Management of Intellectual Property
IEMS 497 Section 15

LIVING SYLLABUS (version 1.6, 1_15_06)

MMM Mini Course Offering

Spring 2006, First five weeks of Spring Quarter
Thursdays 3/30, 4/6, 4/13, 4/20, 4/27 6:30 to 9:30 p.m., Jacobs Center Room TBD

URL: http://www.courses.nwu.edu/webapps/portal/frameset.jsp?tab=courses&url=/bin/common/course.pl?course_id=_111719_1

Course Description: This course covers the specific agenda of using secure intangible assets such as intellectual properties for competitive advantage in product based industries. In the contemporary economic environment, intellectual assets like know-how, inventions, explicit content, brands, trademarks (forms of intellectual property), contractual agreements etc. are becoming an increasingly important proportion of a firm's total wealth. And yet, most firms do a poor job of managing intellectual assets strategically. In this course, we adopt a "lifecycle" approach to the management of an intellectual asset. This lifecycle covers the creation of the intellectual asset, the codification of the asset in the form of intellectual property (IP), the valuation of intellectual assets, the protection of intellectual assets, and leveraging of intellectual assets. Methods and frameworks developed in lecture are exercised in case studies addressing a variety of industries such as digital content (music, DVD’s), dental products, pharmaceuticals, consumer durables, software etc.

Instructor: James G. Conley, Professor, Kellogg School of Management, Professor of Industrial Engineering and Management Science. Office: Jacob Center 5251, x1-4814, Office hours by appointment e-mail: j-conleya@kellogg.northwestern.edu.

Schedule: Thursdays, 6:30 to 9:30 p.m.. Meeting dates 3/30, 4/6, 4/13, 4/20, 4/27.

Teaching Style: Theory and practice of intellectual asset management will be investigated through lecture/class discussion and case study examination. Insight from the industrial experience of students formerly or presently involved with new product development and or innovation asset management programs is strongly encouraged.

References: There is no text for this course however a case pack with required and suggested readings and cases will be available in the bookstore. Most materials (cases and readings) will posted to the courseinfo site. Additional links to trade books and contemporary readings/academic resources will also be made available on the courseinfo site.
Course Content and Schedule:  *(Order subject to Change)*

**CLASS SESSION #1**  
Date: Thursday, March 30, 6:30 to 9:30 p.m., Jacobs Center room TBD  
Subject: Introduction to Intellectual Capital, Assets and Property

Session 1 Required Readings (i.e. read these before coming to first class session):  
*Snow White Shows the Way: Managing Intellectual Property Article, Case Pack*
*Notes on Intellectual Property,* HBS product, Case Pack (CP)

Prior to coming to class #1, each student should read and prepare the case questions for the **Value of a Patent to an Entrepreneur: ttools vs 3com** case available in the case pack and on the courseinfo site. Each individual student should prepare answers to these case questions as per the assignment, submit their respective answers to the digital drop box, and be prepared to discuss in class.

**Discussion Topics:**

⇒ Review of course syllabus, teaching method, student responsibilities  
⇒ How does this course help product Innovation Professionals?  
⇒ This course material and the Product Fair  
⇒ Innovation and intellectual assets  
⇒ Schumpeter and value creation, the taxonomy  
⇒ New Product Development and Sources of Innovation  
⇒ Intellectual Capital, who, what, where, when, why, how?  
⇒ Continuum of intellectual capital securitization.  
⇒ Valuable Forms of ideas: Functional ideas or inventions, Expressions of ideas, Sources of Ideas  
⇒ Forms of Intellectual Property (IP)  
⇒ IP Continuums of Protection  
⇒ Principle of value transference  
⇒ The Life cycle of an intellectual asset value transference and maximizing the value of an intellectual asset using multiple forms of intellectual property with the brand being the end goal;  
⇒ patents to brands (Aspartame and NutraSweet), copyrights to brands (Disney and Snow White), trade secrets to brands (CocaCola, Dolby)  
⇒ A review of WWW Resources for IP information  
⇒ CASE DISCUSSION: Value of a Patent to an Entrepreneur: ttools vs 3com

**Readings/Assignments for Next Class (4/6):**

1. Read and Prepare, *3M Espe A KSM case w/Group assignment questions case pack,* also posted to course info website  
2. Become familiar with content of Courseinfo class web site.  
3. Read February 27, 2004 *Intellectual Property Rights* related Comments by Federal Reserve Bank Chairperson Alan Greenspan, Courseinfo site and casepack  
5. Read US Patents #5,978,807, and 6,329,919 case pack and downloadable from courseinfo website.  
6. Optional Reading US Patents #5,549,206 and #5,521,803 in case pack
CLASS SESSION #2  Date: Thursday, April 6, 6:30 to 9:30 p.m., Jacobs Center room TBD


