

MANCHESTER
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The University of Manchester

UMI³ The University of Manchester Innovation Group

Intellectual Property Workbook

A Researcher's Guide



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Introduction

This IP Workbook is designed to be used alongside the series of Guides for Researchers produced by The University of Manchester I3 Limited and Eversheds LLP on a range of commercially related topics with an intellectual property (IP) dimension. These Guides are listed on the next page and can be ordered from UMI³ or viewed at www.umi3.com

This IP Workbook contains practical examples, questions and scenarios which you might encounter in your academic/research life. Its goal is to increase your learning in, and awareness of, the areas covered, by working through given situations which should reflect the reality of your day to day work. This IP Workbook is designed to assist you in thinking ahead about issues and problems that might arise or need to be dealt with in your work and perhaps try to prevent problems arising in work undertaken by you.

The IP Workbook covers situations arising at Lakeland Institute, a fictional Institute in England. The IP Workbook will follow through the characters and ask you to consider issues which arise for them in the use, protection and creation of IP, including research, licensing, the formation of spin out companies and other commercialisation of IP. There will also be confidentiality issues to consider. The solutions to the scenarios are in the second section of the workbook.

The characters and scenarios used are fictional and portray no person (whether dead or alive), or company. The discoveries made and science used, though based on real issues (such as oncology/radiology) are creations of the authors and not based on scientific fact or reality.

Although this IP Workbook uses a scientific example as its main storyline, this IP Workbook is relevant to those working in all disciplines, with some aspects of it being particularly relevant to non-scientific disciplines.

Remember that this is only a guide and is not a substitute for you taking your own independent professional advice.

This Guide was originally commissioned and created by Mr Clive Rowland, CEO, The University of Manchester I3 Limited and Ms Janet Knowles, Partner, Eversheds LLP.

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Series of Guides for Researchers

- IP & Confidentiality
- Research Contracts
- Consulting
- Licensing
- Spin-out Companies
- Academic Materials & Publishing

The Main Cast

Prof. Ian Table

- Chair of Clinical Oncology (Chair sponsored by Innovative Pharmaceuticals PLC ('IPP')) at Lakeland Institute
- Secondment one day a week at IPP
- Married to Professor C. Kent

Prof. Clara Kent

- Professor of Radiology, Department of Physics, at Lakeland Institute
- Consultant at South Ryedale Hospital NHS Trust ('Trust'). She is subject to the terms of an honorary contract with the Trust
- Married to Prof. I. Table

Dr. Brian Hodgson

- Lecturer, Clinical Oncology, Department of Biochemistry at Lakeland Institute
- Specialises in Hormone Therapy

Ms Emily Wynott

- PhD Student in Clinical Oncology, Department of Biochemistry at Lakeland Institute

Mr Tom Doyle

- 3rd Year student, Department of Physics, at Lakeland Institute
- Part time musician – guitarist and lead singer in the rock band Atomic Tigers

Innovative Pharmaceuticals PLC ('IPP')

- A large pharmaceutical company which specialises in developing and marketing drugs to prevent and treat cancers. (Its particular focus is on breast cancer)

Lakeland Institute ('Lakeland')

- A research intensive higher education institution

New World Pharmaceuticals Limited ('NWP')

- A relatively new company (it has only been in existence for three years) which is seeking to build up a reputation for developing and marketing alternative therapies for cancers

South Ryedale Hospital NHS Trust ('Trust')

- An NHS Trust, comprising a teaching hospital

THE SCENARIOS

Professors Table and Kent have developed a method of using radiotherapy to target and destroy cancerous cells without destroying the healthy cells around them. A small but essential part of the equipment required to do this was developed by Tom Doyle as part of his Physics final year project, under the tutelage of Clara Kent.

Brian Hodgson and Prof. Table have developed a new, effective Aromatase Inhibitor, for the treatment of breast cancer. IPP is extremely interested in its possibilities as a new drug therapy for breast cancer, as early tests have shown excellent results. IPP is keen to ensure protection of the invention from an early stage. Its marketing team has even come up with the name AROINHIB to market the drug under.

Emily attends alternative therapy evening classes at North Ryedale College. She has become interested in the possible uses of alternative therapies in cancer treatment and has spent a lot of her spare time researching the subject. She even took one of her holidays in Denver, USA to attend a conference on the subject.

At the conference, an academic from The Institute of Stunford presented a paper on the possible uses of plant extracts in lung cancer therapy. Since hearing that academic, Emily has become interested in the use of a South American plant extract for the treatment of breast and cervical cancers. Emily has been using Lakeland's labs, alongside doing her PhD work, to experiment with the extract which she has had shipped in from Brazil. Having heard about NWP's strategies and reputation through the grapevine, Emily wishes to approach it with her initial findings, in the hope that it might fund her further work.

Any thoughts so far? As a starting point, maybe have a quick look through the *Intellectual Property & Confidentiality Guide* and think about the issues highlighted in it. Consider what you would do if you were in the position of each of the individuals mentioned above.

Things you might want to think about are:

- what IP has been, is being or will be created (trade marks, patentable inventions, copyright, etc)?
- who will own the IP?
- are there any third party rights which might cause problems?
- are there any confidentiality issues to consider?
- what IP implications does the status of the different people involved have?

Gather your thoughts and have them with you as you now examine the detail of what the individuals have been doing. We are first going to look at what IP has been created and how it can be, should be or should have been protected.

Radiotherapy Issue

To briefly recap, Professors Table and Kent have developed a method of using radiotherapy to target and destroy cancerous cells without destroying the healthy cells around them. Most of the work has been undertaken at Lakeland, although Prof. Kent has also undertaken a small amount of testing whilst working at the Trust. As well as treating patients, she also trains students. Part of her work with the students involves radiotherapy training.

A small, but essential, part of the equipment required to do this was developed by Tom Doyle as part of his Physics final year project, under the tutelage of Prof. Kent. Tom is a full-time undergraduate student at Lakeland now in his third and final year. The part of the equipment which Tom has developed is novel and, as far as the team is aware, has not been used anywhere in the world in this manner. In the next few weeks, Tom will be submitting his dissertation for examination. Once examined and marked, the dissertation will automatically be available in Lakeland's library.

Put yourself in the shoes of the Professors and Tom. Remember that Prof. Table holds a Chair which is sponsored by IPP, that Prof. Kent works at the Trust as well as at Lakeland and that Tom is a student (and, as such, is not likely to be an employee of Lakeland).

Bearing these matters in mind, think about:

- what IP and other rights are relevant here?
- what issues might need addressing in relation to who owns what IP in the new radiotherapy method?
- how might the IP and/or other rights be protected/have been protected?
- are there any pitfalls which could cause problems when looking to protect/exploit any relevant IP and/or other rights?
- what steps, if any, should Tom and Lakeland take to protect the information in Tom's dissertation?

Alternative Therapy

So, as we know, Emily has uncovered some interesting information relating to the potential use of South American plant extracts in the treatment of lung cancer. After she came back from the conference in America, Emily spoke to her father about the research she was carrying out. Emily's father has various contacts in the pharmaceuticals market (mainly through golf) and he introduced her to his best golfing buddy, Larry Faldo, the MD of NWP.

Emily met Larry over dinner (her father was also there) and explained the background to the technology to him. Larry indicated that NWP might well be interested in funding further research. He asked Emily to meet his Chief Scientific Officer and provide more detailed information to her. Emily said that she would do this, but, remembering a talk she had attended, said it would have to be done on a confidential basis to protect her position. Larry said that this would not be a problem as he faced requests like this constantly in the line of work that he was in. He told Emily that NWP had a standard agreement for circumstances like these. NWP provided a draft agreement to Emily a couple of days later.

The agreement read as follows:

New World Pharmaceuticals Confidentiality Agreement

THIS AGREEMENT is made on

BETWEEN

- (1) Emily Wynott of 126 Acacia Avenue, Pediton PD1 2IK ('the Discloser'); and
- (2) New World Pharmaceuticals Limited (Registered No. 123456) whose registered office is at New World House, Cool Street, Pediton PD6 1XX ('the Recipient').

1. DEFINITIONS

- 1.1 In this Agreement the following expressions shall have the following meanings unless inconsistent with the context:

‘Associated Company’

Any company which is, in relation to another company, its holding company or its subsidiary or a subsidiary of its holding company.

‘Confidential Information’

All information in respect of the business of the Discloser.

2. DISCLOSURE

- 2.1 In consideration of the Discloser disclosing to the Recipient full particulars of the Confidential Information, the Recipient agrees to comply with the terms set out in this Agreement.
- 2.2 The Recipient agrees that it will keep secret and confidential all Confidential Information.
- 2.3 The Recipient shall only disclose the Confidential Information to its Associated Companies and its Associated Companies’ directors or employees or sub-contractors or to its accountants, lawyers, financial advisers, other professional advisers and/or lenders.
- 2.4 The confidentiality obligations placed upon the Recipient in this Agreement shall not extend to information which:
 - 2.4.1 was lawfully obtained free of any duty of confidentiality otherwise than directly or indirectly from the Discloser
 - 2.4.2 was already in the Recipient’s possession prior to the date of disclosure by the Discloser
 - 2.4.3 is in or subsequently enters the public domain (other than as a result of a breach of this **clause 2**)
 - 2.4.4 is disclosed pursuant to a legal obligation
 - 2.4.5 is disclosed with prior written consent of the Discloser
 - 2.4.6 was developed independently by the Recipient.

3. TERM AND TERMINATION

This Agreement commences on the date of this Agreement and remains in force until the conclusion of the Recipient's evaluation or until either party at any time gives the other written notice to terminate, whichever is the earlier.

