Licensing Intellectual Property

Jeanine Burmania
Licensing Manager
August 2008
Different types IP

- Patents – protects an invention – i.e., a process, machine, or composition of matter
- Biomaterials – physical material, i.e., a cell line or antibody
- Copyright – protects original works of authorship
- Trademarks - identifies and distinguishes the source of a good/service
- Trade Secret – knowledge that an individual or company maintains as a secret
Why are IP rights important?

- IP rights are identifiable, protectable, transferable, enforceable, and licensable
- IP rights give the owners/creators exclusive rights to their creation
- IP is often one of a company’s most valuable commercial assets, especially for a start-up company
- IP rights can be effectively “rented” in the form of a license or other contract to generate revenue
License Agreements

• A contract between the patent owner and a commercial partner (Licensee) that gives the Licensee permission to make, use, or sell the invention
Benefits of Licensing a Technology

- Greatly reduced R&D costs
- Improved time to market
- Opportunity to enter new markets and expand your company quickly
License Agreement Terms

• Exclusive vs. Non-exclusive
• Field of Use
• Territory
• License fee
• Royalties
• Patent reimbursement
• Development
Additional IP Agreements

- Confidential Disclosure (CDA)
- Standstill
- Option
- Material Transfer (MTA)
- Research License
CDA

- Agree to keep information that is not in the public domain confidential and not to use the confidential information without first obtaining a license
- Important to have when discussing information with a company/individual that has not been included in a patent application
- Things to consider include the purpose of sharing the information and the length of time your are requiring them to keep it confidential
MTA

• Used by both academic institutions and industry to share their materials for research purposes.
• These allow the receiver to use the materials for a specified purpose and usually for a given time period.
• They limit the receiver's ability to share/distribute the materials to others and often have ask for rights to new materials or inventions that include the existing materials
Standstill & Option

- Agreements by which the IP owner agrees not to license the IP to a third party for a specified time period
- Standstills are typically used with start-up companies and give them time to develop their business plan with assurance that the technology will still be available to license
- Options are used with established companies to give them the opportunity to evaluate product feasibility and the market potential. At the end of the option period, if still interested, the company can enter into license negotiations.
- Things to consider with these agreements are the length of time, the measure of exclusivity, and field.
Research License

- Commercial research licenses allow the company to internally evaluate the technology, not develop a product.
- In the case of a material, under a research license companies use the material in their internal research but cannot sell the material to others.