Discussion Topics:

⇒ Innovation and Inventions
⇒ From the Sybarites (BC) to the Venitians (Renaissance) to Adam Smith, Jefferson, James Madison and the US Constitution, Article 1 Section 8, a system of limited life monopoly rights granted to encourage public disclosure of useful inventions.
⇒ What is patentable? This is changing radically with Growth of IT enhanced commercial transactions.
⇒ Wall Street Patents, Business Process Patents
⇒ Software patents
⇒ Patents and the USPTO
⇒ Patent Front Pages and Search Databases.
⇒ Patent Prosecution
⇒ Types of Patents, provisionals, divisionals, continuations, continuations in part, abandoned etc.
⇒ Infringement concepts
⇒ Strategies for patent prosecution, continuations, CIP’s, Divisionals, Reissues, Re-examinations etc.
⇒ Prosecution of patents for competitive advantage
⇒ Smart Bombs, Submarines
⇒ The global Perspective on software patents, EPO, USPTO, JPO, PCT etc.
⇒ USC and how to extract value from overseas infringers
⇒ CASE DISCUSSION: 3M Espe A Case

Readings/Assignments for Next Class (4/13):

1. Read and Prepare RIAA vs. myMP3.com KSM Case Study in case pack, Group case assignment (see courseinfo web page under assignments tab)

2. Optional Reading Patents and Pipelines: A Guide for Pan European Investors CSFB Research Publication 2002 (courseinfo site, recommended)

3. Optional Reading: Jumping Ship: Legal Issues Relating to Employee Mobility in High Technology Industries in Labor Lawyer, 2002 (courseinfo site, downloadable)

CLASS SESSION #3  Date: Thursday, April 13, 6:30 to 9:30 p.m., Jacobs Center room TBD

Subjects: Management of the expression of ideas, content, software, copyrights:

Discussion Topics:
⇒ Innovation in the expression of ideas advertising and other mediums
⇒ What is a Copyright and what can be Copyrighted?
⇒ Derivative works
⇒ Parity: The Wind Done Gone
⇒ Regulating bodies in the copyright business.
⇒ Copyrights and registration in the Copyright office
⇒ Doctrine of "fair use"
⇒ Effective strategies for Copyright protection in the "Information Age"
⇒ The copyright/Character rights empire that is Disney, A best practice in media Value Transference
⇒ The Global perspective on copyright
⇒ CASE DISCUSSION: RIAA vs. myMP3.com case study

Readings/Assignments for Next Class (4/20):
1. Read Top Brands Scorecard, Business Week Article available on courseinfo website
2. Optional Reading The Year the Music Dies about Music Industry from 2003 Wired Magazine at http://www.wired.com/wired/archive/11.02/dirge.html?pg=1

CLASS SESSION #4  Date: Thursday, April 20, 6:30 to 9:30 p.m., Jacobs Center room TBD

Subject: Management of innovation source identifiers

Discussion Topics:
⇒ Innovations in marketing and how we establish Brand identity through sound, smell, sight, and even taste
⇒ Trademark, Trade Dress, Trade names in the context of Brand Equity
⇒ Trademarks and the USPTO, Registration
⇒ The continuum of Trademark Strength and strategies for leveraging same
⇒ The Descriptive-Distinctive dichotomy in mark selection
⇒ Leveraging a mark into multiple forms of protection, trade dress for product configuration, 3D marks
⇒ Strategies for Trademark/Tradename protection in the Information Age.
⇒ Domain names and Network Solutions Inc.
⇒ Cyber squatters and Trade name/Trademark-Domain Name Disputes
⇒ Metatag usageTrademark, typopirates

Readings/Assignments for Last Class (4/27):
1. Read and Prepare The Purple Pill KGSM Case and Case Supplement Ground Rules are not Necessarily the Rules of the Game, both in Case Pack. Prepare Group Assignment on Courseinfo web site
2. Read Steven Heyers Manifesto for a new age in Marketing from 2003 Ad Age downloadable from the courseinfo site
CLASS SESSION #5  Date: Thursday, April 27, 6:30 to 9:30 p.m., Jacobs Center room TBD

Subject: Management of innovation source identifiers

Discussion Topics: Course summary and Wrap-up

⇒ CASE DISCUSSION: Astrazeneca and the Purple Pill
⇒ Strategies for Trademark/Tradename protection in the Information Age.
⇒ Domain names and Network Solutions Inc.
⇒ Cyber squatters and Trade name/Trademark-Domain Name Disputes
⇒ Metatag usageTrademarks, typopirates
⇒ What is the value of a Brand.. The Interbrand methodology for valuing a brand.
⇒ Review of Design for Securability concepts and the product fair
⇒ Course Summary
⇒ Course Evaluation

Additional Readings for your Future Interest:

