SCHOOL OF LAW
Year 2014/15 Term 1

LAW 414 INTERNATIONAL COMMERCIALISATION OF INTELLECTUAL PROPERTY RIGHTS

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COURSE DESCRIPTION

This course will examine different ways in which value may be extracted from the ownership of intellectual property rights (IPRs). We will start with an overview of the various IPRs around the world and the more important differences between particular countries, which are important when considering an international IP strategy. The course will then turn to look at different ways of dealing with IPRs: assignment or sale, licensing, and joint ventures; and the different challenges they present. We will look in detail at the provisions to be included in assignments and licence agreements of the different IPRs. After that, we will look at how to conduct IP due diligence in corporate transactions, what to look for and how to negotiate the documentation. After that, IP issues in the IT industry will be discussed, as well as those you will come across in relation to using the Internet or setting up an Internet-based business. Finally, we will consider how the enforcement of IPRs plays a critical role in extracting value.

PRE-REQUISITES

Students must be LLB students who have taken and passed years 1 and 2 of the LLB. It is not necessary to have done a course on IP law and it will be assumed that you have not.

If are a JD student, you must have completed courses on contract, tort and property law.

Two warnings:

1. As this is not a course on the law of any one country but considers the issues at a relatively high level, so as to prepare you for involvement in cross-border commercialisation of IPRs that could involve more or less any country, there will be hardly any reference to case-law and particular statutory provisions. I will use bullet-point Powerpoint presentations which will be uploaded after the seminars for you to annotate with your notes if you wish.

2. Whilst the subject-matter of the commercialisation that we will be discussing is
IPRs, there are quite a number of different legal subjects that we will need to consider for their impact on commercialisation: the most important being contract law, but also aspects of tort law (or the law of delict, depending on the country), property law, company and partnership laws, insolvency law, conflict of laws, litigation. That’s what makes it so interesting!!

RECOMMENDED TEXT AND READINGS

There is no text book for this subject as we will be dealing mostly with practical issues involving the exploitation of IPRs, and these are evolving constantly. You should read at least Ch.1-6 and 15-16 of:

- Llewelyn, David, *Invisible Gold in Asia: Creating Wealth through Intellectual Property*, 2010. This is a very recent business book I have written to try and explain to the intelligent layperson why IP is important in business, using Asian examples.

You should also read

- William Cornish, *Intellectual Property. Omnipresent, Distracting, Irrelevant?* 2004. This short book of three lectures on inventing, creating and branding provides an excellent introduction to the threats that the IP system is facing, which all business people should be aware of.

Both books are in the SMU Library.

- You should also look at the up-to-date IP stories posted on the Invisible Gold in Asia Facebook page, and business deals involving IPRs in the previous week will be analysed in class.

ASSESSMENT METHOD

Research Essay (Writing Assignment)

*Each* student will be required to submit a written essay (of at least 2,500 words) on a commercialisation topic that will be given to you in the second session. This should be submitted in or before the seminar after the mid-term break. The essay carries a weight of 20%. Independent research is the goal, although you may benefit from discussing the topic with fellow students. The more widely you read on and around the topic, the more likely it is that your essay will receive a good mark.

The Group Project Presentations

Each GPP comprises a presentation by appointed students (self-chosen if possible) on a pre-assigned issue followed by a short general class discussion.

Depending on class size, it is probable that 3 or 4 students will be appointed for each GPP. Assuming an assigned group of 4 students, each student will be allotted 12 minutes for his/her oral presentation.
By no later than midday of the day before each GPP, the assigned group must submit to me a written note (5-6 A4 pages) on their assigned topic and send it by email to the rest of the class for them to read before the class.

The grade for the GPP will count 30% of the total mark and is made up as follows.

- 15% for each student’s oral presentation in his/her assigned oral 15 minute presentation and responses to questions.
- 15% for the written note (common grade unless there is substantial disparity in individual contribution to his/her assigned group work).

**Class Participation**

The course is a very practical one, and all students are expected to participate actively in class discussions, even if they are not scheduled to make an oral presentation on the assigned GPP topic. Your class participation over the Term will be assessed and attract a weight of 10%.

**Final Examination**

The final examination will be a 2 hour open book examination comprising a mixture of problem (hypothetical fact situations) and essay questions. Students will have to answer the first question (which has a choice of four out of eight parts) and one other question out of a choice of three other questions. The final examination will count towards 40% of your course grade.

**Summary of Assessment Method**

- Research essay: 20%.
- GPP: (short note and oral presentation)
  - Group short note (4-6A4 pages): 15%
  - Oral presentation: 15%
  - Total: 30%
- General class participation: 10%.
- Final examination: 40%.

**COURSE METHODS**

This course will be conducted by means of three hour interactive seminars.

**Academic Integrity**

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offences.

All work presented in class must be the student’s own work. Any student caught violating this policy may result in the student receiving zero marks for the component assessment or a fail grade for the course. This policy applies to all works (whether oral or written) submitted for purposes of assessment.
Where in doubt, students are encouraged to consult the instructors of the course. Details on the SMU Code of Academic Integrity may be accessed at [http://www.smu.edu/resources.html](http://www.smu.edu/resources.html).

**CLASS SCHEDULE**

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<tr>
<th>Week</th>
<th>Topics</th>
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<tbody>
<tr>
<td>1.</td>
<td><strong>Introduction to IP law and the business of IP:</strong> how we have got to where we are. International trade and IP. Patents, Trade Marks, Copyright, Designs, Plant Varieties, Confidential Information. International aspects. Ownership; employees/independent contractors. Dealings generally – assignments, different types of licences (sole and exclusive, oral and written, express and implied).</td>
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<td>6.</td>
<td>IT/IS. Structure of the industry and contractual relations. Software licensing, shrink wrap, dealing with software. Outsourcing and IP.</td>
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<td>7.</td>
<td>IP due diligence in corporate transactions, IP issues in corporate transactions, incl. share purchase versus business purchase. NDAs; checking ownership of IPRs; registered versus unregistered rights; international aspects. Reviewing licence agreements, both in- and out-, and other commercial agreements with IP provisions; checking consequences of corporate transaction on validity. Drafting the disclosure letter and negotiating the warranties and indemnities. The financing aspects: recording assignments and taking security, international aspects.</td>
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<td>8.</td>
<td>Recess</td>
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<td>9.</td>
<td>The Internet and IP dealings: including domain name disputes, website design/hosting.</td>
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<td>11.</td>
<td>Group Project presentations and mock licence negotiation.</td>
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<td>12.</td>
<td>Protecting value: Enforcing rights, litigation (interlocutory, full trial, Anton Piller and Mareva), damages and accounts of profits, arbitration (choice of law, choice of forum, enforcement of awards, arbitrable disputes), mediation, ICANN. Settlement agreements.</td>
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<td>13.</td>
<td>Group Project presentations</td>
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