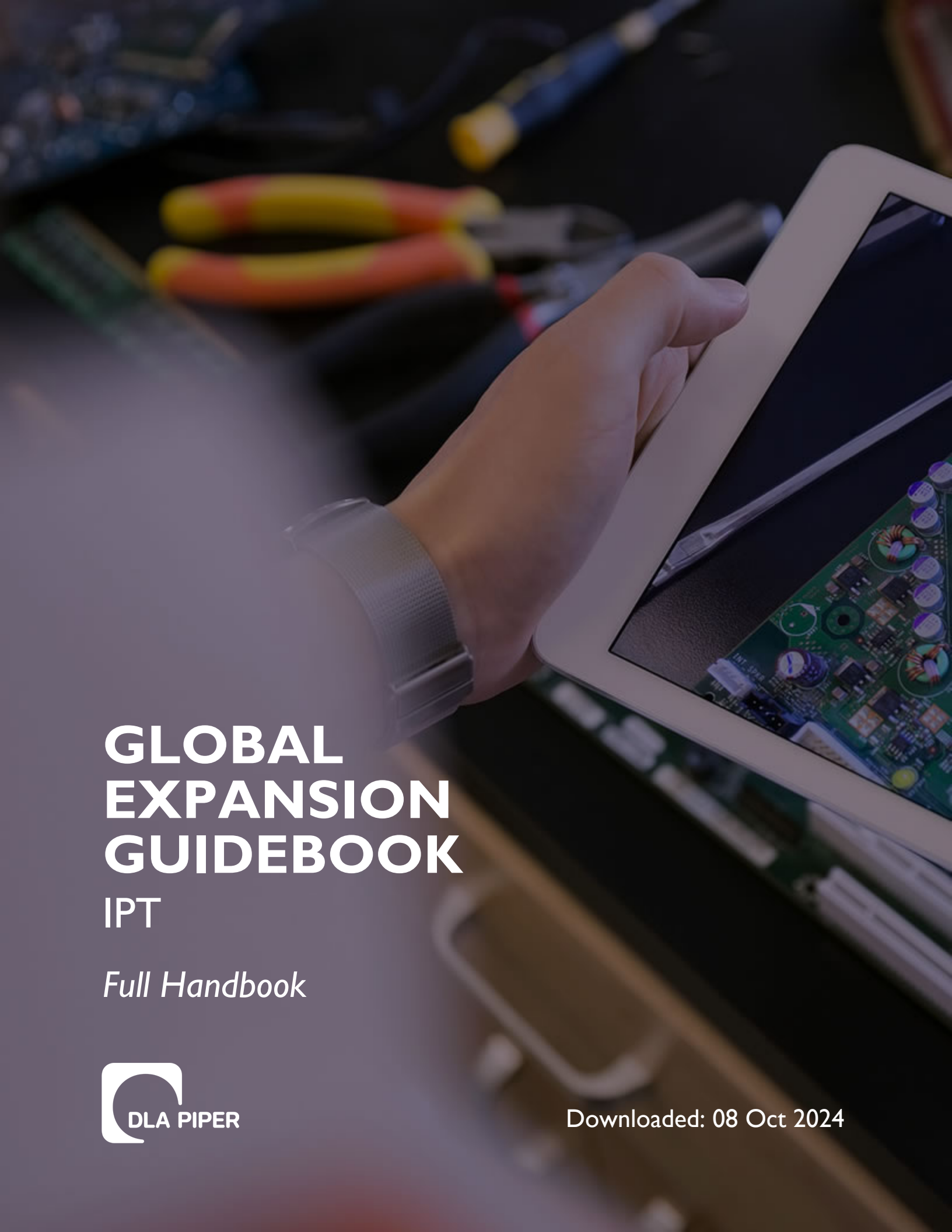




GLOBAL EXPANSION GUIDEBOOK IPT

Full Handbook



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INTRODUCTION

Welcome to the 2024 edition of DLA Piper's *Global Expansion Guidebook – Intellectual Property and Technology*.

GLOBAL EXPANSION GUIDEBOOK SERIES

Many companies today aim to scale their businesses globally and into multiple countries simultaneously. In order to help clients meet this challenge, we have created a handy set of global guides that cover the basics companies need to know. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, equity compensation, intellectual property and technology, and tax laws in key jurisdictions around the world.

INTELLECTUAL PROPERTY AND TECHNOLOGY

Inside this guide, we outline crucial aspects of IPT laws in over 40 jurisdictions that are particularly relevant to businesses seeking to expand their operations globally. We also summarize some fundamental commercial terms that customarily appear in IPT-related agreements.

You will find answers to such common questions as:

- Which jurisdictions recognize moral rights?
- What does my business need to do to have an enforceable assignment of intellectual property from an employee, from a consultant?
- What kind of liability can be excluded from a commercial contract?

With this edition, we've also included a section for each country that discusses the enforceability of electronic signatures.

Our goal is to make the guide as readable and informative as possible, providing you just the background you need to get an overview of the IPT laws in the selected jurisdictions. This is not a substitute for professional legal advice. If you have questions regarding specific matters, we encourage you to contact one of our contributors listed in the contributors section of this guide. With nearly 500 dedicated IPT lawyers around the globe, DLA Piper's IPT group is ready to handle your legal needs wherever you do business.

Also, please note that the guide's use of the term "trademarks" also refers to service marks, unless specifically addressed separately. The summary of intellectual property covers only the most commonly used categories worldwide (for example, we have not addressed plant patents). We have also referred to international treaties and conventions with their most commonly used names and not their formal titles (such as the TRIPS Agreement, the Berne Convention, the Paris Convention and the Patent Cooperation Treaty).

We hope that you find this guide valuable and we welcome your feedback.

This publication is provided to you as a courtesy, and it does not establish a client relationship between DLA Piper and you, or any other person or entity that receives it.

This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

DLA Piper and any contributing law firms accept no liability for errors or omissions appearing in this publication and, in addition, DLA Piper accepts no liability at all for the content provided by the other contributing law firms. Please note that intellectual property and technology law is dynamic, and the legal regime in the countries surveyed could change.

ANGOLA



Last modified 01 January 2023

INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property is a right protected by the Constitution of the Republic of Angola. The fundamental intellectual property framework in Angola is provided in 2 main acts: the Legal Regime for the Protection of Copyright and Related Rights and the Industrial Property Law.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Angolan law lays down a general principle of contractual freedom, which means that parties are mostly free to establish the terms and conditions to be observed by the contracts they enter into (exceptions are made to mandatory rules legally imposed which will depend on the specific contractual relationship) and are entitled to enter into contracts provided for in the law, but also into contracts that are not provided for in the law.

Angolan law does not establish a unitary act or set of rules applicable to all commercial contracts. Depending on the specific contractual relationship, commercial contracts may be subject to the provisions of the Civil Code, Commercial Code, Copyright and Related Rights Law, and the Industrial Property Law as well as other specific legislation.

The aforementioned set of rules changes according to the specific contract in question.

COPYRIGHTS

Nature of right

Copyright covers original literary, scientific and artistic intellectual creations, or works. Registration is not required for the acquisition or maintenance of copyright rights; however, there are certain specific copyright-related acts subject to registration in order to be valid.

In Angola, copyright comprises economic and moral rights.

In the scope of economic rights, copyright owners have the exclusive right to use, enjoy and dispose of their work, or to authorize the use of the work, wholly or in part, by third parties.

Moral rights consist in the right to claim authorship of the work, as well as the right to ensure its genuineness and integrity.

Legal framework

Copyrights are governed by Law No. 15/14 of July 31, which introduced the Legal Regime for the Protection of Copyright and Related Rights.

Duration of right

As general rule, moral copyrights are unlimited in time and, therefore, are inalienable and imprescriptible. With respect to economic copyrights, copyright protection lasts for a term of 70 years, counted as of January 1 of the first year after the death of the author, as well as through the life of the author.

In the case of works in collaboration, copyright expires 70 years after the death of the last surviving author. As per collective works or works originally assigned to a corporate person, copyright expires 70 years from the date of the first licit publication or disclosure, except if the individuals who create it were identified in the version of the work available to the public.

For an anonymous work, or work that was legally published or disclosed without identifying the respective author, protection is for 70 years after publication or disclosure.

Please note that, with respect to applied arts and photographic works, economic copyrights protection lasts for a term of 45 years, counted as of January 1 of the first year after the death of the author.

Economic copyrights related to a broadcaster last up to 35th calendar year after the broadcast.

Ownership / licenses

Moral rights are inalienable.

The copyright owner, as well as their successors or assignees, may authorize the use of the work by third parties or assign economic rights, wholly or partially.

Granting an authorization to third parties in order for them to divulge, publish, use or explore the work does not imply the transfer of copyright rights.

Authorization shall only be granted in writing, mandatorily including the parties involved, the title and type of the work, the rights concerned, the duration, place and price conditions.

Please note that the assigns are only effective against third parties when registered.

Remedies for infringement

The copyright owner may request payment of compensation by the agent for damages and losses to repair the damage suffered as a result the infringement, as well as payment of expenses caused by that infringement, which may include legal expenses.

The amount of the compensation is determined in accordance with the civil liability regime provided for by the Angolan Civil Code, taking into account the amount of material and moral damage suffered by the copyright owner, as well as the profit obtained by the offender.

When it is proven that the infringing copies affect a right, the Court may order, ensuring that the penalty is proportionate to the seriousness of the offense and taking into account the legitimate interests of third parties, the destruction of those copies and their packaging or their elimination of trade channels by any other reasonable means, without compensation of any kind, in order to avoid any damage to the copyright owner.

MASK WORKS / TOPOGRAPHIES

Nature of right

Mask works and topographies are not separately protected under Angolan law. They may be protected under patent law or by way of confidentiality.

Legal framework

Angolan has enacted no specific rules on protection of mask works or topographies. Although Angola is part of the WTO and has approved the TRIPS Agreement, it has not yet implemented any rules on mask works or topographies protection.

Semiconductor technology, generally, and topographies, in particular, may be protected under the traditional intellectual property rules applicable to all types of technology, particularly patent law and the rules on confidential information. Therefore, matters such as the duration of the relevant rights, ownership and remedies depend on the type of protection used in connection with each specific mask work or topography.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

PATENTS

Nature of right

Patent rights cover new inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application.

An invention shall be considered new if it does not form part of the state of the art, which comprises everything, inside or outside the country, made available to the public by means of a written or oral description, by use, or in any other way, before the date of filing of the patent application.

An invention shall be considered involving an inventive step if it is not obvious to a person skilled in the art.

An invention shall be considered susceptible of industrial application if it can be made or used in any kind of industry, including agriculture, fishing and handicraft.

A national patent confers on its owner the exclusive right to exploit the patented invention in Angolan territory.

Legal framework

Patents are governed by the following:

- Chapter II, the Industrial Property Law (Articles 2 to 14)
- Membership of the World Intellectual Property Organization (WIPO), approved by Resolution No. 9/84 of July 20
- Paris Convention for the Protection of Industrial Property – approved by Resolution No. 22/05 of August 19
- Cooperation Treaty patent (PCT) approved by Resolution No. 22/05 of August 19 and
- Membership of the World Trade Organization (WTO), hence the TRIPS Agreement (Accession November 23, 1996).

Duration of right

Patent protection is granted up to a maximum period of 15 years from the date of filing of the patent application.

Ownership / licenses

Patents can be transferred in writing, by means of public deed, whether or not for financial reward.

Patents may also be licensed in writing, wholly or partially, whether or not for financial reward, on an exclusive or non-exclusive basis.

Transfer of ownership and licenses shall be recorded in the Angolan Institute of Industrial Property to be effective against third parties.

Remedies for infringement

Whenever there is violation of or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right, including patent rights, the court may, at request of the interested party, order the appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights of another person with intent or by negligence shall be obliged to pay a compensation to the injured party for damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court shall take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne out of protection of the right in question and the investigation and termination of the harmful conduct shall also be taken in consideration, as well as personal injury.

Infringement of the exclusive right granted by a patent may be also punishable as crime with imprisonment up to 6 months or a fine.

TRADEMARKS

Nature of right

A trademark is a sign that distinguishes a company's goods or services, from the goods and services provided by other companies. There are 3 types of trademarks, namely:

- Nominative: when constituted by letter(s) or word(s)
- Figurative: consisting of figures or images and
- Mixed: when it includes a combination of figures and words or letters in its constitution.

The registered trademark confers to the owner, the right to prevent third parties that do not have their consent from using in the course of trade any sign which is identical or similar to the trademark in relation to goods and /or services which are identical or similar to those for which the trademark is registered.

Legal framework

Trademarks are governed by the following:

- Chapter II, the Industrial Property Law (Articles 29 to 40)
- Membership of the World Intellectual Property Organization (WIPO), approved by Resolution No. 9/84 of July 20
- Paris Convention for the Protection of Industrial Property – approved by Resolution No. 22/05 of August 19 and
- Membership of the World Trade Organization (WTO), hence the TRIPS Agreement (Accession November 23, 1996).

Angola is not a party to either the Madrid Agreement or the Madrid Protocol. As such, International Registrations (IRs) cannot be extended to Angola. Angola's accession to the Madrid Agreement and/or the Madrid Protocol is currently the subject of consultation, but the position is unlikely to change for a number of years to come.

Duration of right

National trademark registrations remain valid for 10 years starting from the date of filing of the application and may be indefinitely renewed for equal periods.

Ownership / licenses

Trademarks can be transferred in writing, wholly or partially, whether or not for financial reward. A transfer of the whole of the undertaking shall include the transfer of the trademark except where there is agreement to the contrary or circumstances clearly dictate otherwise.

Trademarks may also be licensed in writing, wholly or partially, whether or not for financial reward, on an exclusive or non-exclusive basis.

Transfer of ownership and licenses must be recorded in the Angolan Institute of Industrial Property to be effective against third parties.

Remedies for infringement

Whenever there is violation of or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right, including trademarks, the court may, at request of the interested party, order appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights of another person with intent or by negligence shall be obliged to pay a compensation to the injured party for the damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court shall take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne out of protection of the right in question and the investigation and termination of the harmful conduct shall also be taken in consideration, as well as personal injury.

Trademark infringement is punishable as crime with imprisonment up to 3 months or a fine.

TRADE SECRETS

Nature of right

Trade secrets are not protected as property in Angola. However, the Angolan Industrial Property Law, in the chapter related to Crimes of Unfair Competition, characterizes as crimes certain conducts involving the unauthorized use of trade secrets. As a result, there is legal protection against the violation of trade secrets.

Legal framework

Trade secrets are addressed in article 73 of the Angolan Industrial Property Law.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Remedies available for infringement of trade secrets can include criminal remedies (imprisonment and monetary fine) and civil remedies (injunction to prevent the continuation of infringements and damages).

Trade secret violation is punishable with a fine, if a more serious sanction does not apply by applying the provisions of the penal code and Law No. 9/89 (Law on Crimes Against the Economy).

OTHER KEY IP RIGHTS

Nature of right

Design

Industrial design means any new arrangement or set of lines or colors that, for industrial or commercial purposes, can be applied to the ornamentation of a product by any manual, mechanical, chemical, simple or combined process.

The registered design confers to the owner the right to prevent third parties that do not have their consent from using it. The aforementioned use shall cover, in particular, the making, offering, putting on the market, importing, exporting or using of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes.

Legal framework

Design

Designs are governed by Chapter III of the Industrial Property Law (Articles 15 to 28).

Duration of right

Design

Designs registrations remain valid for 5 years starting from the date of filing of the application and may be renewed for 2 consecutive times of 5 years each.

Ownership / licenses

Design

Designs may be licensed in writing, wholly or partially, whether or not for financial reward, on an exclusive or non-exclusive basis.

Transfer of ownership and licenses must be recorded in the Angolan Institute of Industrial Property to be effective against third parties.

Remedies for infringement

Design

Whenever there is violation of or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right, including designs, the court may, at request of the interested party, order appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights of another person with intent or by negligence shall be obliged to pay a compensation to the injured party for the damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court shall take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne out of protection of the right in question and the investigation and termination of the harmful conduct shall also be taken in consideration, as well as personal injury.

Infringement of the exclusive right granted by a registered design may be punishable with a fine.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

As a general rule, the copyright over a work made under a labor agreement or in compliance with functional obligations is determined by agreement between the parties. In case no agreement exists, it is presumed that the ownership over the work belongs to the respective intellectual creator. In cases where there is a service provision contract, the property rights over the work are transferred to the contractor or entity represented by it.

The right to patent shall belong to the inventor or their successors in title. Notwithstanding, if an invention was made during the performance of an employment contract in which inventive activity is provided for, the right to the patent belongs to the employer.

Consultants / contractors

In principle, consultants and contractors will retain ownership of the intellectual property developed by them, unless otherwise agreed by the parties or provided for in the law.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial contracts under Angolan law; however, certain exceptions may arise. Furthermore, Industrial Property Rights licenses are subject to registration within the Angolan Industrial Property Institute (IAPI) in order to be enforceable against third parties.

Recognized language of commercial agreements

There are no general requirements under Angolan law that provide that contracts must be written in Portuguese. However, in certain cases – for instance, contracts with consumers – the Portuguese language is mandatory, and, if the contract is to be used in specific situations – for example, for purposes of evidence in court or used with public authorities – translation to Portuguese is required.

Country-specific issues for online content

Electronic contracts are regulated under Presidential Decree No. 202/11 of July 22.

Enforceability of online/clickwrap/shrinkwrap terms

Contracts may be concluded electronically, provided that it does not affect its validity or effectiveness due to the use of this medium. Please note that general contractual clauses requiring electronic conclusion of consumer contracts are prohibited.

The provider shall make available to the recipients, before the conclusion, unambiguous minimum information including (i) the contract conclusion process, (ii) whether or not the contract is stored by the service provider and accessibility by the recipient, (iii) the language or languages in which the contract may be concluded, (iv) the technical means which the provider makes available so that errors of introduction which may be contained in the order form may be identified and corrected, (v) the contractual terms and general clauses of the contract to be concluded, (vi) the codes of conduct subscribed and information on how to consult them electronically and (vii) the effective technical means which allows the recipient to identify and correct inserted errors.

Governing law

The interpretation and enforceability of contracts is a matter of governing law. The choice of law by the parties is accepted as a general principle, except when otherwise provided for by law; please, however, note that, in certain cases, there are rules of mandatory application – for instance, in the scope of contracts concluded with consumers.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

This will depend on the specific warranty. Notwithstanding, the law may provide some restrictions on the enforceability of warranty disclaimers (eg, for reasons of consumer protection).

Enforceability of exclusions/limitations of liability indemnification

As general rule, the enforceability of exclusions or limitation of liability is limited under Angolan law. According to civil law, limitation of liability or exclusion of liability concerns the grounds of liability itself and the damages and losses. The law is not absolutely clear when dealing with the matter; therefore, some hold the opinion that the law does not prevent clauses limiting or excluding liability for acts of mere negligence, while others suggest that all clauses of exclusion or limitation are completely null and void.

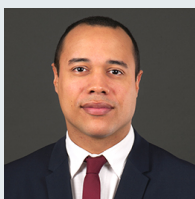
Indemnification

Indemnification clauses in contracts are, in principle, enforceable, but may be subject to restrictions provided for in the law. It is relatively common to stipulate in commercial agreements that the indemnifying party will indemnify and hold harmless the other party against claims of third parties related to the subject matter of the agreement.

Electronic signatures

According to Angolan law, a qualified electronic signature is equivalent to an autographic signature in paper documents. An electronic document shall only be deemed to be signed for purposes of evidence where it meets the requirements set by the law on electronic signature and certification.

KEY CONTACTS



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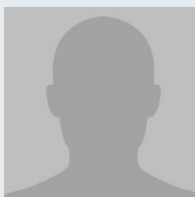
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ARGENTINA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Protection of intellectual property rights is required by the Federal Constitution and by several multilateral treaties. The main statutes in this area are federal statutes. However, in case of litigation, some matters are subject to federal jurisdiction, and others to provincial jurisdiction.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial contracts are governed by the Civil and Commercial Code. This code came into effect in 2015 and it replaces the previous separate Civil Code and Commercial Code. It is part of the federal legislation, but jurisdiction regarding its implementation and litigation resulting thereunder corresponds primarily to the provincial courts.

The Civil and Commercial Code includes general provisions on contracts, which are applicable to all contractual transactions. These provisions govern matters such as the formation of contracts, offer and acceptance, possible subject matter of contracts, legal formalities, the legal effects of contracts, contract termination and others.

In addition, the Civil and Commercial Code includes provisions applicable to specific types of contracts, such as sale agreements, leases, franchise agreements and agency agreements. More than 30 types of agreements are subject to specific provisions of this kind. These specially regulated agreements are thus subject to the general rules applicable to contracts –described above – and to the special rules applicable to the relevant type of agreement. Agreements that are not subject to special rules are nevertheless valid, and they are governed primarily by the general contract rules and – to the degree possible – by the rules applicable to analogous specially regulated contracts.

Other laws include provisions on specific types of commercial contracts. For instance, the Copyright Law includes certain provisions of contracts related to software and to publishing; the Patent Law includes rules on license agreements; and the Insurance Law includes rules on insurance contracts. However, in all these specially regulated contracts, the general contract law rules included in the Civil and Commercial Code are also applicable.

Commercial contracts with the federal or provincial governments or with other governmental entities are also governed by administrative law. Special rules on contracts with state entities have been included in federal or provincial laws, or have been developed by case law.

COPYRIGHTS

Nature of right

Copyright protects intellectual creations in all fields of science, art and literature. Article I of the Copyright Law includes a non-exhaustive list of possible intellectual works protected by copyright. These include, among others, literary and artistic works, music, architectural works and software.

Copyright protects intellectual expressions, but not ideas. For example, the contents of a book in terms of sentences and other literary expressions are protected by copyright, but the creative idea underlying the book as a whole is not.

Copyright results from the creation of an intellectual work. Registration is not necessary for copyright to exist, although it is necessary for the exercise of some rights by local authors. Upon creation of a protected work, copyright belongs to the original author or authors, who then may transfer their right, by contract or by the operation of certain legal rules.

Copyright includes economic and moral rights. Economic rights consist, basically, in the exclusive right to use and exploit the protected work. The Copyright Law lists some of the elements of this exclusive right, such as the right to reproduce the relevant work, to market copies, to prepare derivative works or to have the work performed publicly.

Moral rights include the so-called “integrity right” – that is, the right to preserve the text, title and other contents of the work, even if property rights on such work have been assigned; the “paternity right” – the author’s right to be named and identified as such together with the work; the “publication right” – the right to decide whether the right will be published; and the “alteration right” – that is, the right to modify the work, even after it has been published. Moral rights belong to the author, and they are generally non-assignable.

Legal framework

Copyright law is included in Law 11, 723, as amended. In addition, multiple laws and regulations govern matters such as related rights, publishers' rights and collective management societies.

Argentina is part of the main multilateral international copyright agreements, such as the Trips Agreement, the Berne Convention and the Rome Convention. The provisions of these agreements are actively enforced by the courts.

Duration of right

The general rule is that copyright protection lasts for a term of 70 years, counted as of January 1 of the first year after the death of the author, as well as through the life of the author.

In the case of work done through cooperation, the 70-year term is computed from the death of the last person who participated in the joint authorship of the work involved.

In the case of posthumous works, the 70-year term is computed from the death of the author.

The duration of protection of anonymous works whose copyright belongs to institutions, corporations or legal entities is 50 years from the date of publication of the work.

Special rules on copyright duration apply to specific types of copyrightable works, such as photographs and cinematographic works.

Ownership / licenses

The basic rule is that ownership belongs to the author. Special rules have been developed in connection with special types of works, such as cinematographic works, derivative works and software.

There are several types of joint ownership. It may apply to works done through cooperation, which imply a creative collaboration between different authors; to collective works, which are those created through the initiative or direction of one or more individuals, who coordinate or direct the efforts of several other individuals to achieve a joint result; and to composite works, which are the result of adding different separate works, each with a possible separate author and owner, into one final result.

Works created by employees who have been hired for that purpose belong to the employer.

Copyright may be subject to licenses, generally as part of broader contractual arrangements, such as publishing agreements.

Remedies for infringement

Damages may be claimed before civil courts for all types of copyright violation. Registration of works is not necessary, except for local authors, whose rights may be suspended until registration takes place.

It is also possible to file civil action to prevent further copyright violation and to obtain preliminary remedies, such as injunction, in the course of civil procedures.

Criminal remedies, particularly fines, are possible but are not frequently applied.

MASK WORKS / TOPOGRAPHIES

Nature of right

Mask works and topographies are not separately protected under Argentine law. They may be protected under patent law or by way of confidentiality.

Legal framework

Argentina has enacted no specific rules on chip protection. Although Argentina is part of the WTO and has approved the Trips Agreement, it has not yet implemented any rules on chip protection.

The provisions on chip protection included in the Trips Agreement have not been deemed immediately applicable under Argentine law. In addition, Argentina has not ratified or implemented other multilateral treaties on chip protection, in particular the Treaty of Washington of 1989.

Semiconductor technology, generally, and topographies, in particular, may be protected under the traditional intellectual property rules applicable to all types of technology, specially patent law and the rules on confidential information. Therefore, matters such as the duration of the relevant rights, ownership and remedies depend on the type of protection used in connection with each specific mask work or topography.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

PATENTS

Nature of right

Patents are a statutory right. The granting of patents is required by the Argentine Constitution and by different international documents, particularly the Trips Agreement. Patent rights imply an exclusive right to exploit a process or a product. The Argentine Patent Law defines the limits of these exclusive rights, on the basis of the provisions of the Trips Agreement.

Legal framework

Patents are governed by the Patent Law – Law 24,481, as amended. In addition, they are governed by the Trips Agreement and by the Paris Convention. Argentina is not a party to the Patent Cooperation Treaty.

Duration of right

The basic rule is that patents expire 20 years after the date in which the relevant patent application was filed. Argentina uses a "first to file" system, but it also applies the priority rules derived from the Paris Convention.

Argentine law provides special rules on compulsory licenses and on patent termination due to lack of exploitation of the patented invention. Compulsory licenses may be granted in case of non-exploitation, competition law violations or sanitary emergencies, among other cases. Patent termination may result when, after a compulsory

license was granted for lack of exploitation, no exploitation of the invention takes place for 2 years after the license was granted.

Ownership / licenses

Joint ownership is permissible. The Patent Law includes provisions on the exercise of patent rights by the joint owners. In addition, the Civil and Commercial Code rules on joint property apply to patents.

The Patent Law includes rules on licenses. Licenses are not exclusive, unless the parties provide otherwise. Competition law rules are applicable to restrictive clauses included in license agreements.

Remedies for infringement

The Patent Law provides both civil and criminal law remedies for cases of infringement.

Civil remedies include the compensation of damages and termination of the infringing activities.

A complex system of rules for preliminary remedies in patent cases is included in the Patent Law. Generally, suspension of an alleged infringer's exploitation requires a preliminary procedure, with the participation of expert witnesses.

Criminal procedures and sanctions are rare.

TRADEMARKS

Nature of right

A trademark may consist of one or more words, with or without conceptual content, drawings, commercial symbols, monograms, engravings, prints, seals, images, stripes, color combinations, letter and number combinations, the special graphics of letters and numbers, advertisement phrases, reliefs, and any other sign with distinctive capacity.

A trademark is normally protected by means of its registration. However, de facto trademarks, that is those that are used but not registered, are also protected in a more limited way.

Legal framework

Trademarks are governed by the Trademark Law – Law 22,362, as amended.

In addition, trademarks are protected by the rules included in Trips Agreement and in the Paris Convention.

Duration of right

Registered trademarks are protected for a period of 10 years from the moment of registration. Trademark registration may be renewed indefinitely.

Registration may be canceled for lack of use during a period of 5 years. In addition, renewal of registration requires proof of the trademark's prior use.

Ownership / licenses

Ownership is acquired by means of registration. However, use of unregistered trademarks may result in certain rights for the user.

Trademarks may be subject to joint ownership. The Trademark Law and the Civil and Commercial Code provide the rules applicable to these joint ownership relationships.

Trademark licenses are possible. They are valid even if they are not registered with the trademark office.

Remedies for infringement

The Trademark Law provides both civil and criminal law remedies for cases of infringement.

Civil remedies include the compensation of damages and the termination of the infringing activities.

Special preliminary remedies are applicable in cases of trademark infringement. The trademark owner may obtain an injunction against the infringer, when the trademark is registered and its violation is immediately evident.

Criminal law remedies are rarely used in practice.

TRADE SECRETS

Nature of right

Argentine law provides protection for trade secrets and confidential information. A complex set of rules creates rights against conduct whereby access is gained illegally to confidential information, or which implies illegal use of trade secrets or confidential information or which results in the unauthorized and harmful disclosure of confidential or secret information.

Confidential information is characterized by the fact that it is kept in a reserved manner and that it is not generally available for technicians working in the relevant technical field. Trade secrets receive a special degree of protection, particularly under criminal law.

Legal framework

Confidential information is governed and protected by Law 24,766. It is also protected by the Trips Agreement and by the Paris Convention.

In addition, multiple rules and statutes protect confidential information and trade secrets. Labor law protects the confidentiality and ownership of information used in employment relationships.

Several criminal law rules apply to special types of violations of confidentiality. In particular, disclosure of trade secrets and unfair competition by means of the illegal use or appropriation of trade secrets are subject to criminal law penalties.

Duration of right

Confidential information and trade secrets are protected for as long as the relevant information is kept confidential. The degree of protection diminishes if the information ceases to be objectively a secret due to its previous disclosure or because it has been obtained independently by other parties.

Ownership / licenses

Ownership results from the obtention of the information, accompanied by legal or practical measures aimed at restricting access to that information by third parties. No registration requirement is applicable.

Joint ownership is possible.

Trade secret or know-how licenses are common and enforceable.

Remedies for infringement

Argentine law provides civil and criminal law remedies for cases of trade secret infringement.

Damages caused by these violations must be compensated. It is also possible to obtain court orders requiring termination of the violation.

Preliminary remedies include injunctions against further exploitation or disclosure of trade secrets.

Criminal remedies are applicable in cases of disclosure of trade secrets acquired in the course of employment and other professional relationship, as well as in cases in which the violation of the rights to confidential information or trade secrets results in unfair competition.

OTHER KEY IP RIGHTS

Nature of right

Industrial designs

Industrial models and designs are protected by special industrial property rights. An industrial model or design consists in the forms embodied in or the aspect applied to an industrial or artisan product, which confer an ornamental character to such product.

Exclusive rights on industrial models and designs result from registration of the relevant model or design.

Legal framework

Industrial designs

Industrial models and designs are protected by Decree 6673/1963, as amended. They are also protected in accordance with the Trips Agreement and the Paris Convention.

Duration of right

Industrial designs

The rights derived from the registration of an industrial model or design last for a 5-year period, counted from the date of filing of the relevant application. The registration may be renewed for 2 successive 5-year periods, if the owner requests such renewal.

Ownership / licenses

Industrial designs

Ownership belongs to the author. There is a rebuttable presumption to the effect that the first applicant of an industrial model or design registration is the author of such industrial model or design. Joint ownership is possible and is governed by the Civil and Commercial Code and by Decree 6673/1963 as amended.

Industrial models or designs may be the subject matter of license agreements. No registration is necessary for the validity of these agreements.

Remedies for infringement

Industrial designs

Civil and criminal law remedies are applicable in case of infringement. Civil remedies include the compensation of damages and termination of the violation.

Preliminary injunctions and remedies are possible in accordance with general procedural rules.

Criminal sanctions have been recently reinforced, but they are rarely applied.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Special rules on employee inventions are included in the Patent Law and in the Labor Contract Law.

There are basically 3 types of invention, from the perspective of employer-employee relationships. First, inventions made in technological areas for which the employee was hired as a researcher or developer belong to the employer. The employee may be entitled to a special compensation if they develop a patented invention which exceeds the normal scope of the employee's work. Second, inventions related to the employee's work or related to the employer's know-how or activities belong to the employee, but allow the employer to exercise an option to acquire rights over the invention. If the option is exercised, the employee is entitled to a payment reflecting the value of the invention. Third, inventions that do not fall into the 2 previous categories belong to the employee.

Similar rules are applicable in the case of other types of technology or intellectual property rights. In the case of software, the law applies the “work for hire” doctrine but allows the parties to agree to different contractual rules.

Consultants / contractors

The law is not explicit about the rights of consultants and contractors, who do not qualify as employees, with regard to technology and other intellectual property they develop. Generally, the parties may agree as to the rules which will apply to such rights. In the absence of a contractual framework, the technology or intellectual property generated by a consultant or contractor who was hired with the purpose of developing such items that will belong to the person paying for such work.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

The general rule is that commercial agreements are not registered, and that their validity and effect is not subject to registration requirements. However, certain types of agreement must be registered to be effective or to have full effects against third parties. Agreements subject to registration include business association agreements, certain publishing agreements, certain chattel mortgages and certain agreements related to real estate. International transfer of technology agreements are subject to registration for tax purposes.

Recognized language of commercial agreements

Agreements are generally entered in Spanish. However, it is legally possible to enter agreements written in other languages. These agreements must be translated when presented in court. Spanish language may be necessary in consumer transactions.

Country-specific issues for online content

Argentina has ratified the WIPO conventions applicable to online content and practices. However, enforcement of these conventions is weak.

Enforceability of online/clickwrap/shrinkwrap terms

The general rule is that acceptance of terms included in online, click wrap or shrink wrap elements is valid and effective, provided such acceptance is clearly stated and applies to terms that were known to the person giving the acceptance. However, several rules may limit the effects of agreements entered by these mechanisms, particularly consumer protection rules and rules on adhesion contracts.

Governing law

The basic rule is that the parties may agree as to the law that will govern their contractual rights and as to the applicable jurisdiction in case of dispute. This freedom of election is subject to several limitations. Non-Argentine law will not be enforced in Argentine courts if it is contrary to Argentine public policy. Also, certain matters are necessarily governed by Argentine law; for example, if a business association is created in Argentina its organization and other corporate aspects will be governed by Argentine law. Decisions made by non-Argentine courts or arbitration tribunals are enforceable in Argentina only after going through a special procedure before the Argentine courts, in the context of which the decision will only be enforced if it complies with certain rules, particularly not violating Argentine public policy. In addition, certain matters (eg, deciding the validity of a patent issued in Argentina) are necessarily subject to Argentine jurisdiction.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Argentine law provides certain warranties, generally applicable to all types of contracts implying the transfer of rights. These warranties apply, in particular, to the validity of the rights being transferred and to the fitness of the goods regarding which rights are transferred.

The general rule is that these warranties may be limited or eliminated by agreement between the parties. However, these disclaimers are totally or partially invalid in several types of cases: if the transferor had prior knowledge of the invalidity of the transferred rights or of the deficiency of the goods involved; if the transferor is a merchant and the parties waiving the transferor's rights are not; and if the warranty disclaimer is included in a consumer or adhesion contract.

Enforceability of exclusions/limitations of liability indemnification

Exclusions or limitations of liability indemnification are valid if they meet the general conditions applicable to contractual clauses. However, they may be unenforceable in the following cases: when they extend to willful violations or defaults, or to violations or defaults resulting from gross negligence; when they are imposed in adhesion or consumer contracts; or when they result in the violation or annulment of rights that may not be removed or limited contractually.

Indemnification

The basic rule under Argentine law is full indemnification of economic or moral damages caused by illegal conduct, whether that conduct constitutes a contractual or a tort violation.

The parties are free to include contractual rules as to the extent of their indemnification obligations.

Penalty clauses and liquidated damages clauses are acceptable, but they may be limited or amended by the courts if their terms are deemed abusive.

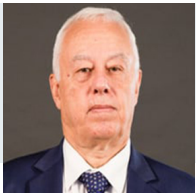
In the absence of contractual provisions, the indemnification's extent will depend on circumstances such as the willful or negligent nature of the violation, foreseeability of the damages caused and the comparative fault of the parties.

Electronic signatures

Electronic signatures are valid and effective under Argentine law. However, certain legal effects require that the signature comply with a special certification regime.

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AUSTRALIA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights – other than trade secrets and common law trademark rights – are governed by the laws of the Commonwealth (ie, at a federal level) and are interpreted by court judgments (ie, common law). IP Australia is the Australian Government agency that administers intellectual property rights and legislation. There are no state or territory-based intellectual property laws.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Australia's commercial contract framework is governed by the common law and supplemented by equitable doctrines, statutes (Commonwealth, state and territory) and international law instruments. There is no codification of the law governing contracts.

The Australian Consumer Law (ACL) – which is a schedule of the Competition and Consumer Act 2010 (Cth) (CCA) – applies to consumer goods and services contracts. This legislation covers purchases of goods or services worth less than AUD100,000, or when the goods or services are of a kind that is generally intended for personal, domestic or household use or consumption. There are also state and territory consumer laws.

The ACL additionally includes an unfair contract terms regime that applies to:

1. Standard form contracts for a supply of goods or services or a sale or grant of an interest in land to an individual whose acquisition of the goods, services or interest is wholly or predominantly for personal, domestic or household use or consumption; and
2. As of November 10, 2023, small business contracts are those contracts where at least 1 of the parties is a small business (ie, a business that employs fewer than 100 people) and/or has an annual turnover during the previous financial year of less than AUD10 million (with turnover calculated in accordance with specific provisions). Under the ACL, the unfair contract terms regime will apply to a small business contract if the upfront price payable (excluding interest) for the contract is AUD5 million or less.

Commercial contracts with Commonwealth and state government agencies may be subject to certain regulations.

COPYRIGHTS

Nature of right

Copyright may subsist in both works, which include original literary, dramatic, musical and artistic works, and subject-matter other than works, which includes sound recordings, cinematograph films, television and sound broadcasts and published editions of works.

There is no registration requirement or publication requirement for a valid copyright, except for television and sound broadcasts and published editions of works, which must be published.

The exclusive rights for original works are to reproduce, publish, perform, communicate to the public and make an adaptation of the work, and to enter into commercial rental arrangements for a work reproduced in a program or sound recording.

The exclusive rights for subject matter other than works are to make a copy of the work, communicate it to the public and to enter into a commercial agreement in respect of the work.

Legal framework

Copyright is governed by the Copyright Act 1968 (Cth) (Copyright Act). There is no state-based copyright law, and there is no common law of copyright, but there are court judgments that impact the interpretation of the Copyright Act. The Copyright Act provides for moral rights for original works and subject matter other than works except for sound recordings, sound and television broadcasts and published editions. It also provides performers' rights for performances.

On August 13, 2020, the Australian government proposed copyright reforms to better support the needs of Australians and public institutions to access material in an increasingly digital environment. The exposure draft of the Copyright Amendment (Access Reforms) Bill 2021 released in December 2021 details the proposed reforms. The proposed reforms include the introduction of a limited liability scheme for use of orphan works, a new fair dealing exception for non-commercial quotation, amendments to library and archives, education and research exceptions, and streamlining of the government statutory licensing scheme. Submissions from interested parties were received in early 2022 which remain with the government for consideration.

