



**THE MINISTRY  
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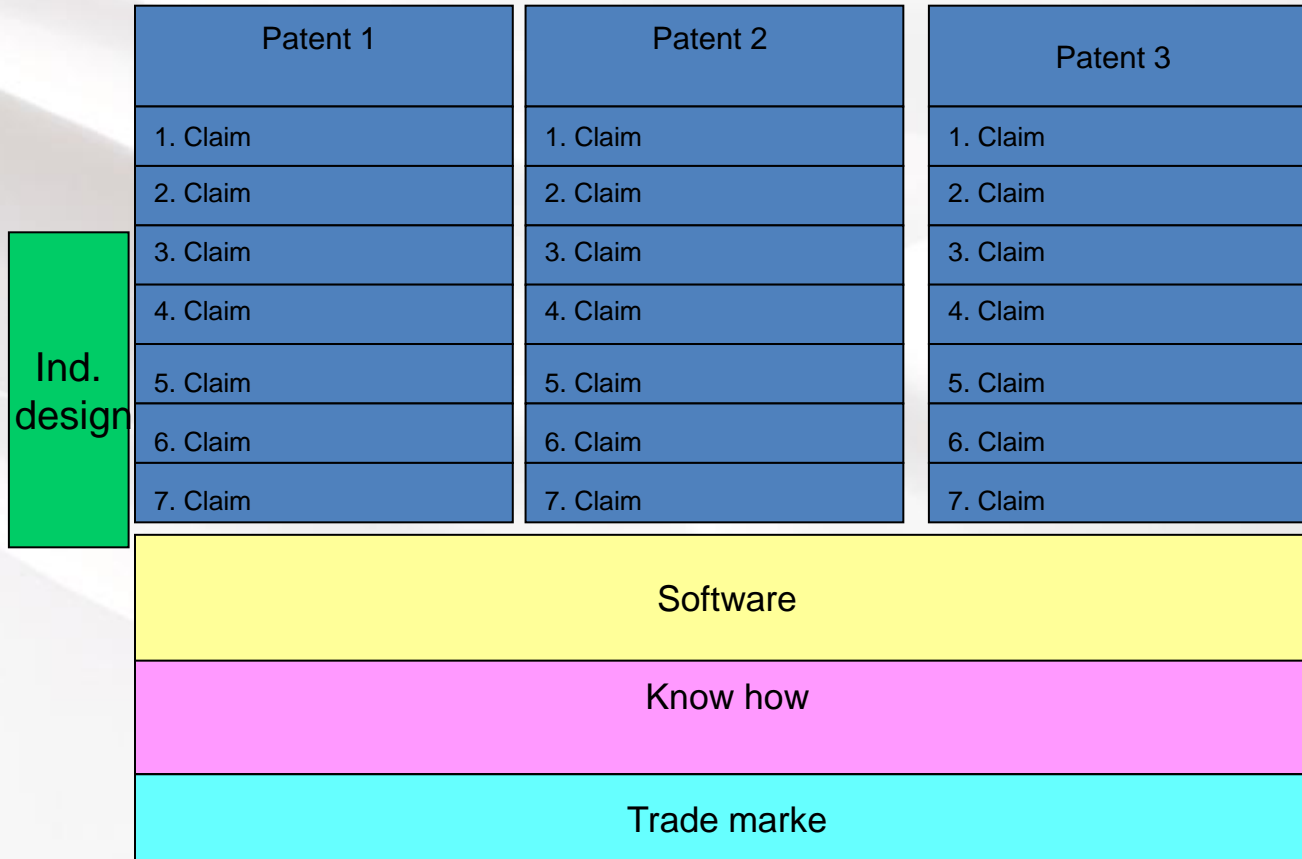
# Anatomy of Licensing Agreement - Subject Matter

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# Subject Matter: What is Licensed?

- Subject matter of a licensing agreement is always an intellectual property right (IPR) ;
- It can be **registered IP**
  - Individual IP
  - Technology
  - Part of the standard
- **Non – registered** - Important subject matter of a technology transfer agreement is trade secret and know - how – non registered IP.
- Identification of IP that will be a subject **should be explicit and precise.**
- Subject matter determines other key terms of licensing agreement – scope, financial terms, improvements.