4. WAIVER

No failure or delay by any party to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.

5. GOVERNING LAW AND JURISDICTION

This Agreement will be governed by and construed in accordance with English Law and the parties agree to submit to the exclusive jurisdiction of the English courts.

SIGNED by Emily Wynott
in the presence of:

Witness signature:

Name:

Address:

Occupation:

SIGNED by [NAME]
duly authorised to sign
for and on behalf of
New World Pharmaceuticals Limited

Now you need to put yourself into Emily's shoes. Think about how she has managed the revelation of her technology to Mr. Faldo. Would you have done exactly what she did if you had been in her position? Remember that Emily is eager to find the money to fund her further research – has she been too hasty in the actions she has taken to pursue her goal?

Issues you need to think about are:

- what, if anything, has Emily done wrongly in terms of protecting her treatment method so far?
- does Emily own all the rights in her alternative therapy treatment method? If not, what issues might arise?
- how might you improve the confidentiality agreement which Emily has been given by NWP?

Tom's Band

As well as working extremely hard on his undergraduate Physics degree, Tom is a member of a band. The band is called Atomic Tigers and Tom formed this in his first year at Lakeland with his three best friends, Gary, Howard and Mark. If you were to ask Tom what is more important to him, his research and degree or his music, the likelihood is that he would say his music.

The Atomic Tigers are going to be performing a set at the Lakeland Lounge, Lakeland's nightclub. The gig is going to be recorded on DVD by their friend Robbo and they hope to sell copies of the DVD at a later date. They also want to send a copy to a record company in the hope of obtaining a contract. Most of the words and music which will be performed by the band were actually written by Tom, though Mark, the lead guitarist, has also had some input into the music. The set will also include a couple of covers of recent top ten hits to get the audience warmed up.

As you probably know, the main type of IP at issue here is copyright. You may remember from the Intellectual Property & Confidentiality Guide that a number of different copyrights can exist in the same piece of work. You'll also remember that different types of copyright last for different periods of time.

Say you were Tom and you were performing the set at Lakeland Lounge. What should you be thinking about before embarking on the enterprise? As a starting point, you should try and answer the following questions:

- can you list the different types of copyright which will be comprised in the DVD?
- who owns the copyright in the Atomic Tigers' songs and DVD?
- before putting on the gig or recording and selling the DVD, are there any IP clearance issues for the guys to consider?

Aromatase Inhibitor

As you may have gathered by now, Prof. Table is a busy man who is involved in a number of differing projects. Along with the new radiotherapy treatment he is developing with Prof. Kent, his other main venture is the development of the novel and highly effective Aromatase Inhibitor, for the treatment of breast cancer. He has undertaken this development with the capable assistance provided by Dr. Brian Hodgson, a Lecturer in Clinical Oncology at Lakeland.

Prof. Table has undertaken much of his work in relation to the testing whilst on secondment at IPP. Brian, however, is solely based at Lakeland. IPP is extremely interested in the possibilities for the new radiotherapy treatment to be a new drug therapy for breast cancer, as early tests have given excellent results. IPP is keen to ensure protection of the invention from an early stage. Its marketing team has even come up with the name AROINHIB to market the drug under. IPP is currently considering whether it can and should protect the name as a trade mark in the UK, the European Community and any other countries in which the Aromatase Inhibitor could be marketed.

This time, imagine that you are taking Prof. Table's and Brian Hodgson's roles.

In the case of Prof. Table, you have to wear a number of different hats – he works at Lakeland, yet his Chair is funded by IPP and he is actually seconded there as well. Have a think about the potential conflicts of interest and issues that these diverse roles might create. Brian's seems to be a much more straightforward role as he does not have any interests other than his academic and research career at Lakeland.

Think also about how IPP's involvement might affect the issues. It seems keen to protect Prof. Table's and Brian Hodgson's work, but is it possible for it to do that bearing in mind that both the inventors are employees of Lakeland? Does IPP have rights in the work being undertaken by Prof. Table and Brian Hodgson?

Answer the following questions:

- what steps can Prof. Table and/or Dr. Brian Hodgson and/or IPP take to protect the invention?
- if IPP decides to apply to register AROINHIB as a trade mark, what issues might it face? What, if anything, could it do to try and head off these issues before they arise?
- what conflict of interest issues should Prof. Table be thinking about?

Recap

So, we have looked at the rights and wrongs of the actions taken so far by Ian Table, Clara Kent, Tom Doyle, Emily Wynott and Brian Hodgson. In doing this, we have analysed the types of IP that the individuals have created and where ownership of such IP might lie.

The moral of the story is that you need to do your homework before you embark on projects such as Emily's pursuit of an alternative therapy treatment for breast cancer. Without the right protection in place and without knowing what you can and cannot do with the IP that you have either created and/or are using, you risk:

- allowing third parties to take advantage of your efforts;
- losing any registered protection you might be able to get for your work;
- being pursued by third parties for infringement of their IP.

If in doubt, speak to your supervisor and/or the relevant person at your IP commercialisation organisation.

The Story Continues

Emily's and Prof. Table's worlds are about to collide. Remember that Emily was trying to get further funding for her research and had been speaking to NWP. Matters are now starting to get serious and Emily, with the help of Prof. Table, who has been called upon to supervise Emily, is about to become involved in protracted negotiations over a research and development relationship with NWP.

As a starting point, it would be useful for you to have a quick look over the Research Contracts Guide and refresh your memory of the main issues.

General points of which to be aware in the next part of this IP Workbook are:

- the different types of collaboration which can be undertaken between industry and universities (contract/collaborative/sponsored research)
- identifying and creating clear structures for the research project, including timetables
- funding, including Full Economic Costing ('FEC')
- what facilities are to be used and under what conditions
- the project manager's role
- reports on the progress of the research project
- who will be the owner of any IP which arises out of the project
- publication of the research
- ending the research relationship.

Emily's R&D?

After signing up to the Confidentiality Agreement with NWP, Emily discloses the information in relation to the plant extracts and their effectiveness as a cure for certain types of cancer to NWP's Chief Scientific Officer.

Despite Emily's extensive planning and preparation, NWP decides that the evidence presented by Emily is not conclusive as to proving that certain plant extracts could act as a cure for cancers.

Unfortunately, NWP neither has the relevant staff nor the space nor the financial capacity to undertake further research into the effectiveness of plant extracts as cancer cures. NWP decides that the best course of action would be to pay Lakeland to undertake the research on its behalf. Although NWP does not consider the current evidence to be conclusive, it can foresee the potential benefits and profit if further research leads to a marketable cancer cure.

NWP approaches Emily with this proposal. Although she is somewhat reluctant to get Lakeland involved, as most of the work had been done in her spare time, she is keen to progress the matter and approaches Lakeland. Lakeland agrees to negotiate a research and development arrangement with NWP, but insists that Prof. Table supervises Emily in her work.

Despite its apparent financial limitations, NWP indicates that it wants to pay FEC, own all IP from the research and does not want to allow publication until (or if) the products go to market. (It is actually insisting on an embargo on all communications outside the team which will be working on the project.) NWP has also offered students in the relevant department access to certain of its equipment for the purposes of the project.

After some protracted discussions, the parties decide that they should enter into a basic Heads of Terms, which will not be legally binding and which will record the general agreement between Lakeland and NWP.

Although it will usually be the case that Heads of Terms such as the ones being discussed here would be drafted and/or negotiated by the relevant specialist in your institution, it is worth you considering for a few minutes what sorts of terms should be contained in the Heads.

List out any terms that you think should be contained in the Heads.

Again, put yourself in the shoes of Emily and Prof. Table and think about what your roles in the research relationship might be. If you were Emily, it is likely that you would be very interested in the relevant terms, on the basis that you had done most of the work in your spare time and Lakeland would not have had any rights over the work had you not chosen to bring it into the picture. If you were Prof. Table, you might be thinking about undertaking the Project Management role – what responsibilities would this entail for you?

Think about what type of research relationship might be appropriate here. Will there be an active collaboration between the parties, i.e. each party contributes IP, research staff, etc? Will this be a case of sponsored research where the research institution will be setting the agenda, but the sponsor provides the cash? Is it pure contract research where the sponsor drives the agenda?

The parties sign up to Heads which are very basic and leave the detail to be included in the main agreements. They have decided to go the route of a Research and Development Agreement, documenting a collaborative research relationship, whereby NWP will pay for the research to be undertaken, connected to a Revenue Share Agreement.

Emily and Prof. Table have been asked to draw up a Project Plan to be included as a Schedule to the main agreement.

Draft out a rough guide as to what Emily and the Prof. should be including in the research plan and what they need to take into consideration. Remember, you can look at the *Research Contracts Guide* for some handy tips.

NWP provides Lakeland with draft contracts. The basic terms are as follows:

Research and Development Agreement ('RDA')

- NWP will pay £500,000 to Lakeland over the course of the Project. £200,000 on signature of the Agreement; £100,000 at the first Milestone Date, £150,000 when the results of the Project are delivered and the final £50,000 on the date of first commencement of clinical trials of any product arising from the results.

- each party will provide the other party with a non-exclusive licence of its Background IP. (The RDA does not state what the Background IP can be used for).
- NWP will own all IP in the results of the Project in all fields of use – there is no provision for a licence back to Lakeland.
- NWP will, at its own cost, apply for a patent for the technology arising from the Project.
- Lakeland has unlimited liability in relation to the use by NWP of the results of the Project, including an indemnity for IP infringement.
- Emily is listed as a key person, and, if she leaves Lakeland, NWP is entitled to terminate the Agreement.

