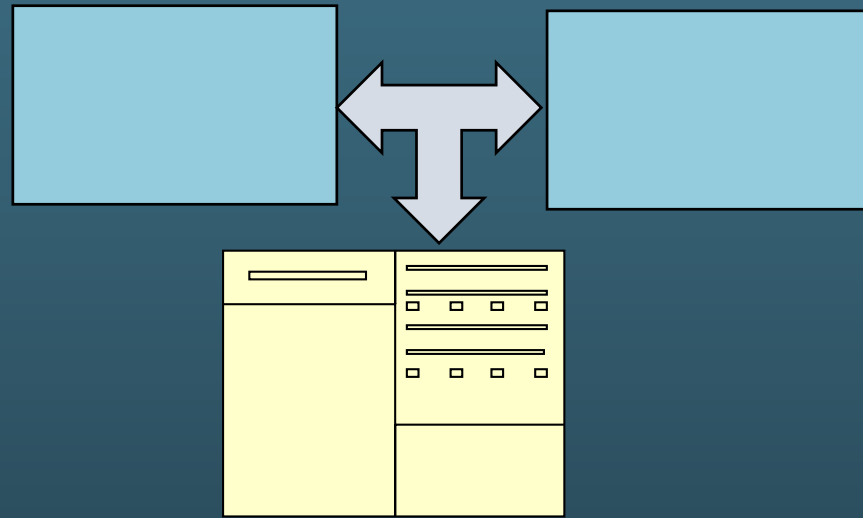


# Navigating the Legal Landscape of Agreements Involving Technology

*January 27, 2020*



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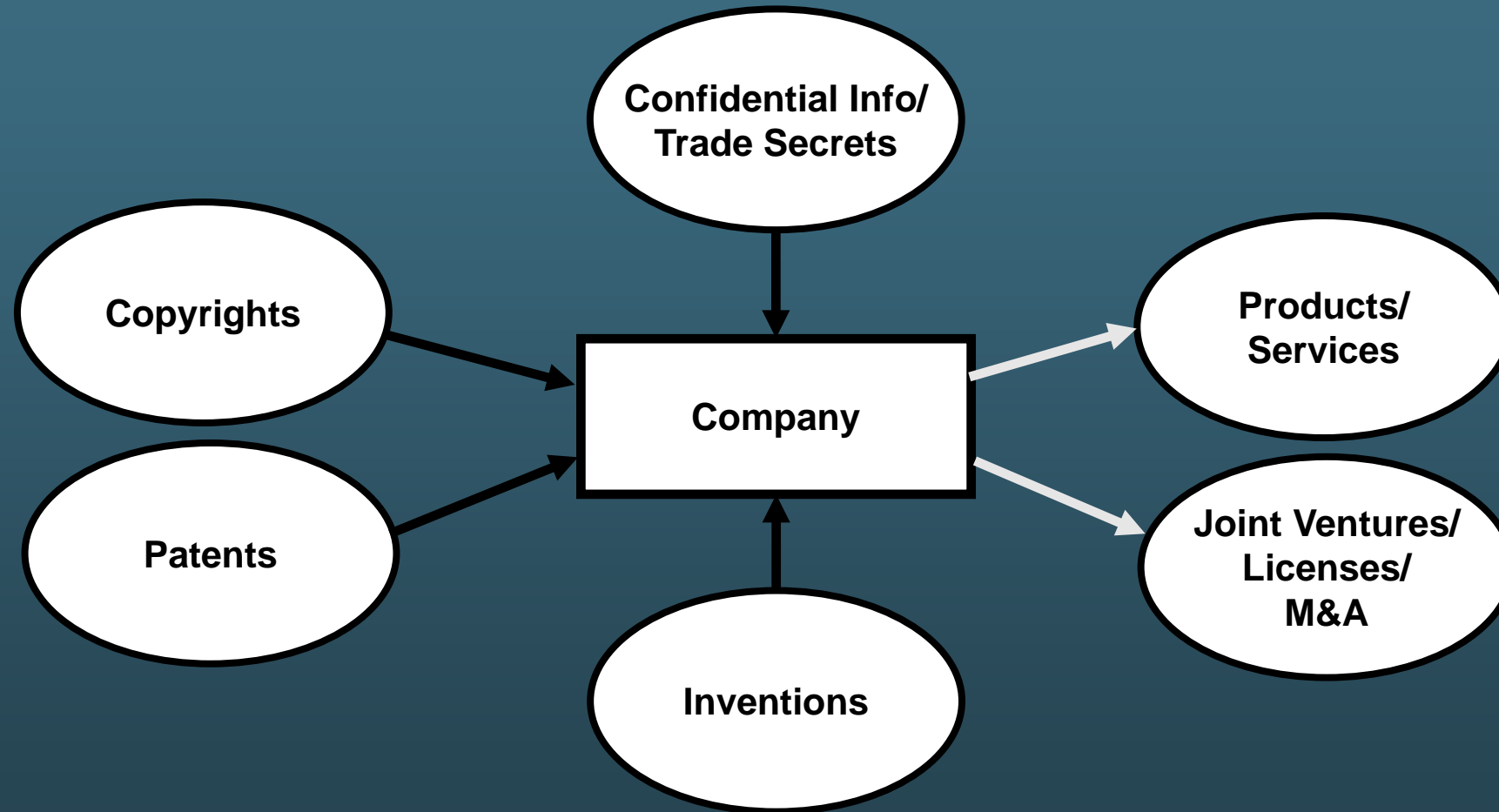
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# “Technology” in the Business Context



