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Partner, Head of IP

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## Richard Wessman

- Partner at Vinge
- Head of Vinge's IP Group
- Jur Dr at Stockholms University
- Uppsala University, teacher and researcher. Faculty of law, 2003-2006
- Stockholm University, teacher and researcher, Faculty of law, 1995-2003

### Memberships and publications

- The Swedish Bar Association
- The Swedish Association for the Protection of Intellectual Property (SFIR)
- International Trademark Association (INTA)
- The International Association for the Protection of Intellectual Property (AIPPI)
- Trademark Conflicts (Norstedts juridik, Doctoral thesis 2002),
- Borderline Cases in Intellectual Property Law (Norstedts juridik 2004)
- The Trademarks Act – A Commentary (The Yellow Series, Norstedts juridik 2013)
- The Structure of Intellectual Property Law (Nordstedts Juridik 2019)

## Awards



# This is Vinge

## **A leading Nordic law firm**

We are a leading Nordic law firm, with 500 expert employees and offices in Stockholm, Gothenburg, Malmö, Helsingborg and Brussels.

## **A full-service law firm**

We are a full-service law firm with a long list of assignments spanning most areas of business law. Our experience includes everything from large complex acquisitions and mergers, to supporting start-up expansions and assignments in general company law. We also employ many of Sweden's leading specialists in business law.



# Vinges IP Group

The focus of Vinge's Intellectual Property specialists is on giving support that works in a commercial context. We combine our thorough legal knowledge with our understanding of how regulatory regimes work and the commercial opportunities they can offer. In the IP group at Vinge, we are 30 fulltime IP practitioners working with all fields of IP-law.

## **Some of our mandates**

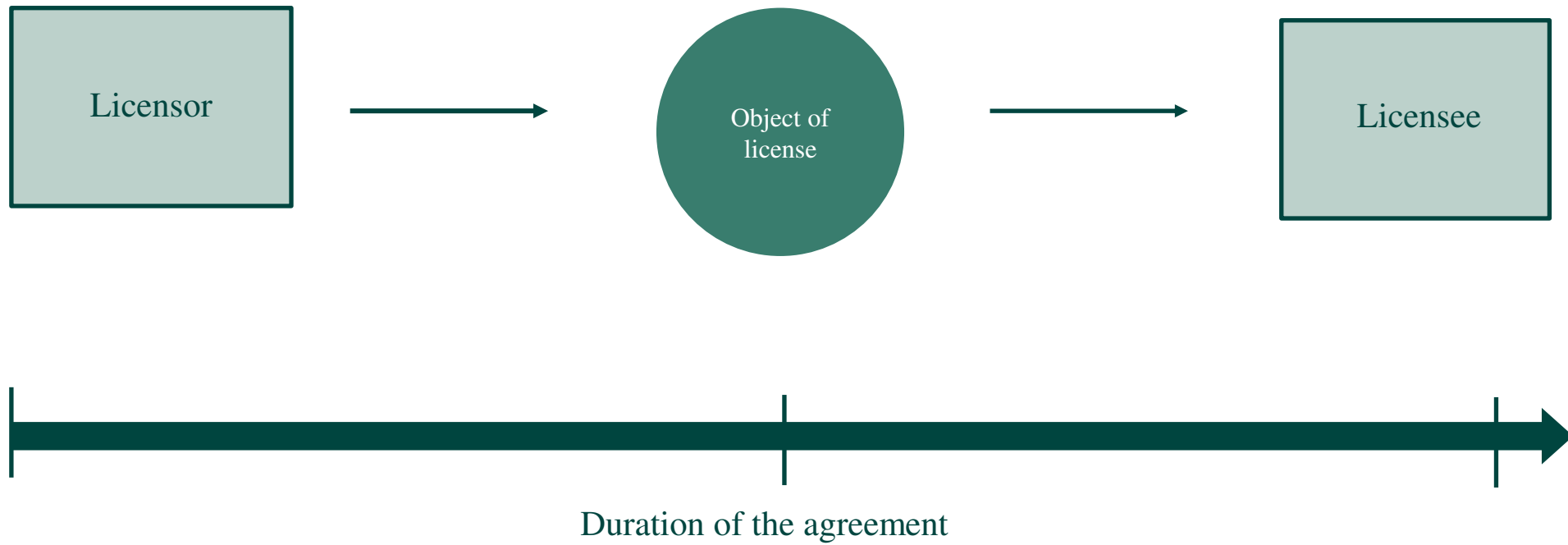
- IP-disputes and IP-contract draft and negotiation, IP-transactions, strategic work, trademark and design applications, and other areas of intellectual property law.

VINGE

# The Anatomy of License Agreements

*Informationen i presentationen är allmänt hållen och varken kan eller ska ersätta juridisk rådgivning i det enskilda fallet.  
De allmänna villkor som gäller för våra tjänster är tillgängliga på [vinge.se](https://vinge.se).*

# The Basic Structure



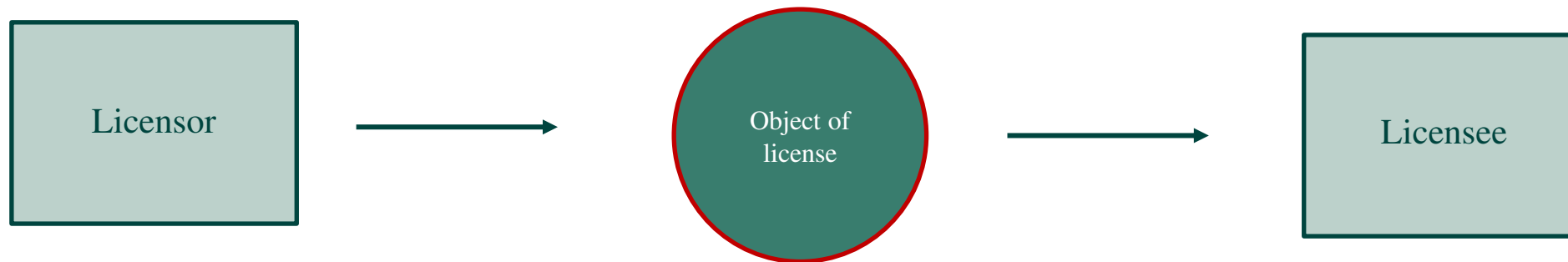
# Core issues

- I. Object of the license
- II. Extent of the grant
- III. Particular obligations of the licensee
- IV. Third parties
- V. Form of remuneration and duration of the agreement

# The Object of the License

# I. The Object of the License

- It is important to clearly define and explain the IP-rights on which the agreement is based
- One may attach, or refer to, registrations, but problems may arise when it comes to unregistered rights (such as for example unregistered trademark or design rights, or copyright)
- Sometimes the license agreement is based on a combination of IP-rights and know-how, which makes the definition and explanation more complex





# I. The Object of the License

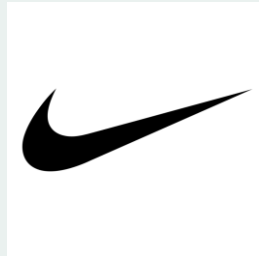
- It is important to clearly explain the nature of the right which is assigned
- See the following examples:



# I. The Object of the License

*Different forms of trademarks:*

McDonalds

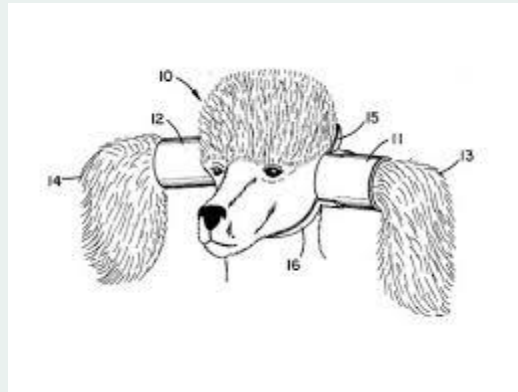


# I. The Object of the License

*Designs:*

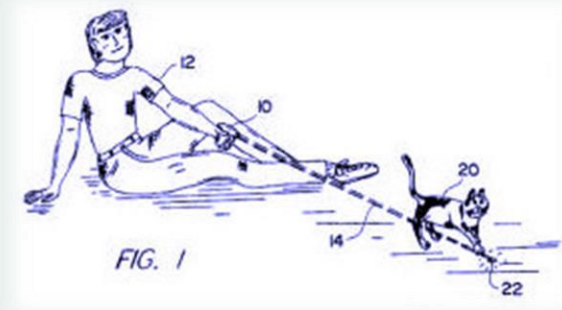
# I. The Object of the License

- Product patent (exemple: US 4,233,942)



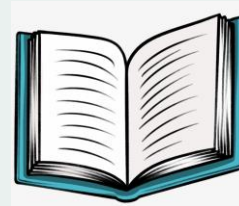
# I. The Object of the License

- Method patent (exemple: US 5,443,036)