Australia is a party to the Berne Convention, Rome Convention, the TRIPS Agreement, the WIPO Copyright Treaty, the WIPO Performances and Phonograms Treaty, the WIPO Marrakesh Treaty, and a number of free trade agreements with individual countries and groups of countries.

Duration of right

For original works that are published during the author's lifetime, copyright protection lasts for 70 years after the death of the author. For original works that are not published during the lifetime of the author, the copyright protection lasts for 70 years from the date of first publication.

For subject matter other than works, the duration of the protection depends on the type of work.

For television and sound broadcasts, copyright lasts for 50 years after the expiration of the calendar year in which the broadcast was made, and for published editions, 25 years after the expiration of the calendar year in which the edition was first published. For sound recordings and cinematograph film, copyright lasts 70 years after the end of the calendar year in which the recording or film is first published.

Ownership / licenses

Co-ownership of an original work is recognized where the work has been produced by the collaboration of 2 or more authors and in which the contribution of each author is not separate from the contribution of the other author(s). Subject to a written agreement to the contrary, all co-owners of copyright must consent to the licensing of the copyright by any other joint owner.

An owner of a copyright may grant a license over some or all of the owner's rights. Statutory licensing schemes operate to allow certain copyrights to be used without the permission of the copyright owner, but this is conditional on the payment of equitable remuneration for that use, or a fair dealing exception applies. An owner may also assign their copyright or future copyright to another person.

Remedies for infringement

The court may grant relief for an infringement of copyright by way of injunction, damages or – alternatively to damages – an account of profits. Criminal penalties are also available.

In cases of innocent infringement, where the defendant was unaware or had no grounds for suspecting that their act constituted infringement, damages are unavailable. However, in these circumstances, copyright holders may be entitled to an account of profits for revenue from the infringing works.

The court has discretion to award additional damages. In doing so, the court must consider, among other factors, the flagrancy of the infringement, the need to deter similar infringements, the conduct of the defendant, whether the infringement involved conversion of a work and the benefits that accrued to the defendant by virtue of the defendant's infringement.

MASK WORKS / TOPOGRAPHIES

Nature of right

Protection is given to the layout of integrated circuits (or semiconductor chips, commonly known as computer chips) under the Circuit Layouts Act 1989 (Cth) (CLA) if the following requirements are met:

- i. The circuit layout is a representation fixed in any material form of the 3-dimensional location of the active and passive elements and interconnections making up an integrated circuit;
- ii. The circuit layout is original; and
- iii. The circuit layout is either made by an eligible person or first commercially exploited in Australia or another eligible country.

The owner of an original circuit layout has exclusive Eligible Layout Rights (EL Rights), which include the exclusive rights to:

- i. Copy the layout, directly or indirectly, in a material form;
- ii. Make integrated circuits from the layout;
- iii. Exploit it commercially in Australia; and
- iv. Authorize another person to do any of the above acts. Authorization is usually given in the form of a license. Registration is not required for layout rights, and protection is automatic.

Legal framework

Circuit layouts are governed by the Circuit Layouts Act 1989 (Cth).

Duration of right

The duration of protection is 10 calendar years after the calendar year in which the circuit layout was made. If the circuit layout is first commercially exploited within that period, the term is 10 calendar years after the year in which commercial exploitation first took place.

Ownership / licenses

The maker of an eligible circuit layout is generally the first owner of its EL Rights (please refer to exceptions enumerated in the “Intellectual Property in Employment Context” section). EL Rights are personal property rights that may be assigned, licensed and devolved in a will.

Remedies for infringement

Available remedies for infringement are an injunction to stop the infringing activities and either damages or an account of profits.

If the defendant’s act was an innocent infringement (that is, they were not aware, and had no reasonable grounds for suspecting, that their act constituted an infringement), the plaintiff is not entitled to any damages against the defendant. In such circumstances, the plaintiff is, however, entitled to an account of profits.

Additional damages may be awarded on the same basis as additional damages for infringement of copyright under the Copyright Act 1968 (Cth).

PATENTS

Nature of right

A patent is a statutory right that must be applied for and that may be granted following examination. An owner of a granted patent for a product has exclusive rights to:

- i. Make, hire, sell or otherwise dispose of the product;
- ii. Offer to make, sell, hire or otherwise dispose of the product;
- iii. Use or import the product; and
- iv. Keep the product for the purpose of doing any of the above.

An owner of a granted patent that is a method or process has exclusive rights to use the method or process, or exercise any of the above exclusive rights in respect of a product resulting from such use.

The owner also has an exclusive right to authorize another person to exercise the above rights.

There are currently 2 types of patents: standard patents and innovation patents. However, the innovation patent system was abolished on August 25, 2021. Existing innovation patents filed on or before August 26, 2021, or divisional innovation patent applications claiming priority from an application filed prior to August 26, 2021, that undergo examination and are certified will continue in force until they expire. The absolute expiration for all innovation patents is August 26, 2029 (ie, 8 years after the abolition date).

To be patentable, an invention must be a manner of manufacture, novel, involve an inventive step (or innovative step for innovation patents), useful, and not have been secretly used.

Legal framework

Patents are governed by the Patents Act 1990 (Cth).

Australia is a party to the Paris Convention, the Patent Cooperation Treaty, the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure 1977, the TRIPS Agreement, the Patent Law Treaty, the Strasbourg Agreement Concerning the International Patent Classification, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Duration of right

The duration of patent protection is 20 years from the effective date of filing for a standard patent, except for pharmaceutical standard patents, which may have a maximum of up to 25 years to allow for the regulatory approvals processes. The duration of protection for an innovation patent is 8 years from the effective date of filing (and, as outlined above, the expiration for all innovation patents is August 26, 2029 – 8 years after the abolition date). Patent rights are based on a first-to-file system.

Ownership / licenses

A patent owner may grant a license to another party. The patent owner should register the license for it to be defensible against 3rd parties. However, failure to register the license does not affect the validity of the license. Compulsory licenses may be granted in limited circumstances, including if the owner fails to exploit their patent.

A patent owner may assign their patent interest – or part of the interest – to another person. They must register the assignment for it to be defensible against 3rd parties. However, failure to register does not affect the validity of the assignment.

Patents may be co-owned. Co-owners may exercise their exclusive rights without accounting to the other. Co-owners cannot grant a license or assign their interest without the consent of the other co-owners.

Remedies for infringement

Available remedies for infringement include injunction and damages or an account of profits. The damages may be calculated with reference to the value of the diverted sales or the going royalty rate that the infringer would have had to pay had a license been granted.

A court may refuse to award damages or make an order for an account of profits if it determines that the infringement was innocent. An innocent infringement occurs when the defendant was not aware, and had no reasonable grounds for suspecting, that their act constituted an infringement.

TRADEMARKS

Nature of right

Trademarks in Australia are protectable on a first-to-use or register-based system. Both registered and unregistered marks may be protected. A registered trademark is a sign used to distinguish the goods and services of one trader from those of another.

A sign may be a word, phrase, letter, number, color or combination of colors, sound, smell, shape, logo, picture, movement, aspect of packaging or a combination of these.

Legal framework

Australian trademark law is sourced from the Trade Marks Act 1995 (Cth) (TMA) as well as common law use-based rights, which provide protection for unregistered rights under the common law tort of passing off.

Trade practices legislation, principally Australian Consumer Law contained in the Competition and Consumer Act 2010 (Cth) (CCA), provides additional remedies to trademark owners of registered and unregistered trademarks.

Registered trademarks may be signified through use of the ® symbol. Unregistered trademarks may be signified through use of the TM symbol.

Australia is a party to the Trademark Law Treaty, the Madrid System, the Singapore Treaty on the Law of Trademarks, and the Nice Agreement.

Duration of right

Subject to fulfilling the necessary requirements, a trademark registration provides a valuable statutory monopoly for an indefinite period of time. There is an initial 10-year registration period, and the registration may be renewed indefinitely every 10 years without the need to provide evidence of use. However, a trademark registration that is more than 3 years old may be removed from the register if it has not been used for a period of 3 years or more.

Ownership / licenses

A trademark registration grants exclusive rights in the trademark to use, license or sell the trademark within Australia for the goods and services for which it is registered. This means the owner of a registered trademark may prevent others from using the mark or a deceptively similar mark in relation to the same or similar goods or services.

Licenses concerning registered trademarks do not need to be recorded to be effective, and there is no specific provision allowing recordal on the Trade Marks Office Register. However, it is important for trademark owners to be able to demonstrate that they are exercising financial and/or quality control over the use of their trademarks in any licensing arrangement to ensure that it does not become vulnerable to removal for non-use.

The owner of a registered trademark may assign the registered trademark to another person. The assignment may be partial so that it applies to only some of the goods and/or services in respect of which the trademark is registered. However, the assignment may not be partial in relation to the use of a trademark in a geographical area. Further, the assignment may be with or without the goodwill of the business concerned in the relevant goods and/or services.

With respect to unregistered trademarks, although capable of being assigned or licensed, the Full Court of the Federal Court of Australia reconfirmed in April 2020 that it is not possible to assign or license unregistered trademarks without the assignment of the underlying goodwill of the business.

Remedies for infringement

Where infringement of a registered right is established, the relief that a court may grant includes an injunction to prevent further infringement and either damages or an account of profits at the plaintiff's option, and legal costs. Registered trademark owners may also give the Australian Border Force a notice objecting to the importation of goods that infringe their registered trademarks.

If a trademark is not registered and another person uses it, a passing-off action under common law and/or a claim for a breach of the prohibition against misleading or deceptive conduct (under the CCA) may be pursued. Successfully pursuing an action for passing off may be considerably more difficult than taking action under the TMA because an action for passing off requires proving goodwill or reputation in the trademark and proof that use of the trademark has misled or deceived consumers as to the origin of goods and services sold under the mark.

TRADE SECRETS

Nature of right

Trade secrets are treated as "confidential information" and may be protected through a breach of confidence claim.

Such a claim may be brought if:

- i. The information may be identified with specificity

- ii. The information was confidential
- iii. There was an obligation of confidence on the defendant; and
- iv. The defendant used the information without the plaintiff's consent and to their detriment.

Legal framework

Confidentiality of trade secrets is usually stipulated in the contracts between parties and is therefore enforceable under such contract. However, in instances where there is no contract, a plaintiff may be able to rely upon the equitable doctrine of breach of confidence.

Duration of right

There are no specific statutory limits applicable to trade secret rights. For breach of a confidentiality agreement (or provisions), a 6-year limitation period applies in New South Wales, Queensland, Victoria, Tasmania, South Australia, Western Australia and the Australian Capital Territory. A 3-year limitation period applies in the Northern Territory.

Ownership / licenses

Trade secrets cannot be assigned as they are not property. However, contractual rights to trade secrets may be assigned and licensed. An assignee or licensee may sue others for a breach of confidence.

Remedies for infringement

Remedies for a breach of confidentiality in trade secrets include the equitable remedies of injunctions, imposition of a constructive trust, delivery-up of documents, equitable damages or compensation and an account of profits, in addition to usual remedies for breach of contract where relevant.

In determining the severity of the remedy, the court may take into account the advantage given to the defendant when they acquired and exploited the plaintiff's trade secrets.

OTHER KEY IP RIGHTS

Nature of right

Not applicable.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Copyright

The Copyright Act provides that the employer owns the copyright if an employee made the work "in pursuance of the terms of his employment by another person under a contract of service or apprenticeship." Case law has clarified that it is not sufficient that an employment relationship exists and, instead, the employee must have made the work within the scope of their duties or because the contract of employment expressly or impliedly required – or at least authorized – the work to be made.

Patent

Patent legislation does not provide for the ownership of an invention in an employment context. Under the common law, the issue is whether the invention was made in the course of the employee's employment and whether it was the employee's role to invent (ie, whether they had a "duty to invent"). This frequently is – and should be – dealt with in the terms of the contract of employment, although the contract may not always be determinative in deciding whether the employee owns the patent.

Confidential information

Employment contracts frequently include confidentiality provisions. Alternatively, standalone confidentiality agreements may exist. Even where there is no express agreement, a court will usually imply an obligation of confidence in an employment relationship and will consider factors such as the nature of the relationship and the nature of the information.

Mask works / circuit layouts

Under the CLA, if a circuit layout was made by a person in the course of their employment under a contract of service or apprenticeship, the employer is the owner unless there is an agreement in writing to the contrary.

Consultants / contractors

An independent contractor, including a consultant, owns the copyright in any work, unless there is an agreement in writing executed by the parties to the contrary.

Equally, an independent contractor has the right to patent an invention that they invented unless the contract between the contractor and the principal states otherwise.

It is often presumed that an independent contractor and a principal have a confidential relationship and thus the independent contractor has an obligation of confidentiality. However, specific confidentiality obligations are usually – and should be – included in the agreement between the parties.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no requirement to register commercial agreements. However, if security interests over personal property are created pursuant to an agreement, they should be registered under the Personal Properties Securities Act 2009 (Cth). Registration is generally required to perfect the security interest and make it enforceable against 3rd parties. Failure to register will not void the security but may result in the unregistered security interest being defeated by a later-registered security interest or a bona fide purchaser without notice.

Recognized language of commercial agreements

It is preferable to use consumer-friendly English to ensure transparency.

Country-specific issues for online content

The Copyright Act provides a safe harbor regime for service providers (or "carriage service providers," as defined in the Telecommunications Act 1997 (Cth)), which limits their liability for copyright infringement by their customers (ie, liability by authorizing the infringing acts of their customers). Service providers must satisfy certain criteria in order to be protected by this scheme. Recent case law has left open the possibility of service providers being found to have authorized copyright breaches through a failure to act against infringing customers.

Copyright holders may issue "take down notices" to internet service providers (ISPs) if, on reasonable grounds, they believe that there is infringing material located on a webpage or network that is under the control of the ISP. Upon receipt of this notice, the ISP is required to immediately remove or block the content and issue an infringement notice to the individual or entity that posted the material.

Enforceability of online/clickwrap/shrinkwrap terms

These types of terms and contracts are enforceable provided they are validly made, which includes ensuring that the users are made aware of (and, ideally, actively and explicitly accept) the terms of the contract prior to purchase or use of online services. This is usually done by a "tick-a-box" method of acceptance of terms of sale where consumers are purchasing goods or services online.

Governing law

Governing law and choice of jurisdiction (ie, venue for resolution) clauses are generally upheld by state and Federal Courts in commercial contracts, provided such choice of law does not, and will not, avoid any mandatory law (eg, the ACL for consumer contracts) that would otherwise be applicable. That is, for example, one cannot contract out of the ACL for a consumer contract in Australia by choosing the law of a foreign jurisdiction to apply to govern the contract.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Warranty disclaimers which purport to exclude, restrict or modify the consumer guarantees as contained in the ACL are unenforceable.

If a warranty against defects is provided in relation to goods or services, it must be provided in addition to the consumer guarantees. A warranty against defects is a representation made to a consumer that, if goods or services (or part of them) are defective, a business will repair or replace goods (or part of them), resupply or fix a problem with services (or part of them) or provide compensation to the consumer.

Documents that evidence a warranty against defect, which may include receipts, labels or packaging in addition to a more formal contract, must contain certain information including the following mandatory text for the supply of goods which is provided under the ACL:

Our goods come with guarantees that cannot be excluded under the Australian Consumer Law. You are entitled to a replacement or refund for a major failure and compensation for any other reasonably foreseeable loss or damage. You are also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality and the failure does not amount to a major failure.

From June 9, 2019, the mandatory text for the supply of services is:

Our services come with guarantees that cannot be excluded under the Australian Consumer Law. For major failures with the service, you are entitled:

- to cancel your service contract with us; and

- to a refund for the unused portion, or to compensation for its reduced value

You are also entitled to be compensated for any other reasonably foreseeable loss or damage.

If the failure does not amount to a major failure, you are entitled to have problems with the service rectified in a reasonable time and, if this is not done, to cancel your contract and obtain a refund for the unused portion of the contract.

From June 9, 2019, the mandatory text for the combined supply of goods and services is:

Our goods and services come with guarantees that cannot be excluded under the Australian Consumer Law. For major failures with the service, you are entitled:

- to cancel your service contract with us; and

- to a refund for the unused portion, or to compensation for its reduced value.

You are also entitled to choose a refund or replacement for major failures with goods. If a failure with the goods or a service does not amount to a major failure, you are entitled to have the failure rectified in a reasonable time. If this is not done you are entitled to a refund for the goods and to cancel the contract for the service and obtain a refund of any unused portion. You are also entitled to be compensated for any other reasonably foreseeable loss or damage from a failure in the goods or service.

Enforceability of exclusions/limitations of liability indemnification

Clauses that seek to exclude certain warranties or consumer guarantees or exclude or excessively limit liability will be construed strictly against the person who seeks to rely on the clause.

Clauses in standard form consumer contracts or standard form small business contracts that seek to limit or exclude liability are at risk of being considered unfair, and therefore void and subject to penalties, under the unfair contract terms regime in the ACL. As of November 10, 2023, it will not be permitted to use or rely on an unfair contract term in a consumer or small business standard form contract. A court will also be able to impose serious financial penalties where businesses or individuals violate these laws. For example, a court has the ability to impose a fine equal to the greater of (i) AUD50 million; (ii) (3x the value of the benefit obtained and that is reasonably attributable to the breach, if that can be determined; or (iii) if the value of the benefit cannot be

determined, 30 percent of the adjusted turnover during the breach turnover period (ie, over the period that the breach occurred, with a minimum of 12 months) – or, for an individual, AUD2,500,000 per violation. Businesses must also be aware that as of November 10, 2023, the definition of ‘small business’ (for the purpose of the Unfair Contract Regime in the ACL) was changed from a business that employs fewer than 20 people to one that has fewer than 100 employees or less than AUD10 million in annual turnover in the previous income year.

Consumer contracts cannot exclude or limit certain consumer guarantees provided under the ACL or limit or exclude liability for breach of them. Any clause that seeks to do this will be unenforceable, and such conduct could be considered misleading or deceptive and lead to legal action being taken against a person who included such clause in a contract or statement to a consumer.

Indemnification

Express indemnities are recognized and are generally enforceable.

Caps on liability under indemnification clauses are generally enforceable but, in some circumstances, may be considered unfair, particularly where they are onerous on consumers, and therefore unenforceable.

Electronic signatures

Electronic signatures are acceptable and enforceable in Australia in most instances in which the law requires a signature. Electronic signatures are valid if they are a method that identifies the person who is signing and indicates the person's intention with respect to the information communicated (eg, that the person agrees to the terms of a contract). The method of providing the electronic signature must generally be as reliable as appropriate for the purpose for which the electronic communication was given. Some laws exclude the use of electronic signatures in particular instances. Individuals and corporations may execute electronic deeds in New South Wales, Queensland and Victoria. In certain States and Territories (eg, Western Australia or South Australia), documents which require verification or authentication (or which need to be attested or witnessed) cannot be witnessed electronically, and must be executed in person, in the presence of the witness or authorized person.

In all other states and territories, certain additional requirements may apply to the execution of documents as deeds (eg, that execution must be witnessed, and the deed must be printed on paper, parchment or vellum), which means there is a degree of uncertainty about whether deeds can in all instances be validly executed using electronic signatures. From February 23, 2022, following the passing of the Corporations Amendment (Meetings and Documents) Bill 2021 (Cth), an attorney or other agent for a company can sign a deed electronically, irrespective of the State or Territory law on electronic signatures.

On September 14, 2023, the “Modernising Business Communications and Other Measures” Bill 2023 (Cth) was given royal assent. The changes to the legislation include amending the *Corporations Act 2001* (Cth) to enable all documents to be signed under the Act to be signed electronically. Before this Bill being passed, some documents still required wet ink signatures.

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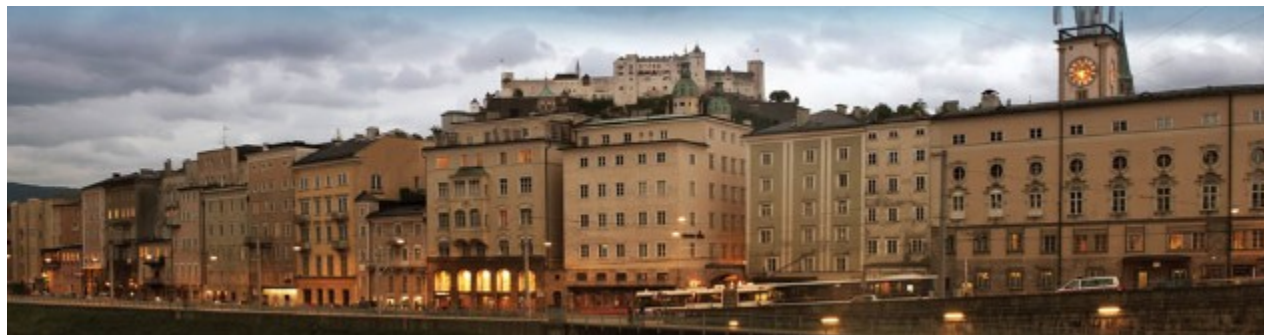


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AUSTRIA



Last modified 17 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

In general, intellectual property rights in Austria are governed by specific federal statutory laws, as follows:

- Copyright – the Copyright Act (*Urheberrechtsgesetz*)
- Patent – the Patent Act (*Patentgesetz*)
- Utility Models – the Utility Model Act (*Gebrauchsmustergesetz*)
- Trademarks – the Trademark Act (*Markenschutzgesetz*)
- Semiconductors – the Semiconductor Protection Act (*Halbleiterschutzgesetz*)
- Designs and utility patents – the Designs Act (*Musterschutzgesetz*)
- Trade secrets – the Unfair Competition Act (*Gesetz gegen den unlauteren Wettbewerb*)

Certain other statutory laws protect other manifestations of intellectual property that do not fulfill the requirements of the intellectual property types cited above in various ways – in particular, the Act on Unfair Competition (*Gesetz gegen den unlauteren Wettbewerb*), which imposes a more general prohibition or limitation to takeover of other persons' intellectual works and offers protection for trade secrets and know-how, the Criminal Code (*Strafgesetzbuch*), which penalizes certain trade secret related actions and the Commercial Code (*Unternehmensgesetzbuch*) and Company Register Code (*Firmenbuchgesetz*), which provide protection for names and company names.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Austrian law contains extensive federal legislation (of both a dispositive and mandatory nature) on commercial contracts, considering both the general principles (such as interpretation) and the specific contract types. In business-to-consumer relationships, the Consumer Protection Act (*Konsumentenschutzgesetz*) and the Distance and Off-Premises Act (*Fern- und Auswärtsgeschäfte-Gesetz*) are also of great relevance.

The general principles of contracts as well as a large number of contracts are regulated in the Civil Code (*Allgemeines Bürgerliches Gesetzbuch*) and Commercial Code (*Unternehmensgesetzbuch*), including the publishing contract (Sections 1172 and 1173 Civil Code).

Further regulations are contained in the IP-specific acts mentioned above, as well as in statutory laws regulating other specific contract types.

Commercial contracts are enforced by courts according to general civil proceedings regulations – the Civil Proceedings Act (*Zivilprozessordnung*) and the Enforcement Act (*Exekutionsordnung*).

COPYRIGHTS

Nature of right

Copyrights are available for works that are "unique intellectual creations" (*eigentümliche geistige Schöpfung*) in the fields of literature (including computer programs), musical art, fine arts and movie arts. The main criteria to determine whether a creation is a work are human creativity and originality/individuality; no specific quality of work is required. There is detailed case law in Austria dealing with the assessment of whether a work is subject to copyright. The work does not have to be fixed in a tangible medium to be protected. Furthermore, it is not possible to register works because there is no register for copyrights.

The Copyright Act also provides protection for several "related rights" that are not copyrighted but are subject to the same or similar regulations (ancillary copyright – *Leistungsschutzrecht*). These rights are relevant for performers and presenters, producers of media and broadcasters. Certain works (ie, databases and photographs) can be subject to both copyright (if sufficiently original) and ancillary copyright. Finally, the Copyright Act also provides protection for technical measures intended to prevent copyright infringement (digital rights management protection).

Copyright owners have the exclusive right to exploit their work (including the right to reproduce, distribute, lend, lease, prepare derivative works, make work available, emit and publicly perform) as well as certain personal rights (such as the right to be named as author).

It is possible to use copyrighted works under certain circumstances (so-called "free work use"). These free work uses include among others (Sections 41 et seq. Copyright Acts):

- Use for administration and justice administration
- Use for volatile and accompanying reproductions
- Reporting of daily events
- Teaching and learning purposes

- Use for text and data mining

Legal framework

Copyrights are governed by the Copyright Act, which also implements various EU directives.

Austria is also a party to several international treaties (including the WIPO Copyright Treaty and the TRIPS Agreement).

Duration of right

In general, the duration of copyright protection is 70 years after the author's death. There are specific regulations for:

- i. Film works, where the duration of the right is 70 years after the latest death of the following persons: the main director, the author of the script, the author of the dialogues, and the author of musical works made specifically for the film
- ii. Related rights of the performers and presenters, where the duration of the right is 50 years after the presentation or, if the presentation was recorded and published or publicly reproduced, within this deadline, 70 years after the publication or reproduction
- iii. Photographs which are not subject to copyright, where the duration of the right is 50 years after the making of the photography or, if published, 50 years after publication
- iv. Rights of the producer of audio media, where the duration of the right is 70 years after the publication or 50 years after the recording if not published within this period
- v. Radio broadcasts, where the duration of the right is 50 years after the broadcast
- vi. Databases not subject to copyright, where the duration of the right is 15 years after the finalization of the database or, if published, 15 years after the publication

Renewal of rights provided by the Copyright Act is not possible.

Ownership / licenses

The owner of a copyright can only be a natural person or their successor; a legal entity may only be a licensee. The right as such is not transferable (except in the case of universal succession – that is, inheritance). However, the owner may license single, several or all exploitation rights (eg, right to reproduce, right to distribute, right to make the work available, right to emit). Personality rights (eg, right to be named as author) are not transferable or limitable, unless agreed otherwise by the owner.

Joint ownership of copyrights is recognized.

Remedies for infringement

Civil remedies for copyright infringement include:

- Cessation of infringement (preliminary or permanent injunction)
- Claim for elimination of the circumstances constituting the infringement, including the destruction of infringing copies
- Rendering of accounts
- Publication of judgment
- Monetary relief (adequate consideration, damages and handover of profits)

Criminal remedies may include:

- Monetary fine
- Imprisonment

Preventing import of infringing goods and cooperation of customs officers may also be invoked.

MASK WORKS / TOPOGRAPHIES

Nature of right

Protection is available for 3-dimensional structures of a micro-electric semiconductor product (topographies as well as gate arrays), which are results of its creator's own intellectual effort and are not commonplace in the semiconductor industry.

A "semiconductor product" is the final or an intermediate form of any product:

- Consisting of a body of material which includes a layer of semiconducting material
- Having 1 or more other layers composed of conducting, insulating or semiconducting material, the layers being arranged in accordance with a predetermined 3-dimensional pattern
- Intended to perform an electronic function, exclusively or together with other functions

The "topography" of a semiconductor product is a series of related images, which represents the 3-dimensional pattern of the layers making up a semiconductor product, both fixed or encoded. Additionally, each image in said series must consist of the pattern of a semiconductor product's surface at any stage of manufacture.

The owner of the semiconductor protection right may exclude any other person from:

- Reproducing the topography or its separately exploitable parts
- Producing images of and instructions for production of topography

- Offering, introducing into the market, or importing such images and instructions

Legal framework

Semiconductor protection is governed by the Semiconductor Protection Act and ancillary ordinances as well as the EU Semiconductor Protection Directive and the TRIPS Agreement.

Duration of right

The duration of protection for semiconductors is 10 years from registration (ends at end of tenth calendar year). Semiconductors must be registered within 2 years of the 1st non-confidential commercial exploitation.

Ownership / licenses

Rights in semiconductor products and their topographies are freely transferable, subject to registration in the semiconductor registry.

Remedies for infringement

Civil remedies for infringement include:

- i. Cessation of infringement (preliminary or permanent injunction)
- ii. Claim for elimination of the circumstances constituting the infringement, including the destruction of infringing copies
- iii. Rendering of account
- iv. Publication of judgment
- v. Monetary relief (adequate consideration, damages and handover of profits)

Criminal remedies include:

- i. Monetary fine
- ii. Imprisonment

PATENTS

Nature of right

Patents are granted on technical inventions which are novel and commercially usable. Additionally, those inventions must not be obvious to industry experts, according to the current state of the art.

The patent owner has an exclusive right to produce, place onto the market, offer for sale and use the claimed invention.

Legal framework

Patents in Austria are governed by the Austrian Patent Law 1970. Austria became party to the Patent Cooperation Treaty in 1979 and to the Paris Convention in 1908.

Duration of right

Patent rights have a duration of 20 years from the filing date of an application.

Ownership / licenses

The inventor or their successor in title has a right to the granted patent.

Patent owners may grant licenses. The license may, but does not need to, be recorded in the patent register for the perfection of the license. However, the license is effective toward 3rd parties only upon registration.

Compulsory licensing is available in certain exceptional cases (such as the owner failing to use the patent).

Remedies for infringement

Civil remedies for infringement include:

- i. Cessation of infringement (preliminary or permanent injunction)
- ii. Claim for elimination of the circumstances constituting the infringement
- iii. Rendering of account
- iv. Publication of judgment
- v. Monetary relief

Criminal remedies may include:

- i. Monetary fine
- ii. Imprisonment

Based on a regulation of the European Council (EC No. 608/2013) in combination with the Austrian Product Piracy Act (PPG 2004), an application for action may be filed with the Customs Authorities in order to prevent the import of infringing goods.

TRADEMARKS

Nature of right

Trademarks can be any sign that can be represented graphically, in particular words, including personal names, designs, letters, numerals and the shape or style of the goods, provided that such signs are capable of distinguishing the goods or services of one enterprise from those of other enterprises. Three-dimensional marks, color marks and sound marks are also protectable, if sufficiently graphically displayable/displayed. Furthermore, also motion marks and multimedia marks are protectable, if they can be played back through a corresponding video file; in that case the video file is published in the Trademark Register. Haptic or olfactory marks and national emblems are not protectable as trademarks in Austria.

Legal framework

The Austrian Trademark Act (*Markenschutzgesetz*) protects registered trademarks. Non-registered trademarks, in Austria termed "signs," may have protection according to Article 9 of the Austrian Act on Unfair Competition.

Austria became a member of the Madrid Agreement in 1909 and Madrid Protocol in 1999. Austria signed the Trademark Law Treaty in 1994.

Duration of right

Trademark registrations are in effect for 10 years and are renewable repeatedly for 10-year periods by paying a renewal fee.

Ownership / licenses

Trademark owners may grant licenses. A license may, but does not need to, be recorded in the trademark register.

Remedies for infringement

Civil remedies for infringement of trademarks include:

- Cessation of infringement (preliminary or permanent injunction)
- Claim for elimination of the circumstances constituting the infringement
- Rendering of account
- Publication of judgment
- Monetary relief

Criminal remedies for infringement of trademarks include:

- Monetary fine
- Imprisonment

Registered marks can be filed with Austrian customs to prevent import of goods that contain infringing marks.

TRADE SECRETS

Nature of right

Trade secrets as such are not recognized as an intellectual property asset in Austria, even though their protection is ensured by general statutory acts. Further protection was implemented into the Unfair Competition Act (*Gesetz gegen den unlauteren Wettbewerb*) in 2018, mostly based on EU-Directive 2016/943.

Trade secrets are defined as information that is

1. secret, in the sense that it is not known or readily accessible by persons that normally deal with the kind of information in question,
2. of commercial value because it is secret, and
3. subject to reasonable steps to be kept

All 3 requirements are necessary for a trade secret. Reasonable steps may include specific IT-security measure, making secret information only accessible to certain trustworthy employees and non-disclosure agreements.

A variety of information may be considered a trade secret according to the definition above. This includes rights which may be already protected (eg, inventions and designs) as well as otherwise unprotected information such as production processes, customer data, business models, big data analysis and market development data.

Legal framework

Trade secrets are addressed in a variety of legislation.

Sections 26a – 26j the Unfair Competition Act define trade secrets and regulate their use, misuse and accompanying consequences. It is also possible to hold confidential court proceedings (Section 26h Unfair Competition Act).

Additionally, Sections 122-124 of the Criminal Code penalize the discovery, publication or exploitation of trade secrets in various ways.

Duration of right

Indefinite, as long as protection criteria are met.

Ownership / licenses

The owner of a trade secret can be a natural person or a legal entity.

Remedies for infringement

Civil remedies include:

- i. Cessation of infringement (preliminary or permanent injunction)

- ii. Claim for elimination of the circumstances constituting the infringement, including the destruction of infringing materials
- iii. Monetary relief (including lost profit, adequate consideration, damages, handover of profits; and under special circumstances: compensation for insults or personal disadvantages)

Criminal remedies include:

- i. Monetary fine
- ii. Imprisonment

Certain measures ensure that trade secrets are not exposed during (civil) court proceedings, including not to the opposing party. This includes the possibility to only disclose minimum information necessary to substantiate a claim or have a court appointed expert witness report to the court about the trade secret without revealing confidential information.

If it is imperative to guarantee a fair trial the court may, however, order the disclosure of a trade secret.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The Austrian Copyright Act does not recognize "works made for hire," i.e., the original author is always the owner of the copyright. However, it is possible to license the exploitation rights. In certain cases, Austrian law recognizes the implied license for an employer to use an employee invention developed during employment using the employer's resources (equipment or funding). Nevertheless, it is highly recommended that employers address the licensing of inventions developed by employees in the employment agreement. There is a statutory assumption of an implicit license for computer programs.

The Austrian Patent Act provides similar principles to patents, with the exception that there is a statutory transfer claim for inventions made by employees in public service (clerks). Otherwise, a transfer right must be agreed in the employment contract or collective labor agreement.

For semiconductors, the same principles as regarding patents apply; however, there is a statutory assumption for a license in case of works made for hire (applies to both employees and contractors). The same applies to designs and utility patents.

Trademarks are freely transferable and can therefore also be made for hire for another person (including legal entities).

Consultants / contractors

In the absence of an agreement, consultants and contractors will retain ownership of the intellectual property developed by them, even if contracted and paid for by another party. The agreement can, however, be oral and implied; nevertheless, written agreements are recommended for evidentiary purposes. This is subject to the above mentioned exceptions,

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial contracts, except for any transfer of patents and registered rights where the Patent Office must be provided with the transfer agreement in order to register the transfer.

Registration of licenses for patents, utility patents, designs and trademarks is possible and necessary for the license to have *erga omnes* (absolute) validity, but is not required for the validity of the transfer itself.

Recognized language of commercial agreements

There are strict requirements on the clarity of business-to-consumer contracts. In principle, the clarity is in principle jeopardized if the consumer is not familiar with the language of the contract. In case of Austrian consumers, any contract that is not written in German will likely be unclear to the consumer and thus invalid.

Country-specific issues for online content

The E-Commerce Act (*E-Commerce-Gesetz*) provides limitations of liability for the providers of routing, search engine, caching, hosting and linking services under specific requirements in case of infringements.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms which are in line with the E-Commerce Act (and, if applicable, the Consumer Protection Act) are recognized and fully enforceable. In accordance with consumer protection laws, consumers are usually entitled to revoke the respective non-compliant contract. It is recommended to notify customers about their right to revoke such contracts (including a revocation template) in a document separate from the terms and conditions.

The enforceability of shrinkwrap terms is severely disputed under Austrian and EU law. This is due to the provisions of Austrian law stating that a contract should be finally concluded before it is executed, and most shrinkwrap agreements do not meet this standard. In addition, under EU law the Rome I and Brussels I regulations also affect this issue and in some cases limit the applicability of shrinkwrap licenses.

Governing law

Governing law and venue for resolution of disputes (including arbitration) specified in a commercial contract will generally be accepted and recognized, under certain limitations. The governing law is in general subject to *ordre public* reservation. Additional and more severe limitations apply to business-to-consumer contracts and employment contracts. Dispute resolution and arbitration clauses that materially disrupt the balance between the parties (e.g., one-way arbitration clauses) should be carefully assessed in each specific case.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Limitations and exclusions of warranty claims are generally permissible, except if *contra bonos mores*, but to be interpreted restrictively. Such disclaimers are not permissible in business-to-consumer contracts.

Enforceability of exclusions/limitations of liability indemnification

Exclusion or limitation of liability is permissible in principle for damages caused by slight negligence; they are not permissible for willful misconduct. Limitations or exclusion of liability for gross negligence are not permissible in business-to-consumer contracts and exclusion for slight negligence is only possible to a certain extent and are explicitly excluded in certain cases.

Furthermore, any limitation of liability should be assessed as to whether or not it is *contra bonos mores* in the specific case.

Exclusion or limitation of liability for death and injury is not permissible.

The same principles apply for caps on direct damages (ie, a cap is considered as a limitation of liability and to be treated under the same principles).

Exclusion or limitation of liability for indirect or consequential damages is to a certain extent permissible, but these terms are not fully defined under Austrian law and a precise description of excluded damages is recommended.

Indemnification

In general, express indemnities stated in contracts are permissible. Note that there is no indemnification concept comparable to US law in Austria.

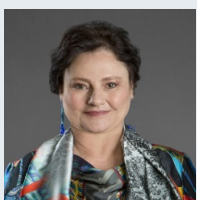
Electronic signatures

In Austria, electronic signatures are regulated by the Signatures and Trust Services Act (*Signatur- und Vertrauensdienstegesetz*) which is based on the Regulation 910/2014 on electronic identification and trust services for electronic transactions in the internal market.

Generally, a qualified electronic signature equals a handwritten signature and has the same legal effects as any written signature, unless the parties agree otherwise. According to the "non-discrimination-rule" in the Signatures and Trust Services Act, any documents signed with an electronic signature in general have to be equally accepted as evidence in the court.

There are some exceptions when electronic signatures are not acceptable – for example, surety agreements, last will and certain declarations in family and inheritance law.

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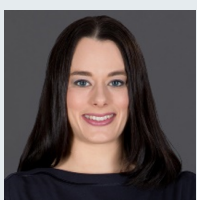
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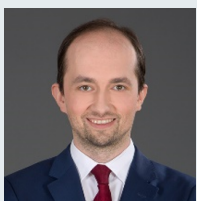
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BELGIUM



Last modified 14 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

In general, intellectual property rights in Belgium are governed by the following Federal statutory laws:

- Patent – Title I (Patents) of Book XI (Intellectual Property and Trade Secrets) of the Belgian Code of Economic Law (hereafter CEL)
- Copyright – Title 5 (Copyrights and Neighboring Rights) of Book XI (Intellectual Property and Trade Secrets) CEL
- Software – Title 6 (Computer Programs.) of Book XI (Intellectual Property and Trade Secrets) CEL
- Database rights – Title 7 (Databases) and Title 5 (Copyrights and Neighboring Rights) of Book XI (Intellectual Property and Trade Secrets) CEL
- Semiconductors – Title 8 (Topographies of Semiconductor Products) of Book XI (Intellectual Property and Trade Secrets) CEL
- Trademarks – Benelux Convention on Intellectual Property of February 25, 2005, as amended by the Protocol of December 11, 2017
- Designs – Benelux Convention on Intellectual Property of February 25, 2005, as amended by the Protocol of December 11, 2017

In addition, certain other statutory laws may protect other manifestations of intellectual property that do not fulfill the requirements of the intellectual property types cited above, such as trade names, company names, domain names and misleading and comparative advertising.

