

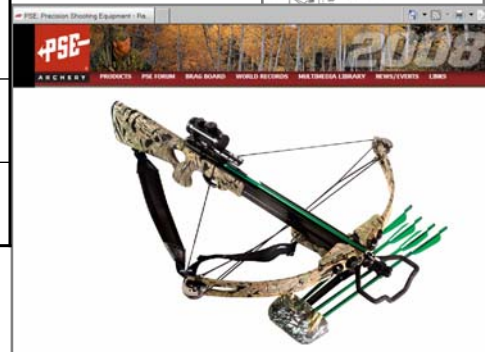
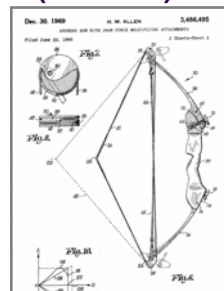
Licensing & Tech. Transfer

- Module 11
- Royalties and Payments

Allen Archery, Inc. v. Precision Shooting Equip., Inc. (7th 1989)

- Allen patent and its success in the industry
- What did PSE license? From who?

	Allen	PSE
Stock	D / 7 th	
Overdraw	D / 7 th	
Paint	D / 7 th	



Zenith Radio v. Hazeltine Research (1969)

- Hazeltine, HRI relationship with Zenith
 - U.S. relations
 - Foreign relations
- Misuse for HRI to insist on a 5 year license of a typical package of about 500 patents?
 - Supreme Court reverses appellate court that it was not misuse to condition license on payment of royalties on unlicensed products
 - Citing *Brulotte*
 - Citing *Automatic Radio* (minimum royalty provision)
 - “If convenience of the parties rather than the patent power dictates the total-sales royalty provision, there is no misuse of the patents and no forbidden conditions attached to the license.”
- Remand to determine whether “HRI was conditioning the grant of patent licenses upon the payment of royalties on unpatented products”
- Harlan dissent
 - Convenience versus “insisted upon” distinguishing is unworkable
 - Other, better, analysis is available

Brulotte v. Thys (1965)

- Hop picking machine patents licensed by Thys had contractual provisions to pay royalties beyond patent expiration dates
- Royalty payments post-expiration are for use then
 - Against public policy of patent law, post-expiration
 - Also, agreements prevent removal of the machines from Yakima County
- Unlawful “per se”
 - *Automatic Radio* allows legality as long as some patents in the licensed group/pool remain unexpired
- Harlan dissent
 - Tangible items with usefulness
 - Idea of the invention

Broadcast Music v. Hirsch (9th 1997)

- BMI interpleader action between Miller and his debtors (including Hirsch)
 - Assignments
 - Tax liens
- Does the copyright act require recording of assignment of royalties, such that a failure to record means that the assignment isn't primary as compared to a later claim on the funds?
- As a security interest?
- Under NY law, can the assignments to the debtors be primary over the tax liens?