Revenue Share Agreement ('RSA')

- Lakeland will receive a fixed royalty of 5% of net sales of products/ services which incorporate the results of the Project.
- Manufacturing, packaging, advertising, distribution, tax and insurance costs will be deducted before the royalty is calculated.
- The RSA will last for 5 years from the date of signature.

As mentioned earlier, it is likely that your main involvement in research contracts will be in relation to putting together/commenting on a Project Plan. However, now imagine that you have been asked to look at the RDA and the RSA on behalf of Lakeland and to provide comments on the main terms of both contracts, as set out above. Write a short summary on the provisions, specifically setting out which of the terms are acceptable and which are not. Think about how you might amend the terms which you consider to be objectionable. Look at the earlier Guides, if you like, for some tips. *The Research Contracts Guide and the Licensing Guide may be useful.*

Radiotherapy Research

Prof. Table's and Prof. Kent's work on the radiotherapy treatment has been sponsored by Curatics Limited. Some of the key provisions of the sponsored research agreement, which has been signed by Lakeland and Curatics Limited, are set out below.

Prof. Kent and Tom Doyle have just been asked to attend the Radiotherapists' National Conference in 3 weeks' time. Prof. Kent has been asked to present her team's conclusions to date and also put together a poster supporting the presentation. The poster will set out the team's conclusions in bullet point sentences, a graph and a bar chart. The company name and logo of Curatics Limited is to be included in the right hand corner and Lakeland's name and logo in the left hand corner of the poster.

SPONSORED RESEARCH AGREEMENT – KEY PROVISIONS

DEFINITIONS

Background IP

Any Intellectual Property made available by either party for use in the Project or necessary to exploit the Resulting Intellectual Property (but in each case not arising directly out of the Project) and belonging to such party or to which such party has rights which permit its use in the Project.

Confidential Information

All information which is commercially sensitive or of a secret nature, or information which is marked confidential, or which is orally stated to be confidential, relating to any and all aspects of the Project or the research, undertaking, business activities and financing of Lakeland or Curatics. Such information may be expressed in any form including orally.

Foreground IP	Individually and collectively all Intellectual Property arising directly out of the Project which is conceived and/or made by one or more of the Research Staff acting either on their own or jointly with one or more employees of Curatics.
Intellectual Property	All intellectual and industrial property rights, including without limitation, patents, rights in Know-How, trade marks, registered designs, models, unregistered design rights, unregistered trade marks and copyright (whether in drawings, plans, specifications, designs and computer software or otherwise), database rights, topography rights, any rights in any invention, discovery or process, and applications for and rights to apply for any of the foregoing, in each case in the United Kingdom and all other countries in the world.
Know-How	Includes knowledge, information, experience, and data (such as descriptions of unpatented inventions, manufacturing processes, recipes, formulae).
Principal Investigator	Professor Clara Kent in the Department of Physics at Lakeland or a substitute agreed under this Agreement.
Project	The Project as described in Appendix A, under the direction of the Principal Investigator or of such other members of staff as Lakeland and Curatics shall mutually agree.

Research Staff

All scientific and technical individuals, who are under contract (whether as employees, students or independent consultants) to the Lakeland who are to participate in the Project.

1. PUBLICITY

- 1.1 Curatics will not use the name of the Institute, nor of any member of the Research Staff, in any publicity, advertising or news release without the prior written approval of the Lakeland.
- 1.2 Lakeland will not use the name or logo of Curatics, nor any employee of Curatics, in any publicity without the prior written approval of Curatics.
- 1.3 A press release in the form agreed between the parties will be published following the signing of this Agreement.

2. PUBLICATIONS

- 2.1 Curatics recognises that by charity law under Lakeland policy, the results of the Project should be publishable and agrees that Research Staff shall be permitted to present at symposia, national, or regional professional meetings, and to publish in journals, theses or dissertations, or otherwise of their own choosing, methods and results of the Project, subject to clauses 2.2, 2.3 and 4.
- 2.2 Curatics shall be supplied with a copy of any proposed publication or presentation at least one month in advance (save in relation to theses or dissertations) of the submission of such proposed publication or presentation to a journal editor, or other third party. Curatics shall have 3 months, after receipt of such copy, to object (save in relation to theses or dissertations) to such proposed presentation or proposed publication because there is patentable or commercially sensitive subject matter which needs protection.

- 2.3 If Curatics makes an objection under clause 2.2 within the 3 month period, the relevant Research Staff shall refrain from making such publication or presentation:
- 2.3.1 for a maximum of 3 months from date of receipt of such objection in order for the filing of UK and/or other patent application(s) directed to the patentable or commercially sensitive subject matter contained in the proposed publication or presentation; and
 - 2.3.2 where the commercially sensitive subject matter is not able to be made the subject of a patent application but could continue to be protected as know-how the relevant Research Staff will remove such subject matter from the publication or presentation where there is a reasonable likelihood it will form part of Resulting Intellectual Property to be licensed to Curatics.
- 2.4 Dissertations or theses containing results of the Project may be examined by external examiners who are made subject to suitable confidentiality obligations and such dissertation or thesis must be placed in the restricted access section of Lakeland's library.

3. INTELLECTUAL PROPERTY

- 3.1 All Background IP shall remain the property of the party introducing it.
- 3.2 All rights to Foreground IP shall belong to Lakeland.
- 3.3 Rights to Intellectual Property conceived and/or made solely by employees of Curatics arising directly out of the Project shall belong to Curatics.
- 3.4 Lakeland will promptly notify Curatics of any Foreground IP conceived and/or made during the term of this Agreement.

- 3.5 If Curatics directs that a patent application or application for other Intellectual Property protection be filed, Lakeland shall procure that such UK and/or other application is promptly prepared, filed and prosecuted in Lakeland's name. Curatics shall bear all costs incurred in connection with such preparation, filing, prosecution and maintenance of UK and/or other application(s) directed to such Foreground IP. While Lakeland shall be responsible for making decisions regarding scope and content of application(s) to be filed and prosecution thereof, Curatics shall be given an opportunity to review and provide input to it. Lakeland shall procure that Curatics is kept advised as to all developments with respect to such application(s) and shall procure that Curatics is supplied promptly with a copy of all important papers received and filed in connection with the prosecution thereof in sufficient time for Curatics to comment thereon.
- 3.6 If Curatics elects not to exercise its option to apply for protection or decides to discontinue the financial support of the prosecution or maintenance of the protection, Lakeland shall be free to arrange for such filing or continuing prosecution or maintenance of any such application(s) and maintenance of any protection issuing thereon in the UK and/or other country without expense to Curatics or to discontinue any such application or maintenance.
- 3.7 Curatics and Lakeland may at any time agree an alternative approach, including co-funding a patent application in exchange for exclusive rights to exploit in different fields.

4. GRANT OF RIGHTS

- 4.1 Lakeland shall be prepared to grant to Curatics the first option for a licence of the Foreground IP with a right to sub-license, on terms and conditions to be agreed upon mutually. The option shall extend for a period of one year from the date of termination or expiration of this Agreement.

- 4.2 If Curatics exercises such option and requires access to Background IP owned by Lakeland in order to exploit effectively Foreground IP, Lakeland will grant a non-exclusive licence to Curatics to any such Background IP that Lakeland is free to license for this specific purpose on terms and conditions to be agreed upon mutually.

5. CONFIDENTIALITY

- 5.1 Each party agrees during the term of this Agreement and after expiry or termination of this Agreement howsoever arising to keep secret and confidential all Confidential Information obtained from the other party or any of its Associated Companies in connection with this Agreement. Each party further agrees to use such Confidential Information exclusively for the purposes of this Agreement, and only to disclose the same to its directors or employees and Research Staff and its employees who need to know the purposes of this Agreement provided that before any such disclosure takes place such party procures that each of the directors and employees concerned shall be bound by a confidentiality undertaking protecting the Confidential Information.
- 5.2 The provisions of clause 5.1 shall not apply to Confidential Information or other information which the recipient party:
- 5.2.1 can prove to have been in its possession (other than under any obligation of confidence) at the date of receipt from the disclosing party or which becomes public knowledge (excluding disclosure to the recipient party) otherwise than through a breach of any obligation of confidentiality owed to disclosing party; or
 - 5.2.2 is required to disclose pursuant to an obligation under statute or to a statutory or governmental body but then only to the extent of such requirement.
- 5.3 The provisions of this clause 5 shall survive termination or expiration of this Agreement for a period of 5 years or until the expiry of the last to expire of the Foreground IP (whichever is later).

Under the Sponsored Research Agreement what do Prof. Kent and Tom need to consider in relation to the following:

- presenting the conclusions at the conference
- presenting the poster
- just before the conference, Prof. Kent rehearses her presentation by presenting to another department at Lakeland
- following completion of the Project, approximately one year later, Prof. Kent ends up chatting at a local networking event to the Director of Lancelot Limited, a competitor of Curatics Limited. Prof. Kent talks about some of the marketing strategies which she had learned from Curatics Limited during the Project
- Tom submitting his thesis at the end of his final year.

Commercialising the Inhibitor

As you may remember, Brian Hodgson and Ian Table have developed a new, effective Aromatase Inhibitor, for the treatment of breast cancer and IPP is keen to get involved in the development and marketing of the treatment.