COMMERCIAL CONTRACT FRAMEWORK

Overview

The Belgian Civil Code (hereafter “BCC”) provides the general principles of contract law, while the Code of Economic Law (CEL) provides further principles in respect of commercial cooperation contracts generally (such as precontractual information obligations and the B2B act [cf. infra]) and more specifically for certain types of contracts (such as (exclusive) distributorship and commercial agency) and in specific sectors.

Over the last few years, the BCC has been (and is currently still being) thoroughly revised. As of November 1, 2020, Book 8 BCC, which introduces new rules on evidence, entered into force. Further, Book 5 of the BCC entered into force on January 1, 2023 and contains legal provisions on general Belgian contract law. This book reflects the legislator’s aim to increase legal certainty by codifying and adding new important principles, such as hardship, anticipatory breach, unfair clauses and a so-called “knock-out rule” to deal with conflicting general conditions and contract terms. In addition, Book 6 of the BCC, which modernizes the legal framework of non-contractual liability (*tort*), was adopted on February 1, 2024 and shall enter into force 6 months after its official publication in the Belgian Official Gazette.

Other books of the BCC (which involve a.o. statutes of limitation, special agreements and securities) are also under review but have not yet entered into force. In respect of business-to-consumer (B2C) agreements, Book VI “Market Practices and Consumer Protection” of the CEL should be taken into consideration, and in respect of E-Commerce, Book XII “Law of the Electronic Economy” of the CEL shall apply.

In addition, in respect of business-to-business (B2B) agreements, the B2B act of April 4, 2019 amending Book VI CEL established 3 sets of rules in respect of:

1. misleading and aggressive market practices in business-to-business relations
2. the prohibition of abuse of economic dependence and
3. unfair terms.

The 1st set of rules is included in Book VI “*Market Practices and Consumer Protection*” CEL and entered into force on September 1, 2019. The 2nd set of rules is included in Book IV “*Protection of competition*” of the Belgian Code of Economic Law and entered into force on June 1, 2020. The 3rd set of rules, which determines the circumstances under which a term in business-to-business contracts is considered to be unlawful, is also included in Book VI “*Market Practices and Consumer Protection*” and entered into force on December 1, 2020. In this regard, Articles VI.91/4 and VI.91/5 CEL respectively introduce a black list of terms which are irrefutably presumed to be unlawful and a grey list of terms of which the presumption of unlawfulness may be rebutted. Besides these listed terms, Article VI.91/3 CEL provides for a general prohibition of any term in business-to-business contracts concluded between undertakings which creates an apparent imbalance between the rights and obligations of the parties. As this legislation is of mandatory nature, contractual terms considered to be unlawful will be null and void.

COPYRIGHTS

Nature of right

To qualify for copyright protection, a work must be original, which has been determined by case law to mean that the protected work must be the expression of the intellectual creation of its author. Even if the work consists of elements which, considered in isolation, are not an intellectual creation of the author who employs them, the

author may express their creativity in an original manner and achieve a result which is an intellectual creation through the choice, sequence and combination of those elements.

The same requirement of originality applies to the copyright protection of databases, which is considered to be original when it constitutes the author's own intellectual creation by reason of the selection or arrangement of their contents.

There is no registration process for copyright protection; the author's right arises automatically with the creation. Mere ideas or concepts are not protectable.

Legal framework

Copyrights in Belgium are governed by Title 5 (*"Copyrights and Neighboring Rights"*) of Book XI (*"Intellectual Property and Trade Secrets"*) CEL.

On June 6, 2019, the EU Directive 2019/790 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directive 96/9/EC and 2001/29/EC (also known as the "Directive on Copyright in the Digital Single Market" or "DSM Directive") came into force, with its most significant changes for copyright holders being the obligation for news aggregators to remunerate press publishers and newspapers for using their content online, the introduction of a new liability regime for online content-sharing service providers and new obligations in respect of the author's remuneration, such as appropriate and proportionate remuneration, transparency and the bestseller principle. The deadline for implementation, set at June 7, 2021, was not met by the Belgian legislator. The Directive was eventually implemented in Belgium by the act of June 19, 2022, whereby most provisions have entered into force on August 1, 2022.

Duration of right

Generally, the duration of copyright in an author's work is the author's life, plus 70 years after the author's death. There are variations of this duration depending on the type of the protected work (eg, co-authored work or if the author is unknown).

Ownership / licenses

Only natural persons (individuals) who have created a work may enjoy the status of an author, even where an author is an employee. In this latter case, the economic rights may be assigned to the employer on the condition that such assignment is expressly agreed in writing and that the creation of the work falls within the scope of the employment agreement. However, there are some statutory presumptions, such as those regarding the assignment of economic rights in computer programs, that automatically favor employers (unless provided otherwise).

Title 5 (*Copyrights and Neighboring Rights*) also includes a rebuttable presumption of authorship; the author is presumed to be the person shown as such on the work by virtue of the mention of their name or the appearance of another sign that enables their identification.

Persons collaborating directly towards the creation of a work become co-authors. Their copyright is indivisible.

In these situations, the exercise of the right of co-authors is governed by agreement. Failing such agreement, no author may exercise this right in isolation, unless a court decision provides otherwise in case of a dispute. In situations in which the contributions of the authors may be individually identified, those authors may not, unless they agree otherwise, market their work in conjunction with new collaborators. However, they do share the right to exploit their contribution in isolation provided that such exploitation does not harm the joint work.

Contrary to the author's moral rights, which are, in principle and as a whole, non-transferable and inalienable, the economic rights are freely assignable, transferable and licensable (on an ordinary or exclusive basis), in whole or in part, in accordance with the CEL's provisions.

Through the implementation of the DSM Directive, Belgian copyright law also introduced new rights for authors and performers:

- Every author or performer assigning or licensing their rights for exploitation has the right to an appropriate and proportionate remuneration (Article XI.167/1 CEL).
- Every author or performer assigning or licensing his/her rights also has the right to transparency. In particular, the person to whom the rights are assigned or licensed will have to provide information to the author or performer on a regular basis regarding the exploitation of the work (Article XI.167/2 CEL).
- Furthermore, authors and performers having assigned or licensed their rights can claim additional appropriate and fair remuneration from the party with whom they entered into a contract for the exploitation of their rights, or from the successors in title of such party, when the remuneration originally agreed turns out to be disproportionately low compared to all the subsequent relevant revenues derived from the exploitation of the works or performances (the so-called “best-seller clause”) (Article XI.167/3 CEL).
- Lastly, the authors or performers having assigned or licensed their rights on an exclusive basis have the right to revoke in whole or in part the license or the assignment of rights where there is a lack of exploitation of that work or other protected subject matter within the agreed term or, if no term was agreed upon, within a term determined in accordance with fair professional practices (Article XI.167/4 CEL).

In addition, the Belgian Act of June 19, 2022 implementing the DSM Directive also introduced a new Chapter 4/2 into Belgian copyright law. Chapter 4/2 is, however, not based on any of the provisions of the DSM Directive and is thus the result of a high degree of gold-plating by the Belgian legislator. In brief, pursuant to this new chapter, authors and performers of sound and/or audiovisual works will at all times retain their right to remuneration vis-à-vis streaming services for the communication to the public by such streaming services, *even if* the exclusive rights of the author or performer were already assigned or licensed to other contracting parties (such as producers or labels). Hence, the remuneration right will be *directly* payable by streaming platforms to the author or performer (albeit through their management organisations).

Chapter 4/2 received heavy criticism and has been challenged before the Belgian Constitutional Court by producers and streaming services through an application for annulment.

Remedies for infringement

Rights holders are entitled to remedies under Title 9 (“*Civil aspects of the protection of intellectual property rights*”) and Title 10 (“*Aspects of procedural law of the protection of intellectual property rights*”) of Book XI (“*Intellectual Property and Trade Secrets*”) CEL as well as under Book XVII (“*Specific legal procedures*”) CEL. Reference should also be made to the *saisie-contrefaçon* procedure, provided in Section 1369bis of the Judicial Code, which allows a rights holder to enter, after authorization by the court’s president and without prior warning, the premises of an alleged infringer or an intermediary 3rd party in order to find evidence of and more information regarding infringements.

When implementing the DSM Directive, the Belgian legislator also introduced a new procedure in book XVII CEL, being (*ex parte*) summary proceedings against large-scale online copyright infringement. These provisions have, however, not yet entered into force: a date of entry into force still has to be set by Royal Decree. As soon as there is a *prima facie* valid copyright, neighboring right or database right, and the online infringement is *prima facie* obvious and substantial, after balancing the interests, the president of the Brussels Enterprise court can order any measure that may contribute to the cessation of the infringing acts, not only against the primary infringers but *also* against intermediaries.

Further, monetary relief can be sought with the damages as a lump sum. In case of a bad-faith infringement, monetary relief may also include a claim of unfair profits made, including accountability.

Finally, a number of supplementary, injunctive sanctions may be sought, such as:

- A recall or definitive removal from the channels of commerce or destruction of the infringing goods and in appropriate cases, of the materials and implements principally used in the creation or manufacture of these goods,
- The right of information, which orders the infringer to share precise information on the origin of the infringing goods or services, the distribution channels and the identity of any 3rd parties involved in the infringement,
- The dissemination of the decision, including the displaying and publishing of the decision in full or in part.

The European principle of exhaustion (similar to the first sale doctrine) applies to copyright protected material, which implies that if a specimen (*ie*, a particular physical copy) of the copyrighted work has been brought into circulation by means of transfer of ownership for the 1st time by (or with the consent of) the rights holder within the Community, then the further distribution of that same specimen in any other way, with the exception of hiring and letting, shall not be considered as an infringement of the copyright. The exhaustion rule is reserved for the distribution of tangible objects and not for digital works (such as, for example, e-books).

In Belgium, the losing party is in principle condemned to pay the procedural costs, consisting mainly of the procedural cost indemnity (*rechtsplegingsvergoeding* or *indemnité de procédure*), the registration fees and the citation fees. The procedural cost indemnity system is set out in Article 1022 of the Judicial Code and based on a scale of lump sums intended to cover (part of) the winning party’s lawyers’ fees. The recoverable amounts vary between minimum and maximum amounts that are determined in function of the financial importance of the claims in the procedure. In an injunctive relief proceeding, in which no monetary relief is claimed and where the claim is thus qualified as a “not monetarily quantifiable” claim, a specific scale applies with (applicable at date of writing this Guide) a standard amount of EUR 1,800 which, upon request and depending on the circumstances, can be reduced (to a minimum of EUR 12.50) or increased (up to a maximum amount of EUR 15,000).

MASK WORKS / TOPOGRAPHIES

Nature of right

The topography of a semiconductor product shall be protected insofar as it satisfies the conditions that it is the result of its creator's own intellectual effort and is not commonplace in the semiconductor industry. Where the topography of a semiconductor product consists of elements that are commonplace in the semiconductor industry, it shall be protected only to the extent that the combination of such elements, taken as a whole, fulfils the above-mentioned conditions. The protection shall apply solely to the topography to the exclusion of any concept, process, system, technique or encoded information embodied in the topography.

The rights holder shall have the exclusive and temporary right to reproduce and commercially exploit topography. The rights holder may, however, not assert this exclusive right in respect of:

- Reproduction solely for the purposes of analysis, evaluation or teaching of the topography or the concepts, processes, systems or techniques embodied in the topography.
- A topography resulting from the analysis and evaluation of another topography carried out in accordance with item 1 at least insofar as the new topography is the result of its creator's own intellectual effort and is not commonplace in the semiconductor industry.

The terms topography, semiconductor product and commercial exploitation shall be understood in the meaning defined in Council Directive 87/54/EEC of December 16, 1986 on the legal protection of topographies of semiconductor products. As a result, a "semiconductor product" shall mean the final or an intermediate form of any product:

- Consisting of a body of material which includes a layer of semiconducting material.
- Having 1 or more other layers composed of conducting, insulating or semiconducting material, the layers being arranged in accordance with a predetermined 3-dimensional pattern.
- Intended to perform, exclusively or together with other functions, an electronic function.

The "topography" of a semiconductor product shall mean a series of related images, however fixed or encoded:

- Representing the 3-dimensional pattern of the layers of which a semiconductor product is composed.
- In which series, each image has the pattern or part of the pattern of a surface of the semiconductor product at any stage of its manufacture.

Legal framework

Protection of semiconductor topographies is governed by Title 8 ("*Topographies of Semiconductor Products*") of Book XI ("*Intellectual Property and Trade Secrets*") CEL.

Duration of right

The exclusive right related to the protection of topographies of semiconductor products shall come into existence when the topography is fixed or encoded for the 1st time and shall expire 10 years from the end of the calendar year in which the topography was first commercially exploited anywhere in the world. The exclusive right shall expire where a topography has not been commercially exploited anywhere in the world within a period of 15 years from the date on which it was first fixed or encoded.

Ownership / licenses

The ownership of the exclusive right is granted to the creator of the topography of a semiconductor product. Where this topography is created by an employee in the course of their employment, the employer shall be deemed to be the creator, unless otherwise stipulated. Where this topography is created on commission, the person who commissioned the topography is deemed to be the creator, unless otherwise stipulated.

Like a copyright and contrary to many other EU member states, the exclusive right is granted automatically, i.e., without the obligation to register, and is freely licensable and transferrable, including to successors in title of the rights holder.

Remedies for infringement

The remedies for infringement of rights in a semiconductor product and the principle of exhaustion are similar to those applicable to copyright infringement.

PATENTS

Nature of right

A patent shall confer on its owner the right to prevent all 3rd parties not having his consent:

- From making, offering, putting on the market or using a product which is the subject matter of the patent, or importing or stocking the product for those purposes.
- From using a process which is the subject matter of the patent or, when the 3rd party knows, or it is obvious in the circumstances, that the use of the process is prohibited without the consent of the owner of the patent, from offering the process for use in Belgian territory.
- From offering, putting on the market, using, or importing or stocking for those purposes the product obtained directly by a process which is the subject matter of the patent.

An invention is eligible for patent protection if it is:

- New
- Inventive
- Capable of industrial application

An invention is new if it does not fall within the relevant state of the art. It is inventive if it would not be obvious to a skilled technician. Finally, the term industrial application is broadly construed and includes agriculture.

The novelty of an invention is not jeopardized if the invention was disclosed to the public in the course of 6 months prior to the filing of the application and it is due directly or indirectly to:

- An obvious abuse in relation to the applicant.
- The invention being shown at an exhibition organized by the public authorities or an official international exhibition.

In the latter case, the applicant shall declare, when submitting their application, that the invention was actually disclosed during an exhibition and furnish a relevant certificate

In order to benefit from the priority right, registrations must be carried out before the end of the 13th month following the date of the first registration (priority date). In addition, the applicant must make a "statement of priority" when applying.

Any person who, prior to the patent application or the priority date, used or possessed the patented invention in good faith on Belgian territory is entitled to continue the exploitation of the invention, notwithstanding the existence of a patent granted to a 3rd party.

Legal framework

Patents in Belgium are governed by Title I ("*Patents*") of Book XI ("*Intellectual Property and Trade Secrets*") CEL.

In accordance with the new European patent system, several updates are expected on EU level, including:

1. Regulation (EU) No 1257/2012 of the European Parliament and of the Council of December 17, 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection,
2. Council Regulation (EU) No 1260/2012 of December 17, 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection with regard to the applicable translation arrangements,
3. Agreement on the Unified Patent Court 16351/12 of January 11, 2013 (UPC Agreement).

Regulations (EU) 1257/12 and (EU) 1260/2012 already entered into force on January 20, 2013, but were only set to apply once the UPC Agreement entered into force. The Protocol on Provisional Application of the UPC Agreement entered into force following Austria's official ratification on January 19, 2022. The UPC Agreement eventually entered into force on June 1, 2023, following which the unitary patent system was also officially launched.

The unitary patent system makes it possible to get patent protection in up to 25 EU Member States by submitting a single application with the European Patent Office, thus simplifying the procedure and making it more affordable for applicants.

The Unified Patent Court (UPC) is an international court established by the participating EU Member States to deal with infringement and validity cases of unitary patents as well as European patents, thus eliminating costly

parallel proceedings and increasing legal certainty. The unified patent jurisdiction consists of a first instance court in Paris (with a section in Munich and soon also in Milan) and a court of appeal in Luxembourg, as well as local divisions in several countries, including in Brussels.

The transitional measures of the unitary patent system already started on January 1, 2023. Patent applicants were able to file early requests for unitary effect as well as requests to postpone the decision to grant a European patent. These measures remained applicable until the full entry into force of the **unitary patent system** on June 1, 2023.

Institute for Patent Attorneys – The new Belgian law of July 8, 2018 regulates the profession of 'Patent Attorneys' in Belgium. An Institute for Patent Attorneys will be established and everyone who is registered in the register of authorized representatives becomes a member of the institute and will, amongst other things, have the right to speak in patent litigation before the Belgian courts. The law of July 8, 2018 is accompanied by 2 Royal Decrees of September 30, 2020: (i) Royal Decree on the representation of patents, which entered into force on November 14, 2020 and (ii) Royal Decree on the disciplinary regulations applicable to patent attorneys, which partly entered into force on December 1, 2020. The provisions regarding the right to speak in patent litigation and confidentiality for Patent Attorneys will enter into force on April 1, 2024.

Duration of right

Patents have a duration of 20 years from the date of filing of the patent application. Renewal of the right is not possible. With regard to medicinal or plant products, the patent holder may apply for a supplementary protection certificate (SPC) which extends the duration of protection of the medicinal or plant product by the patent for a maximum of 5 years.

Exploitation of the invention is not a prerequisite for maintaining patent protection. However, if the invention is not exploited in Belgium for a period of 4 years following the date of patent application or for a period of 3 years following granting of the patent, the competent government minister can grant a compulsory license.

Ownership / licenses

The Patents Act provides that the patent rights are owned by the inventor or the inventor's successor in title.

Each co-owner has a personal right to exploit the invention. Rights granted to 3rd parties or action taken against patent infringement requires approval of all co-owners or, in case of disagreement, as determined by a court. In the event that one of the co-patentees wishes to assign their share, the other co-patentees have a pre-emption right over it for a 3-month period from the moment they have been informed of the intention to assign. In addition, the "default" co-ownership regime as provided in the Belgian Civil Code (especially with regard to succession rights) is not applicable to patent co-ownership.

If a patent application is submitted only by 1 owner without the involvement of the other joint owner(s), the other joint owners may initiate legal proceedings requiring the transfer of the patent or the patent application as joint owner.

If the public interest so requires, the competent ministry can grant a compulsory license under certain specific conditions.

Remedies for infringement

The remedies for patent infringement and the principle of exhaustion are similar to those applicable to copyright infringement.

TRADEMARKS

Nature of right

A registered trademark provides its owner with an exclusive right to prevent any 3rd party, without its consent, from:

- Using in business a sign that is identical to the trademark for goods or services that are identical to those for which the trademark is registered
- Using in business a sign that is identical or similar to the trademark and, because the goods or services covered by the trademark and the sign are identical or similar, there is a risk of confusion in the mind of the public due to the association between the sign and the trademark
- Using in business a sign that is identical or similar to the trademark for goods or services which are not similar to those for which the trademark is registered, where the trademark enjoys a reputation in the Benelux territory and where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the reputation associated with the owner of the trademark
- Using a sign for purposes other than those of distinguishing the goods or services, where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the reputation of the owner of the trademark

Any signs (such as, but not limited to, names, designs, imprints, stamps, letters, numerals, shapes of goods or their packaging, colors and slogans) that are able to be represented graphically and used to distinguish the goods or services of a company are eligible to be registered as individual trademarks. However, signs solely comprising a shape that is imposed by the very nature of a product, which gives the product substantial value or which is necessary for obtaining a technical result may not be registered as trademarks.

In order to be registered, the sign must have a sufficient "distinctive character." Such distinctive quality is not a constant but a variable. This means that a rather weak trademark at the time of registration may become a strong trademark through intensive advertising and surveillance, or, conversely and failing sufficient advertising and surveillance, that a strong trademark may become a weak trademark with a smaller scope of protection or even become the normal commercial description of a product or service for which it is registered as a result of the activity or inactivity of its owner, in which case the trademark shall be declared as lapsed.

Legal framework

Benelux trademarks are governed by the Benelux Convention on Intellectual Property of February 25, 2005. An update thereof was effected through the implementation of the Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015 to approximate the laws of the Member States relating to

trademarks. This Directive has been implemented pursuant to a protocol signed by the Benelux member states on December 11, 2017 in the Benelux Convention on Intellectual Property and has entered into force on March 1, 2019.

In respect of European Union trademarks (EUTM), the last update occurred with Regulation (EU) 2015/2424 of the European Parliament and of the Council of December 16, 2015 amending Council Regulation (EC) No 207/2009 on the Community trade mark and Commission Regulation (EC) No 2868/95 implementing Council Regulation (EC) No 40/94 on the Community trade mark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market (Trade Marks and Designs), which came into force on March 23, 2016 and, for a number of provisions, on October 1, 2017. Most notably, it included a name change for the traditional Community trademarks (CTM) to European Union trademarks (EUTM) as well as a name change for the OHIM to EUIPO. Considering the multiple and substantial amendments, Council Regulation (EC) No 207/2009 has now been codified in Council Regulation (EC) No 2017/1001 of June 14, 2017 on the European Union trade mark.

Duration of right

The duration of trademark protection is 10 years starting from the date of filing of the application and is renewable for an unlimited number of consecutive 10-year periods.

Ownership / licenses

The exclusive rights conferred by a trademark are acquired by virtue of registration to the registration holder. Thus, no protection to trademark owners is guaranteed without registration, unless such unregistered trademarks are well known. There are no specific provisions in Belgian law with respect to co-ownership of trademarks.

Independent of the transfer of all or part of a business, a trademark may be transferred with respect to all or some of the goods or services for which the trademark was filed or registered. A trademark may also be the subject of a license for all or some of the goods or services in respect of which the trademark was filed or registered.

Remedies for infringement

The remedies for trademark infringement and the principle of exhaustion are similar to those applicable to copyright infringement.

TRADE SECRETS

Nature of right

A definition has been inserted into Belgian law as a transposition of Directive 2016/943 of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade

secrets) against their unlawful acquisition, use and disclosure gets implemented, by the Act of July 30, 2018. A new Title 8/I has been inserted in Book XI CEL in order to implement the main provisions of EU Directive 2016/943.

The general definition of a 'trade secret' has been transposed from the Directive into article I.17/I CEL:

"Trade secret: information which meets all of the following requirements: (a) it is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question; (b) it has commercial value because it is secret; (c) it has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret."

Under Belgian law, a distinction must also be made between so-called "manufacturing secrets" (or *secrets de fabrique*), of which the illegitimate disclosure by employees and former employees is sanctioned by criminal law (under Section 309 of the Criminal Code), and confidential information in general.

In order to assess whether a 3rd party acts unlawfully, another distinction should be made between disclosure and use of the information, as well as between acts committed in good faith and acts conducted in bad faith.

Legal framework

The following statutes govern actions by an employer against (former) employees:

- i. Section 309 of the Criminal Code, which prohibits the disclosure of manufacturing secrets of the employer

Please note that this requires proving a malicious or fraudulent intent, which, as an evidentiary burden of proof, may be a high bar to clear.

- Section 17 of the Act of July 3, 1978 on Employment Agreements states that employees are obliged, both during and subsequent to the term of the employment contract, to refrain from the unlawful acquisition, use or disclosure (within the meaning of Article XI.332/4 CEL) of a trade secret (within the meaning of Article I.17/I(1) CEL) or secrets related to personal or confidential matters, of which they learn in the performance of their professional activities.

The following legislation governs actions against other 3rd parties:

- Title 8/I of Book XI CEL
- Civil liability law, namely Sections 1382-1383 of the Civil Code or (in case 2 undertakings are involved) Section VI.104 of Book VI "Market Practices and Consumer Protection" CEL, in conjunction with Section 39(2) of the TRIPS

- Agreement and with Section 8 of the European Convention on Human Rights, if the 3rd party illicitly obtains, misappropriates, discloses and uses a trade secret and thus causes or threatens to cause prejudice to a 3rd party
- Contract law, if an agreement (such as a non-disclosure agreement) was concluded with the 3rd party.

Duration of right

Not applicable.

Ownership / licenses

As for most European jurisdictions, competition rules prevail over contractual arrangements. Licenses in respect of trade secrets are subject to Commission Regulation (EC) 316/2014 of March 21, 2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements.

Remedies for infringement

Actions for misappropriation can be brought in criminal and civil proceedings, on the one hand, and in contractual liability and liability ex delicto on the other hand. In principle, both (interim and final) injunctive and monetary relief can be obtained.

The implementation of Directive 2016/943 in Title 8/I of Book XI CEL ensures that the competent judicial authorities may, at the request of the trade secret holder, order a number of provisional and precautionary measures against the alleged infringer, such as the cessation of or the prohibition of the use or disclosure of the trade secret on a provisional basis; and/or the prohibition of the production, offering, placing on the market or use of infringing goods, or the importation, export or storage of infringing goods for those purposes; and/or the seizure or delivery up of the suspected infringing goods, including imported goods, so as to prevent their entry into, or circulation on, the market; or, as an alternative to the aforementioned measures, make the continuation of the alleged unlawful use of a trade secret subject to the lodging of guarantees intended to ensure the compensation of the trade secret holder. In addition, in a court proceedings on the merits of the case, a series of injunctive and corrective measures can be sought, as well as damages and dissemination of the information concerning the decision.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Generally, subject to some exceptions, such as software and topography protection, and, in the absence of contrary, contractual or statutory, provisions, employees will retain ownership of the intellectual property developed by them.

In particular, reference can be made to the following rights:

Copyright

Where works are created by an author under an employment or a public servant's contract, the economic rights may be assigned to the employer on the condition that such assignment is expressly agreed in writing and that the creation of the work falls within the scope of the contract. However, there are some presumptions, such as those regarding the assignment of economic rights in computer programs, that automatically favor employers.

As of August 1, 2022, it is no longer required to include a clause in an employment or public servant's contract stipulating a specific profit share for the author in case of exploitation of the assigned work in a form unknown at the date of the contract. The new remuneration rights regarding appropriate and proportionate remuneration and the best-seller clause now provide for a sufficient safeguard in this respect.

The original author retains the moral rights on the work, since such rights are, in principle and as a whole, non-transferable and inalienable.

Patent

Title I (Patents) of the Code of Economic Law provides that the right to a patent shall belong to the inventor or the inventor's successor in title. Title I (Patents) has not set out special rules regarding patent rights of employees, so that the status of such inventions is governed by the employment contract. Belgian case law, however, generally makes a distinction between inventions performed during professional duties (pro employer), personal inventions (pro employee) and mixed inventions (depending on the circumstances of the case and the judge's discretionary power). It is therefore accepted that the employer is entitled to the invention that is made in the framework of an employment contract, ie, the invention that is made during an agreement and by an employee that is hired or instructed by their employer to make inventions or to carry out research in a given domain.

Design

If a design has been created by an employee in the course of their employment, the employer shall, unless specified otherwise, be regarded as the creator.

Consultants / contractors

In principle, subject to some exceptions, such as topography protection, and in the absence of contrary contractual or statutory provisions, consultants and contractors will retain ownership of the intellectual property developed by them, even if it is commissioned and paid for by another party.

In particular, reference can be made to the following rights:

Copyright

Where works are created by an author under an employment or a public servant's contract, the economic rights may be assigned to the employer on the condition that such assignment is expressly agreed in writing and that the creation of the work falls within the scope of the contract. However, there are some presumptions, such as those regarding the assignment of economic rights in computer programs, that automatically favor employers.

The original author retains the moral rights on the work, since such rights are, in principle and as a whole, non-transferable and inalienable.

Patent

The patent applicant shall generally be deemed to be entitled to exercise the rights to the patent. Where an application for the granting of a patent has been made either for an invention unlawfully taken from an inventor or the inventor's successors in title or in violation of a legal or contractual obligation, the injured party may, in their capacity as owner, claim the transfer of the application or of the granted patent, notwithstanding all other rights or proceedings.

Design

If a design has been created on commission, the commissioning party shall, unless specified otherwise, be regarded as the creator, provided that the commission was given with a view to commercial or industrial use of the product in which the design is incorporated.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial contracts. Registration of licenses for patents, designs and trademarks is possible and necessary for the license to have *erga omnes* (ie, absolute) opposability, but is not required for the validity of the transfer itself.

Recognized language of commercial agreements

Commercial contracts may be concluded in any language. From an enforceability perspective, the claimant must prove that the counterparty consented to the terms, which includes understanding the language. For consumers,

this evidentiary burden of proof will be a high bar to clear if the contract language is not the official language of the region of residence of the consumer.

Country-specific issues for online content

Book XII "Law of the Electronic Economy" CEL provides several additional requirements regarding the information to be provided to conclude online agreements, including information about the service provider and the languages in which the agreement can be concluded.

Enforceability of online/clickwrap/shrinkwrap terms

In order to enforce online general terms and conditions (including online or clickwrap terms), (i) the contractual provisions must be made available to the other party in such a way that he or she can store and display them; (ii) the other party must have been aware and have consented to the content of the terms; and (iii) a written mention of the other party accepting the terms can be given by any means which guarantees that the acceptance stemmed from that party.

Governing law

Subject to the case law of the European Union on the conclusion of cross border online agreements, the Rome I and Recast Brussels I regulations, and the limitations they impose on consumer contracts and employment contracts, the governing law and venue for resolution of disputes (including arbitration) specified in a commercial contract will generally be accepted and recognized.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Limitations and exclusions of warranty claims are generally permissible, including in business-to-consumer contracts, but are subject to the Act of September 1, 2004 (corresponding to Articles 1649bis and following of the Civil Code) on the protection of consumers in respect of the sale of consumer goods, which provides a 2-year warranty period.

Enforceability of exclusions/limitations of liability indemnification

Limitations of product liability for defects are severely restricted under Belgian law. Aside from product liability, liability in general may be excluded in principle, subject to certain conditions. For instance, liability may not be excluded if such would lead to a complete elimination of the main obligations of the agreement, or would lead to limiting one's liability for fraud, willful misconduct, death or personal injury. Since the entry into force of the provisions regarding business-to-business agreements of the law of April 4, 2019, excluding one's liability for gross negligence is also prohibited.

Indemnification

The concept of indemnification will, in general, be interpreted in accordance with Belgian law principles (which do not define indemnification) to provide a similar effect, such as a guarantee provided to the indemnitee.

Electronic signatures

Until mid-2016, the use of electronic signatures in the European Union was governed by Directive 1999/93 on a Community framework for electronic signatures (E-Signature Directive) as transposed into the national laws of 28 member states of the European Union. In Belgium, the E-Signature Directive was implemented by the Act of July 9, 2001 laying down a legal framework for electronic signatures and certification services.

The Regulation (EU) No 910/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (eIDAS Regulation) was adopted in July 2014, and has been effective as of July 1, 2016. The eIDAS Regulation aims to provide more predictable regulatory environment and is directly applicable in all member states of the European Union without having to be transposed in national legislation.

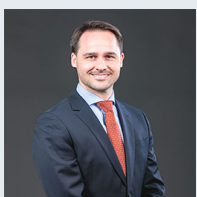
The eIDAS Regulation has a 2-tier approach. This means that all electronic signatures – that is, *"data in electronic form which is attached to or logically associated with other data in electronic form and which is used by the signatory to sign"* – receive some legal recognition – but only so-called "qualified" electronic signatures are automatically assimilated with handwritten signatures. Thus, in case of a dispute, it will be up to the competent court to decide whether a "non-qualified" electronic signature can be assimilated with a handwritten signature. The eIDAS Regulation does not preclude member states from deciding that, in certain circumstances, only specific types of electronic signatures, such as qualified electronic signatures, can be used.

Under Belgian law for example, an employment contract can only be signed electronically by using a specific type of qualified electronic signature. In any event, both the employer and employee retain the right to conclude an employment contract by using a handwritten signature.

The approval of Book VIII of the new Belgian Civil Code, which entered into force on November 1, 2020, introduces new rules on evidence and specified the position of electronic signatures with regard to evidence. Book VIII now expressly includes an electronic signature within the definition of "signature", by stating that a signature is *"a sign or a sequence of signs, applied by hand, electronically or by any other process, through which a person identifies himself and from which his will is shown"*. For the definition of an electronic signature, Book VIII of the new Belgian Civil Code directly refers to the definitions given under the eIDAS Regulation.

On June 3, 2021, the EU Commission published its proposal on the revision of the eIDAS Regulation, which constitutes a complete overhaul of the European digital identification framework. On November 8, 2023, the European Parliament and the Council of the EU approved their negotiation positions and reached a provisional agreement. The text still needs to be formally adopted, after which it will be published in the Official Journal of the EU and enter into force.

KEY CONTACTS



Alexis Fierens

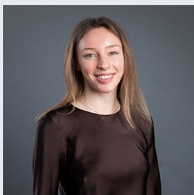
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BRAZIL



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights are governed by the Federal Constitution and Federal laws.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial and civil contracts are governed by general principles and provisions established in Federal Law 10,406/2002 (Brazilian Civil Code).

The Brazilian Civil Code also establishes specific provisions for certain types of contracts (eg, purchase and sale, donation and services agreement). Some particular contracts are also governed by special laws and regulations (eg, franchising, leasing, sales representatives and regulated contracts).

Contracts with consumers are subject to special provisions set forth in Federal Law 8,078/1990 (Consumer Defense Code).

The contracts with the Public Administration are mainly governed by Federal Law 8,666/1993 (Public Procurement Law). Certain contracts with the Public Administration are subject to specific laws and regulations (eg, contracts in the energy and oil and gas areas, contracts that involve concessions, public-private partnerships, electronic options and the Special System for Public Purchases or RDC).

COPYRIGHTS

Nature of right

Copyright protection is available for "creations of the spirit," expressed by any means or fixed in any medium, tangible or intangible, now known or invented in the future. Protection by copyright does not depend on registration, and the rights arise upon creation of the work.

Authors hold, over the works they create, moral rights (which include the right of having their name associated with the work and the right to modify or prevent modifications of the work) and economic rights (which include the right to use – and authorize others to use – the work by any means, enjoy any results arising from the work and make the work available, including the right to reproduce, publish, distribute, edit, adapt, translate and others).

Moral rights cannot be waived or assigned.

In Brazil, copyright protection also applies to software, defined as the "expression or an organized group of instructions in natural or encoded language, contained in a physical medium of any nature, the use of which is necessary in automated information treatment machines, devices, instruments or peripheral equipment based on digital or analogical technique for them to work in a certain way and for a certain purpose." In the case of software, moral rights are not applicable.

Legal framework

Copyrights are governed by the Federal Constitution (Article 5, XXVII), Federal Law 9,609/98 (Software Law) and Federal Law 9,610/98 (Rights of Authorship Law).

Moral rights are recognized under the Brazilian Rights of Authorship Law.

Brazil became signatory to Berne Convention in 1922.

Duration of right

In general, economic rights in copyrighted works remain valid for 70 years counted from January 1 of the year following the year of the author's death.

For software, protection of the copyrights remains valid for 50 years counted from January 1 of the year following the year of the software's publication or, if unpublished, of its creation.

Ownership / licenses

An author is, as a rule, the individual who has created the work. Corporate entities may be considered authors in case of collective works and if they are editors or producers of audiovisual works. Joint authorship of works is recognized.

Assignment and licenses of rights should always be made in writing. Definitive assignments must be in writing. If not made in writing and differently foreseen, the term of assignment or license will be 5 years. The assignment is valid only for the specified country; assignment and license agreements will always be interpreted restrictively and may be granted only for existing media.

Assignment of rights of authorship in and to works created in the future may be granted for a maximum of 5 years.

Remedies for infringement

Criminal remedies for copyright infringement include imprisonment and a monetary fine.

Civil remedies for copyright infringement include the seizure of infringing goods, suspension of their promotion and sale, daily penalty for continuing infringements, destruction of infringing goods and damages (including moral damages).

MASK WORKS / TOPOGRAPHIES

Nature of right

Brazil provides protection for original mask works (*topografia de circuitos integrados*) in the sense that they result from intellectual effort of their author and are not common or vulgar for technicians, specialists or manufacturers of chip products.

Mask works are defined as "a series of related images, however constructed or encoded, which represent the 3-dimensional pattern of the layers that form a chip, and in which each image represents, in whole or in part, the geometrical disposition or arrangement of the surface of the chip in any stage of its conception or manufacture."

A "chip" (*circuito integrado*) is defined as a product, in final or intermediate form, with elements of which at least 1 is active and with some or all the interconnections completely formed over 1 piece of material or in its interior and whose purpose is to perform an electronic function.

Mask work registration owners have the exclusive right to exploit the mask work, and any 3rd party depends on the owners' authorization to:

- i. Reproduce the mask work in whole or in part, by any means, including incorporating it into another chip
- ii. Import, sell or otherwise distribute for commercial purposes a protected mask work or a chip in which a protected mask work is incorporated or
- iii. Import, sell or otherwise distribute for commercial purposes a product that incorporates a chip in which a protected mask work is incorporated, only to the extent that such chip continues to include an illegal reproduction of a mask

Legal framework

Mask works are governed by Federal Law no. 11,484/07.

Duration of right

Mask works are protectable for 10 years counted from the date of application for registration or the date of the first exploitation, whichever occurs first.

Ownership / licenses

The party that applies for registration of a mask work is presumed to be its creator. Joint ownership is recognized.

Rights to mask works may be assigned in whole or in part. Where there is a partial assignment of rights, the percentage of rights assigned must be specified. Assignment documents must be signed by both parties and 2 witnesses.

The owner of the mask work registration may license its exploitation. Mandatory licenses may be granted to ensure free competition or prevent abuses of right or of economic power by the owner of the right.

Remedies for infringement

Criminal remedies for infringement of mask works include imprisonment and a monetary fine.

Civil remedies for infringement of mask works include prohibition of the infringing act, fines and damages.

PATENTS

Nature of right

Patent protection may be granted to:

- i. Inventions that present novelty, inventive activity and industrial use.
- ii. Utility models if the objects (in whole or in part) are for practical use, have industrial use, present a new format or pattern that involves an inventive act and results in a functional upgrade in its use of manufacture.

Patents grant the right to prevent 3rd parties to produce, use, offer for sale, sell or import with such purposes the claimed invention.