# I. The Object of the License

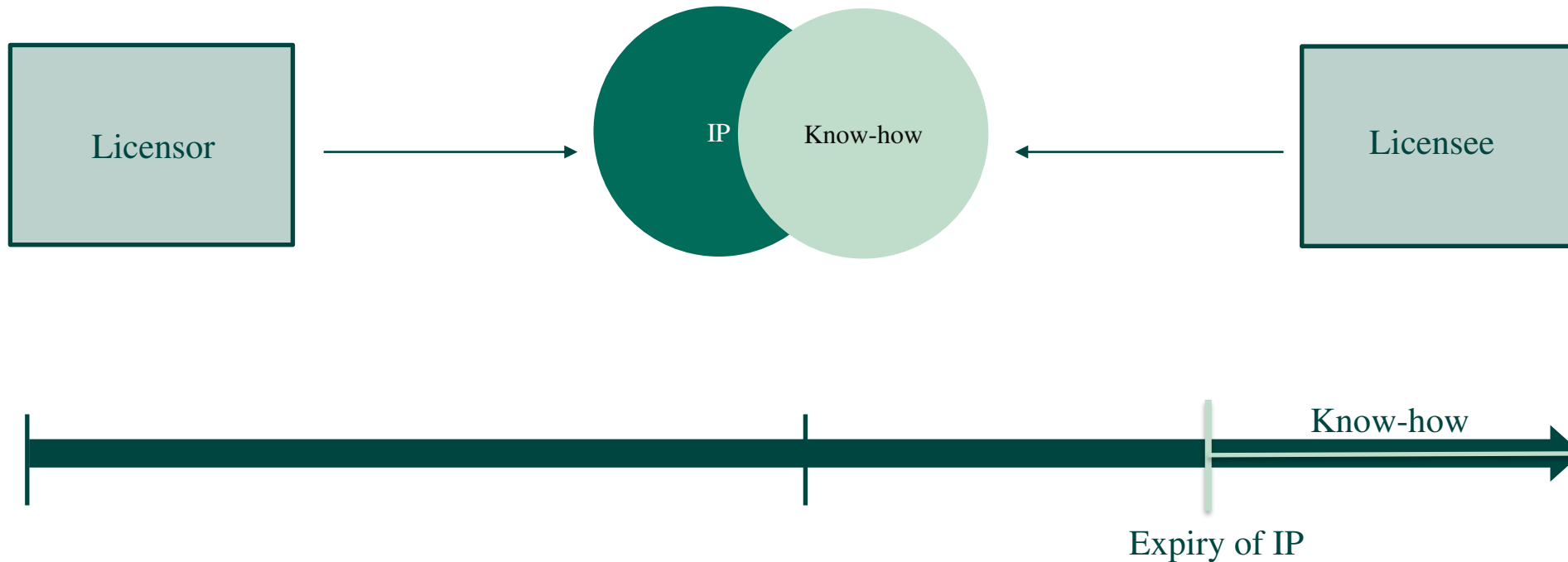
- Make copies of the work
- Make the work available to the public:
  - Publicly perform
  - Publicly exhibit
  - Offer for sale



# I. The Object of the License

## *IP and know-how*

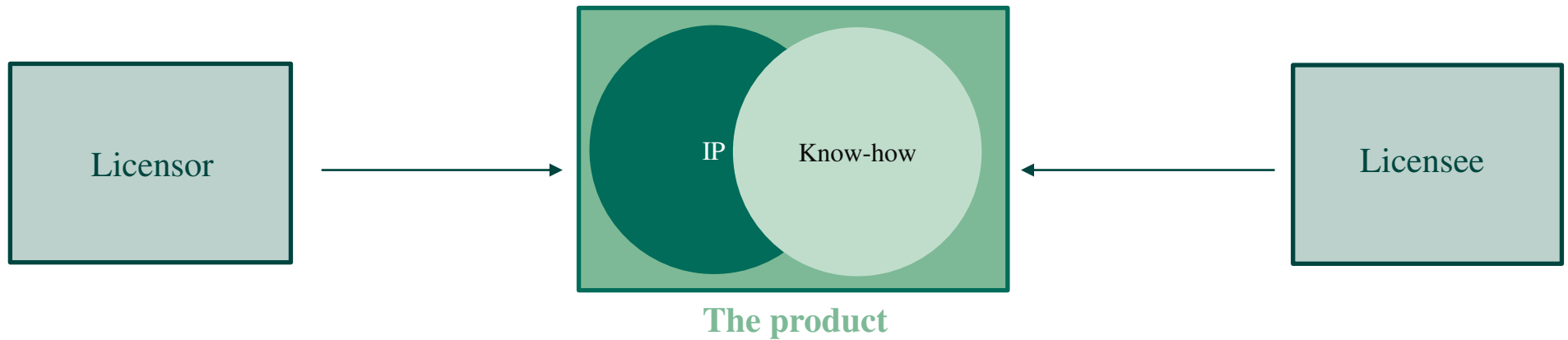
- The object of a license may often be a combination of IP and know-how



# I. The Object of the License

*IP and know-how*

- The combination of IP and know-how may form the basis for a product, sold under the license agreement