IPP has already made an initial approach to Lakeland regarding investing in the treatment. Lakeland is also eager to commercialise the results of Brian Hodgson's and Prof. Table's research as it sees lots of commercial potential. It also believes that the success of the treatment will enhance the reputation of Lakeland. Ideally, Lakeland is looking to enter into a licence agreement with IPP (giving IPP a licence to use the research results to develop the treatment further) that will allow Lakeland to have access to the state of the art resources that IPP has.

Lakeland has already invested large sums of money into the research and development of the treatment. Brian and Prof. Table have been working on the matter for over two years. Lakeland would like this time and investment to be recognised in any licence agreement with IPP. IPP has indicated that it wants to see further tangible results before making financial commitments. Market research suggests that there would be a substantial return on IPP's investment in the treatment. Once the treatment is ready for sale, Lakeland would like to ensure that it reaps a fair proportion of the sales revenue for the drug.

IPP has said that it does not want any of its competitors to become involved in the research and development of the treatment but it would like Brian Hodgson to continue working on the treatment, as he has considerable expertise in the field. Lakeland is keen to retain some use of the IP in the treatment. In particular, Lakeland wants to be able to use the IP in other areas, as it believes that the treatment may have applications in areas other than breast cancer treatment. The research is still in its early stages and it is likely that there will be scope for considerable improvements by Brian Hodgson and IPP's team.

IPP has also said that it would like to be able to market the treatment on a worldwide scale. However, Lakeland is concerned that IPP does not have the resources to market the treatment on such a scale. Lakeland has heard that IPP has been approached by third parties who have offered to provide

assistance and it is hoping that there may be a way of allowing such assistance in the terms of the agreement with IPP.

Lakeland thinks it would be a good idea to register the trade mark AROINHIB in respect of pharmaceutical goods. Given that IPP's marketing team suggested the name AROINHIB, IPP would like to be able to use the name freely in relation to the treatment e.g. on marketing materials.

Both Lakeland and IPP are keen to ensure that the treatment is protected and are hoping to apply for a patent in respect of the treatment as soon as possible. Lakeland thinks it is likely to have difficulty in funding a patent application, but is concerned that, if it is not registered as the owner of the patent, it will lose control of the use of the drug.

Remember that you are putting yourself in the position of Brian Hodgson, Prof. Table and Lakeland. Think back to the information you picked up from the Licensing Guide and perhaps refresh your memory by having a quick scan of it. Then, using the example licence structure set out overleaf, put together a list of key terms for a licence agreement between Lakeland and IPP. This has been taken from the Licensing Guide.

EXAMPLE OF LICENCE STRUCTURE

PARTIES

- Ensure the Licensor(s) and Licensee are correctly identified, with company numbers, where companies.

BACKGROUND

- Set the scene of how the IP was created; how the IP is being licensed and for what purpose.

OPERATIVE PROVISIONS

DEFINITIONS

Insert definitions to make the contract more user friendly. In particular, ensure you properly define the Technology, Field of Use, Territory and Royalties!

EXAMPLE OF LICENCE STRUCTURE

GRANT OF LICENCE

- The Licensor grants to the Licensee a(n) [exclusive/sole/non-exclusive] licence of the IP.
- Ensure you draft the licence narrowly if it is only for one product, or in restricted fields or territory.
- Is it sub-licensable? You must grant the right to sub-license manufacture, if the Licensee is not manufacturing itself.

KNOW-HOW

- Include here how and when any know-how or technical information will be transferred to the Licensee.
- Include details of any training to be given, including costs.

IMPROVEMENTS

- How will improvements be disclosed, if at all?
- Will they form part of main licence or be subject to a separate licence?
- Licensee's improvements – assignment/licence to Licensor?

CONFIDENTIALITY

- You will be disclosing some information which is only protected by confidentiality. Ensure appropriate confidentiality provisions are in place.

PAYMENTS

- Include
 - Upfront payment (recoupable or not against royalties)
 - Royalties – net sales value or per service provided
 - Ensure sub-licensees are caught by provisions
 - Minimum royalties and what happens if not reached
 - When and how are royalties to be paid
 - Interest on late payment.

ACCOUNTS

- Accounts of transactions relating to licensed technology to be kept.
- Statements to be delivered with royalty payment.
- Access to records for Licensor's accountants.

LICENSEE'S OBLIGATIONS

- Is it to maintain patents?
- Patent/copyright notices on Products.
- Quality of Products.
- Are there any marketing requirements?

INFRINGEMENT

- Who has right to take infringement action?
- Each party to assist the other where the other is taking/or defending the claim.
- Who has the right to claim damages?

TERM AND TERMINATION

- How long will agreement last?
- How can it be terminated?

CONSEQUENCES OF TERMINATION

- What happens to IP/Technology on termination (e.g. return documents/tooling to Licensor)?
- Any right to sell-off existing products?

LIABILITY

Licensee should be liable for sale of its products/provision of services incorporating licensed IP. Include an indemnity from the Licensee for this.

MISCELLANEOUS

Cover here, which law governs the contract; how changes can be made; whether the contract is assignable.

SIGNATURES

Make sure it is signed by people AUTHORISED to sign and bind each party.

During negotiations, IPP has suggested that, due to Prof. Table's input, it also has rights in the treatment. If this is correct, it may mean that Lakeland would need a licence from IPP if it wished to use the IP.

Working on the basis that Lakeland does require a licence from IPP, what issues will Lakeland need to consider in negotiating the terms of the licence back?

You may wish to consider the fact that Lakeland is keen to use the research and development of the treatment for non-commercial purposes (e.g. in teaching materials) rather than just in relation to research on breast cancer treatment.

Brian Hodgson continues to research in the area of aromatase inhibitors after the licence has been signed with IPP and has created new improvements. He has written a detailed paper about his work which he wants to submit to a scientific journal. What should Brian be thinking about in relation to:

- IP protection
- the relationship with IPP
- his approach to a publisher, bearing in mind his relative inexperience.

A look back at the Academic Materials and Publishing Guide may help you here.

Tom's Band On-line

Whilst the Professors, Dr. Hodgson and Emily have been slaving away trying to get their projects off the ground, Tom has been happily strumming along with his band. In fact, the band now has its own dedicated website at www.atomictigers.co.uk which is getting up to thirty hits a day.

Tom reckons that the reason for the website's popularity is because of the video clips which people can download – these clips show not just video recordings of Atomic Tigers' music, but also those of famous bands such as Oasis, The Killers and Coldplay (Tom is a huge fan of all these). Tom has also set up a facility whereby people can download images of famous album covers – the most popular one is Pink Floyd's "Dark Side of the Moon" album. Tom has himself taken these clips and images from other websites.

Being a regular internet surfer, Tom realised that he should have a statement on his website which tells people accessing the website what they can and cannot do with the materials he has placed on the site. He has put this together himself and called it 'Use Statement'. The main term of this Use Statement provides that Tom owns the IP in the video clips and the images and no person can use these images without his permission

One of the other band members, Howard, is actually a music student at Lakeland. The band tends not to use his music as he writes classical, not rock, tunes. Tom has taken some of the classical music prepared by Howard and has engineered the website in such a way that the music plays when a person first accesses the website – Tom thinks this is an amusing way to lead into a rock music website.

You've probably worked out by now that Tom has done quite a few things wrongly here, but can you list them out and say why what he has done will cause him problems? In particular, think about whether there are any clearance/ownership of IP issues.

More internet issues

Tom is not the only one who is having problems with use of the internet. Prof. Table and Prof. Kent are great believers in new technology and the dissemination of information by means which will ensure the greatest number of people have access to the relevant information. To this end, they have put their heads together and set up a microsite as part of the Lakeland website upon which they have placed a number of research guides, publications and articles, some of which are in languages other than English.

If you were in the shoes of the Professors and Lakeland, which of the following activities would constitute copyright infringement if carried out without permission of the relevant copyright owners:

- downloading any of the work into RAM or vice versa
- transferring and saving any of the work from RAM to hard disk
- transferring any of the work in digital format via the internet
- 'cutting and pasting' sections from the work
- encrypting the work
- translating the work
- hyperlinking to the website or specific pages of the website.

What could they do to protect the materials they place on the internet?

As well as uploading articles onto the internet the Professors have learnt that there can be advantages in promoting their expertise to the marketplace with a view to obtaining consultancy work. They are looking to add an extension into their house and can see consultancy as a way of earning additional income for themselves. The Professors have started to use the microsite to publicise their skills, including a section where companies can contact them for consultancy advice.

X-Radcan Limited, a medium-sized radiography equipment manufacturer, has contacted Prof. Kent for assistance with the design of a clinical trial relating to its invention of a modified linear accelerator for use in the treatment of breast cancer. X-Radcan offers to pay Prof. Kent £5,000 for the work but insists on owning any IP arising from the work and that Prof. Kent must keep her work confidential. Prof. Kent accepts the work by return e-mail.

Think about what the Professors have got wrong here? Should the Professors be undertaking consultancy on their own account? What issues should Prof. Kent have covered in the contract with X-Radcan? *It may help you to look again at the Consulting Guide.*

Emily's Spin-out Company

A number of years has passed since Lakeland and NWP entered into the research and development relationship. Unfortunately, due to financial mismanagement, NWP is no longer able to engage with Lakeland in relation to Emily's research. Lakeland has terminated the licence to NWP of all IP which arose out of the collaboration. Lakeland thinks that the relevant technology (which is now protected by way of a patent) can be successfully commercialised and so it suggests to Emily and Prof. Table that they consider setting up a spin-out company (Emily has completed her PhD by now and is employed by Lakeland working alongside Prof. Table).