Legal framework

Patents are governed by the Federal Constitution (Article 5, XXIX) and Federal Law no. 9,279/96 (the Industrial Property Law). Brazil became party to Patent Cooperation Treaty in 1978 and Paris Convention in 1884.

Duration of right

For patents for inventions, the duration of protection is 20 years from the filing date of application.

For utility model patents, the duration of protection is 15 years from the filing date of application.

Ownership / licenses

The party that applies for registration of the patent is presumed to be its creator. Joint ownership is recognized. Rights to patents may be assigned in whole or in part.

The owner of the patent registration or application may license its exploitation. Mandatory licenses may be granted to ensure free competition or prevent abuses of right or of economic power by the owner of the right, if the object of the patent is not being exploited or if market needs are not being met.

This nation requires recordation of license agreements for them to be effective against 3rd parties. Also, the recordation has always been required to (i) authorize remittance of payments of royalties abroad, observing the applicable laws and regulations on taxation and foreign exchange; and (ii) permit tax deduction by the licensee of amounts paid in royalties, as per applicable tax laws and regulations. However, Federal Law No. 14,596 of 06/14/2023, which introduced the new transfer pricing rules, with effect on January 1, 2024, put an end to the current deductibility limits for passive royalties and the need to register contracts with the Brazilian Patent and Trademark Office (Brazilian PTO) for tax deductibility purposes. Furthermore, Central Bank BCB Resolution No. 278 of 12/31/2022, which regulates Law No. 14,286 of 12/29/2021, abolished the need to register royalty contracts with BACEN (and, consequently, with the Brazilian PTO) for the remittance of royalties abroad.

Remedies for infringement

Criminal remedies for patent infringement include imprisonment, a monetary fine and seizure of infringing products.

Civil remedies for patent infringement include injunction to prevent the continuation of infringements and damages. Furthermore, interested parties may file a court action requesting a cancellation of the patent before the Federal Court.

TRADEMARKS

Nature of right

Distinctive signals that are visually perceptible and not otherwise included within the legal prohibitions are registerable as trademarks.

INPI has issued a Regulation, Portaria/INPI/PR n° 37, regarding “position trademarks”, which are considered a “non-traditional trademark”, as they consist of the specific manner in which the mark is placed or affixed on the product.

Legal framework

Trademarks are governed by the Federal Constitution (Article 5, XXIX) and Federal Law no. 9,279/96 (the Industrial Property Law).

Brazil is a signatory to the Madrid Protocol since 2019.

Brazil is not a party to the Trademark Law Treaty of 1994.

Duration of right

The duration of trademark protection is 10 years from the date the registration is granted and renewable for successive 10-year periods.

Ownership / licenses

Ownership of a trademark is obtained when its registration is validly granted. The owner has the exclusive right to use the trademark in Brazil and internationally, as of the accession of Brazil to the Madrid Protocol, and to assign the rights of the trademark or license its use.

Trademark registrations or applications may be assigned or licensed provided the assignee fulfills the legal requirements to be the owner of the registration or application.

This nation requires recordation of license agreements for them to be effective against 3rd parties. Also, the recordation has always been required to (i) authorize remittance of payments of royalties abroad, observing the applicable laws and regulations on taxation and foreign exchange; and (ii) permit tax deduction by the licensee of amounts paid in royalties, as per applicable tax laws and regulations. However, Federal Law No. 14,596 of 06/14/2023, which introduced the new transfer pricing rules, with effect on January 1, 2024, put an end to the current deductibility limits for passive royalties and the need to register contracts with the Brazilian Patent and Trademark Office (Brazilian PTO) for tax deductibility purposes. Furthermore, Central Bank BCB Resolution No. 278 of 12/31/2022, which regulates Law No. 14,286 of 12/29/2021, abolished the need to register royalty contracts with BACEN (and, consequently, with the Brazilian PTO) for the remittance of royalties abroad.

Remedies for infringement

Criminal remedies for trademark infringement can include imprisonment, a monetary fine, seizure of infringing products and destruction of infringing trademarks.

Civil remedies for trademark infringement can include injunction to prevent the continuation of infringements and damages. Interested parties may also file a court action requesting a cancellation of the trademark registration before the Federal Court.

TRADE SECRETS

Nature of right

Trade secrets are not protected as property in Brazil. However, the Brazilian Industrial Property Law, in the chapter related to Crimes of Unfair Competition, characterizes as crimes certain conducts involving the unauthorized use of trade secrets. As a result, there is legal protection against the violation of trade secrets.

Legal framework

Trade secrets are addressed for Brazil under Federal Law no. 9,279/96 (the Industrial Property Law).

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Remedies available for infringement of trade secrets can include criminal remedies (ie, imprisonment and a monetary fine) and civil remedies (ie, injunction to prevent the continuation of infringements and damages).

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Copyrights

Except for software as mentioned below, the Copyright Law is silent regarding the ownership of works created by employees, which will be decided by the courts on a case-by-case basis. The concept of "work for hire" is not recognized by the Law.

Software

Unless otherwise agreed, the employer owns the rights to software developed during the employment agreement whose purpose is research and development of software or which result from the nature of the job description. Unless otherwise agreed, compensation for the employee's work shall be limited to their salary.

Mask works

Unless otherwise agreed, the employer owns the rights to mask works developed during the employment agreement in which the creative activity results from the nature of the job description or in which the employee

uses resources, technological information, industrial or commercial secrets, materials, facilities or equipment of the employer. Unless otherwise agreed, compensation for the employee's work shall be limited to their salary.

Patents

Inventions and utility models belong to the employer when they result from an employment agreement performed in Brazil whose purpose is research or inventive activity or if the inventive activity results from the nature of the employee's services. Unless otherwise agreed, compensation for the employee's work shall be limited to their salary.

Trademarks

There is no legal provision concerning the ownership of trademarks in employment context. The rule is "first to file" if the filing does not infringe any legal provisions.

Consultants / contractors

Copyrights

Except for software as mentioned below, the Copyright Law is silent regarding the ownership of works created by consultants or contractors, which will be decided by the courts on a case-by-case basis. The concept of "work for hire" is not recognized by Brazilian law.

Software

Unless otherwise agreed, the engaging party owns the rights to software developed during the services agreement whose purpose is research and development or which result from the nature of the service description. Unless otherwise agreed, compensation for the service shall be limited to the agreed remuneration.

Mask works

Unless otherwise agreed, the engaging party owns the rights to mask works developed during the services agreement in which the creative activity results from the nature of the service description or in which the service provider uses resources, technological information, industrial or commercial secrets, materials, facilities or equipment of the engaging party. Unless otherwise agreed, compensation for the service shall be limited to the agreed remuneration.

Patents

Inventions and utility models belong to the engaging party when they result from a services agreement performed in Brazil whose purpose is research or inventive activity or if the inventive activity results from the nature of the services. Unless otherwise agreed, compensation for the service shall be limited to the agreed remuneration.

Trademarks

There is no legal provision concerning the ownership of trademarks in a service agreement context. The rule is "first to file" if the filing does not infringe any legal provision.

Trade secrets

Not applicable for this jurisdiction.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

Generally speaking, contracts are valid and effective between the contracting parties regardless of registration.

Contracts need to be registered with the Registry of Deeds or other specific Registries in order to be effective and enforceable against 3rd parties and, if applicable, in case of remittance of royalties from Brazil to abroad.

Recognized language of commercial agreements

In general, it is acceptable to execute contracts in another language (eg, English); however, if the contract must be taken to any Brazilian authority, including courts, only Portuguese versions or sworn translations will be accepted.

The Consumer Defense Code requires the presentation of products and services to consumers in Brazil to be in Portuguese, including precise, clear and ostensive information related to their characteristics, qualities, composition, price and warranty, among others. The contract will not be binding on consumers if it is written in a way that may be difficult for the consumer to understand, and the fact that the contract is written in another language might suffice for it to be deemed difficult to understand by a consumer.

Country-specific issues for online content

Federal Decree No. 7,962/2013 establishes several rules for e-commerce. There is certain information that must be included on the website (eg, supplier's name, address for contact, information on additional and ancillary costs included in the price) and the supplier shall comply with certain obligations in order to make the purchase process easier to the customer (eg, to include a summary of the contract highlighting the clauses that may limit any right and to maintain an electronic consumer attendance service). In addition, Federal Law No. 10,962/2004, modified by Federal Law No. 13,455/2017, establishes rules for price disclosure in e-Commerce (eg, font size and position of the price).

In 2015, Brazil enacted Federal Law No. 12,965 on Civil Rights Framework for the Internet (*Marco Civil da Internet*) and its Decree No. 8,771/16, dated May 11, 2016. This federal law stipulates the following:

- Brazilian law and jurisdiction will be applicable if one of the parties engaged in the relation or service is located in Brazil
- Internet service providers shall be liable for 3rd parties' content if such 3rd party does not comply with a court's orders (eg, for removal of content). If the infringing content is of sexual character, the Internet application (site) subsidiarily begins to respond for violation of privacy and may be liable, along with the author of the offense, for crimes such as violation to the honor or disclosure of secret, in case it does not remove the content when directly notified by the victim.
- A service or webpage may be shut down, by court order, if it does not comply with the law

- Collection of data must be strictly related to the purposes of the collection and may not be shared or transferred to 3rd parties without prior consent of the individual on this regard or by another applicable legal basis, in accordance with the Brazilian General Personal Data Protection law (Federal Law 13,709 /2018)

Enforceability of online/clickwrap/shrinkwrap terms

Online agreements are generally considered enforceable if they are clearly available for the user's review. There is no specific law requiring that the user needs to indicate affirmative assent (eg, separately "check a box") to confirm his or her acceptance to the content and provisions of the agreement. Considering the current lack of specific legislation, the general rules of contracts apply. For instance, if the law does not require express acceptance, such acceptance may be tacit. Therefore, the act of using the services or purchasing the goods may be deemed a tacit acceptance.

It is important to stress that the use of "adhesion contracts" (ie, a written agreement drafted by one of the parties and which, in principle, cannot be amended by the other party) is allowed under Brazilian law. However, owing to their nature, the law and the courts tend to protect the party in the weaker position (ie, adhering party). Brazilian courts may disregard a contractual provision if such provision is deemed abusive (eg, if it contains a waiver of a right by the adhering party).

Governing law

According to the conflict of laws principles set forth in Federal Decree-Law No. 4,657/1942 (the Introductory Law to the Brazilian Law Provisions), the obligations shall be governed by the law of the place where they are created and, when the parties are not at the same place when they sign a contract, the law of the place of the proposing party shall govern such contract. Even if a contract specifies foreign law as the governing law, if the agreement is performed in Brazil, Brazilian law may be applicable, and local courts would always have jurisdiction in relation to such contract.

An exception to the above rule is the agreements with an arbitration clause. Federal Law No. 9,307/1996 (Arbitration Law) expressly allows the parties to choose the laws or institutional rules governing the contract and the arbitration. The parties may also agree that the decision shall be based on equity.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Depending on the services or goods provided, and who the buyer is, the supplier may be subject to mandatory rules regarding warranties.

Disclaimers and contractual provisions on warranty are usually enforceable, provided that they do not conflict with mandatory rules. For instance, disclaimers against consumers are likely to be deemed null or considered abusive.

Enforceability of exclusions/limitations of liability indemnification

The validity of the limitation or exclusion of liability clauses, as well as the establishing of a cap, are controversial in Brazil. The prevailing view is that such clauses are valid and enforceable, provided that they do not involve matters of public order or consumers' rights (especially in adhesion agreements), but that they would not apply in cases where the party has acted with willful misconduct or gross fault. The clauses may also be challenged in court, for instance, when the value of the indemnification agreed is not commensurate with the actual damage suffered or when the liability was an important element arising out of the nature of the transaction.

Nevertheless, even with the risk of being challenged, it is normal (and many times recommendable) to include limitations (eg, caps) and exclude certain liabilities, especially indirect damages (including loss of profit).

Indemnification

Indemnification provisions are generally recognized and enforceable. Normally they include the obligation to defend, indemnify (ie, pay damages) and hold harmless. Indemnification is not limited to 3rd-party claims.

Even if the parties do not establish a contractual obligation to indemnify, there may be indemnification obligations provided by law.

As a general rule, indemnification is measured by the extent of the damage, which normally includes actual losses and lost profits.

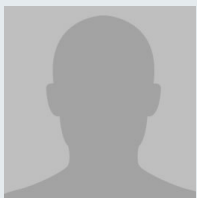
Electronic signatures

Electronic signatures are generally considered enforceable under Brazilian law. In 2001 Provisional Executive Act 2.200-2 (Electronic Signature Law) established a validity of the digitally signed documents. The Brazilian Public Key Infrastructure (ICP-Brazil) was created in accordance with the Electronic Signature Law. The Electronic Signature Law established the legal validity for ICP-Brazil certificates-based digital signatures, which are based on the use of public and private cryptographic keys. However, valid electronic signatures can be created outside of ICP-Brazil system if such signatures follow certain minimum parameters of validity (eg, authorship and integrity).

Generally, commercial contracts can be executed electronically as well as in writing or verbally, provided that the essential criteria for formation and validity are met and parties are in accordance with such means of signature.

However, certain agreements and transactions still must be in writing (ie, real estate sales, collateral agreements and family law transactions) and, in some cases, through a public instrument, and registered within its specific registries.

KEY CONTACTS



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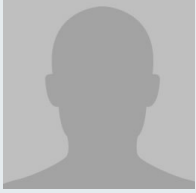
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CANADA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights, such as patents and copyrights, as well as registered trademarks, are governed by federal statutes.

COMMERCIAL CONTRACT FRAMEWORK

Overview

In contrast, contracts, whether they concern IP rights or not, are a matter of provincial, not federal, law. The province of Québec has a civil law system, while the balance of the Canadian provinces have a common law system.

In the common law provinces, contracts are governed by common law contract principles, as modified by a number of statutes such as the Statute of Frauds, Sale of Goods Act and consumer protection legislation. In Québec, contracts are governed principally by the Civil Code. However, other laws such as the Charter of the French Language impose special requirements on the formalities of contracts in Québec.

Bankruptcy is a matter of federal law and, under federal bankruptcy legislation, special rules may limit the ability to effect termination of rights upon an act of insolvency or bankruptcy.

There are special rules that govern contracts with the federal and provincial governments.

COPYRIGHTS

Nature of right

Copyright protection is granted to every original literary, dramatic, musical and artistic work in a fixed mode of expression, and to sound recordings, performers' performances and communication signals.

Copyright arises automatically upon creation of the work, sound recording, performer's performance or communication signal. Moral rights of attribution and integrity additionally arise automatically upon creation of a copyrighted work or performer's performance and belong exclusively to the author. Moral rights may be waived by the author but cannot be assigned.

Registration is not necessary to enforce rights, but registration provides certain legal advantages.

The owner of a copyrighted work has the sole right to produce, reproduce, distribute, prepare derivative works of, perform or publish a work of authorship in any material form. The owner of a sound recording, performer's performance or communication signal has the sole right to fix it in any material form, reproduce any fixation, communicate it to the public or perform it in public.

Legal framework

The Canadian Copyright Act protects both copyright and moral rights, and there is no copyright outside the statutory framework.

Canada became a signatory to the Berne Convention in 1928.

Duration of right

Copyright in works of authorship lasts for the life of the author, the remainder of the calendar year in which the author dies and a period of 70 years from that year end. Canada's copyright laws changed in December 2022 to extend that period from 50 years to 70 years; however, the extension does not apply to works that were already in the public domain as of December 31, 2021.

The duration of the copyright term can vary based on authorship.

Where the author of the work is unknown, copyright in the work subsists until the end of 75 years following the end of the calendar year in which the work is made. However, if the work is published before the copyright expires, the copyright continues until the earlier of the end of 75 years following the end of the calendar year in which the 1st publication occurs and 100 years following the end of the calendar year in which the work was made.

Where there are 2 or more authors, copyright protection extends until the death of the last known author, the remainder of the calendar year of the author's death plus an additional 70-year period.

Specific provisions as to the term of protection also apply to certain non-dramatic cinematographic works, as well as to subject-matter other than works, including performers' performances, sound records, and communication signals.

A copyright term cannot be extended or renewed.

Ownership / licenses

In general, the author of a work is the 1st owner of the copyright therein. Likewise, the maker of a sound recording, performer of a performer's performance, or broadcaster of a communication signal is the 1st owner of copyright. Exceptions include where the work is made in the course of employment, in which case the 1st owner

of copyright is the person by whom the author was employed, or where the work was prepared by or under the direction of the Crown, in which case copyright belongs to the Crown.

Joint ownership is recognized where the work is jointly authored.

Licenses

Ownership of copyright can be assigned or licensed. A valid assignment of rights must be in writing and signed by the owner.

Licenses may be implied. However, an exclusive license must be in writing. Where a work is produced by 2 or more authors, 1 author cannot exclusively assign or license the copyright in the work without consent from the other joint authors.

Remedies for infringement

Registration is not required to seek and enforce remedies.

An owner may seek civil remedies, including an injunction, seizure of goods, delivery up, an accounting of profits or general damages.

General damages may be awarded for lost sales, reasonable royalties or intangible losses. Punitive damages may be available where the infringement is particularly egregious or appalling.

Statutory damages can also be sought, ranging from CAD500 per work to CAD20,000 per work for infringement for commercial gain, and CAD100 per work to CAD5,000 per work for infringement for non-commercial purposes.

It is possible to seek an order preventing the importation of goods that are infringing. Criminal penalties are also available.

The rights of licensees to enforce copyright rights are potentially limited under the Canadian statute.

MASK WORKS / TOPOGRAPHIES

Nature of right

Integrated circuit topographies refer to the 3-dimensional configurations of electronic circuits embodied in integrated circuit products or layout designs.

Protection for integrated circuit topographies gives exclusive right to reproduce, manufacture, import or commercially exploit the topography or any substantial part. To commercially exploit a topography means to sell, lease, offer or exhibit for sale or lease, or otherwise distribute for a commercial purpose.

A topography means the design, however expressed, of the disposition of:

- The interconnections, if any, and the elements for the making of an integrated circuit product, and
- The elements, if any, and the interconnections for the making of a customization layer or layers to be added to an integrated circuit product in an intermediate form.

Legal framework

The Integrated Circuit Topography Act governs the protection of integrated circuit topographies.

Duration of right

The duration of protection for integrated circuit topographies is up to 10 years from the filing date of the application for registration. Registration terminates at the end of the 10th calendar year after the earlier of the year in which the topography is 1st commercially exploited and the calendar year of the filing date of the application. A registration must be filed within 2 years of 1st commercial exploitation.

Ownership / licenses

A topography, whether registered or unregistered, is transferable or may constitute the subject-matter of a license, either as to the whole interest therein or as to any undivided portion.

Remedies for infringement

Remedies can include an injunction, the payment of royalties, the recovery of damages or profits, punitive damages, and the disposal of any infringing integrated circuit product or any article of which an infringing integrated circuit product forms a part.

A defendant is not liable for royalties, damages, profits or punitive damages in respect of any dealings with the integrated circuit product prior to the time when the defendant had actual knowledge that the product was manufactured and sold for the 1st time without the consent of the owner.

A defendant has the right to dispose of any inventory of the integrated circuit product or of the article that was acquired before the defendant had that knowledge, subject to the condition that the defendant pay a reasonable royalty in respect of that inventory in such amount and at such time as the court may determine.

PATENTS

Nature of right

Patents grant the right to exclude others from making, constructing, using and selling to others to use the claimed invention.

Legal framework

The Patent Act governs the protection of patents.

Canada became a party to the Patent Cooperation Treaty in 1990 and to the Paris Convention in 1923.

Duration of right

For patents filed after October 1, 1989, the duration of patent protection is 20 years from the filing date of the application.

It may be possible to extend the patent term by up to 2 years where there are delays in a drug approval process. The extension may be applied for and granted by way of a certificate of supplementary protection (CSP).

Ownership / licenses

Joint ownership is permissible, but a party cannot dilute the rights of another party without permission. A joint owner may assign its entire interest without consent of the other joint owner, provided that the assignment does not dilute the rights of another owner. Consent of all joint owners is required to grant a license.

Remedies for infringement

The Patent Act permits awards for damages following the grant of a patent and reasonable compensation for infringing acts before grant, together with interest. Damages may be based on the lost profits of the patentee or on a reasonable royalty measure, depending on the facts.

Equitable remedies include an accounting of profits (as an alternative to damages) and interlocutory or permanent injunctions. Punitive damages awards are rare and require high-handed, egregious and oppressive conduct in carrying out the infringing acts.

TRADEMARKS

Nature of right

A trademark is a sign or combination of signs that is used by a person or organization for the purpose of distinguishing their goods or services from those of others. Trademark protection has traditionally been provided to any words, phrases, symbols or designs used to distinguish the goods or services of a person or organization from those of others. In Canada, protection is also afforded to tastes, textures, moving images, mode of packaging, holograms, sounds, scents, 3-dimensional shapes, colors or any combination of these used for the purpose of distinguishing the goods or services of a person or organization from those of others.

Legal framework

The Canadian Trademarks Act governs federal trademark law. It codifies the common law tort of passing off and accords further rights to registered trademark owners. For instance, the owner of a registered trademark has the exclusive right to use the trademark throughout Canada with the goods or services listed in the registration. Owners of registered trademarks receive additional protection against use of their mark in a manner that is likely to depreciate the value of the goodwill attaching to the mark and against use by others of a confusing trademark or trade name.

All trademarks, whether registered or not, are protected under the common law tort of passing off. Protection under common law arises when the mark has acquired a reputation or goodwill in the marketplace.

Canadian law does not explicitly require the use of symbols to denote trademark usage. However, “TM” is conventionally used to signify that a mark, whether registered or unregistered, is a trademark, and “®” symbolizes a registered trademark. The equivalent symbols in French are “MC” for unregistered marks and “MD” for registered marks.

In 2019, Canada formally acceded to the Singapore Treaty, the Madrid Protocol and the Nice Agreement. As a result, trademark owners in Canada can apply for trademark protection in more than 100 jurisdictions through a single application, in 1 language, with 1 set of fees and in 1 currency.

Goods and services identified in a Canadian trademark application must be classified according to the Nice Classification system.

Duration of right

In 2019, Canada reduced the term for trademark registrations from 15 years to 10 years. A registration is renewable indefinitely provided the mark remains in use.

A trademark, whether registered or unregistered, must distinguish a trader's goods or services, failing which trademark protection may be lost.

Ownership / licenses

Trademarks, whether registered or unregistered, can be assigned or licensed. There is no requirement for licenses to be registered.

Owners granting licenses to trademarks must include appropriate quality control language in order to preserve the distinctiveness of the mark and avoid its possible loss. If trademark use is licensed, and public notice is given of the license and of the identity of the trademark owner, then the Trademarks Act provides a rebuttable presumption that the trademark owner has control over the character and quality of the goods or services to which the trademark attaches.

Remedies for infringement

The owner may seek civil remedies, including an injunction, an accounting of profits made by the infringer, delivery up (a remedy that requires the infringing articles to be handed over to the trademark owner), destruction, exportation or other disposition of the infringing wares, or in the alternative to the profits of the infringer, general damages or nominal damages.

Registered trademark owners may pursue an action for trademark infringement and depreciation of goodwill under the Trademarks Act.

Owners of registered trademarks may apply to the court for an order prohibiting the importation or distribution of infringing goods. Owners may also file a Request For Assistance with the Canada Border Services Agency to help prevent the importation of counterfeit or infringing goods into Canada.

Punitive damages may be available where the infringement is particularly egregious or appalling. Criminal penalties are also available.

TRADE SECRETS

Nature of right

A trade secret, or confidential information, is any information that is not publicly available and gives the holder a commercially advantageous position relative to others. A trade secret (or know-how) can be any type of information, whether commercial, technical or financial.

Legal framework

In Canada, there is no federal trade secrets legislation or equivalent statute. Instead, trade secrets are protected under the common law cause of action for breach of confidence, or otherwise by contract. In Québec, trade secrets are protected by statute by virtue of the Civil Code of Québec. There are also relevant prohibitions in Canada's Criminal Code, providing that it is a criminal offence for a person “by deceit, falsehood or other fraudulent means” to knowingly obtain a trade secret or communicate or make available a trade secret.

Enforcement of rights and protection stems from the obligation of confidentiality or a fiduciary duty treatment of trade secrets as property. The general rule is that a recipient of confidential information, who receives the information in conditions of confidence, may only use it for the purpose for which it was given.

Duration of right

Courts will grant protection against unauthorized use or disclosure of trade secrets so long as the information is communicated in confidence and has the quality of confidence.

Confidential information generally remains exclusive only so long as secrecy is preserved.

Ownership / licenses

Trade secret licenses are enforceable. It is advisable to institute an agreement with parties to protect trade secrets from misuse or unauthorized disclosure.

Even in the absence of such an agreement, a person can be obligated to maintain confidentiality. If a person receives information and knows, or reasonably ought to know, that it is confidential, they are obligated to protect its confidentiality and they are disentitled from misusing or disclosing that information to 3rd parties.

Joint ownership of trade secrets is recognized.

Remedies for infringement

A party can seek remedies for breach of contract, or breach of confidence at common law. The tort of intentional interference with economic relations may also be available or breach of fiduciary duty.

Remedies can include an injunction for actual or threatened misappropriation, delivery up or destruction of materials made as a result of using confidential information, imposition of a constructive trust over property acquired through misuse of confidential information, damages (including actual loss and unjust enrichment caused by the misappropriation) or an accounting of profits. Imposition of reasonable royalties instead of injunction is permitted under exceptional circumstances.

Punitive damages may be available where the infringement is particularly egregious or appalling.

In Canada, the Criminal Code provides that it is a criminal offence for a person “by deceit, falsehood or other fraudulent means” to knowingly obtain a trade secret or communicate or make available a trade secret.

OTHER KEY IP RIGHTS

Nature of right

Industrial designs

A registered industrial design protects a product’s unique appearance, not what it is made of, how it is made or how it works. It provides protection for features, including the shape, configuration, pattern or ornamentation in a finished article that relate to appearance, rather than functional features.

Legal framework

Industrial designs

In Canada, the Industrial Design Act governs industrial designs. Protection does not extend to features applied to a useful article that are dictated solely by a utilitarian function (a function other than merely serving as a substrate or carrier) of the article or any method or principal of manufacture or construction.

Rights are only available by registration under the Industrial Design Act.

Duration of right

Industrial designs

The registration of an industrial design is protected for either 10 years from the registration date or 15 years from the Canadian filing date, whichever is later. To maintain the exclusive right for its duration, a maintenance fee must be paid 5 years after the registration date.

Ownership / licenses

Industrial designs

The author of a design is the 1st proprietor of the design, unless the author has executed the design for another person for a good and valuable consideration, in which case the other person is the 1st proprietor.

Every design, whether registered or unregistered, is transferable in whole or in part. Licenses may be granted. Ownership may be assigned.

Remedies for infringement

Industrial designs

An industrial design owner has the exclusive right to exclude others from making, selling or importing articles embodying the description claimed by an industrial design registration. As such, an industrial design registration can be enforced when others copy or substantially copy the design.

Damages (or, alternatively, the profits of the infringer), an injunction, disposal of the infringing products and punitive damages are available under the statute.

The Industrial Design Act states that only an injunction can be awarded against an industrial design infringer that was not aware, and had no reasonable grounds to suspect, that the infringed design was registered. This defense cannot be raised by the infringer in instances where an industrial design marking (ie, “”) and the name of the proprietor of the design are marked on the articles featuring the design or the packaging associated with those articles.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

It is customary for employees to sign invention assignment and confidentiality agreements.

Regarding patents, in the absence of an agreement, an employer can show ownership by demonstrating that the work leading to the invention was part of the employee's duties and responsibilities in the employee's terms of employment.

With respect to copyright, ownership of a work created in the course of employment rests with the employer in the absence of an agreement to the contrary. However, moral rights in the work are granted exclusively to the author. Moral rights cannot be assigned, but can be waived by agreement.

Consultants / contractors

It is customary for consultants and contractors to sign invention assignment and confidentiality agreements. In the absence of any written agreements to the contrary, the consultant or contractor retains ownership of any intellectual property rights. A patent assignment is not required to be in writing, whereas a copyright assignment is required by statute to be written.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general requirement to register contracts. Transfers and licenses for intellectual property such as patents, trademarks, registered copyrights and industrial designs are generally registerable. The details of registration are set out in the applicable legislation. While registration is generally not a requirement to make the transfer or license valid, it would be prudent to consider registering because a subsequent purchaser for value without notice may acquire rights that limit or defeat the prior assignee's or licensee's rights if a transfer or license is unregistered.

Recognized language of commercial agreements

Contracts are a matter of provincial, not federal, law. Generally speaking, a contract may be expressed in any language, although English and, French are the only official languages in Canada. In Québec, special steps are required to be taken if a contract is drafted in any language other than French.

Country-specific issues for online content

Generally speaking, the common law system has attempted to adapt contract principles to online transactions. However, different provinces have enacted a variety of consumer protection statutes that may modify or define the basis upon which an online transaction may be carried out. For instance, in Ontario it is necessary to consider the provisions of the Electronic Commerce Act, 2000 and the Consumer Protection Act.

Enforceability of online/clickwrap/shrinkwrap terms

Generally speaking, clickwrap or shrinkwrap terms have been enforced applying general contract principles. With online contracts, the existence of a mutual agreement turns on whether it can be shown the user had reasonable notice of the terms. As such, providing sufficient notice in online agreements is essential to ensuring an enforceable contract, along with complying with consumer protection laws.

It is important to note that several provinces, including Ontario, Québec and Alberta, have legislation that limits a consumer's right to potential remedies, such as bringing an action (eg, a class action), notwithstanding an arbitration clause.

Governing law

Choice of law and forum selection clauses are enforced based on contract principles applicable in the province in question. Courts, as a rule, will enforce such clauses in contracts that parties have negotiated. However, standard principles such as inequality of bargaining power (particularly in the case of consumer transactions), ambiguity or manifest unfairness of the clause may make such a clause unenforceable in a particular case.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Great care must be taken in drafting warranty disclaimers. In a sale of goods context, a warranty is a promise that an assertion of fact is true, supported by an implied promise of indemnity if the assertion is false. If a warranty is untrue, it is breached and the recipient of the warranty is entitled to damages for breach of contract.

The Sale of Goods Acts in most of the common law provinces distinguish between conditions (a breach of which entitles a party to reject the goods) and warranties (a breach of which only entitles a party to claim damages). Implied conditions include fitness for purpose and merchantability. Many cases have shown that where clauses purport to disclaim warranties of fitness for purpose and merchantability, such clauses have been ignored since both are conditions, not warranties.

In consumer transactions, some provinces have legislation that limits the ability to disclaim certain statutory or otherwise common implied terms.

Implied warranties in a contract of sale include a consumer's quiet possession of the goods and the goods' freedom from encumbrances.

Enforceability of exclusions/limitations of liability indemnification

Exclusion or limitation of liability clauses are enforced based on contract principles applicable in the province in question. Courts, as a rule, will enforce such clauses in contracts that parties have negotiated, although they are frequently strictly construed. However, standard principles such as inequality of bargaining power (particularly in the case of consumer transactions), ambiguity or manifest unfairness of the clause may make such a clause unenforceable in a particular case. In some provinces, consumer protection legislation limits the ability to effectively limit liability.

Indemnification

Indemnity clauses, like other contractual clauses, will usually be enforced if negotiated between the parties. However, standard principles such as inequality of bargaining power (particularly in the case of consumer transactions), ambiguity or manifest unfairness of the clause may make such a clause unenforceable in a particular case.

Electronic signatures

Many contracts in Canada have no particular signature requirements. Accordingly, written signatures, electronic signatures and secure electronic signatures are all generally enforceable, and no particular form of signature is required. For example, an electronic signature may consist of 1 or more letters, numbers, characters or other symbols in digital form incorporated in, attached to, or associated with an electronic document. However, a secure electronic signature must be used in certain circumstances.

There may, however, be issues regarding the identity of the signing party, or the integrity of the contract being signed. These issues can often be addressed using secure electronic signatures. Furthermore, the federal government and many provinces have enacted legislation giving recognition to electronic signatures, although, in some cases, certain documents (such as wills, trusts, powers of attorney and land transfers) cannot be signed electronically.

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CHILE



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights are governed, mainly, by Law 17.336 on Intellectual Property and Law 19.039 on Industrial Property, and their respective Regulations. The main agencies are the Intellectual Rights Department (*Departamento de Derechos Intelectuales* or “DDI”) and the National Institute of Industrial Property (*Instituto Nacional de Propiedad Industrial* or “INAPI”) and

COMMERCIAL CONTRACT FRAMEWORK

Overview

Generally speaking, contract law is regulated by the Civil Code, setting forth essential requirements for contracts and special requirements depending on the type of contract. Moreover, it is applied in addition to any specific law, including the Commercial Code and Corporations Act.

In principle, the mutual agreement of the parties to a contract with the essential elements of the contract must be declared expressly, seriously and freely. The contract must contain a lawful object that must be real and existent and shall be determined or determinable or physically and morally possible if it is an action to be performed. Finally, the cause of the contract (*ie*, the motivation of the act) must be real and lawful (however, please note that the mere beneficence is sufficient cause).

As stated in Law 19.039, acts such as assignments, licenses or liens over industrial property rights (*ie*, trademarks, patents, utility models, industrial drawings and designs, layout-designs or topographies of integrated circuits, geographical indications and appellations of origins) shall be executed at least in a private document without further formalities, and duly recorded before INAPI subject to an official fee (although the recording of an agreement is for publicity purposes, and does not affect its validity). Additionally, agreements that address Chilean industrial property rights may be recorded in INAPI even if not executed in Chile.

According to Law 17.336, the assignment of copyright and its related rights, by any title, must comply with certain formalities, such as being executed in writing by public instrument or by private instrument authorized by a Notary Public, and registered at the DDI within 60 days. If such formalities are not met, the assignment is not legally binding.

COPYRIGHTS

Nature of right

In Chile, copyright is recognized for works that are original and are expressed or embodied in a concrete result, even if they are intangible. The right arises automatically at the moment of creation and does not require registration. In Chile, however, copyrights can be registered to simplify the proof of authorship. For this purpose, the work must be published in the register of the DDI.

Copyrights include economic rights (ie, rights relating to commercial exploitation of the work) and moral rights (ie, rights related to the personality of the author).

With regards to economic rights, these grant the author or his assignee the right to use the work directly and personally, to transfer, in whole or in part, its rights over it, and to authorize its use by 3rd parties. In particular, the copyright holder or those expressly authorized by them, has the exclusive right to publish, reproduce, adapt, publicly display and distribute the protected work. Law 17.336 contains an exception which states that the first sale or other transfer of ownership in Chile or abroad, exhausts the national and international distribution right with respect to the original or transferred copy.

Moral rights recognize the paternity over the work, the integrity of the work so as to avoid any mutilation or deformation, the right for the work to remain unpublished, the anonymity of an author's pseudonym, as well as rights to modify rights.

The Chilean copyright law also contains related rights – ie, rights granted to artists, interpreters and performers to allow or prohibit the dissemination of their productions and receive remuneration for public use, right of producers of phonograms in their productions; and right of broadcasting organizations in their program signal.

Legal framework

(a) At the national level: Chilean Constitution and Law 17.336 on Intellectual Property and Supreme Decree 277 of 2013, which approves the Regulations of Law 17.336.

(b) At the international level: Berne Convention, Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), WIPO Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT), inter alia.

Duration of right

Protection of the right is granted for the author's entire life, plus 70 years as of the date of the author's death. In the case of computer programs, protection is granted for 70 years from the date of the first publication of the program if it was designed by an employee in the course of his/her work for a legal person.

Ownership / licenses

The ownership of the copyright corresponds to the original author, being possible to transfer his rights. Exceptionally, copyrights can fall on a different person than the author (eg, software). As to license agreements, the law requires certain minimum requirements, such as granted rights, the term, any payment or license fee, the condition of reproduction, the territory and any other limitation imposed by the author. It is not necessary to record this agreement.

Remedies for infringement

Copyright infringements can be enforced through criminal or civil actions.

In this regard, the author is entitled to request injunctive reliefs as well as claim damages, the cessation of the infringing activities, and the publication of an abstract of the judgment, at the expense of the infringer, by means of an announcement in a newspaper of the author's choice with commercial circulation in the corresponding region. In addition, the plaintiff may request the imposition of a unique sum of up to UTM2,000 (roughly USD 150,000) per infringement, which is commonly known as *statutory damages*.

The law also provides for criminal penalties in some cases that may amount from UTM5 to UTM1,000 (roughly USD350 to USD70,000), depending on the type of infringement, or prison sentences of 1 to 540 days. In the case of repeated offenses, a maximum fine of UTM2,000 (approximately USD 140,000) may be imposed.

It is also possible to request the intervention of customs controls before the court governing the territory in which it is expected infringing goods will enter Chilean borders. Customs can also examine goods *ex-officio* when from a simple examination of the goods it is evident that they are infringing copyright.

MASK WORKS / TOPOGRAPHIES

Nature of right

According to Law 19.039 on Industrial Property, mask works are known as layout-designs or topographies of integrated circuits ("LDs") and are defined as a product, in its final or intermediate form, intended to perform an electronic function in which one of the elements is active and some or all of the interconnections form an integral part of the body or surface of a piece of material. The law further defines these as a 3-dimensional arrangement of its elements, expressed in any shape, designed for its manufacture.

LDs are protected if they are original (ie, if they are the result of an intellectual effort of their creator and are not of ordinary knowledge among the creators or manufacturers of layout-designs or topography of integrated circuits at the time of their creation).

The owner of a layout-design or topography of integrated circuits has the exclusive right to produce, sell or market in any form the layout design or topography.

INAPI is the authority responsible for registration. After registration, the topography of integrated circuits should visibly bear a label consisting of a capital letter “T” enclosed in a circle. The omission of this marking requirement does not affect the validity of the layout-design or integrated circuit topography, but will deprive the author of the right to enforce criminal actions against infringements.

The application can be filed before the commercialization of the LDs, but not after 2 years of said commercialization.

Legal framework

LDs are protected by Law 19.039 on Industrial Property.

Duration of right

The protection of topographies of integrated circuits lasts 10 years from the date of filing of the application for registration or the first commercial exploitation anywhere in the world (whichever is earlier), and it is non-renewable.

Ownership / licenses

The law does not provide for specific rules on the granting of a license for topographies. However, the exclusive right of the holder to use and monetize their product includes the right to license these rights.

Remedies for infringement

The holder of the topography can generally require the cessation of acts that violate the topography, the indemnification of damages, the implementation of necessary measures to prevent the infringement from continuing, and the publication of the judgment at the expense of the convicted person, through advertisements in a newspaper of the rights holder's choice.

The law provides for fines from UTM25 to UTM1,000.

PATENTS

Nature of right

An invention is defined by the law as any solution to a technical problem that gives rise to an industrial activity. It may consist of products or processes in all fields of technology, provided that they are new, inventive and capable of industrial application. Patents are considered inventive if, for a person normally skilled in the concerned technical field, the solution for which the patent protection is sought is not obvious. The law expressly excludes certain inventions that cannot be patented (eg, plant varieties, mathematical methods and financial plans).

