Dear Members of the Licensing Executives Society International,

On April 23, 2017, I formally took over the Presidency of our wonderful Society from my predecessor Ms. Patricia Bunye from the Philippines. Patricia served LESI as President with great enthusiasm, sympathy, and the typical Asian energy. For her restless efforts to promote the society, and for her friendship, I am cordially saying, “Thank you, Patricia!”

At the same time, it is also my privilege to say “Thank you” to the outgoing Board, the various Committee Chairs and Vice-Chairs, the LES Secretariat, and the Organizing Committee for the LESI Conference in Paris, which was a highlight of the past society year. You will appreciate that LES is a volunteer organization, which works only if all involved persons act together with the typical LES spirit: Well done, my friends, and thank you again!

The theme of my Society year will be “Strong IP Drives the Bottom Line.” With this theme, we want to address the fact that the IP System worldwide is under an ongoing pressure driven by various organizations and individuals. We want to collect and present carefully investigated IP success stories evidencing the role and the value of IP in our knowledge society. I ask you all, members, national society officers and LES Committees to help in the collection of such IP success stories!

During the up-coming year, LESI will continue to support its national societies. In this respect, we will continue to work on a “Best Practices Manual” for our national societies, in which we will share certain “recipes” for how to make societies successful in increasing membership.

Long live LES!

Peter K. Hess, President of LES International
LES Benelux Licensing Course: A Review Of Two Decades Of Knowledge Transfer

By William E. Bird

The Early Years

The first LES Benelux Licensing Course was held in 1998 and similar courses were held in 2001 and 2003. These courses were designed to go through the whole of the licensing process in two days. The courses consisted of experienced speakers on a range of subjects such as patent, trademark and copyright protection and litigation, biotech licensing, European licensing law, asset management, commercial aspects of innovation, tax implications, as well as license contract drafting. The 2001 course, which was supported by the University of Leuven R&D and Leuven Inc., had internationally known speakers and was remarkable for the interest in the course which was much higher than expected. There were requests from 65 would-be participants, but many potential participants had to be disappointed. Therefore, it was decided to compile a professional video of the course. The tapes of the 2001 course have been sold together with the Working Papers of the course to interested LES members all over the world.

Course Re-Design

In 2005, the author of the present article (under the leadership of Allen Norris, LES Benelux, Past-President) devised and introduced a half-day negotiation case study on the morning of the second day. This popular part of the course involves a three party negotiation of a licensing deal. For this case study each participant is assigned to one of the three parties all of whom have an interest, but a differing interest, in reaching agreement on a licensing deal. Using three parties makes the outcome uncertain as there is always the danger that two of the parties come to an agreement which leaves the third party in a poor position. Thereby, a real-life situation is created in which the participants have an opportunity to exercise their negotiation skills, but also to have first hand experience that an agreement often requires compromise and respecting the comfort zones of others.

After 2005, the course was held every year alternately in Belgium and the Netherlands and is typically restricted to 40 participants. In 2006, the present program was finalised, in which the negotiation case study is in the afternoon of the first day and the drafting license contract workshop on the second day. This latter module has been extended to the whole of the second day and has been created to provide a more detailed basic insight into the construction of a license agreement. It comprises an in-depth workshop exploring the anatomy of a license agreement, section by section, and providing practical advice on how to draft a successful agreement. The participants are split typically into two groups to facilitate interaction. Each group is coached by experienced transactional lawyers. The course during this time was very fortunate to have the professional assistance of Inge Basteleurs and Jürgen Hassa, who created a detailed term sheet for the drafting exercise of the second day based on the scenario of the negotiation study of the first day. Re-using information already explored in detail by the participants during the day before has made the second day much more efficient.

The Present-Day Course

The course in its present form is delivered in the English language and is designed to go from start to finish of an agreement in two days and includes presentations relating to key aspects of Licensing Practice such as IP Basics, Due Diligence, Valuation and Competition Law, as well as participative workshops on negotiation, IP strategy and agreement drafting. Testimonials from those attending the LES Benelux Licensing Course refer to the effort both with the preliminary exercises as well as during the course, but confirm that it is beyond
doubt worth it! Not only the knowledge and contributions of the presenters is appreciated, but also the networking generated during the days and evenings with other participants is also much appreciated. Also appreciated is the close link with industry and valuable insights into how to cope with several technicalities on this topic. With reference to the second day, participants appreciated that the course is accompanied by a really good team with profound knowledge and the good introduction and supporting materials around term sheets, as a basic instrument for licence contract negotiation are seen as very helpful.

The Benelux Licensing Course attracts participants not only from Belgium, the Netherlands and Luxembourg but also from many other countries such as Germany, Austria, Scandinavia, Spain, Finland, Switzerland, France and the United Kingdom.

The Course Adapts!

