

Choice of law – implications for IP contracts

5 December 2013

Erik Ficks



IP contracts

- IP provisions in employment or consultancy agreements
- Assignment agreements
- R&D collaboration agreements
- Joint ownership / co-existence agreements
- Licence agreements
- Sub-licence agreements
- Franchise agreements
- Distribution agreements

IP Contracts (cont'd)

- If there is a written contract between international parties, it would (almost) always include a choice of law provision
 - Normally either party's home jurisdiction
 - More seldom, but occasionally, a neutral other jurisdiction
- Common oral agreements
 - R&D Collaboration Agreements
 - Joint Ownership / Co-Existence Agreements
 - Intra-group Licence Agreements (problem in separation of businesses)
- Ambition to make the contract a "closed system"
 - Applicable law less relevant?

Choice of law for IP contracts

– an overview

IP rights as such

Main principle: Law of the protecting country
(NB! Formal requirements)

Mandatory law

Employee *benefits*
Competition law
Insolvency law

Contractual rights in and to the IP rights

Rome I Regulation: (A) choice (Art. 3), (B) connection (Art. 4)

Choice of law less relevant within the EU?

Harmonized substantive law

- Community trademarks

- Article 14 of Regulation (EC) no 207/2009 (under revision):

*The effects of Community trade marks shall be governed solely by the provisions of this Regulation. In other respects, infringement [and actions relating to civil liability and unfair competition] shall be governed by the **national law** relating to infringement of a national trade mark*

- Community designs

- Article 88 of Regulation (EC) no 6/2002 (as amended):

*The Community design courts shall apply the provisions of this Regulation. On all matters not covered by this Regulation, a Community design court shall apply its **national law**, including its private international law*

Choice of law less relevant within the EU?

Harmonized substantive law (cont'd)

- European patents with unitary effect (Agreement on a Unified Patent Court)
 - Article 24: *In full compliance with Article 20, when hearing a case brought before it under this Agreement, the Court shall base its decisions on:*
 - > Union law, including Regulation (EU) No 1257/2012 and Regulation (EU) No 1260/2012 (*translation arrangements*);
 - > this Agreement;
 - > the EPC;
 - > other international agreements applicable to patents and binding on all the Contracting Member States; and
 - > **national law** – determined by:
 - > private international law rules (*first* Union law, *second* international instruments, *third* national provisions on private international law as determined by the Court)

“Closed system” contracts – an example

- Joint ownership agreement between a Swedish and a Chinese company
 - Contractual choice of law: Chinese law, CISG expressly excluded
 - ICC arbitration in London
 - Entire agreement boilerplate
 - (Waiver of sovereign immunity)
- *“This Agreement shall exclusively govern the Parties’ joint ownership of the [IP] and no national law regarding joint ownership (e.g. the Swedish Act on Joint Ownership (SFS 1904:48 s. 1) and Article 15 of PRC Patent Law (amended as of December 27, 2008) (as further amended)) shall be applied directly or analogously (to the fullest extent such law may be deviated from by contract as permitted under applicable laws)”*
 - What rules to apply in a situation for which the contract gives no answer?

Thank you!



Contact

Erik Ficks

Senior Associate

+46 8 553 190 40

+46 76 128 90 92

erik.ficks@roschier.com

Erik Ficks specializes in all matters of contentious and non-contentious intellectual property (IP) work, in several industry sectors, and marketing law. Erik has extensive experience from acting as counsel in arbitration proceedings and before national courts, including in multi-jurisdictional IP litigation. He also has extensive experience from multi-jurisdictional IP licensing, brand sharing, technology transfers and R&D collaborations. Erik joined Roschier in 2007. His work experience includes working with IP for a law firm in London.