

Glossary

In order to develop a coherent system for best practices in intellectual property management, the various *terms of art* commonly used must be clearly and unambiguously defined, such that they are standardized and universally understood to have the same meaning. In this glossary we have attempted to present precise, accurate definitions for important, commonly used terms in the fields of technology transfer and IP management. We hope that providing such definitions will make possible clear, transparent communication and thereby lead to increased mutual understanding between technology transfer professionals, IP managers, researchers, investors, and entrepreneurs involved in the business of promoting innovation. Clear communication that promotes increased understanding will be particularly important in international contexts. For the use of specific definitions in agreements, readers should also consult their institution's legal advisors. While some areas of law are fairly uniform throughout the world, language differs significantly from country to country, and even within countries, for some areas of law.

The definitions contained in the glossary are derived, in part, from McCarthy's Desk Encyclopedia of Intellectual Property.¹ In addition to this glossary, the reader is encouraged to refer, for expanded definitions and additional terms, to online intellectual property glossaries, including those found on the following Web sites:

- World Intellectual Property Organization: www.wipo.int/tk/en/glossary/index.html.
- U.S. Patent and Trademark Office: www.uspto.gov/main/glossary/index.html.
- U.S. Department of State: usinfo.state.gov/products/pubs/intelprp/glossary.htm.

assignment

A transfer of intellectual property (IP) rights. An assignment of a patent, for example, is a transfer of sufficient rights so that the recipient has title to the patent. An assignment can be a transfer of all rights of exclusivity in the patent, a transfer of an undivided portion (for example, a 50 percent interest), or a transfer of all rights within a specified location (for example, a certain area of the United States). Anything less is considered to be a license transfer, rather than a patent transfer.

Bayh-Dole Act of 1980

The U.S. Bayh-Dole Act (P.L. 96-517, 94 Stat. 3015, codified at 35 U.S.C. §§ 200–211) allows universities, not-for-profit organizations, and small businesses to retain certain IP rights related to inventions made via federally supported R&D. Serving as the statutory foundation facilitating federally supported R&D technology transfer, the Act was designed to promote commercialization of innovations arising from such R&D through cooperation between the research community, industry, and state and local governments.

MIHR/PIpra. 2007. Glossary. In *Intellectual Property Management in Health and Agricultural Innovation: A Handbook of Best Practices* (eds. A Krattiger, RT Mahoney, L Nelsen, et al.). MIHR: Oxford, U.K., and PIpra: Davis, U.S.A. Available online at www.ipHandbook.org.

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Berne Convention

A major multinational copyright treaty, with nearly 150 members. There are five main points to the Berne Convention: (1) national treatment, that is, nondiscrimination with respect to foreign authors and copyright owners; (2) no formalities, that is, copyright is automatically granted and is not conditioned on formalities such as registration or notice; (3) minimum duration of copyright; (4) moral rights provided to authors under the national laws of member nations; and (5) copyright protection independent of whether such protection exists in the country of origin.

best mode

A condition for the grant of a patent, found in the patent specification. An inventor must describe and disclose the best method he or she knows for carrying out the invention.

biotechnology

The use of biological methods (often genetic engineering and related advanced-molecular-biology applications) to produce products, processes, and related services. Generally, these are patentable under U.S. patent law.

claims

The section of the patent that defines an invention (the technology that is the exclusive property of the patentee for the duration of the patent) and is legally enforceable; that is, the claims set the metes and bounds of the patent rights. The patent specification must conclude with a claim, particularly pointing out and distinctly claiming the subject matter that the applicant regards as the invention or discovery. The claim or claims are interpreted as set forth in the specification: the terms and phrases used in the claims must be sufficiently described in the specification, that is, patent claims must read in the light of the specification. The specification discloses and the claims define the invention.

commercialization

The process of taking an invention or discovery to the marketplace. It involves working the idea into a business plan, consideration of protection options, and determining how to market and distribute the finished product.

compulsory license

A license granted by the state upon request to a third party that, through the license, is permitted to exploit a patented invention after the owner of the patent has refused to provide a voluntary license under acceptable conditions.

confidential disclosure agreement

See **confidentiality agreement**.

confidentiality agreement (nondisclosure agreement, confidential disclosure agreement)

A legal document through which intellectual property can be disclosed by one party to another wherein the latter party is permitted to use the information for certain purposes, and only those purposes, that are stated in the agreement and agrees not to disclose the information to others.

continuation

A second patent application containing a disclosure identical to one in a previous (parent or grandparent) application filed by the same applicant as the original application, while the original application is still pending, and that is entitled to the filing (priority) date of the original application.