Lakeland has asked Emily and Prof. Table to submit a business plan for the proposed spin-out. Write down what you think are the key points which should be contained in such a business plan. *If you're in need of some tips, have a look at the Spin-Out Companies Guide for further information.* Think in particular about the IP, both that which currently exists and that which will be created. Where will ownership of such IP lie and how will it be dealt with?

The spin-out company, named PlanCan Limited, has been registered. The company is very short of money and the initial start-up costs are likely to be significant. In anticipation of this, Emily and Prof. Table have been seeking funding from various sources. A venture capital firm, Loadsamoney LLP, has expressed an interest in providing a significant level of funding, provided that all the relevant IP which is required for the successful commercialisation of the cancer cure is transferred from Lakeland Institute to PlanCan Limited. Loadsamoney LLP produces an assignment document which it insists is used for the IP transfer. This is set out below.

THIS ASSIGNMENT is made on 2013

BETWEEN

- (1) LAKELAND INSTITUTE of Education Way, Pediton PD2 3JK ('the Institute'); and
- (2) PLANCAN LIMITED (registered no. 076514378) whose registered office is at 21 Plantation Street, Pediton PD6 5RT (the 'Assignee').

OPERATIVE PROVISIONS

1. DEFINITIONS

In this Assignment, the following expressions have the following meanings unless inconsistent with the context:

'Intellectual Property'	All industrial and intellectual property rights, used in respect of or relating directly or indirectly to the Research Work subsisting in any part of the world, including but not limited to the Patent, patents, trade marks, trade names, service marks, copyright, rights in design, rights in databases, know-how, confidential information and all or any other intellectual or industrial property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating to them.
'Patent'	UK Patent Number GB3356789.
'Research Work'	All work which has been undertaken by or on the premises of the Institute, including but not limited to work undertaken by Dr Emily Wynott and/or Prof. Ivor Table and/or any member of their research group, relating either directly or indirectly to the treatment of cancer and/or the Patent.

2. ASSIGNMENT

In consideration of the allotment of 60 shares of £1 each in the capital of the Assignee (credited as fully paid) up plus the payment to the Institute of any VAT chargeable (receipt of which is acknowledged by the Institute), the Institute assigns to the Assignee the Intellectual Property with full title guarantee.

3. FURTHER ASSURANCE

The Institute covenants that, upon request and at the cost of the Assignee, it will at all times from the date of this Assignment do all acts and execute all documents which are reasonably necessary to secure the vesting in the Assignee of all relevant rights in the Intellectual Property.

4. This Assignment is governed by English law, and the parties agree to submit to the non-exclusive jurisdiction of the English courts.

SIGNED by)
LAKELAND INSTITUTE)

SIGNED by)
PLANCAN LIMITED)

What concerns would Lakeland have about this assignment? Remember that in order to commercialise the cancer cure successfully, PlanCan would need all the relevant IP from Lakeland. What concerns would Lakeland have about PlanCan? You should also be thinking about whether PlanCan needs assurances from Lakeland regarding the IP.

THE SOLUTIONS

The Story so Far

What IP has been, is being or will be created?

Type of IP	Example
Patentable inventions (Know-how until registered)	<ul style="list-style-type: none"> ■ The method of using radiotherapy to target and destroy cancerous cells is a potentially patentable process ■ The Aromatase inhibitor ■ The equipment required to use the method is a potentially patentable product ■ The use of the plant extract to treat cancer
Design right	<ul style="list-style-type: none"> ■ There may be design right in the design of the equipment, unregistered at present but it may be registrable
Copyright	<ul style="list-style-type: none"> ■ Copyright in the conference paper and any audiovisual aids used
Trade marks	<ul style="list-style-type: none"> ■ The name AROINHIB is an unregistered trade mark ■ If the relevant parties wish, they can seek to register AROINHIB as a UK trade mark. They could also seek to register the name as a trade mark in any other countries where the product might be marketed and sold.

Who will own the IP?

Radiotherapy method

Lakeland

- Prof. Table and Prof. Kent are both employed as academics at Lakeland. As such, any IP that they create during the course of their employment will be owned by their employer, Lakeland. (The test is slightly different

for patents but the inventions were probably created in the course of their normal duties). Accordingly, if they carried out their work at Lakeland, Lakeland will own the relevant IP.

- However, note that both Professors hold posts outside of Lakeland. If they worked on any of the relevant IP whilst engaged in their other posts then, depending on the terms of any contracts there might be in place, the other organisations that they work for might own certain IP.
- It is worth checking what Prof. Kent's contribution was, if any, to the IP in the equipment.

Tom

- Tom is a student at Lakeland. As a student, Tom is not an employee of Lakeland, therefore he will own any IP that he creates whilst at Lakeland unless Tom's student contract says something different. This always needs checking. Accordingly, it is likely that Tom will own the IP in the part of the radiotherapy equipment that he has worked on.

Aromatose Inhibitor

Lakeland

- Both Prof. Table and Dr. Hodgson are employed by Lakeland. As such, any IP that they create whilst carrying out work at Lakeland will belong to Lakeland. (Again in the case of patents, the inventions were probably created in the course of their normal duties).
- Again, note that Prof. Table also works for organisations other than Lakeland. If he has carried out any work relating to the Aromatose Inhibitor at such organisations then, subject to the terms of any contracts there might be such organisations, those organisations may own the relevant IP.
- IPP will have rights in the trade mark AROINHIB but until it is used and creates goodwill for them or is registered, those rights will be limited.

Alternative therapy

Emily

- Emily is a PhD student. As such, it is likely that she will own any IP that she creates whilst at Lakeland, subject to her student contract. This will be the case even if, as Emily does here, she uses Lakeland's facilities to develop her work unless her student contract says differently, which it may. Any IP that she creates in her spare time is also likely to belong to her.

Are there any third party rights that might cause problems?

Radiotherapy method

- If the Professors have carried out any of the work relating to the radiotherapy method at any of the other organisations they work at, other than Lakeland, such organisations might have rights in the IP. If so, it is likely that Lakeland would need those organisations' permission to use such IP.
- Lakeland will also need Tom's permission to use any relevant IP that he has created.
- You need to check if any of the work has been funded by a third party which might have rights.

Aromatase Inhibitor

- Prof. Table works for organisations other than Lakeland. If he has carried out any of the work relating to the Aromatase Inhibitor at such organisations, such organisations might have rights in the relevant IP.
- You need to check if any of the work has been funded by a third party which might have rights.

Alternative therapy

- Emily has been inspired by hearing a paper delivered by an academic of The Institute of Stunford at a conference in Denver. It is likely that Emily can use the information she heard as it has been put into the public domain at the conference. However, if the information referred to is

protected, for example, by a patent, then Emily may need the patent owner's permission to create work using the patent.

Are there any confidentiality issues to consider?

Radiotherapy method

- You need to be sure that Lakeland's contract with Tom and its general policy cover confidentiality as between academics and students.

Aromatase Inhibitor

- It seems that Prof. Table and Dr. Hodgson have been talking to IPP about the Aromatase Inhibitor. Unless this was done under cover of a confidentiality agreement, IPP would be able to use the information imparted to them. Also, if any disclosures were made without confidentiality obligations in place, the disclosed information would be deemed to be in the public domain and this could prevent a patent being obtained for the invention.

Alternative therapy

- Any approach that Emily makes to NWP should be made under cover of a confidentiality agreement. This is to ensure that NWP cannot use the information Emily provides for any purpose other than that indicated in the confidentiality agreement. It should also protect against any unauthorised disclosures. If any of Emily's work enters the public domain prior to any patent application being filed, she may not be able to obtain a patent for her invention. (Obviously, there are other criteria which need to be satisfied as well in order for Emily to be able to claim a patent for her invention.)

What IP implications does the status of the different people involved have?

- Academics are employees of an institution, therefore any IP that they create during the course of their employment is likely to belong to the institution in question. Accordingly, the institution should be able to use such IP without needing to seek permission.

- Students are not employees of an institution, therefore any IP that they create whilst attending an institution will most likely belong to them (subject to any agreements to the contrary, e.g. an assignment agreement between the student and the institution). Accordingly, if an institution wants to use such IP, it needs to obtain permission from the student.
- Where individuals work for organisations other than their institution, be aware that those organisations may have rights in any work that the individuals have carried out whilst working with them. Accordingly, if an institution wants to use such IP, it will need to seek the permission of the relevant organisation.

Radiotherapy Issue

What IP and other rights are relevant here?

- The radiotherapy method and the relevant equipment are potentially patentable inventions. Other know-how will also probably have been created (note that this is not strictly IP).
- Design right in the equipment.
- There will be copyright in Tom's thesis.

What issues might need addressing in relation to who owns what IP in the new radiotherapy method?

- Prof. Kent has undertaken some of the testing in relation to the radiotherapy method at the Trust, where she is a consultant. She is subject to the terms of an honorary contract with the Trust. Her honorary contract may state that the Trust will own any IP that she creates whilst acting as a consultant for the Trust.

Accordingly, if any relevant IP has resulted from testing that Prof. Kent has carried out at the Trust, it may be necessary for Lakeland to obtain the Trust's permission before it can use such IP.

- Prof. Table's Chair at Lakeland is sponsored by IPP. It will be necessary to check the terms of the sponsorship agreement to see whether it contains any provisions relating to the ownership of any IP created by Prof. Table. It may contain provisions which override the standard position that any IP created by Prof. Table as an employee of Lakeland is owned by Lakeland.
- Tom is likely to own any IP that he creates at Lakeland as he is a student. Accordingly, it will be necessary to obtain Tom's permission to use any IP that he has created which relates to the radiotherapy method, this includes copyright in Tom's dissertation.

