

# INDEX

- 3D-ID, LLC (license grant), 134–135  
3D Systems, Inc., agreement, 139–140
- Above-average profits, protection, 106
- ABS, Global, Inc., Genus PLC and Premium Genetics (UK) Ltd. *See Inguran, LLC d/b/a Stgenetics, XY, LLC, and Cytonome/St, LLC v. ABS, Global, Inc., Genus PLC and Premium Genetics (UK) Ltd.*
- Accounting, 63  
    information, uniformity, 76  
    principles, impact, 65
- Accounting for Research and Development Costs* (SFAS No. 2), 72, 74
- AccuMed International, Inc., dispute settlement, 145–146
- Acquired Intangible Assets, 63
- Acquired intangible assets, reporting, 75
- ActiveVideo Networks, Inc. v. Verizon Commcn's, Inc.*, 3–5
- ADM Tronics Unlimited, Inc., asset purchases, 151–152
- Adolor Corporation, license agreement, 208–210
- Advanced Acoustic Concepts (AAC), UNICORN technology acquisition, 121
- Advanced Polymer Systems, Inc., license agreement, 205
- Adynovate, infringing features, 52
- Aellipsys Holdings, Inc., 134–135
- Aerospace (licensing agreement summaries)  
    brake fluid, 123  
    collision avoidance, 119–121  
    unmanned air vehicles, 121–123
- Aethlon Medical, Inc., agreement, 140
- A-Gas Pty Ltd., per-unit royalties, 117
- Alfano, Robert, 147, 148
- Alkermes, Inc., license agreement, 206–207
- All remote trial, usage, 62
- Allwaste Recycling, Inc., per-unit royalties, 117
- Alman, James, 122
- Alphaap, Inc., license agreement, 207
- Alpharx, Inc., license agreement, 207
- Amado v. Microsoft Corp.*, 3, 9
- Amanasu Environment Corporation, license, 158–160
- Ambrus, Clara, 140
- Ambrus, Julian (Aethlon agreement), 140
- American Power Conversion Corp. *See ServerTech, Inc. v. Am. Power Conversion Corp.*
- American Water Star, Inc., license agreement, 174
- Amgen, Inc., agreement, 214–215
- Ampersand Medical Corp., dispute settlement, 145–146
- Annual-rate method, 88
- Antalium, Inc., agreement, 211–212
- Apotex Corp. *See AstraZeneca AB v. Apotex Corp.*
- AppleCare* (Apple product), 69
- AppleCare Protection Plan (APP), 69
- AppleCare+ Protection Plan (AC+), 69
- Apple Inc. *See Optis Wireless Tech, LLC., Optis Cellular Tech, LLC, Panoptis Patent Mgmt., LLC., Unwired Planet Int'l., LTD., ("Optis") v. Apple Inc.; VirneteX Inc. v. Apple Inc.; Wisconsin Alumni Research Foundation v. Apple Inc.*
- Apple, Inc.  
    annual report (2015), risk issues, 78–79  
    balance sheet, 73e–74e  
        intellectual property (IP), absence, 70–71  
    business enterprise value, calculation, 70–71  
    business strategy, 66–67  
    financial statements, 65–67  
    Goodwill, 71–72  
    intangible assets, 71–72  
        absence, 72–75  
    Management Overpaid Amount, 72  
    products/services/software, 67–70  
    shares outstanding, per-share price, 70
- Apple, Inc. v. Samsung Electronics Co. Ltd., et al.*, 47
- Apple Inc., v. VI-LAN Inc., et al.*, 42
- Apple Music, 66
- Apple Pay, 67, 69

## 252 Index

- Apple Pay* (Apple product), 69–70  
Apple TV, 66, 68–70  
*Apple v. Samsung* (damage issues case), 19  
*Apple v. Samsung Saga* (high award case), 45–47  
Apple Watch, 66, 70  
Apportionment, application, 41  
App Store (Apple), 66  
ARCA Biopharma, Inc., license agreement, 190–191  
Asetek-Corsair license, royalty rate, 30  
*Asetek Danmark A/S v. CMI USA Inc.* (damage issues case), 29–30  
Assembled workforce, business/outsider contract, 92  
Astellas Pharma, Inc. of Japan, license agreement, 212–213  
*AstraZeneca AB v. Apotex Corp.* (damage issues case), 20–22  
AT&T Mobility LLC, lawsuit, 25  
Automotive (licensing agreement summaries)  
  diesel engine conversion, 123–125  
  rotapower engine, 125–126  
Avid Sportswear & Golf Corp., license, 163–164
- Balance sheets, usage, 63  
BASF Pharma/Knoll AG, license agreement, 193  
Bass Model, 112–113, 112e  
Baxalta Inc. *See Bayer Healthcare LLC v. Baxalta Inc., Baxalta US Inc., and Kektar Therapeutics, C.A.*  
Bayer agreement, termination, 53–54  
*Bayer Cropscience AG, et al., v. Dow Agrosciences LLC, et al.* (high award case), 52–54  
*Bayer Healthcare LLC v. Baxalta Inc., Baxalta US Inc., and Kektar Therapeutics, C.A.* (high award case), 51–52  
Bayesian analysis, 242–245  
Bayes' revision, 242, 243  
Bayes' theorem, 242–243  
  usage, 245e  
Bayes, Thomas, 242  
Baylor College of Medicine, license agreement, 196–198  
Beats Music LLC, Apple acquisition, 71–72  
Behavioral economics, 248  
Best fit, 103  
Biases, effects, 248–249  
Big League Chew (trademark royalty rate), 169  
Big pharma (high award cases), 51–58  
Big tech (high award cases), 45–51  
Biogen, Inc., license agreement, 194  
BioPower Operations Corporation, exchange agreement, 152–153  
Biota Holdings Ltd., 198–199  
Biotechnology  
  license fees, 180–181  
  distribution, 180  
  royalty rates, 178, 181–220  
  frequency distribution, 179  
  summary information, 182  
Bioveris Corp., infringements, 56–57  
Black, Fischer, 246  
Black-Scholes option pricing model, 246–248  
Blue Coat Sys., Inc. *See Finjan, Inc. v. Blue Coat Sys., Inc.*  
  architectural diagram, preparation, 22  
Bonefish Grill (trademark royalty rate), 175–176  
Bottle Design—"Trinity" (trademark royalty rate), 168  
Bouton, Jim, 169  
Bradley Pharmaceuticals, Inc., patent acquisition, 203  
Brand loyalty, 238e  
Bristol-Myers Squibb  
  hepatitis C treatment acquisition, 75  
  settlement/license agreement, 186–187  
Broadcom Ltd., Apple, Inc. *See California Institute of Technology v. Broadcom Ltd., Apple, Inc.*  
Broadcom Ltd., patent infringement, 42–43  
Building structure, lifespan, 90  
Business enterprise value, calculation, 70–71  
Business, outsiders (contracts), 92  
Buyers Products Co. *See Douglas Dynamics, LLC v. Buyers Products Co.*
- CAGR  
  basis, 113  
  usage, 104  
Calbiochem-Novabiochem International, Inc., license agreement, 195–196  
*California Institute of Technology v. Broadcom Ltd., Apple, Inc.* (high royalties case), 42–43  
California Integrated Waste Management Board (CIWMB), matching funds loan approval, 155  
Cancer (royalty rate)  
  Hedgehog pathway inhibitor, 184–186  
  treatment—prostate, 189–190