continuation-in-part

A second patent application containing a disclosure identical to one in a previous (parent or grandparent) application filed by the same applicant as the original application, but, in contrast to the continuation application, also contains new matter not found in the original application. Hence, whereas claims that rely on matter in the parent application are entitled to the original filing date priority, claims that rely on any new matter are entitled only to the later continuation-in-part application filing date.

contributory infringement

An indirect infringement of IP rights in which people, or organizations, contribute to a direct act of infringement by another (in order to aid or abet the act of infringement), for example, knowingly selling an article that is used solely to practice a patented process or to manufacture a patented product.

copyright

An exclusive right conferred by the government on the creator of a work to bar others from reproducing, adapting, distributing to the public, performing in public, or publicly displaying said work. Copyright does not protect an abstract idea; it protects only the concrete expression of an idea. In order to obtain copyright protection, a work must have originality and some modicum of creativity.

Convention on Biological Diversity

An international agreement articulated at the 1992 Earth Summit in Rio de Janeiro, the Convention seeks to establish a comprehensive strategy for sustainable development, setting out commitments for maintaining the world's ecological underpinnings in light of increasing business and economic development. The Convention established three main goals: the conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of the benefits from the use of genetic resources.

cross licensing

A legal agreement in which two or more parties that have potentially conflicting patent claims, or other conflicting IP rights, reach an agreement to share the IP rights in question through a reciprocal licensing arrangement.

dependent claim

A claim in a patent that refers back to a previous claim and defines an invention that is narrower in scope than that in the previous claim. A dependent claim is written in such a way as to be more restricting than the technology defined in the previous claim (often an independent claim).

descriptive mark

A word, picture, or other symbol that describes some quality or trait of a product or service, such as the purpose, size, color, class of users, or end effect on users. A descriptive term is not considered to be inherently distinctive; to establish validity of a descriptive mark for registration or protection in court, proof of acquired distinctiveness of the mark is needed. This acquired distinctiveness confers secondary meaning. For example, “Kentucky Fried Chicken” a mark that originally was descriptive, subsequently acquired secondary meaning as a trademark for a distinctive type of commercial food product.

design patent

A government grant of exclusive rights in a novel, non-obvious, and ornamental industrial design. A design patent confers the right to exclude others from making, using, or selling designs that closely resemble the patented design. A design patent covers the ornamental aspects of a design; its functional aspects are covered by a utility patent. A design patent and a utility patent can cover different aspects of the same article.

differential pricing (tiered pricing)

The practice of setting different prices for different markets—typically higher prices in richer markets and lower prices in poorer markets.

disclosure of origin

A requirement imposed on patent applicants to disclose in patent applications the geographic origin of biological material on which the invention (subject of the patent application) is based.

divisional patent application

A patent application that is carved out of a parent application, such that the parent application is divided into one or more divisional patent applications. Divisional applications are entitled to the original filing-date priority of the parent application.

due diligence

Investigations undertaken to assess the ownership and scope of one or more IP rights that are being sold, licensed or used as collateral in a transaction. This is done in order to identify business and legal risks associated with the IP rights being analyzed.

duration

The term, or length of time that an IP right lasts. A U.S. utility patent on an invention, for example, has a duration of 20 years from the date on which the patent application was filed, as does a plant patent. The duration of a U.S. copyright is usually the life of the author plus 70 years (for works created after January 1, 1978). Protection of information as a trade secret lasts as long as the information remains secret. Duration of a trademark continues as long as it is used (as a source indicator) and properly maintained/protected.

examination. *See patent examination.*

exclusive license agreement

A legal document licensing intellectual property to another party for its exclusive use. Exclusively licensed patent rights cannot, within the scope or field of the exclusive license, be subsequently or simultaneously licensed to any other party.

field-of-use restriction

A provision in an IP license that restricts use of the licensed intellectual property by the licensee to only in a defined product or service market.

first to file

A rule under which patent priority is determined. The rule gives priority to the party that first files a patent application for an invention, rather than to the party that is first to invent. First to file is followed by almost every nation in the world except the United States. For trademarks, priority between conflicting applications to register a trademark is handled by publishing the application with the earliest filing date for possible opposition by the applicant with a later filing date. In the United States, ownership of a trademark is determined by who was first to use it, not by who was first to file an application for registration. However, under the intent-to-use system, an application for registration can be filed prior to actual use of a mark.

first to invent

A rule under which patent priority is determined by which inventor was the first to actually invent, rather than by who was the first to file a patent application. This is the rule followed in the United States. *Compare to first to file.*

freedom to operate

The ability to undertake research and/or commercial development of a product without infringing the unlicensed intellectual or tangible property rights of others.

functionality

That aspect of design that makes a product work better for its intended purpose, as opposed to making the product look better or to identify its commercial source.