How might the IP and/or other rights be protected/have been protected?

- The relevant parties could seek to file patent applications in respect of the potentially patentable inventions.
- Tom could register any design right in the equipment.
- Tom could help protect the copyright in his dissertation by inserting a copyright notice (e.g. © Thomas Doyle 2013. All rights reserved) indicating that he owns the copyright in the work and that it cannot be used without his permission.

Are there any pitfalls which could cause problems when looking to protect/exploit any IP and/or other rights?

- Ideally, all of the work done by the academic in question should have been carried out at Lakeland so that Lakeland would own the IP. As Prof. Kent has done some of the work at the Trust, it may be that some of the relevant IP will be owned by Lakeland and some by the Trust.
- Where academic institutions and NHS Trusts have people working for both of them an agreement relating to IP should be in place. Then there is Tom. Lakeland should have asked him to agree to assign his IP to it before the work started.
- When Lakeland comes to commercialise, it will need to seek permissions from various individuals and organisations before it can do so. It would be much cleaner and easier for all the relevant IP to be owned by one entity. Lakeland should have planned for this in advance, as should the academics.

What steps, if any, should Tom and Lakeland take to protect the information contained in Tom's thesis?

- When Tom's dissertation comes to be examined, any external examiners should be asked to sign confidentiality agreements before they examine the dissertation. Internal examiners should be under confidentiality obligations by virtue of their contracts of employment, but double check this if you are not sure. It is always better to have too much rather than too little protection in place!
- The dissertation should also be placed on restricted access in the Lakeland library, for example, for 5 years from the date it is placed there.

Alternative Therapy

What, if anything, has Emily done wrongly in terms of protecting her treatment method so far?

- The first thing that Emily did was speak to her father about the research that she has been carrying out. It might sound ridiculous, but you should make sure that relatives understand the importance of confidentiality. If they reveal any information about work that you are carrying out, that information is in the public domain and this could, for example, prevent you from obtaining a patent for your invention.
- Emily then met with Larry Faldo over dinner and discussed her work with him. Larry is the MD of NWP, a commercial organisation clearly interested in Emily's work. Again, Emily should have ensured that confidentiality provisions were in place before she had this conversation with Larry. If that was not possible, she needed to make sure she did not disclose her invention and only spoke in general terms.

Does Emily own all the rights in her alternative therapy method? If not, what issues might arise?

- You may remember that Emily attended a conference in Denver and was inspired by a paper delivered by an academic from The Institute of Stunford. As the information contained in the paper came into the public domain when it was presented at the conference, Emily may be able to use it.

However, if, for example, the paper contained details of The Institute of Stunford's registered IP, say, a patent, then Emily would not be able to use the patented information without the permission of Stunford. Stunford could sue for patent infringement otherwise.

How might you improve the confidentiality agreement which Emily has been given by NWP?

Clause	Improvement
Definition of 'Confidential Information'	<p>The definition of Confidential Information is very broad. As it is Emily who is disclosing her information, she should be looking to disclose as little information as it is necessary for NWP to know.</p> <p>Accordingly, instead of disclosing all the confidential information that she has (the definition as drafted demands this), Emily should narrowly specify 'such information about or relating to the Discloser's inventions as is disclosed by the Discloser to the Recipient'.</p>
Clause 2.2	<p>This clause needs to be broader. It should also provide that:</p> <ul style="list-style-type: none"> ■ 'The Recipient will use the Confidential Information strictly for the Purpose'. As the Agreement is currently drafted, there is no definition of a purpose for which the Confidential Information is being disclosed. Again, because it is Emily's Confidential Information at issue here, the purpose should be defined narrowly. For example, the Purpose could be said to be 'for NWP to assess the possibilities of providing further funding to the Discloser'. ■ NWP will take reasonable security precautions in protecting the Confidential Information.

Clause	Improvement
	<ul style="list-style-type: none"> ■ the Agreement extends to cover any Confidential Information that may have been disclosed to NWP before the Agreement was executed. This will then protect the disclosures that Emily made over dinner to Larry Faldo ■ NWP will not copy any of the Confidential Information without Emily’s express permission.
<p>Clause 2.3</p>	<p>This clause as drafted is very broad. It provides that NWP can disclose the Confidential Information Emily provides it with to any of its Associated Companies (as defined in the Agreement), their directors, employees, sub-contractors, lawyers, accountants, etc..</p> <p>Emily needs to ensure that as few people as possible are allowed access to her Confidential Information. This greatly lessens the chances of there being any unauthorised disclosures.</p> <p>Accordingly, this clause should be narrowed so that NWP can only disclose the Confidential Information to those of its employees who need to know the Confidential Information for the Purpose, provided that such employees are placed under similar express obligations of confidentiality to those contained in the Agreement.</p>

Clause	Improvement
	<p>If NWP can show that there is a real need for some of its Associated Companies or for its lawyers, etc, to see the Confidential Information, then those companies or individuals, as appropriate, should be named in the Agreement and should be placed under express obligations of confidentiality.</p>
	<p>There are certain instances where the confidentiality obligations will be overridden and these are contained in Clause 2.4.</p>
<p>Clause 2.4.4</p>	<p>This should be narrowed further by adding <i>'but only to the extent so required'</i>. This means that if following the legally required disclosure, the information is still confidential NWP cannot use it freely.</p>
<p>Clause 3</p>	<p>Once the Agreement has been terminated, NWP should be under an obligation to return any Confidential Information in its possession, in whatever form and including copies, to Emily. Alternatively, Emily could ask for it to be destroyed.</p> <p>The Agreement must also provide that the confidentiality obligations will continue after termination, otherwise the Agreement is fairly worthless!</p> <p>The length of such obligations will depend on the circumstances. The Agreement could state that the obligations will remain in place until the information loses its confidentiality. Alternatively, a timescale, for example, 5 years could be imposed. Think</p>

Clause	Improvement
	at least about how long the information reasonably needs to be kept secret before all possible patents can be filed.
IP clause	Emily could think about inserting a clause relating to IP. This clause could provide that NWP acknowledges that it acquires no right, title and/or interest in any of the IP in the Confidential Information by virtue of entering into the Agreement.
Clause 5	<p>The clause as drafted provides that the English courts will have ‘exclusive jurisdiction’ to settle any disputes arising out of the Agreement. This means that if any of Emily’s Confidential Information was disclosed in, say, Germany, she would not be able to bring an action in the German courts.</p> <p>Usually, when an unauthorised disclosure of confidential information is made, the party to whom the confidential information belongs wants to stop the information from being disseminated further. The most effective way to do this is to get an injunction. If a disclosure is made in a country other than England, it would be much more effective to obtain an injunction in that country. In order for the Agreement to allow for this to happen, the jurisdiction of the English courts should be said to be ‘non-exclusive’ or following should be added, ‘Nothing will prevent the Discloser from seeking injunctive relief in a court of appropriate jurisdiction’.</p>

Tom's Band

List the different types of copyright which will be comprised in the DVD.

There will be copyright in the:

- music which is recorded on the DVD
- lyrics which are recorded on the DVD or printed on the cover
- sound recording
- film which is recorded on the DVD
- any text that is contained on the cover of the DVD.

Who owns the copyright in the Atomic Tigers songs and DVD?

Work	Who owns?
Music	Tom and Mark appear to have written the music. Where they have individually worked on the music, they will individually own the copyright in the music they have written. If they have worked on certain parts of the music together, it is likely that they will jointly own the copyright in such music.
Lyrics	Tom appears to be the sole lyricist. If this is the case, he will own the copyright in the lyrics.
Sound recording	Robbo is recording the sound for the gig that Atomic Tigers are putting on. Accordingly, Robbo will be the owner of the copyright in the sound recording.
Film	Again, Robbo is filming the gig, therefore he will be the owner of the copyright in the film of the event.
Text	Whoever creates the text will be the owner of it. (Let's hope it was Tom!)

Prior to putting on the gig or recording and selling the DVD, are there any IP clearance issues for the boys to consider?

- Atomic Tigers are planning to sing a couple of top ten hits at their gig, to get the audience warmed up. The boys need to get permission from whoever owns the copyright in the songs before performing them. The copyright could be owned by the relevant record company, for example.
- Atomic Tigers will also need to ensure that they have the permission of Robbo before they sell the DVD as he owns the copyright in the film and the sound recording.
- Each member of Atomic Tigers will have performers rights. If Tom wants to keep control he may want the others to transfer/waive their rights.

Aromatose Inhibitor

What steps can Prof. Table and/or Dr. Hodgson and/or IPP take to protect the invention and who would own the relevant IP?

- As Prof. Table and Dr. Hodgson are employees of Lakeland, any patentable inventions that they discover and seek to patent will probably belong to Lakeland. Accordingly, Lakeland would be the applicant for any patent that is filed in respect of the Aromatose Inhibitor. The academics need to keep the invention confidential though.
- Remember that IPP may have rights in the relevant IP as Prof. Table's Chair is sponsored by it and he has been on secondment to IPP. It will be necessary to check the terms of the sponsorship/secondment agreement to see exactly what rights IPP might have and what the confidentiality obligations are in that agreement. If it owns any of the relevant IP, then it may be that it will be the entity which files any patent application, rather than Lakeland.
- IPP's marketing team has thought up the brand name AROINHIB under which to sell the Aromatose Inhibitor. If IPP is going to be carrying out the commercialisation of the product, then it could make sense for it to own any trade marks relating to it. Who applies for the trade mark will be a commercial decision for the parties in question to debate. There is no right or wrong answer here.