- Cancer therapy (royalty rate)
  - AKT-mTOR pathway, 183–184
  - KEYTRUDA, 186–187
  - myelodysplastic syndrome, 187–188
  - Phenoxodiol, 188
  - radiation drug, 190
- Cancer treatment, cost, 181–182
- Capital expenditures, 101
- Capital recovery, process, 83–84
- Cardiovascular (royalty rate)
  - beta blocker, 190–193
  - Bextra, 193
  - blood thinner, 194
- Cardiovascular Pharmacology and Engineering Consultants LLC, license agreement, 190–191
- Caribou Coffee Company, Inc., Master Franchise Agreement, 176–177
- Carnegie Mellon Univ. v. Marvell Tech. Grp.* (ongoing royalty rate case), 12–13
- Cash flow statements, usage, 63
- Castle Brands, Inc., license agreement, 168
- Cels Enterprises, Inc., 162
- Centripetal Networks, Inc., v. Cisco Systems, Inc.* (high royalties case), 40–41, 61–62
- Champion (trademark royalty rate), 161–162
- Cheese (trademark royalty rates), 169–170
- Chemicals (licensing agreement summaries)
  - amorphous alloys, 127–128
  - fire retardant coating, 128–129
  - metal surface coating, 129–130
- Chinese Laundry trademarks (royalty rate), 162
- Choice, label, 226
- Cirba Inc. d/b/a Densify and Cirba IP, Inc. (collectively “Densify”) v. VMWare, Inc.* (high royalties case), 45
- Circuit-switched/packet-switched networks, linking, 48
- Cisco Sys., Inc. *See Telcordia Techs., Inc. v. Cisco Sys., Inc.*
- Cisco Systems, Inc. *See Centripetal Networks, Inc., v. Cisco Systems, Inc.*
- Citrix Systems Inc., license fees, 118
- Class-action suit, 172
- CMI USA Inc. *See Asetek Danmark A/S v. CMI USA Inc.*
- Coca-Cola brand, reporting (absence), 63
- Coffee (trademark royalty rates), 176–177
- Cognitive economics, 248
- Cohen, Peter, 144
- Columbia Laboratories, Inc., Purchase and Collaboration Agreement, 215–217
- Commercial introduction (technology development stage), 99
- Communications (licensing agreement summaries)
  - directed parametric sound, 130–131
  - smartphone, 131–132
- Competitors
  - design, possibility, 97
  - identification, 95
- Complete Response Letter (FDA), 213–214
- Composite original-group method, 88
- Compound annual growth, example, 102e
- Computer Packages, Inc. *See WhitServe LLC v. Computer Packages, Inc.*
- Computers (licensing agreement summaries), biometric identity software, 132–133
- Connetics Corporation, 199–202
- Consequence, label, 226
- Consequence node, addition, 228e
- Content Analysis System, 21
- Cooler Master Co. LTD, Asetek lawsuit, 29
- Copyright
  - legal/contractual life, 82
  - ongoing royalties awards, 34–35
  - royalty rate frequency, 160e
- Corporations, licensing (dominance), 178
- Cough medicine (royalty rate), 194–195
- COVID-19 pandemic, impact, 41
- Cowles, Harold A., 84
- CPEC, Inc., license agreement, 191–193
- CT Laser Mammography (CTLM), development, 141–144
- Curis, Inc., license agreement, 184–185
- Customers, switching (percentage), 238e
- Cyber Defense Systems, Inc., focus, 121–123
- Cyclin Dependent Kinase (CDK) assay test kit (royalty rate), 195–196
- Damages
  - assessment, 48–49
  - claim, time period, 31–32
  - issues, cases, 19
  - post-trial rulings, appeal, 29
- Data
  - availability/application, 90
  - empirical data, collection, 113
- Davis, Frank, 124
- Davis, Robby E., 124
- Decision alternatives, mapping, 227e

