

Intellectual Property (IP) Transactions Cases Practice Test (Sample)

Study Guide



Everything you need from our exam experts!

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Does *Madey v. Duke University* permit the experimental-use defense for research funded to obtain funding and prestige?**
 - A. Yes**
 - B. Only for government funded research**
 - C. Only if results are published**
 - D. No**

- 2. What did Martin's conduct illustrate under the Economic Espionage Act?**
 - A. Successful disclosure to competitor.**
 - B. Intent to steal trade secrets (conspiracy).**
 - C. Public-domain information.**
 - D. No violation due to lack of intent.**

- 3. What is the purpose of most-favored-licensee (MFN) provisions in IP deals?**
 - A. Guarantee licensee can sublicense freely**
 - B. Ensure licensee receives the best terms available to others**
 - C. Limit field of use to one country**
 - D. Allow unilateral termination for minor breaches**

- 4. What is the key principle illustrated by *Kleeman's* ruling about confidential information?**
 - A. An employee who gains confidential information cannot later use it for personal advantage.**
 - B. An employee may freely use confidential information after leaving if not restricted.**
 - C. Employers cannot enforce confidentiality.**
 - D. Publicly known information cannot be protected.**

- 5. In Slymark Holdings v. Silicon Zone Intern., what did the court hold about the plaintiff's breach of contract and misappropriation claims?**
- A. The defendant violated UTSA.**
 - B. The plaintiffs were likely to succeed on breach of contract and misappropriation of trade secrets claims.**
 - C. The information was in the public domain.**
 - D. The court dismissed all claims.**
- 6. Can a patent licensee seek declaratory judgment on patent validity before terminating the license?**
- A. Yes, without terminating the license.**
 - B. No, must terminate the license.**
 - C. Only if royalty payments are disputed.**
 - D. Only after litigation of royalty.**
- 7. Which statement best expresses essential privacy compliance in data rights clauses?**
- A. Privacy laws do not apply to data.**
 - B. Ensure confidentiality and compliance with privacy laws.**
 - C. Privacy laws are optional.**
 - D. No need for confidentiality.**
- 8. When documenting background IP, what information should be included in schedules?**
- A. Marketing plan**
 - B. Disclosure of background IP licenses and allocation of improvements**
 - C. List of all employees**
 - D. Insurance policies**
- 9. What was the effect on software patents following the Alice Corp. decision?**
- A. Easier to obtain**
 - B. More difficult to issue**
 - C. No change**
 - D. Software patents were banned**

10. Who should own data generated through the use of the licensed IP?

- A. Licensee should own data generated through the licensed IP.**
- B. Licensor owns all generated data.**
- C. Both parties own the data jointly.**
- D. Data ownership should be transferred to a third party.**

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Answers

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1. D
2. B
3. B
4. A
5. B
6. A
7. B
8. B
9. B
10. A

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Explanations

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1. Does *Madey v. Duke University* permit the experimental-use defense for research funded to obtain funding and prestige?

- A. Yes
- B. Only for government funded research
- C. Only if results are published
- D. No**

The test focuses on how narrowly the experimental-use defense to patent infringement can be applied to university research, as clarified by *Madey v. Duke University*. The defense lets a party use a patented invention for experiments, but its reach is limited and not a blanket shield for all academic work. In *Madey*, the Federal Circuit rejected extending the experimental-use defense to cover a university's routine research activities that involve using a patented invention. The court reasoned that Congress did not intend to create a broad exemption that would let institutions infringe in order to pursue funding, prestige, or other institutional goals. If the research is funded with the aim of obtaining grants or enhancing the university's reputation, the activity is not purely experimental in the sense envisioned by the defense. Because the primary objective goes beyond simple experimentation and toward advancing the institution's funding or prestige, the defense does not apply. So the answer is that the experimental-use defense is not permitted in that context.

2. What did Martin's conduct illustrate under the Economic Espionage Act?

- A. Successful disclosure to competitor.
- B. Intent to steal trade secrets (conspiracy).**
- C. Public-domain information.
- D. No violation due to lack of intent.