# Types of Intellectual Property

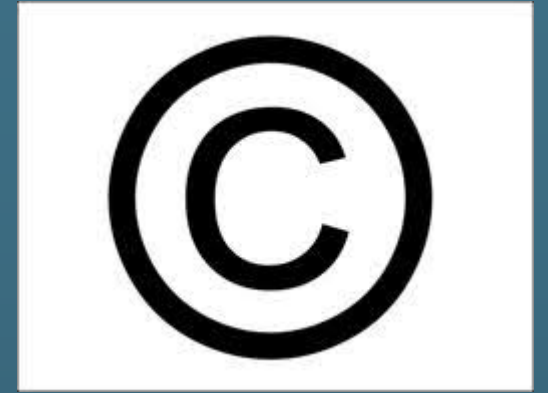
## Overview of Intellectual Property

	What's Protected?	Examples	Protection Lasts for:
Utility Patent	Inventions	iPod, chemical fertilizer, process of manipulating genetic traits in mice	20 years from the date of filing regular patent application
Design Patent	Ornamental (non functional) designs	Unique shape of electric guitar, design for a lamp	14 years
Copyright	Books, photos, music, fine art, graphic images, videos, films, architecture, computer programs	Michael Jackson's Thriller (music, artwork and video), Windows operating system	The life of the author plus 70 years (or for some works, 95 years from first publication)
Trade Secret	Formulas, methods, devices or compilations of information which is confidential and gives a business an advantage	Coca-Cola formula, survey methods used by a pollster, new invention for which patent application has not been filed	As long as information remains confidential and functions as a trade secret
Trademark	Words, symbols, logos, designs, or slogans that identify and distinguish products or services	Coca-Cola name and distinctive logo, Pillsbury doughboy character	As long as business continuously uses trademark in connection with goods or services

Source: USPTO

# Copyright

- Copyright protects “original works of authorship.”
- Examples of copyrightable works include:
  - **Software code**
  - Literary works (books, poems)
  - Musical works
  - Dramatic works (plays)
  - Motion pictures and audiovisual works
  - Artwork (paintings, sculptures)
  - Photos



# Copyright

- Owned by the author of the material, or, in the case of a “work made for hire,” by the employer of the author
- Last for the lifetime of the author, plus 70 years after death
- For works made for hire, 95 years from publication or 120 years from creation, whichever is shorter

# Copyright

- Copyrights are created automatically
- But must be registered in order to enforce the rights in litigation
- Limited protection as it requires literal infringement for the most part—an exact copy of the copyrighted material
- Can affix a copyright notice on works, but this is not required any more
  - Notice typically consists of the copyright symbol or the word “Copyright,” the name of the copyright owner, and the year of first publication.

# Trademarks and Trade Dress

- A trademark or service mark is a word, name, symbol, or any combination, used to identify and distinguish the goods/services of one seller or provider from those of others.
- Well-known brands:



# Trademarks and Trade Dress

- Trademark rights are developed through use of the marks. In the U.S., rights are created in states that the mark is used in.
- Federal registration of a mark is not mandatory. But it gives notice to the public of the registrant's claim of ownership of the mark, legal presumption of ownership nationwide, and exclusive right to use the mark on or in connection with the goods/services listed in the registration.