## 254 Index

- Decision analysis, 224–226
  - techniques, 225
- Decision making
  - perception/biases, effects, 248–249
  - rationality, limitations, 248–249
- Decision trees, 224–226
  - complexity, 231–232
  - components/conventions, 226–233
  - graphical conventions, 226e
  - modeling, 228–229
  - nodes, 227
  - process, 230–231
  - rollback, 230e
  - uncertainty/consequence node, addition, 228e
  - variables, outcomes, 235e
- Decomposition, decision analysis techniques, 225
- Defense Research & Development Organization (DRDO), license agreement, 190
- Delaware Deceptive Trade Practices Act, 45
- Del Sunshine LLC, contract, 169–170
- Design patent
  - damage issues case, 19
  - infringement, damages remedy (Patent Act of 1952 codification), 46
- Development
  - costs, identification, 95
  - SFAS 2 definition, 72, 74
- Direct estimates (forecasting methodology), 101–102
- Discounted cash flow (DCF) method, usage, 245–246
- D-Link Sys., Inc. *See Ericsson Inc. v. D-Link Sys., Inc.*
- Dockers (trademark royalty rate), 162–163
- Dockers Golf (trademark royalty rate), 163–164
- Double counting, 9–10
- Douglas Dynamics, LLC v. Buyers Products Co.* (ongoing royalty rate case), 9–10
- Dow Agrosiences LLC, et al. *See Bayer Cropscience AG, et al., v. Dow Agrosiences LLC, et al.*
  - agreement, breach, 54
- Dr. Reddy's Laboratories, license agreement, 190
- Dynamic real-time rating (DRTR) engine, impact, 21–22
- eBay* factors, 13
- Economic benefit/timing/pattern, 81
- Economic life
  - annual-rate method, 88
  - capital recovery, 83–84
  - composite original group method, 88
  - definition, 81–83
  - estimation, 84–90
  - factors, 96–98
  - forecast method, 90
  - indefinite economic life, 82–83
  - individual-unit method, 87
  - intangible assets/intellectual property, 91–92
  - legal/contractual life, 82
  - lifespan method, 90
  - market value, 83, 84
  - measurement, 81–83
  - multiple original-group method, 88
  - original-group method, 87
  - pattern, estimation, 91
  - simulated plant-balance method, 89
  - studies, 85
  - survivor curve methods, 85–90
  - turnover method, 89
- Economy, involvement (technology development stage), 99
- Educated guess methodology, 101–102
- Edwards Lifesciences, 150–151
- Elan, license agreement, 205–206
- Electrical (licensing agreement summaries),
  - EPOD Electrical Grid Tie Inverter, 133–134
- Electronics (licensing agreement summaries)
  - 3D facial recognition, 134–135
  - security, face recognition, 135–137
- Eli Lilly, milestone payments, 209
- Emerging commercial market, uncertainties, 245
- Employee turnover, 93
- EMVR, violation, 7
- Endo Pharmaceuticals, licenses, 210–211
- End-product, economic life, 96
  - application, 97
- Energy Answers Corp., license fees, 118
- Enplas Display Device Corp. v. Seoul Semiconductor Co.* (damage issues case), 19–20
- Environmental concerns, legislation (relationship), 97
- Eos Biotechnology, alliance, 197
- EPOD International, Inc., agreement, 133–134
- Ericsson Inc. v. D-Link Sys., Inc.* (ongoing royalty rate case), 6–8
- Escrow royalties, 3
- Eve-USA, Inc. *See Mentor Graphics Corp. v. Eve-USA, Inc.*
- Ex parte* reexamination proceedings, Samsung request, 49–50

- Experimental Radio Station License, FCC  
issuance, 120
- Extrapolation (example), regression analysis  
(usage), 103e
- Fairchild Semiconductor Int'l. Inc. *See Power  
Integrations, Inc. v. Fairchild  
Semiconductor Int'l. Inc., et al.*
- Fair, reasonable, and nondiscriminatory (FRAND)  
royalty, 6  
terms, 44
- Features, differences/overlap (infringement  
problems), 20–21
- Felton, Nicholas, 104
- Ferring Pharmaceuticals Inc., et al. v. Serenity  
Pharmaceuticals, LLC, et al.*, 62
- F. Hoffman-LaRoche Ltd. (Roche), sublicense,  
185
- Field of use, defining, 211
- FileMaker Pro, 68
- Final Cut Pro, 68
- Financial resources, identification, 95
- Financing costs, 101
- Finjan, Inc. v. Blue Coat Sys., Inc.* (damage issues  
case), 20–22, 41
- Fisher, John, 109
- Fisher-Pry Model, 109, 110e
- Fixations, 31
- Flamemaster Corporation, 128–129
- Footprint of Invention (damage issues case),  
20–25
- Forecasting, 98–113  
historical data, extrapolation, 102–103  
methodologies, 101–104  
model growth patterns, 105–113  
process, information requirements, 99–100  
S-curves, 113  
surrogate data, 103–104
- Forecasts  
forecast method, 90  
usage, 98–99
- Foreign-Processed Straws, infringements,  
14
- Formlabs, Inc., agreement, 139–140
- Fossil, Inc. *See Romag Fasteners, Inc. v. Fossil,  
Inc.*
- Franchises  
agreements, legal/contractual life, 82  
business/outsider contract, 92
- Freedom Motors, Inc., license grant,  
125–126
- Fresenius Kabi USA, LLC et al. *See  
Pharmacyclics, LLC et al. v. Fresenius  
Kabi USA, LLC et al.*
- Fuel (licensing agreement summaries)  
biofuel feedstock, 137–138  
hydrogen fuel cell vehicle technology,  
138–139
- Full-scale prototype/field trial, operation  
(technology development stage),  
99
- Funds, misappropriation, 172
- Future and Its Enemies, The* (Postrel), 249
- Future economic benefits, usage, 84
- Future volatility, 247
- Galaxy Nutritional Foods, Inc. (GNF), contract,  
169–170
- GarageBand, 68
- Garmacci Apparel (trademark royalty rate),  
164–165
- Garretson* apportionment principles, 8
- Gaylord, Frank, 34
- Gaylord v. United States* (ongoing royalties  
awards), 34–35
- Genentech, Inc., 199–202  
license agreement, 184–186
- Geneware technology, development, 218
- Georgia-Pacific* factors, 7, 8, 23, 24, 41
- GFSI, Inc., license agreement, 161–162
- Gilead Sciences Inc. C.A. *See Idenix  
Pharmaceuticals LLC and Universita  
Degli Studi di Cagliari vs. Gilead  
Sciences Inc.*
- Gilead Sciences, Inc., v. Merck & Co., Inc.* (high  
award case), 57–58
- Girbaud Apparel (trademark royalty rate),  
165–166
- Girbaud Design, Inc., Girbaud Men's Agreement,  
165–166
- GlaxoSmithKline, LLC and Smith Kline Beecham  
(Cork) Ltd. v. Teva Pharmaceuticals  
USA, Inc.*, 54–56
- Glaxo Wellcome Plc, marketing/development  
rights, 198–199
- Global accounting standards, problems, 76
- Godo Kaisha IP Bridge 1 v. TCL Commc'n Tech  
Holdings, Ltd.* (ongoing royalty rate  
case), 6
- Gompertz, Benjamin, 107
- Gompertz curves, 109
- Gompertz Model, 107, 108e, 109

