

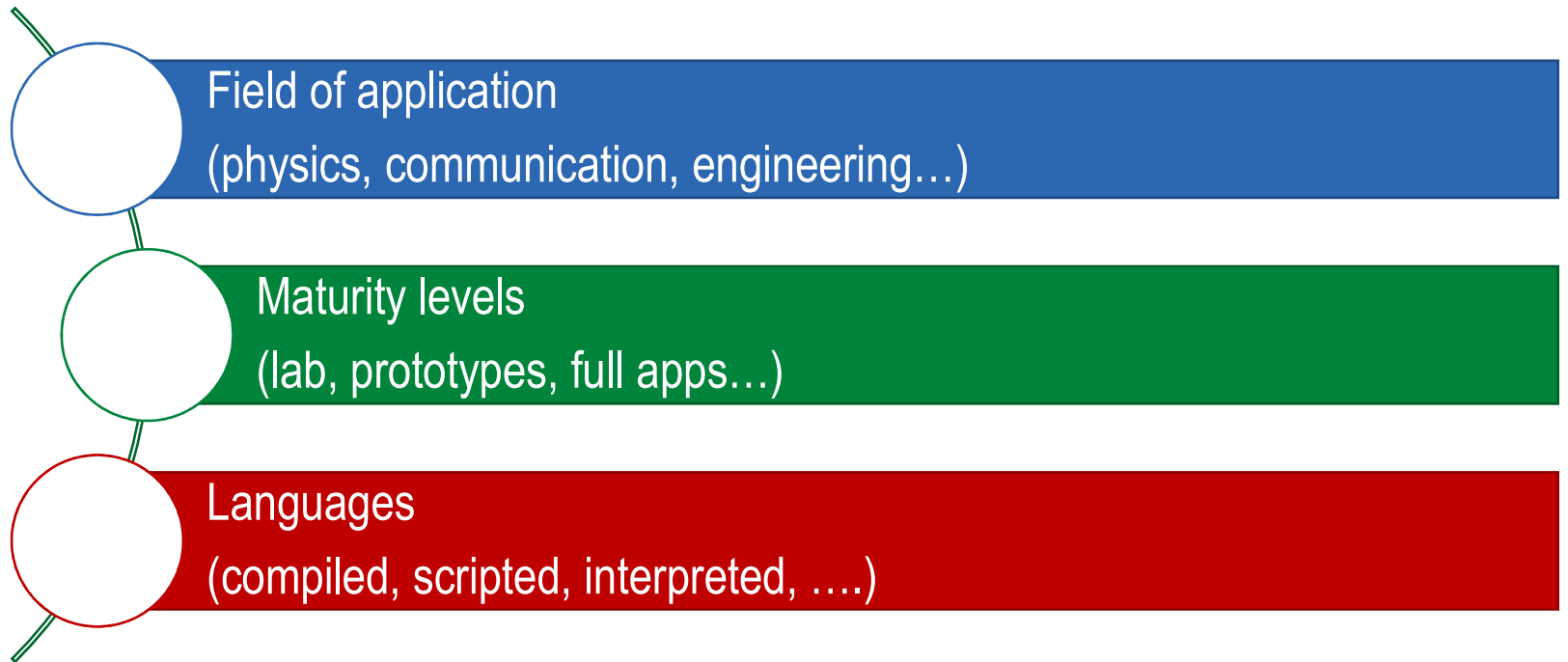
# Software Licensing

WIPO – Regional Seminar on the Patentability of Computer-Implemented Inventions

December 8, 2022

# Tech-transfer and Software licensing

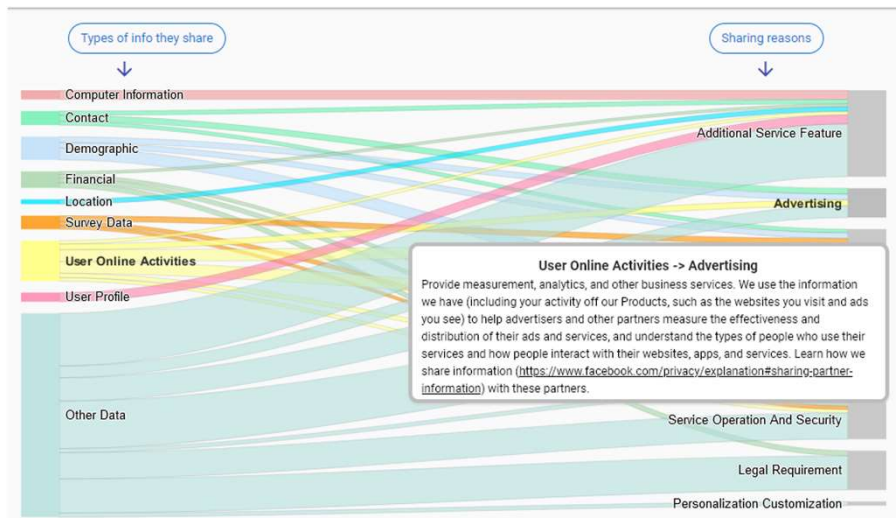
Technology transfer offices faces a wide palette of software to be licensed by:



# Some examples



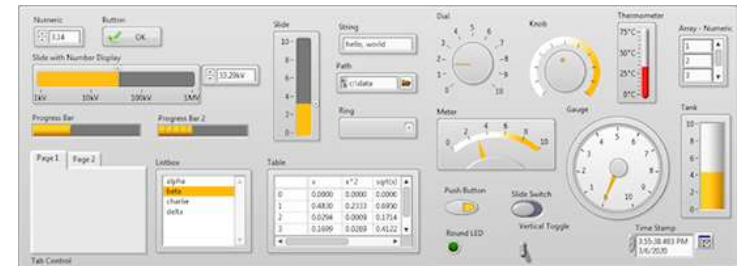
Simulation Software for the Analysis of Electrical Power Networks, Adjustable Speed Drives and Hydraulic Systems



