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Ron holds degrees in Aerospace Engineering from Iowa State University, a J.D. with distinction from the University of Iowa, and an M.B.A. from the University of Iowa.

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Ron has authored over 75 published articles and for legal writing has received the John Marshall Law School Gerald Rose Memorial Award and the Rossman Memorial Award presented by the Patent and Trademark Office Society.

RECENT DEVELOPMENTS AND TRENDS

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RECENT LICENSING CASES

June 1, 2001 - May 22, 2002

AMBIGUITY

Partnership did not own rights to software (that was developed by former partner) because agreement did not distinguish "improvements" (allegedly developed by partnership) from "software" for ownership purposes and former partner owned rights to "software". *Dispatch Automation, Inc. v. Richards,* 280 F.3d 1116 (7th Cir. 2002).

District court erred in holding all rights transferred where agreement was inherently ambiguous. *Davis v. Meridian Films, Inc.,* 2001 U.S. App. LEXIS 15695 (4th Cir. 2001) (unpublished).

Ambiguity in license concerning the term "required" construed against licensor resulted in license to optional features rather than only essential features. *Intel Corp. v. VIA Techs., Inc.,* 174 F. Supp. 2d 1038 (N.D. Cal. 2001).

ARBITRATION CLAUSE

Corporate officer not personally bound by arbitration clause he signed in his capacity as the officer. *Benasra* v. *Marciano,* 92 Cal. App. 4th 987; 2001 Cal. App. LEXIS 791 (2d Cal. App. 2001).

ASSIGNMENT AGREEMENTS

Former graduate student obligated to assign continuation-in-part application to university. *Univ. of W. Va. v. Van Voorhies,* 278 F.3d 1288 (Fed. Cir. 2002).

ATTORNEY'S FEES

Attorney fees in connection with arbitration award enforcement were allowed under agreement between the parties. *Bad Ass Coffee Co. v. Bad Ass Coffee, Ltd. P'ship.,* 2001 U.S. App. LEXIS 23612 (10th Cir. 2001) (unpublished).

BANKRUPTCY

Exclusive copyright license freely assignable in bankruptcy. *In re Golden Books Family Entertainment, Inc.*, 269 B.R. 311 (Nov. 8, 2001).

BONA FIDE PURCHASER

In some circumstances concerning patent licenses, the bona fide purchaser defense is a matter of federal law. The bona fide purchaser defense is not available to sublicensee when patent license was obtained by fraud. *Rhone-Poulenc Agro v. Dekalb Genetics Corp.*, 2002 U.S. App. LEXIS 5006 (Fed. Cir. 2002).

CHARACTER NAME LICENSE

Licensee of character names has contract claim against licensor for exploitation by licensor of licensed names rather than trademark claim. *Twentieth Century Fox Film Corp. v. Marvel Enters.*, 155 F. Supp. 2d 1 (S.D. N.Y. 2001).

CLICKWRAP LICENSE

A clickwrap license limiting damages liability was held enforceable. *i.LAN Systems, Inc., v. NetScout Serv. Level Corp.*, 183 F. Supp. 2d 328 (D. Mass. 2002).

COPYRIGHT LICENSE - GOVERNING LAW

State law governs whether copyright owner granted no-exclusive license. *Foad Consulting Group Inc., v. Musil Giovan Azzalino*, 60 USPQ2d 1656 (9th Cir. 2001).

Right to royalties for copyright work is governed by State law. *Hayes v. Carlin America Inc.*, 168 F. Supp. 2d 154 (S.D. N.Y. 2001).

COPYRIGHT LICENSE - EXCLUSIVE LICENSE

Exclusive licenses under the Copyright Act of 1976 are only assignable with consent of the licensor, *Gardner v. Nike, Inc.*, 279 F.3d 774 (9th Cir. 2002).

CORPORATE VEIL

Agreement did not give licensor ownership of designs created by licensee and the court found no evidence to the pierce corporate veil. *Zeke N' Zoe Corp. v. Zeke N' Zoe LLC*, 2002 U.S. Dist. LEXIS 787 (S.D. N.Y. 2002).

DURATION

Contract to last 10 years from contingency was not void as its duration was sufficiently definite. *Illva Saronno Corp. v. Liberty Hill Realty,* 782 A.2d 473 (N.J. Super. App. Div. 2001).

DUTY OF GOOD FAITH

Licensor violated duty of good faith by selling product that competed with sublicensed product. *Abbott Labs. v. Baxter Int'l, Inc.,* 2002 U.S. Dist. LEXIS 5475 (N.D. ILL. 2002).

EXCEEDING GRANT UNDER LICENSE

Preliminary injunction granted where likelihood that internet service provider exceeded its license grant by using some licensed source code with a program not allowed under the license; provider also likely exceeded its right to sublicense. *PlayMedia Sys. v. Am. Online, Inc.,* 171 F. Supp. 2d 1094 (C.D. Cal. 2001).

Right granted to "print, publish and sell the works in book form" did not include right to publish in digital form. *Random House, Inc. v. Rosetta Books LLC,* 150 F. Supp. 2d 613 (S.D. N.Y. 2001).

EXPLOITATION OF LICENSE

Licensor had reasonable expectation that store owner would operate company store for a period of years; a jury could conclude the store had an obligation to exploit the license. *Palazzetti Import/Export, Inc. v. Morson,* 2001 U.S. LEXIS 20243 (S.D. N.Y. 2001).

EXTRINSIC EVIDENCE

Use of extrinsic evidence to contradict or subtract terms of the agreement was error. *Microsoft Corp. v. Timeline, Inc.,* 2002 Wash. App. LEXIS 360 (Wash. App. 2001) (unpublished).