## 256 Index

- Goodwill, Apple payment allocation, 72
- Government infringement
  - additional awards, 35
  - compensation, 36–37
- Government regulation, 241
- GPC Biotech AG, license agreement, 189–190
- Grable, Linda, 143
- Grable, Richard, 141, 143
- Grant Life Sciences, Inc. (GLS), MOU signing, 148–150
- Green<sup>3</sup> Power Operations, Inc., exchange agreement, 152–153
- Grouped intangible assets, 92–93
  - correlative data, 92–93
  - outside influences, 932
- GSK Coreg branded product, purchase, 55
  
- Hampshire Group Ltd., license agreement, 164–165
- Harvoni, sales, 57–58
- Hawaiian Tropic (trademark royalty rate), 174
- Heidenreich, Paul A., 181
- Hepatitis C virus (HCV), treatments, 56
- High-award cases, 45–58
- High royalties
  - awards, 39–40, 58–59
  - cases, examples, 39
- Historical data
  - analysis techniques, conditions, 90–91
  - availability, 103
  - extrapolation, 102–103
- Historical experience, usage, 91
- Historical life analysis, 90–91
- Historical years, election years (contrast), 102
- History, availability, 91
- Hitachi Cable Ltd., nonexclusive license agreement, 128–129
- Hitkansut LLC, et al. v. The United States*, 37
- Holmberg v. The United States and L-3 Communications Corp.*, 36–37
- Honeywell International, Inc., 154–156
- Households, products (spread), 104e
- HuMab-Mice, Medarex usage, 196–197
- Human effort, expense, 101
- Hu, Yao Xiong, 148, 150
- Hybrid Fuel Systems, Inc.
  - license, 123–125
  - per-unit royalties, 117
  
- iBooks Store, 66
- I.C. Isaacs & Company, Inc., Girbaud Men's Agreement, 165–166
- iCloud (Apple product), 69
- Icon Genetics AG, license agreement, 217–218
- Idenix Pharmaceuticals LLC and Universita Degli Studi di Cagliari vs. Gilead Sciences Inc.* (high award case), 56
- Identity verification/management, problems, 136
- iLife (Apple), 68
- Imageware Systems, Inc., asset purchase agreement, 132–133
- Imaging Diagnostic Systems, Inc. (ISDI), CTLM development, 141–144
- Immunotoxin–MDX-RACyc (royalty rate), 196–198
- Imperial Petroleum Recovery Corp., 156–157
- Improvements, absence, 77–79
- Income statements, usage, 63
- Indefinite economic life, 82–83
- Index number calculation, 104
- Individual intangible assets, 93–96
- Individual-unit method, 87
- Inferferon Gamma–1B (royalty rate), 199–202
- Influenza drug (royalty rate), 198–199
- Information
  - collection, indirect observation (usage), 240–241
  - confidentiality, protection, 97
  - improvement, 77
- Infringement, finding, 8
- Infringing products, basis, 20
- Infringing sales only (damage issues case), 19–20
- Inguran, LLC d/b/a Stgenetics, XY, LLC, and Cytonome/St, LLC v. ABS, Global, Inc., Genus PLC and Premium Genetics (UK) Ltd.* (ongoing royalty rate case), 14
  
- Injunction
  - denial, 11
  - granting, 5
- Intangible assets
  - absence, 64
  - Apple, Inc., 71–75
  - change, 94
  - distinctiveness, 92
  - economic life, 82–83, 91–92
  - evaluation, 171
  - generation gap, 95
  - grouped intangible assets, 92–93
  - impact, certainty, 79
  - legal/contractual life, 82

- product/service life, 95–96
- technology, impact, 94–95
- Integrated Micrometallurgical Systems, Inc.,
  - agreement, 129–130
- Intellectual property (IP), 93–96
  - absence, 64
  - absence (Apple), 70–71
  - assets, option models (application), 247
  - change, 94
  - economic life, 82–83, 91–93
  - impact, certainty, 79
  - legal/contractual life, 82
  - product/service life, 95–96
  - technology, impact, 94–95
  - valuation, problem, 102
- Intercardia, worldwide rights, 192, 193
- InterMune, Inc.
  - Actimmune/Amphotec trials, 199–202
  - interferon trials, 199–202
- Interneuron Pharmaceuticals, Inc., 191–192
- Interpersonal communication, impact, 113
- Invalidity defenses, 57
- Invention
  - footprint of invention (apportionment), 20–21
  - future use terms, negotiation, 5
- Investment analysis, corruption, 76–77
- ION Geophysical Corp. *See WesternGeco LLC v. ION Geophysical Corp.*
- iOS (Apple product), 68
- iOS devices, 66, 69
- Iowa Curves, 89
- iPad (Apple product), 66–69
- iPhone (Apple product), 42, 66–69, 79
  - impact, 105e
  - release, 45–46
  - royalty, determination, 48
  - sales, 104
- iPod (Apple product), 66, 69, 70
- IPRA, Inc. (royalty data service), 220
- Itec Environmental Group, Inc., patent license, 154–156
- iTunes Store, 66, 69
  
