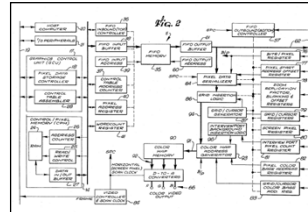


Licensing & Tech. Transfer

- Module 6
- Transfer, First Sale & Exhaustion

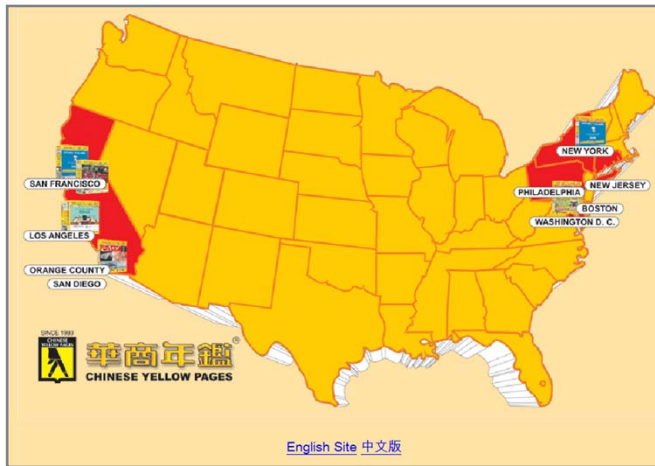
Everex v. CadTrak (9th Cir. 1996)

- CFLC as LicEE in bankruptcy (1993)
 - Desires to “transfer” patent license to Everex
 - Cadtrak as LicOR (1986 / 1989)
- Assumption / Assignment power of bankruptcy trustee as excepted by §365(c)
- What “applicable law” impacts the operation of §365(c) in this case?
- What is the default rule of this applicable law?
 - Federal or State origins?
 - Patent or contract origins?
 - Policy considerations?



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?



Licensing, Spring 2011, Prof. Greg R. Vetter

6-3

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

United States Patent [19] [11] **4,059,426**
Starr [45] **Nov. 22, 1977**

[54] **METHOD AND APPARATUS FOR HEATING GLASS SHEETS WITH RECIRCULATED GAS** 3,754,883 8/1973 Bowman 65/119
 3,828,542 5/1974 Lythgoe et al 65/53
 3,884,667 5/1974 Schraeven 65/119

[73] **Inventor:** Eugene W. Starr, Allison Park, Pa.
OTHER PUBLICATIONS
 "Transvector Air Flow Amplifier" by Vortec Corp., 4311 Reading Rd., Cincinnati, Ohio, 43229.
 "Jet-Flu Transducer," Bulletin UFC-300 by Union Fluonics Corp., P.O. Box H, Imperial, Pa. 15126.
 "Jet Flow 100 Air-mover," Ref 600 (77), by Olin Energy Systems Ltd, North Hytton Road, Sunderland, England.

[71] **Assignor:** PPG Industries, Inc., Pittsburgh, Pa.
 [21] **Appl. No.:** 728,829
 [22] **Filed:** Oct. 1, 1976
 [51] **Int. Cl.:** C03B 29/00
 [52] **U.S. Cl.:** 65/28 A; 65/114;
 65/119; 65/182 A; 65/149

[58] **Field of Search:** 65/104, 107, 114, 119;
 65/25 A; 182 A; 349, 350, 356
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 3,048,383 8/1962 Changlin 65/25 A
 3,251,501 12/1965 Finley et al 65/25 A
 3,332,759 7/1967 McMaster et al 65/25 A
 3,338,607 8/1967 McMaster et al 65/182 A
 3,425,818 2/1969 Plomat 65/182 A
 3,251,300 12/1970 McMaster 65/182 A
 3,607,173 9/1971 McMaster et al 65/25 A
 3,607,362 1/1972 Oelke et al 65/25 A

[57] **ABSTRACT**
 In a furnace for heating sheets of glass wherein the glass is supported on a layer of gas, hot furnace gases are internally recirculated by means of an air flow amplifier utilizing the Coanda effect. A portion or all of the thermal energy may be efficiently supplied by electric heating.

11 Claims, 6 Drawing Figures

Licensing, Spring 2011, Prof. Greg R. Vetter

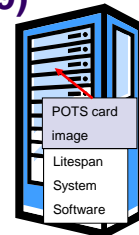
6-4

First Nationwide v. Florida Software (MD Fla 1991)

- First Nationwide (FNB) as hopeful new owner of . . .
 - Florida Software (FSS) as LicOR . . . to whom
- FNB “buying” Bloomfield S&L (1985) and Pathway (1986)
- Offer of new licenses in 1989 . . . why?
- Why not consult FSS before the transfer of Bloomfield and Pathway to FNB?
- Express anti-assignment clause in license?
 - How does it fare under the Florida law applied by the court?
 - Is this/a license like a lease?