FORUM SELECTION CLAUSE

Forum selection clause enforced despite nonmutality of clause. *Silverman v. Carvel Corp.,* 2001 U.S. Dist. LEXIS 21095 (W.D. N.Y. 2001).

Forum selection clause that "all disputes arising hereunder shall be adjudicated in. . . courts having jurisdiction over disputes arising in Santa Clara County" was not strong because any court can have jurisdiction over disputes arising in Santa Clara County; clause not given effect in broad anti-trust action. *Imation Corp. v. Quantum Corp.*, 2002 U.S. Dist. LEXIS 4034 (D. Minn. 2002).

Licensor had right to invoke forum selection clause even though licensee argued the entire agreement was null and void as a result of fraudulent inducement. *V.R.S. Indus. v. B.H.P.C. Mktg.*, 2001 U.S. Dist. LEXIS 17566 (S.D. N.Y. 2001).

FRAUD

Failure to disclose successful test of technology supported claims of fraud to obtain license. *Rhone-Poulenc Agro SA v. DeKalb Genetics Corp.*, 272 F.3d 1335 (Fed. Cir. 2001).

INDEFINITE

Indefinite agreement between employee and employer was not enforced. *Burns v. Dees*, 557 S.E. 2d 32; 2001 Ga. App. LEXIS 1317 (1st Ga. App. 2001).

INSURANCE AGREEMENTS

Duty of good faith not breached when insurer declined to defend insured when obligation to so defend was not clear at time of decision; the mark "BOSS" was not a title or slogan and therefore did not fit within the exception to the intellectual property exclusion of the policy. *Hugo Boss Fashions Inc. v. Federal Insurance Co.*, 252 F.3d 608 (2d Cir. 2001).

LICENSE INTERPRETATION

Summary judgment reversed and appellate court held that it could not find that the contract language "utilize and exploit" did not impose express obligation to use at least reasonable efforts to sell the products. *Emerson Radio Corp. v. Orion Sales, Inc.*, 253 F.3d 159 (3d Cir. 2001).

LICENSE TERMINATION

Return of software was not sufficient notice to terminate licensing agreement. *Sungard Bus. Sys. v. Mercantile Trust Co.*, 2001 U.S. Dist. LEXIS 15766 (N.D. ILL. 2001).

NON-PARTY TO LICENSE

Subsidiary company, while not a party to the agreement, could compel arbitration because claims against it and the company arose from a common nucleus. *Thixomat, Inc. v. Takata Physics Int'l,* 2001 U.S. Dist. LEXIS 10812 (S.D. N.Y. 2001).

ON-SALE BAR TO PATENT

License granting right to use claimed method did not trigger on-sale bar. *In re Kollar,* 62 USPQ2d 1425 (Fed. Cir. 2002).

ORAL MODIFICATION OF LICENSE

Agreement could be modified orally in spite of clause that agreement could only be modified in writing. *Multi-Tech Sys. v. Floreat, Inc.*, 2002 U.S. Dist. LEXIS 4644 (D. Minn. 2002).

Preliminary injunction denied where state law (statute of frauds) barred oral agreements and contract negated prior agreements. *Comsof, Inc. v. Cigarette Racing Team,* 2002 U.S. Dist. LEXIS 3527 (S.D. Fla. 2002).

RESTRICTION - EMPLOYMENT

Restrictive covenant limiting employment to exclusion of those on client list was not overly broad. *Dam, Snell & Taveirne, Ltd. v. Verchota,* 754 N.E.2d 464; 2001 Ill. App. LEXIS 634 (2d ILL. App. 2001).

RESTRICTION - GEOGRAPHIC

Franchisor opening wholly owned business in territory of (and competing with) the plaintiff franchisee was not breach of contract provision that franchiser would not permit another franchisee in the same territory as the plaintiff franchisee. *John Keenan Co. v. Norrell Corp.*, 2001 U.S. Dist. LEXIS 10473 (E.D. La. 2001).

Website advertising violated agreement not to advertise outside of the state of Texas. *Math v. Summit Educ. Enters.*, 2001 U.S. Dist. LEXIS 18648 (N.D. Tex. 2001).

ROYALTIES

Royalties found to be due only during existence of patent. *Adm'rs of the Tulane Educ. Fund v. Debio Holding S.A.*, 177 F. Supp. 2d 545 (E.D. La. 2001).

Right to royalties for copyright work is governed by State law. *Hayes v. Carlin America Inc.*, 168 F. Supp. 2d 154 (S.D. N.Y. 2001).

STANDING

Graduate student under obligation to assign invention had standing to bring action to correct inventorship. *Chou v. Univ. of Chi. & Arch Dev. Corp.*, 254 F.3d 1347 (Fed. Cir. 2001).

TRADEMARK LICENSE

Manufacturer's veto power over trademark license agreements did not breach agent's contract to obtain such agreements and agent not entitled to commission based on manufacturer into joint-venture with third party. *Beanstalk Group, Inc. v. AM Gen. Corp.*, 2002 U.S. App. LEXIS 4196 (7th Cir. 2002).

License transferring Italian company's trademark to U.S. company entitled U.S. company to gray market protection for the mark. *Vittoria North America LLC v. Euro-Asia Imports Inc.*, 278 F.3d 1076 (10th Cir. 2001).

UNLICENSED ACTIVITIES

Contract concerning activities that a party was not licensed to perform was not enforced as the unlicensed performance of the activities was a violation of law. *Novelos Therapeutics, Inc. v. Kenmare Capital Partners, Ltd.*, 2001 Mass. Super. LEXIS 307 (Mass. Super. 2001).

Party performing unlicensed activities was barred by statute from bringing action for renumeration. *Walford v. Mikron Indus., Inc.*, Wash. App. LEXIS 2062 (Wash. App. 2002) (unpublished).