- JMOL finding, overturning, 55
- Johnson & Johnson, patent infringement, 194–195
- Juno Therapeutics, Inc., Memorial Sloan Kettering Cancer Center, Sloan Kettering Institute for Cancer Research v. Kite Pharma, Inc.* (high royalties case), 43
- KAIST IP US LLC v. Samsung Electronics Co., Ltd.; Samsung Electronics America, Inc.; Samsung Semiconductor, Inc.; Samsung Austin Semiconductor, LLC* (collectively, “Samsung”); *GlobalFoundries Inc. and GlobalFoundries U.S. Inc.* (collectively, “GlobalFoundries”); and *Qualcomm Inc.*, 49–50
- Keynes, John Maynard, 223
- Kikuchi, Masaichi, 158
- King Pharmaceuticals, Inc., alliance, 213–214
- Kite Pharma, Inc. *See Juno Therapeutics, Inc., Memorial Sloan Kettering Cancer Center, Sloan Kettering Institute for Cancer Research v. Kite Pharma, Inc.*
- Knoll, license agreement, 191–193
- Knowhow
  - economic life factor, 97–98
  - transferability, considerations, 97
  - versatility, economic life enhancement, 97–98
- Knoxville v. Knoxville Water Company*, 83–84
- Kohler Co. *See WBIP, LLC v. Kohler Co.*
- ktMINE (royalty data service), 220
  
- Laboratory feasibility, demonstration (technology development stage), 99
- Lanham Act, governance, 33
- Large Scale Biology Corporation (LSBC), license agreement, 217–218
- Last Profit Damages, award (indication), 31–32
- Lau Technologies, Inc., 135–137
- Leases, legal/contractual life, 82
- Lee (trademark royalty rate), 167–168
- Levi Strauss & Co., license, 163–164
- Levi Strauss, debt load reduction, 162–163
- License agreements, legal/contractual life, 82
- License fees, 117–160
  - distribution, 180
  - up-front license fees, percentages, 118
- Lifespan method, 90
- Liquidmetal Korea Co., Ltd. (LMK), licenses, 127–128
- Living cells connective tissue (royalty rate), 202
- Loan agreements, legal/contractual life, 82
- Logic Pro X, 68
- Long-Term Capital Management, founding, 223
- Lost profits (damage issues case), 27–28
- Lubrin (royalty rate), 203

## 258 Index

- Mac* (Apple product), 68  
Mac App Store, 66  
Madison Avenue Capital, per-unit royalties, 117  
Magnum Dor Resources, Inc., license, 157–158  
Maintenance services, contracts, 92  
Malkiel, Burton G., 236  
Malware Analysis Appliance, 21  
MARKETABLES (royalty data service), 220  
Market entry cost, identification, 95  
Market, identification, 95  
Marketing Authorization Application (MAA), 189  
Market shape factor, adjustment, 107  
Market value, 83, 84  
Markov, Andrei A., 236  
Markov chains, 236–240  
    seafarer's aphorism, 240e  
Markov matrix, 239  
Marshall Edwards Pty Ltd., license agreement, 183–184, 188  
Marvell. *See Carnegie Mellon Univ. v. Marvell Tech. Grp.*  
Marvell Tech. Grp. *See Carnegie Mellon Univ. v. Marvell Tech. Grp.*  
Massachusetts Institute of Technology (MIT), license agreement, 202  
Master Franchise Agreement, 176–177  
Mechanical (licensing agreement summaries), 3D printing, 139–140  
Medarex, Inc., license agreement, 196–198  
Medical (licensing agreement summaries)  
    blood purification, 140  
    breast cancer analysis, 141–144  
    burn treatment, 144–145  
    cancer detection, 145–148  
    cervical cancer detection, 148–150  
    syringe disposal, 151–152  
    transcatheter valve technology, 150–151  
Medicines Company, The (license agreement), 194  
Mediscience Technology Corp., patents/contracts, 146–148  
Medtronic, patent litigation settlement, 150–151  
Meineke Discount Mufflers (trademark royalty rate), 172–173  
*Mentor Graphics Corp. v. Eve-USA, Inc.* (damage issues case), 27–28  
Merck & Co., Inc. *See Gilead Sciences, Inc., v. Merck & Co., Inc.*  
    countersuit, 58  
Merck & Co., settlement/license agreement, 186–187  
Meriwether, John, 223  
Merton, Robert C., 223  
Meso Scale Diagnostics LLC. *See Roche Diagnostics Corp. v. Meso Scale Diagnostics LLC.*  
MGI Pharma, Inc., license agreement, 187–188  
Michellamine B/tropical vine leaves (royalty rate), 203  
Mickelson, Inc., royalty agreements, 177–178  
Microorganism detection (royalty rate), 204–205  
Microsoft Corp. *See Amado v. Microsoft Corp.*  
    common stock, pricing, 64  
Microsponge Delivery System (royalty rate), 205  
Migraine relief (royalty rate), 205–206  
Milestone payments, 210  
Model growth patterns, 105–113  
    Bass Model, 112–113, 112e  
    Fisher-Pry Model, 109, 110e  
    Gompertz Model, 107, 108e, 109  
    Pearl-Reed Model, 109, 111e  
Moller International, Inc., VSTOL  
    design/development/manufacture, 125–126  
Moller, Pal S., 125  
Monte Carlo simulation technique, usage, 234  
Monte Carlo techniques, 233–236  
Morgenstern, Oskar, 224  
Mortgages, legal/contractual life, 82  
Motorsports Emporium, Inc., license agreement, 123  
Mullins, David, 223  
Multiple original-group method, 88  
  