Under the Economic Espionage Act, liability can arise not only from actually taking trade secrets but also from the intent to steal and from conspiracies to steal. The key is the mental state and the plan to obtain or misappropriate a trade secret, plus, if applicable, an agreement with others to carry it out. If Martin showed a clear intent to steal trade secrets, that demonstrates the mens rea the statute requires, and if he was part of a conspiracy, it satisfies the additional element of an agreement to commit theft. Public-domain information isn't protected as a trade secret, so it wouldn't support an EEA violation, and a lack of intent would negate liability. Therefore, the conduct best described by the scenario is intent to steal trade secrets (conspiracy).

3. What is the purpose of most-favored-licensee (MFN) provisions in IP deals?

- A. Guarantee licensee can sublicense freely
- B. Ensure licensee receives the best terms available to others**
- C. Limit field of use to one country
- D. Allow unilateral termination for minor breaches

Most-favored-licensee provisions are about parity in licensing terms. They're designed to protect the licensee by ensuring that if the licensor later offers a more favorable deal to another party for the same technology—such as a lower royalty, a larger upfront payment, better milestone terms, or more favorable sublicensing rights—the MFN obligates the licensor to extend those better terms to the original licensee as well. This prevents the licensor from giving preferential terms to others and makes sure the licensee isn't left with worse conditions than what's available in the market. It's not about granting sublicensing rights, limiting where or how the technology can be used (field of use), or giving the right to terminate for minor breaches. Those are separate issues. The core aim here is price and term protection across licensees so terms stay competitive and non-discriminatory.

4. What is the key principle illustrated by Kleeman's ruling about confidential information?

- A. An employee who gains confidential information cannot later use it for personal advantage.**
- B. An employee may freely use confidential information after leaving if not restricted.
- C. Employers cannot enforce confidentiality.
- D. Publicly known information cannot be protected.

The main idea here is that confidential information carries an ongoing duty not to be used for personal advantage, even after you leave the job. Kleeman's ruling emphasizes that once an employee gains access to confidential information, using it to benefit themselves or a competitor is not allowed. This is about misappropriation: the employee has a loyalty and confidentiality obligation that persists beyond employment, and exploiting that information for personal gain breaches that duty. Confidential information isn't the same as information that's public or freely usable. It includes things like customer lists, pricing, strategies, or trade secrets that the employer treats as confidential. The protection comes from legal concepts like trade secrets and non-disclosure obligations, which aim to prevent unfair advantage derived from someone who had access to that confidential material. The idea is to deter individuals from leveraging sensitive information learned at work for their own benefit. The other options don't fit this principle. Allowing an ex-employee to freely use confidential information after leaving would undermine the employer's protections. Suggesting that employers cannot enforce confidentiality ignores enforceable rights and remedies, and saying publicly known information cannot be protected misstates how confidentiality and trade secret law operate—public status does not negate the duty not to misuse information while it remains confidential or misappropriation that occurs through improper use.

5. In *Slymark Holdings v. Silicon Zone Intern.*, what did the court hold about the plaintiff's breach of contract and misappropriation claims?

A. The defendant violated UTSA.

B. The plaintiffs were likely to succeed on breach of contract and misappropriation of trade secrets claims.

C. The information was in the public domain.

D. The court dismissed all claims.

Courts evaluating requests for early relief focus on whether the plaintiff is likely to succeed on the merits of their claims. In this case, the court held that the plaintiffs were likely to succeed on both breach of contract and misappropriation of trade secrets claims. That means there was enough evidence to show a valid contract existed and was breached, and that the information at issue qualifies as a trade secret that was misused or disclosed in a way that harmed the plaintiff. This finding supports granting relief to stop further harm and protect confidential information, rather than dismissing the claims or concluding the information was already public domain.

