

TechLaw Fall 2011 meeting

Pittsburgh – Panel IV

Effectively Enforcing IP Rights Outside the Americas

Contractual protection

11 November 2011

AI FANFA

Panel IV – contractual protection

- Relevant types of contracts:
 - License Agreements
 - Co-operation/IP Agreements (distribution or sharing of rights)
 - Confidentiality Agreements
 - Material Transfer Agreements
 - Acquisition/Investment Agreements (non-compete provisions)

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Panel IV – contractual protection

- Relevant provisions
 - Scope of license/IP-allocation
 - Subject matter
 - Geography
 - Exclusivity
 - Duration/"definiteness"
 - Field of use
 - Scope of confidentiality
 - Definition - relevant information
 - Definition – relevant persons
 - Restrictions in use (non-disclosure/non-use outside)
 - Exceptions
 - Duration

Panel IV – contractual protection

- Relevant provisions (continued)
 - Non-compete
 - Scope of prohibited activities
 - Exceptions
 - Geography
 - Definition – relevant persons
 - Duration

Panel IV – contractual protection

- Consequences of breach
 - Injunction
 - Damages
 - Liquidated damages/penalties
 - Termination
 - Termination of exclusivity
 - Release of escrowed material
 - Assignment of rights

Panel IV – contractual protection

- EU - Antitrust/competition law requirements
 - Technology Transfer Block Exemption (Reg. 772/2004 and guidelines)
 - R&D Block Exemption (Reg. 1217/2010)
 - Guidelines on Horizontal Co-operation Agreements
 - Vertical Agreements Block Exemption (Reg. 330/2010 and guidelines)
- Other EU requirements
 - Legislation regarding rights to inventions made by employees
 - Legislation regarding rights to inventions made at public research institutions

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- Technology Transfer Block Exemption
 - Market share thresholds (article 3)
 - Non-competitors → 30 % of relevant market(s)
 - Competitors → 20 % of relevant market(s)
 - Hardcore restrictions (article 4)
 - Different lists of restrictions for competitors and non-competitors
 - Resale price maintenance, production limitations, allocation of markets/customers
 - Excluded restrictions (article 5)
 - Exclusive grant back clauses to severable improvements
 - Non-challenge clauses
 - Restriction on licensee's use of own technology (non-competitors)

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- R&D Block Exemption
 - Conditions for exemption (Article 3)
 - All parties must have full access to final results of R&D
 - Access right to pre-existing know-how
 - Only joint exploitation of protected technology
 - Market share thresholds and duration (article 4)
 - Non-competitors → no market share threshold
 - Competitors → 25 %
 - Joint exploitation → 7 years from market launch (continues if below 25 %)
 - Hardcore restrictions (article 5)
 - Limitation on R/D in other fields, limitation on output/sales, price fixing, restriction on passive sales etc.
 - Excluded restrictions (article 6)
 - Non-challenge clauses
 - Obligation not to grant licenses unless agreement provides for exploitation

Panel IV – contractual protection

- How to handle disputes?
 - Choice of Law - provisions
 - Mediation/Alternative dispute resolution
 - Expert processes
 - Arbitration
 - Resolution of "commercial" disputes in co-ownership of IPR
 - Ordinary courts
 - Enforcement courts (preliminary injunctions)
- Are any of these dispute resolution mechanisms better to handle certain consequences than others?
- Enforcement and cost effectiveness

Panel IV – contractual protection

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