



Licensing: Licensor and Licensee Perspectives

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My Experience

- LLM IP Law: University of Edinburgh/ MBA: University of Geneva
- 27+ years at WIPO
- 15 years: Patent Cooperation Treaty (PCT), Supervised PCT Japanese operations of processing PCT international patent applications
- Trilateral (EPO, JPO and USPTO) Technical Cooperation Coordinator
- 17 years: Innovation, Technology Transfer and IP Commercialization
- Assisted 360+ universities worldwide in IP and Technology Mgt.
- Assisted 30+ Institutional IP policies/ 50+ establishment of TTOs
- 200+ IP Mgt. training workshops/seminars/conferences
- Dealt with governments of 189 WIPO Member States
- “ET Cube International” - IP commercialization/Entrepreneurship consulting
- Lead Consultant for WIPO EIE Project

Topics

- Licensing Agreement
- Key terms
-



IP Licensing

- A route of commercialization where an IP rights holder gives another entity the authority to exploit, make, have made, use, sell, copy, display, distribute, modify, etc. the IP - in return, the licensee will pay royalties
- The most popular and sustainable way of commercializing IPR
- Sharing business risks
- Managed through written legally bound agreements
- Agreements stipulate details of extent of rights of exploitation

Licensing Agreement

- Defines that what licensor and licensee agreed to license
- Defines what licensor allows the licensee to do with it
- What legal rights both parties have
- Financial and payment conditions
- Licensing Conditions
- The licensor's obligations
- Obligations common to both parties

Key Terms

- Subject matter
- Scope of the license
- Field of use
- Ownership
- Confidentiality
- Exclusive or non-exclusive
- Sub-licensing
- Territory
- Duration Financial terms
- Development rights
- Derivative works, improvements
- Future version of the technology
- Warranties
- Dispute settlement



What Rights?

- In typical license agreements, one can get the right to use, to sell, to make, or to have made (if you have someone else manufacture for you) the licensed IP.
- You'll want to be certain to get the rights you need.

What is licensed?

Subject matter:

- Technical description
- Patent No.
- Title of the invention
- Trademark
- Technical specifications
- Standards?



- Is the technology sufficiently and accurately described in detail?
- Has due diligence been done?
- Is the IP valid and enforceable?

What is licensed

- You need to define very carefully what you are licensing.
- Any kind of intellectual property such as patents, copyrights, trademarks, source code, designs, logos, image, computer program, trade secrets can be licensed.
- It has to be specified in the agreement.

License Agreement

Ownership:

- Ownership of licensed technology
- Ownership of sub-licensed technology

- Does the licensor reserve a right to use for research or teaching purpose?
- Does licensor have any right over a further developed technology?

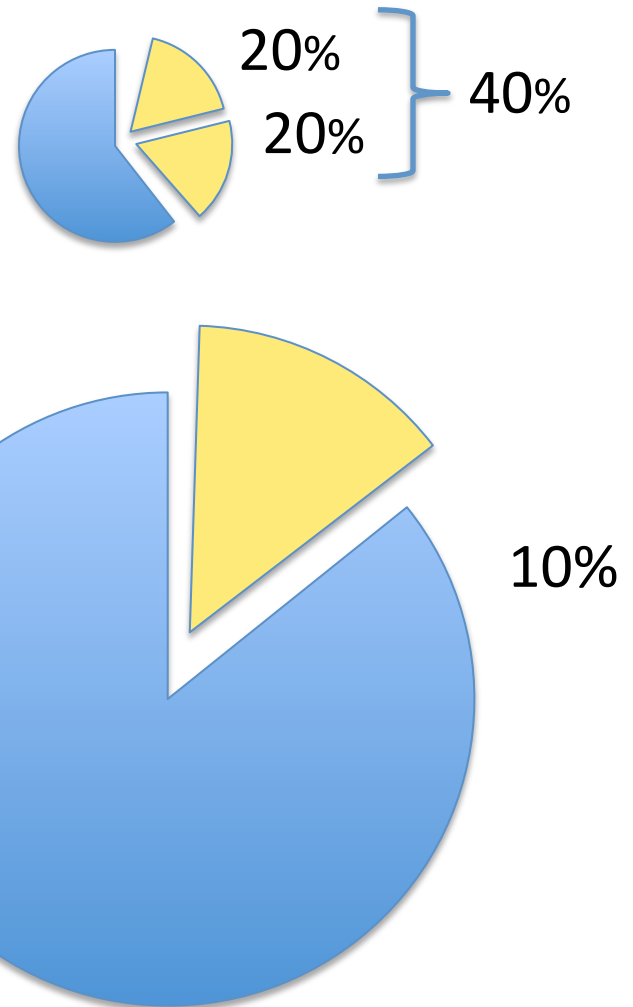
License Agreement

Exclusive or non-exclusive?

Depends on:

- Capacity and experience of the licensee
- Market share of the licensee
- Territory
- Patent coverage (which country?)
- Technology
- Duration of license
- Influence the royalty %

Exclusive for some countries and non-exclusive for others?