# Trademarks and Trade Dress

- Trade Dress protects the image and overall appearance of a product.
- Protects the distinctive look and feel of a product.
- Does not protect functional aspects of a product.



# Trademarks and Trade Dress

- Trademarks can last indefinitely; they do not expire as long as they are continually used.

# Trade Secrets

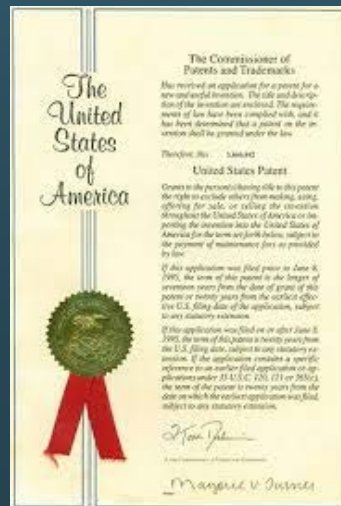
- Information that is valuable to a company because it is secret; the public does not know this information.
- Famous trade secrets:
  - Formula for Coca-Cola
  - Google's search algorithm

# Trade Secrets

- Federal Defend Trade Secrets Act (DTSA) applies nationwide; each state has its own trade secrets laws, but many are based on the Uniform Trade Secrets Act (UTSA)
- Trade secrets include “all forms and types of financial, business, scientific, technical, economic, or engineering information, including patterns, plans, compilations, program devices, formulas, designs, prototypes, methods, techniques, processes, procedures, programs, or codes, whether tangible or intangible, and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if (A) the owner thereof has taken reasonable measures to keep such information secret; and (B) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information.”

# Patents

- Precludes competitors from using same invention; very powerful because independent invention is not a defense to patent infringement
- However, must disclose invention to the public, and patent terms are limited (generally 20 years)
- Expensive to prosecute and maintain, especially worldwide



# Patents

- There are three types of patents:

1) **Utility patents** may be granted to anyone who invents or discovers **any new and useful process, machine, article of manufacture, or composition of matter, or any new and useful improvement thereof;**

2) **Design patents** may be granted to anyone who invents a **new, original, and ornamental design** for an article of manufacture; and

3) **Plant patents** may be granted to anyone who invents or discovers and asexually reproduces any distinct and new variety of plant.

# Examples of Intellectual Property Licenses and Commercial Agreements

- Joint development agreement
- Distribution/reseller agreement
- Sales representative agreement
- Software as a service agreement (SaaS)
- Marketing agreement
- Professional services agreement
- Intellectual property assignment  
(*e.g.*, employees, contractors, subsidiaries, etc.)



# Employees and other Contributors

- Employees:
  - Employment Agreements
  - Proprietary Information and Invention Assignment Agreement
  - Confidentiality Agreements / NDAs
  - Exit Agreements
- Consultants: Consulting agreement (“Works Made For Hire”)





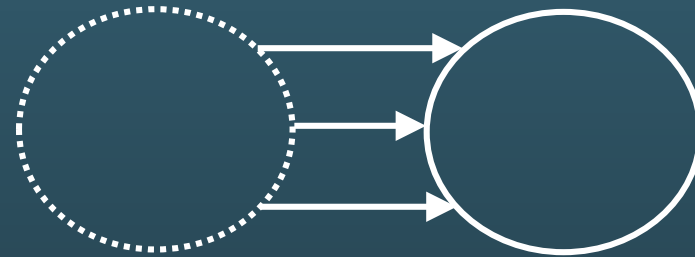
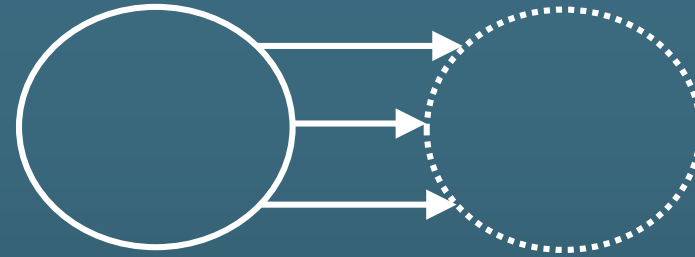
# Non-Disclosure Agreements (NDAs)

- Definition of information, marking requirement
- Exceptions
- Mutual?
- Non-disclosure; Non-use
- Residuals
- Term (if any)
- Agreement not to open samples provided