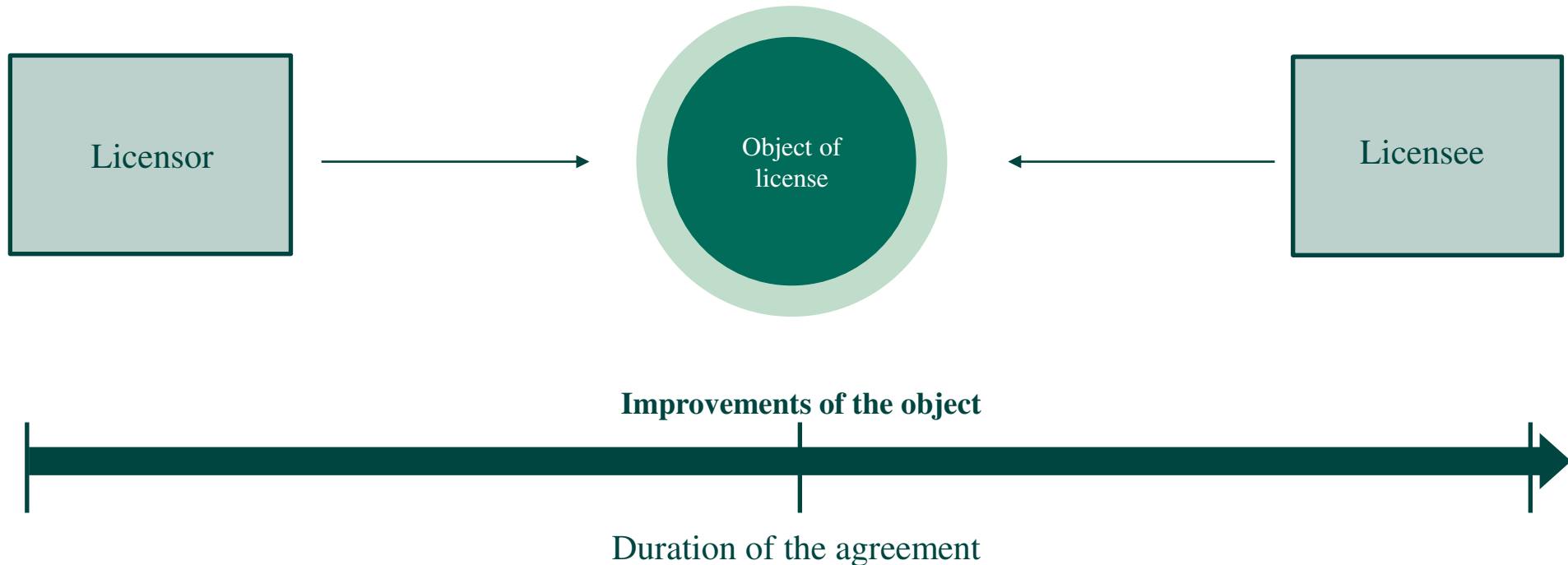




# I. The Object of the License

## *Developments and improvements*

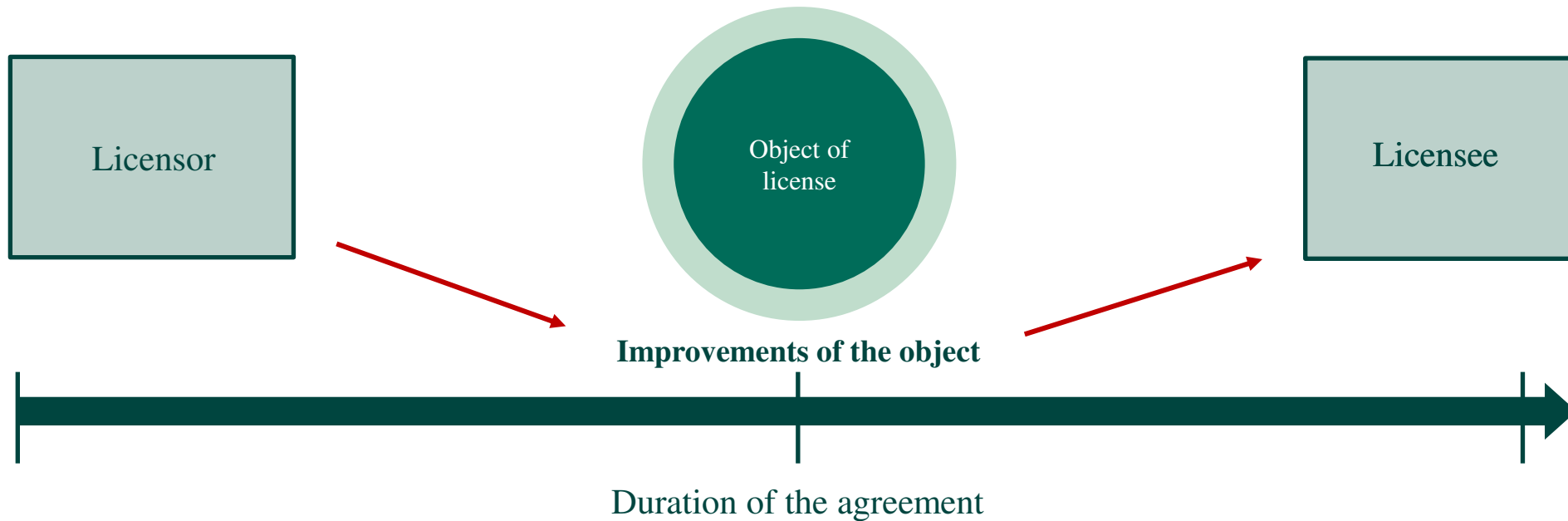
- One of the most common problem areas in licensing law is where the licensor or the licensee develops, and improves the object of the license, for example when a licensee improves an invention



# I. The Object of the License

*Grant forward*

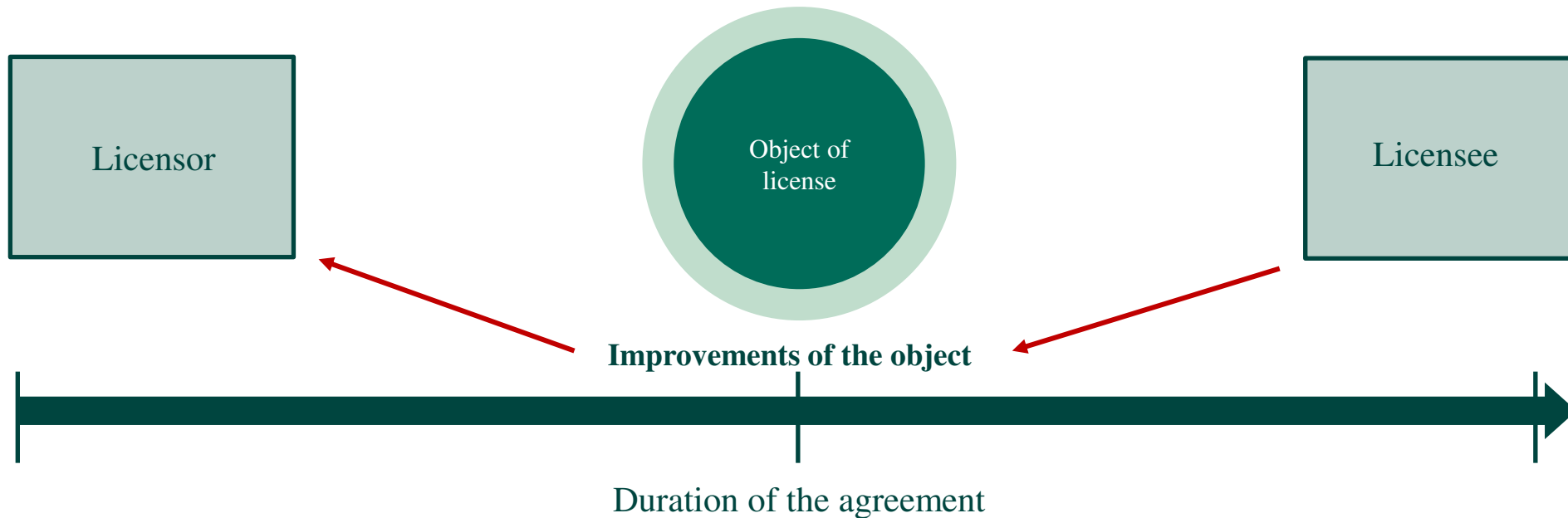
- It is important to consider grant forward clauses (relevant issues: compensation, scope, sub-licensing)



# I. The Object of the License

## *Grant back*

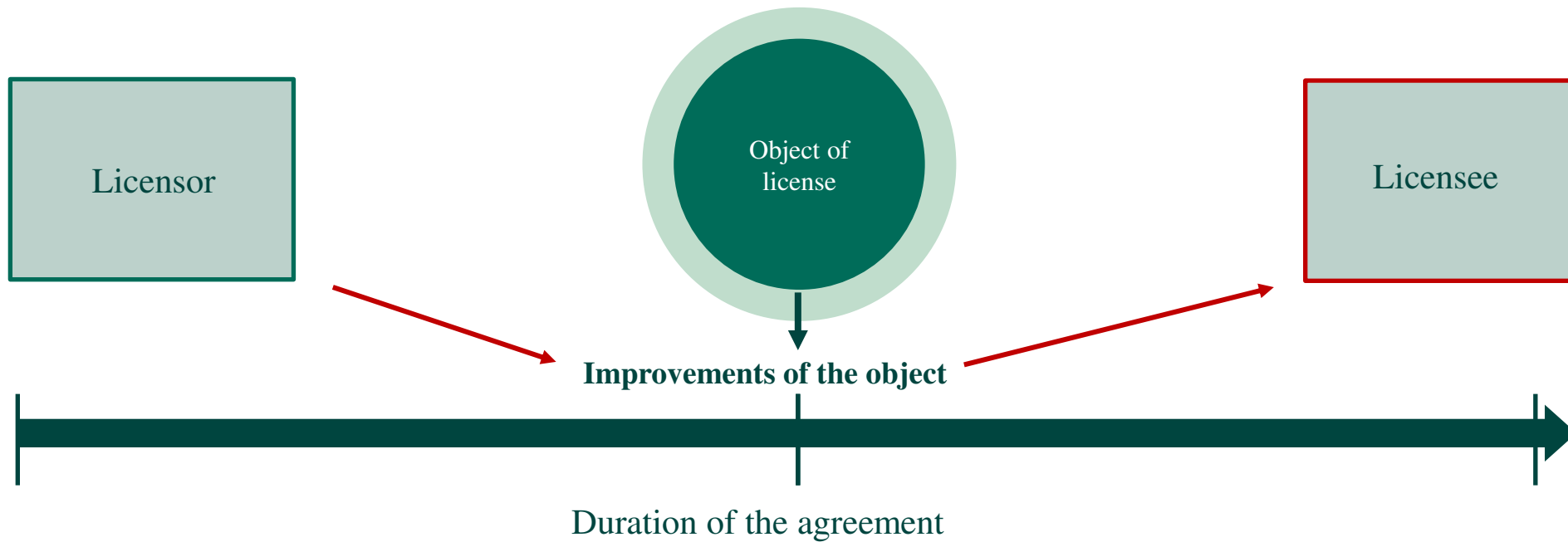
- It is important to consider grant back clauses (relevant issues: compensation, scope, sub-licensing)



# I. The Object of the License

## *Exclusive grant forward*

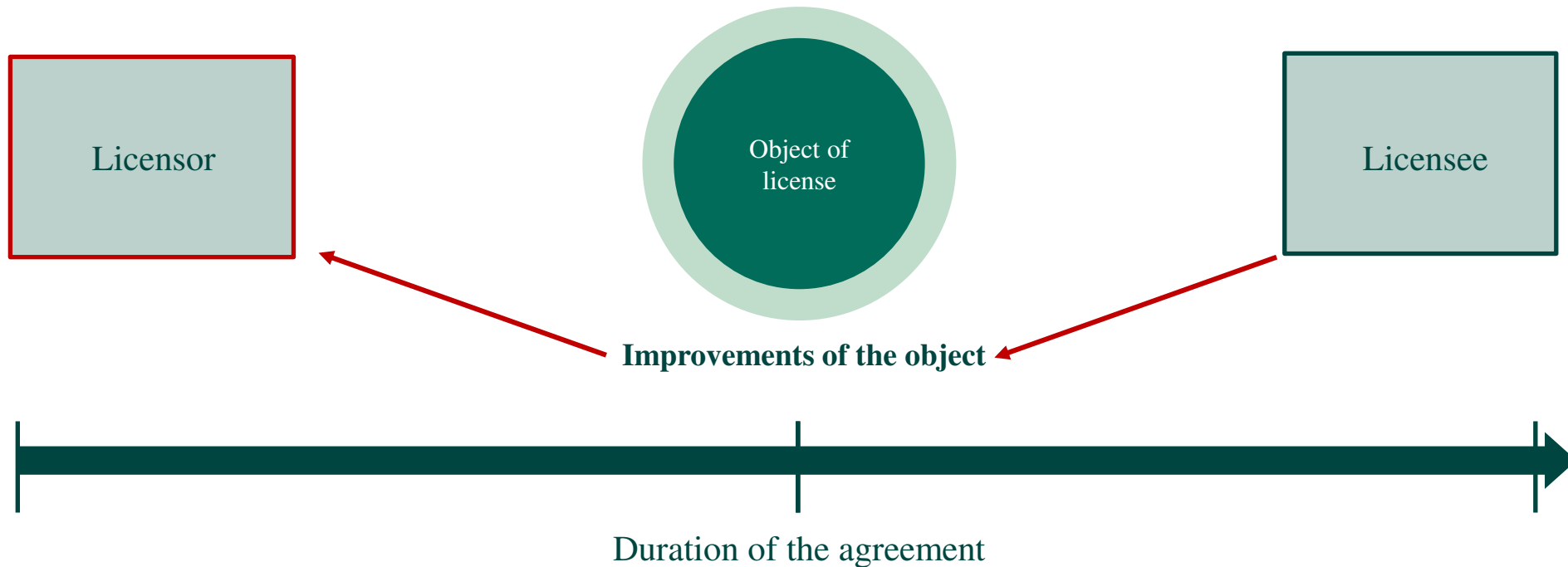
- If a grant forward clause is exclusive, one should expect competition issues to arise