License Agreement

Exclusive vs. Non-exclusive

- Non-exclusive: e.g., buying a software (Microsoft, mobile App. etc.)
- If you license in technology that still requires a lot of development from a university, you may wish to negotiate for an exclusive license to justify the investment required.

License Agreement

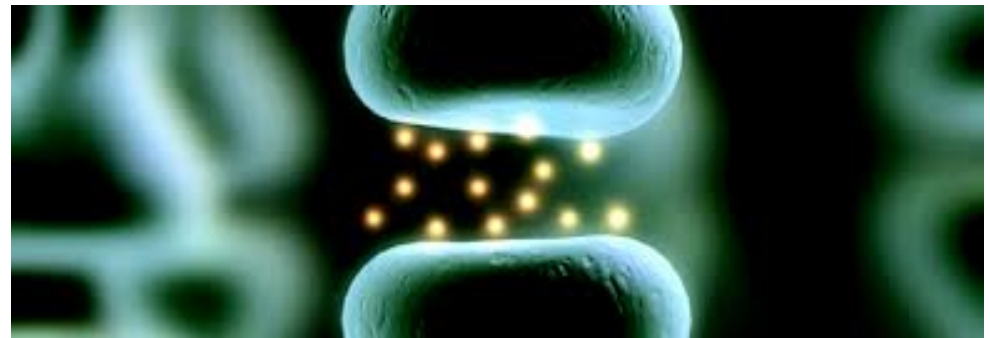
Field of use:

Which purpose or technical field?

E.g.,

- Research purpose only
- In the medical field only
- Electronics applications only

you might license technology for use in one industry but not another.



License Agreement

Financial terms:

- Royalty (3-15%)
- Lump-Sum
- Stock
- Payment method
- Frequency and time of payments
- Obligation of reports, record-keeping
- Auditing rights
- Tax issues, etc.



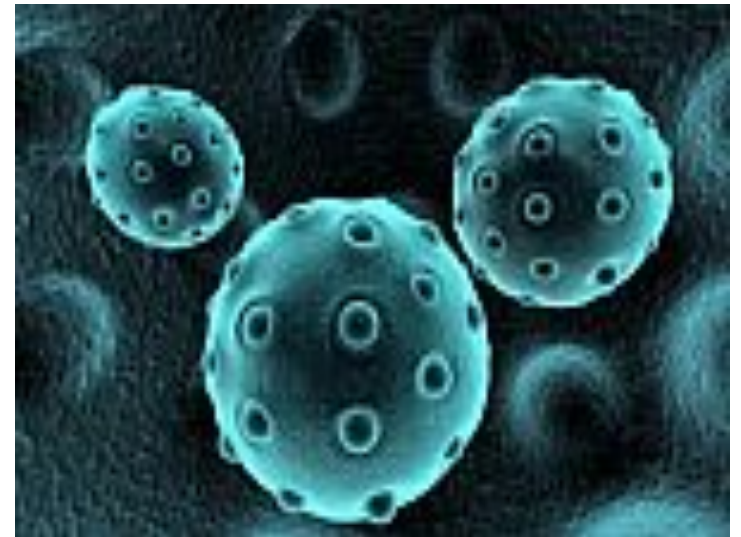
Is there minimum royalty guarantee?

License Agreement

Territory:

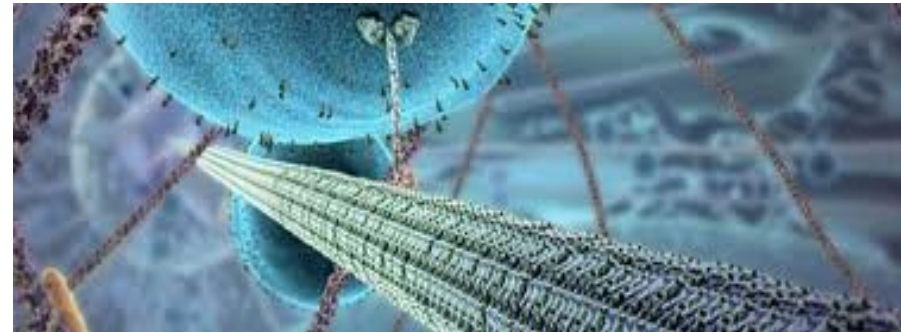
- In which countries?
- Different conditions in different territory?

Coverage of patents?



Future version of the technology:

- Development rights
- Derivative works
- Improvements



- Does the licensee have any rights to any improvements that the licensor makes to the products, such as a new version of the code?
- Does the licensor have any rights to any improvements or modifications that the licensee makes?

Rights to Sub-License

- Does the licensee have rights to license the licensed technology to a third party?

E.g. Outsourcing manufacturing

Other Consideration

- Export/ import rights and restrictions
- NDA or Confidentiality clauses
- Who pays for the patent prosecution?
- If the patents are infringed, who goes after the infringers?



Thank you for your attention

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