The owner of a patent for an invention has the exclusive right to produce, sell or market, in any form, the product or object of the invention and, in general, to carry out any other type of exploitation thereof. In process patents, this protection is extended to products obtained directly by that process. The owner may not prevent

3rd parties from marketing the product covered by the patent if they have acquired it legitimately after that product has been lawfully introduced into the commerce of any country by the owner of the right or by a 3rd party with the owner's consent.

Once registered, the invention should visibly bear the patent number, either on the product itself or on the packaging, and the expression "*Patente de Invención*" or the initials "P.I.", except when this is not possible due to the nature of the invention. The omission of this does not affect the validity of the patent, however it does deprive the holder from enforcing criminal actions.

Legal framework

(a) At the national level: Law 19.039 on Industrial Property and Supreme Decree 2 of 2022 which approves the Regulation of Law 19.039.

(b) At the international level: Budapest Treaty, WIPO Patent Cooperation Treaty, TRIPS Agreement.

The authority responsible for registration is the National Institute of Industrial Property (INAPI).

Duration of right

The protection is granted for 20 years from the filing date of the application in Chile and is non-renewable.

In addition, the applicant of a granted patent can request the Industrial Property Court the compensation of delays incurred during the prosecution of the application. This petition shall be filed within 60 days from the date of acceptance provided that the application took more than 5 years from the application date or 3 years from the payment of the examination fees. The maximum extension shall not surpass 5 years.

The law also provides for the ability to file a provisional patent application, which can be used if not all the documents required for a final application are yet available. The provisional application grants the owner a right of priority for 12 months from filing; within this time, the documents required for a final application must be submitted in order to retain the priority of the provisional application. The term of the final patent application begins with the filing date of the provisional patent application.

Ownership / licenses

The law does not provide for specific rules on the granting of a voluntary license for patents. However, the exclusive right of the holder to use and monetize their product includes the right to license these rights.

The law provides for limited cases in which the holder is obliged to grant a compulsory license. This is the case when a court has determined that the holder of the patent has acted against antitrust laws in direct connection with the use or exploitation of the concerned patent, for reasons of public health or national security or when the non-voluntary license is necessary for the exploitation of a subsequent patent that could not be exploited without infringing the earlier patent. In general, the applicant must first seek a contractual license from the rights holder.

Remedies for infringement

The holder of the patent can require cessation of the acts that violate the invention, the indemnification of damages, the implementation of necessary measures to prevent the infringement from continuing and the publication of the judgment at the expense of the convicted person, through advertisements in a newspaper of the rights holder's choice.

With regard to criminal actions, the law provides for fines that range from UTM25 to UTM1,000, provided that the holder of the patent complies with the marking requirements (ie, “*Patente de Invención*” or P.I.).

TRADEMARKS

Nature of right

Trademarks are signs that serve to distinguish products or services in the market.

Such signs may consist of words (including personal names), letters, numbers, figurative elements such as images, graphics, symbols, combinations of colors, sounds, scents or 3-dimensional shapes as well as any combination of these signs. When the signs are not intrinsically distinctive, registration may be granted if they have become distinctive through their use in the Chilean market, known as *secondary meaning*.

Slogans may also be registered, provided that they are linked to a registered trademark for the goods or service for which they are to be used. The law expressly excludes certain signs that cannot be registered as trademark (eg , generic, descriptive or indicative signs, flags or insignias of countries or international organizations; the shape or color of the goods or packaging, or the color itself; or signs which are contrary to public order, morality or decency).

The holder of the mark has the exclusive right to use it in the course of its business to distinguish the goods or services covered by the registration, and therefore may also exclude any 3rd party from using identical or similar marks for goods or services without their consent.

The owner may, however, not prevent 3rd parties from using the trademark with respect to products legitimately commercialized in any country under that trademark whether by the holder or with their express consent. Furthermore, the holder of a trademark may not prevent 3rd parties from using their name or pseudonym or the name of their predecessor in business, or the use of geographical terms or indications concerning the kind, quality, variety, origin, nationality, provenance, intended use, weight, value, texture, characteristics or other descriptive terms contained in the trademark of the holder, if they are intended to designate or inform precisely about the geographical origin, kind, quality, variety, origin, nationality, source, intended use, weight, value, characteristics or other descriptive characteristics of a good or service, unless the use of these names, pseudonyms or indications are used in a way that may mislead or confuse consumers.

Law 19.039 on Industrial Property also recognizes so-called collective marks, which consist of signs or combinations of signs which are capable of distinguishing in the market the goods or services of the members of an association from the goods or services of 3rd parties, as well as certification marks defined as signs or any combination of signs which are capable of distinguishing in the market the products or services of 3rd parties, and guaranteeing that they meet common requirements and characteristics. Applications for collective or certification marks must be accompanied by regulations for use that must comply with certain requirements.

After registration, any mark used in commerce must visibly display the words "*Marca Registrada*" or the initials "M.R." or the letter "R" within a circle. The omission of this does not affect the validity of the registered trademark but does deprive the holder from enforcing criminal actions.

Legal framework

(a) At the national level: Law No. 19.039 on Industrial Property and Supreme Decree 82 of 2022.

(b) At the international level: WIPO Trademark Law Treaty, Madrid Protocol, TRIPS Agreement.

The authority responsible for registration is the National Institute of Industrial Property (INAPI). After registration, any mark used in commerce must visibly display the words "*Marca Registrada*" or the initials "M.R." or the letter "R" within a circle. The omission of this does not affect the validity of the registered trademark but deprives the rights holder of the power to enforce criminal penalties. Using a brand not registered with these indications ("M.R." or "R" within a circle, or its simulation) for commercial purposes is punished with fines up to UTM1,000 (approximately USD70,000).

Duration of right

Protection is granted for 10 years from the date of registration. It is indefinitely renewable for 10-year periods. A trademark registration may be declared invalid if (a) the mark has not been actually and effectively used to distinguish 1 or more of the goods and/or services for which it was registered within 5 years of registration, or if such use has been continuously suspended during the same period, or (b) if the holder has caused or permitted the trademark to become the common designation of a product or service for which it is registered and thus it has lost its distinctive character, unless they have used the relevant markings showing that the mark is a registered mark.

Ownership / licenses

The law does not provide for specific rules on the granting of a license for trademarks. However, the exclusive right of the holder to use and monetize their product includes the right to license these rights.

Remedies for infringement

The owner of the trademark can require the cessation of acts that infringe the trademark, claim damages, the implementation of necessary measures to prevent the infringement from continuing use and the publication of the judgment at the expense of the convicted person, through advertisements in a newspaper of the rights holder's choice.

The law provides for criminal fines from UTM25 to UTM1,000 (UTM is an inflation-based accounting currency; UTM25 to UTM1,000 are equivalent to approximately USD1,750 to USD70,000), increasing up to UTM2,000 (approximately USD14,000) in case of relapse. In case of trademark counterfeiting, once the respective infringement has been judicially proven, it may be requested that the compensation for damages caused be substituted by a single compensatory sum determined by the court in relation to the seriousness of the infringement, which may not exceed UTM2,000 (approximately USD14,000) per infringement. This right of option must be exercised in the claim for damages. Beginning in 2022, it is also possible for prison sentences to be imposed for certain trademark infringements related to counterfeiting.

It is also possible to request the intervention of customs controls before the court governing the territory in which it is expected infringing goods will enter Chilean borders. Customs can also examine goods *ex-officio* when from a simple examination of the goods it is evident that they are counterfeit trademark goods.

TRADE SECRETS

Nature of right

Trade secrets are defined as any undisclosed information that a person possesses and that may be used in any productive, industrial or commercial activity, provided that such information meets the following cumulative requirements: (a) it is secret in the sense of not being, as a whole or in the precise configuration and assembly of its components, generally known or readily accessible to persons within the circles in which such information is normally used; (b) it has a commercial value because it is secret; and (c) it has been the subject of reasonable measures taken by its legitimate holder to keep it secret.

The unlawful acquisition of a trade secret, its disclosure or exploitation without the owner's authorization, and the disclosure or exploitation of trade secrets to which access has been lawfully gained under a duty of secrecy constitutes infringement, provided that it has been effected for the purpose of obtaining an advantage for the acting person or for a 3rd party, or with the intention of harming the owner of the trade secret.

Legal framework

The protection of trade secrets is regulated by Law 19039 on Industrial Property. The framework for protection of trade secrets is the same as for the protection of trademarks, except that, for trade secrets, there is no need for registry.

Duration of right

Indefinite, as long as it is kept secret.

Ownership / licenses

Not applicable.

Remedies for infringement

The industrial property law declares the general civil measures for infringement of industrial property rights applicable to trade secrets. The owner accordingly has the right to require the cessation of the violation of the trade secret, claim indemnification of damages, the implementation of necessary measures to prevent the infringement from continuing, and the publication of the judgment at the expense of the convicted person, through advertisements in a newspaper of the rights holder's choice.

In addition and based on a recent amendment to the Chilean Criminal Code of August 2023, provisions related to felonies against infringements of trade secrets were replaced in its entirety. In this regard, the original regulation punished the fraudulent communication of "*...secrets of the factory in which he has been or is employed,*" with a penalty of imprisonment up to 3 years or a fine of UTM11 to UTM20 (approximately USD800 to USD1,500). The

new wording extends the offense to trade secrets in the same wide terms of the industrial property law, punishing the acts of access, reproduction, disclosure, and economic exploitation of a secret accessed without the authorization of its owner, in some cases subject to imprisonment of up to 5 years.

OTHER KEY IP RIGHTS

Nature of right

Industrial designs and industrial drawings

Industrial designs are 3-dimensional shapes associated or not with colors, and any industrial or handicraft article that serves as a pattern for manufacturing other units and that is distinguished from others, by its shape, geometric configuration, ornamentation or a combination thereof, provided that these characteristics give it a special appearance perceptible by sight, in such a way as to produce a new physiognomy. Industrial drawings include any arrangement, set or combination of figures, lines or colors that are developed in a plan for their incorporation into an industrial product for purposes of ornamentation, and that gives the product a new appearance.

The designs or drawings must be new to be protected as such; they are considered new to the extent that they differ significantly from known industrial drawings or designs or combinations of characteristics of known industrial drawings or designs. Provided that this requirement is met, packaging, prints on fabrics, cloth or any laminated material may also be protected as industrial design. The law expressly excludes certain items that cannot be registered as industrial design and industrial drawings (eg, if their appearance is dictated entirely by technical or functional considerations, without any arbitrary input from the designer).

Every drawing and industrial design shall visibly bear the words "*Dibujo Industrial*" or "*Diseño Industrial*" or the initials "D.I." and the registration number – for example, on the packaging – provided that this is presented to the consumer sealed in such a way that it is necessary to destroy it in order to gain access to the product. The omission of this does not affect the validity of the industrial design or industrial drawing but will deprive the holder of the right to enforce criminal actions against infringements.

Legal framework

Industrial designs and industrial drawings are protected under Law 19.039 on Industrial Property. They can also claim copyright protection.

The authority responsible for registration is the National Institute of Industrial Property (INAPI).

Duration of right

The protection is granted for 15 years from the date of the filing of the application and is non-renewable. There is a simplified registration procedure alternative, consisting of a deposit of the design before INAPI, which does not consider a substantive examination. This abbreviated procedure grants the applicant a certificate of deposit and orders the publication of the design so that 3rd parties may request its substantive examination without being able to take legal action to prevent its use by 3rd parties during the intervening period.

Ownership / licenses

The law does not provide for specific rules on the granting of a license for industrial designs and industrial drawings. However, the exclusive right of the rights holder to use and monetize their product includes the right to license these rights.

Remedies for infringement

The holder can require the cessation of acts that violate the industrial design and industrial drawing, claim damages, the implementation of necessary measures to prevent the infringement from continuing and the publication of the judgment at the expense of the convicted person, through advertisements in a newspaper of the rights holder's choice.

With regards to criminal actions, the law provides for fines from UTM25 to UTM1,000 (approximately USD1,750 to USD70,000).

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Regarding industrial property, according to Law 19,039 on Industrial Property, in employment agreements where the purpose is the fulfillment of an inventive or creative activity, the faculty to request registration as well as the eventual industrial property rights generated in the performance of such activity belongs exclusively to the employer who commissioned the service, unless otherwise provided.

An employee who is not required to perform an inventive or creative function according to their employment agreement is the exclusive owner of all industrial property rights arising from their inventions, and thus also has the right to request registration in their own name. However, if in carrying out the invention, the employee clearly benefitted from the knowledge acquired in the employer's company and used means made available by this company the rights belong in turn to the employer who must grant the employee an additional remuneration to be agreed upon by the parties. The same principles apply to an employee making an invention that goes beyond the scope of what they were commissioned to do.

With regard to copyrights, Law 17.336 on Intellectual Property only provides for a specific regulation for software on a work-for-hire basis. In these cases, cases the owners of the respective copyrights are deemed to be the natural or legal persons whose employees have created them in the performance of their work duties, unless otherwise agreed in writing.

In practice, it is customary for employees to agree to transfer industrial or intellectual property rights, which are often included as specific clauses in their employment contract.

Consultants / contractors

Regarding industrial property, there are no special regulations or presumptions of ownership when consultants or contractors, so a contractual arrangement must be made with them regarding the transfer of intellectual property.

With regard to copyrights, Law 17.336 on Intellectual Property only provides for a specific regulation for custom-made software. In these cases, copyrights are deemed to have been assigned to the 3rd party on whose behalf they were produced.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

Acts performed over industrial property rights, such as assignments, licenses or liens, shall be executed at least in a private document, and recorded before INAPI. Though is not a validity requirement, recording is necessary for publicity purposes.

With regards to copyright, any assignment must be recorded before the DDI within 60 days of executing the agreement. Law 17.336 requires that these agreements must be subscribed through a public instrument, or a private instrument before a Notary Public.

Recognized language of commercial agreements

Chilean law does not contain, in principle, any provisions on the language of contracts. According to the general rules, both parties must be able to understand the essential elements of the contract in order to conclude it.

In the use of general terms and conditions towards consumers, the language of the contract in principle must be Spanish, except for foreign language words that have been incorporated into the lexicon (ie, that are commonly used). An exception is admissible if the consumer expressly accepts the use of general terms and conditions in another language by signing a written document in Spanish attached to the contract and obtains a copy of the contract in Spanish.

Country-specific issues for online content

The law for the protection of consumers (Law 19.496) imposes certain conditions on the conduct of online sales.

Law 17.336 on Intellectual Property furthermore provides safe harbor provisions for a limitation of liability for service providers on the internet when the copyrights are infringed by 3rd parties (eg, users) requiring service providers comply with certain conditions. These vary depending on the type of service provider.

There are no specific regulations regarding online intellectual property protection. The general laws for industrial and intellectual property, as well as data privacy, apply.

Enforceability of online/clickwrap/shrinkwrap terms

Online, clickwrap and shrinkwrap agreements are generally viewed as enforceable, as Law 19.799 provides acts and contracts concluded electronically with the same legal value as written documents. If they are concluded with consumers, such consumers must previously be given understandable and unambiguous access to the general conditions of the contract, as well as the possibility of storing or printing them. General terms and conditions used within the framework of an electronic contract must have a letter size of at least 2.5 millimeters. The

supplier is obliged to send the consumer a written confirmation of the electronically concluded contract by electronic means or by any other means of communication that ensures that the consumer is duly and appropriately informed, which must contain a full, clear and readable copy of the contract.

Governing law

In the absence of a jurisdiction clause, Chilean law applies between Chilean parties. Clauses establishing the governing law, and venue for the resolution of disputes specified in a commercial contract will generally be accepted and recognized in Chilean Courts, as long as no consumers are involved.

Dispute resolution is litigation in Chile unless an alternative dispute resolution procedure, such as mediation or arbitration, is specified in the contract.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Sellers can disclaim or exclude implied warranties in their contracts. Disclaimers of warranty are usually enforced.

For contracts with consumers, there are special provisions in this regard that generally include a forced period of 6 months for liability for product defects.

Enforceability of exclusions/limitations of liability indemnification

Exclusions and limitations on liability are usually enforced. Exclusions of liability for willful misconduct or gross negligence, for the lack of essential contractual obligations or for personal injury are not enforceable.

Absolute exclusions and limitations of liability against consumers are not allowed.

Indemnification

Express indemnities agreed upon in contracts are recognized and generally respected. There are some statutory limits on the amount and indemnification clause that may be set forth.

Electronic signatures

There is no IP regulation regarding electronic signatures.

Law 19.799 on Electronic Documents deems electronic signatures valid, whenever they are issued by certified electronic signatures providers.

According to Chilean Law, there are 2 valid electronic signature types: Simple Electronic Signature (FES) and Advanced Electronic Signature (FEA). Advanced electronic signatures must be certified by an accredited provider and have been created using means that the holder keeps under their exclusive control, so that it is linked only to the holder. Both are valid and certify the identity of the signatory, and other information such as the date or content of the document, depending on the type chosen.

KEY CONTACTS



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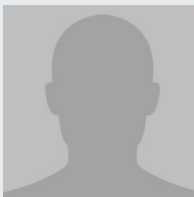
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CHINA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

In the People's Republic of China (for the purposes of this Guide only, excluding Hong Kong SAR, Macau SAR and Taiwan) ("China" or "PRC"), intellectual property rights are primarily protected under 4 major intellectual property laws, the Patent Law, the Trademark Law and the Copyright Law, the Anti-Unfair Competition Law and their Implementing Regulations. In addition, there are a large number of regulations, rules, measures, policies and opinions issued by the Standing Committee of National People's Congress, the State Council, the State Administration of Market Supervision and various administrative authorities which further address issues concerning application of the intellectual property laws. The judicial interpretations made by the Supreme People's Court also form a part of the legal framework.

COMMERCIAL CONTRACT FRAMEWORK

Overview

The PRC Civil Code, which came into effect on January 1, 2021, contains the general provisions relating to commercial contracts. The Interpretation by the Supreme People's Court of Several Issues Concerning the Application of Title One General Provisions of Book Three Contracts of the PRC Civil Code ("Contract Interpretation") sets out further rules regarding the application of the provisions in different contexts.

There are special rules applicable only to certain types of commercial contracts (eg, technology contracts, land use contracts, construction project contracts, etc.). There are also more stringent rules applicable to consumer contracts (ie, contracts made between a business and a consumer to address the often unequal balance standings of the parties).

With respect to the import and export of technology, the Regulations of the People's Republic of China on Administration of Import and Export of Technologies shall be applicable. Pursuant to the Regulation of Import and Export of Technologies, technologies are divided into 3 categories: free import/export; restricted import/export; and prohibited import/export.

The PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law and their implementation regulations and standards set out a series of requirements that the parties must consider when negotiating commercial contracts, especially those contracts to be used in the high-tech sector where cybersecurity and data protection are of significant importance.

As a general matter, the high-tech sector is strictly regulated in China. Factors such as market entry, operation qualification and permit, information sharing and recordal, etc. will need to be considered when conducting due diligence checks and must be properly addressed in contracts. With respect to certain new tech cooperation models (eg, engaging AI vendors), additional factors (eg, what technologies are deployed, who controls what data, how course correcting shall be conducted, etc.) must also be taken into consideration when negotiating contracts.

COPYRIGHTS

Nature of right

Works of literature, art, natural science, social science and engineering technology that are created in the form of written works, oral works, musical works, dramatic works, works of fine arts and architectural works, photographic works, cinematographic works, graphic works such as drawings of engineering designs and computer software can enjoy protection under the PRC copyright laws.

Registration of copyright is not required and the rights arise automatically at the time the creation of the work is completed.

Copyright owners have the exclusive right to reproduce, distribute, prepare derivative works, publicly perform and broadcast their works or disseminate the works via an information network.

Legal framework

The PRC Copyright Law and its Implementing Regulations are primary legislations in China concerning copyright protection. In addition, there are Regulations on Protection of Computer Software; judicial interpretations issued by the Supreme People's Court also provide detailed rules in respect of application of the Copyright Law.

China became a signatory to the Berne Convention and Universal Copyright Convention in 1992.

Duration of right

The duration of copyright protection differs according to different types of rights.

The right of authorship, the right of revision and the right of integrity, which are moral rights shall continue in perpetuity.

For other types of rights, such as the right of publication, right of reproduction and right of performance shall be protected for 50 years, expiring on December 31 of the 50th year after the death of the author; or, if the author is not a natural person, the right expires on December 31 of the 50th year after first publication of the work. However, the work will no longer be protected if it is not published within 50 years after its completion.

Ownership / licenses

As a general principle, the author who creates the work owns the copyright in the work. In the absence of evidence to the contrary, the citizen, legal person or other organization that puts their name to a work is the author of the work. Joint ownership of copyrights is recognized. The copyright in a commissioned work shall be vested in the commissioned party unless it is agreed otherwise in writing.

Remedies for infringement

When a copyright or its related rights are infringed, the rights owner can either file a complaint with copyright administrative authorities or bring a lawsuit to the People's Court.

The infringer shall, according to the circumstances of the case, undertake to cease the infringement, take remedial action, offer an apology or pay damages. Where the infringers' conduct also prejudices the public interest, the infringer may be ordered by the copyright administrative authority to cease the infringement, and the authority may confiscate the illegal proceeds, confiscate and destroy the infringing reproductions and impose a fine on the infringer. Where the circumstances are serious, the copyright administrative authority may also confiscate the main materials, tools and equipment used in the manufacture of the infringing reproductions. Where the circumstances constitute a criminal offense, criminal liability shall be imposed in accordance with the law.

The infringer shall pay damages based on the actual loss of the right holder. Where the actual loss is difficult to calculate, the damages paid may be based on the amount of the illegal proceeds. The amount of damages shall also include the reasonable expenses incurred by the right holder in stopping the infringement. If neither the actual loss of the right holder nor the illegal proceeds earned by the infringer can be determined, then statutory damages of up to CNY5 million (around USD700,000) shall be awarded, according to the circumstances of the case. Where there is evidence of bad faith on the infringer's part or other "serious circumstances" (eg, there is an extensive duration and scale of infringement) exist, such damages can be increased by up to 5 times for punitive purposes.

MASK WORKS / TOPOGRAPHIES

Nature of right

In China, mask works are called "layout-design of integrated circuits."

Any layout-design of integrated circuits that is to be protected shall be original in the sense that the layout-design is the result of the creator's own intellectual effort, and it is not commonplace among creators of layout-designs and manufacturers of integrated circuits at the time of its creation.

The right of layout-design should be registered with the China National Intellectual Property Administration. Any unregistered layout-design shall not be protected under relevant regulations.

The owner of the right of layout-design has the exclusive right to reproduce the whole or a part of a protected layout-design and commercially exploit a protected layout-design, an integrated circuit incorporating a protected layout-design or an article incorporating such an integrated circuit.

Legal framework

Regulations on Protection of Layout-Designs of Integrated Circuits and its Implementing Rules and Enforcement Rules are the main domestic legislations.

A layout-design of integrated circuits can also be protected under the Patent Law and the Regulations on Protection of Computer Software, where applicable.

China became a member of the Treaty on Intellectual Property in Respect of Integrated Circuits (Washington Treaty) in 1990.

Duration of right

The term of protection of the exclusive right of layout-design shall be 10 years from the date of filing an application for registration or from the date on which it was first commercially exploited anywhere in the world, whichever expires earlier.

However, whether or not it has been registered or commercially exploited, a layout-design shall not be protected for more than 15 years after the date of the completion of its creation.

Ownership / licenses

As a general principle, the exclusive right of layout-design shall belong to its creator unless provided otherwise in the Regulations on Protection of Layout-Designs of Integrated Circuits.

Joint ownership is recognized.

The exclusive right of layout-design in a commissioned work shall be vested in the commissioned party unless it is agreed otherwise in writing.

Remedies for infringement

The holder of the right for a layout-design or any interested party (such as a licensee) may bring a law suit before the People's Court, or request the intellectual property administration department of the State Administration of Market Supervision to handle the matter. When the Intellectual Property Administration Department of the State Administration of Market Supervision handling the matter considers that the infringement is established, it may order the infringer to stop the infringing act immediately and confiscate or destroy the infringing products or articles.

Injunctive relief is available. Where any holder of the right of layout-design or interested party has evidence to prove that another person is infringing or will soon infringe the owner's exclusive right and if such infringing act is not stopped or prevented from occurring, it is likely to cause irreparable harm to the owner's legitimate rights. The owner may, before any legal proceedings are instituted, request the People's Court to adopt measures for ordering the suspension of relevant acts and the preservation of property.

The amount of compensation for the damage caused by an infringement of the exclusive right of layout-design shall be the profits that the infringer has earned through the infringement or the losses suffered by the person whose right was infringed, including the reasonable expenses paid by the infringed person for the purposes of stopping the infringement.

PATENTS

Nature of right

Patents are a statutory right granted for protection of invention-creations include 3 categories:

- Inventions
- Utility models
- Designs

Patents grant the rights to exclude others, for commercial purposes, from:

- Manufacturing, using, offering to sell, selling or importing the patented goods
- Using the patented method, or using, offering to sell, selling or importing products made directly through use of the patented method
- Manufacturing, offering to sell, selling or importing the goods covered by a design patent

Legal framework

China enacted its patent system in 1985, and became party to the Patent Cooperation Treaty in 1994 and the Paris Convention in 1985. The relevant legal basis shall include the Patent Law, Implementation Regulations and various Judicial Interpretations issued by the Supreme People's Court.

Duration of right

Invention patents are protectable for 20 years from the filing date. Utility models and design patents are protectable for 10 years and 15 years respectively from the filing date.

Ownership / licenses

Joint ownership is permissible. Unless otherwise agreed by contract, each party can use the patent on its own or grant a non-exclusive license to a 3rd party on condition that the royalty is to be distributed among all the co-owners. However, mutual consent by all the co-owners shall be required for assignment, abandonment or enforcement of the patent.¹

¹ Certain judges hold the view that mutual consent by all the co-owners may not be required for enforcement of a jointly owned patent in China, stating that each owner shall have the right to initiate an infringement lawsuit and that the court shall have the authority to add in the other co-owners as a "party of interest."

Remedies for infringement

Damages can be calculated based on:

- Lost profits
- Illegal gains by the infringer
- Up to 3 times the reasonable royalty

Should it be difficult to determine the damages based on any of these mechanisms, the court has the discretion to grant statutory damages the maximum of which is CNY5 million (around USD700,000) under the current Patent Law. Where there is evidence of bad faith on the infringer's part or other "serious circumstances" (eg, there is an extensive duration and scale of infringement) exist, such damages can be increased by up to 5 times for punitive purposes.

Injunctive relief is also a possible remedy.

TRADEMARKS

Nature of right

A trademark is defined as "any sign that distinguishes the goods of a natural person, legal person, or other organization from those of others, including any word, device, letter, number, three-dimensional sign, and color combination, sound, or the combination thereof." China uses the "first to file" system. In general, only a registered trademark enjoys protection under the Trademark Law. An unregistered trademark with prior use is protected in very limited situations.

Legal framework

The PRC Trademark Law (as amended in 2019) and its Implementing Regulations are primary legislations. Judicial interpretations issued by the Supreme People's Court also provide detailed rules in respect of application of the Trademark Law.

China became party to Paris Convention in 1985. China became member of the Madrid Agreement in 1989 and a member of the Madrid Protocol in 1995.

Duration of right

The term of validity of a trademark registration is 10 years, which can be renewed for another 10 years upon each expiration.

Ownership / licenses

A trademark license agreement must be recorded with the China National Intellectual Property Administration. There are some clauses that must be included in trademark licenses, such as those in respect of quality control and indication of licensee's name and the place of origin.

Remedies for infringement

In case of trademark infringement, the trademark owner can either file a complaint with the local administrative authority or bring a lawsuit to the People's Court.

The local administrative authority may order the infringer to cease the infringing activity immediately, confiscate and destroy the infringing goods and any instruments specifically used to manufacture the infringing goods and counterfeit the registered trademark, and may even impose a fine; where the circumstances constitute a criminal offense, criminal liability shall be imposed in accordance with the law.

The amount of damages for trademark infringement shall be the profit that the infringer has earned as a result of the infringement or the losses that the party infringed has suffered as a result of the infringement, including any reasonable expenses the infringed party has incurred for its efforts to stop the infringement. If neither the illegal profit nor the losses suffered can be determined, a statutory damage up to CNY5 million (around USD 700,000) shall be awarded according to the circumstances of the case. Where there is evidence of bad faith on the infringer's part or other "serious circumstances" (eg, there is an extensive duration and scale of infringement) exist, such damages can be increased by up to 5 times for punitive purposes.

Injunctive relief is available.

TRADE SECRETS

Nature of right

The PRC Anti-Unfair Competition Law, which was recently amended and became effective as of April 23, 2019, defines a "trade secret" as technical information, operational information or other commercial information with business value; that is not known to the public; and for which the right holders have taken measures to ensure confidentiality.

It constitutes an infringement of trade secrets to obtain the trade secrets by illegal means and disclose them, use or permit others to use the trade secrets obtained by illegal means or in violation of confidentiality obligations (or to facilitate, instigate or otherwise assist others to do the same).

Legal framework

Trade secrets are mainly protected under the PRC Anti-Unfair Competition Law. The State Administration of Market Supervision also issued Certain Regulations on Prohibiting Infringements upon Trade Secrets.

Duration of right

Trade secret protection is theoretically perpetual until the trade secret goes into the public domain.

Ownership / licenses

License of trade secrets is usually supported by non-disclosure clauses, which are enforceable.

Remedies for infringement

In case of infringement of trade secrets, the rights owner can either file a complaint with the local administrative authority or bring a lawsuit to the People's Court.

The local administrative authority may order the infringer to cease the infringing activity immediately and impose a fine up to CNY5 million (around USD700,000). In respect of the infringing products, the infringer shall return the materials containing trade secrets or destroy the products manufactured based on the trade secrets unless the rights owner agrees to repurchase the products or dispose of them by other means.

Injunctive relief is available.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

For copyright, a work shall be deemed a "work for hire" if it is created by an individual in order to fulfill a task assigned by its employer. The copyright in that work shall vest in the author, except that the employer shall have priority to use the work within its business scope. Within 2 years of the work's completion, the author may not authorize a 3rd person to use the work in the same manner in which his or her employer uses it without the employer's consent.

With respect to engineering design drawings, product design drawings, maps and computer software created mainly by using the material and technical conditions of, and under the responsibility of, the employer, the work's author shall enjoy the right of authorship, and the employer shall enjoy the other copyright rights, in which case the employer shall reward the author.

For patent, if an invention is created in the course of performing the duties of an employee, or mainly by using the material and technical conditions of an employer, this invention shall be deemed a service invention. For a service invention, the employer has the right to apply for a patent. After such an application is approved, the employer shall be the patentee. The employer shall give an award to the employee who creates the patent, and a reasonable remuneration shall also be given the employee based on the scope of application of the patent and the amount of the proceeds derived from such application.

For a non-service invention, the inventor or designer has the right to apply for a patent. After such an application is approved, the said inventor or designer shall be the patentee.

If inventions are made by an employee using the materials and technical conditions of an employer, and if the employer has concluded a contract with the inventor or designer stipulating agreements concerning the right to apply for the patent or the ownership of the patent right concerned, such agreements shall prevail.

Consultants / contractors

Intellectual property ownership can be decided by the written contracts between the hiring party and the consultants and contractors. In the absence of a written clause regarding the assignment of developments, consultants and contractors will retain ownership of the intellectual property developed by them, even if contracted and paid for by another party.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

Technology transfer agreements shall be approved by or filed with the applicable competent authority, depending on the nature of the technology. Trademark and patent license agreements shall be registered with the China National Intellectual Property Administration. Material contracts of publicly-traded companies may require disclosure.

Recognized language of commercial agreements

Generally, contracts signed in other languages are acceptable, but a Chinese translation should be provided for reference if the contracts are submitted to the relevant Chinese authorities or courts.

Country-specific issues for online content

In the event of intellectual property infringement online, if an internet service provider (ISP) solely offers hosting services without creating webpage content (such as e-commerce websites), they are obligated to remove the content upon being notified of the infringement. Failure to do so may render the ISP liable for the infringement. However, if the infringing content is neither stored on the ISP's servers nor have they been informed of what content should be removed, the ISP will not be held liable for the infringement.

From the content monitoring and management perspective, any person using networks must not generate or distribute content that could incite subversion of national sovereignty; overturn the socialist system; incite separatism; break national unity; advocate terrorism or extremism; advocate ethnic hatred and ethnic

discrimination; disseminate violent, obscene, or sexual information; create or disseminate false information to disrupt the economic or social order; or information that infringes on the reputation, privacy, intellectual property or other lawful rights and interests of others. If the parties' cooperation involves the generation or distribution of any online content, there should be proper clauses in the commercial contract (eg, representatives and warranties, indemnities, etc.) addressing the parties' role and specific responsibilities.

Enforceability of online/clickwrap/shrinkwrap terms

Online/clickwrap/shrinkwrap agreements are generally enforceable.

The validity of a pre-formulated standard contract that is not negotiated with the counterparty (including online /clickwrap terms) is subject to conditions provided by the PRC Civil Code and the Contract Interpretation. For example, a standard contract formulated by I party, which excludes the main rights of the counterparty, or unreasonably reduces its own obligations or aggregates the counterparty's obligations, could

Governing law

Generally, the governing law of a commercial contract can either be the PRC law or any foreign law if a contract involves a foreign related element (for example, if a party to the contract is a foreign company or the subject matter of the contract is outside of China)

But, if a party seeks intellectual property protection in China, the Chinese law must apply in determining ownership and content of the intellectual property as well as the liability for infringement.

For a contract that involves any foreign related element, the parties can, at their discretion, select Chinese litigation, Chinese arbitration, foreign litigation or foreign arbitration as the dispute resolution mechanism.. However, without applicable treaties or established reciprocity, it is almost impossible to recognize or enforce a judgment rendered by a foreign court in China. Thus, it is generally recommended not to choose foreign litigation if I of the contracting parties is a Chinese party.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Generally, warranty disclaimers are enforceable if negotiated and agreed by the parties. The Civil Code contains restrictions on enforceability under certain circumstances, such as in the context of standard contracts. There may also be additional restrictions provided by sectoral or consumer protection rules (eg, disclaimers regarding product quality and conformity with mandatory standards, etc.).

When negotiating contracts with Chinese vendors or partners with regard to the provision of any online services, careful consideration should be given before including the following matters in warranty disclaimers, due to their importance to the performance and compliance of the underlying services:

- The vendor's warranty that is has obtained all the required IP licenses and administrative permits in providing the services. In particular with regard to the administrative permits, some online services (eg, e-

commerce platforms, SaaS services with certain functions, VPN services, data center services, information exchange or distribution platforms, online communities, instant messaging services, etc.) that would not trigger any administrative permit requirements in foreign jurisdictions may constitute value-added telecom services (VATS) in China and thus require the relevant operation permits. Not all categories of VATS are open to foreign investment. Thus, where the provision of any local services is part of a global solution, the qualification due diligence and warranty regarding the local vendor (eg, a Chinese affiliate under a global brand) is critical.

- The warranty regarding the processing and sharing of any important data. Important data is a unique concept under the Chinese data protection law, which refers to data that may affect the national security or public interests. The processing of important data is subject to strict requirements (eg, security certification requirements on the systems used to process important data, approval requirements for cross-border transfer of important data, etc.). Thus, a warranty (usually from the data controller) of not sharing important data during cooperation or only sharing important data after satisfying all requirements is important. In case of the later, it is equally important to clarify with the data controller any associated data protection obligations regarding the processing of the received important data.

Enforceability of exclusions/limitations of liability indemnification

The following liability exclusion clauses in a contract are invalid:

- Causing personal injury to the other party;
- Causing property losses to the other party due to intention or gross negligence.

The parties to a contract are allowed to set either generally applicable or circumstance specific liability caps.

The parties are also allowed to agree on liquidated damages. If the agreed liquidated damages are lower or significantly higher (usually more than 30 percent) than the actual loss, the courts may support a party's request to adjust the amount of compensation based on the actual loss.

Indemnification

Express indemnities stated in contracts are recognized and generally respected. Courts will not usually imply an indemnity obligation in a contract.

Electronic signatures

Use and enforcement of electronic signatures are primarily governed by the PRC Electronic Signature Law. As a general principle, electronic signatures can be used in documents in most types of civil activities, and such signatures will not be considered unenforceable solely because they are in electronic form, with the following exceptions:

- Documents concerning personal relations such as marriage, adoption, succession, etc.;
- Documents concerning termination of water supplies, heat supplies, gas supplies or other public utility services; and

- Other documents that are subject to restrictions regarding the use of electronic signatures as provided in applicable laws and administrative regulations.

As long as an electronic signature can be proven to meet the following conditions for "reliable" electronic signatures, it has the same effect as a wet-ink signature:

- When the creation data of the electronic signature are used for electronic signature, it exclusively belongs to the signatory;
- The electronic signature creation data is exclusively controlled by the signatory at the time of signing;
- Any subsequent alteration to the electronic signature after the document is signed can be detected; and
- Any subsequent alteration to the content and form of the document after the document is signed can be detected.

That said, a court will usually consider an electronic signature reliable if it is certified by an Electronic Certification Services Provider that is pre-approved by the regulatory authorities in China. If the parties do not choose a pre-approved service provider, then the obligation to prove reliability of the electronic signature falls on the parties.

In practice, the most common types of electronic signatures that have been held enforceable by the courts include:

- Bank card information and password
- USB key to a bank account and password
- Online platform username and password

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COLOMBIA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

While Colombia has a wide regulation on intellectual property consisting of international treaties, and national laws, and decrees, this country's IP regime is mainly governed by the decisions issued by the Andean Community (CAN), particularly Decisions 486 and 351.

According to Article 6 of the National Constitution, the Colombian state has the obligation of protecting intellectual property. Article 151 of the Constitution states that Congress shall dictate the legal regime on industrial property, patents, trademarks, and any other intellectual property rights that may be protected.

Intellectual property is comprised of 2 main groups of rights: copyrights and industrial property. Industrial property rights protect the exclusive use of trademarks, brands, slogans, designations of origin, patents over inventions and utility models, industrial designs, and layout-designs of integrated circuits. These rights are recognized once the national authority on industrial property grants their registration.

Copyrights include 2 different rights: moral rights (ie, rights related to the of the author, including the authorship and integrity of the work), and economic rights (ie, rights relating to the financial exploitation of the work), which may be held by the same or different persons and are recognized since the creation of an original work (ie, software, literary work, musical work, work of art, audiovisual work, and phonograms).

COMMERCIAL CONTRACT FRAMEWORK

Overview

Generally speaking, the Colombian Civil Code and the Code of Commerce provide the general rules applying to commercial contracts. Such regulations are based on the principles of freedom of contract and the legal validity of contracts (*pacta sunt servanda*).

