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PERSPECTIVE

Observations on the practice of transactional IP law

By Ken D. Kumayama

Ask five transactional IP lawyers what they do, and you will likely get five different answers. In all likelihood, all five of them found themselves doing technology transactions, or “tech trans,” starting from different places. Just as tax lawyers see tax law all around them—for us IP lawyers, IP law is all around us as well! And much more common than IP litigation is the day-to-day drafting and negotiating of license agreements, IP assignments, manufacturing and supply agreements, co-development agreements, technology transfer agreements, data monetization agreements, brand licenses and a whole host of other IP-, data- and technology-related contracts that are the focus of a transactional IP practice. Here are some thoughts and observations on how the practice of transactional IP law has changed (and some ways in which it has not changed) over the last 15 years.

Tech Convergence. Much in the same way (and for the same reasons) that technologies from across different industries have converged, so too has the scope of the tech trans lawyer’s purview. Take, for example, the car. Fifteen years ago, car companies were in a very different business in many ways. Many cars are now connected computers on wheels, with the functionality to browse the internet, stream music and videos, and more or less autonomously navigate our roads. Tech trans lawyers need to keep pace with these changes, which may require a working



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knowledge of machine learning, semiconductors, various wireless standards (as well as issues relating to standard-essential patents), and battery technology (for EVs).

Jack of all trades. Transactional IP lawyers have been finding themselves dealing with “data” more and more in recent years. You may have heard the catchphrase: “Data is the new oil!” Perhaps—but most IP lawyers will tell you that data isn’t, in and of

itself, a type of IP. Data can contain copyrightable works, and the data could constitute trade secrets. There are *sui generis* database rights in certain jurisdictions, and it may be possible to claim rights in the arrangement of data in certain scenarios. The rising importance of data—which has only become more pronounced in the past few years due to the rise of machine learning and, more recently, generative AI—has resulted in many tech trans lawyers needing to un-

derstand more about the data, how it is protected, how it is regulated, and so on. Fifteen years ago, data privacy and cybersecurity law weren’t formal areas of practice. Now they are mature, quickly evolving areas of law, with many attorneys (and non-attorneys) dedicated to these topics. Some law firms have separated out the lawyers who practice IP law from those who focus on privacy and cybersecurity, while other firms have tech trans lawyers who also have a firm grasp of the

ins and outs of data privacy laws from a business and operational perspective.

In fact, at least with respect to such topics as IP, data privacy, cybersecurity and AI, clients may prefer to work with a tech trans lawyer who is also able to issue spot and act as a one-stop-shop. After all, it can be cost-prohibitive to have to pay for an IP expert, a privacy expert, a cybersecurity expert, and an AI expert to learn about the same complicated technology to do their respective jobs. And attorneys may not know if there are IP, privacy, or other issues in a given project until the attorney digs into that project to learn about the technology and how it works.

Take, for example, a type of transaction that is becoming more and more common thanks to the rise of

generative AI—a data license agreement. When drafting and negotiating such a contract, the attorney may need to take into consideration a variety of different IP rights and contractual restrictions (e.g., confidentiality obligations). And where the data is (or may be considered) personal data, the tech trans lawyer will also need to contend with applicable privacy regulations. In some scenarios, there may also be export controls or other regulations at play, such as the Executive Order on Preventing Access to Americans' Bulk Sensitive Personal Data and United States Government-Related Data by Countries of Concern, which aims to (among other things) regulate the transfer of personal data and certain non-personal data to companies in China.

Business-minded lawyering with a passion for technology.

All that being said, while the substantive areas of law have changed over the years, the fundamental nature of transactional IP work hasn't really changed. At root, tech trans attorneys are deal lawyers who know a lot about IP law and generally know quite a bit more about technology than the average lawyer. But most importantly, tech trans lawyers focus on the marriage of IP law and the technology with the client's overall business strategy.

If you ask the five theoretical tech trans lawyers who appeared at the start of this article what they enjoy most about their jobs, they will likely express satisfaction with helping clients think practically through complex, technology-focused legal issues and delivering risk-adjusted advice.

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