Indigenous Cultural and IP Rights

Indigenous Cultural and IP Rights refers to the rights to a heritage, that is, to the objects, sites, knowledge, and methods of transmission of communities that have traditionally been defined by the social ownership of knowledge. This right privileges customary law over modern law. Heritage includes all aspects of culture (art, music, dance, literature, and so on), indigenous knowledge (medicinal, nutritional), and land management practices. There are numerous attempts today to give legal substance and scientific validity to indigenous knowledge. Article 29 of the Draft Declaration of the Rights of World Indigenous People states that “[i]ndigenous people are entitled to the recognition of full ownership, control and protection of their cultural and intellectual property.”

industrial property

Industrial property is a subset of intellectual property, referring to those types of intellectual property that have an industrial application. Specifically, it refers to patents, trademarks, designs, mask works, and plant breeders' rights.

infringement

An invasion of an exclusive right of intellectual property. Infringement of a utility patent includes making, using, or selling a patented product or process without permission. Infringement of a design patent involves fabrication of a design that, to the ordinary observer, is substantially the same as an existing design, where the resemblance is intended to induce the observer to purchase one thing supposing it to be another. Infringement of a trademark consists of the unauthorized use or imitation of a mark that is the property of another in order to deceive, confuse, or mislead others. Infringement of a copyright involves reproducing, adapting, distributing, performing in public, or displaying in public the copyrighted work of someone else.

intellectual property (IP)

Creative ideas and expressions of the human mind that have commercial value and are entitled to the legal protection of a property right. The major legal mechanisms for protecting intellectual property are copyrights, patents, and trademarks. IP rights enable owners to select who may access and use their intellectual property and to protect it from unauthorized use.

international patent application

Refer to Patent Cooperation Treaty (PCT).

intellectual property management

The means by which an institutionally owned IP portfolio is managed with regard to marketing, patenting, licensing, and administration.

invention

The creation of a new technical idea and of the physical embodiment of the idea or the means to accomplish it. To be patentable, an invention must be novel, must have utility, and would not have been obvious to those possessing ordinary skill in the particular art of the invention.

inventive step (nonobviousness)

A condition for patentability, which means that the invention would not be obvious to someone with knowledge and experience in the technological field of the invention. According to the European Patent Convention, “*An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the art.*”

joint inventors

Two or more inventors of a single invention who work together during the inventive process.

know-how

Information that enables a person to accomplish a particular task or to operate a particular device or process. *Refer to trade secret.*

license

A grant of permission to use an IP right within a defined time, context, market line, or territory. There are important distinctions between exclusive licenses and nonexclusive licenses. An exclusive license is “exclusive” as to a defined scope, that is, the license might not be the only license granted for a particular IP asset, as there might be many possible fields and scopes of use that can also be subject to exclusive licensing. In giving an exclusive license, the licensor promises that he or she will not grant other licenses of the same rights within the same scope or field covered by the exclusive license. The owner of IP rights may also grant any number of nonexclusive licenses covering rights within a defined scope. A patent license is a transfer of rights that does not amount to an assignment of the patent. A trademark or service mark can be validly licensed only if the licensor controls the nature and quality of the goods or services sold by the licensee under the licensed mark. Under copyright law, an exclusive licensee is the owner of a particular right of copyright, and he or she may sue for infringement of the licensed right. There is never more than a single copyright in a work regardless of the owner's exclusive license of various rights to different persons.

licensee

A party obtaining rights under a license agreement.

licensor

A party granting rights under a license agreement.

license out

The process by which one person, company, or institution extends to another person, company, or institution permission to use the former's intellectual property.

license in

The process by which a person, company, or institution obtains permission to use the intellectual property owned by someone else.

material transfer agreement (MTA)

A contract between the owner of a tangible material and a party seeking the right to use the material for research or other assessment purposes. The material may be either patented or unpatented. Material transfer agreements tend to be shorter than license agreements. The purpose of an MTA is to document the transfer the material and outline the terms of use, including identification of the research or assessment project, terms of confidentiality, publication, and liability.

maintenance fees

Fees for maintaining in force a patent. The fees typically have to be paid at irregular intervals, depending on the jurisdiction, and significantly increase over time.