License agreements covering industrial property rights in Colombia are in general consensual in nature and hence do not require any formalities to establish their existence and validity, or their enforceability between contracting parties. Nonetheless, commercial agreements concerning the transfer of industrial property rights, or that limit

their ownership in any way, should be registered before the Superintendency of Industry and Trade for its publicity, and for it to be enforceable before third parties.

On the other hand, copyrights may only be licensed in an agreement that clearly states the exploitation modalities that the licensee may use, as well as the timeframe and territories where the work is to be used. If the parties do not agree on a timeframe for the exploitation of the work, it is understood that the license is granted for 5 years, and, if they do not agree on which places the work may be used on, it is understood that the license is granted for the place where the agreement is to be executed. Economic rights over works of authorship may be transferred through a written agreement. Such an agreement should be registered before the National Copyright Office for its publicity, and for it to be enforceable before third parties.

COPYRIGHTS

Nature of right

Copyrights protect any literary or artistic work that may be reproduced or disclosed by any means. Software can be the subject to copyright protection as a literary work. Protection is granted regardless of how the work was created.

The person whose name, pseudonym or any other identifying detail is visible on the work is considered the author, but another legal or natural person may have entered a written agreement by which the ownership of the economic rights derived from the work are transferred. In this regard, copyright recognizes 2 types of rights: economic and moral rights.

Moral rights

As per Decision 351 dated 1993, moral rights are those that recognize the author as such. This type of right may not be licensed, transferred, waived, or prescribed and empowers the author to:

- Keep the work unpublished
- Claim the authorship of the work and
- Object any change, alteration or mutilation of the work that may be harmful to its integrity or that may affect the reputation of the author.

Economic rights

Economic rights grant the power to receive any economic benefit that is derived from the exploitation or reproduction of a specific copyrighted work. In this regard, Decision 351 of 1993 empowers the person who holds the economic rights to authorize or prevent:

- Reproduction of the work by any means, understood as fixing the work in a way that allows for it or its copies to be communicated completely or partially. In this regard, the communication implies any act by which 2 or more persons may access the work without a prior distribution of an authorized copy.
- Disclosure of the work to the public, or public communication of the work.

- Distribution of copies
- Exportation of any copy that has not been previously authorized and
- Translation, adaptation or any transformation of the work.

Legal framework

Copyrights are governed by Decision 351 of 1993 issued by CAN, Law 23 of 1982, Law 44 of 1993, Law 1403 of 2010, Law 1835 of 2017, Law 1915 of 2018, Law 565 of 2000, Law 48 of 1975, and Decree 1066, 2015.

Moreover, among others, Colombia is a party of the:

- WIPO Copyright Treaty
- Universal Copyright Convention and
- The Inter-American Convention on Copyright in Literary, Scientific and Artistic Works

Duration of right

Copyrights last for the lifetime of the author plus 80 years from the date of the author's death. If the work is co-authored, the 80-year period will begin from the date on which the last author dies.

- If the rights are assigned, the protection of the acquirers lasts for the life of the author plus 25 years. The author and the acquirer may also agree to a different term, but such agreed term may not be longer than 80 years. For its part, the protection for the author's heirs, which receive them by means of a succession, will last for the 80 year-term.
- If the author does not have heirs, once they die, the work will be deemed in the public domain.
- When the holder of the right is a legal or public entity, protection will last 30 years from its publication.

Ownership / licenses

The ownership of the work and the corresponding rights come into existence upon creation. Registration is not required to validate the copyright; nevertheless, it is recommended for publicity purposes and constitutes a suitable means of evidence of the right. However, if the economic right has been transferred, such a transfer will only be enforceable against third parties once it is registered before the National Copyright Office (*Oficina Nacional de Derechos de Autor*). Otherwise, the rights will remain with the author or the previously registered assignee.

Law 1450 of 2011 states that the transfer of economic rights can be limited regarding the methods of exploitation, the time and the territory as provided in the corresponding agreement. If the agreement does not determine the time and the territory regarding which the transfer is made, the law assumes that it is limited to 5

years and to the country where the transfer is consummated. Moreover, this kind of agreement shall be executed in writing and any clause that transfers economic rights in whole or in such way that future production is not determinable or compels to restrict it, will not be enforceable.

Joint ownership of copyrights is recognized when the contribution of each author is significant and cannot be determined. Contribution of separate ideas does not constitute a collaborative work. Joint ownership implies that the right of repentance and the right to modify the work must be exercised jointly by the authors. Thus, authors must agree on the changes that will be introduced to the work.

Remedies for infringement

Copyrights are protected under Colombian law by a Colombian judge in the event of a violation. Nevertheless, the Colombian court of last instance, namely judges or courts against whose decisions there is no judicial remedy under national law, shall request the Andean Court of Justice of the CAN to provide an opinion on the case, which shall be applied and considered by the Colombian judge in their decision.

Moreover, Article 56 of the Decision 351 states that the judge may order the following precautionary measures:

- Immediate termination of the unlawful activities.
- The attachment, sequestration, confiscation, or preventive seizure, as appropriate, of the copies produced in violation of any of the rights recognized by this decision or
- The attachment, seizure, confiscation or sequestration of the apparatus or materials used for the commission of the unlawful act.

Additionally, within the judgment, the judge may decide and order:

- Payment to the owner of the infringed rights of adequate compensation or indemnification for damages sustained as a result of the infringement.
- That the offender shall bear the cost of the proceedings that he has caused the owner of the infringed right to institute.
- The permanent removal from distribution channels of the copies constituting the infringement of rights or
- Criminal sanctions equivalent to those applicable to offenses of comparable gravity.

Finally, copyrights are also protected by criminal law. Therefore, infringements may be investigated by the general prosecutor and penalized by the criminal courts with fines and prison sentences as explained below:

- For the infringement of moral rights, a judge may impose fines and prison sentences between 32 and 90 months and a fine of up to 300 minimum monthly wages (approximately USD75,897.63)
- For the infringement of economic rights, a judge might impose fines and prison sentences between 4 and 8 years and a fine of up to 1,000 minimum monthly wages (approximately USD253,004.33)

Note: Colombia's judicial branch is divided into the following jurisdictions: the ordinary jurisdiction (*jurisdicción ordinaria*), administrative jurisdiction (*jurisdicción de lo contencioso administrativo*), constitutional jurisdiction (*jurisdicción constitucional*) and other special jurisdictions. The ordinary jurisdiction rules on matters related to civil, labor, criminal, and agrarian law. IP matters are solved by ordinary courts and judges.

MASK WORKS / TOPOGRAPHIES

Nature of right

According to Article 86 of the Decision 486, an integrated circuit is:

"(...) a three-dimensional disposition, however expressed, of the elements, at least one of which is an active element, and the interconnections of an integrated circuit, or such a three-dimensional disposition prepared for an integrated circuit intended for manufacture."

Moreover, the same article states that mask works, also known as layout-designs of integrated circuits, may be protected by each state if they are original, which means they are a result of an intellectual effort of the creator and are not commonplace in the integrated circuit industry. For this purpose, a designer or an entitled person must register the layout-design of integrated circuits before the Superintendency of Industry and Trade.

Registration of layout-designs of integrated circuits grants a designer/creator the right to prohibit third parties from reproducing, commercializing, or importing them. However, the protection conferred extends only to the layout-design itself and not to any concept, process, system, or technique that is incorporated in the layout-design.

Rights granted by the registration may only be asserted against acts that have industrial or commercial purpose. Nonetheless, a third party may engage commercial or industrial acts to exploit a layout-design of integrated circuits if it is a result of the evaluation or analysis of the protected layout-design and meets the originality requirement.

Legal framework

Layout-designs of integrated circuits are governed by Decision 486 of 2000 issued by the CAN, which provides a sui generis protection for such rights. Furthermore, the Sole Circular issued by the Superintendency of Industry and Trade established some important guidelines regarding layout-designs of integrated circuits. Finally, Colombia is party to the Paris Convention for the Protection of Industrial Property, Agreement on Trade-Related Aspects of Intellectual Property Rights, Locarno Agreement, and the Convention on Industrial Property executed by and between Colombia and France.

Duration of right

Layout-designs of integrated circuits have a term of protection of ten years beginning from the earliest to occur of the following:

- The last day of the year in which it was exploited for the first time in Colombia or abroad or
 - The date on which the registration request was made before the competent authority in Colombia.
- Decision 486.

Protection is granted for ten years and can be renewed for equal periods, but the relevant authority may no longer protect the product when it does not comply with the specifications set forth in Decision 486.

In any case, protection for the layout-design of an integrated circuit will not be enforceable for more than 15 years from the last day of the year in which it was created.

Nonetheless, the layout-design of an integrated circuit that has not been commercially exploited anywhere in the world may only be registered if the application is filed within a period of 15 years from the last day of the year in which the layout-design was created.

Ownership / licenses

The designer of a layout-design of an integrated circuit may transfer the registry of the layout-designs or grant a license, but both the transfer and the license must be in writing. Nevertheless, in order for the transfer or license to be enforceable, it must be registered before the Superintendency of Industry and Trade.

Moreover, the Colombian legal regime on intellectual property does not require protected layout-designs of integrated circuits to be exploited, but, when a layout design is not exploited when national emergencies or antitrust practices demand it, the relevant authority may order that:

- The layout-design of integrated circuits can be used or exploited by third parties with commercial or industrial purposes or
- The layout-design of integrated circuits shall be licensed to a third-party if the third party has requested it.

Finally, when the layout-designs of an integrated circuit have been commercially exploited abroad, request for registration shall be submitted within 2 years from the date it was first exploited.

Remedies for infringement

The designer/creator or owner of the rights over a layout-design of an integrated circuit may claim its rights before the Colombian ordinary jurisdiction. The court of last instance shall request that the Andean Court of Jurisdiction provides an opinion on the case which shall be applied and considered by the judge prior to making a decision.

Finally, layout-designs of integrated circuits are protected by criminal law. Therefore, the infringements might be investigated by the general prosecutor and penalized by the criminal courts.

PATENTS

Nature of right

Decision 486 of 2000 states that a patent is a right granted to an inventor to exclusively exploit the claimed invention, preventing any third party from manufacturing, selling or using such invention without the inventor's prior consent. Patents are comprised of 2 main groups: invention patents and utility model patents.

Invention patents protect any new product or process. Invention patents must (i) be innovative, meaning that the invention is not known, verbally or in writing, exploited or commercialized before the request is filed; (ii) have an industrial application, meaning that the invention can be reproduced on an industrial scale; and (iii) have an inventive level, meaning that the invention is not obvious or clearly derived from the current state of the art.

Utility model patent, according to Article 81 of Decision 486, is:

“...any new form, configuration or arrangement of elements, of any artifact, tool, instrument, mechanism or other object or of any part of it, which allows for a better or different operation, use or manufacture of the object that incorporates the same, or that gives it any utility, advantage or technical effect that it did not have before.”

Based on the foregoing, patents on utility models must only meet the conditions of being innovative and having an industrial application, and they do not require an inventive quality. Therefore, a utility model patent is a minor invention considering its degree of inventiveness. As such, utility models patents only include inventions of products and not procedures, as inventions do.

Any legal or natural person may file for a patent and, if different people made the same invention or utility model jointly, the right to the patent will be common to all people involved.

Legal framework

Patents are governed by Decision 486 of 2000 issued by CAN and the Sole Circular issued by the Superintendency of Industry and Trade. This entity has also issued guidelines related to the process of applying for a patent. Moreover, Colombia is party to the Patent Cooperation Treaty in 1998 and to the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of the Patent Procedure in 2016. Finally, it has endorsed TRIPS.

Duration of right

Patents are protected for 20 years from filing, subject to the right owner paying an annual fee.

Ownership / licenses

The ownership of the patents and its corresponding rights come into existence upon registration before the Superintendency of Industry and Trade.

The owner of a granted or pending patent may license or transfer patent rights to one or more third parties; exclusive licenses and transfers must be registered before the Superintendency of Industry and Trade. If they are not registered, it will be unenforceable against third parties.

Articles 59 and 60 of Decision 486 establish that the owner of the patent shall exploit the patented invention either directly or through an authorized person. For this purpose, exploiting the patent is understood as:

- The industrial manufacture of the patented product or the full use of the patented process in a manner sufficient to meet the needs of the market and
- The import of the patented product, including distribution and marketing, where it is done on a scale sufficient to meet the needs of the market.

Upon the expiry of a period of 3 years following the day the patent was granted, or 4 years following the application for the patent, whichever is longer, an interested third party may request that the Superintendency of Industry and Trade grant a compulsory license for the industrial manufacture of the patented product or for the full use of the patented process, if at the time of such request, the patent has not been exploited or the exploitation has been suspended for more than a year. In any case, the owner of the patent might provide legitimate explanations for the non-exploitation, including force majeure and fortuitous events.

Nonetheless, Article 66 of Decision 486 foresees that:

"a compulsory license shall only be granted where the person who requests it has previously attempted to obtain a contractual license from the owner of the patent on reasonable commercial terms and conditions, and where that attempt has not had any effect within a reasonable time."

Remedies for infringement

Decision 486 establishes different mechanisms to protect the patent or its validity. Firstly, any interested third party, or the Superintendency of Industry and Trade *ex officio*, may decree the absolute invalidity of the patent in compliance with the causes defined by law. Moreover, the Superintendency of Industry and Trade may cancel a patent when it has been granted to a person not entitled to such grant. The action for cancellation may only be brought by the person to whom the right to the patent belongs.

The owner of the patent may claim its right before the Colombian ordinary jurisdiction. Nevertheless, the judge shall request that the Andean Court of Jurisdiction of the CAN provide an opinion on the case which shall be applied and considered by the judge prior to taking a decision.

Furthermore, patents are protected by criminal law. For this reason, infringements may be investigated by the general prosecutor and penalized by the criminal courts with fines of up to 1,500 minimum monthly wages (approximately USD378,560.08) and prison sentences between 16 and 72 months.

TRADEMARKS

Nature of right

As per Decision 486 of 2000, a trademark is any sign that identifies goods or services on the market. In this regard, signs that may be represented on graphics might be registered as trademarks, as well as words, images, letters, numbers, combinations of colors or any combination of the signs.

In order to register the trademark, the applicant must:

- File the request

- Replicate the trademark or provide the graphic of the same (eg, through a pentagram)
- Pay the corresponding fees
- If applicable, submit the certificate of registration in other countries and
- Fulfill the procedure established by the Superintendency of Industry and Trade.

The applicant should not demonstrate prior use of the trademark in Colombia or elsewhere.

Ways to lose the right over the trademark

- **Cancellation of registration:** The national office will cancel registration when the trademark has not been used by at least one of the authorized officers or by the owner during the 3 years following the registration. Nonetheless, the owner has the possibility to prove a force majeure or an unforeseen circumstance that explains the lack of use of the trademark. Moreover, the registration will be canceled when the trademark identifies more than one good or service.

Waiver of registration: The owner has the option to waive the registry of its trademark. This right may be exercised at any time and may apply to the entire registry or to part of it as a single good or service represented.

- **Invalidity of registration:** The national office shall invalidate the registration when:
 - It has been granted without the essential requirements
 - The sign does not fulfil the necessary conditions and
 - When it has been registered without considering a third-party's interest.
- **Expiration of registry:** Registry of a trademark expires when the owner does not file the request for renewal or does not pay the corresponding fees on time.

Types of trademarks

- **Regular trademarks:** As mentioned above and according to Decision 486 of the CAN, this trademark applies to any sign that identifies goods or services on the market. In this regard, signs that may be represented on graphics might be registered as trademarks, as well as words, images, staffs, letters, numbers, combinations of colors or any combination of the signs. The regular trademarks are regulated as mentioned above.
- **Collective trademarks:** According to Decision 486 of the CAN, a collective trademark is: "(...) any sign that serves to distinguish the origin or any other common characteristic of goods or services from different firms that use the sign under the owner's control." Legally established associations may register collective marks to distinguish on the market the goods and services of its members. The collective trademarks may be transferred or licensed in accordance with the rules established for these purposes by the association. In any other matter, the regulation for regular trademarks shall apply to collective trademarks.

- **Certification marks:** As per Decision 486 of 2000, a certificate mark is a "sign intended to be applied to goods or services" whose "quality or other features have been certified by the trademark owner." The registration of the certification mark shall include the code of use. For this reason, the Superintendency of Industry and Trade must be informed of any changes to the rules for its usage. Such changes will be enforceable against third parties once the owner registers them on the corresponding registry. Certification marks may be transferred or licensed only in accordance with the rules established in the code of use.
- **Geographical indications:** A geographical indication may grant different rights depending on its type: appellation of origin (*denominación de origen*) or an indication of source (*indicación de procedencia*).

Decision 486 of 2000 states that appellation of origin is a geographical indication that consists of a name of a country, region or place used to indicate the origin of a product and the quality, reputation or characteristics that are exclusively or essentially given by the geographical environment where it is produced. Indication of source refers to a name, expression, image, or sign that evokes a specific country, region or place.

The protection of an appellation of origin is available for those products that comply with the conditions dictated by law. The usage of an appellation of origin by an unauthorized person, which may lead to confusion, is considered a breach of an intellectual property right and is subject to sanctions.

Any person may include their own name and domicile in products that are commercialized, even if they come from a different country, if there is an indication of the country or place where the product was manufactured or produced, or the product's origin is made known in such way that there is a low likelihood of confusion.

The request must come from a person that has a legitimate interest, which means that the person is involved in the extraction, production and/or products covered by the appellation of origin.

Legal framework

Trademarks are governed by Decision 486 of 2000 issued by CAN and by the Sole Circular issued by the Superintendency of Industry and Trade. In addition, Colombia became party to the Paris Convention for the Protection of Industrial Property, Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks and Trademark Law Treaty (TLT).

Duration of right

Trademarks have a term of protection of 10 years from the grant date and may be renewed for successive 10-year periods. However, the renewal must be requested before the Superintendency of Industry and Trade at least 6 months before the initial term expires and it will have the same terms and conditions of the initial right.

Ownership / licenses

The ownership of the trademarks and its corresponding rights come into existence upon registration before the Superintendency of Industry and Trade.

The owner of a trademark that is duly registered may transfer the registry of trademark or grant a license over the same. Transfers and licenses must be in writing. Furthermore, for a transfer or exclusive license to be enforceable, it must be registered before the Superintendency of Industry and Trade.

Remedies for infringement

The owner may initiate action's against any third party that, without their consent:

- Uses the trademark to distinguish similar goods and services
- Removes or alters the trademark for commercial purposes
- Commercializes or advertises products that include the registered trademarks
- Uses an identical or similar sign to identify other goods or services that may lead to confusion
- Uses a similar trademark that may cause any economic or commercial harm to the owner or
- Makes public use of the trademark and such use causes a negative impact on the owner's prestige.

For these purposes, the owner of a trademark may claim its right before the Colombian ordinary jurisdiction. The court of last instance shall request the opinion of the Andean Court of Jurisdiction of the CAN on the case prior to the decision and shall consider the opinion of the Andean judge.

Decree 2264 of 2014 foresees that, in these cases, the claimant shall not prove the amount of the damages but may provide evidence of the amount of the damage if it turns out to be greater than the anticipated estimate of damages provided for in the law. In cases where the claimant does not wish to provide evidence on the amount of the damages, such a decree foresees that the compensation amount is set at 100 minimum monthly wages (approximately USD25,000) for each trademark infringement. The maximum compensation is equivalent to 200 minimum monthly wages (approximately USD50,000) when the infringement concerns a well-known trademark or when the defendant has acted with bad faith.

Furthermore, trademarks are protected by criminal law. For this reason, the infringements may be investigated by the general prosecutor and penalized by the criminal courts with fines of up to 1,500 minimum monthly wages (approximately USD378,560.08) and prison sentences between 4 and 8 years.

TRADE SECRETS

Nature of right

Article 260 of Decision 486 establishes that a trade secret is any non-disclosed information held by any person (legal or natural) that can be used in any productive, industrial or commercial activity and that can be transmitted to a third party as long as such information has the following features:

- It is secret, which means that it is not known or accessible to those who usually handle it It has a commercial value due to its secrecy and

- It has a commercial value due to its secrecy and
- It is protected by reasonable measures to keep it secret.

Information disclosed by virtue of a legal provision or by a court order is not considered a trade secret. Information provided to an authority is not considered as such when a person supplies it to obtain license, permit, authorization, registration or any other official enactment.

The Colombian legal regime does not determine a specific manner for the transfer of a trade secret. For this reason, the owner must take steps to protect secret information in accordance with its features, such as:

- Implement confidentiality policies
- Implement training programs for employees
- Limit access to secret information and
- Follow procedures used to maintain private information.

Legal framework

Trade secrets are governed by Decision 486 of 2000 issued by CAN, and by Law 256, 1996.

Duration of right

Trade secrets may be protected for as long as they comply with the conditions established in Article 260 of Decision 486. Consequently, the duration of the protection might be perpetual if the information remains as a trade secret. Nonetheless, the duration of the right is limited to the fact that the information becomes public as a consequence of an act attributable to the owner or because of a legal order.

Ownership / licenses

The owner or the person who has control over the trade secret is protected by virtue of law. This person has a duty to authorize and restrict access to the confidential information. For this reason, if the information is disclosed to a third party, it is important to execute an agreement that requires such third party to maintain its confidentiality.

Without limitation to the foregoing, the information may be disclosed to protect public order and a prior request may be made by a competent authority. In this case, it loses the nature of trade secret.

Remedies for infringement

Decision 486 states that the mechanisms to protect trade secrets are actions that tend to condemn unfair competition, which are provided for in Article 20 of the Law 256, 1996. In this regard, the owner can claim its rights and seek for the corresponding indemnification against those who disclose the information without prior authorization and use it on unfair competition acts.

The attorney general may initiate an unfair competition action *ex officio* if the action affects the public order. Finally, the owner may claim the protection of its right before the Andean Court of Jurisdiction of the CAN, in the event in which the national authorities do not provide such protection.

Furthermore, trade secrets are protected by the criminal law. For this reason, the infringements may be investigated by the general prosecutor and penalized by the criminal courts with fines of up to 3,000 minimum monthly wages (approximately USD757,091.48) and prison sentence between 32 and 90 months.

If, besides disclosing the trade secrets, the prosecuted has obtained a benefit for themselves or a third party, they will be penalized with fines of up to 4,500 minimum monthly wages (approximately USD1,135.614.03) and prison sentences between 48 and 126 months.

OTHER KEY IP RIGHTS

Nature of right

Industrial designs

According to Decision 486, an industrial design grants the right to exclusively exploit the appearance of a specific product without changing its purpose. In this regard, an industrial design makes the product more attractive to customers. For this reason, rights over an industrial design protects the aesthetic features of the product and not its technical aspects. Any legal or natural person has the right to prevent any third party from exploiting its design without prior consent.

The registry of industrial designs does not include:

- Industrial designs that are contrary to public order or morals.
- Industrial designs that are related to technical features or technical functions without entailing any arbitrary involvement of the designer and
- If industrial design is the only way the product may be mechanically pieced or connected.

Legal framework

Industrial designs

Decision 486 dated 2000 issued by CAN and the Sole Circular issued by the Superintendency of Industry and Trade govern industrial designs. Moreover, Colombia became party to the Paris Convention for Protection of Industrial Property, the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Locarno Agreement, and the Convention on Industrial Property executed by and between Colombia and France.

Duration of right

Industrial designs

Industrial designs have a term of protection of 10 years from the filing date. Nevertheless, in order to maintain it in force, it is necessary to pay an annual fee. If such fees are not paid, the registry of the industrial design is no longer enforceable.

Ownership / licenses

Industrial designs

The designer may transfer the registry of the industrial design or grant a license, but both the transfer and the license shall be made and granted in writing and registered before the Superintendency of Industry and Trade. If 2 or more persons create an industrial design jointly, the right to register it shall belong jointly to all of them.

Nonetheless, according to Article 114 of Decision 460 of 2000, "where two or more persons create the same industrial design independently, registration shall be granted to the one, or to the successor in title, who files the first application in relation to it or who claims the earliest priority."

Remedies for infringement

Industrial designs

The designer or owner of an industrial design may claim the protection of its right with the Colombian ordinary jurisdiction. The judge must request an opinion on the case from the Andean Court of Jurisdiction of the CAN prior to the taking of the decision and shall apply and consider the opinion of the Andean judge in the decision.

Furthermore, industrial designs are protected by the criminal law. For this reason, infringements may be investigated by the general prosecutor and penalized by the criminal courts with fines of up to 1,500 minimum monthly wages (approximately USD378,560.08) and prison sentences between 4 and 8 years.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

In Colombia, the same provisions that govern employment agreements govern the intellectual property in service agreements.

Under articles 28 and 29 of Law 1450, 2011, intellectual property rights are understood to be transferred to the employee or contractor if they are developed during a labor or service agreement, and for the execution of such an agreement. Note that moral rights are not transferred to the employer; as a result, the employee will always have a right to be recognized as the creator of the invention or author of a work and may claim paternity rights over the work, or even object to the modification of the work itself.

The law presumes that an employee transfers economic rights to its employer to the extent that it is necessary to carry out the usual activities of the employer at the time the work was created.

The abovementioned provisions only apply to written agreements.

Consultants / contractors

The same rules used for employees are applied to contacts with consultants and contractors.

Public officers

Law 23 of 1982 and Law 44 of 1993 determine that economic rights derived from works created by public officers when complying with their legal and constitutional functions are presumed to transfer to the state. Public officers will hold the moral rights if it is not contrary to the rights and obligations of the corresponding legal entity. In any case, public interest will prevail.

Intellectual Property in projects financed by the state

Law 1753 of 2015 established that, in research projects or in projects for development of science, technology and innovation or communications and information technologies financed with public resources, the state may assign the intellectual property rights that it holds, free of charge, if it does not affect national security or defense. In addition, the state may authorize the transfer of such rights to the developer of the project. The terms and conditions of the assignment and transfer will be set forth in the corresponding agreement.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

Any agreement that transfers or assigns an industrial property right shall be registered before the competent authority. The transfer of copyrights should only be registered for publicity purposes.

Recognized language of commercial agreements

Commercial agreements may be valid even if they are not written in Spanish, which is Colombia's official language. As per Decision 486 and 351 both issued by the CAN, the filing before the relevant authority to register intellectual property rights must be in Spanish. Nonetheless, if the documents or agreements are in a different language, they will be accepted only if they are translated to Spanish.

Country-specific issues for online content

Colombia has robust legislation on data privacy, which means that any internet interaction shall comply with the current regime on data privacy. This also means the website shall request data subjects' consent for their data process and shall implement a privacy policy and an information security policy.

Law 1450 of 2011 has recognized the principle of neutrality, which dictates that users may use, send, receive, and offer content, services or apps that are not illicit. In this regard, Resolution 3502 of 2011 of the Ministry of Telecommunications (MINTIC) determines that internet contents are governed by 4 principles:

- Free Choice: the user may use, send, receive, or offer any content, unless they are forbidden by the law or by the order of a judicial authority
- No Discrimination: the network providers shall provide equal treatment to the content, apps and services without any arbitrary discrimination

- Transparency: the network providers shall reveal their users' traffic management policies and the providers who may access their network and
- Information: the network providers shall provide to users the information regarding the services provided.

Without limiting the aforementioned, Colombia does not have a specific regulation regarding intellectual property protection online and, thus, the applicable law for online content issues is the one that governs intellectual property in general as well as data privacy and the infringement of the right to intimacy and to a good name. In any case, the information and contents shared on the internet may not violate the law.

Enforceability of online/clickwrap/shrinkwrap terms

Online, clickwrap and shrink-wrap agreements are generally recognized by Colombian law and are enforceable if they are conspicuous and users have an opportunity to review and indicate affirmative assent.

Governing law

In commercial contracts, it is understood that the governing law is Colombian law when the contract is to be executed in Colombia.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Warranty disclaimers are recognized and enforceable if they are made known to the parties and/or are conspicuous.

According to Law 1480 of 2011, warranty disclaimers are not enforceable against consumers unless the product defect is derived from force majeure, a third-party fault, misuse of the product or the fact that consumer did not follow the instructions for the installation, use or maintenance of the product.

Enforceability of exclusions/limitations of liability indemnification

Parties shall establish the extent and scope of rights granted and limitations of liability. Even though such limitations are usually recognized, limitations and exclusions of liability for gross negligence, fraud or bad faith are not enforceable.

Indemnification

Express indemnities stated in agreements are recognized, respected, and generally have 3 obligations:

- Defend
- Indemnify (pay for the damages caused) and
- Hold harmless (if the indemnifying party does not have of any other liability arising out of the claim).

The indemnification clauses may extend to third parties.

Electronic signatures

Decree 2364 dated 2012 establishes that an electronic signature is any method that allows identification of a person regarding a data message provided that it is reliable and appropriate for the purposes it is going to be used.

The electronic signature is reliable when:

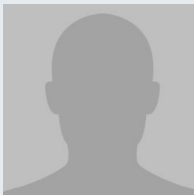
- The data that created the signature exclusively corresponds to the signatory and
- It is possible to detect any unauthorized modification to the data message after it has been signed.

An electronic signature is enforceable and has the same effect as an original signature if it is reliable and complies with the purpose for which it is being used.

KEY CONTACTS

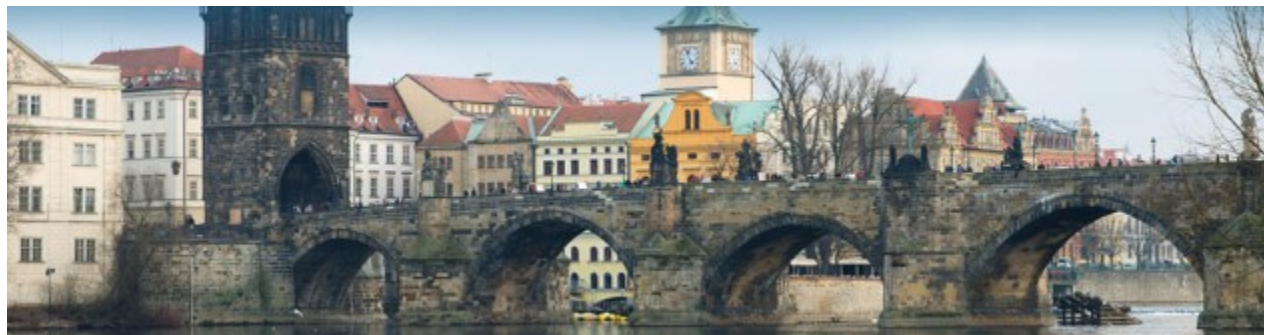


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CZECH REPUBLIC



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Czech law belongs to the continental system of law (or civil law, as opposed to common law). Regulations covering intellectual property rights are primarily set out in various statutes issued by Czech Parliament.

The most important statutes are the following (each of them as amended from time to time):

- Act No. 121/2000 Coll. on Rights Related to Copyright (Copyright Act)
- Act No. 527/1990 Coll. on Inventions and Improvement Proposals (Patents Act)
- Act No. 441/2003 Coll. on Trademarks (Trademarks Act)
- Act No. 478/1992 Coll. on Utility Models (Utility Models Act)
- Act No. 207/2000 Coll. on Protection of Industrial Designs (Industrial Designs Act)
- Act No. 529/1991 Coll. on Protection of Topographies of Semiconductor Products (Topographies of Semiconductor Products Act)
- Act No. 206/2000 Coll. on Protection of Biotechnological Inventions
- Act No. 408/2000 Coll. on Protection of Plant Variety Rights
- Act No. 452/2001 Coll. Protection of Designations of Origin and Geographical Indications
- Act No. 221/2006 Coll. on Enforcement of Industrial Property Rights
- Act No. 89/2012 Coll. Civil Code (Civil Code), providing general framework of civil law and regulating trade secrets

Many of these pieces of legislation are in compliance with relevant EU legislation, as the Czech Republic is a member country of the European Union.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial contracts are governed by the Civil Code.

Other pieces of legislation may be relevant to certain commercial arrangements (eg, antitrust laws and Act No. 143/2001 Coll., as amended, on Protection of Economic Competition), and there may be industry-specific regulations that are applicable to contracts in particular industries.

COPYRIGHTS

Nature of right

Copyright is available for original works of authorship in any objectively perceivable manner, including in electronic form, permanent or temporary, irrespective of its scope, purpose or significance. A computer program shall also be considered an authorship work if it is original in the sense that it is the author's own intellectual creation.

Registration is not required (nor even possible) for valid copyright rights, and the copyright shall apply to the work in its entirety, to its individual stages of development and to parts of the work, including its title and the names of its characters, if any of these meet the definition elements of an authorship work set out above.

Copyright holders have the exclusive right to decide to publish their work, claim the authorship and the right to the inviolability of their work (ie, moral rights). They also have the exclusive rights to use, reproduce, distribute, rent, loan, publicly display and publicly perform their works of authorship.

Legal framework

Copyright, including both economic and moral rights related to it, is governed by the Copyright Act.

Duration of right

Copyright protection for economic rights lasts for the life of the author plus an additional 70 years. For an anonymous work or a pseudonymous work, the copyright lasts for a term of 70 years from the year of its first publication. The moral rights expire with the death of the author (but post-mortem protection is available to a certain extent for relatives and associations of authors).

Ownership / licenses

Joint ownership of copyrights is recognized; the co-author's share of the profit can be modified by an agreement between the co-authors. Statutory and implied licenses are recognized.

Remedies for infringement

Copyright registration is not required in order to claim damages for infringement. It is possible to seek preventing importation of infringing.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.

MASK WORKS / TOPOGRAPHIES

Nature of right

Protection for original masks works fixed in semiconductor chip products.

Mask works are defined as a series of related images, no matter in what manner fixed or encoded mutually connected, representing the 3-dimensional permanent pattern of the layers of a semiconductor chip product.

Legal framework

Mask works are governed by the Topographies of Semiconductor Products Act.

Duration of right

The duration is 10 years from registration (ends at end of the 10th calendar year) or from the first open commercial exploitation.

Ownership / licenses

The owner's consent (*ie*, license) is required in order to (i) reproduce the topography or its separately usable parts and make a representation of the topography for production purposes, (ii) produce a semiconductor product in which the protected topography is contained and (iii) use commercially a topography or a semiconductor product which produces the protected topography or a separately usable part thereof, as well as a representation of the topography used for its production or to import them for that purpose.

Joint ownership of the topography is recognized.

Remedies for infringement

Possibility to claim actual damages for infringement.

Possible to seek preventing importation of infringing.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.

PATENTS

Nature of right

Patents grant the exclusive right to use the invention, to authorize others to use the invention or to assign the patent to others.

Legal framework

Patents are governed by the Patents Act.

Duration of right

The duration is 20 years from filing date of application.

Ownership / licenses

Joint ownership is permissible; a license cannot be granted by one joint owner without consent of the other joint owner(s). The relationship between the co-owners can be amended by an agreement. Implied licenses are recognized.

Remedies for infringement

Possibility to claim actual damages for infringement.

Possible to seek preventing importation of goods that are infringing.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.

TRADEMARKS

Nature of right

Trademark may consist of any sign, including personal names, colors, designs, letters, numerals, the shape of goods or their packaging, gestures and musical trademarks, among others, provided that such sign is capable of distinguishing goods or services from other goods or services.

Legal framework

Trademarks are governed by the Trademarks Act.

Duration of right

The duration is 10 years from filing date of application and renewable repeatedly on request of the owner for another 10 years.

Ownership / licenses

Joint ownership is permissible; license cannot be granted by one joint owner without consent of the other joint owner(s). The relationship between the co-owners can be amended by an agreement.

Remedies for infringement

Possibility to claim actual damages for infringement.

Possible to seek preventing importation of infringing goods.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.

TRADE SECRETS

Nature of right

Trade secrets are regarded as technical or operational information that is valuable to the business, not known to the public or in relevant business circles, that confers identifiable competitive value and whose owner ensures in their own interest its secrecy.

Legal framework

Trade secrets are governed by the Civil Code.

Duration of right

Unlimited (as long as all definition elements are fulfilled).

Ownership / licenses

Joint ownership is possible. A trade secret is an intangible asset under Civil Code.

Remedies for infringement

Damages can include actual loss and unjust enrichment caused by misappropriation.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Unless otherwise agreed, the author's economic rights to a work created by the author in fulfilling their duties arising from the employment or civil service contract with the employer shall be exercised by the employer in their own name and on their own account (ie, generally as if owned by the employer, similar to common law "work made for hire" regime). The employer may only assign the exercise of the right pursuant to this paragraph to a 3rd party with the author's consent unless this occurs when the employer's enterprise or its part is sold as a going concern.

Consultants / contractors

Customary for consultants and contractors to sign written agreements providing license to the other party.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

No general registration requirement.

Registration of licenses for intellectual property (other than copyright and trade secrets, which are not registrable) in the respective register is generally possible and it enables to make the licenses enforceable against 3rd parties by such registration.

Recognized language of commercial agreements

Czech law does not set any language requirement. However, commercial agreements should be comprehensible to both parties. Authorities generally require translations to Czech. Most commercial agreements are in Czech. At the same time use of English is very common (typically when one of the parties is a foreign entity or English language template is used to avoid translation costs).

Country-specific issues for online content

Not applicable for this jurisdiction.

Enforceability of online/clickwrap/shrinkwrap terms

Generally viewed as enforceable if conspicuous and users have an opportunity to review and indicate affirmative assent (eg, check a box).

Governing law

Governing law and venue for resolution of disputes specified in a commercial contract will generally be accepted and recognized by courts.

Dispute resolution is litigation before state courts, unless agreed otherwise which typically would be an arbitration before an established or ad hoc arbitral tribunal.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Disclaimers of statutory warranty are acceptable, unless it is disadvantageous for the weaker party (ie, consumer).

Enforceability of exclusions/limitations of liability indemnification

The liability can be excluded or limited, with consent of both parties. This does not apply in respect of liability for damages caused willfully or in gross negligence, liability for interference in natural rights of a human individual (eg, life, health and general personality right) or liability incurred by a weaker party, such as a consumer. None of these can be limited or waived in advance.

Indemnification

Express indemnities stated in contracts are recognized and generally respected, though relevant case law is lacking.

The "promise of indemnity" set out as a contractual type in the Civil Code includes the element of indemnification (ie, payment of damages) only. In contracts, the other distinct obligations are often included – that is, defense and holding harmless (ie, indemnifying party responsible for any other liability arising out of the claim) – and this contractual arrangement should be considered valid and enforceable.

Caps on liability under indemnification provisions can be enforceable.

Electronic signatures

Electronic signatures are regulated by the Act No. 297/2016 Coll. On Services Creating Confidence for Electronic Transactions, which implements the EU Directive No. 910/2014/EC.

An advanced electronic signature (or "qualified electronic signature") is based on a qualified certification issued by an accredited certification services provider. Advanced electronic signature must be accepted by public administration bodies in the Czech Republic as the equivalent of a person's handwritten signature.

A document (ie, deed) in the electronic form that bears a qualified electronic signature is fully valid and enforceable and complies with all requirements imposed by the Czech Civil Code on the written form of a legal act.