# I. The Object of the License

## *Exclusive grant back*

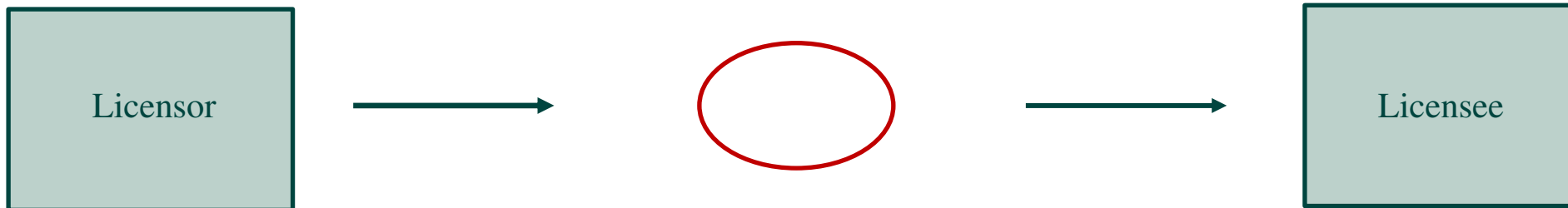
- If a grant back clause is exclusive, one should expect competition issues to arise



# I. The Object of the License

*License without an exclusive right?*

- Could a license agreement exist without an underlying right in the relevant territory?
- Examples: The Golden Gate, and the Spiderman cases.



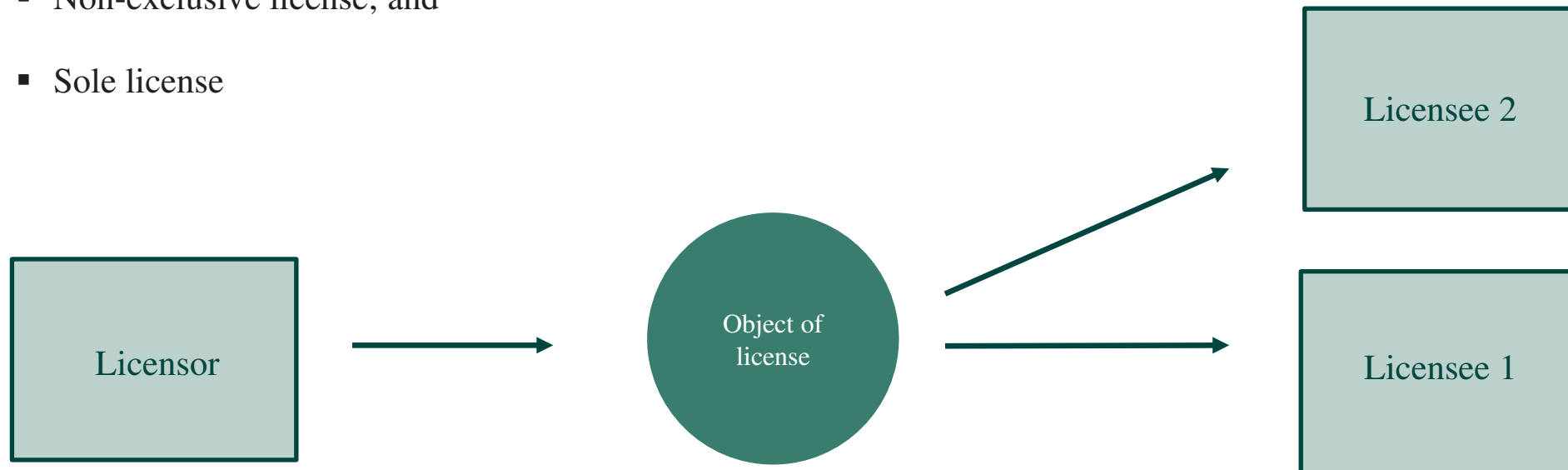
An aerial photograph showing a paved road that curves through a dense forest of evergreen trees. The trees are dark green, with some lighter green patches. The road is a light gray color and runs horizontally across the middle of the frame, curving slightly to the right. The text "Extent of the Grant" is overlaid in white, serif font on the road.

# Extent of the Grant

## II. Extent of the Grant

*The definition of the scope*

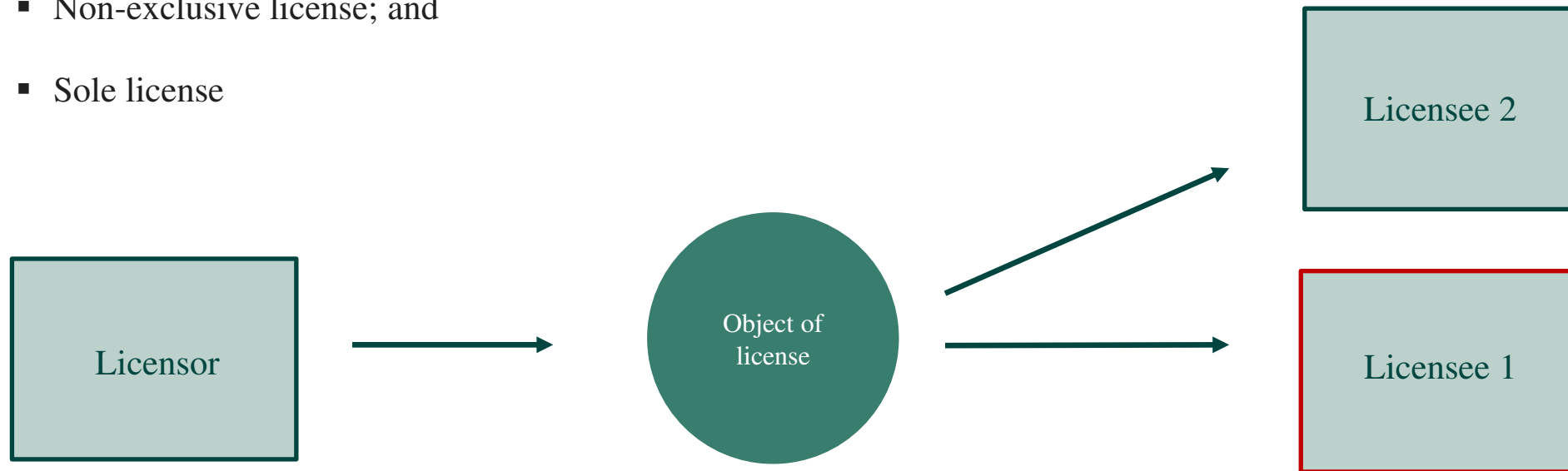
- It is important to distinguish between:
- Exclusive license;
- Non-exclusive license; and
- Sole license