notice

A formal sign or notification attached to items that embody or reproduce an intellectual property asset—for example, the presence of the word *patent* or its abbreviation, *pat.*, together with the patent number, on a patented article made by a patent holder or his/her licensees. The formal statutory notice of U.S. trademark registration is the letter *R* inside a circle: ®, *Reg. U.S. Pat. & Tm. Off.*, or *Registered in U.S. Patent and Trademark Office*. Many firms use informal trademark notices, such as *Brand, TM, Trademark, SM, or Service Mark*, adjacent to words or other symbols considered to be protectable marks. Notice of copyright consists of the letter *C* in a circle symbol: © or the word *Copr.* or *Copyright*, the copyright owner's name, and the year of first publication.

nonassignable

A condition whereby a licensing agreement and/or the rights, obligations, and terms thereof may not be assigned to any party who is not a signatory to the agreement.

nondisclosure agreement

See **confidentiality agreement**.

nonexclusive license

A license under which rights are granted to the licensee but not exclusively to that licensee; the licensor reserves the right to give the same or similar rights to use the licensed materials to other parties.

nonobviousness

One of three conditions an invention must meet to be patentable. See also *inventive step*.

nontransferable

The licensing agreement and/or the rights, obligations, and terms thereof that may not be sold, given, assigned, or otherwise conveyed to any party who is not a signatory to the agreement.

novelty

One of three conditions an invention must meet to be patentable.

obviousness

A condition of an invention that makes it ineligible to receive a valid patent; the condition of an invention whereby a person with ordinary skill in a field of technology can readily deduce it from publicly available information (prior art). See also *ordinary skill in the art*.

ordinary skill in the art

The level of technical knowledge, experience, and expertise possessed by the ordinary engineer, scientist, or designer in a technology that is relevant to an invention.

Paris Convention

The main international treaty governing patents, trademarks, and unfair competition. The Convention is administered by the World Intellectual Property Organization (WIPO) and has four principal provisions: (1) national treatment for all seeking protection of IP rights, whether foreign or nationals; (2) minimum level of protection; (3) Convention priority, with a specified time (12 months for patents, six months for trademarks) for applications to be filed in other member nations; and (4) administrative framework within the Paris Union.

patent (U.S.)

A grant by the federal government to an inventor of the right to exclude others from making, using, or selling his or her invention. There are three kinds of patents in the United States: a standard utility patent on the functional aspects of products and processes; a design patent on the ornamental design of useful objects; and a plant patent on a new variety of a living plant. Patents do not protect ideas, only structures and methods that apply technological concepts. Each type of patent confers the right to exclude others from a precisely defined scope of technology, industrial design, or plant variety. In return for the right to exclude, an inventor must fully disclose

the details of the invention to the public so that others can understand it and use it to further develop the technology. Once the patent expires, the public is entitled to make and use the invention and is entitled to a full and complete disclosure of how to do so.

patent application

A technical document that describes in detail an invention for which a patent is sought.

patent examination

A process of review of a patent application, undertaken by a patent examiner, to determine whether the application complies with all statutory requirements for patentability. The examination process reviews prior art to ensure novelty, along with determining compliance with other statutory requirements, rules, and matters of procedure and form.

Patent Cooperation Treaty (PCT)

An international treaty that provides a mechanism through which an applicant can file a single application that, when certain requirements have been fulfilled, may then be pursued as a regular national filing in any of the PCT member nations. There are currently more than 120 PCT member nations.

patent pooling

A patent pool is an agreement between two or more patent owners to license one or more of their patents to one another or to third parties. A patent pool allows interested parties to gather all the necessary tools to practice a certain technology.

patent searching

A process carried out by the patent examiner for checking the novelty of a patent application. The subsequent patent research report lists published items comprising both patent and nonpatent literature relevant to the subject of the invention.

plant breeders' rights

Plant breeder's rights are used to protect new varieties of plants by giving exclusive commercial rights to market a new variety or its reproductive material.

plant patent

In the United States, the Plant Patent Act of 1930 provides a grant of exclusive IP rights to applicants who have invented or discovered a new asexually propagated variety of plant. Tuberous plants are not covered by plant patents.

plant variety protection (PVP)

A form of patent-like protection for sexually propagated plants, as well as hybrids, tubers, and harvested plant parts. The Plant Variety Protection Act of 1970 is administered by the U.S. Department of Agriculture and

not the U.S. Patent and Trademark Office (which does issue plant patents).

prior art

The existing body of technological information against which an invention is judged in order to determine whether it is novel and nonobvious and can thus be patented.

prior informed consent

The consent given by a party with respect to an activity after being fully informed of all material facts relating to that activity. The Convention for Biological Diversity requires that access to genetic resources shall be subject to the prior informed consent of the country providing the resources.

