

BOOK REVIEW

MILGRIM ON LICENSING

By Roger M. Milgrim.¹

New York: Matthew Bender & Co. 1991.

Loose-leaf. \$105, updated annually.

INTRODUCTION

Roger M. Milgrim, author of *Milgrim on Trade Secrets* ("Trade Secrets"),² a seminal treatise on trade secret law, has collected material from that work pertaining to the licensing of intellectual property, and has compiled the results in a one-volume text entitled *Milgrim on Licensing* ("Licensing").³ It is a well written volume that should be helpful to a non-lawyer or general practitioner not intimately familiar with the disciplines of patents, copyrights, trademarks, and trade secrets. Milgrim has also taken this opportunity to disseminate some of his experience to lawyers in the intellectual property field looking for a guide to writing licensing agreements.

The problem with the book, however, is not with Milgrim, but with the publisher, Matthew Bender & Co. The copyright page of *Milgrim on Licensing* states that the treatise is substantially similar to chapters 9 through 12 in the second and third volumes of *Milgrim on Trade Secrets*. In truth, a comparison of *Licensing* with *Trade Secrets* reveals sections plucked whole from the pre-existing volumes and reprinted in the new treatise, with the only difference being a change in the numbering system. This kind of repackaging is a practice that drives law librarians crazy. It is becoming such a common practice that the Federal Trade Commission has chosen to promulgate regulation guidelines.⁴

Beyond the question of the prohibitive cost of supplementation of legal treatises (most librarians will tell you that the cost of keeping a law library up-to-date far outstrips the original cost of the volumes), the specific problem of *Milgrim on Licensing* is where it fits into the scheme of legal research.

1. Partner, Milgrim Thomajan & Lee, P.C., New York, NY. Mr. Milgrim is also adjunct professor at New York University Law School.

2. ROGER M. MILGRIM, *MILGRIM ON TRADE SECRETS* (1991).

3. ROGER M. MILGRIM, *MILGRIM ON LICENSING* (1991).

4. See 16 C.F.R. § 256.6(b) (1991).

Any firm with a substantial intellectual property practice is going to have either a set of or access to *Milgrim on Trade Secrets*. And they should. An attorney working in the intellectual property trade secret field would turn to *Milgrim on Trade Secrets* for guidance in writing a licensing agreement or confidentiality agreement. The first part of *Licensing* also purports to provide an overview of U.S. intellectual property law. However, other treatises and sets have covered the subjects much more completely than has *Licensing*. For that reason *Licensing* is duplicative of the materials that should already be available in the library of an intellectual property firm.

Licensing can be a solution to the problem confronted by a general practitioner seeking to draft an agreement for a client who wishes to license an intellectual property right. But it must be supplemented. The general practitioner should not be lulled into thinking that *Licensing* provides all the resources needed to be fully informed about the intricacies of intellectual property law.

I. INDEX AND TABLE OF CONTENTS

Anyone who has done a substantial amount of legal research will tell you that an index is one of the most important features of a legal treatise. The index to *Licensing* is clear, straightforward, and very easy to use. It is also well organized; the broad topics are successively broken down to the point where the user of the treatise is able to pinpoint the exact topic for which he or she is searching. This is in contrast to many legal treatises in which finding a specific issue is akin to throwing darts while blindfolded.

The Table of Contents and the Chapter Synopses in *Licensing* are not as well done. These are only numbered lists of topics without any indication as to their relationships. The Table of Contents in *Trade Secrets* is much more refined, with numerous subheadings within each major topic. The frustrating aspect of the Table of Contents in *Licensing* is that, regarding those chapters which were extracted whole from *Trade Secrets*, the only "improvement" was the renumbering of the headings. This amounts to a step backward in the sophistication of the Table of Contents.

II. SUBSTANTIVE REVIEW

A. Style

This is definitely not the dry, humorless text of many of the legal treatises one encounters. *Milgrim* writes with an eye toward the real world of business negotiations and the realities of intellectual property

licensing, without a glance at any ivory towers. He is not averse to holding forth on the state of the law as it pertains to his area of expertise. Milgrim's sometimes cynical viewpoints are refreshing to someone without his extensive experience in the licensing trade. His style makes the treatise an enjoyable read.

*B. Part I: Legal Characteristics of Industrial
Property Pertinent to Licensing*

Part I runs approximately one-third of the treatise and is an attempt to provide the user with the basics of U.S. intellectual property law regarding patents, copyrights, trademarks, and trade secrets. It is directed to persons who are not lawyers or who are general practitioners not regularly involved in these disciplines.

Keeping that in mind, those not intimately involved in the intellectual property field should be warned that this material is covered more completely in other sources. While it does not seem the author's intention to provide a thorough teaching of intellectual property rights in this one-volume text, one would urge the researcher needing enlightenment as to the nuances of the subjects to consult the recognized treatises in these areas.

*C. Part II: Trade Regulation Pertinent to Technology
and Trademark Licensing*

This part, dealing with the relationship between licensing and antitrust considerations, is one of the strong sections of the treatise. The first chapter in this part is a theoretical overview of the impact of the antitrust laws on intellectual property licensing. The subject is ever-changing, and Milgrim provides discussion of the balance between the antitrust laws and the standards required to establish inequitable conduct in the procurement of the patent,⁵ including a treatment of *Walker Process*⁶ claims.

The second chapter of this part is helpful to the drafter of a license because Milgrim applies specific license provisions to antitrust considerations.

5. See generally Jerome G. Lee, *Introduction: The Special Ad Hoc AIPLA Committee on Rule 56 and the Evolution of Proposed Rule 57*, 16 A.I.P.L.A. Q.J. 1 (1988) (describing the debate regarding the duty of candor).

6. *Walker Process Equip., Inc. v. Food Mach. & Chem. Corp.*, 382 U.S. 172 (1965).

*D. Part III: Considerations about Prelicense
Disclosure, Procedures, License Structure and Negotiation*

Chapter 9, entitled *Prelicense Steps*, while only forty-three pages long, may be the most useful of all the chapters in *Licensing*. In this chapter, confidentiality agreements are assessed, and examples of provisions for such agreements are presented and explained. Protecting the parties entering into negotiations on intellectual property rights, especially regarding trade secrets or inventions covered by pending patent applications, is always a difficult task. This chapter attempts to explain the competing forces of disclosure versus secrecy involved in such situations.

*E. Part IV: Licensing Provisions, Alternatives;
Technical Negotiating Commentary*

While Milgrim states in his preface that he is wary of form books (p. iii), this last part of the treatise functions precisely as a form book, albeit one where the forms compete equally for attention with the explanation of why the provisions were written the way they are. Milgrim explains the rationale behind the drafting of provisions. Milgrim first gives many examples of a provision dealing with an issue, and then weighs them according to their stance as pro-licensor or pro-licensee. Further, Milgrim tells the user why the provision is written as it is, states relevant law, and explains what he is trying to achieve with the wording. As Milgrim explains in the preface, no set form can be applied to a specific business negotiation or agreement (p. iv). His explanations as to why it was written can be helpful.

CONCLUSION

Licensing can provide a general practitioner with the backbone of a quality agreement, although further research tools would be needed. His in-depth explanations of how and why he did what he did is an education in licensing. An attorney could be well served using *Licensing*. Even in light of the caveat regarding the duplicative nature of this treatise, *Licensing* can be recommended as an addition to the library of a firm whose practice may not call for an extensive intellectual property department. However, *Licensing* should be supplemented with inter-library loans when specific licensing agreements are needed.