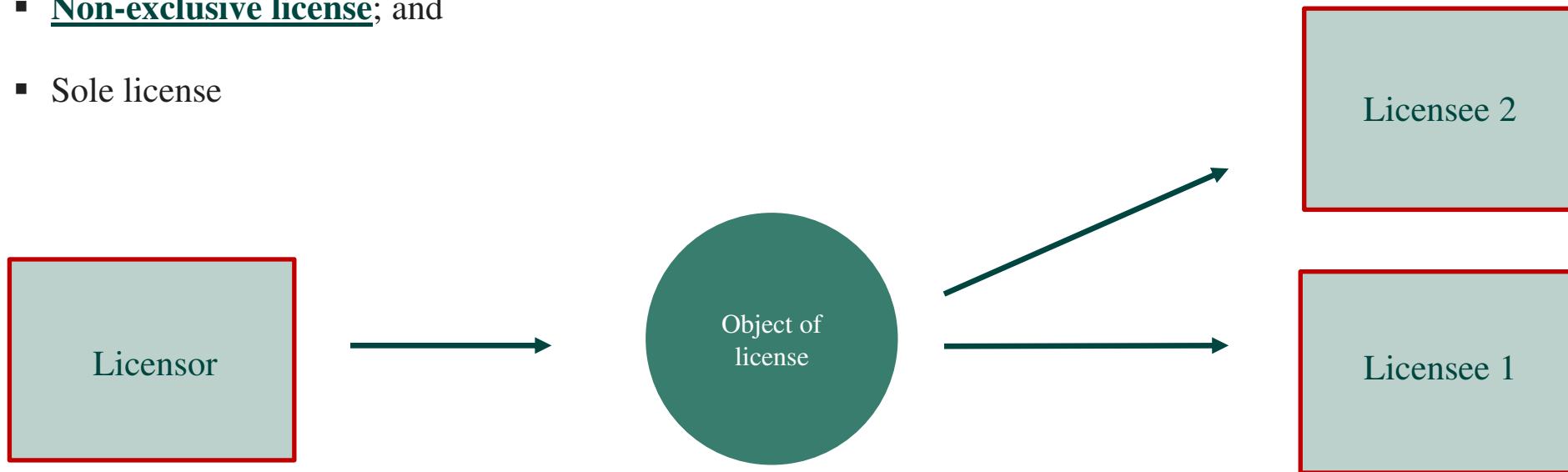
## II. Extent of the Grant

- It is important to distinguish between:
- **Exclusive license;**
- Non-exclusive license; and
- Sole license



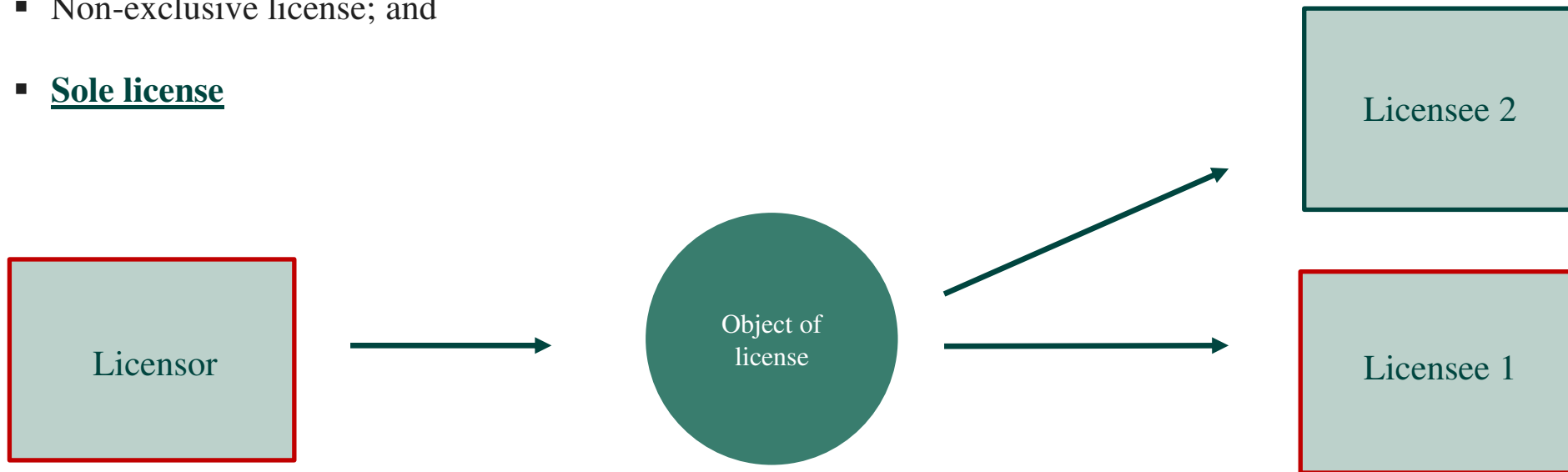
## II. Extent of the Grant

- It is important to distinguish between:
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- Sole license



## II. Extent of the Grant

- It is important to distinguish between:
- Exclusive license;
- Non-exclusive license; and
- Sole license



## II. Extent of the Grant

### *Territory*


- One should be careful when defining the geographical scope of the license
- In order to avoid misunderstandings, one could consider attaching a map of the relevant geographical area



## II. Extent of the Grant

- When it comes to trademark license agreements, such as for example franchise agreements, it is important to specify which goods or services the trademark may be used for
- Such a specification should be as clear, and exact as possible to avoid room for misunderstandings





# Particular Obligations of the Licensee

# III. Particular Obligations of the Licensee

- Minimum sales
- Marketing contributions from the licensor (especially in trademark licensing)