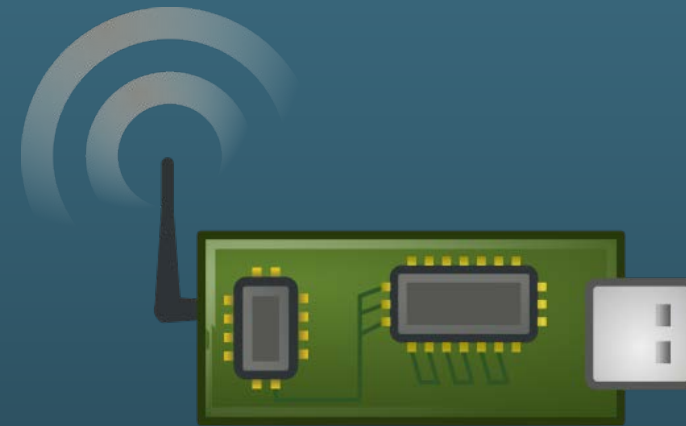
# General Structure

- What's delivered – IP license, product, service
- Prices/payments
- Protections – warranties, indemnities, policies, limitations
- Term



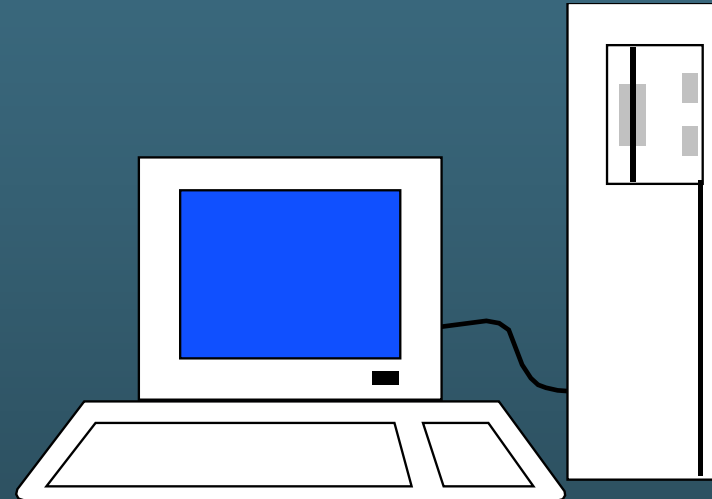
# *Example Structure:* Product sale/purchase agreement

- Which products
- Ordering/forecasts/shipping
- Use – internal or distribution
- Price/payment
- Service/support
- Warranties
- Indemnification/compliance/policies
- Term



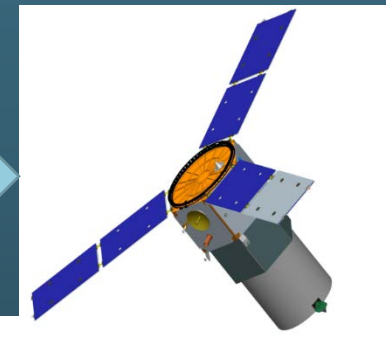
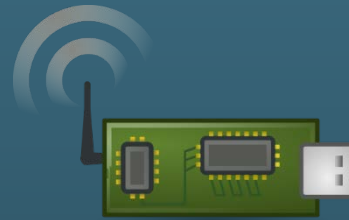
# *Example Structure:* Software License

- License scope
  - Software?
  - Uses?
  - Internal/reproduction/distribution?
  - Field/territory/seats...
  - Sublicensable?
- Royalties/fees
- Service/support
- Warranties
- Indemnification
- Compliance/policies
- Escrow
- Term
- Other legal: Limitations of liability, miscellaneous, assignment



# *Example Structure:* Joint Venture / Development Agreement

- Development obligation/milestones
- Intellectual property
  - Ownership
  - Licenses
- Other rights/obligations
  - Marketing
  - Supply
  - Service



# Issues in M&A Diligence

- License Scope
- Business Constraints:
  - Exclusivity,
  - MFNs,
  - Rights of First Refusal,
  - Non-Competes,
  - Trojan Horse Licenses
- IP Ownership, in original and modifications
- Fees
- Term & Termination, Survival
- Assignment
- Indemnification/ Liability



# Thank you for your attention

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The Pillsbury logo, featuring the word "pillsbury" in a lowercase, red, serif font, set against a white rectangular background with a dark blue shadow.