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Intellectual Property Transactions Practice

LAW2565, Spring 2010: Classes in 230 Dockser from 1:45 to 3:15 PM on Wednesday and Friday. Office hours: weekly sign-up sheet posted on my office door.

Syllabus, Part #2

The first part of the Syllabus for this course includes the course requirements and the assigned reading for topics 1 – 12; this second part lists the assigned reading for topics 13 – 22.

The assigned texts are George W. Kuney, The Elements of Contract Drafting, Second Edition Thomson/West 2006 (soft cover) and Richard S. Gruner, Shubha Ghosh and Jay P. Kesan, Intellectual Property In Business Organizations, LexisNexis 2006 (available in hard cover and looseleaf), which are referred to in this syllabus as “ECD” and “IPBO.” Other materials identified in this syllabus as “**posted**” will be posted on Blackboard in advance of class. Students are expected to review and down-load or print all posted materials and to bring copies to class. The listed topics and dates may be adjusted from time to time during the quarter. Changes will be announced in class or posted on Blackboard.

<i>dates</i>	<i>topic</i>	<i>assigned reading</i>	<i>preparation for in-class exercises</i>
4/14	13. <u>Purchase of a business, part 1: IP due diligence</u>	<p>IPBO pp 607-613 <i>mergers and acquisitions (M&A)</i></p> <p>IPBO pp 682-700 <i>transaction due diligence</i></p> <p>Description of hypothetical transaction for written project: DI acquisition of ARS, Part 1(posted)</p>	<p>What are the different advantages of mergers and purchase agreements for the seller of a business? For the acquirer of a business?</p> <p>Review the hypo from view point of each party: your client and the other party. What are the principal concerns of the seller's counsel? The buyer's counsel?</p> <p>For the project, you are acting as Buyer's counsel. As counsel for the <u>seller</u>, how would you prepare for the IP due diligence? What advice would you give to your client regarding IP due diligence?</p>

<i>dates</i>	<i>topic</i>	<i>assigned reading</i>	<i>preparation for in-class exercises</i>
4/16	14. <u>Purchase of a business, part 2: IP transaction terms</u>	IPBO pp 613-622 <i>IP issues for M&A</i> ; pp 633-639 <i>Verson v Verson</i> ; pp 653-654 <i>note 2</i> ; pp 669-672 <i>Paragon v Weyerhaeuser paragraphs #36, 41, 42 & 44</i> Optional: IPBO pp 662-674 <i>Paragon v Weyerhaeuser</i>	A printed copy of your draft client memorandum is due at the start of class on 4/16. As you read the <i>Verson</i> and <i>Paragon</i> cases, note the various types of clauses that impact the buyer's IP ownership and the parties' allocation of IP-related liability following an acquisition. Look for opportunities to use those clauses to implement the advice in your client memorandum regarding the ARS acquisition.
4/21	15. <u>Purchase of a business, part 3: contract negotiation</u>	Hypothetical for writing project: DI Acquisition of ARS Part 2 and draft APA (both posted 4/16 after class) ECD pp 51- 55 <i>reviewing and revising contracts</i>	Review the APA from view point of each party: your client and the other party. With respect to the seller's IP assets, what are the key points of disagreement? Compare the contract to the advice in your memorandum. What changes to the contract will you recommend to your client? If appropriate, revise your memorandum. Mark your recommended changes in the contract. Printed copies of the contract (marked to show your changes) and your memorandum (revised as appropriate) are due at the start of class on 4/21.
4/23	16. <u>Settlement transactions, part 2: shared use of IP</u>	IPBO pp 444-451 <i>patent cross-license</i> IPBO pp 516-517 <i>mixed IP</i> IPBO pp 993-996 <i>terms for joint ventures</i>	Review Dr. See hypo in IPBO pp 307-308. Additional facts: IMC hears about the dinner and sends DI a letter objecting to DI soliciting or hiring Dr. Wilson. The press announces IMC's plans to cut costs with a lay-off of Dr Wilson's entire department. Dr. See thinks that IMC will accept DI hiring Dr Wilson if Dr Wilson shares his idea for an improved method of manufacture with both DI and IMC. Q: Prepare a list of terms and points to discuss with Dr. See regarding a possible settlement agreement between DI and IMC regarding DI's employment of Dr. Wilson.