# III. Particular Obligations of the Licensee

## *No-challenge clauses*

- Are no-challenge clauses valid?
- Competition aspects

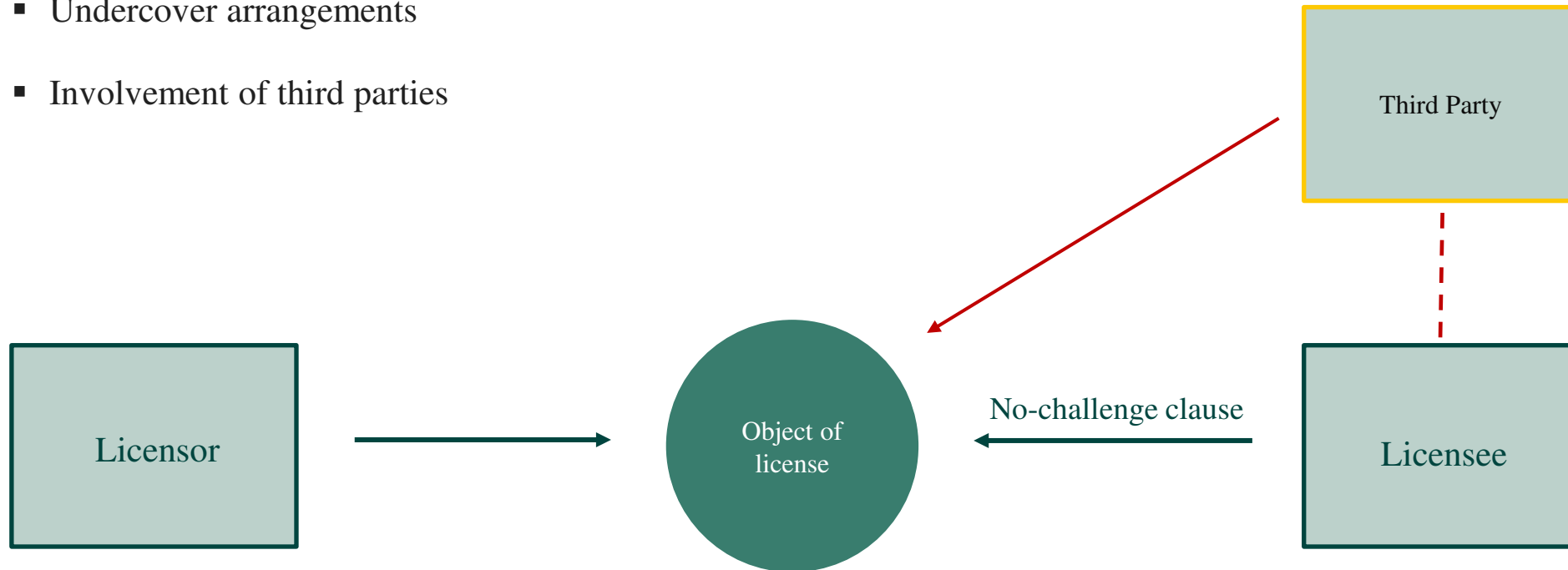




# III. Particular Obligations of the Licensee

## *Third party involvement*

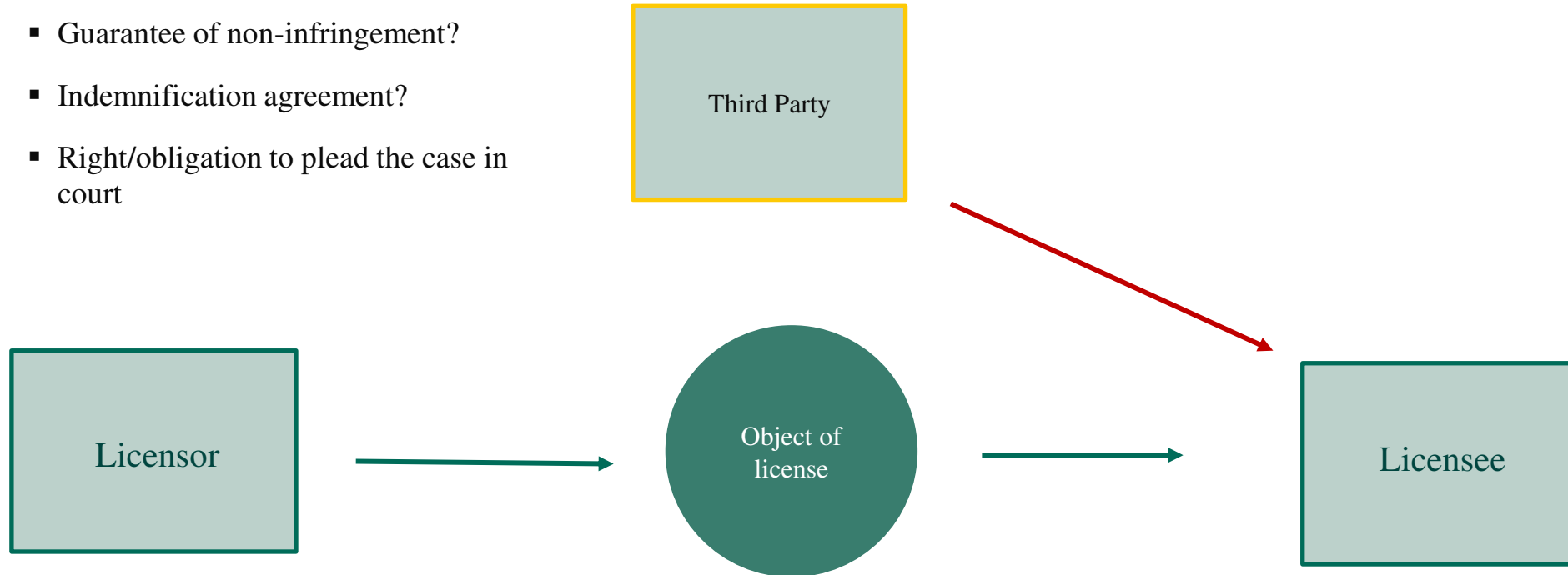
- Undercover arrangements
- Involvement of third parties



# IV. Third Parties

*Infringement action by third party*

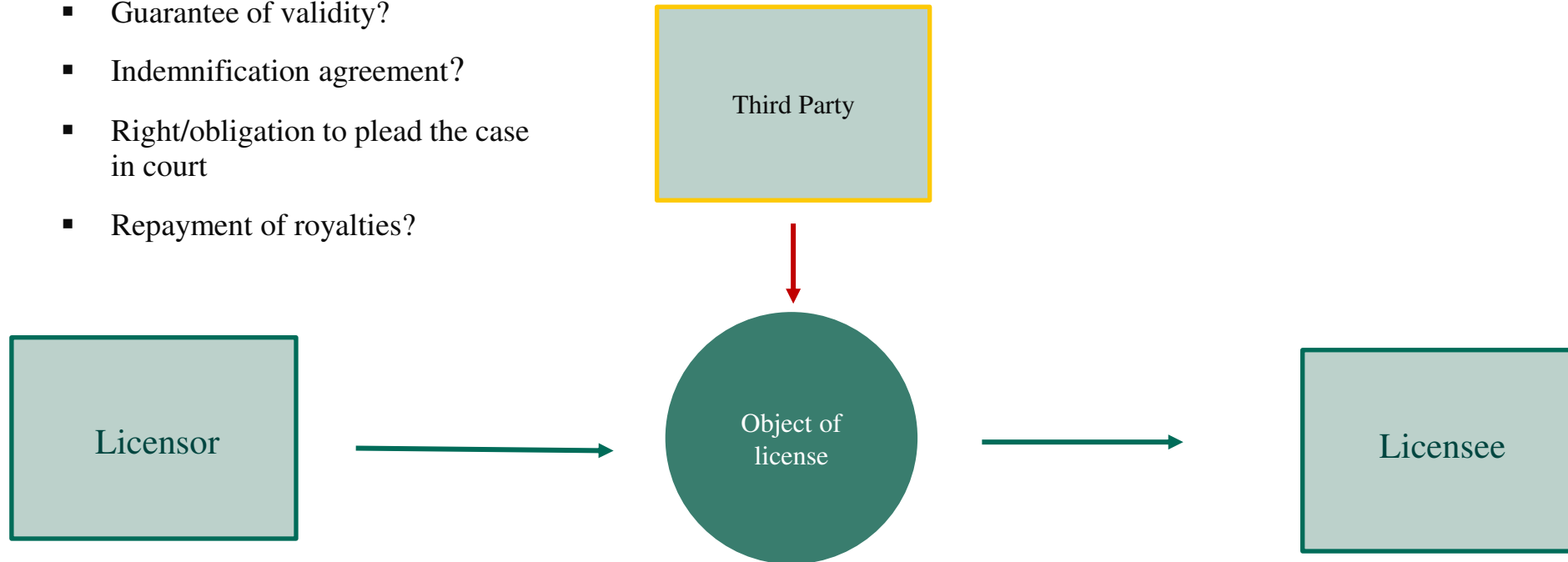
- Guarantee of non-infringement?
- Indemnification agreement?
- Right/obligation to plead the case in court



# IV. Third Parties

*Revocation action by third party*

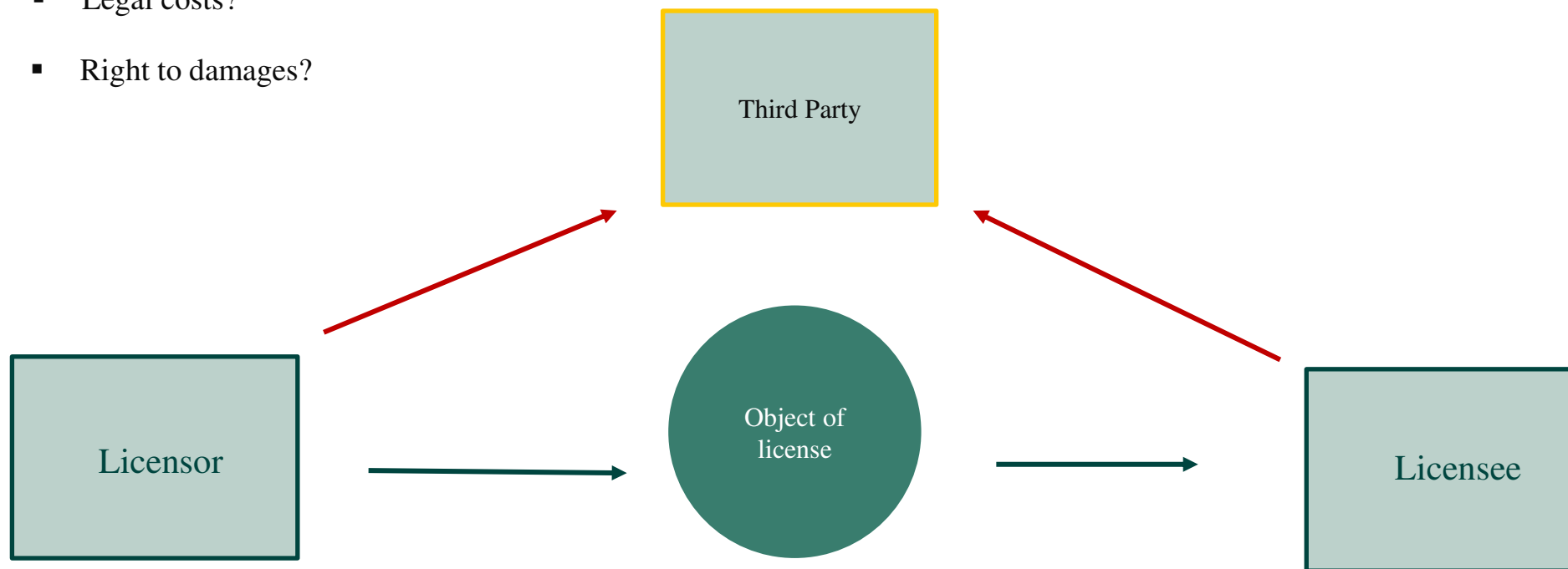
- Guarantee of validity?
- Indemnification agreement?
- Right/obligation to plead the case in court
- Repayment of royalties?



# IV. Third Parties

*Infringement action against third party*

- Right/obligation to file an infringement action?
- Legal costs?
- Right to damages?

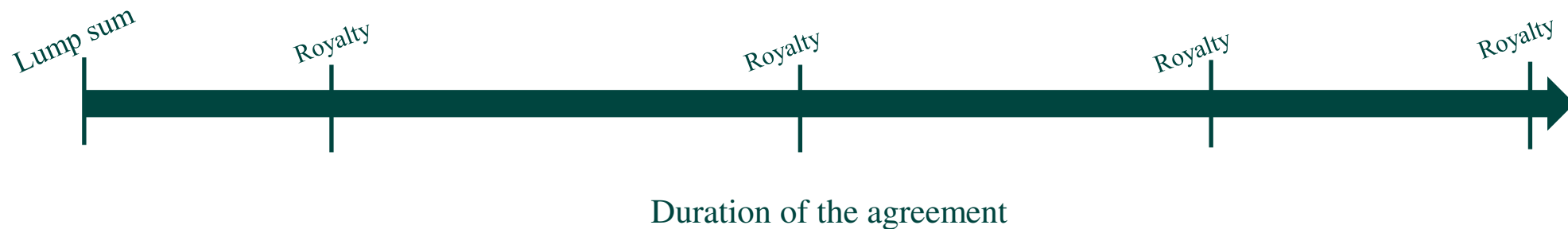


An aerial photograph of a dense forest of evergreen trees, likely spruce or fir, showing a variety of green shades from dark to light. The trees are packed closely together, creating a textured, patterned appearance from above. The lighting is soft, with some areas appearing slightly brighter than others, suggesting a misty or overcast day.