If IPP decides to apply to register AROINHIB as a trade mark, what issues might it face? What, if anything, could it do to try and head off these issues before they arise?

- In some countries, it is not possible to register a mark which is similar or identical to a mark which has already been applied for/registered for similar goods and/or services. Accordingly, if there is an earlier mark similar or identical to AROINHIB, it is possible that any trade mark application for it would be rejected.
- IPP can head off these issues by conducting trade mark searches (you can carry out free online searches at the UK Trade Marks Registry at www.ipo.gov.uk) to check whether there are any prior marks which might prevent registration of its brand. General searching on the internet to see if a brand is being used is also helpful.

- Note that the rules are different from country to country. For example, if you apply for a Community Trade Mark (which provides protection in all countries of the EU), the Community Registry does not reject marks on the basis that they are similar or identical to a prior mark. It is for the owners of the prior marks to oppose the new application on the basis of their earlier rights.
- IPP may want to check what domain names are available e.g. www.aroinhib.com

What conflict of interest issues should Prof. Table be thinking about?

- With conflicts of interest you not only have to do the right thing, but also have to be seen to be doing the right thing. Prof. Table should make sure that everything he does in relation to IPP is approved by someone who is independent such as his Head of Department. Does Lakeland know about the overlap between his work at Lakeland and his work at IPP?

Emily's R&D

Heads of Terms

Terms which might be included in the Heads are:

Issue	Things to consider
Scope of the work	<p>The work scope should describe the:</p> <ul style="list-style-type: none"> ■ nature of the research ■ key obligations for each of the participants, i.e. Lakeland, NWP and Emily ■ field within which the research will be carried out. The field definition can be key in the future when it comes to reviewing ownership of the relevant IP. If NWP is to own the IP arising out of the project, it will be important for Lakeland to have carefully defined the limits of the project, such as the field within which the research will be carried out, to ensure that NWP is not given more rights than it needs.
Objectives	<p>The specified objectives should be of the collaboration the goals of the project, for example:</p> <ul style="list-style-type: none"> ■ how will the success of the project be measured? ■ when will the project be completed and what is the likelihood of it being completed? ■ are there any milestone dates which need to be adhered to?

Issue	Things to consider
Facilities required	<p>It appears that Lakeland's facilities will be used are required to carry put the project as NWP does not have the required space. The Heads should identify exactly what premises, laboratory, specialist equipment and consumables will be needed for the project? It should also confirm who will supply the required equipment and who will own it.</p>
Required staff	<p>It appears that Emily will be carrying out much of the project work, under the supervision of Prof. Table. Are there any other staff members who are required?</p>
Timetable	<p>Lakeland should ensure that an estimated timetable is included in the Heads, even if it is likely to be the case that, in the nature of research, the timetable may have to alter.</p> <p>The parties also need to be thinking about whether the project will run for a fixed term or until the objectives are achieved, perhaps with a backstop date.</p>
Costs	<p>The Heads should set out details of projected costing for the project including expenses, allowing for some contingency. Lakeland should be clear about when payments will be made to it by NWP.</p>
Confidentiality	<p>Remember Lakeland does not have a confidentiality agreement with NWP and so it may need covering here. Remember that this provision will need to be made legally binding even if the rest of the Heads are not.</p>

What responsibilities would the Project Management role entail?

- Having a suitably qualified person to act as a focal point for managing the project.
- Commitment of time to the project.
- Acting as a conduit for information, materials and documents from one side to the other.
- Record keeping in relation to what has been carried out against the project deliverables and who has disclosed what to whom.
- Day to day management of the project including keeping the project on schedule and making decisions in relation to minor changes to the project.
- Coordinating meetings for the project.
- Referring more major queries for decisions at a higher level within the organisation.

What type of research relationship might be appropriate?

The idea for the research is really just an extension of Emily's work and not a new idea of NWP. It uses Emily's IP and not NWP's. NWP is interested in the research but it is not a critical for its existence. NWP may be setting the deliverables for the project and wants the work ring-fencing from other work. NWP may be paying FEC but it is not paying a profit element to Lakeland. Using the Lambert Decision Guide the research is clearly not contract research but a sponsored research arrangement.

Research and Development Agreement

Payment provisions

- These seem potentially acceptable. (We shall assume Lakeland has checked it represents FEC). Remember the last payment is dependent on NWP's actions and so it could be a good idea to include an obligation on NWP to progress clinical trials for the product within a timescale.

- It would be wise to check whether the payment structure fitted in with projected cash flow for the project. Does it cover expenses? Is any VAT payable in addition?
- What happens if NWP pays late or does not pay? Can Lakeland charge interest or terminate?

Licence of Background IP

- Lakeland should consider whether NWP requires a licence of Lakeland's Background IP. On the basis that Lakeland will be doing all the research work, it appears unlikely that NWP will need to use Lakeland's Background IP, in which Lakeland should not grant the requested licence.
- If Lakeland were to grant a licence of its Background IP to NWP, it should clearly identify the purpose for which the licence is being granted, i.e. for the purpose of the project. Lakeland would not want NWP to be able to use its Background IP for any purpose outside of the collaboration.
- Lakeland should consider listing any Background IP it is licensing.

IP ownership

- As NWP is paying for the research, it is understandable that it wants to own all the IP which arises out of the project. However, it is only paying the basic cost. To own all Foreground IP it should generally pay a profit element as well or give Lakeland some other benefit. It may be appropriate for NWP to be given an exclusive licence in the particular cancer field(s) in which it operates. Remember the Foreground IP may have applications for other cancers or for other applications.
- Lakeland may want NWP to be responsible for all costs associated with the prosecution and maintenance of any Foreground IP. Lakeland however, will apply for the relevant patents.
- If NWP is given an exclusive licence in a particular field, the Agreement should provide that NWP will grant Lakeland a licence of the Foreground IP for teaching and research purposes.

Liability and indemnity

- Lakeland should resist as far as possible the provision which states that Lakeland's liability in relation to use by NWP of the results of the project will be unlimited. Although Lakeland will be creating the IP, if NWP has its way, it will be the exclusive licensee of the IP and will be using it for its commercialisation process. Lakeland will have no control over the use that NWP makes of the IP. Accordingly, it should not be held responsible for any issues that arise out of NWP's use of the IP.
- Lakeland should reject the call from NWP for it to provide an indemnity in relation to IP infringement. Again, Lakeland would have no control over the use that NWP makes of the IP. NWP could use the IP in such a way that it does infringe third party rights. Lakeland should not be responsible for this. An indemnity should always be resisted as it effectively means that you have to pay, pound for pound, any damage that the party to whom you give the indemnity might suffer.
- Lakeland should try to cap any liability which it might have under the RDA and other agreements.

Key employee

- NWP want to be able to terminate the contract if Emily leaves Lakeland as she is deemed to be a key person. This may be because they think the research cannot carry on without her. Lakeland may want to insert a provision stating that if Emily does leave, the parties should seek to appoint a suitable replacement. If such a person cannot be agreed upon in a specified period of time, then the Agreement should be terminated.

Revenue Share Agreement

Fixed royalty

- It may be a risky ploy for Lakeland to go for a fixed royalty rate at this stage as it does not know what the Foreground IP might be. It may be more valuable. It could say the rate is to be agreed or if NWP and Lakeland cannot agree on independent expert will agree.

Net sales

- NWP has stated that the royalty will be a percentage of 'net sales'. It is important to know what this means. It often means the sales price after tax and other specified items have been deducted but you have to check the definition. Lakeland should ensure that it knows exactly what this means before it agrees to it.
- NWP has specified that various costs will be deducted before the royalty is calculated. It is likely that NWP is seeking to deduct these as it has to pay for the costs associated with delivering products to its customers, insurance or other associated charges. Lakeland should remember that the more deductions it allows NWP to make, the less royalty it will receive. The deductible costs are very broad. Lakeland has no control over them. It should try to limit these deductions.

Period

- There is no reason why Lakeland's royalties should not continue for the period of the licence, which could be 20 years. It may be 10 years or so before a product gets to market.

Radiotherapy Research

Under the Sponsored Research Agreement, what do Prof. Kent and Tom need to consider in relation to the following:

- **Presenting conclusions at the conference**

Pursuant to Clause 2.1 of the Agreement, Prof. Kent and Tom are permitted to present the results of the project at professional meetings. However, pursuant to Clause 2.2, they have to notify Curatics of the proposed presentation at least one month before giving it. Curatics has the right to veto the presentation.

- **Presenting the poster**

The poster contains Curatics' logo. As a result, pursuant to Clause 1.2 of the Agreement, Lakeland has to obtain Curatics' written permission before using the logo on the poster (or even Curatics' name).

- **Rehearsing the presentation**

Pursuant to Clause 5.1, Lakeland can only disclose Curatics' confidential information to those of its employees and Research Staff (as defined in the Agreement) who need to know the relevant information for the purposes of the Agreement. If Curatics' confidential information is contained in the presentation, members of a different department at Lakeland are not employees who need to know the confidential information for the purposes of the Research Agreement. If this is the case, Lakeland would be in breach of Clause 5.1.

- **Talking about marketing strategies**

If Prof. Kent talks about marketing strategies she has learned from working with Curatics, it is likely that she is disclosing Curatics' confidential information. Unless the recipients of the information are research staff and employees who need to know the information for the purposes of the Research Agreement (which is unlikely), such disclosures are not permitted. Lancelot Limited, a competitor of Curatics, is certainly not a party which needs to know the confidential information!