Naftolin, Frederick, 147  
Nanomachines, usage, 217–218  
National Cancer Institute USA, letter of intent, 203–204  
Nautica (trademark royalty rate), 167–168  
NeoMetx, 129–130  
Net present value (NPV) calculations, 245–246  
Neuroeconomics, 248  
New Drug Application (NDA), 189, 212, 213  
New Leaf Brands beverage (trademark royalty rate), 170–172  
New products/processes, identification/evaluation, 100  
Nodes, types, 227  
Noncontractual customer/supplier relationships, business/outsider contract, 923  
Norris, Elwood G., 131  
Nortran Pharmaceuticals, Inc., agreement, 211–212  
Novartis, license agreement, 219–220



- Novogen Research Pty Ltd., license agreement, 183–184, 188
- Nutra Evolution, license agreement, 175
- Nutrafuels, Inc., license agreement, 175
- NuVasive, Inc. *See* *Warsaw Orthopedic, Inc. v. NuVasive, Inc.*
- Ongoing royalties, 1–2
  - court awards (cases), 1
  - denial (damage issues case), 32
  - granting, 5
  - rate cases, 15–17
    - considerations, 5–14
    - rate, proposal (market rate basis), 11–12
- Operational use (technology development stage), 99
- Opioid receptors, modulation (royalty rate), 206–207
- Option pricing models, 245–248
- Optis Wireless Tech, LLC., Optis Cellular Tech, LLC, Panoptis Patent Mgmt., LLC., Unwired Planet Int'l., LTD., ("Optis") v. Apple Inc.* (high royalties case), 44
- Organogenesis, Inc., license agreement, 202
- Original group method, 87
  - composite original group method, 88
  - multiple original-group method, 88
- Ortho Pharmaceutical Corp., license agreement, 205
- OSI Restaurant Partners LLC, license agreement, 175–176
- OS X* (Apple product), 68
- Outcomes
  - depiction, 229
  - nodes, 231
- Paice LLC v. Toyota Motor Corp.*, 1–2
- Pain
  - cost, 181
  - management (royalty rate), 207–215
- Pain Therapeutics, Inc., alliance, 213–214
- Panduit* factors, 27–28, 55
- Paracelsian, Inc., license agreement, 195–196
- Parametric Sound Corporation, licensing, 130–131
- Past and present damages, 10–11
- Past only damages, 10–11
- Patent Act of 1952, damages remedy, 46
- Patents
  - claims, breadth, 233
  - damages appeal, 28
  - economic life factor, 96–97
  - infringement, 35–36, 42
  - legal/contractual life, 82
  - owners, damages statute (usage), 40
  - process patents, examples, 96–97
  - smallest salable patent practicing unit (SSPPU), argument, 22
  - validity, challenges, 97
- Pearl-Reed Model, 109, 111e
- Pediatric exclusivity, 23
- Percent-of-revenues royalty schedule, 117
- Perception, effects, 248–249
- Per-unit profit margin, reliance, 29–30
- Per-unit royalties, 116–117
  - examples, 117
  - protection, 117
- Petroalgae, Inc., licenses, 137
- Pfizer, Inc., license, 144–145
- Pharmaceuticals
  - license fees, 180–181
  - distribution, 180
  - royalty rates, 178, 181–220
    - frequency distribution, 179
- Pharmacyclics, LLC et al v. Fresenius Kabi USA, LLC et al.*, 62
- Pharmion Corporation, license agreement, 189–190
- Post-judgment interest, granting, 43
- Postrel, Virginia, 249
- Post-trial decisions, 37
- Post-trial rulings, appeal, 29
- Post-verdict rate, setting, 11–12
- Post-verdict royalties, calculation, 9
- Power Integrations, Inc. v. Fairchild Semiconductor Int'l. Inc., et al.* (high award case), 50–51
- Priority Review (FDA), 213
- Prism Technologies LLC v. Sprint Spectrum L.P.*
  - damage issues case, 25–27
  - patented technology, involvement, 2
- Probability
  - beliefs, revision, 244
  - estimate, sensitivity analysis (usage), 231e
- Process patent, examples, 96–97
- Procter & Gamble Co., patent infringement, 194–195
- Product
  - building block, usage, 93
  - new products/processes,
    - identification/evaluation, 100
    - replacement, development/possibility, 97
    - spread, 104e
- Product life, 95–96

## 260 Index

- Profits, protection, 106
- Progesterone gel (royalty rate), 215–217
- Protection level, identification, 95
- Proteomics technology (royalty rate), 217–218
- Pry, Robert, 107
- Psychiatric/psychotic therapy (royalty rate), 219–220
- Purchase and Collaboration Agreement, 216
  
- Qualcomm, Inc., restrictions, 131–132
  
- Random walk theory, 236–237
- Rationality, limitations, 248–249
- Reasonable and entire compensation, recovery, 36
- Reasonable and non-discriminatory (RAND)
  - commitment, 7–8
  - royalty rate, basis, 8
  - terms, obligations, 7
- Recovery, basis, 36
- Recycle Market Development Zone Loan (RMDZ)
  - Program, matching funds loan, 155
- Regression analysis, usage (example), 103e
- Regulatory agencies, responses, 100
- Renesas Elecs. Am., F/K/A Intersil Corp. *See* *Texas Advanced Optoelectronic v. Renesas Elecs. Am., F/K/A Intersil Corp.*
- Rensselaer Polytechnic Institute (RPI), license agreement, 206–207
- Research Foundation, City University of New York (RFCUNY), contracts/patents, 146–148
- Research, SFAS 2 definition, 72
- Retirement rate, calculation, 88
- Return on equity (ROE),
  - comparison, 77e
- Richardson-Vicks, damages, 194–195
- Rick Smith Enterprises, royalty agreements, 177–178
- Risk, 221
  - accounting, 232–233
  - aversion, 249
  - term, reference, 222
  - uncertainty, contrast, 222–224
- Roaring Water Bay Company Ltd., The (license agreement), 168
- Roberts Laboratories, Inc., license agreement, 208–210
- Robert Trent Jones (trademark royalty rate), 161–162
- Robinson, Sue, 195
  
