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WEBINAR

Avoiding IP Traps for the Unwary in Strategic Transactions

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Nishla Keiser
(Speaker)

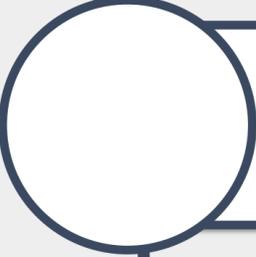
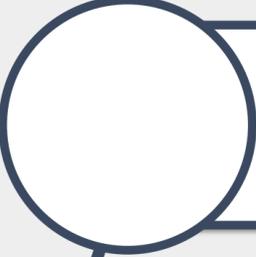


Malcolm Meeks
(Speaker)



Alan Tannenwald
(Moderator)

Agenda

-  Impact of deal structure on IP provisions
-  IP and data ownership
-  Additional IP considerations
-  Fostering collaboration and sharing

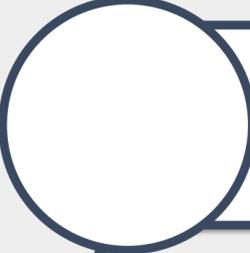
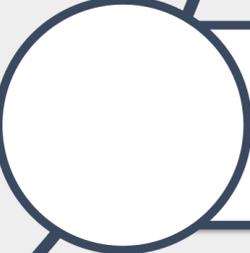
Impact of deal structure on IP provisions

- Technology or product license
 - Scope and limitations on use
 - Control of prosecution and enforcement
 - Interplay with internal development and technology improvements
- Acquisition
 - Most problems become acquirer's problem
 - Resulting structure and business terms could create IP complications
 - Full integration vs. continuing existence as separate entity
 - Triggers for future milestones or contingent payments
 - Employee continuity and loss of institutional knowledge
 - Non-competes for key employees

Impact of deal structure on IP provisions

- Spinout/divestment
 - IP and asset distribution
 - Clean break vs. ongoing cross-licenses
 - Flow of technology improvements
 - Unblocking licenses
- Collaboration, joint venture, or proof-of-concept
 - Joint research and development activities
 - Ongoing information sharing
 - IP ownership and control
 - Level of involvement of scientific/engineering teams
 - Technology transfer, including trade secrets

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IP and data ownership

- License of technology ready for implementation in a product
 - Examples
 - Clinically-proven drug delivery technology for a class of molecules
 - Incorporating a product into a module sold by a partner
 - New IP primarily comes from product development by licensee
 - Ownership of product IP often granted to licensee
 - Limited expectation of base technology improvement
 - Contractually limit licensee's ability to alter technology?
 - Is innovation desired if Licensor can access improvements?
 - Indemnification
 - Provider of the technology
 - Receiver of the technology

IP and data ownership

- License of technology requiring development
 - Examples
 - Gene editing technologies, COVID-19 vaccine
 - Joint ventures/proof-of-concept projects
 - Ownership of resulting IP
 - Rights of use by third-parties to resulting technology
 - Multiple opportunities for new IP (and disputes!)
 - Platform improvements that can be applied to any product
 - Product class-specific platform improvements
 - Product-specific IP
 - Non-platform IP such as manufacturing or process improvements
 - Collaboration know-how

IP and data ownership

- Potential ownership scenarios for new IP
 - Ownership follows inventorship
 - If a person contributes to an issued claim, this triggers inventorship rights
 - Ownership rights then attach – but the parties can address this via contractual agreement
 - All collaboration IP is jointly owned
 - Ownership based on subject matter
 - Platform improvements go to platform licensor
 - Product patents go to party commercializing the product
 - BUT...
 - Patent families often cover both platform and product concepts
 - Platform improvements can be made in the context of product-specific research

IP and data ownership

- Challenges with joint ownership
 - Inconsistent ownership and control between platform and improvement IP
 - Double patenting concerns
 - Ability to file terminal disclaimers
 - Coordination of prosecution in view of In re Collect
 - Limitations on ability to incorporate as background IP in future transactions
 - Certain ex-US countries require blessing of co-owner
 - Limits on ability to enforce, license, sell, and transfer
 - Acquisition or bankruptcy of one party
 - Termination of agreement

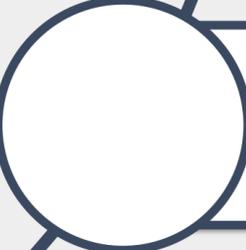
IP and data ownership

- Ownership solutions?
 - Be clear on “must-haves”, for example
 - Platform company can’t be blocked from using its platform improvements in other fields
 - Party commercializing a product needs sufficient enforcement rights
 - Achievable by license or ownership
 - Platform company can’t have multiple partners reaching in to enforce platform patents
 - Build in flexibility to allow for modifying ownership from default (e.g., if needed for a terminal disclaimer)
 - Keep number of IP buckets limited if possible
 - Watch out for technical definitions and work plans
 - Avoid joint ownership if possible!
 - One entity should own the IP
 - The parties should then address use of the IP rights via agreement

IP and data ownership

- Data licenses and information sharing
 - Use restrictions
 - Generative AI – LLMs
 - Incorporation into other technology
 - Monetization & Royalties
 - Disclosure
 - Ownership of data itself vs. interpretations/derivative works vs. algorithm
 - Ownership of licensee feedback about the algorithm/data
 - How did licensor gather data? Does licensor have sufficient rights?
 - Generative AI
 - Third-Party Sources

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Additional IP considerations

- Newly in-licensed IP
 - By one party as background IP
 - Required for collaboration activities
- Technology transfer provisions
- Effects of termination
 - By product or program vs. entire agreement
- Change of control
 - Could IP inadvertently be licensed to a competitor

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Fostering collaboration and sharing

- Internal environment
 - Collaboration team should understand sensitivities and “safe” zones
 - Practice good documentation prior to and during collaboration
 - Carefully define research plans and allocation of activities
- Relationships with counterparts
 - Understand partner’s corporate culture and decision-making process
 - Develop trust in coordinating IP activities
 - Overcommunicate where appropriate
 - Help your counterpart look good!
 - Flag potential issues before they arise
 - Provides allies for future renegotiation

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Questions?

Your Presenters



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