

**Book Review** | *By Dr. Raman Mittal\**

# Research Handbook On Intellectual Property Licensing

*Edited by: Jacques de Werra*<sup>1</sup>

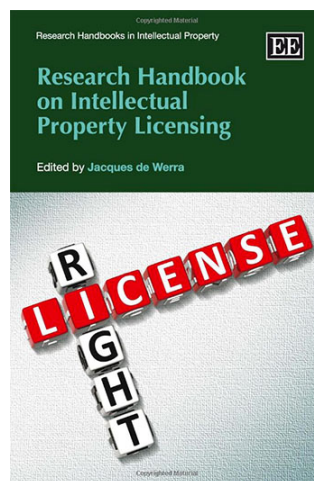
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The handbook under review is a part of the most illustrious series of books on various aspects of intellectual property laws, all being volumes edited by leading scholars in their respective fields. The design and the selection of contributors of any edited volume are the twin factors that represent the creativity of the editor. On both of these counts the editor deserves the highest acclaim. In a subject like licensing law, where the layout of almost every book is different, the design of the handbook is uniquely marked by its division into three parts scripting an inimitable treatment of the subject. The first part is devoted to specific intellectual property licensing policies which takes care of licensing of different forms of intellectual property like copyright, patents, trademarks and trade secrets. Further, this part elaborately covers licensing of software and databases together with a feature on public private technology transfer. The second part subsumes within its fold those policies that are common to the licensing of all the forms of intellectual property like the effect of bankruptcy on licensing, arbitration of licensing disputes, conflict of laws in licensing disputes together with a feature on how voluntary licensing contributes towards socially responsible intellectual property practice. This part also ventures in the area of experimenting and proposing a model intellectual property commercial law. The third and last part exhibits local intellectual property licensing policies with the inclusion of licensing laws from four jurisdictions, *i.e.* China, India, Japan and Europe. This unique arrangement of the subject makes the handbook, on the one hand, avoid overlaps which are so natural to occur when the work is written by multiple authors, and on the other hand, easily readable where the reader can start

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from anywhere according to his or her interest and need.

In total, the book has been co-authored by twenty-one experts, who in the field of licensing are the world's who's who. The group of authors is a wonderful mix of academicians and professionals coming from different backgrounds, who bring together their rich and varied experience on the theme of licensing. The profile of the authors is dotted with

achievements in the domain, both theory and practice, of licensing, taking into its sweep the activity of licensing throughout the globe.

Licensing of copyright finds an abundance of treatment in the handbook as the first two chapters are specifically devoted to it, where Jane C. Ginsburg, Alain Strowel and Bernard Vanbrabant look at the issue from mainly the U.S. and European perspective. The highlights of the chapters include formal requirements of copyright licensing, scope of the grant, waiver of moral rights, licensing over the Internet, open source licensing, the intersection of labour law with copyright contract law and collective licensing. Building on the broad principles of copyright licensing, the next two chapters focus on different aspects of software licensing. Noting that across most nations, software licenses, even though they shape a multi-billion dollar industry, exist in a legislative void, the authors analyse the American Law Institute Principles of software contracts. The authors opine that "ALI Principles offer efficient, fair and practical approaches to many issues of software licensing"<sup>2</sup> and thereby set their sights on improving software licensing law throughout the world through their proposals, which are: assent to electronic standard forms, warranty of no material/hidden defects, treatment of automated disablement and implied indemnification against infringement. Highlighting the importance of copyright in open source licenses, the author notes: "to stay free, software

2. Robert A. Hillman and Maureen A. O'Rourke, "ALI Principles of the Law of Software Contracts: Some Proposals for a Global Software Licensing Policy" in Jacques de Werra, *Research Handbook on Intellectual Property Licensing*, 54 (Edward Elgar, 2013).

3. See, Robert W. Gomulkiewicz, "Clarifications and Complications in Enforcing Software Licenses" in Jacques de Werra, *ibid.* 92.

must be copyrighted and licensed.” Highlighting the turbulent intersection of copyright and contract law, the author makes a distinction between the treatment of conditions and covenants in a license, pure license and contract, and the effect of first sale doctrine on software licenses. The author narrates how clever drafting could change a royalty-related covenant into a license condition.<sup>3</sup>

Mark Anderson differentiates between various national and international laws affecting patent licensing transactions and makes proposals for the harmonization of such laws. Many businesses rely on trade secrets as a critical part of their intellectual property portfolio. For many businesses, the reality is that trade secrets are invariably coupled with patent protected rights in a patent and know-how license. According to the author:<sup>4</sup> “Trade secrets will rarely find themselves at the centre stage of a major commercial license...This is not to say that a trade secret cannot be licensed, but that the inherent perishable nature of a trade secret makes the decision to expose it to the risks of licensing a significant commercial decision for the owner and one to which the law has relatively few answers.” Heinz Goddar discusses the research interactions between industry and universities through three major models prevalent in Germany, *i.e.* the Berlin Contract, the Munich Contract and the BMWi Agreement.

Neil Wilkof has profitably portrayed the law of trademark licensing as a narrative of its jurisprudential story, shaped by the unique interplay of its legal and commercial circumstances over time. While elucidating the trademark licensing law of various jurisdictions, the illustrious author notes that the narrative is once again facing challenges to the coherence of the legal story line. In countries from the common law tradition, the central issues can be seen as the durability of the quality control requirement and the place of merchandising within the existing jurisprudential framework. In continental law countries, the primary issue is interweaving the statutory provisions concerning trademark licensing with the more general law of property and contract. Raymond T. Nimmer explores the interaction between various sources of law related to database and factual information transactions and the contractual terms that establish them; noting that while property rights protections for factual information and database licensing exist, they lack the robust nature of

intellectual property protection found in other forms of licensing. So, the handbook even elaborates upon the licensing principles as they apply to informational assets which may not strictly be protected by intellectual property laws.