Polis: deep learning analysis of terms and conditions on websites

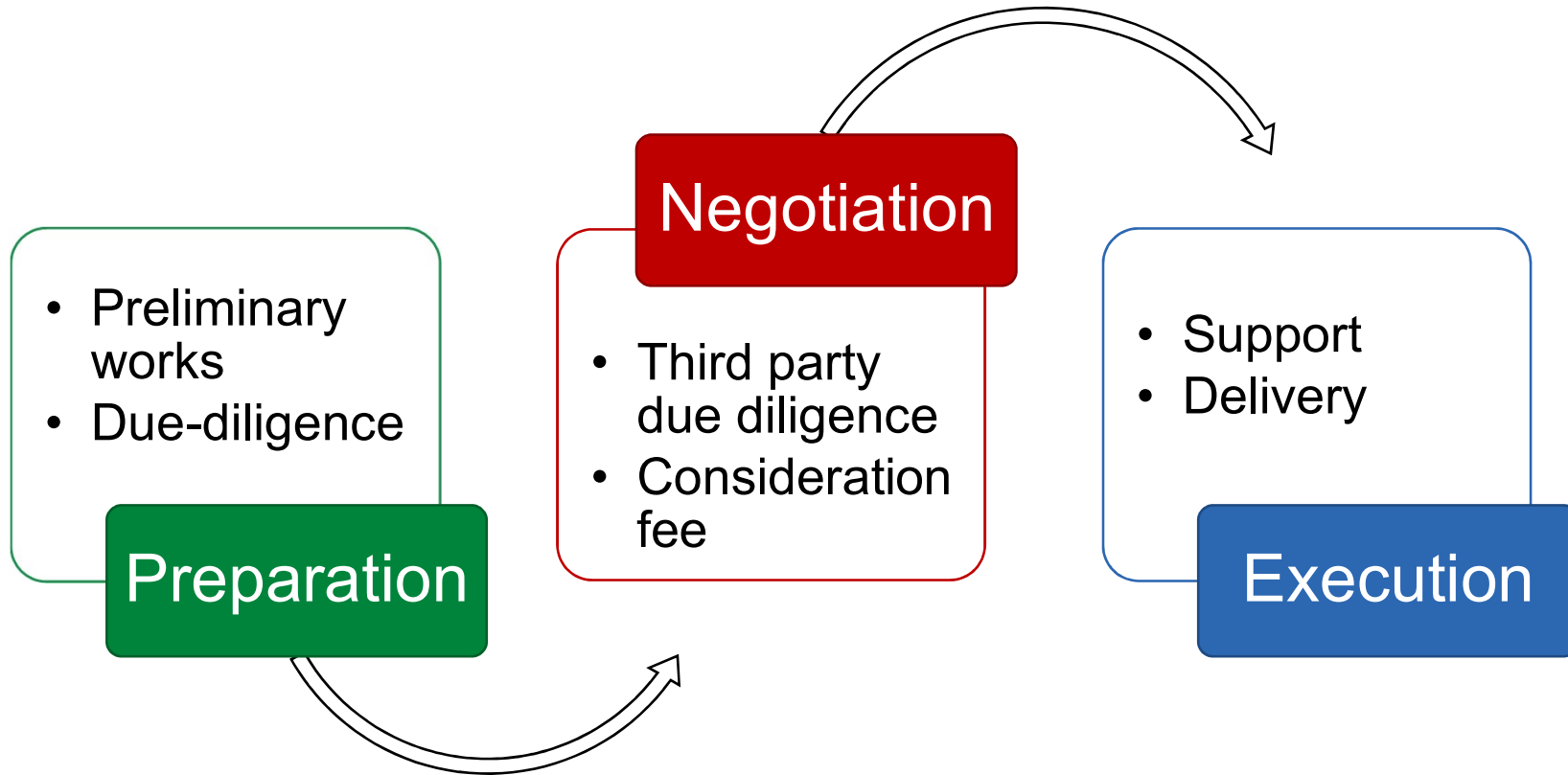


OpenPifPaf pose detection



FPGA: Phase measurement system

# Software licenses - Tricky points and pitfalls



Software **maturity level** determines the efforts to be invested in the preliminary code preparation.

This shall include at least the following steps:

- Code review
- Code commenting
- Documentation
- Copyright notices
- Preparation of standalone packages
- Preparation of unitary tests

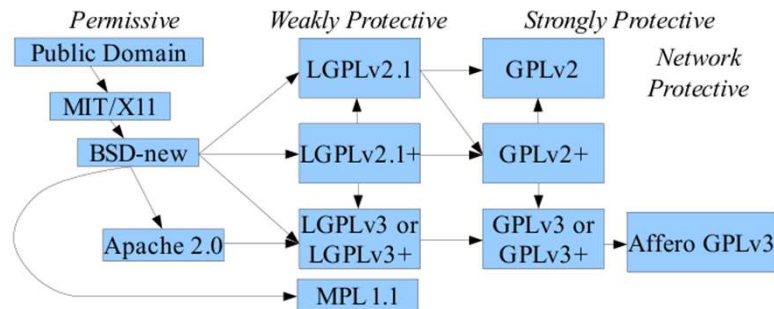
The level of software skills of our researches can vary a lot as the quality of the code prepared.

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Can we license the code? Do we have all the rights?

- Employment contracts
- Assignments
- In-licensing / open source
- Data

## Compatibility map



## Virality

“...The substantive part is this: if the two programs are combined so that they **become effectively two parts of one program**, then you can't treat them as two separate programs. So the GPL has to cover the whole thing.”