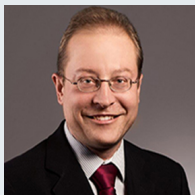
Some Czech scholars believe that the written form is satisfied in case of a plain email, without an advanced or qualified electronic signature, and that such agreements are valid and enforceable. Such scholars note that, under Section 562 of the Civil Code, the written form is preserved when an act is made in an electronic form or other technical form enabling (i) capturing the subject matter of the act and (ii) determination of the person acting.

However, this position is not generally accepted.

In 2009 Czech authorities introduced the use of a data box for electronic communication between public authorities and individual users (that is, all Czech corporations and all individuals licensed to operate a business activity). A data box is a specific electronic site (uniquely allocated to a respective public authority, individual or corporate entity and password protected), which public authorities must use for delivery of all their communications addressed to those who have their own data boxes, instead of using traditional mail delivery in paper form. Individuals are generally free to decide whether they will send their communications with public authorities using data boxes or by mail or personal filing of paper documents. A document sent through a data box is presumed to be sent by the relevant data box holder and validity and enforceability consequently exist in respect of such communications.

Data boxes are an information system for electronic delivery, allowing for unambiguously identified and authenticated users to deliver a data message including attachments (ie, any digital document) to the recipient and certify that the message has been received and the recipient has read it. The system of data boxes places a great emphasis on the user authentication. This system offers a state-guaranteed secure channel for communication between all users of data boxes, providing far higher quality security than the traditional email communication.

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DENMARK



Last modified 17 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

In general, intellectual property rights are governed by EU regulations and directives as well as by Danish law.

COMMERCIAL CONTRACT FRAMEWORK

Overview

The interpretation and enforceability of commercial contracts are widely governed by principles and practice. The content of the agreement is primarily determined by what has been agreed between the parties. However, there are several acts, including the Contracts Act, the Sale of Goods Act, Consumer Contracts Act, and the Credit Agreements Act, that govern transactions in goods (eg, buying and selling), security interests, letters of credit and other commercial transactions.

Furthermore, there may be other acts that are relevant to certain commercial arrangements (eg, antitrust laws), and there may be industry-specific regulations applicable to contracts in particular industries.

Mandatory provisions apply in business-to-consumer transactions.

COPYRIGHTS

Nature of right

Available for original works of authorship fixed in a tangible medium of expression. Registration is not required for valid copyright rights, and the rights arise at the time the original work of authorship is fixed in a tangible medium of expression.

Copyright owners have the exclusive right to reproduce, distribute, prepare derivative works, publicly perform and publicly display their works of authorship.

Besides actual copyright rights, Danish law protects neighboring rights such as the right to a recording and press publishers' rights. Moral rights are recognized.

Legal framework

Copyrights are governed by the Danish Act of Copyright (LBK 1093 20/08/2023) and the amendment acts thereto.

Copyrights are also governed by EU Directives including Directive 2019/790 of the European Parliament and of the council of April 17, 2019 on copyrights and related rights in the Digital Single Market, as well as amending Directives 96/9/EC and 2001/29/EC.

Denmark is a party to several international conventions and treaties such as the Berne Convention, the Rome Convention, the TRIPS Agreement, the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

Duration of right

Copyright protection lasts for the life of the author plus an additional 70 years. For an anonymous work, the copyright lasts for 70 years from the year of its publication or, if it has not been published, 70 years from its creation.

In general, the copyright protection of neighboring rights lasts for 50 years, but the duration runs from various dates depending on the neighboring right in question.

Ownership / licenses

The author owns the work. Joint ownership of copyrights is recognized. The copyright of the author may be transferred by agreement.

Moral rights cannot be fully transferred. The author's moral rights consist of 1) the author's claim to reputation and 2) the right to ensure that no changes detrimental to the author's reputation or character were made to the work.

Remedies for infringement

Remedies for copyright infringement include equitable and reasonable compensation for use, as well as compensation for losses and further injuries caused by negligent or willful infringement.

It is possible to obtain a court order for destruction of infringing products. An optional initial step is to obtain a preliminary court order for the confiscation of infringing products and equipment used in the manufacture thereof. Criminal penalties are possible.

MASK WORKS / TOPOGRAPHIES

Nature of right

The right to semiconductor topographies under Danish law requires that an application be sent to the Danish Patent and Trademark Authority within 2 years from the day of first commercial exploitation.

Owners are granted an exclusive right to reproduce, import and make topographies available to the public by sale, rent or lending, or the like.

Legal framework

Semiconductor topographies are protected under the Protection of Topographies for Semiconductor Products Act (LBK 92 29/01/2019).

Duration of right

The right lasts for 10 years from the year following the creation of the right.

Ownership / licenses

The right is granted to the individual or legal person who submits the application after having created or gained exclusive rights to the semiconductor topography.

Remedies for infringement

Remedies for negligent or willful infringement include equitable and reasonable compensation for the use and compensation for losses and further injuries caused by the infringement.

It is possible to obtain a court order for destruction, withdrawal, removal, handover or modification of infringing copies of the topography or semiconductor products made using the topography. An initial step may be to obtain a preliminary court order for the confiscation of infringing products and equipment used in the manufacture thereof. Criminal penalties are possible.

PATENTS

Nature of right

Statutory right granted consistent with mandate in the Danish Patent Act. The invention must be new and differ significantly from what was known at the filing date of the patent application.

Patent right owners are granted the exclusive right to exploit the invention commercially.

Utility models may be considered as an alternative to protection of industrial rights.

Legal framework

Patents are governed by the Danish Patent Act (LBK 90 29/01/2019) and the amendment acts thereto.

Denmark became party to the European Patent Convention in 1990 and the Patent Cooperation Treaty in 1978. Denmark signed the Paris Convention in 1894 and ratified the Patent Law Treaty in 2005.

Denmark has additionally signed the Trade Related Aspects of Intellectual Property Rights (TRIPS), the Strasbourg Agreement and the Budapest Treaty.

Regulation (EU) No 1257/2012 of the European Parliament and of the Council of December 17, 2012 implementing enhanced cooperation in the area of unitary patent protection makes a type of European patent called the unitary patent possible. The Unified Patent Court came into existence on June 1, 2023. In Denmark, the court has a local chamber in the premises of the Maritime and Commercial Court in Copenhagen.

Duration of right

Duration is 20 years from filing date of application. Denmark has a first-to-file system.

Ownership / licenses

The inventor owns the patent. In the event of multiple inventors, all inventors have the right to obtain the patent and own the patent as joint owners. In case of joint ownership, the parties must receive consent of each joint owner to each significant transaction, unless the parties contractually agree to waive the duty to account to other joint owners.

A contractual license and compulsory license may be granted.

Remedies for infringement

Remedies for negligent or willful patent infringement include equitable and reasonable compensation for the use and compensation for losses and further injuries caused by the infringement. Depending on the outcome of the patent case, costs and reasonable attorneys' fees can also be recoverable.

It is possible to obtain a court order for destruction of infringing products. An initial step may be to obtain a preliminary court order for the confiscation of infringing products and equipment used in the manufacture thereof.

Criminal penalties are possible.

TRADEMARKS

Nature of right

Trademarks may consist of all signs, in particular words, including personal names, figurative elements, letters, numbers, colors, patterns, shape of the goods or the shape of the packaging, motion marks, position marks, holograms sounds or multimedia, provided that these are both capable of distinguishing the goods and/or services of one company from the goods and/or services of other companies. The mark may be reproduced in the trademarks register in a way that enables the competent public offices and the relevant public to establish the clear and precise scope of the protection of the trademark rights that the trademark owner is granted.

Surnames carried by more than approximately 30 people may be used as trademarks and company names without the consent of the bearers of the name. Surnames in Denmark carried by approximately 30 people or fewer cannot be freely used as trademarks or company names. Use of such personal names in trademarks or company names requires the name bearers' consent.

In November 2020, the Supreme Court of Denmark ruled that the Danish Names Act does not apply to the use of personal names in company names and trademarks.

Legal framework

Trademarks are governed by:

- The Trademark Act (LBK 88 29/01/2019) based on the EU Directive 2015/2436/EU. The Act allows a trademark right to be obtained through registration or use
- Executive Order on Application and registration etc. of trademarks (BKG 1685 18/12/2018)
- The Act concerning amendment of the Trademark Act and various other acts and termination of the Act on Standardization Marks (LOV 1533 18/12/2018)
- Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017 on the European Union trade mark
- Directive (EU) No 2015/2436 of the European Parliament and the Council of December 16, 2015 to approximate the laws of the Member States relating to trademarks

Denmark signed the Paris Convention in 1894.

Denmark has also signed the Trade Related Aspects of Intellectual Property Rights (TRIPS), the Trademark Law Treaty (TLT), the Nice Arrangement and the Madrid Agreement and Protocol.

Duration of right

Registered trademarks are in effect for a period of 10 years from the date of application. The registration may be renewed for further periods of 10 years ad infinitum.

Trademarks obtained through use are in effect as long as the trademark is in use.

Registered European Union trademarks (EUTM) are in effect for 10 years from the date of application and are renewable indefinitely.

Ownership / licenses

The trademark right belongs to that person or company who applied for the trademark or obtained the trademark through use.

Owners may grant an exclusive or non-exclusive license to a registered mark for some or all the goods or services for which it is registered and for the whole country or parts of it.

On request from the trademark owner or the licensee, licenses may be registered in the Danish trademark registry or in the European Union Intellectual Property Office EUIPO's register over EUTMs. However, registration of licenses regarding Danish trademarks is not compulsory and does not affect their validity (registration is necessary in relation to EUTMs).

Remedies for infringement

An interim injunction may be granted.

An equitable remuneration for the use of the mark and further damages may be awarded. The equitable remuneration is usually estimated to a reasonable royalty, and, in case of no established license practice, it is based on an estimate. The damages are estimated on the basis of loss of sale, market disruption and internal losses. The assessment of damages is usually based on an estimate, and the courts usually estimate a total amount covering both the equitable remuneration and damages.

Compensation for non-economic damages may be awarded.

A fine may be imposed in case of intent or gross negligence, and imprisonment may be sentenced in case of intent and special circumstances.

TRADE SECRETS

Nature of right

Trade secrets are defined in Section 2 of the Act on Protection of Trade Secrets (LOV 309 25/04/2018). Trade secrets are defined as (1) information which is secret by nature, (2) has a market value due to the information being secret, and which (3), under the specific circumstances, are subject to fair measures of secrecy by the person (s) lawfully in control of the information.

Trade secrets are not considered intellectual property rights under Danish law.

Legal framework

Trade secrets are governed by the Act on Protection of Trade Secrets (LOV 309 25/04/2018) and the Danish Criminal Code § 299 a on the penalty for violation of the Trade Secrets Act under aggravating circumstances and §§ 263-264 (protection of outside intruders) regarding industrial espionage. The Act on Protection of Trade Secrets is based on EU Parliament and Commission Directive EU 2016/943 of June 8, 2016 on Confidential Know-How and Trade Secrets

Duration of right

The duration of a trade secret is for as long as the trade secret meets the definition of a trade secret under the Act on Protection of Trade Secrets.

Ownership / licenses

The company owns its trade secrets.

Remedies for infringement

An interim injunction may be granted.

An equitable remuneration for illegal acquisition, use or passing on of a trade secret may be awarded. The equitable remuneration may be based both on the loss incurred by the owner of the trade secret and on the profit of the offending party.

Compensation for non-economic damages may be awarded. The damages are intended to compensate for the injury.

Criminal penalties are possible.

OTHER KEY IP RIGHTS

Nature of right

Designs

The appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colors, shape, texture and/or materials of the product itself and/or its ornamentation.

A design must fulfill the requirements of being "new" and having "individual character."

A design is "new" if no identical design has been made available to the public before the date of filing for registration or before the first launch of an unregistered design.

A design has "individual character" if the overall impression that the design produces on the informed user differs from the overall impression produced on such a user by any design which has been made available to the public prior to the date of filing/or priority date for registered designs or prior to the date the design was made available to the public for unregistered designs. There is a grace period of 12 months, meaning that, if the design application is filed within 12 months after the design was first made available to the public, it is still considered new.

Legal framework

Designs

Designs are governed by:

- The Danish Design Act (LBK 89 29/01/2019) based upon EU Directive 98/71/EC of December 13, 1998 on the legal protection of designs. The Act allows design rights to be obtained through registration.
- European Council Regulation No. 06/2002 of December 12, 2001 on Community designs. The regulation allows design rights to be obtained through registration or through use, and use in this context means making the design available to the public.

Duration of right

Designs

Registered designs are in effect for up to 25 years (15 years for spare parts) from the date of filing and must be renewed every 5 years to a maximum of 25 years (15 years for spare parts).

Unregistered EU designs are valid for 3 years from the date of first being made available to the public. The scope of protection is limited to direct copying of the design.

Ownership / licenses

Designs

Any legal or natural person may apply for and own a design or obtain design right through use.

Owners may grant 3rd parties a license to use the registered design.

Licenses may be registered in the Danish design register and for registered EU designs with the EUIPO. In Denmark, registration of licensees is not mandatory. However, for EU designs, registration is mandatory to obtain validity.

Remedies for infringement

Designs

Interim injunctions may be granted.

It is possible to obtain a court order for destruction, withdrawal, removal, handover or modification of infringing products.

An equitable remuneration may be granted for the unauthorized use of the design, and further damages may be granted if the design owner can prove a loss due to less quantities sold, market disturbance or other relevant loss caused by the infringement.

Compensation for non-economic damages may be awarded.

A fine or imprisonment may be ordered by the court in cases of bad-faith intent or gross negligence under more severe circumstances.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The Danish Act on Employees' inventions (LBK 104 24/01/2012) grants IP rights to inventions to the employer as a general rule.

The Danish Copyright Act (LBK 1093 20/08/2023) grants all IP rights to software developed by an employee as part of their job to the employer (cf. section 59).

In case of other copyrightable works, a non-statutory principle applies, according to which the employer only acquires the parts of the employee's copyright that were necessary for the employer's usual business at the time the employee created the work, unless otherwise agreed. It is a condition for the copyright to pass to the employer that the work was created as part of the employment relationship. Secondly, it is a condition that the employee has the creation of works for the employer as part of his/her work duties.

Consultants / contractors

Consultants and contractors own the intellectual property developed by them unless they have signed a written agreement stating otherwise.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial contracts.

Agreements regarding transfer of EU trademarks and designs protected by the EU design regulation must be registered.

Recognized language of commercial agreements

Commercial contracts in a business-to-business transaction are often in English, although Danish is also recognized.

In a business-to-consumer contract, Danish is preferable. In addition, Danish consumer law requires that specific compulsory information is provided in Danish if the product or service has been marketed in Danish by the trader, unless the consumer has consented to receive the information in another language.

Country-specific issues for online content

As a main rule, service providers are not held liable for intellectual property right infringements due to their transmitting, routing or providing of connection to infringing content. However, certain requirements must be fulfilled.

Service providers may be subject to interim injunctions if they provide a connection to infringing content.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally viewed as enforceable if conspicuous and users have an opportunity to review.

According to the E-commerce Act (227 22/04/2002), companies offering services online must make terms available in a way which makes it possible to save and retrieve them.

In business-to-consumer relations, specific rules apply. For example, the consumer must be able to scroll through the terms and must actively accept these (eg, by clicking “I agree”).

Governing law

The parties have contractual freedom in relation to the choice of law. Governing law and venue for resolution of disputes specified in a commercial contract are generally accepted and recognized by Danish courts.

In business-to-consumer relations, specific consumer protection rules and rules on civil procedure apply.

In business-to-business relations, district courts have jurisdiction over disputes as a main rule unless an alternative dispute resolution procedure, such as arbitration, is specified in the contract. If a trader has directed its business towards Denmark, the consumer will generally be able to take legal actions against the trader in Denmark and invoke the Danish rules if this is more attractive to the consumer.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Disclaimers of warranty are usually enforced unless they are unconscionable, unclear or not conspicuous.

Warranty disclaimers against consumers are covered by mandatory provisions to protect the consumer. An unclear contractual term must be interpreted in favor of the consumer. The warranty must place the consumer in a significantly better position than what the consumer is entitled to under the law. A warranty can, for example, make it possible for the consumer to complain about a product for longer than the 2 years covered by the right of complaint under the Sale of Goods Act (LBKG 1853 2021-09-24).

Enforceability of exclusions/limitations of liability indemnification

Exclusions and limitations on liability may be enforced, provided that they are fair and clear. In addition, they should often be well reasoned. In case of gross negligence and intent, exclusions and limitations on liability are usually not enforceable. Further, the Product Liability Act (LBKG 261 2007-03-20) cannot be deviated from by prior agreement to the detriment of the injured party or the party subrogated to the injured party's claim.

In agreements with consumers, limitations and exclusions are, in most cases, contrary to mandatory provisions.

Indemnification

Indemnification clauses of contracts are generally enforceable, unless they are unfair.

Electronic signatures

It is possible to sign legally binding documents electronically by use of MitID, Denmark's eID and personal digital signature. MitID may be obtained by anyone over the age of 15 who has a Danish social security number.

KEY CONTACTS



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FINLAND



Last modified 13 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

The Finnish intellectual property legislation is largely impacted by European Union (EU) directives and regulations. Some of the national legislation has been jointly drafted with other Nordic countries. In addition to specific IPR legislation, the law relating to unfair business practices is also relevant between commercial entities. For cases of deliberate or grossly negligent infringement, criminal law provisions may also apply.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Finnish contract law is based on the principles of freedom of contract and the legal validity of contracts (*pacta sunt servanda*).

Some of the general principles of Finnish contract law are codified in the Contracts Act, but many of the general principles are not codified. The Contracts Act contains general principles on contracting, validity of contracts and contracting via a representative. Highly biased and unconscionable contracts may be either amended into a more reasonable form or nullified under Section 36 of the Contracts Act. This section is, however, very rarely applied to business entities.

Consumer legislation sets certain mandatory limitations to contracting in B2C environment. The parties cannot agree otherwise in a contract with consumers.

The contracts by entities in dominant position may also be subject to EU competition law scrutiny.

COPYRIGHTS

Nature of right

Copyright protection is given to independent and original literary or artistic works. Copyright is considered to consist of moral and economical rights to the work, of which the latter may be freely transferred or licensed. Copyrights are not registered. The Copyright Act grants the copyright holder the exclusive right to reproduce, display, distribute and commercially exploit the work. Limitations apply in regard to this exclusivity, such as the right to use copyrighted works for the purposes of quoting, teaching or parody.

Legal framework

The Copyrights Act governs copyrights in general, and the Finnish Penal Code governs copyright infringement crimes.

Finland has signed the Berne Copyright Convention.

As a member of the European Union, Finland has implemented the following copyright directives:

- Directive 2017/1564/EU on the use of certain copyright protected work to the benefit of persons who are blind, visually impaired or otherwise print-disabled
- Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society
- Directive 96/9/EC on the legal protection of databases
- Directive 91/250/EEC on the Legal Protection of Computer Programs

Finland has also implemented the Directive 2019/790/EU on copyright and related rights in the Digital Single Market. The implementation was completed on April 3, 2023.

Duration of right

Copyright protection lasts for 70 years after the death of the creator.

For works with a joint copyright, the term of 70 years is calculated from the death of the last surviving creator.

The Copyrights Act also protects neighboring rights of performing artists, producers, photographers, certain media organizations and databases. Neighboring right protection also covers those literary or artistic works, which are not original enough to be covered by copyright (eg. generic photographs). In most cases, the protection term for neighboring rights is 50 years from the publication.

Ownership / licenses

Copyright is considered to consist of moral and economical rights to the work, of which the latter may be freely transferred or licensed, wholly or partially. Moral rights such as authorship cannot be transferred. Joint ownership of copyrights is recognized.

Remedies for infringement

Compensation for copyright infringement includes a reasonable, non-punitive compensation for the use of the copyright, typically calculated on the basis of what an applicable license would have cost. In case of negligence, compensation for other damages may also be awarded. Reasonable legal costs may also be demanded from the infringing party.

Injunction may be granted by a court in infringement cases, as well as destruction of infringing goods. Criminal penalties such as fines and imprisonment are possible.

The Finnish Copyright Council gives legally non-binding statements on copyright issues upon request. The council opinions are free of charge and available to both companies and individuals.

MASK WORKS / TOPOGRAPHIES

Nature of right

A topography right is given to an independent and original topography – similar to copyright.

The exclusive right to a topography includes the right to produce an integrated circuit or a piece of circuit design of the topography; the right to distribute the topography by making it available to the public for sale, hire, lend or otherwise; and to import the topography for purposes of such distribution. As the distribution right is not limited to physical components, the exclusive right additionally includes the right to distribute the topography via an information network.

In practice, very few circuit topographies have been registered in Finland.

Legal framework

The Act on the Exclusive Right in the Layout-Design (Topography) of an Integrated Circuit governs topographies in general, and the Finnish Penal Code governs topography infringement crimes. The Act on the Protection of Semiconductor Topographies is based on the Topography Directive.

Duration of right

Topographies may be registered for an exclusive term of 10 years.

Ownership / licenses

A right to a topography may be licensed or transferred. Transferring physical piece(s) of topography does not constitute transfer of the rights to the topography.

Remedies for infringement

Compensation for topography infringement includes a reasonable, non-punitive compensation for the use of the topography. In case of negligence, compensation for other damages may also be awarded. Reasonable legal costs may also be demanded from the infringing party.

Injunction may be granted by a court in infringement cases, as well as destruction of infringing goods. Criminal penalties such as fines and imprisonment are possible.

PATENTS

Nature of right

Patent protection is offered for inventions that are new and industrially applicable. It is required that the invention significantly differs from what was known at the date of filing.

Legal framework

Patents are regulated on both a national and an international level. The Finnish Patents Act and the Finnish Patents Decree govern the national patent system, while the European Patent Convention (EPC) pertains to the protection of European patents. Finland is a signatory of the Patent Cooperation Treaty (PCT) and has ratified the Patent Law Treaty (PLT).

In January 2016, Finland signed the Agreement on a Unified Patent Court (UPC) which is part of the legislative package aiming to establish the European Patent with Unitary Effect. The process of establishing the European Patent with Unitary Effect is still pending. The start of the new system is currently expected by early 2023.

For inventions that do not meet the full criteria of a patenting, "petty patents" may be registered as utility models. The registration of utility models is governed by the Act on Utility Model Rights.

The Finnish Penal Code governs also patent infringement crimes.

Duration of right

Patents have a duration of 20 years, calculated from the filing date of the application. The patent system in Finland is based on a first-to-file system.

Ownership / licenses

Patent rights are granted to the inventor or to the entity to which the inventor has transferred their rights. Patents can be freely transferred or licensed, wholly or partially. Joint ownership is granted for inventions with multiple inventors.

Remedies for infringement

Remedies for patent infringement include a reasonable, non-punitive compensation for the use of the patent, typically calculated on the basis of what an applicable license would have cost. In case of negligence, compensation for other damages may also be awarded. Reasonable legal costs may also be demanded from the infringing party. Injunction may be granted by a court in patent infringement cases, as well as the destruction of infringing goods.

Criminal penalties such as fines and imprisonment are possible.

TRADEMARKS

Nature of right

A trademark may be registered for any sign which can be represented in a graphical form. Examples of such signs include words and names, designs, the shapes of goods or of their packaging and, in some cases, distinctive shades of color. In all cases, it is required that the sign is original and capable of distinguishing the commercial origin of the goods or services. The Nice Classification system for goods and services is used in the Finnish trademark system.

The owner of a trademark has the exclusive right to use the trademark commercially for the duration of the registration term. In practice, a successful infringement claim requires that a likelihood of confusion can be proven between the trademark and the infringing mark.

Legal framework

The Finnish Trademark Act and the Finnish Trademarks Decree govern the protection of both unregistered and registered national trademarks. An unregistered trademark is protected only if it may be considered widely known among the relevant consumer group at which it is directed.

The Finnish Trademark Act and the Finnish Trademarks Decree were recently revised; the revised Act and Decree came into force in 2019. The objective of the revision was to implement the amendments required by the EU Trademark Directive 2015/2436. An additional objective was the ratification of the Singapore Treaty on the Laws of Trademarks.

The Finnish Penal Code also governs trademark infringement crimes.

The European Council Regulation on the European Community trademark governs the use and registration of European Community trademarks.

Finland is a member of the Madrid Protocol, Trademark Law Treaty and Singapore Treaty on the Law of Trademarks as well as a signatory of the Paris Convention, TRIPS Agreement and the Nice Agreement.

Duration of right

National trademark registration is valid for a term of 10 years from the date of the application, after which it may be renewed indefinitely. Unregistered trademarks receive protection for as long as they may be considered well known to the relevant consumers. Registered Community trademarks remain in effect for 10 years from the date of application and can be renewed indefinitely.

Ownership / licenses

Any natural or legal person can register a trademark. The registration owner has the exclusive right to use, transfer or license the trademark.

Remedies for infringement

Remedies for trademark infringement include a reasonable, non-punitive compensation for the use of the trademark, typically calculated on the basis of what an applicable license would have cost. In case of negligence, compensation for other damages may also be awarded. Reasonable legal costs may be demanded from the infringing party. An injunction may be granted by a court in infringement cases, as well as the destruction of infringing goods. Criminal penalties such as fines and imprisonment are possible.

TRADE SECRETS

Nature of right

In Finland, trade secrets are protected under the Trade Secret Act as well as through criminal law provisions in the Finnish Penal Code on the misappropriation of trade secrets. Employment legislation also includes provisions requiring the employee to refrain from disclosing confidential information of the employer.

Legal framework

Misappropriation of trade secrets or attempting such is forbidden in Sections 3 and 4 of the Trade Secret Act. The Trade Secret Act entered into force in August 2018; the Act implements the EU directive on trade secrets. The Finnish Penal Code includes provisions on the unauthorized disclosure of a trade secret and trade secret misappropriation.

Duration of right

There is no maximum term for protection. As long as the secret has commercial value, it is not generally known by the public and the holder of the secret has used reasonable measures in order to protect the secret, the secret will be protected by law.

Ownership / licenses

Trade secrets can be licensed or transferred.

Remedies for infringement

In case of an infringement, the owner of the trade secret may proceed by either claiming for damages or injunction based on the Trade Secrets Act or by filing a criminal claim regarding trade secret misappropriation.

Information regarding trade secrets can be removed from public court documents, and the access of public audiences may be limited to public proceedings if it is required for the sake of ensuring secrecy.

OTHER KEY IP RIGHTS

Nature of right

Not applicable.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The Finnish Copyright Act does not specifically address the issue of IP rights in an employment context, apart from the copyrights to computer programs, which are by default considered to be transferred to the employer. Other copyrighted works created by an employee remain the property of the employee unless otherwise agreed or clearly implied (eg, in case the employee has specifically been hired to create content for the company).

In respect of patentable inventions, the Act of an Employee's Inventions governs the right of an employer to acquire the invention made by the employee given that the invention has been made as part of the employee's tasks. Employees are entitled to a mandatory, reasonable compensation for such transfer.

According to the Act on the Protection of Semiconductor Topographies, the employer has the right to acquire and register the rights to the topography given that the topography has been made as a part of the employee's tasks and that the parties have not agreed otherwise.

It is common and recommended to include provisions regarding IP rights and confidentiality in employment contracts.

Consultants / contractors

In order for intellectual property ownership to transfer from a consultant to the customer, parties must have specifically agreed to do so. If such transfer of rights has not been agreed, the ownership to the intellectual property will in most cases remain property of the consultant.

It is common and recommended to include provisions regarding IP rights and confidentiality in consultant contracts.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no registration requirement for commercial contracts. As a general principle, commercial agreements regarding intellectual property do not need to be registered. Some contracts may require registration, such as patent pledge agreements. Registration of licenses for patents, designs and trademarks are possible but not required.

Recognized language of commercial agreements

There are generally no language requirements for commercial agreements. Most B2B agreements are drafted in English or Finnish.

Country-specific issues for online content

Not applicable.

Enforceability of online/clickwrap/shrinkwrap terms

In B2B context, online terms are generally considered enforceable provided that they have been accepted and available to the other party upon contracting. Even a link to applicable online terms may suffice to make them enforceable provided that the other contracting party has had a sufficient and actual chance to become acquainted with the terms upon contracting and that these online terms do not include surprising and strict terms or conditions. If the online terms include surprising and/or strict terms or conditions, these strict terms or conditions must be separately specified and informed to the other party.

In the B2C context, several limitations apply due to consumer protection legislation.

Governing law

Clauses regarding choice of jurisdiction are generally considered binding between business parties, even in the case of shrinkwrap online terms.

In the B2C context, however, consumers are always granted access to the local legal system regardless of the governing law specified in the contract.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

In a B2B relationships, warranty disclaimers are enforced. However, they do not properly serve as effective limitations of liability for defects. It is therefore recommended that the limitations to the liability of a party in respect of defects are expressed precisely instead of relying on general "no warranty" disclaimers.

Special consumer legislation provisions apply in the B2C context.

Enforceability of exclusions/limitations of liability indemnification

In B2B relationships, exclusions and limitations of liability are common and enforceable. However, exclusions and limitations of liability do not apply if the breach or damage results from gross negligence or willful misconduct.

Highly biased and unconscionable exclusions and limitations of liability provisions can be either amended into a more reasonable form or nullified under Section 36 of the Contracts Act. This section is, however, very rarely applied to B2B contracts.

In the B2C context, several limitations apply to enforceability of exclusions and limitations of liability due to consumer protection legislation.

Indemnification

Indemnification clauses are usually enforceable and relatively common in B2B contracts.

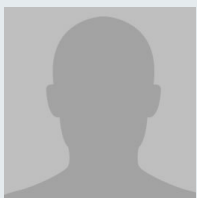
Electronic signatures

Electronic signatures are generally considered enforceable and equal to traditional handwritten signatures provided that they are made using a sufficiently secure and verified generation device or qualified certificate as stated in the Finnish legislation. As a rule, the generation device or qualified certificate is considered sufficiently secure if it is in accordance with recognized European Union standards or an EEA-located authority appointed for assessing the security requirements has approved it.

The Act on Strong Electronic Identification and Electronic Signatures regulates the requirements and acceptability set for electronic signatures in Finland.

Finnish legislation sets forth certain requirements on strong electronic identification methods (eg, bank identifiers and mobile certificates) that are accepted in public officials, and not all international electronic identification services fulfill these requirements. However, multiple private service providers operating within Finland fulfill the requirements set forth by the applicable legislation.

KEY CONTACTS



Markus Oksanen

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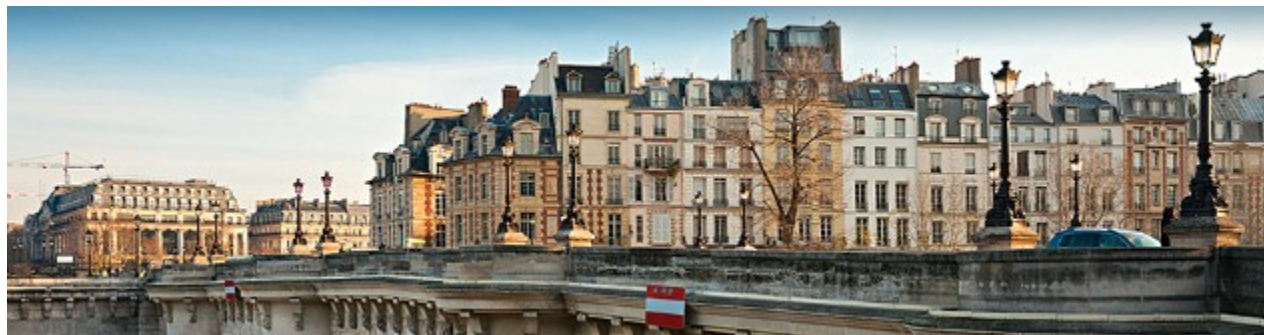
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FRANCE



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

France is a civil law country.

Most of the rules and requirements applicable to intellectual property rights derive either from French law or European Union law and are codified in the French Intellectual Property Code.

COMMERCIAL CONTRACT FRAMEWORK

Overview

French law does not provide a unitary set of rules only applicable to commercial contracts. The following legal provisions may be applicable to commercial contracts:

- The French Civil Code, which contains (i) most provisions on contract law, including rules regarding contracts in general (ie, contract formation, validity, term, performance, enforceability, assignment, termination, liability and remedies) and rules regarding specific contracts (eg, sales, statutory warranties, agency, lease, loan, escrow and guarantees) and (ii) provisions on tort liability.
- The French Commercial Code, which contains some specific rules applicable in business-to-business agreements (eg, payment terms, interest for late payment, general terms and conditions, distribution, commercial agency, commissionaire and commercial leases agreements).
- The French Intellectual Property Code for contract terms relating to intellectual property rights.
- The French Consumer Code, which contains important rules that professionals must comply with when dealing with consumers, but which may also have to be taken into account when contracting with another business when the end-user is a consumer or in all cases when contracting with another business (eg, the prohibition of misleading commercial practices is also applicable to business transactions).

- The Judicial Organization Code, which contains rules on the jurisdiction of intellectual property proceedings.

This list is not exhaustive, and specific provisions may be implicated by certain types of commercial contracts (eg, Transport Code, Law on Subcontracting, Data Protection Law or Law on Confidence in the Digital Economy).

COPYRIGHTS

Nature of right

Copyrights include economic rights and moral rights. French law grants copyright protection to:

"the rights of authors in all works of the mind, whatever their kind, form of expression, merit or purpose."

There are 2 main conditions for copyright protection:

- i. The work must be fixed in a material or immaterial form (ie, on paper, in a computer program or in an electronic document) – mere ideas are not protected – and
- ii. The work must be original (ie, it must be endowed with the personality of its author).

Legal framework

Part I of the French Intellectual Property Code (Articles L. 111-1 et seq. and R. 111-1 et seq.), which implements the 2001 European Copyright Directive, governs the protection of copyrights in France.

The revised Audiovisual Media Services Directive has entered into force on 18 December 2018 and was transposed into French law, via an Ordinance No. 2020-1642 voted on 21 December 2020. Video-sharing platforms will now be submitted to this regulation. The Ordinance notably amended the Law of 30 September 1986 on freedom of communication, the Code of cinema and moving image, as well as the deadlines for the exploitation of cinematographic works. It also provides for the prohibition of incitement to terrorist acts in television programs and the strengthening of the rules on the protection of minors by prohibiting service providers from processing the personal data of minors for commercial purposes.

Part of the Audiovisual Media Services Directive was also implemented by the Law of 25 October 2021 and by Decree No. 2021-1853 of 27 December 2021, which materializes the merger of the Audiovisual Superior Council (CSA) and the Supreme Authority for the Distribution and Protection of Intellectual Property on the Internet (HADOPI) in a new independent authority: the Audiovisual and Digital Communication Regulatory Authority (ARCOM). The prerogatives of the new institution have been extended with regard to the fight against piracy. The law also creates a regime to protect the French public's access to cinematographic and audiovisual works in the event of the transfer of catalogues of works to a foreign operator.

With regard to media law, Article L. 137-I of the Intellectual Property Code now defines the online content sharing service provider as the person who provides an online public communication service, one which has a main objective of storing and giving the public access to a significant quantity of works or other protected objects uploaded by its users, and who organizes and promotes the content with a view to making a direct or indirect profit from it. Decree No. 2021-1369 of 20 October 2021 specifies the methods for assessing the "significant quantity" of protected works uploaded. This text provides that this quantity may be deemed to have been reached when the service's audience and the number of content files uploaded by users of this service exceed a threshold of 400,000 unique visitors in France per month per online public communication service calculated on the basis of the last civil year.

The European Directive on Copyright and Related Rights in the Digital Single Market of 17 April 2019 has been transposed into French Law and has therefore created a related right for press agencies and press editors. Since 25 October 2019, all platforms, social networks and other sites aggregating information must obtain authorization from the publisher or the press agency, for any reproduction or communication to the public, in whole or in part, in digital form, of press publications. In return, publishers and press agencies may request remuneration.

In addition, Decree No. 2022-928 of 23 June 2022, which completes the transposition of the European Directive on Copyright and Related Rights in the Digital Single Market of 17 April 2019, has enshrined the exception to copyright for text and data mining for scientific and other purposes into French law.

On September 12, 2023, a new law proposal aims to provide a copyright framework for artificial intelligence. If adopted in its current wording, it would supplement the French Intellectual Property Code to enable artists to take better account of their rights in the face of the development of generative AI.

The main provisions of the contemplated law include the obligation to obtain an authorization for the use of protected works, the collective management of rights to works generated by AI, the obligation to mention the original authors and the taxation regime of works of indeterminate origin.

Duration of right

The economic rights of the author last for 70 years after their death. The 70 years are calculated from January 1 of the civil year following the death of the author. The date of death of the last contributor serves as the reference point for the 70-year *post mortem auctoris* period for collaborative works. Moral rights are personal, perpetual, inalienable and not subject to statutes of limitations.

Ownership / licenses

There are no formal requirements for copyright protection.

Copyright cannot be registered in France, but a work can be filed (in an *enveloppe Soleau* or *E-Soleau*) at the French Intellectual Property Office (INPI) or with a trusted 3rd party to secure the date of the creation (and, to a lesser extent, proof of existence and authorship).

Under French law, copyright is, by principle, vested in the author upon creation of the work.

Only economic rights are assignable. Moral rights are inalienable and belong to the author perpetually.

Assignment of copyright by the author must comply with the stringent requirements of Article L. 131-3 of the French Intellectual Property Code, which provides that the assignment agreement must expressly mention all and any rights assigned (eg, right of reproduction, right of representation and communication, adaptation or translation) together with their associated scope and span.

Remedies for infringement

The author is entitled to enforce copyright.

Copyright infringement actions may be brought before specialized courts, usually after having gathered evidence via an infringement seizure (*saisie-contrefaçon*), by way of an action on the merits and a summary action, in order to obtain an interlocutory injunction.

An injunction against the further manufacture, import, offer, sale, use or storage of the work can be ordered with immediate enforceability and impose penalties.

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

- i. The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder
- ii. The moral harm suffered by the rights holder and
- iii. The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

However, as an alternative and by request of the author, the court may set the damages as a lump sum. The lump sum must be greater than the royalties or rights that would have been owed if the infringer had asked for the authorization to exercise the right that has been violated. This amount is not exclusive of compensation for moral harm caused to the author.

Remedies also include, notably, the recall, destruction or confiscation of the infringing products and the publication of the judgment.

Legal costs and attorneys' fees may be recovered at the discretion of the judge.

Before the criminal courts, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

MASK WORKS / TOPOGRAPHIES

Nature of right

Mask works are protectable as an industrial property title relating to a final or intermediary semiconductor product topography and grants to its owner an exclusive right of exploitation or reproduction.

There are 2 main conditions for the protection of a semiconductor product's final or intermediary topography: it must result from its creator's own intellectual effort and it must not be commonplace in the semiconductor industry.

