Intellectual Property Licensing: From Bayh-Dole to Open Source

The law surrounding the acquisition of intellectual property is but half of the story. In order to be fully utilized by society, intellectual property portfolios must be licensed out to third parties. This course will begin by examining some of the traditional issues for licensing IP, including construction of license agreements, valuation of IP, and licensing negotiations. The course will then go on to examine the Bayh-Dole act and its impact on the accumulation of IP rights by research universities, the creation of Technology Transfer Offices, and Material Transfer Agreements. Finally, the course will analyze more open modes of innovation dissemination such as Open Source, including an in-depth look at Open Source licenses.

Prerequisite

Students must have taken a basic level IP course.

Course Texts

The works listed below are representative of those which shall comprise the course.


2003 AUTM Licensing Survey, published by the Association of University Technology Managers, for fiscal year 2003. (AUTM)

Josh Lerner and Jean Tirole, The Scope of Open Source Licensing, Prepublication. (Lerner)

Thursby and Thursby, University Licensing and the Bayh-Dole Act, 301 SCIENCE 1052 (August 22, 2003). (Thursby)
Course Outline

1. Introduction

2. The IP License Agreement (~1.5 class periods) (Nimmer, Port)
   a. Determination of parties to an IP license agreement
   b. Construction of an IP license agreement
   c. Unique contract issues in IP licensing
      i. Scope
      ii. Shrink Wrap Licenses
      iii. Reach through royalties
      iv. Downstream rights
   d. Sublicensing

3. Valuation of IP (~3 class periods) (Outside Sources TBA)
   a. Methodologies for Valuation
      i. Market Method
      ii. Cost Method
      iii. Income Method
   b. Valuation of technology
   c. Valuation of other forms of IP
   d. Judicial Valuation as a result of Infringement

4. Negotiation for technology transfer (~1 class periods)
   a. Confidentiality
   b. Due Diligence
   c. Reach-Through royalties
   d. Licensing Pools (Merges-8)
   e. Intersections with Antitrust law (Merges-8)

5. Licensing of Federally Funded Research (~3 class periods)
   a. Introduction to Bayh-Dole and Stevenson-Wydler (Eisenberg)
   b. The Bayh-Dole Act (35 USC §200 et seq.)
   c. March-In Rights (35 USC §203, McGarey, BCD)
d. The Effect Bayh-Dole has had on university Research (AUTM, Thursby)
e. Alternatives to Bayh-Dole
f. Technology Transfer Agreements and Material Transfer Agreements

6. Open Source Licensing (~4 class periods)
a. Introduction to Open Source
   i. Definition of Open Source (www.opensource.org)
b. The GPL and LGPL
   i. Viral licensing - elements of downstream rights
c. Other licensing models (Lerner)
   i. BSD License
   ii. Perl Artistic License
   iii. Apache
   iv. Dual Licensing, having your cake and eating it too - the MySQL License models
d. The impact of Open Source (Lerner, McGowan)
e. The State of the Open Source Union 2004

Grading
Grades will have three elements. First, comprising 30% of the final grade, a series of short assignments of 2-4 pages each. These assignments will require the students to apply the licensing materials to devised problems. By way of example, determining the valuation of a piece of technology by choosing one of the valuation methods, and defending the choice of method. Second, comprising 60%, a final paper of 20 pages taking one of the class topics and expanding it - an example topic list will be provided. Third, comprising the balance, attendance and participation.