In 2016 it was the first time that an optional add-on (third) topic day on complex clauses was held after the traditional two-day course. The organisation of this day for 2016 was done by Guillemette Vital-Durand whose boundless enthusiasm is not only infectious, but also persuasive and effective. The course organisers had appreciated that some topics were becoming too complex to be dealt with in a single 45-minute presentation. The Benelux licensing course also has to expect that the participants can and do have a wide variation in knowledge in licensing law and intellectual property rights. For some topics 45 minutes is simply not enough to provide an introductory presentation for those with limited knowledge while dealing in detail with the latest case law for those who are experienced. An example is unfair competition law which has developed into a variety of important and demanding separate topics such as FRAND licensing, the use of block exemptions and abuse of a dominant position. The creation of the third day is also seen now as a way of introducing, in a dynamic way, expert discussions of new developments which are occurring in Europe. Examples of these are the Unified Patent Court, the patent with unitary effect, the Trade Secret Directive, the reorganising of patent, trademark and design right law after BREXIT, and a possible rewrite of the Supplementary Protection Certificate Regulation.

And a Thank You...

There are many persons who over the last two decades have dedicated their time and expertise to design and run the Benelux Licensing Course all of whom are thanked heartily by the LES Benelux Board and the Program Committee. Unfortunately, not all can be named here. We note however, Bruno Vandermeulen, LES Benelux Past-President who has given his constant support to the course and has introduced the course to the participants on the first day for more than 15 years. For the same time period Dirk Groenwegen has shared his knowledge of commercialisation of new technology. Walter Pors and Frank Landolt have made valuable contributions for over a decade. A very great thanks goes out to Saskia van Dijk-Struyk and Monique van Schevicoven who make up the Secretariat of LES Benelux and who deal with all the details of selection of the venue, publications, working papers, correspondence with the participants, and financial matters while providing a help desk on each day of the course.

2017

This year the annual LES Benelux Licensing Course (17th edition) will be held on 13 and 14 November 2017 at the Faculty Club in Leuven, Belgium. After the course the advanced Licensing Course Topic Day on complex licensing clauses will be held on 15 November at the same location. This topic day can be selected as a stand-alone event or as an add-on to the two-day licensing course.
The opening speech was made by Patricia Bunye (immediate Past-President, LESI) and Anne Charlotte Le Bihan (LES France). Patricia Bunye highlighted the significance and irreplaceability of these face-to-face meetings. Anne Charlotte Le Bihan explained why the IP Revolution topic was chosen for this year’s Annual Congress. They wanted to bring a topic which is really needed and appreciated by its members. The growing importance of intellectual property rights also contributed. LESI introduced a very carefully prepared and rich program full of outstanding speakers.

The panel was then followed by keynote speaker Thierry Breton from ATOS. He pointed out very interesting data. He mentioned that we will produce more than 40 ZB of data by 2020—a totally unimaginable quantity. This figure should double every two years, according to assumptions. If we put this data on CDs, the CDs stacked on itself would create a column six times longer than the distance between the Earth and Moon, quite impressive information—this fact was later added by Adrien Basdevant who chaired the Big Data workshop. We live in a time of digital and information revolution, when mobility and social media are the two key words. These days, there are over 1.86 billion monthly active Facebook users in the world, which is a 17 percent increase year-over-year. There are 1.15 billion mobile daily active users for December 2016, an increase of 23 percent year-over-year. (Source of both statistics: Facebook as of 2/01/17).

Mr. Breton also made an instructive statement for all of us, “Keep your data and take care about it. Do not allow somebody else to process it for you.” It seems that Big Data processing has a huge business potential. Many times, I heard that data is the new gold. With all the above-mentioned, the important question of data security comes. We always have to think about data security and adequately take care of it. Even though it can be associated with high extra costs.

Artificial Intelligence (AI) is one of the hottest topics concerning IP now. This issue was very well covered. AI is driving our economy and society into a new era of innovation. Why can we talk about AI now? Text analysis are so well developed that it allows deep machine learning. We are also able to deal with Big Data thanks to advanced computing power (GPU). The need to adopt new legislation on Artificial Intelligence has been debated.

Participants could choose between particular workshops according to their interests. The “Big Data, Big Business?” workshop was one of the most interesting for me. The panel was composed of the following speakers: Carina Namih, Maximilian Von Graffenstein, François-Xavier Rousselot and panel chair Adrien Basdevant. When we will be able to fully exploit the potential of Big Data and AI, a new technological revolution is likely to take place. Machines will write the software algorithms. Business activities will be in the hands of program. Big Data helps to improve targeted advertising that is being used intensively today. For high-quality targeted prediction, a lot of data is needed. What is the biggest problem here—an ownership? The open question remains, who will be the data owner produced by AI in terms of property rights, because more than one stakeholder is involved. Definitely an interesting thought is the potential use of AI in court decisions.