It does not matter that Prof. Kent discloses the information a year after termination of the Agreement. Clause 5.2 provides that the confidentiality obligations will last for at least 5 years after the date of the Agreement so Clause 5.1 will still apply.

■ Submission of thesis

Clause 2.1 provides that Research Staff (which would include Tom) can submit theses based on the work carried out during the project. However, external examiners have to be put under obligations of confidentiality and the thesis should be placed on restricted access in Lakeland's library as set out in Clause 2.4.

Commercialising the Inhibitor

Key terms for licence agreement

- **Payment provisions** – Lakeland will ideally want an upfront payment to recompense it so far as is possible for the costs which it has already incurred. IPP may be reluctant to agree this and so some sort of compromise may be needed with part being paid upfront and part by reference to certain milestones. Lakeland will also want royalties possibly based on a percentage of the sales revenue of the drug. If sales are being made worldwide it will need to think about currency conversion. It must not forget to have the right to charge VAT where applicable.
- **Type of licence** – if IPP is going to have to make substantial investments Lakeland may have to offer it exclusivity. Lakeland may however limit the licence to the field of breast cancer as this is IPP's area of interest. Lakeland will also want a licence back to permit Brian Hodgson to continue his research.
- **Territory** – as IPP does not have capacity to market the drug worldwide Lakeland may only want to give IPP a licence in specific countries. It could give licences in other territories to the third parties who have shown interest. Alternatively Lakeland may find it easier to deal with one licensee and allow IPP to sub-license third parties. If it does this Lakeland needs to think about what controls it wants over who the sub-licensees are and the terms of the sub-licences.
- **Improvements** – if any arise from Brian Hodgson's further work IPP is not paying for these and so there is no reason for them to be automatically included in the licence. Lakeland may decide on a case by case basis to add them to the licence if it sees fit. An improvement may be particularly valuable and Lakeland may want to be able to charge more for rights to use it.
- **Trade mark** – although IPP came up with the idea for the brand, it would make more sense for the brand and the patents to be owned by the same entity. Lakeland should try and negotiate this as part of the deal.
- **Prosecution/maintenance of patents/trade marks** – Lakeland should ask that IPP is responsible for prosecuting and maintaining the IP (at least in its licensed territory) so that it does not have to bear the costs.

If Lakeland finds another licensee in another field then IPP may want Lakeland to make sure that such other licensee shares such costs.

What issues will Lakeland need to consider in negotiating the terms of the licence back?

- What does Lakeland need the licence for? It will definitely want a licence to be able to conduct research and possibly teaching. IPP may want to limit any such licence to non-commercial research. 'Non-commercial research' does not have a specific meaning and it may be debatable whether research funded by an industry partner but undertaken entirely by Lakeland is non-commercial research. This may need clarifying.
- If Lakeland's licence is limited to research and teaching but it subsequently comes up with a new invention using the licensed IP, it will need to decide it needs a further licence to cover commercialisation of the new IP as commercialisation would not be covered by the existing licence.

In relation to the submission of his paper to a scientific journal, what should Brian Hodgson be thinking about in relation to:

■ **IP protection**

If the improvements are patentable inventions Brian needs to consider confidentiality. Any submissions to a publisher should only be done on a confidential basis or after a patent has been filed.

■ **The relationship with IPP**

Whilst, hopefully, the improvements do not belong to IPP under the licence, Brian needs to be sure that the paper does not disclose any information which Lakeland has agreed to keep confidential under the licence. If IPP has in fact funded Brian's further work there may be other confidentiality obligations in such funding agreement.

■ **His approach to a publisher, bearing in mind his relative inexperience**

Brian should decide whether the paper he is writing is best placed in a peer-reviewed journal. It would be a good idea for him to talk to colleagues who are already experienced in publishing to get their input. He should find out which journals are well thought of by academics/researchers. Does he know who the editor/editorial board are? Having submitted his paper he should get help in reviewing the contract with the publisher?

Tom's Band On-line

What has Tom done wrong?

Third party clips and images

- Tom has taken video clips and images from third party websites and placed them on his own. He is allowing people to download them from his website. It is likely that the third parties who operate the websites from which Tom has taken the clips and images own copyright in them. If Tom is using these materials without permission, he is infringing the third parties' copyright. Tom's copyright statement is incorrect as he does not own the relevant IP.

Howard's music

- Tom has also used music created by Howard as an intro to the website. Howard owns the copyright in the music. If Tom is using a substantial part of the music Howard has composed, it is likely that he is infringing the copyright in the music. Accordingly, he needs to seek Howard's permission to use the music on the Atomic Tigers' website.

More Internet Issues

Which of the following activities constitutes copyright infringement if carried out without permission of the relevant copyright owners?

Activity	Infringement?
Downloading into RAM	Yes
Transferring and saving from RAM to hard disk	Yes
Transferring in digital format via internet	Yes
Cutting and pasting	Yes
Encrypting	Yes
Translating	Yes
Hyperlinking	Could do

These are likely to be contrary to Lakeland's Internet Policy and may leave the Professors open to disciplinary action.

What could they do to protect the materials they place on the internet?

- Put a copyright notice on the work.
- Insert a copyright statement on the relevant website. This statement should set out what people can and cannot do with the materials placed on the website. Lakeland should ensure that people accessing the website have to accept the copyright as part of the terms and conditions they accept before they can access the materials.
- Provide that people have to enter into a licence with Lakeland before they could access the work.
- Use authentication systems, for example, ATHENS, to ensure that only those people with a username and password can access the relevant website.

Should the Professors be undertaking consultancy on their own account?

- Each institution will have its own policy in relation to consultancy work and who, if anyone, can undertake it. If we assume that Lakeland permits some private consultancy on the part of its academics, it probably has rules about notifying it about such outside work and making it clear to the other contracting party, such as X-Radcan, that the consultancy contract is with the academic and not with the Lakeland. Prof. Kent is exposing Lakeland to risk in relation to the contract.
- It is not likely that the Professors have permission from Lakeland to promote their own private consultancy work on Lakeland's website.

What issues should Prof. Kent have covered in the contract with X-Radcan?

- There should be something setting out exactly what the deliverables are under the contract. At present they are very vague. It would also help if there were a clear timetable setting out when the work needed to be completed by. Meeting the timetable may depend upon input from X-Radcan, which is outside Prof. Kent's control.
- It is not at all clear that Prof. Kent has costed out in any way the work which she will need to do. She has just accepted X-Radcan's price. The work must have some risk elements attached to it and these should be factored into the price. It is also not clear when Prof. Kent will be paid.
- There is no provision in the contract limiting Prof. Kent's liability under the contract. If something goes wrong Prof. Kent could end up paying more out than she ever receives. Prof. Kent needs also to make sure she has insurance cover in place.
- It may be that in providing the consultancy services Prof. Kent comes up with improvements to the linear accelerator. As this would be research work really rather than consultancy such IP should not really belong to X-Radcan as that is not what they are paying for. X-Radcan should only get the IP in the actual design of the clinical trial at most.

Emily's Spin-out Company

Key points for a Business Plan

Executive Summary – a clear persuasive summary of the plan which tempts an investor to read on.

Background – a brief review of the work undertaken to date, particularly the research and IP created.

Products/Services – what the company will offer for sale including the current market and a comparison with competitor products/services.

Market – the market sector that the company will operate in, including size and competitive advantage.

Management – the skills and experience of the key people in the business and any additional management required and how they will be recruited.

Risk Analysis – best and worst case scenarios – key milestones – when further funding will be needed.

Financial Information – financial projections (profit and loss account, balance sheet and cash flow projections), where the money will be spent and likely timescales for returns on investment.

Where will ownership of the IP lie and how will it be dealt with?

- **Existing IP** – the company is a separate legal entity and so it needs to buy the IP or to have a licence to use it. Lakeland will need to investigate the IP to see if any of it belongs to someone else. If it does Lakeland will need to get an assignment of it first.
- **Future IP** – the company will own any IP which it develops in the future. It will need to have proper contracts in place with its employees and consultants to protect its IP, including confidentiality provisions. The company will need processes to identify its new IP and register it where relevant. There will need to be a confidentiality agreement for future work and discussions between Lakeland and the company. If Lakeland creates new IP the company may have to do future deals with Lakeland if it wants to acquire that IP.

What concerns would Lakeland have about the assignment?

- The definition of 'Intellectual Property' is fairly broad. Lakeland really needs to know exactly what it is assigning and so should aim to list in as much detail as possible what it is transferring. The patent is easy as it has a registration number but Lakeland needs to be more specific about things such as know-how.
- The assignment is with 'full title guarantee'. This implies some quite onerous warranties. Lakeland should only be assigning such right, title and interest as it has in the IP. The Further Assurance clause is also too wide as it talks about 'vesting in the Assignee all relevant rights in the Intellectual Property'. It should say 'vesting in the Assignee the rights in the Intellectual Property assigned under this Assignment'.

What concerns would Lakeland have about PlanCan?

- PlanCan is a new company with few assets other than the IP which it is obtaining from Lakeland. Lakeland may decide that in the early stages it may be better to license the IP to PlanCan rather than assigning it. If PlanCan gets into financial difficulties and becomes insolvent, Lakeland could have a provision in the licence allowing it to terminate the licence, so that Lakeland gets the IP back. This might not be an option though if PlanCan is getting third party money invested into it, such as by a venture capitalist. The investor may insist on an assignment.

What assurances does PlanCan need from Lakeland regarding the IP?

- PlanCan will want to know that Lakeland has not previously assigned or licensed the Intellectual Property to anyone else.