# Form of Remuneration and Duration of the Agreement

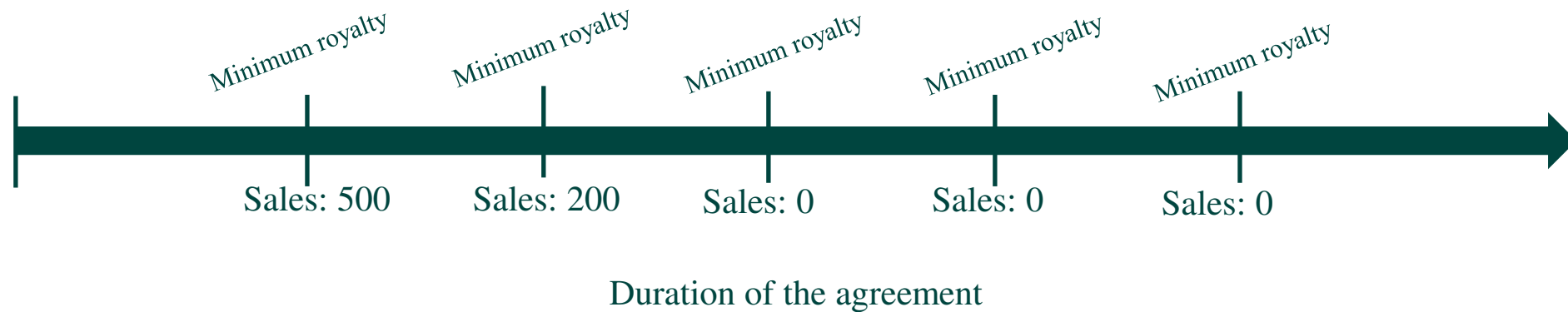
## V. Form of Remuneration and Duration of the Agreement

- Royalty or lump sum (or a combination)?
- Minimum royalty?



# V. Form of Remuneration and Duration of the Agreement

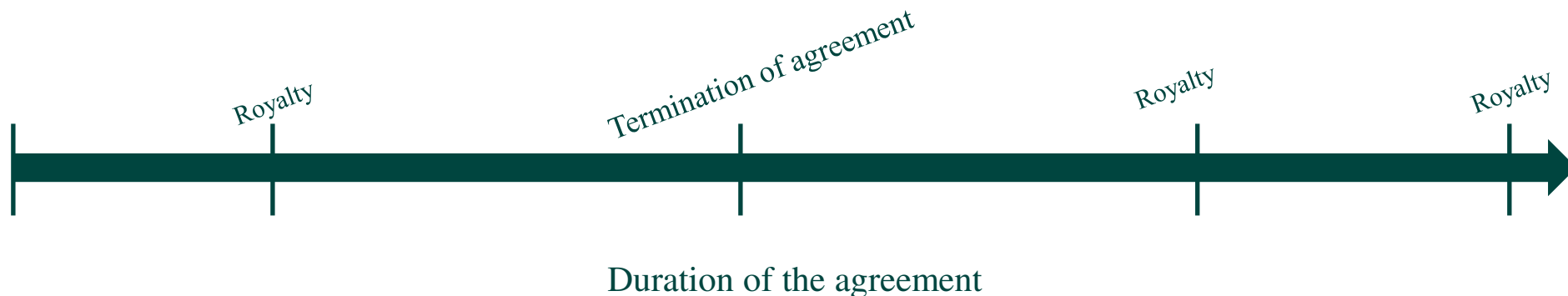
*Relationship between minimum royalty and the duration of the agreement*



# V. Form of Remuneration and Duration of the Agreement

*Obligation to pay royalty after the expiration of the agreement?*

- Different views in the US and the EU
- The Spiderman case (US Supreme Court in *Kimble v Marvel*, 22 June 2015)
- The Genentech case (ECJ in *Genentech v Hoechst*, 7 July 2016)
- Different when know-how is involved?





# V. Form of Remuneration and Duration of the Agreement

## *Disclosure of sales*

- Transparent accounting
- Consequences of wrongful report of sales
- Transparency when there are no sales?



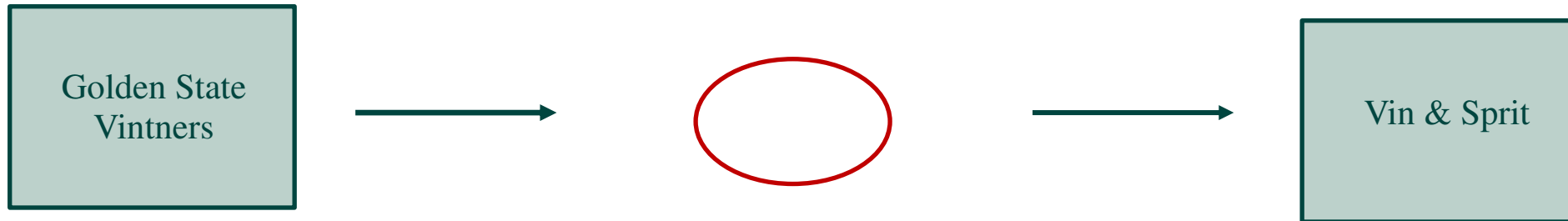
A close-up, slightly blurred photograph of a person's hands holding a white document. The document is held open, and the person's fingers are visible at the edges. The background is dark and out of focus. The text 'Where can it go wrong?' is overlaid in the center of the document in a white, serif font.

Where can it go wrong?

# The Golden Gate Case

*License agreement without an exclusive right?*

- *Golden Gate I* (RH 2008:29) *Golden Gate II* (MD 2010:21) *Golden Gate III* (T 6004-09)



# The Golden Gate Case



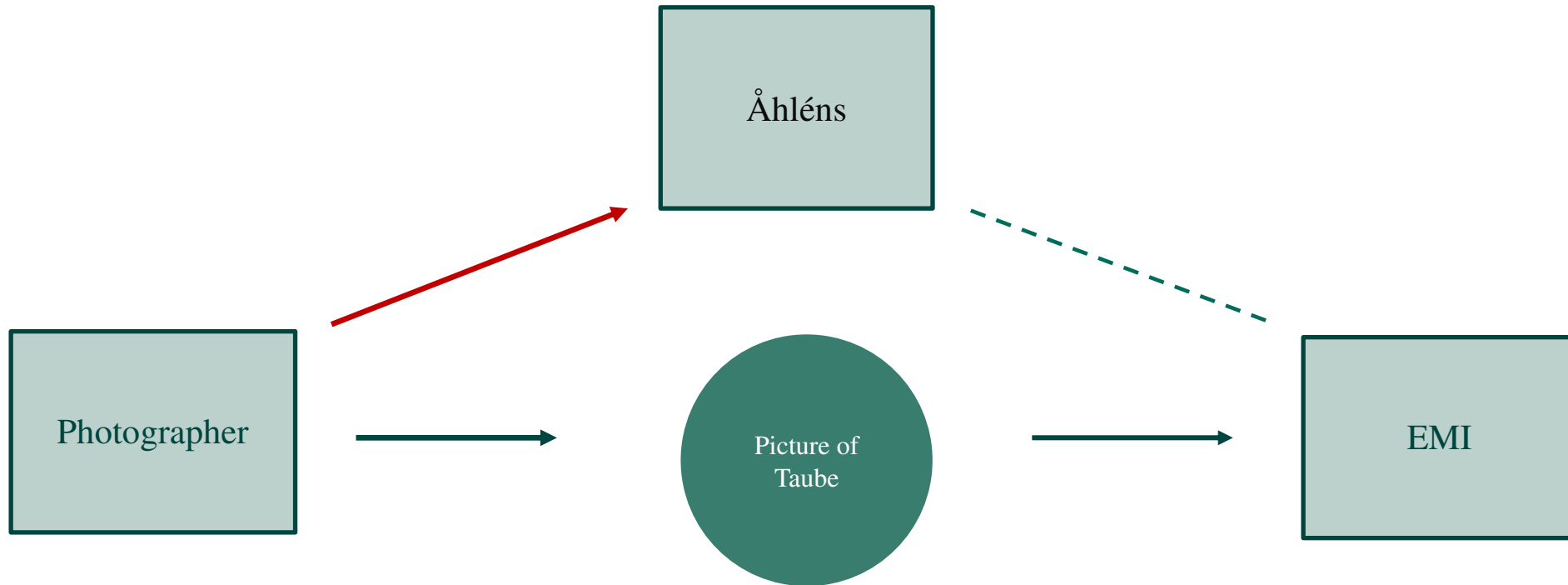
# The Object of the License

- Golden Gate (Svea hovrätt, RH 2008:29)
- Is it a prerequisite for a trademark license that the trademark is registered, or has acquired distinctive character through use?
- Is it possible to stretch the license to cover goods that are not subject to an exclusive right?



