# Licensing & Tech. Transfer

- Module 1
- Traditional Nontransferability

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### Oliver v. Rumford Chemical Works (1883)

- What did Rumford promise Morgan?
- What did Morgan promise Rumford?
- What happened to Morgan?
- Where does Oliver come in?
- Result at trial level and final result in supreme court(s)?

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#### UNITED STATES PATENT OFFICE.

THE RUMFORD CHEMICAL WORKS, OF PROVIDENCE, R. I., ASSIGNEES, BY MESNE ASSIGNMENTS, OF EBEN NOBTON HORSFORD.

IMPROVEMENT IN PULVERULENT ACID FOR USE IN THE PREPARATION OF SODA-POWDERS, FARINA-CEOUS FOOD, AND FOR OTHER PURPOSES.

Specification forming part of Letters Patent No. 14,722, dated April 92, 1856; Reisene No. 2,597, dated May 7, 1867; Reisene No. 2,5979, dated June 9, 1868.

To all whom it may concern:

Be it known that EBEN NORTON HORSPORD, of Cambridge, in the consty of Middlesex and State of Massachusetts, has invented a new Palverulent Acid for Use in the Preparation of Soda-Powders, Farinaecous Food, and for other Purposes; and it is hereby declared that he following is a full and exact description thereof, and of the mode of its preparation.

Carefully-washed and property-burned house, after being ground, are put into freshly-diluted oil of vitrol, with continual sitring, and in the following proportions: Five hundred pounds of the above-described ground bones, (sometimes and the source of the above-described ground bones, (sometimes and the source of the source).

### Emmylou Harris v. Emus Records Corporation (9th 1984)

- What is the arrangement between Harris and Jay-Gee?
- Who had copyright in the six musical works at issue?
- What did Jay-Gee do?
- What happened to Jay-Gee?
- Who produced second Gliding Bird album?
- Result in the courts?





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### Tap Publications, Inc., v. Chinese Yellowpages (New York) Inc. (SDNY 1996)

- Who are ASM, Tap, and Key?
- Who is CYPNY?
- What does Tap want?
- What does ASM want?
- Result and why?



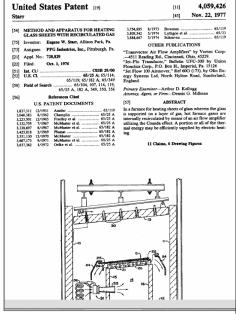
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# PPG Industries, Inc., v. Guardian Industries Corporation

(6th 1979)

Who was PPG's agreement with?

- How did Guardian enter the picture?
- Scope and type of grant clauses
- Effect of grant clauses after corporate transition



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### Intel, Inc. v. ULSI Systemtechnology, Inc. (Fed. Cir. 1993)

- Nature of Intel / HP agreement?
- Relationship between HP and ULSI?
- Preliminary injunction analysis: likelihood of Intel success on infringement claim against ULSI
- Result at the district court and at the Federal Circuit?

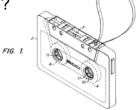


# King Instrument Corporation, v. Otari Corporation (Fed.

Cir. 1987)

• Dispute?

• Issue?





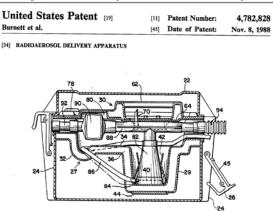
- Law or Repair / Reconstruction (Jazz Photo v. US (Fed. Cir. 2001))
  - Personal property rights attach from the sale, only subject to patentee's right to "make"
    - But, must give owner the right to preserve the useful life of the original article
    - For example, replacing the blades in a machine when the machine lasts several years and the blades need replacing 60-90 days
  - Does the activity "in fact make a new article" after the original entity, viewed as a whole, has become spent
  - Mere repair
    - Disassembly and cleaning
    - "overhauling" gun mounts even when done using an assembly line
    - Rebuilding truck clutches even when done in a commercial operation
      - Repair parts purchased from the patentee
      - Patentee contemplated rebuilding

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# Mallinckrodt, Inc., v. Medipart, Inc. (Fed. Cir. 1992)

- Mallinckrodt ships to hospitals with Single Use Only restriction
- Medipart "recycles" the devices for hospitals
- Inducement liability



- Mallinckrodt's restriction is "reasonably within the patent grant" and no anti-trust or patent misuse
- Injunction lifted so Mallinckrodt can send a second notice

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# Hewlett-Packard Company, v. Repeat-O-Type Stencil Manufacturing Corporation, Inc. (Fed. Cir. 1997)

- · HP patents relating to ink jet printing
- Repeat-O-Type (ROT) purchases HP 3-reservoir and single-reservoir cartridges
  - Cartridges say "discard immediately"
  - ROT buys new ones, not spent, modifies to be refillable, sells with ink in a kit
- Fed. Cir. adjusts the Dist. Ct.'s view of the claim to assume the possibility that the ROT cartridges fit within the claim language
  - Also assume that modifying the cap to render cartridge refillable might be "making" the claimed cartridge
- But, the modifications are mere repair, and thus within the scope of the unconditioned sale by HP
  - Court discusses this as implied license from HP to buyers to get the normal useful life from the purchased cartridge
  - Difference between HP's intention of useful life versus actual useful life;
     HP's vision is that useful life equates to depletion of original ink

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### 35 U.S.C. § 271. Infringement of patent

- (a) Except as otherwise provided in this title, whoever without authority
- makes,
- uses,
- offers to sell, or
- sells any patented invention, within the United States or
- imports into the United States any patented invention during the term of the patent therefor, infringes the patent.

### 35 USC 271(c)

- (c) Whoever offers to sell or sells within the United States or imports into the United States
- a component of a patented machine, manufacture, combination or composition,
- or a material or apparatus for use in practicing a patented process,
- constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.

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### 17 U.S.C. § 106 (partial):

- "Subject to <u>sections 107</u> through <u>122</u>, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:
- to reproduce the copyrighted work in copies or phonorecords;

. . .

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

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### 17 U.S.C. § 106 (partial):

(2) to prepare derivative works based upon the copyrighted work;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;

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### 17 U.S.C. § 106 (partial):

- (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
- (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission."

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### § 109. Limitations on exclusive rights:

Effect of transfer of particular copy or phonorecord

(a) Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord. ....

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# § 109. Limitations on exclusive rights:

BUT para. (b) IMPOSES A LIMITATION ON "OTHERWISE DISPOSE":

 NO RENTALS OF SOUND RECORDINGS OR COMPUTER PROGRAMS, W/O PERMISSION OF COPYRIGHT OWNERS

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### Quanta v. LG (2007) {not assigned}

- LG purchased a portfolio of patents, including several relating to computer processor cache memory management
- Fed. Cir.: exhaustion doesn't apply to method claims; no authorization in this case
- LG license to Intel; no license to TPs; notice obligation in separate agreement
- Quanta buys from Intel; uses non-Intel memory and buses and makes infringing product
- Sup. Ct.:
  - method claims can be exhausted;
  - when the article or item of sale is less than what is described by the claim language, can have exhaustion if "the incomplete article substantially embodies the patent because the only step necessary to practice the patent is the application of common processes or the addition of standard parts.";
  - sale by Intel was authorized by interpretative reading of the LG license to Intel

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