DSC Comms. v. Pulse Comms. (Fed. Cir. 1999)

- What is a “Litespan 2000” and what does it do?
 - System software
 - Software image for (many) POTS cards
- “owning” under §117?
- Once a licensee, for sure not a “§117 owner”?
 - or . . .
- [reservation to seller] “subject, however, to a license to Buyer to use the Software solely in conjunction with the Material during [its] useful life”
 - Restrictions on copying image to competitive hardware
 - But, another clause allowing customer purchase of competitive hardware



DSC Comms. v. Pulse Comms. (Fed. Cir. 1999)

§117. Limitation on exclusive rights: computer programs

(a) Making of additional copy or adaptation by owner of copy. Notwithstanding the provisions of section 106 [17 USC 106], it is not an infringement for the owner of a copy of a computer program to make or authorize the making of another copy or adaptation of that computer program provided:

(1) that such a new copy or adaptation is created as an essential step in the utilization of the computer program in conjunction with a machine and that it is used in no other manner, or

(2) that such new copy or adaptation is for archival purposes only and that all archival copies are destroyed in the event that continued possession of the computer program should cease to be rightful.

(b) Lease, sale, or other transfer of additional copy or adaptation. Any exact copies prepared in accordance with the provisions of this section may be leased, sold, or otherwise transferred, along with the copy from which such copies were prepared, only as part of the lease, sale, or other transfer of all rights in the program. Adaptations so prepared may be transferred only with the authorization of the copyright owner.

(c) Machine maintenance or repair. Notwithstanding the provisions of section 106 [17 USC 106], it is not an infringement for the owner or lessee of a machine to make or authorize the making of a copy of a computer program if such copy is made solely by virtue of the activation of a machine that lawfully contains an authorized copy of the computer program, for purposes only of maintenance or repair of that machine, if--

(1) such new copy is used in no other manner and is destroyed immediately after the maintenance or repair is completed; and

(2) with respect to any computer program or part thereof that is not necessary for that machine to be activated, such program or part thereof is not accessed or used other than to make such new copy by virtue of the activation of the machine.

(d) Definitions. For purposes of this section—

(1) the "maintenance" of a machine is the servicing of the machine in order to make it work in accordance with its original specifications and any changes to those specifications authorized for that machine; and

(2) the "repair" of a machine is the restoring of the machine to the state of working in accordance with its original specifications and any changes to those specifications authorized for that machine.

Adobe v. One Stop Micro (ND Cal. 2000)

- Adobe educational versions
 - OCRA for resellers

- OneStop as market arbitrage
 - Mutilation of shrinkwrap
 - Where did OneStop get its copies of the Adobe software?

- OCRA language pointing toward ownership . . .

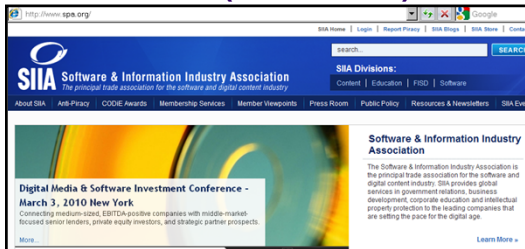
- OCRA language pointing toward mere licensee . . .

Distribution Right

- § 106(3):
 - “Subject to sections 107 through 121, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: . . .
 - 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”
- “First sale” doctrine - § 109(a):
 - “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.”
 - But, § 109(a) does not apply to the rental of phonorecords or computer programs for profit. See § 109(b)

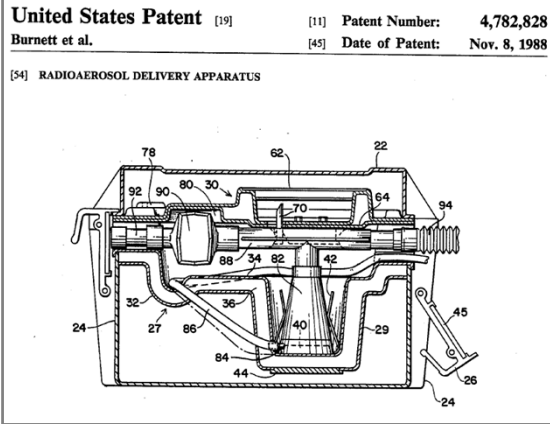
Central Point Software v. Global Software (EDNY 1995)

- Morales : Global
 - Did his business prospects change in 1990?
 - The DBP as a response
- Within DBP
 - 1% of 300/448 look like what . . .
 - The remaining 99% look like what . . .
 - sale on approval?
- Reasons for the 1990 Act?
 - Software’s fit for rental
 - 1984 Act legislative history
- Restocking fee



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



Intel v. ULSI, 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?



United States Patent [19] [11] Patent Number: **Re. 33,629**
Palmer et al. [45] [51] Date of Patent: **Jul. 2, 1991**

[4] **NUMERIC DATA PROCESSOR** 1971, IEEE Transactions on Computers vol. C-22, pp. 251-256.

[5] Invention: John F. Palmer, Cambridge, Mass.; Bruce W. Rowland, Norderland, Calif.; Rafi Nava, Haifa, Israel.