- Roche Diagnostics Corp. v. Meso Scale Diagnostics LLC.* (high award case), 56–57
- Romag Fasteners, Inc. v. Fossil, Inc.* (ongoing royalties awards), 33
- Royalties, 1–5
  - agreements, arm’s-length, 32
  - data, services, 220
  - escrow royalties, 3
  - ongoing royalties, 1–2
  - payments, profit portion basis (rarity), 180
  - percent-of-revenues royalty schedule, 117
  - per-unit royalties, 116–117
  - post-verdict royalties, calculation, 9
  - sunset royalties, 3–5
- Royalty Range (royalty data service), 220
- Royalty rates
  - 15% level, rarity, 115–116
  - data, 115
  - frequency distribution, 179
  - prejudgment interest, 51
  - reasonableness, 29
  - technology royalty rates, 115
  - trademarks, 160–178
- Royalty Rates for Technology* (IPRA), 115, 116, 160
  - license deals, reports, 117–118
- RoyaltySource (royalty data service), 220
- RoyaltyStat (royalty data service), 220
- Running royalty ongoing sales/usage (damage issues case), 29–30
  
- Sales revenue, 101
- Samsung Elecs. Co. *See* *Summit 6, LLC v. Samsung Elecs. Co.*
- Samsung Electronics Co. Ltd., et al. *See* *Apple, Inc. v. Samsung Electronics Co. Ltd., et al.; KAIST IP US LLC v. Samsung Electronics Co., Ltd.*
  - ex parte* reexamination proceedings, Samsung request, 49–50
- Samsung Saga. *See* *Apple v. Samsung Saga*
- Sara Lee Corporation, license agreement, 161–162
- Saudi Imperial, license/rights, 156–157
- Scholes, Myron, 223, 246
- Schwartz, Allan, 143
- Scientific findings (technology development stage), 99

- S-curves, 105, 113  
 Bass Model, 112–113, 112e  
 Fisher-Pry Model, 109, 110e  
 Gompertz Model, 107, 108e, 109  
 Pearl-Reed Model, 109, 111e  
 reverse-S shape, 86  
 sheer-dropoff cliff, absence, 107
- Seafarer's aphorism, 239–240  
 Markov chain, 240e  
 matrix, 239e
- Sea Water Technologies, Inc., license agreement, 204–205
- Secret self-dealing, 172
- Selection, label, 226
- Sensitivity analysis  
 P solution, 232e  
 usage, 231e
- Serenity Pharmaceuticals, LLC, et al. *See Ferring Pharmaceuticals Inc., et al. v. Serenity Pharmaceuticals, LLC, et al.*
- ServerTech, Inc. v. Am. Power Conversion Corp.* (ongoing royalty rate case), 8
- Service life, 95–96
- Settlement Agreements (damage issues case), 25–27
- Shadow pricing, usage, 240–241
- Sheer-dropoff cliff, absence, 107
- Sigmoidal growth curve, 106e
- Sigmoidal curves, 105
- Simulated plant-balance method, 89
- Single-purchase model, 112–113
- Siri, 67
- Smallest salable patent practicing unit (SSPPU), argument, 22
- Small Tactical Optical Rifle Mounted Micro-Laser Range Finder (STORM-mLRF), manufacture, 37
- Societal behavior, effect (technology development stage), 99
- SOCRATES technology, 119
- Sole Assets Holdings, Inc., license agreement, 164–165
- Solvadi, sales, 57–58
- Sonic Corp. (trademark royalty rate), 173–174
- S&P 500 value components, 64e
- Spreelast, license, 157–158
- Sprint Comm'n Co. LP v. Time Warner Cable, Inc., Time Warner Cable, LLC Time Warner Entertainment-Advance/Newhouse Partnership, TWC Communications, LLC, Time Warner Cable Information Services*, 48
- Sprint Spectrum L.P. *See Prism Technologies LLC v. Sprint Spectrum L.P.*  
 lawsuit, 25
- Statistical Analysis of Industrial Property Retirements* (Bulletin 125), 84–85
- Stokes-Shift patent, issuance, 147
- Straight-line extrapolation, 113
- Stryker Corp. *See Zimmer, Inc., Zimmer Surgical, Inc. v. Stryker Corp. Stryker Puerto Rico, Ltd., Stryker Sales Corp.*
- Subjective elements, analysis, 93
- Subscriptions  
 business/outsider contract, 92  
 legal/contractual life, 72
- Substitution model of technological change, 109
- Sue-or-settle decision, 224, 228–229
- Summit 6, LLC v. Samsung Elecs. Co.* (damage issues case), 32
- Sunice (trademark royalty rate), 161–162
- Sunset royalties, 3–5
- SuperGen, Inc., license agreement, 187–188
- Supplemental damages, denial, 32
- Supply/distribution contracts, 82
- Surrogate data, usage, 103–104
- Surrogate growth patterns, usage, 103–104
- Survival patterns, study, 87
- Survivor curve  
 analysis, 91  
 derivation, 88  
 example, 86e  
 methods, 85–90  
 types, 89
- Synopsis, patent assertion, 27
- Takeda Pharmaceutical Company Ltd., agreement, 214–215
- Tanning Research Laboratories, Inc., license agreement, 174
- Tapout XT Nutraceutical (trademark royalty rate), 175
- TCL Commc'n Tech Holdings, Ltd. *See Godo Kaisha IP Bridge 1 v. TCL Commc'n Tech Holdings, Ltd.*
- Technical research and development, management assistance, 99
- Technological change, substitution model, 109
- Technology  
 adoption (technology development stage), 99  
 biotechnology  
 royalty rates, 178, 181–220  
 summary information, 182

