

Resolution



Question Q190

Contracts regarding Intellectual Property Rights (assignments and licenses) and third parties

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Q190

AIPPI

Observing:

- a) that Intellectual Property Rights (“IPRs”) are of great importance for the world economy as a stimulus of innovation and creativity; as a useful contribution to the art; and as an intangible asset capable of being licensed and used as security.
- b) that owners of IPRs desire flexibility in the way in which they can realise the value of such rights by assignment, licence or granting of security (hereafter: a “Transaction”).
- c) that the effective assignment of IPRs is important in international trade and commerce as well as for the development of the information society to enable parties and the economy as a whole to fully exploit the benefits of IPRs.

Noting:

- d) that there is a variety of national laws relating to contract, property and bankruptcy which affect IPRs and their exploitation.
- e) that licensees/licensors of IPRs desire certainty that their licences are not undermined by circumstances such as bankruptcy or insolvency.
- f) that the effect of assignment of national IPRs is assessed by the relevant national laws.

Considering:

- g) that there is a public interest that registers of IPRs (used to record Transactions and interests in such rights), where used, contain reliable information and that bona fide third parties trusting on the information of the register will be protected.
- h) that the present situation is unsatisfactory as for each assignment of IPRs the law of the country where the IPRs are registered has to be assessed in order to comply with the demands set forth by such national law and that acquisitions of IPRs registered in various countries are therefore time consuming and expensive as each transfer is subject to the demands set forth by national law.

Resolves as follows:

- 1) The effect as between the parties of a Transaction should not require that the Transaction be registered in any registry.

- 2) For IPRs for which registers are maintained, it should be encouraged (however not be obliged) to register the Transaction. The publication by the registry of the existence of a Transaction should ensure the acknowledgement and the enforceability of the rights derived from the Transaction against third parties.
- 3) It should be possible to grant security interests over all forms of IPRs. For IPRs for which registers are maintained said security interest should not be effective against bona fide third parties unless registered.
- 4) In the event of a conflict between an earlier unregistered Transaction and a later registered Transaction, the registered Transaction shall have priority over the unregistered Transaction, unless the assignee/security holder in the later Transaction is in bad faith.
- 5) Bankruptcy and insolvency laws should provide for treatment of IPRs and contracts concerning them.
- 6) In case of a bankruptcy or insolvency of licensor, the licensee should be permitted to retain the licensed rights, unless otherwise agreed in the relevant licence. The person administering a bankruptcy or insolvency of a licensor should not be able to disclaim or reject a licence of IPRs so as to terminate the licence. In case of bankruptcy or insolvency of the licensee the transfer of the licence should be subject to the licensor's consent.