The entire European Union is now experiencing an upcoming amendment on data protection—The General Data Protection Regulation (GDPR)—Regulation (EU) 2016/679. I believe there is no doubt that this topic has also been discussed. It was adopted on 27 April 2016. It applies from 25 May 2018 after a two-year transition period and, unlike a directive, it does not require any enabling legislation to be passed by national governments. This EU regulation brings quite a few changes. One of the major changes—higher penalties for non-compliance. It could be massive—up to 4 percent of total global annual turnover or €20 million. It is very innovative. One of the most important goals is to achieve greater transparency when dealing with personal data (which refers to a person or which identify a person). In the future, there will be much more data about our position, how long we spend on social networks, watching TV, or reading the Kindle. People are not aware of the fact that this data is widely used. They are sold and serve as a psychological

Thierry Breton, Chairman and Chief Executive Officer of ATOS SE, had a presentation entitled: “World is Changing: sociology/economy science, digital breakthroughs,” at the LESI Paris meeting.
profiling of people that can help merchants specifically target their customers. “We should help people to understand and communicate this issue” as was mentioned by Carina Namih.

I would like to also highlight that IP arbitration, which was provided by WIPO Arbitration and Mediaion Center, was presented. I was deeply impressed by the presentation of Roch Drozdowski-Strehl (REIDS) who showed us the futuristic project—the Singaporean construction of an artificial island made of waste, where modern technologies for renewable energy are being tested. Very creative franchising methods were introduced by Mark Abell from Bird & Bird. A fascinating project was presented by Yves Le Henaff (Kawantech) on how to adapt public lighting in real time for users’ needs. The public lighting system can serve as a data collector for identifying a free parking spot or another necessary sensor for autonomous vehicles. For example, it can notify the autonomous vehicle that there is an approaching child behind parked vehicles. Of course, there are many legal privacy issues connected. This is one way to make smart cities even smarter. The improving technology helps the environment and reduces the use of precious energy.

Normally I am used to attending events full of lawyers. This time it was different. I also met people from other branches like economists and business people, what I consider to be a pleasant variety.

It was not just about the learning. During the evening, we enjoyed a very pleasant Gala Dinner at Pavillon d’Armenonville, tasted a real French Champagne and danced until the early morning hours. The conference was concluded with a “wine and cheese” reception. These social events were awesome chances to network and meet new friends and international colleagues.

To sum up, it was my pleasure to attend this very well organized event, learn the latest trends in the IP field and meet my international colleagues.

Memorable Quotes From Paris

Patricia Bunye—
  – “delivering what our members need”
Anne-Charlotte Le Bihan—
  – “outstanding speakers”
Thierry Breton—
  – “take care of your data”
  – “somebody knows already what to do with your data”

Inventive Enterprises
Brian Hinman, Philips—
  – “you have to think outside the box as a company”

Jean-Yves Legendre, L’Oréal—
  – “sustainable development will make the difference between companies which will survive and those which will not”
  – “everybody is responsible for innovation”

Business and Academia Partnership
Nicolas Carboni, SATT—
  – “an industrial question can become an academic challenge”
Jacques Lewiner—
  – “do not forget basic research”
  – “let people take risks”
  – “that is why small companies are better than big ones”
  – “Bluetooth resulted from Wi-Fi”
  – “I very strongly advise people who create startups to build a patent portfolio”

Software Licensing
Keith Bergelt, Open Innovation Network—
  – “instead of thinking about what could be, we tend to think about what is.”

VIP guests enjoying the gala dinner in Paris.

LES Past-Presidents and guests at the gala dinner.
Three Years After The America Invents Act: Practical Effects On University Tech Transfer
ROBERT MACWRIGHT — Page 68

Importance Of IP And Innovation For The Development Of Emerging Nations:
Lessons Learned From Silicon Valley And Other Regions
RASHID KHAN, TANJA SOVIC-GASSER, DENIS CROZE, AUDREY YAP, ELIZABETH CHIEN-HALE,
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Recent U.S. Court Decisions And Developments Affecting Licensing
JOHN PAUL AND D. BRIAN KACEDON — Page 127

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Licensing And Intellectual Property Organizations Meetings

For more information on LESI Meetings, go to www.lesi.org

2017
June 16-17
3rd Pan-American LESI YMC Event
Copenhagen, Denmark

July 17-21
LESI University
Brinks Gilson & Lione,
NBC Tower
Chicago, IL U.S.A.

September 11-12
LESI Scandinavia Annual Conference 2017
Copenhagen, Denmark

November 13-14
LES Benelux Licensing Course - 17th Edition
Faculty Club
Leuven, Belgium

2018
February 26-27
The 2018 IP100 Executive Forum
Arizona Biltmore,
Phoenix, AZ U.S.A.

April 27–May 1
LESI 2018 Spring Annual Meeting
Grand Hyatt Manchester
San Diego, CA U.S.A.

October 14-17
LES (USA & Canada)
2018 Annual Meeting
Boston, MA U.S.A.

2019
October 20–23
LESI 2019 Annual Meeting
Marriott Desert Ridge
Resort & Spa
Phoenix, AZ U.S.A.

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by Robert F. Reilly and Robert P. Schweihs

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Robert Reilly and Bob Schweihs are managing directors of Willamette Management Associates, an intangible asset and intellectual property analysis, business valuation, forensic analysis, and financial opinion firm.
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