



# **A Careful Balancing Act: Using Enforcement in a Successful Patent Licensing Program**

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# AGENDA

## ■ PATENT LICENSING

- Programs: Process | Approach | Best Practices
- Agreements: Flexibility | Structure | Scope
- Trends: NPEs vs. Product Cos. | America Invents Act | *Alice*

## ■ ENFORCEMENT & LITIGATION

- Making Contact with Potential Licensees
- Impact on Litigation: AIA and *Alice* | Fee Shifting | Royalty Rates
- Current Landscape

# IP BENEFITS TO OWNERS

- Freedom to Operate / Freedom of Action
  - Introduce products to market with reduced risk
  - Deters others from bringing lawsuits
  - Provides bargaining strength
- Differentiation
  - Higher profit margins through new technologies
  - Exclude others
  - Enforce / Litigate
- Revenue Generation / Monetization
  - Licensing
  - Sales
  - Enforce / Litigate

# PATENT LICENSING: PROGRAMS

## ■ LICENSING PROGRAMS

- Process

- Approach

- Best Practices

# PATENT LICENSING: AGREEMENTS

## ■ LICENSE AGREEMENTS

- Flexibility of the Licensor / Licensee
- Structure
- Scope

# PATENT LICENSING: TRENDS

## ■ Trends in Patent Licensing

- ↓NPEs vs. ↑Product Companies
- Impact of America Invents Act
- Impact of Supreme Court's *Alice* decision

# PATENT LICENSING: THREAT OF LITIGATION

To be sure, **any time parties are in negotiation over patent rights, the possibility of a lawsuit looms in the background.** No patent owner with any sense would open negotiations by assuring his opposite party that he does not intend to enforce his patent rights under any circumstances. **The threat of enforcement** — either directly by the patentee or indirectly by a third party to whom the patentee licenses or sells the patent — **is the entire source of the patentee's bargaining power.**” (emphasis added)

*EMC Corp. v. Norand Corp.*, 89 F. 3d 807, 811 (Fed. Cir. 1996)

# ENFORCEMENT: MAKING CONTACT

## ■ Contacting Potential Licensees

- How?
- Best Practices
- Change in landscape (AIA and *Alice*)



# PATENT LITIGATION: IMPACT

## ■ Impact on Patent Litigation

- AIA and *Alice*

- Fee Shifting

- Licensing Royalty Rates vs. Damages

# PATENT LITIGATION: CURRENT LANDSCAPE

Inter Parties Reviews  
+ No Willfulness  
+ No Injunction  
+ Reduced Damages

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= No Reason to License

Source:

*Troublesome Trends: Our Patent System in Transition*, Robert P. Taylor, PLI Patent Licensing Today, 2015.



# Disclaimer

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