# Licensing Technology – View of Licensor



# If you are company producing similar technology – would you be interested to license in all available IP?

Patent 1
1. Claim
2. Claim
3. Claim
4. Claim
5. Claim
6. Claim
7. Claim

Patent 3
1. Claim
2. Claim
3. Claim
4. Claim
5. Claim
6. Claim
7. Claim

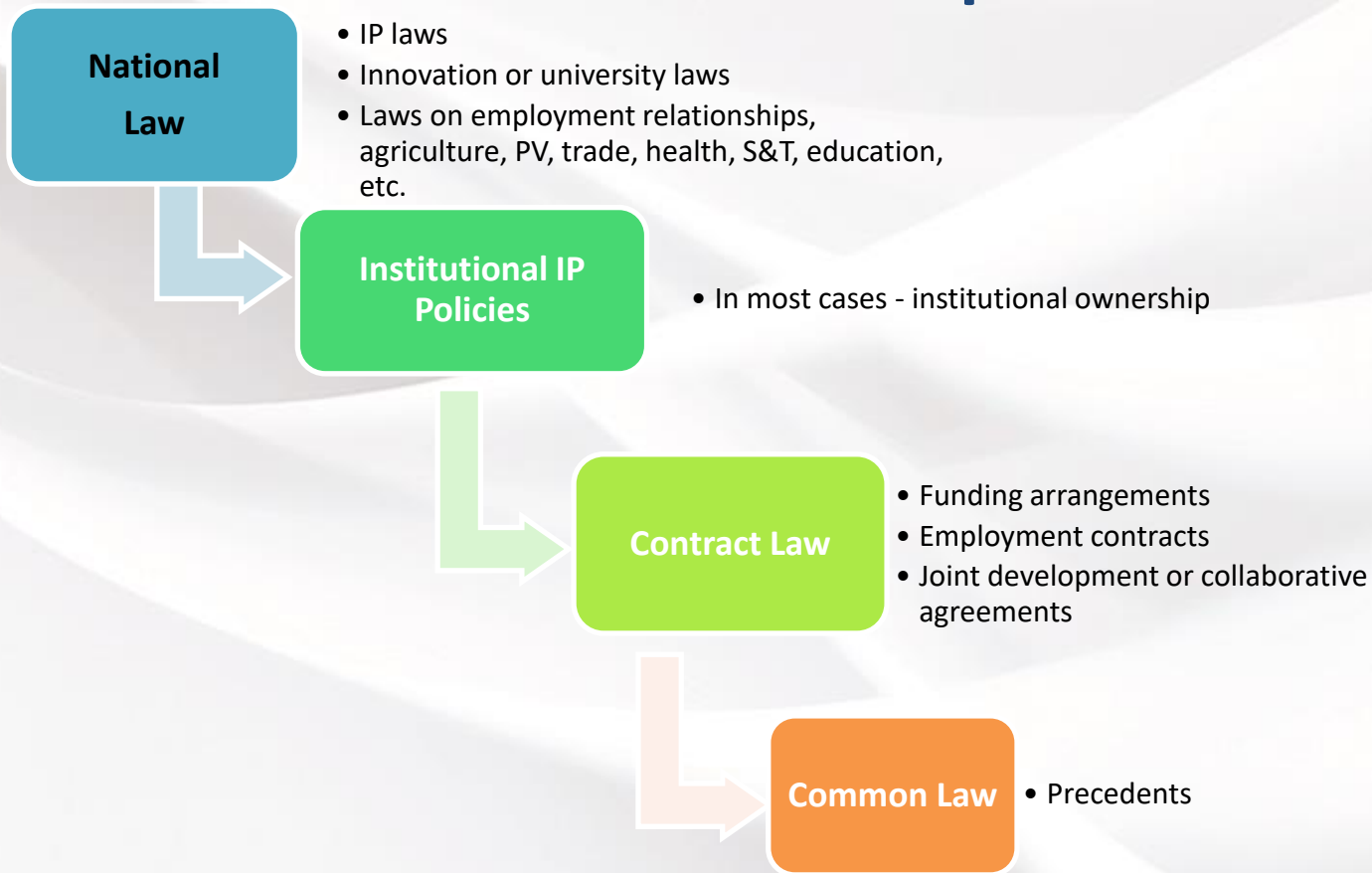
Software

Know how

# Common Problems

- **Who owns the IP?** Nightmare for academic institutions without precise IP Policy, disclosure forms and lab books!
- **Unfinished development**
- **Patents not issued**
- **Multiple parties – Joint Ownership** without agreed IPR management principles
- **MOUs or Letters of Intent**
- **Best efforts, good faith**

# IP Ownership



# Different scenarios

- IP created by employees (patents / copyright)
- Contract work by consultant (consulting)
- IP created by students
- IP created by visiting researchers
- Collaborative and joint projects
- Contract research

# Ownership of patents created by employees

- In most cases: creators of IP are employed by institution
  - i.e. there is a formal contractual relationship
  - In academic institutions - in the case of faculty and graduate researchers
- Most IPRs belong to **institution**
  - If created with “significant use of the institution’s resources”
  - If created in the course of duties
  - NOT inventions that do not relate to the business of the employer (private work of employees)
  - **Copyright of teaching materials** – considered in most policies as the IP of **staff**. But should be reconsidered in case of new opportunities: on-line courses, multimedia products...
- Useful to require an “**assignment-of-inventions**” agreement outside of employment act before including non employed staff in the project .



# Ownership of IP created by students

- Student IP lies outside of the clear-cut employment context and raises a unique set of issues concerning ownership rights.
- Depending on the [policy](#), student IP may belong to institution / student.
- Additional [contract of assignment](#) of IP is often useful.
  - to be a *legally binding* contract, there must also be [consideration](#).
- Examples of student IP policies

## **Intellectual Property Policy for Students 2022-2023**

This policy describes the rights of students, the University and others in intellectual property that is created by students during their time at the University.