[7] Assignee: Intel Corporation, Santa Clara, Calif.

[11] Appl. No.: 60,528

[12] Filed: Jan. 1, 1990

Related U.S. Patent Documents

Patent No.: **4,238,672**
 Issued: **Jul. 6, 1982**
 Appl. No.: **120,091**
 Filed: **Feb. 15, 1989**

[14] Int. Cl. G06F 1/00; G06F 1/02; G06F 1/04

[15] U.S. Cl. 364-740; 364-732

[16] Field of Search 364-740; 364-732; 364-736; 364-738; 364-742; 364-744; 364-746; 364-748; 364-750; 364-752; 364-754; 364-756; 364-758; 364-760; 364-762; 364-764; 364-766; 364-768; 364-770; 364-772; 364-774; 364-776; 364-778; 364-780; 364-782; 364-784; 364-786; 364-788; 364-790; 364-792; 364-794; 364-796; 364-798; 364-800; 364-802; 364-804; 364-806; 364-808; 364-810; 364-812; 364-814; 364-816; 364-818; 364-820; 364-822; 364-824; 364-826; 364-828; 364-830; 364-832; 364-834; 364-836; 364-838; 364-840; 364-842; 364-844; 364-846; 364-848; 364-850; 364-852; 364-854; 364-856; 364-858; 364-860; 364-862; 364-864; 364-866; 364-868; 364-870; 364-872; 364-874; 364-876; 364-878; 364-880; 364-882; 364-884; 364-886; 364-888; 364-890; 364-892; 364-894; 364-896; 364-898; 364-900; 364-902; 364-904; 364-906; 364-908; 364-910; 364-912; 364-914; 364-916; 364-918; 364-920; 364-922; 364-924; 364-926; 364-928; 364-930; 364-932; 364-934; 364-936; 364-938; 364-940; 364-942; 364-944; 364-946; 364-948; 364-950; 364-952; 364-954; 364-956; 364-958; 364-960; 364-962; 364-964; 364-966; 364-968; 364-970; 364-972; 364-974; 364-976; 364-978; 364-980; 364-982; 364-984; 364-986; 364-988; 364-990; 364-992; 364-994; 364-996; 364-998; 364-1000

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 1,717,111 1/1971 Hays et al. 364-748
 1,822,232 11/1971 Davis et al. 364-736
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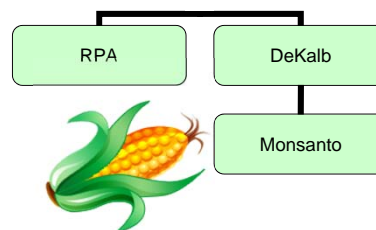
Angus, et al., *System Architecture Reference Guide*, Intel Corporation, Inc., Fremont, Massachusetts, Jul. 1981 (First Edition, Apr. 1979), pp. 6-23, 6-25, 6-26, 6-27, 6-28, 6-29, 6-30, 6-31, 6-32, 6-33, 6-34, 6-35, 6-36, 6-37, 6-38, 6-39, 6-40, 6-41, 6-42, 6-43, 6-44, 6-45, 6-46, 6-47, 6-48, 6-49, 6-50, 6-51, 6-52, 6-53, 6-54, 6-55, 6-56, 6-57, 6-58, 6-59, 6-60, 6-61, 6-62, 6-63, 6-64, 6-65, 6-66, 6-67, 6-68, 6-69, 6-70, 6-71, 6-72, 6-73, 6-74, 6-75, 6-76, 6-77, 6-78, 6-79, 6-80, 6-81, 6-82, 6-83, 6-84, 6-85, 6-86, 6-87, 6-88, 6-89, 6-90, 6-91, 6-92, 6-93, 6-94, 6-95, 6-96, 6-97, 6-98, 6-99, 6-100.

Quanta v. LG (2007)

- 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

Rhone-Poulenc Agro, S.A. v. Dekalb Genetics Corp. (Fed. Cir. 2002)

- License structure and parties
- History and current issue
 - Prior history at Fed. Cir.
 - en banc
- State or Federal law?
 - Which circuit and why?
- BFP versus BF-Lic'EE?



Even if the general common law extended the protection of the bona fide purchaser rule to holders of non-exclusive licenses, it would not be appropriate for us to extend such protection to non-exclusive licenses as a matter of federal common law. . . .

Although our precedent has recognized that in some circumstances an exclusive patent license may be tantamount to an assignment of title to the patent, this is so only when "the licensee holds 'all substantial rights' under the patent." . . .

Microsoft v. Harmony Computers (EDNY 1994)

- 1993 cease and desist letters
- Jan 1994, TRO against Harmony
 - Software purchased by Harmony?
 - Unbundled?
 - 21/106 counterfeit
- Unauthorized Distribution?
- First Sale?
 - “chain of title”
- License Scope
 - Unbundled MS-DOS 6.0 from Amex / Archie
 - No stand-alone products among the 106

Chilling Effects