Licensed rights and the scope of an intellectual property license in US law

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Although they are closely related, an intellectual property license should be distinguished from an intellectual property licensing agreement.

An intellectual property license is an authorisation to use exclusive intellectual property rights. Yet, according to professor M.R. Patterson, licenses in US law must have contractual nature and a mere unilateral intellectual property owner's commitment to allow limited access to intellectual property is not sufficient to impose restrictions on a licensee and to establish infringement of liability.

A license agreement is an agreement pursuant to which a licensor allows a licensee to make use of the intellectual property rights associated with an invention, work of art, trademark, service mark, know-how and other forms of intellectual property. By establishing royalties or lump sum payments in the agreement, the licensor secure a return on its investment and financial remuneration. In addition, the licensing agreement may result in the development of an existing or new market for the product produced or services supplied under the terms of the license agreement. In certain circumstances, the licensing agreement may also result in the development of the intellectual property owned by the licensor.

A license agreement must define the set of rights that are being licensed, and there are several ways of their identification. First, those rights can be enumerated specifically and individually, either by referring to the governmental registrations or by describing unregistered intellectual property rights in a manner that identifies and distinguishes it clearly. Second portfolio rights pertaining to such product can be licensed, especially if a licensee is aimed to use a large number of different forms of intellectual property covering a complex product. The latter approach is a common practice, for example, in software industry since computer programs can be protected by many copyrights, patents, trade secrets, trademarks and other forms of intellectual property.

Technology license agreements can often include a grant of rights with respect to "know-how", which consists of trade secrets and other information. A license of know-how can be included in a license agreement if the licensor obliges to train, support or consult the licensee or provide other technical services under the agreement and if a licensor wishes to continue to collect royalties after the relevant patent expires (because under US law it is illegal for a patent holder to continue to collect royalties for the use of a patent after its protection has expired).

The scope of an intellectual property license refers to the identification of the field of use, the territory and the licensed products.

When the statutory forms of intellectual property such as patents, copyrights and trademarks are licensed, the enumeration of statutory rights should be followed in the licensed agreement to avoid ambiguity. Under the Patent Act, the owner of a patent has the exclusive right to make, use, sell, offer for sale and import a patented article. According to the Copyright Act, the owner of a copyright has the exclusive right to reproduce, prepare derivative works, distribute, perform and display copyrighted works. With respect to federal trademarks and service marks, the Lanham Act establishes that the registrant has the exclusive right to use in commerce, reproduce, copy, and imitate the mark.

The field of use means the market segment or product category in which the licensee is authorised to exercise the licensed rights. Under US law, the limitation of the field of use can limit the technical application of a licensed right or the categories of customers to which products may be sold. License agreements may define multiple fields of use: a licensee may have exclusive rights in some of them and nonexclusive rights in others while some fields of use may be prohibited to it.

Every intellectual property license has a territorial scope. Licenses can be worldwide, which presupposes that they authorise the licensee to exercise the licensed rights in every jurisdiction. However, in any event, a license is not required in the area where an intellectual property holder does not possess intellectual property protection for the licensed rights. The territorial scope of a license grant can also be limited to a city, state, country or larger region. However, if the granting of licenses within defined territories covers up for the allocation of markets among competitors, it is a violation of the antitrust laws.

Licensed products defined in a license agreement refers to the products which a licensee can produce and sell and which are covered by the licensed intellectual property rights.

Источники и литература

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