Students are bound by this policy which is part of the Student Agreement (found [here](#)).

*Students should make sure they check and understand the position on ownership of intellectual property at the outset of any project, placement or other arrangement.*

### **Introduction**

Intellectual property is a term used to describe legal rights that can exist in ideas generated and works created by individuals. These rights can have value and may be exploited for commercial and other purposes. It is likely that during the course of their studies or research programmes students will create work in which intellectual property rights arise and this policy will apply.

The most common intellectual property rights that might arise include copyright, design rights, patents and trademarks. A more detailed explanation of intellectual property rights that might arise may be found [here](#).

### **Students covered by the policy**

This policy applies to all students registered with the University, whether as undergraduates, post-graduates or in some other research capacity. It also applies if a registered student is employed by the University or another organisation.

*Example of IP Policy for students of the University of Bristol*

# Ownership of IP created by visitors

- Person who is **seconded from another organization**, is not necessarily an employee (remains employed by formal employer).
- If the seconded employee contributes to IP: gives rise to the same fragmentation of ownership of IP issues as with students.
- Background IP stays ownership of the visitor or its formal employer.
- Before starting the work in the host institutions – an Appointment Agreement assuring binding effect of institution's IP Policy.



Source: University of Zurich

# Consultancy

- Frequent situation for academic and R&D institution - allows the institutions to keep in touch with the challenges faced by the industry;
- **IP Policy (IIP)** (or separate document): should define the rules to be followed in case an employee wants to enter in a contractual relationship with a private entity (ex.: consulting agreement)
- **Employment contract:** often specifies that prior to entering into such an agreement, employee has to obtain the institution's approval.
- **If approval:** only then the IP created during the researcher's work for the private entity will be exempted from the general rule of ownership by the institution.

# Joint Ownership

- Most frequently
  - Research Agreements - Collaboration Agreement, Contract Research or Sponsored Research
  - Material transfer Agreement
  - No decision on foreground ownership

# Joint Ownership

- Regardless of how joint ownership of intellectual property is created—by agreement or by law—the applicable law will determine the rights of the joint owners unless an agreement modifies those rights. Joint owners may agree at any time to modify their respective rights, but where an agreement creates joint ownership, such as by allocating ownership of future inventions made during research, that agreement should address the legal implications of the anticipated joint ownership.
- Without an agreement defining the rights of joint owners, the law of the country under which the intellectual property exists will define those rights. It is important, therefore, to know the law of joint ownership in each country in which a patent or copyright may issue.
- Can be Complex

Question	United States	United Kingdom
Can a joint owner of a patent exploit the patent without the consent of the other joint owner, and without accounting to the other joint owner for any of the profits from doing so?	Yes 35 USC 262	Yes Section 36(2)(a) Patents Act 1977
Can a joint owner of a patent assign its interest in the patent without the consent of the other joint owner?	Yes 35 USC 261	No Section 36(3) Patents Act 1977
Can a joint owner of a patent grant a license of the patent without the consent of the other joint owner?	Yes Schering Corp v Roussel 104 F.3d 341 (Fed. Cir. 1997)	No Section 36(3) Patents Act 1977

# Rights of Joint Owners

- In most countries, including the United Kingdom and the United States, a joint owner can practice the invention of the jointly-owned patent without the consent of other joint owners, and that joint owner may retain all the profits from doing so, without sharing those profits with or paying a royalty to other joint owner
- A joint owner of a patent can assign its interest in a US patent to a third party, without the consent of the other joint owners, but needs the consent of the other joint owners to assign its interest in the jointly-owned UK patent.
- In US joint owner **cannot grant an exclusive** license without consent of the other owner and **enforce jointly owned IP.**

# IPR Management Agreement

- Joint owners may agree among themselves how to handle their respective rights. By contract, they can grant one of them the right to exploit, by practice, by license or both, in consideration for royalties or some share of revenue. This would comply with the UK law that requires all joint owners to consent to licensing. Such an agreement could also convey to the selected joint owner the right to grant an exclusive license. In the U.S., it is common for the joint owners by agreement to appoint one joint owner as their agent for enforcing the jointly-owned patent; such an agreement often provides for sharing of costs and damages of recovered.



# Issues to be Agreed

- How the parties decide to file for patents on joint inventions?
- How do the parties manage and control the process for obtaining jointly-owned patents?
- Who pays the costs of obtaining and maintaining a jointly-owned patent?
- What rights will each party have under a jointly-owned patent?
- In the U.S., how will the parties decide to enforce a jointly-owned patent?

# How Can You Clarify the Subject Matter?

- Confidentiality agreements – access to documentation and inspection of technology
- Prototype agreements – when technology is not finalized
- Feasibility studies
- Interim agreements (addressing cost)
- Consultations with lawyers, experts
- Study of documentation, databases
- Study competing products

**Thank you!**  
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