## 262 Index

- Technology (*Continued*)  
development stages, 99  
economic life, 98–113  
forecasting process  
    information requirements, 99–100  
    questions, 100  
future, analysis, 98  
impact, 94–95  
market size, 234  
present value, evaluation, 99  
proliferation/diffusion (technology  
    development stage), 99  
proteomics technology (royalty rate), 217–218  
regulatory approval, 234  
replacement rates, projections, 99  
royalty rates, 115–160  
    frequency, 116e  
    license fees, 117  
    per-unit royalties, 116–117  
scalability, 234  
value, variables (identification), 233–234, 234e  
viability, uncertainties, 245
- Teknik Digital Arts, Inc., royalty agreements,  
177–178
- Telcordia Techs., Inc. v. Cisco Sys., Inc.* (ongoing  
royalty rate case), 10–12
- Teva Pharmaceuticals USA, Inc. *See*  
*GlaxoSmithKline, LLC and Smith  
Kline Beecham (Cork) Ltd.*
- Texas Advanced Optoelectronic v. Renesas Elecs.  
Am., F/K/A Intersil Corp.* (ongoing  
royalties awards), 33–34
- Third-party creditors, Beats debt, 71
- Three-brand market  
brand loyalty, 238e  
switching customers, percentage, 238e  
uncertainty, 238–239
- THICM technology, 119
- Time Warner. *See Sprint Comm'n Co. LP v. Time  
Warner Cable, Inc., Time Warner  
Cable, LLC Time Warner  
Entertainment-Advance/Newhouse  
Partnership, TWC Communications,  
LLC, Time Warner Cable Information  
Services*
- Titan Pharmaceuticals, Inc., license agreement,  
219–220
- Touch ID, 67
- Toyota Motor Corp. *See Paice LLC v. Toyota  
Motor Corp.*
- Toyota Motors, innovation (collaboration),  
138–139
- Trademarks, 237  
legal/contractual life, 82  
ongoing royalties awards, 33  
royalty rates, 160–178  
    frequency, 160e
- Trade secrets  
economic life factor, 97–98  
ongoing royalties awards, 33–34  
transferability, considerations, 97
- Trans Digital Technologies Corporation (TDT),  
Viisage acquisition, 136–137
- Transplant Acquisition, Inc., license fees, 118
- Trial offer, rejection value (calculation), 229e
- Trials  
all remote trial, usage, 62  
all-virtual platform, usage, 61
- Triggering event, occurrence, 171
- Trilling Medical Technologies, Inc.,  
144–145
- True-up payments, 31
- Turnover method, 89  
data, augmentation, 93
- tvOS (Apple product), 66, 68
- Uncertainty, 221, 231  
labels, 226  
node  
    addition, 228e  
    value, calculation, 230e  
risk, contrast, 222–224  
term, application, 222–223
- UNICORN technology, 119–120  
acquisition, 121
- United Services Automobile Ass'n., v. Wells  
 Fargo Bank N.A.* (high royalties case),  
44–45
- United States (lawsuit). *See Gaylord v. United  
States; Hitkansut LLC, et al. v. The  
United States*
- United States and L-3 Communications Corp. *See  
Holmberg v. The United States and L-3  
Communications Corp.*
- United States Automobile Association  
(USAA), complaint (filing),  
44–45
- University of New Brunswick, agreement,  
133–134
- University of South Florida, license agreement,  
204–205
- University of Yaounde (Cameroon), letter of  
intent, 203–204

- Unmanned air vehicles (UAVs)
  - collision avoidance technology, 119–120
  - UNICORN technology, usage, 120
  - usage, 121
- Up-front license fees, percentages, 118
- Upjohn Company, patent infringement, 194–195
- Upsher-Smith Laboratories, Inc., 203
  
- Valuation
  - efforts, 99
  - process, 221
- Value (measurement), future economic benefits (usage), 84
- Vans (trademark royalty rate), 167–168
- Variables
  - outcomes, 235e
- Variables, usage/examples, 233–234, 234e
- Verizon Commcn's, Inc. *See ActiveVideo Networks, Inc. v. Verizon Commcn's, Inc.*
- Vernalis PLC, license agreement, 205–206
- V.F. Corporation, licensing agreements, 167–168
- Video games—golf (trademark royalty rate), 177–178
- Viisage Technology, Inc., formation/transactions, 135–137
- VirneteX Inc. v. Apple Inc.* (high royalties case), 41–42
- Virtual private networks (VPN), patents infringement, 42
- VMWare, Inc. *See Cirba Inc. d/b/a Densify and Cirba IP, Inc. (collectively "Densify") v. VMWare, Inc.*
- Vocel, Inc., 132–133
- VoIP subscribers, damages assessment, 48–49
- von Neumann, John, 224
  
- Warsaw Orthopedic, Inc. v. NuVasive, Inc.* (damage issues case), 31–32
- Waste management (licensing agreement summaries)
  - oil sludge remediation, 154–157
  - rubber recycling, 157–158
  - toxic waste furnaces, 158–160
  - waste to energy conversion, 152–153
- watchOS* (Apple product), 68
- Water, microorganism detection (royalty rate), 204–205
- Watson Pharmaceuticals, Inc.,
  - Purchase and Collaboration Agreement, 215–217
- WBIP, LLC v. Kohler Co.* (ongoing royalty rate case), 13–14
- WebPulse service, 21–22
- Wells Fargo Bank, N.A. *See United Services Automobile Ass'n., v. Wells Fargo Bank N.A.*
- WesternGeco LLC v. ION Geophysical Corp.* (damage issues case), 19, 51
- Whelan Environmental Services, Ltd., per-unit royalties, 117
- WhitServe LLC v. Computer Packages, Inc.* (ongoing royalty rate case), 5–6
- Wisconsin Alumni Research Foundation v. Apple Inc.* (high award case), 47–48
- Worldwide sales, damage issues case, 19–32
- Wrangler Apparel (trademark royalty rate), 167–168
- Wrigley Company, royalties payment, 169
  
- XenoPort, Inc., license agreement, 212–213
  
- ZeBu emulators, infringement, 28
- Zimmer, Inc., Zimmer Surgical, Inc. v. Stryker Corp. Stryker Puerto Rico, Ltd., Stryker Sales Corp.* (high award case), 57
- ZN Vision Technologies AG, Viisage acquisition, 136
- Zoom, usage, 61