6. Can a patent licensee seek declaratory judgment on patent validity before terminating the license?

A. Yes, without terminating the license.

B. No, must terminate the license.

C. Only if royalty payments are disputed.

D. Only after litigation of royalty.

In patent practice, a declaratory judgment lets a party clarify rights when there's a real dispute about patent validity, enforceability, or scope. For a patent licensee, that dispute can exist even while the license is still in effect and royalties are being paid—the licensee may want a court to decide whether the patent is valid or whether the licensed activity would infringe. The reason this answer is the best is that the ongoing license does not by itself remove the controversy. After *MedImmune v. Genentech*, a licensee can file for declaratory judgments on invalidity or noninfringement while the license remains in force, without having to terminate the license first. The court examines whether there is a live dispute over the patent rights, not whether a license is currently active. So, a licensee can seek a declaratory judgment about patent validity before terminating the license; termination is not required. Disputes about royalties or timing are separate issues, but they don't have to wait for license termination to pursue a validity challenge.

7. Which statement best expresses essential privacy compliance in data rights clauses?

- A. Privacy laws do not apply to data.
- B. Ensure confidentiality and compliance with privacy laws.**
- C. Privacy laws are optional.
- D. No need for confidentiality.

The essential idea is that data rights clauses must require both protecting personal information and following the law. This option does exactly that: it calls for maintaining confidentiality and complying with privacy laws. Confidentiality is about preventing unauthorized access or disclosure, while compliance ensures the processing aligns with legal requirements, such as data subject rights, purpose limitation, security measures, and cross-border transfers. Together, they provide the core protections regulators expect in contracts handling personal data. The other statements imply there's no legal obligation or no need for safeguards, which would leave data unprotected and non-compliant with established privacy regimes.

8. When documenting background IP, what information should be included in schedules?

- A. Marketing plan
- B. Disclosure of background IP licenses and allocation of improvements**
- C. List of all employees
- D. Insurance policies

When documenting background IP, the schedules should lay out the exact pre-existing rights each party brings and how any improvements arising from the collaboration are handled. This includes disclosing background IP licenses—who licenses what, to whom, for what field, geography, term, and any royalties or conditions—and specifying how improvements to that background IP will be owned or licensed. This clarity prevents disputes later about who owns new developments that use the pre-existing IP and who can use the resulting improvements. Why this is the best fit: schedules are meant to capture the pre-existing IP and the framework for future developments. Detailing background IP licenses ensures both sides know their rights and restrictions from the outset, while the allocation of improvements determines ownership or licensing rights for any enhancements created during the collaboration. Together, these elements provide a clear baseline and a path for how new work is handled. Other options don't align with the purpose of schedules in this context. A marketing plan is business strategy rather than IP provenance or rights administration. A list of all employees is HR information and not about the IP rights being exchanged or allocated. Insurance policies relate to risk management and may be relevant in broader deal terms, but they don't define background IP rights or improvement ownership.

9. What was the effect on software patents following the Alice Corp. decision?

- A. Easier to obtain**
- B. More difficult to issue**
- C. No change**
- D. Software patents were banned**

Alice changed how software inventions are judged for patent eligibility by applying a stricter test to abstract ideas. In practice, many software claims that simply take an abstract idea and implement it on a generic computer were found ineligible unless they add something that amounts to a real technical improvement or an inventive concept beyond the mere computerization of the idea. This means getting software patents became more difficult, because you now have to show a meaningful technical contribution rather than just automation of an idea. It isn't a ban on software patents, and claims that genuinely improve computer technology or solve a technical problem can still be eligible, but overall the bar rose after Alice.

10. Who should own data generated through the use of the licensed IP?

- A. Licensee should own data generated through the licensed IP.**
- B. Licensor owns all generated data.**
- C. Both parties own the data jointly.**
- D. Data ownership should be transferred to a third party.**

The key idea is that data produced by using licensed IP is typically owned by the party that performs the work and bears the costs—the licensee. A license gives permission to use the IP, not a transfer of ownership over the outputs created when that IP is applied. When the licensee conducts experiments, builds, or develops results under the license, the generated data is usually treated as the licensee's property so they can freely exploit, share, or commercialize the outcomes without needing the licensor's permission for each use. The licensor retains ownership of the underlying IP itself and may have rights to review or access data for specific purposes, but ownership of the data tends to reside with the licensee to support practical use and commercialization of the results. Joint ownership or transfer of data to a third party would complicate exploitation and is not the typical arrangement unless explicitly stated in the agreement.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://iptransactionscales.examzify.com>

We wish you the very best on your exam journey. You've got this!

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