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4/28 & 4/30	17 & 18. <u>Patent licensing strategy and exhaustion</u>	<p>IPBO pp 409-410, 416 <i>notes</i></p> <p><u>Quanta Computer, Inc v. LG Electronics, Inc.</u>, Sup. Ct., No. 06-937, 6/9/2008 <u>2008 U.S. LEXIS 4702</u></p> <p>2003 Monsanto Technology/Stewardship Agreement ("T/SA") (posted)</p> <p><u>Monsanto Company v Loren David</u>, CAFC, 2/5/2008 <u>2008 U.S. App. LEXIS 2493</u></p> <p>Optional: Monsanto's Roundup Ready seeds patent no. 5,352,605 (the "605 patent")</p>	<p>Review the NCFAF hypothetical (posted)</p> <p>Q: Your client, NCFAF, intends to approach Monsanto with a proposal for modifying the T/SA form so as to lessen for NCFAF members the costs and risks associated with wind borne seeds and second generation progeny seeds. NCFAF asks you to consider the relative bargaining power of the parties and to draft modifications for the client to propose to Monsanto. Which clause or clauses of the T/SA should NCFAF propose to modify? Mark-up those clauses to show your recommended changes and bring your mark-up to class.</p>
5/5 & 5/7	19 & 20 <u>Software transactions: EULAs and SLAs</u>	<p>Ruth Orpwood, <i>Electronic Contracts</i>, www.iicj.net/sampleruthorpwood.pdf</p> <p>ECD Appendix 5 <i>Software License Agreement ("SLA")</i></p> <p>End User License Agreement ("EULA") click-wrap form (posted)</p> <p><i>Nat'l Auto Lenders v Syslocate</i> S.D. FL. 2/10/2010 (posted)</p> <p>Review: topic 12 regarding allocation of risk</p>	<p>Review the SLA and EULA forms from the view point of each party</p> <p>Q: Identify the license and risk allocation provisions of the EULA click-wrap form. What is the impact on the licensee/user? What is the impact on the licensor/vendor?</p> <p>Suppose you are counsel for the <i>Nat'l Auto Lenders</i> defendants and consider the actions taken by DOS in August 2008 and Procon in April, 2009. Can you identify the clients' PPO? With the benefit of hindsight, how would you advise your clients at those junctures?</p> <p>Compare the EULA click-wrap terms to the SLA form in ECD Appendix 5. Which form (EULA or SLA) is more suitable for a b2b transaction and why?</p>

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5/12	21. <u>Open source (OS) software licenses</u>	<p>IPBO pp 863-872 <i>OS</i>; 854-860 <i>IBM's open source strategy</i></p> <p>Review version 3 of the GPL license (posted at www.gnu.org/licenses/gpl-3.0-standalone.html)</p> <p>Optional: GNU's Guide to GPL v 3: http://www.gnu.org/licenses/quick-guide-gplv3.html</p>	<p>As you review GPL v 3, think about the ways in which these OS license terms might impact a company's plans for use of software that incorporates portions of OS code. To what extent does the impact depend on whether your client intends to distribute and sell the complete software to others?</p> <p>Recall that Jess included some OS code in the software he is developed for your client commUNITY. The OS code is subject to GNU's GPL version 3. The software is used by your client to calculate mortgage consolidation terms for each solidarity group. Your client wants to continue to use the software.</p> <p>Q: What steps would you advise Erin to take to assure compliance with GPL version 3?</p>
5/14	22. Last Class: Review	Excerpt Dent, "Skills for Business Lawyers," Business Lawyer ABA 2/2009 (posted)	Review your class and reading notes and identify topics for the class to re-visit or review.
5/17	<u>Project Deadline</u>		Printed copies of your completed written project (client memorandum and marked agreement) are due by 5:00 PM.