# The Evert Taube Case

*NJA 2010 s 559*



# The Evert Taube Case

*NJA 2010 s 559*



# The Evert Taube Case

*NJA 2010 s 559*





# The Evert Taube Case

*NJA 2010 s 559*

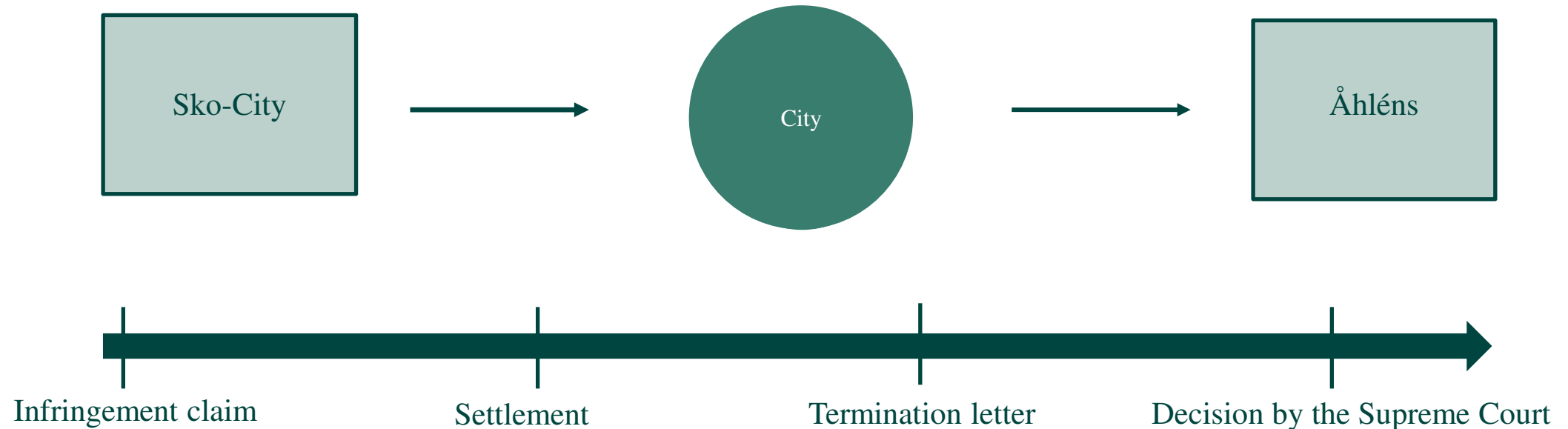
- The principle of exhaustion (IP-law)
- The principle of bad faith (contract law)



# The Sko-City Case

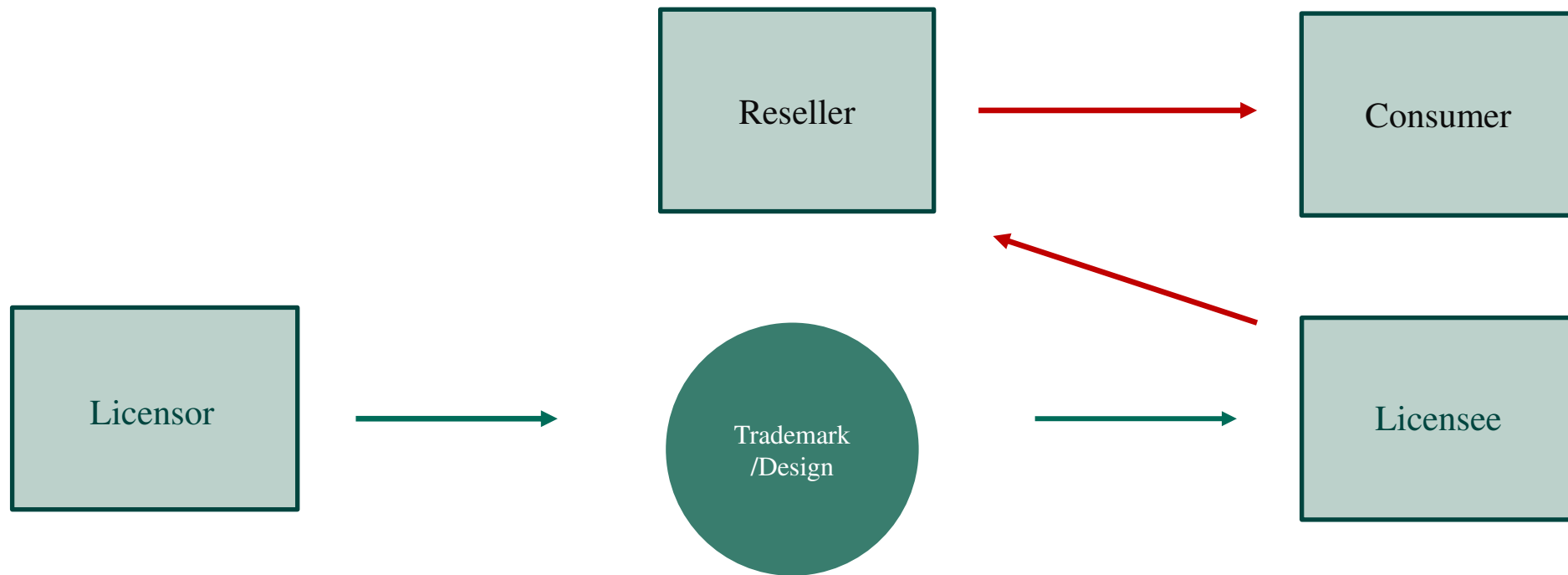
*NJA 1992 s 439*

- Co-existence and Settlement agreements
- Duration and Termination



# The Dior Cases I and II

*(C-337/95 and C-59/08)*



# The Dior Cases I and II

(C-337/95 and C-59/08)



# The Dior Cases I and II

*(C-337/95 and C-59/08)*

- The principle of exhaustion
- Serious damage?
- Clause which prevents sales to unauthorised resellers
- Competition issues



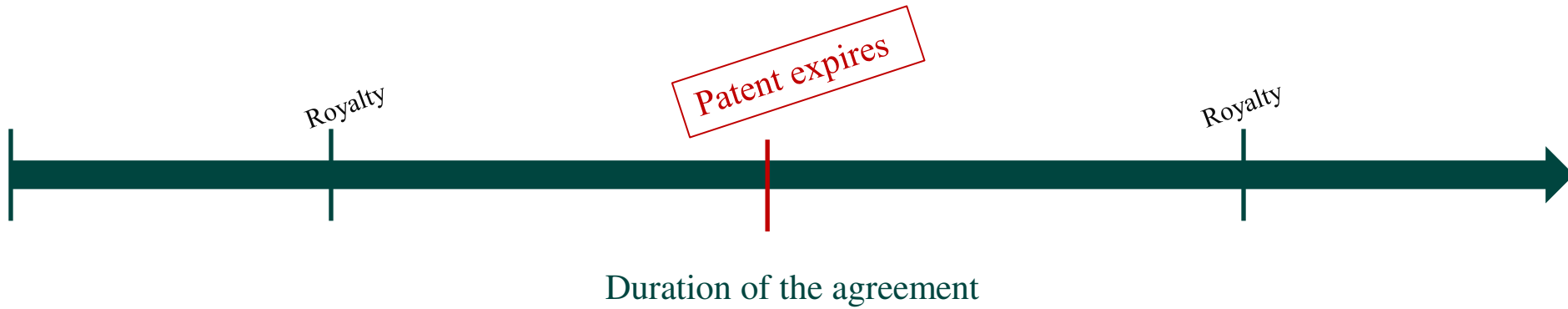
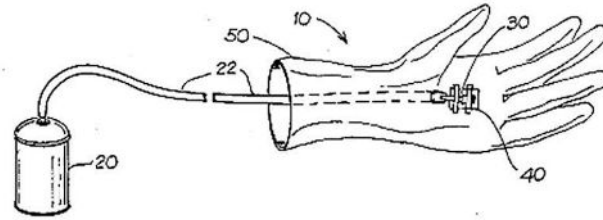
# The Martin y Paz case (C-661/11)

*Withdrawal of consent*



# The Spiderman case

*Kimble v. Marvel (US Supreme Court. 22 June 2015)*



# Example: The concept of the EU in a License Agreement

*How should the term "EU" be interpreted in licensing agreements after Brexit?*

- *What happens if the "EU" area changes, when countries become members, or when countries decide to leave the Union? How should "EU" be understood?*
- *So far, the issue has mainly arisen when new Member States, such as Bulgaria, Romania and Croatia, have become new members in the EU. In such cases, the EU area has become larger. Now we are facing a situation where the reverse applies, the Brexit situation. An important strategic area for many licensees may be lost.*





# Method for Interpretation

- I. The mutual intention of the parties
- II. Opposite party in bad faith
- III. Wording of the agreement
- IV. Systematic interpretation
- V. Practice between the parties and within the industry
- VI. Rules of interpretation
- VII. Reasonable and fair interpretation





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