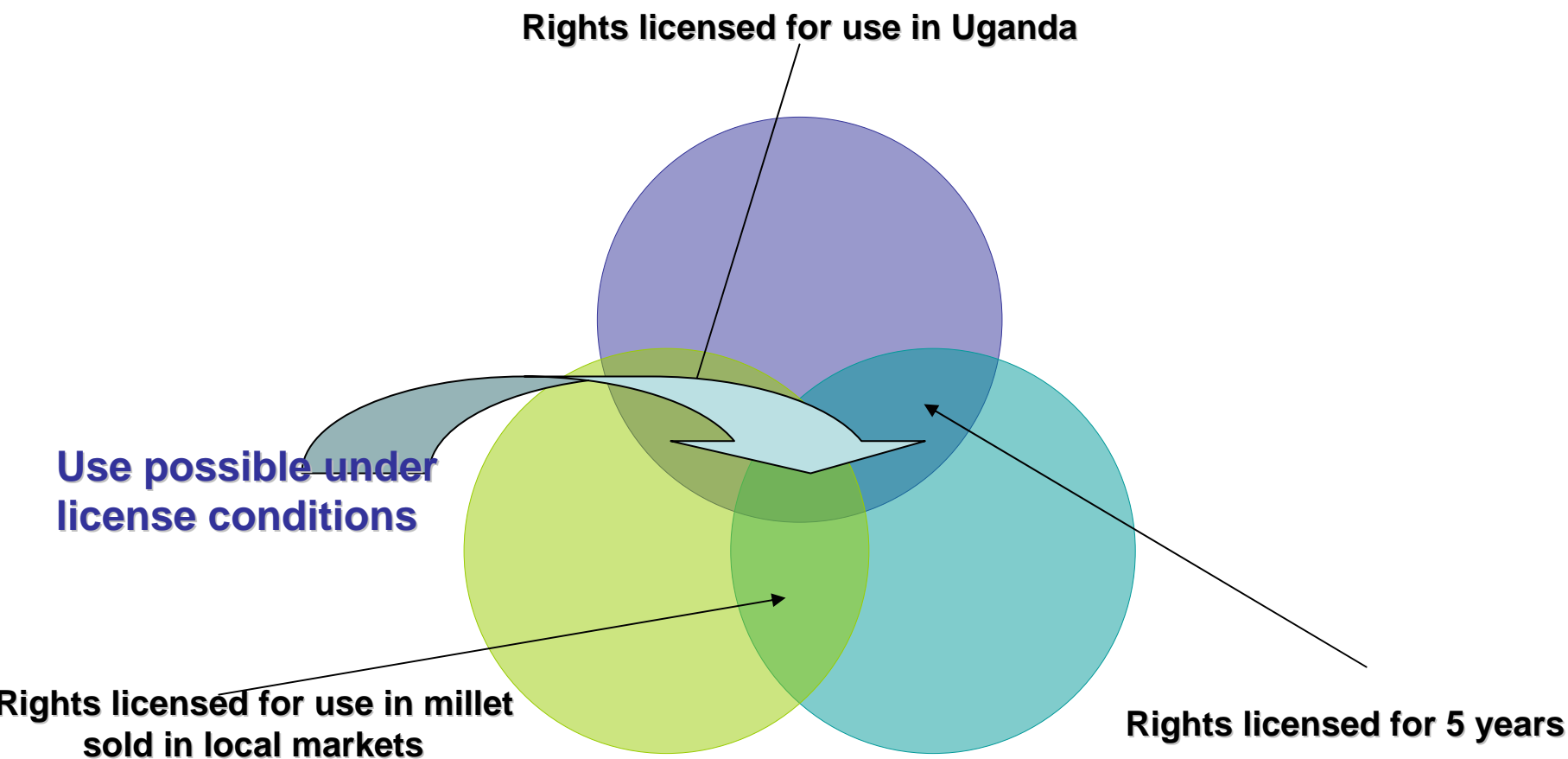
- Present an opportunity to include provisions that have not yet been included in statutory IP protection laws such as benefit-sharing provisions - data-sharing, see paper by Reichman and Uhler,  
URL:<http://www.law.duke.edu/journals/lcp/articles/lcp66dWinterSpring2003p315.htm>

# Contracts/Licenses of IPR:

- Usual, contract-law issues, associated with licensing
  - Who has signature authority?
  - Terms and conditions
- Provisions included in the contract/license dependent upon negotiation between the parties

# License Contracts

- Generally grants a permission, by the owner, to cover use of rights
- These rights can be licensed separately
- For example, rights can be separated on the basis of:
  - field of use, -- "research only"
  - territory of use, -- in the "U.S."
  - type of use, -- in "electronic" format
  - Constraints regarding potential licensees, -- "resource-poor farmers"



# Bag Tags ("Seed Wrap") License

vs.

## Patent Rights

- Express license agreement used by seed companies to prohibit farmers/growers from saving seed
- Percy Schemiser didn't buy canola seed, therefore no license -He was found guilty of infringement of Monsanto patent

# Bag Tags ("Seed Wrap") License

vs.

## Patent Rights

- Homan McFarling bought soybean seed from Monsanto and agreed with a "bag-tag" prohibition for saving and replanting seed from soybeans he grew, when he first bought the seeds from Monsanto. McFarling also agreed that if he breached the deal he would have to pay damages of 120 times the \$6.50-per-bag technology fee the company gets from each bag of soybeans sold

- MacFarling was found guilty of infringement
- However, the U.S. Federal Appeals Court ruled that the contractually agreed amount of \$120 x each \$6.50 bag of seed, saved by MacFarling, was not enforceable because the fine was excessive.

- *More discussion on Contracts tomorrow*