Issues regarding the treatment and further fate of a license agreement arise both for the liquidator of the bankrupt estate and for the third party being bound by a contract with the bankrupt debtor, in both the cases of bankruptcy of licensor or the licensee. The rights and entitlements of the non-bankrupt party to a license agreement will often undergo a change or even be lost as a result of the bankruptcy of the other party. Mark Rutter effectively deals with the question of whether how and to what extent bankruptcy rules and principles can be contracted around. Highlighting the importance of arbitration, Francois Dessemontet notes that approximately one-fifth to one-sixth of all ICC arbitration cases every year cover licensing issues. Devotion of two chapters of the handbook to arbitration is, therefore, highly justifiable. Jacques de Werra, in his avatar as an author feels that the difficulties of litigating international intellectual property disputes before state courts contribute to explaining why commercial arbitration has emerged as an alternative for solving international intellectual property disputes. The author reviews some of the features on which the parties of a license should focus when thinking about arbitrating international intellectual property disputes, which include arbitrability of disputes, confidentiality, scope and governing law for arbitration. The author uses typical language of various contract clauses to illustrate their possible interpretations on such features.

The globalization of commercial activity has increased the interest of right holders in exploiting intellectual property rights simultaneously in many jurisdictions by means of multiple licenses. This fragmentation resulting from territoriality may eventually lead to the application of different national laws to the intellectual property rights which are the subject matter of a multistate license. While highlighting the importance of party autonomy in determining the law applicable to the contract, Pedro A. de Miguel Asensio seeks to find the applicable law in the absence of such a choice. While compulsory licensing of patents is what comes to mind when nations are confronted with public health emergencies, Peter Beyer explains how voluntary licensing, which is seen only as an aid to business, could be effectively tailored and geared by pharmaceutical com-

4. John Hull, “The Licensing of Trade Secrets and Know-How” in Jacques de Werra, *ibid.* 182.

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panies to meet the public health goals of governments. Through various case studies the author describes how in the past decade companies have increasingly been using non-exclusive license agreements, non-asset declarations, immunity-from-suit agreements, allowing generic companies to produce and market antiretroviral treatments in defined geographical areas.

Although some intellectual property laws contain specific provisions for some types of contracts, intellectual property law does not usually contain provisions that deal with intellectual property commercial contract law. Though a State's general contract law addresses formation and enforcement of contracts of all kinds, it rarely includes provisions specifically tailored to support intellectual property commerce. This creates barriers to new actors, especially small and medium enterprises, as well as increasing transaction costs for all parties. Jeff Dodd and Lorin Brennan propose a solution to this gap in law by drafting a model Intellectual Property Commercial Law.

While Hong Xue, Nikhil Krishnamurthy and Shinto Teramoto deal with basics of licensing in China, India and Japan, respectively, Jacques de Werra, in his second innings as an author, notes that there are at present no global or even European policies governing intellectual property commercial law, and specifically intellectual property licensing law. The author demonstrates, by focusing on certain aspects relating to European intellectual property law, the difficulties which result from the present unharmonized status of intellectual property licensing and builds a case for achieving more harmonization.

Licensing is quite certainly the most usual way by which intellectual property rights are commercialized and put to use. The handbook not only synthesizes the doctrines from both the civil law and the common law traditions, it also portrays an admixture of constitutional and statutory provisions, international and municipal laws, equity principles and judicial decisions—all converging on the theme of licensing from an interdisciplinary perspective. Where an individual chapter is written on a topic according to the laws of one country, the authors have not forgotten to add a comparative analysis whereby they treat the topic from the angle of other countries' laws. The canvas of the book is strewn with case laws emerging from principal jurisdictions ranging from Europe, U.S.A., China, India, Japan and South Africa covering virtually all the major business centers around the world, making the

book relevant for a worldwide audience. The theory of licensing law is at the base of many business practices like merchandising, technology transfer, franchising, etc.; all of these find being suitably treated within the import of the handbook. The range of the issues covered in the handbook is such that there is hardly an element of licensing law that does not get treated and analyzed in the volume.

The handbook is a welcome addition to the scant and scattered literature on the subject of licensing law. It stands tall as an invaluable source of reference for the scholars of intellectual property. It is a must possess for anybody who works in the domain of intellectual property and for everybody who wants to learn it. The handbook is relevant for the practitioner and the academician, for the manager and the student and in short, for one and all connected in some way with the ever interesting and growing body of intellectual property law. In a milieu where the nature and features of licensing law remain quite unclear and susceptible to misunderstanding, the handbook succeeds in offering an integrated analysis and constructing a framework for understanding the complex and evolving body of licensing law. The goal of the handbook as underlined by the editor in its preface, "to offer some policy perspectives on the topic,"<sup>5</sup> has been verily accomplished, for the work is certain to stimulate policy debates on the themes covered in the book. It contains many suggestions, directions and insinuations for the policy makers and the interpreters of law. It is full of seeds and open threads that could be picked by the future researcher who will take up the task of further elaborating and developing the subject of licensing.

The hardbound containing 500 + xviii pages presents the subject in a handy volume. The book can be ordered online<sup>6</sup> and Licensing Executive Society members can avail a discount of 35% if they order online. The handbook is also available as an eBook for subscribing libraries.<sup>8</sup> ■

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5. See, Jacques de Werra, *Research Handbook on Intellectual Property Licensing*, xvii (Edward Elgar, 2013).

6. For ordering online the link is: [http://www.e-elgar.com/bookentry\\_main.lasso?id=14143](http://www.e-elgar.com/bookentry_main.lasso?id=14143).

8. For eBook version the link is: <http://www.elgaronline.com/view/9781849804400.xml>