1. Game Over, Emulation and the Video Game Industry  NJTIP article, case pack
2. Managing Intellectual Capital, CMR Article Case pack
Grading:

<table>
<thead>
<tr>
<th>Grade Component</th>
<th>Individual / Group</th>
<th>Week</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Participation</td>
<td>Individual</td>
<td>All</td>
<td>25 %</td>
</tr>
<tr>
<td>Case Write-ups/Assignments</td>
<td>Individual/Study Group</td>
<td>2,3,4</td>
<td>40 %</td>
</tr>
<tr>
<td>Final Case write-up</td>
<td>Individual</td>
<td>5</td>
<td>35 %</td>
</tr>
</tbody>
</table>

Details on the grade components follow below. Peer evaluation forms posted to the web will be used to assess individual contributions to group assignments. It is required that all individual students fill out a peer evaluation form. More details on this during class #1.

Case Assignments/Study Groups:

Case assignments typically pose a number of questions that should be efficiently addressed in a one or two page write-up. You are expected to form study groups of 2-3 students (exact size to be determined in class #1) for discussion of the cases and notify TA David Orozco (d-orozco@law.northwestern.edu) of your grouping by the end session 1 or as soon as possible by e-mail. We request that you stay in the same study group throughout the course.

Classroom Etiquette and Class Participation:

Class discussion/participation is an important element of this course and the overall learning experience at Kellogg/McCormick. Both your colleagues and the instructor WANT TO HEAR what you think about the subjects being discussed in this class.

All students are expected to fully comply with the Kellogg Code of Classroom Etiquette (http://www.kellogg.nwu.edu/stu_aff/honor/etiquette.htm)

You are expected to attend all classes. If you have to miss class for any reason, please notify me and the TA by e-mail at least 24 hours before the scheduled start of the session. Missing class does not help your grade and detracts from the learning experience of other students who are planning to benefit from the experiences/class participation of their colleagues.

By Design, much of the learning in this course comes from class discussion. Your classroom participation grade will be based on attendance, preparation, familiarity with the reading materials, and the quality of your contribution.

Some of the key characteristics of valuable contributions are as follows:

- Relevance: Are your comments timely and linked to the comments of others?
- Advancement: Do your comments take the discussion farther or deeper than previous comments?
- Fact-based: Have you used specific data from the case, from readings, or from personal experience to support the assertions that you are making?
- Logic: Is your reasoning consistent and logical? Do you use concepts from the readings or lectures correctly?
- Originality: Do your comments merely restate the facts or do they provide new insights?

To increase opportunities for effective participation, I will occasionally cold call students either to open the class or during the course of a discussion. If you feel that you are
preparing well but that I am not calling on you often enough, please let me know so that I may adjust.
Intellectual Property Resources on the WWW:


United States Copyright Office: http://www.loc.gov/copyright/

E-Commerce and Internet Law Resource Center http://www.perkinscoie.com/resource/ecommerce/ecomm.htm

Intellectual Property Mall Franklin Pierce Law Center: http://www.ipmall.fplc.edu/

Managing the Digital Enterprise: IP (NCSU page) http://ecommerce.ncsu.edu/topics/ip/ip.html


Foreign Patent Offices link page: http://www.uspto.gov/web/menu/other.html


German Patent and Trademark Office: http://www.dpma.de/index.htm

Micropatent Searches: http://www.micropat.com/

Information about Trademarks: http://www.ladas.com/Trademarks/tminfo.html


Unofficial Trade Secret Office: http://www.thetso.com/

Greg Aharonian and Bust Patents dot com: www.bustpatents.com

Table of IP related fees/damages/settlements: http://www.bustpatents.com/awards.htm


Halligan’s Trade Secret Homepage http://my.execpc.com/~mhallign/

Pullman Group and Bowie Bond Articles http://www.pullmanco.com/ers.htm
CASE PACK CONTENTS:
IEMS 497-15: Management of Intellectual Property

1. Tentative Course Syllabus Version 1.6
2. Snow White shows the way
3. Greenspan recent comments on IP Management
4. Intellectual Property: The Ground Rules:
5. A Profile of Dolby Laboratories
6. US Patents 5,978,807
7. US Patent 6,329,919
8. US Patent 5,549,206
9. US Patent 5,521,803
10. ttools faces a formidable foe part A
11. Comments regarding competition and IP
12. 3M ESPE A
13. The Competitive Edge
14. Game Over: Emulation and the Video Game Industry
15. Steven Heyer’s Manifesto for a New Age of Marketing
16. Astrazeneca and the Purple Pill
17. Ground Rules are not the Rules of the Game
18. Virtual Patent Extension by Cannibalization
19. Strategic IP Management
20. China Destroys the IP Paradigm
21. Outrage in Cyberspace Compuserve and the GIF patent