priority date

The date of the first filing of a patent application that describes an invention in detail. Priority date, as well as patentability, with respect to novelty of invention, is determined in light of any relevant prior art existing at the time of filing. In other words, depending on the specific jurisdiction, if the invention was known or published previous to the priority date, the applicant will be unable to obtain a patent.

provisional application

A provisional application is a document in patent actions that serves to establish an early priority date of an invention. A provisional application will not mature into a regular application, and does not form the basis of a grant of a patent. It is a document that precedes the complete application upon which the grant is based. A provisional application establishes a priority date for disclosure of the details of an invention and allows a period of up to 12 months for development and refinement of the invention before the patent claims take their final form in a complete, regular patent application.

process claim

A claim of a patent that covers the method by which an invention is performed by defining the steps to be followed. This differs from a product claim or an apparatus claim, which covers the structure of a product.

product-by-process claim

A patent claim through which a product is claimed by defining the process by which it is made. The product-by-process form of claim is most often used to define new chemical compounds, since many new chemicals, drugs, and pharmaceuticals can practically be defined only by describing the process of making them.

public domain

The status of an invention, creative work, commercial symbol, or any other creation that is not protected by some form of IP right. Items that have been determined

to be in the public domain are available for copying and use by anyone.

reduction to practice

The physical part of the inventive process that completes and ends the process of invention by demonstrating that the invention has a practical application. Reduction to practice can be carried out either by the actual construction of an apparatus, by performing the steps in a process, or by formally filing a patent application (constructive reduction to practice).

research tools

The term *research tool* includes the full range of tools that scientists may use in the laboratory, including cell lines, monoclonal antibodies, reagents, animal models, growth factors, combinatorial chemistry and DNA libraries, clones and cloning tools (such as PCR), methods, and laboratory equipment and machines.² There is concern about the patenting of research tools, because such patents may inhibit the free undertaking of research.

royalty

Income derived from the sale or use of a licensed product or process.

tiered pricing

See *differential pricing*.

trademark

(1) A word, slogan, design, picture, or other symbol used to identify and distinguish goods. (2) Any identifying symbol, including a word, design, or shape of a product or container, that qualifies for legal status as a trademark, service mark, collective mark, certification mark, trade name, or trade dress. Trademarks identify one seller's goods and distinguish them from goods sold by others. They signify that all goods bearing the mark come from, or are controlled by, a single source and are of an equal level of quality. And they advertise, promote, and generally assist in selling goods. A trademark is infringed by another if the second use causes confusion of source, affiliation, connection, or sponsorship.

trade secret

Business information that is the subject of reasonable efforts to preserve confidentiality and has value because it is not generally known in the corresponding trade. Such confidential information is protected against those who gain access to it through improper methods or by a breach of confidence. Misappropriation of a trade secret is a type of unfair competition.

traditional knowledge

Tradition-based creations, innovations, literary, artistic or scientific works, performances and designs originating from or associated with a particular people or territory.

Trade-Related Aspects of Intellectual Property Rights (TRIPS)

An international agreement that was initiated under the forerunner of the World Trade Organization (WTO), the General Agreement on Tariffs and Trade (GATT), under the Uruguay round of trade negotiations. The TRIPS Agreement is the most comprehensive multilateral agreement on Intellectual Property covering all IP instruments. It was the first IP rights accord to legitimize the patenting of living organisms. TRIPS provides the guidelines for the harmonization of IP rights laws under the WTO. All WTO member countries have substantive TRIPS obligations.

unfair competition

Commercial conduct that the law views as unjust, providing a civil claim against a person who has been injured by the conduct. Trademark infringement has long been considered to be unfair competition. Other recognized legal categories of unfair competition are false advertising, trade libel, misappropriation of a trade secret, infringement of the right of publicity, and misappropriation.

UPOV (the Convention of the International Union for the Protection of New Varieties of Plants)

An international treaty that guarantees to plant breeders in member nations national treatment and a right of priority. National plant variety protection statutes of member nations are brought into harmonization with the various UPOV provisions, for example, the requirements of distinctness, uniformity, stability, and novelty for new crop varieties.

utility

The usefulness of a patented invention. To be patentable an invention must operate and be capable of use, and it must perform some "useful" function for society. ■

1 McCarthy JT, RE Schechter and DJ Franklyn. 1995 and 2004. *McCarthy's Desk Encyclopedia of Intellectual Property*, 2nd and 3rd editions. The Bureau of National Affairs: Washington, DC.

2 From NIH Research Tools Guidelines. ott.od.nih.gov/policy/rt_guide.html.