\* GPL FAQ ([#GPLInProprietarySystem](#))

# Third party due diligence

Negotiation

Can we have  
the code  
before signing  
the license?



```
IF (NotificationClient == null)
{
    NotificationClient = new bl.desktop.NotificationClient() { }
    //NotificationClient.Insert();
}
else
{
    NotificationClient.LastRequest = DateTime.Now;
    NotificationClient.RequestCount = NotificationClient.RequestCount + 1;
    //NotificationClient.Update();
}
IF (NotificationClient.Deny == false)
{
    NotificationClient.LastRequest = DateTime.Now;
    NotificationClient.RequestCount = NotificationClient.RequestCount + 1;
    NotificationClient.Update();
}
```

## Examples of acceptable due diligence

- Performances tests (call/sec, speed, etc..)
- Compiled code sharing (black box, etc..)
- Limited code review (remote single files reviews, Q&A questions)

When entering a third party due diligence process **goals and timelines** shall be clearly defined. The costs of such diligence shall be discussed.

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# Consideration fee

Negotiation

Cost

Historical or replacement cost

Refers to the consumption of economic assets (tangible and intangible) in the production and sale of goods and/or services

Price

Market price

Refers to the exchange value of an asset expressed in monetary terms

Value

Value of future benefits

Value = Sum of future benefits, discounted to a net present value (NPV)

Licensee



Licensor

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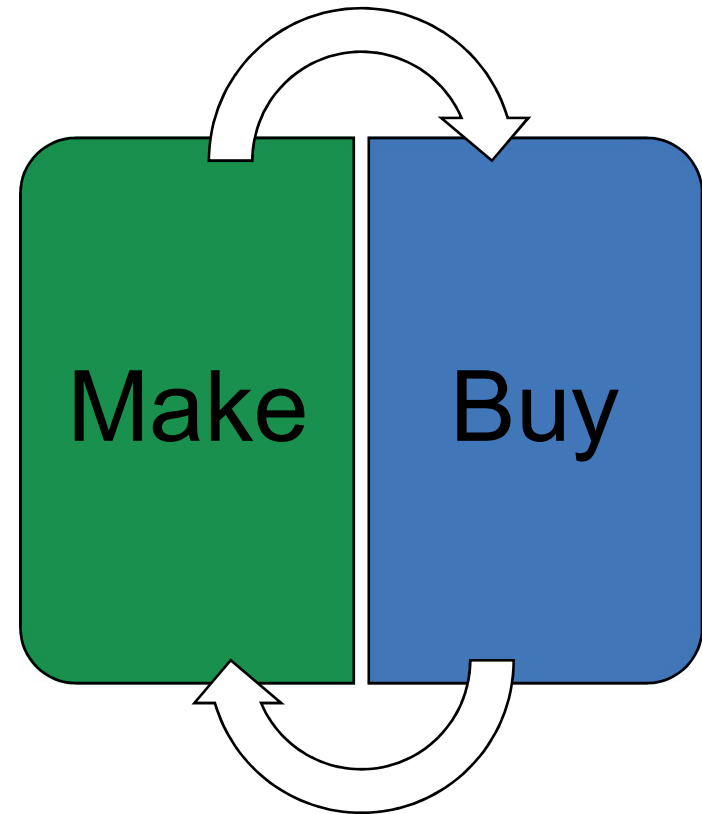


# Consideration fee

Negotiation

The right balance between cost and value approach shall consider:

- Time to market
- Knowledge transfer
- Licensee structure
- Product or service nature
- Compensation scheme (full upfront, equities, royalties, milestones)



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## Technical Support

- Bug fixes
- Documentation
- Integration support
- ...

## Service Support

- Training
- Customization
- Integration works
- ...

A minimum amount of technical support shall be included (time and resource limited) in any software license on code source.

Service support shall be clearly identified and charged on-top or separately.

Delivery is a crucial point to be able to assert what and when.

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EPFL

**Q&A / Open discussions**

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