

**WIPO Regional Workshop  
Intellectual Property for  
Small and Medium Sized Enterprises**

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## Topic 7

licensing of IP Rights as a vital component of  
the business strategy of SMEs

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# Exploitation of IPRs

- exploit directly by manufacturing and selling products that utilise the IPR
- sell outright the underlying IPR
- alternatively, license the underlying IPR
- (do nothing, and prevent others from doing anything)

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# Licensing – main points

- retain title to the IPR
  - so retain control
- outsource the manufacturing / selling
  - so simplify the process
- income stream
  - low overheads, high profit margin

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# Formalities

- contractual relationship
  - local formalities, *e.g.* written / sealed
- registration of the licence
  - ability to sue for damages / costs

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# Things to consider

- parties

- holding company, *e.g.* offshore

- nature of licence

- exclusive, sole, non-exclusive
- what is licensed – expressly / implicitly

- jurisdiction clause / arbitration

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## Things to consider (II)

- quality control
  - pre-approval of marketing material
  - inspection / samples
- termination
  - types of breaches (conditions / warranties)
  - notice, summary
  - run-off periods
- jurisdiction clause / arbitration

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## Things to consider (III)

- payment
  - minimum sums
  - royalties
  - auditing – paid for by whom
- sub-licensing – survival on termination
- retention of adverts / packaging
- assistance with collateral cases

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# Things to consider (IV)

## ■ enforcement

- notification of infringement by TPs
- can licensee sue / claim damages / interim relief?

## ■ no challenge clauses

- anti-competitive
- beyond life of IPR

## ■ other rights

- new rights – product development
- unregistered rights

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## ■ MA (Natural Sciences) (Cantab), DPhil (Biophysics) (Oxon).

## ■ All areas of intellectual property law and practice, in particular trade marks, copyright and designs, and patents. Mainly appellate work or problems.

## ■ Appeared before the General Court and Court of Justice of the European Union (Luxembourg), and in the European Patent Office (Legal and Technical Boards of Appeal and Opposition Division) (Munich). Acted for the UK Comptroller-General of Patents, the UK Registrar of Trade Marks, the UK government and AIPPI UK Group.

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