The exclusive rights shall not come into existence or shall no longer apply to the topography of a semiconductor product if an application for registration in due form has not been filed with the INPI within 2 years of the first commercial exploitation or more than 15 years after it has been fixed or coded for the first time – in case it has never been exploited.

The exclusive rights on the semiconductor product topography shall include the rights to authorize or prohibit the reproduction, commercial exploitation or importation of a topography or of a semiconductor product manufactured by using the topography.

These exclusive rights shall not apply to reproduction for the purpose of analyzing, evaluating or teaching and shall not extend to the creation of a semiconductor product topography on the basis of an analysis and evaluation of another topography.

Legal framework

Semiconductor topographies are protected pursuant to Part VI of the French Intellectual Property Code (Articles L. 622-1 et seq. and R. 622-1 et seq.), which implements the European Directive 87/54/EEC of December 16, 1986 on the legal protection of topographies of semiconductor products.

Duration of right

Protection is granted as from the earlier of the following dates: the filing of the application or the first act of commercial exploitation. Protection is granted until the end of the 10th calendar year following this event.

Where a topography has not been commercially exploited within a period of 15 years from its first fixation or encoding, any exclusive right in existence shall come to an end.

Ownership / licenses

Ownership lies with the persons who are the creators of the topographies of semiconductor products and the successors in title of these persons.

Mandatory licenses may apply in certain situations. The licensee bears the obligation to exploit.

Remedies for infringement

A person who acquires a semiconductor product in good faith is not considered to be infringing the rights in the semiconductor product topography. However, if such person wants to continue to exploit commercially such semiconductor product, they must pay a fair indemnity.

An injunction to stop infringing acts can be ordered with immediate enforceability and impose penalties.

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

- i. The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder
- ii. The moral harm suffered by the rights holder and
- iii. The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As an alternative and upon request of the rights holder, French courts may set the damages as a lump sum. This sum must be greater than the royalties that would have been owed if the infringer had sought a license. This amount is not exclusive of compensation for moral harm caused to the rights holder.

Remedies also include, notably, the recall, destruction or confiscation of the infringing products and the publication of the judgment.

Legal costs and attorneys' fees may be recovered at the discretion of the judge.

Note that, in case of topographies infringement, it is not possible to bring an action before the criminal courts.

PATENTS

Nature of right

Patents are an industrial property title relating to an invention and granting to its owner an exclusive right of exploitation or use.

The patent owner may, at any time, waive the patent or file a request for limitation of said patent.

Legal framework

Patents are governed by Part VI of the French Intellectual Property Code (Articles L. 611-I et seq. and R. 611-I et seq.), the European Patent Convention (also referred to as the Munich Convention) and EU regulations Nos. 1257/2012 and 1260/2012 of December 17, 2012 regarding the unitary patent (not yet effective; they will only apply from the date of entry into force of the UPC Agreement).

The "first to file" system is defeated in case of fraud and mitigated in case of prior personal possession.

The law No. 2019-486 of May 22, 2019, known as the PACTE law, is an important reform of French patent law. It strengthens the examination procedure, modifies the limitation periods, extends the duration of utility certificates and allows their transformation into patent applications. It also introduces the possibility for 3rd parties to oppose French patents whose grants have been published as of April 1, 2020, before the National Institute of Industrial Property (INPI).

Regulations (EU) No. 1257/2012 and No. 1260/2012 of 17 December 2012, which implement enhanced cooperation in the creation of unitary patent protection, set up the European Unitary Patent System. These regulations entered into force on January 20, 2013 [v11] [LC2] and are applicable from June 1, 2023 which is the date of entry into force of the Agreement on a Unified Patent Jurisdiction establishing the Unified Patent Court (UPC).

To date, 17 Member States have ratified the UPC Agreement (including the 3 Member States with the highest number of European patents in force in 2012: Germany, France and Italy). It is expected that further Member States will ratify the UPC Agreement in the coming year.

The unitary patent system makes it possible to receive patent protection in up to 24 EU Member States by submitting a single application with the European Patent Office, thus simplifying the procedure and making it more affordable for applicants.

The Unified Patent Court (UPC) is an international court established by the participating EU Member States to deal with infringement and validity cases of unitary patents as well as European patents, thus eliminating costly parallel proceedings and increasing legal certainty. The unified patent jurisdiction consists of a first-level court in Paris (with a section in Munich) and a court of appeal in Luxembourg, as well as local divisions in several countries. For instance, Paris, hosts a local division.

Then, from June 1, 2023, and for a transitional period of at least 7 years, national courts will continue to have concurrent jurisdiction for "classic" European patents and supplementary protection certificates.

The UPC have exclusive jurisdiction to rule on the validity and infringement of patents with unitary effect.

Duration of right

Patent protection is granted for 20 years from the filing of the patent application.

Duration of protection may be extended, for medicinal products, via supplementary protection certificates and pediatric extensions.

Patents can be invalidated by Paris courts in case of lack of novelty, lack of inventive step, insufficiency of description or added matter.

An opposition procedure for patents before the National Institute of Industrial Property (INPI) was also created in 2019 as part of the "Loi PACTE" and can result in the patent being invalidated should it infringe a 3rd party's right.

Ownership / licenses

The "first to file" system is defeated in case of fraud and mitigated in case of prior personal possession.

Co-ownership is possible. In the absence of a co-ownership agreement, the relevant provisions of the French Intellectual Property Code automatically apply.

Assignments and licenses must be recorded at the INPI for opposability purposes.

There is a right of pre-emption by the French government, and mandatory licenses may apply in certain situations.

The licensee bears the obligation to exploit/work the patent in full.

Remedies for infringement

French law prohibits both direct infringement and contributory infringement.

Patent infringement actions may be brought before Paris courts (which have exclusive jurisdiction), usually after having gathered evidence via an infringement seizure (*saisie-contrefaçon*), by way of an action on the merits and a summary action in order to obtain an interlocutory injunction.

Manufacturers and importers are regarded as automatic infringers (*ie*, need not be aware of the patent at stake to qualify as infringers).

Since 2019, such infringement action must be brought within 5 years of the acts concerned, provided such action is not subject to any other statutes of limitations.

An injunction against the further manufacture, import, offer, sale, use or storage of the work may be ordered with immediate enforceability and subject to penalties.

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

1. The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder
2. The moral harm suffered by the rights holder and
3. The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As an alternative and upon request of the rights holder, French courts may set the damages as a lump sum. This sum must be greater than the royalties that would have been owed if the infringer had sought a license. This amount is not exclusive of compensation for moral harm caused to the rights holder.

Remedies also include, notably, the recall, destruction or confiscation of the infringing products and the publication of the judgment.

Before the criminal courts, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

TRADEMARKS

Nature of right

A trademark is any sign capable of representation that serves to distinguish the goods or services of a natural or legal person. Since 2019, signs no longer need to be capable of graphical representation to be registered as trademarks. It is sufficient for the sign to be capable of being represented in such a way as to enable any person to determine precisely and clearly the subject matter of the protection conferred on its owner, such representation being clear, precise, distinct, easily accessible, intelligible, durable and objective. Therefore, for example, a word, sound, picture, movement or hologram may notably be protected as a trademark. Trademarks serve as an indication for the consumers of the commercial origin of the marked products or services.

Legal framework

Trademarks are governed by Part VII of the French Intellectual Property Code including notably:

1. Law No. 64-1360 on Trademarks and Services Marks, dated December 31, 1964; Law No. 91-7 on Trademarks and Services Marks, dated January 4, 1991; and Law No. 2014-315 Reinforcing the Fight Against Counterfeiting, dated March 11, 2014 .
2. EU Regulation 2017/1001 and Directive 2015/2436 on the European Union Trademark, dated December 16, 2015.
3. The reform of trademark law resulting from the transposition of the "trademark package" was implemented by Order No. 2019-1169 of November 13, 2019 and its implementing decree. These texts largely modify the provisions of Part VII of the Intellectual Property Code to create a new trademark law.

France became a member of the Madrid Agreement in 1892.

France became a member of the Madrid Protocol in 1997.

France became party to the Trademark Law Treaty in 1995.

Following approval by the Council of the European Union and the European Parliament, the Regulation on the protection of geographical indications for artisanal and industrial products (GIPAI) was published in the Official Journal of the European Union on October 27, 2023.

It creates a single system of protection for industrial and artisanal products throughout the European Union, following the example of agri-food geographical indications.

This regulation will come into force in December 2025, and will complement the French system in place since 2014 and operated by the INPI. The INPI will continue to examine applications at national level, before forwarding them to the European Union Intellectual Property Office (EUIPO) for registrations at European level. The INPI will also be able to transform geographical indications already registered locally, directly at European level, without having to carry out a new registration procedure.

Duration of right

Protection is through registration only. Registration remains in effect for 10 years and is renewable indefinitely so long as the mark is used and remains distinctive.

Ownership / licenses

A trademark owner is free to transfer or license any and all of its rights under the trademark to a 3rd party.

Joint ownership is possible.

A trademark may be used as a security (eg, mortgage).

Remedies for infringement

Remedies are available regardless of whether the infringement is willful. No punitive damages will be awarded, even if the infringement is willful.

French law prohibits both direct infringement and contributory infringement.

Trademark infringement actions may be brought before specialized courts (Paris courts having exclusive jurisdiction for EUTMs), usually after having gathered evidence via an infringement seizure (*saisie-contrefaçon*), by way of an action on the merits and a summary action, in order to obtain an interlocutory injunction.

An injunction against the further manufacture, import, offer, sale, use or storage of the work may be ordered with immediate enforceability and subject to penalties.

Since 2020, the National Institute of Industrial Property (INPI) has exclusive jurisdiction for trademarks cancellation and revocation actions, when such actions are brought as a principal claim and are based on an absolute ground for nullity, or a relative ground for nullity related to the existence of certain prior rights, or a ground for revocation of any kind. French courts remain competent for other types of actions.

Since 2019, such actions generally need to be brought within 5 years of the acts concerned, provided such action is not subject to any other statutes of limitations (except for well-known trademarks).

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

1. The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder.
2. The moral harm suffered by the rights holder.
3. The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As an alternative and on request by the trademark owner, the court may set the damages as a lump sum. The lump sum must be greater than the royalties that would have been owed if the infringer had sought a license. This amount is not exclusive of compensation for moral harm caused to the trademark owner.

Remedies also include, notably, the recall, destruction or confiscation of the infringing products and the publication of the judgment.

Legal costs and attorneys' fees may be recovered at the discretion of the judge.

Before the criminal courts, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

Trademarks can be filed with French Customs to prevent importation of infringing goods, provided those goods originate from outside the European free market.

TRADE SECRETS

Nature of right

As defined by EU Directive 2016/943 on Trade Secrets of June 8, 2016, a protectable trade secret is information that:

- i. Is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question.
- ii. Has commercial value because it is secret.
- iii. Has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

Legal framework

Trade Secrets are governed by the following legal framework:

- EU Directive 2016/943 on Trade Secrets dated June 8, 2016
- Part V of the French Commercial Code: Article L. 151-I et seq.
- Law No. 2018-670 dated July 30, 2018 implementing the EU Directive 2016/943 and
- Decree No. 2018-1126 on Trade Secrets dated December 11, 2018.

It is completed by Article 39 of the TRIPS Agreement.

Article L. 621-I of the French Intellectual Property Code is specifically related to the disclosure of secret manufacturing processes by directors and/or employees.

Duration of right

As long as secrecy is preserved.

Ownership / licenses

Ownership and licenses require appropriate identification of the trade secrets at stake.

Articles L. 151-7 et seq. of the French Code of Commerce provide exceptions to the trade secret protection (eg, legal obligation to communicate and legal proceedings).

Remedies for infringement

Following transposition of the directive, several remedies for trade secret infringement are available under French law, namely the incurring of the civil liability of the trade secret infringer. The French Commercial Code now contains a series of corrective measures (eg, injunction banning or ordering to cease the use and/or disclosure of trade secrets), provisional and protective measures, publication measures and compensation. Those measures may be sought by way of an action on merits or by way of a summary action, namely in case of imminent infringement.

Remedies may include banning the manufacturing, marketing and/or use of the goods which significantly result from a trade secret infringement or the import, export or storage of such products, as well as the partial or total destruction of any document, object or file containing the infringed trade secret.

In determining the amount of damages to be awarded (compensatory – not punitive), French courts take into account distinctively:

- The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the trade secret holder, inclusive of loss of opportunity.
- The moral harm suffered by the trade secret holder.
- The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As an alternative and upon request of the trade secret holder, French courts may set the damages as a lump sum. This amount is not exclusive of compensation for moral harm caused to the rights holder.

In case of dilatory or abusive actions, French courts may order the trade secret holder to pay a civil fine and/or be liable for damages for dilatory or abusive actions.

OTHER KEY IP RIGHTS

Nature of right

Registered designs

An industrial design is the ornamental or aesthetic aspect of an article. The design may consist of 3-dimensional features, such as the shape or surface of an article, or 2-dimensional features, such as patterns, lines or colors.

To be protected, an industrial design must be non-functional.

The design must not consist of features solely determined by the object's technical function. This means that an industrial design is primarily of an aesthetic nature and any technical features of the article to which it is applied are not protected.

In order to be able to register a design, the design must:

1. Be new if no identical design is known to have existed before. Designs must be considered identical if their features differ only in immaterial details
2. Have an "individual character" (*caractère propre*) if the overall visual impression it produces on the informed observer differs from that produced by any design or model disclosed before the date of the filing of the application for registration or before the date of priority claimed.

Databases

A database is defined as a collection of independent works, data or other materials arranged in a systematic or methodical way and individually accessible by electronic or other means.

Databases may be protected through copyright and/or a *sui generis* right.

Additionally, copyright protection may be awarded to the structure of a database if fulfilling the criteria for such copyright protection (fixation in a material form and originality).

Sui generis rights apply to the benefit of the database producer if there were qualitatively and/or quantitatively substantial investments, whether related to the collection, verification or presentation of the content of the database.

The *sui generis* protection lies on an economic vision and does not include moral rights.

Legal framework

Registered designs

Registered designs are governed by Part V of the French Intellectual Property Code.

On November 28, 2022, the Commission published a package of measures comprising 2 proposals: a Regulation amending Council Regulation (EC) No 6/2002 on Community designs, and a Directive on the legal protection of designs (recasting Directive 98/71/EC). The Council formalized its position on September 25, 2023. The Council and the European Parliament have reached a provisional agreement on the revision of the 2 legislative proposals in the design package: the Directive on the legal protection of designs and the Regulation on Community designs.

The provisional agreement reached must now be approved and formally adopted by both institutions.

The new texts will update 20-year-old design legislation, with the aim of facilitating the protection of industrial designs and adapting EU legislation in this field to the challenges of the digital age, notably including 3D printing.

Databases

Databases are governed by:

- Articles L. 111-I et seq. and R. 111-I et seq. for copyright protection and
- Part V of the French Intellectual Property Code (Articles L. 341-I et. seq. and R. 341-I et. seq.) for the *sui generis* protection, which implements the EU Directive 96/9/EC of March 11, 1996 in France.

Duration of right

Registered designs

A registered French design can be protected for a maximum of 25 years. The initial term of protection is 5 years, which may be renewed by 4 consecutive 5-year periods.

Databases

For the duration of copyright, when applicable, see the "Copyrights" section.

The *sui generis* protection is granted for 15 years, starting from the date of completion of the database. It expires 15 years following the 1st of January of the year following the date of completion of the database.

If the database is made available to the public within this 15-year time period, protection runs until 15 years following January 1 of the year following the date of publication.

If the database is subject to new substantive investment, the 15-year period of protection starts following January 1 of the year following the date of this new investment.

Ownership / licenses

Registered designs

The protection of the design is acquired by the registration of the owner.

The author of the application for registration is, unless proven otherwise, regarded as the beneficiary of this protection.

A design owner is free to transfer or license any and all of its rights under the design to a 3rd party.

Databases

There are no formal requirements for *sui generis* protection.

Under the *sui generis* protection, a database producer (*ie*, a natural person or a legal entity initiating and supporting the investment) is free to transfer or license any and all of its rights under the database to a 3rd party.

Remedies for infringement

Registered designs

A design infringement lawsuit may be brought by the recorded owner of the registered design whose rights have been infringed, or by the exclusive licensee duly recorded with the INPI, before either the criminal or civil courts.

Since 2019, such infringement action must be brought within 5 years of the acts concerned, provided such action is not subject to any other statutes of limitations.

The unauthorized use of a registered design constitutes infringement.

In assessing infringement, the French courts take into account the overall visual impression that the design created for the informed observer, setting aside insignificant differences.

French courts take the following into consideration when determining the amount of compensatory damages to award:

- The negative or detrimental economic consequences of infringement, including lost gains and losses suffered by the rights holder.

- The moral harm suffered by the rights holder.
- The profits earned by the infringer, including intellectual, tangible and promotional investments saved or not incurred by the infringer.

As for patents and trademarks, as an alternative and on request of the registered design owner, the court may set the damages as a lump sum. The lump sum must be greater than the royalties that would have been owed if the infringer had sought a license. This amount is not exclusive of compensation for moral harm caused to the registered design owner.

Before the criminal courts, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

Databases

For copyright-grounded remedies, see the "Copyrights" section.

Under the *sui generis* protection, the database producer may prevent extraction and/or re-utilization of the whole or of a substantial part of the database, evaluated qualitatively and/or quantitatively, of the content of that database. The database producer may also prevent repeated and systematic extraction or re-utilization of non-substantial parts of the database, when such operations exceed the normal conditions of use of the database.

Before the criminal court, an infringer faces a fine of up to EUR300,000 (or EUR750,000 in certain circumstances) and imprisonment for up to 3 years (7 years in certain circumstances).

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

There is no work for hire under French law, except for:

1. Copyright on software and related documentation and
2. Patents, to a certain extent and provided that certain conditions be met.

For a work made by an employee within the course of their employment, the rights in the work belong to the employee (although some case law has admitted implicit transfer to employer). Rights are vested in the employer only if the work is collective or, in certain circumstances, if the work is a software or related documentation.

Consultants / contractors

There is no "work for hire" applicable to consultants and contractors under French law and, generally, intellectual property rights must be specifically assigned or licensed to the engaging entity or remain vested in the consultant or contractor.

Ordinance No. 2021-1658 of 15 December 2021 introduced a devolution of rights arising from software or inventions made by a person who is neither an employee nor a public agent, to the private or public legal entity carrying out the research that hosts them. The Ordinance therefore creates an automatic devolution of economic rights to the host legal entity carrying out the research.

2 decrees dated August 11, 2023 have now -finally- specified this financial compensation:

For inventors who are not salaried nor public agents to the private or public legal entity carrying out the research that hosts them, the provisions relating to the financial contribution for patentable inventions are set out in Decree no. 2023-770 of August 11, 2023 relating to the procedures for the devolution of industrial property rights on assets obtained by inventors who are not salaried employees or public servants hosted by a legal entity carrying out research. It defines the calculation of the incentive bonus paid to such inventors.

For software authors who are not salaried, nor public agents to the public legal entity carrying out the research that hosts them, the Decree no. 2023-772 of August 11, 2023 organizes the devolution of their economic rights. It defines the rules governing profit-sharing for these authors when they have participated, alone or as co-authors, in the creation of software whose economic intellectual property rights have thus been vested in the public-sector legal entity whose permanent research staff are public-sector employees, and when these rights are exploited by this legal entity.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial contracts under French law.

Recognized language of commercial agreements

There is no requirement under French law that business-to-business contracts must be in French.

However, if documentation is provided to French consumers, the contract should at a minimum specify which party is responsible for producing French labeling or users' guides. Pursuant to the French Language Law of August 4, 1994 (*Loi Toubon*), any documentation or communication made to French consumers must be in French; any French translation must be as legible as the original version.

In addition, under the French Language Law, a French or translated version of the agreement is required when concluding a contract with a public entity in France.

Country-specific issues for online content

Specific rules apply when consumers are concerned, such as the requirement to put in place a double-click system when a consumer makes a purchase online or the obligation to provide consumers with certain mandatory information via a durable medium (ie, in a PDF document or in the content of an email). In any event, the French Consumer Act (*Loi Hamon*) of March 17, 2014 has implemented European Directive 2011/83/EU dated October 25, 2011 on consumer rights. Thus, the rules applicable to agreements with consumers concluded online are, to a certain extent, similar in all European Union countries, save any local specificity.

Law no. 2023-451 of June 9, 2023, on the regulation of commercial influence and on the fight against the abuses of influencers on social networks has been promulgated. Prior to this text, there was no legal framework applicable specifically to influencers. Promotions aimed at the French public have to contain specific provisions depending on their content (sponsored, modified, virtual). To better inform their subscribers, influencers have to clearly indicate the mention "advertising" or "commercial collaboration" on their promotional content.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally viewed as enforceable if conspicuous, and users have an opportunity to review and indicate affirmative assent (eg, check a box).

Governing law

Governing law and venue for resolution of disputes specified in a commercial contract are generally accepted. However, a consumer in France will be entitled to the protection of French law if French law is more favorable to the consumer than the stipulated governing law. In all cases, French law that is considered by French courts to rise to the level of public policy will be applied by a French court. In respect of international contracts (eg, where a party is not French), there is little case law holding which types of French law are public policy in international matters.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Certain statutory warranties such as the warranty of conformity (*conformité*), warranty against latent defects (*vices cachés*) or quiet title warranty cannot be excluded except under specific circumstances.

Consumers are entitled to specific additional warranties, and warranty disclaimers are generally unenforceable toward consumers.

Moreover, recent provisions transposing the European Directives (EU) 2019/770 and (EU) 2019/771 into French law have extended the legal guarantee of conformity for digital goods, content and services. They have also clarified the new obligations of certain undertakings under the legal guarantee of conformity, such as the obligation to provide customers with specific information. For example, providers of digital goods and services shall now disclose, if relevant, the functionality of the digital content as well as any interoperability options.

Enforceability of exclusions/limitations of liability indemnification

Exclusions or limitations of liability between businesses for breach of contract are both enforceable and common. Liability for gross negligence or willful misconduct cannot, however, be excluded. It is not uncommon to contractually cap one's liability, for example, to the total aggregate amount paid during a certain period in application of a given contract.

French law only makes a distinction between direct and indirect losses. Direct losses are those that are direct, foreseeable and caused by the act or breach concerned. Indirect losses are those that are not foreseeable but are

linked to the act that has generated the loss (such as loss of data, revenue and goodwill). On occasion, courts consider that lost revenues were foreseeable and therefore constitute direct losses.

Tort liability cannot be limited or excluded under French law.

Exclusions or limitations of liability towards consumers are generally unenforceable under French law.

Indemnification

Indemnification clauses are commonly used in French contracts, in particular where intellectual property rights are involved.

Generally, these clauses have 3 distinct obligations: defend, indemnify (ie, pay damages) and hold harmless (ie, indemnifying party responsible for any other liability arising out of the claim). Indemnification is not limited to 3rd-party claims.

Caps on liability under indemnification provisions may be enforceable, provided that the limitation liability clause does not empty the essential obligation from its substance. Indemnification clauses are generally unenforceable against consumers, provided that such clause is not considered as unfair pursuant to consumer law provisions and does not create significant imbalance between the rights and obligations of the parties for standard, non-negotiated contracts.

Electronic signatures

Under French law, an electronic signature has the same status as a handwritten signature provided that the technology utilized contains reliable means of identification and guarantees the link between the electronic signature and the act to which it is attached.

The reliability of this means shall be presumed when an electronic signature is created, when the identity of the signatory is assured and when the integrity of the act is guaranteed, under the conditions laid down by decree. This is a rebuttable presumption. The French decree 2001-272 dated March 30, 2001 defines 3 conditions of reliability:

- A secure electronic signature
- Created by a secure signature creation device and
- The signature verification is based on the use of a qualified electronic certificate.

The choice of an electronic signature solution shall therefore take into consideration both technical and legal aspects of the relevant jurisdictions.

The European Parliament and the Council adopted Regulation (EU) No. 910/2014 on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation) on July 23, 2014. The eIDAS Regulation – which creates a directly applicable and comprehensive legal framework for both electronic

identification and authentication services – is in force since July 1, 2016. It abrogates and replaces the former Electronic Signatures Directive, dated 1993, which had been the basis for the construction of the French law on electronic signatures, via a complex set of legal texts.

In terms of inputs, the regulation notably introduces a distinction between 3 types of signatures: "basic/standard," "advanced" and "qualified" signature. Clarification is, however, still expected as to the interrelation of these new types of signature with the pre-existing French definition of "e-signature."

On November 8, 2023, the European Commission endorsed the provisional political agreement of the European Parliament and the Council of the EU including the key elements of the proposal for a legal framework for a European Digital Identity, also called eIDAS 2.0. This new version of the Regulation 910/2014 of July 23, 2014 aims to strengthen security and user confidence in digital interactions within the EU, and to create a digital environment that is both reliable and fluid.

Indeed, with the eIDAS 2.0 Regulation, it will now be possible to have a unique and recognized means of identification within the European Union. This will apply not only to identity documents, but also to all attributes (such as nationality, age or marital status) used to authenticate a person remotely.

KEY CONTACTS



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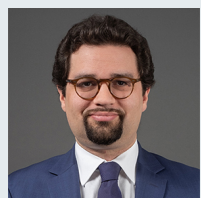
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GERMANY



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

The German Constitution (*Grundgesetz*) refers protection of copyright and industrial property rights to exclusive legislation. In cases of exclusive legislation, only the federal government has legislative power.

COMMERCIAL CONTRACT FRAMEWORK

Overview

The German Civil Code (*Bürgerliches Gesetzbuch* or *BGB*) and Commercial Code (*Handelsgesetzbuch* or *HGB*) contain the general provisions relating to contracts.

The specific laws relating to certain intellectual property rights (eg, Copyright Act, Patent Act and Utility Model Act) contain further provisions on licensing agreements.

COPYRIGHTS

Nature of right

Authors of literary, scientific and artistic works can own copyrights in their works. Only natural persons can be authors. Copyright protection arises upon creation of the work. Registration is neither necessary nor possible.

The author is granted moral rights, which are the right to decide whether and how the work will be published, the right to recognition of authorship and the right to prohibit the distortion or any other derogatory of their work, as well as exploitation rights, which include the right of reproduction, distribution, exhibition, broadcasting, recitation, performance and presentation as well as a resale royalty right.

Legal framework

Germany became signatory to the Berne Convention in 1887 as well as to the WIPO Copyright Treaty in 1996, among other international treaties relating to copyright matters.

Germany implemented Directive 92/100/EEC on rental rights and lending rights as well as on certain rights related to copyright in the field of intellectual property, Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society and Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market, which led to the creation of the Copyright Services Act (*Urheberrechts-Diensteanbieter-Gesetz*) regulating services for online platforms.

Copyright issues are governed by the German Copyright Act (*Urheberrechtsgesetz*).

Duration of right

Copyright protection lasts for 70 years after the author's death.

If copyright is owned by joint authors, it shall expire 70 years after the death of the last surviving author.

In the case of anonymous and pseudonymous works, copyright shall expire 70 years after publication. However, it shall expire 70 years after creation of the work if the work has not been published within that time limit.

The time limits specified above shall begin at the end of the calendar year in which the event that determines the beginning of the time limit has occurred.

Different protection periods apply to performers and producers of video recordings or films.

Ownership / licenses

Joint ownership of copyrights is recognized.

As a general rule, copyright is not transferable, unless in execution of a testamentary disposition or to co-heirs as part of the partition of an estate. However, the author may grant a right to use the work in a particular manner or in any manner (ie, exploitation right). An exploitation right may be granted as a non-exclusive right or as an exclusive right. A transfer or termination of an exploitation right does not affect the effectiveness of a thereof derived exploitation right. In joint ownership, exploitation rights may be granted only with the consent of other rights holders.

An exploitation right may be transferred only with the author's consent. The author may not unreasonably refuse their consent.

Remedies for infringement

As against any person who infringes a copyright or any other right protected by the Copyright Act, the injured party may seek to enjoin the infringement. The injured party is also entitled to demand destruction, recall or handover of the illegally prepared or distributed reproductions.

If the infringement was intentional or the result of negligence, compensation can be claimed. The compensation might include the profit realized as a result of the infringement or the lost profit of the copyright owner. The compensation may also be calculated on the basis of the remuneration that the injured party would have received

if the infringing party had been granted the necessary exploitation right. In order to calculate damages, the rights holder can ask for rendering of accounts.

If the infringement was neither intentional nor a result of negligence, the infringing party has the right to provide pecuniary compensation for the injured party instead of fulfilling the other claims the injured party has (ie, claim to cease the infringement, claim to destruction, recall or handover), provided that fulfilling such claims would cause disproportionate damage to the infringing party. The amount of compensation should be an amount that would be reasonable if the use of the copyright was granted to the infringing party by contract. Statutory costs for legal prosecution (ie, court costs and attorney fees) are recoverable up to a cap established by German law.

Statutory costs for legal prosecution (ie, court costs and attorney fees) are recoverable up to a cap established by German law

MASK WORKS / TOPOGRAPHIES

Nature of right

Three-dimensional structures of semiconductors (ie, topographies) may enjoy protection if they are considered distinctive. Distinctiveness is given if the topography is new and not trivial. Protection is also available for individual parts of topographies and illustrations for the production of topographies.

The protection of a topography must be applied for with the German Patent and Trademark Office. The Patent Office will register the right without examining the topography itself, so the validity of this right can be challenged by third parties (comparable to a German utility model).

Rights owners have the exclusive right to reproduce the topography and to commercialize either the topography or the semiconductor containing the topography, meaning to offer, put on the German market, distribute or import such topographies or semiconductor chips.

Legal framework

Semiconductor topographies are protected pursuant to the German Act on the Protection of Topographies of Microelectronic Semiconductors (*Halbleiterschutzgesetz*).

Duration of right

Protection of semiconductor topographies last a duration of 10 years from application with the Patent Office or commercial use of the topography (2 years' grace period after such disclosure to the public). Protection ends at the end of the 10th calendar year.

Ownership / licenses

Ownership can be transferred by contractual agreement. Joint ownership is possible. A transfer of ownership does not affect licenses that were granted before the transfer.

Licenses may be granted on an exclusive or a non-exclusive basis as well as to multiple parties. In joint ownership, licenses may be granted only with the consent of other rights holders.

Remedies for infringement

Different remedies for infringement are possible with the most commonly sought remedies being injunction and damages claims. Damages may be calculated as adequate license fees, infringer's profits or lost profits of the rights holder. In order to calculate damages, the rights holder can ask for a rendering of accounts. No punitive damages are available.

In addition, a rights holder may make a claim for call-back and destruction of infringing products. Customs seizure to stop the import of infringing semiconductors is also available.

Statutory costs for legal prosecution (*ie*, court costs and attorney fees) are recoverable up to a cap established by German law.

PATENTS

Nature of right

Patent rights in Germany are available for technical inventions in 2 different aspects:

- As a patent which is examined by the German Patent and Trademark Office or the European Patent Office before grant
- As a utility model that is not specifically examined before registration

Irrespective of whether the patent is filed with the German Patent and Trademark Office or the European Patent Office, the patent is handled as a national patent and therefore only grants protection for Germany (if Germany is one of the designated contracting states of the respective European patent). The same teaching can only be claimed in 1 patent as "double patenting" of the same teaching is not permitted.

The scope of protection is basically the same for both rights, with the exception that a patent can cover an apparatus and a method whereas a utility model only covers apparatus claims but not methods. Further, differences between patents and utility models lie mainly in their duration and in the ways to attack their validity.

In regard to products, the patent and the utility models both grant the right to exclude third parties from making, offering for sale, putting on the market, using, importing or possessing products that include the claimed invention. In regard to methods, the patent grants the right to exclude third parties from applying or offering a protected method, but also to offer and market products directly resulting from such protected methods (eg, a product manufactured in an infringing production process).

Legal framework

The German Patent Act (*Patentgesetz*), the European Patent Convention (EPC), the Regulations on the International Patent Convention (*Gesetz zum Internationalen Patentübereinkommen*) and German Act for Utility Models (*Gebrauchsmustergesetz*) govern patents.

Germany became party to the Patent Cooperation Treaty in 1978 and the Paris Convention in 1903.

Duration of right

Patents are protectable for a maximum of 20 years after the filing date of the application. For certain products (ie, pharmaceuticals and pesticides), extensions to 25 years are possible via a Supplementary Protection Certificate (SPC).

Utility models are protectable for a maximum of 10 years after the filing date of application. There is a grace period of 6 months after first commercial use.

Ownership / licenses

Ownership can be transferred by contractual agreement. Joint ownership is possible. A transfer of ownership does not affect licenses that were granted before the transfer.

Licenses may be granted on an exclusive or a non-exclusive basis as well as to multiple parties. In joint ownership, licenses may be granted only with the consent of other rights holders.

Remedies for infringement

Different remedies are possible, with the most commonly sought remedies being injunction and damages. In addition, an exclusive licensee may enforce patent or utility models against infringers. Damages may be calculated as adequate license fees, infringer's profits or lost profits of the rights holder. In order to calculate damages, the rights holder can ask for a rendering of accounts.

Rights holders or exclusive licensees may make a claim for recall and destruction of infringing products. Customs seizure to stop the import of infringing products is also available.

Statutory costs for legal prosecution (ie, court costs and attorney fees) are recoverable up to a cap established by German law.

TRADEMARKS

Nature of right

Trademarks protect signs that distinguish products or services of the rights holder from those of others. Signs may include, among others, words, logos, graphics, acoustic signs, 3-dimensional shapes or colors.

Trademarks can be registered with the German Patent and Trademark Office or enjoy an automatic protection through use if known in trade.

National trademarks (granting protection in Germany) and EU-wide Union Trademarks exist in parallel. Union Trademarks must be registered with the European Intellectual Property Office (EUIPO, formerly OHIM).

A trademark holder has the right to exclude third parties from labeling their products with identical or similar trademarks and from offering, marketing, using, importing or exporting such products. Identical or similar trademarks may also not be used in commercials or business documents of third parties.

Legal framework

The German Trademark Act (*Markengesetz*) governs national trademarks and Union Trademark Regulation governs Union Trademarks. The national laws of the EU member states are harmonized to a high degree.

Germany became party to the Paris Convention in 1903, to the Madrid Agreement in 1922 and to the Madrid Protocol in 1996.

Germany became party to the Trademark Law Treaty in 2004.

Duration of right

Registration expires automatically after 10 years but can be renewed for additional 10-year periods indefinitely by paying the renewal fee.

Ownership / licenses

Ownership can be transferred by contractual agreement. Joint ownership is possible. A transfer of ownership does generally not affect licenses that were granted before the transfer.

Licenses may be granted on an exclusive or a non-exclusive basis as well as to multiple parties. In joint ownership situations, licenses may generally only be granted with the consent of the other co-owners. Licenses may be granted for a certain part of the registered goods or services or, in case of Union Trademarks, parts of the protected territory only. Licenses do not have to be registered.

Remedies for infringement

Different remedies are available, but the most commonly sought remedies are injunctions for cease-and-desist and claims for damages. Damages may be calculated as adequate license fees, infringer's profits or lost profits of the rights holder. In order to calculate damages, the rights holder can ask for a rendering of accounts.

Besides that, rights holder or exclusive licensee may make a claim for recall and destruction of infringing products. Customs seizure is available to stop import into German or European territory (based on the type of trademark).

Costs for legal prosecution (ie, court fees and attorney fees) are recoverable up to a certain amount established by statutory German law.

TRADE SECRETS

Nature of right

Trade secrets do not enjoy the same protection as IP rights. Their legal nature is unclear, and protection is only granted against unlawful acquisition, use or disclosure. Trade secrets are therefore not protected for their content as such, but only against an "unfair" manner of obtaining them.

Legal framework

The German Trade Secret Act (*Geschäftsgeheimnisgesetz*) governs the protection of trade secrets. According to the Trade Secrets Act, a “trade secret” is information:

- a. That is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question
- b. That has commercial value because it is secret
- c. That has been subject to adequate measures under the circumstances, by the person lawfully in control of the information, to keep it secret and
- d. In regard to which there is a justifiable interest in keeping it

It is mandatory to have adequate protection measures in place. The measures taken by the owner are relevant to assess whether information is protected as a trade secret and the scope of such protection. Trade secrets can include, for example, business plans, price calculations, financial information, investment plans, business strategies, customer lists and similar information.

Trade secrets are protected against their unfair acquisition, use and disclosure. Such is considered unfair especially where access has been obtained unlawfully: documents, data or materials that have been copied without authorization or where acts against honest commercial practice have been committed. Not unlawful are especially independent developments, also through reverse engineering.

Duration of right

Information is protectable as a trade secret as long as the information qualifies as trade secret – that is, especially as long as it is not commonly known.

Ownership / licenses

A trade secret owner is any natural or legal person that is lawfully controlling a trade secret. Joint ownership is possible.

Trade secrets are usually disclosed under a confidentiality agreement. Licenses relating to know-how are enforceable.

Remedies for infringement

Remedies foreseen by the draft act include especially cease-and-desist and damage claims. Damage claims may – similar to most other IP Rights in Germany – be calculated as adequate license fees, infringer's profits or lost profits of the rights holder. In order to calculate damages, the rights holder can ask for a rendering of accounts. Additionally, the rights holder can ask for disclosure of information as to which products embody the relevant trade secret and the person from whom the infringer has obtained the relevant trade secret.

Trade secret owners may make a claim for recall and destruction of "infringing products" – that is, of goods which significantly benefit from trade secrets unlawfully acquired, used or disclosed.

Statutory costs for legal prosecution (*ie*, court costs and attorney fees) are recoverable up to a cap established by the German law.

Beside the consequences under civil law, the unlawful acquisition, use or disclosure of a trade secret might incur criminal liability.

OTHER KEY IP RIGHTS

Nature of right

Designs protect the 2- or 3-dimensional appearance forms of products which especially result from lines, contours, colors and shapes.

Designs enjoy protection by registration. National designs and EU-wide Community Designs exist in parallel. Community Designs must be registered with the European Intellectual Property Office however, Community Designs may also enjoy protection by making it public and known to the relevant professional circles.

A design rights holder has the right to exclude third parties from making use of the design, including manufacture, offering, marketing, import and export of a product that incorporates the design.

In December 2020, a new so-called “repair clause” with regard to national German designs came into force which limits the design owner’s right to prohibit third parties to use the design if a component part of a complex product (eg, an automobile) which incorporates the design is used by the third party for the purpose of enabling the repair of such complex product so as to restore its original appearance.

Legal framework

The Design Act (*Designgesetz*) governs the protection of national designs, and the Community Design Regulation governs the protection of Community Designs.

Germany is also party to the Hague Agreement Concerning the International Registration of Industrial Designs.

Duration of right

The maximum protection period is 25 years.

Ownership / licenses

Ownership can be transferred by agreement. Joint ownership is possible.

Licenses may be granted on an exclusive and non-exclusive basis. In joint ownership situations, licenses may generally only be granted with the consent of the other co-owners.

Remedies for infringement

Different remedies are available, but the most commonly sought remedies are injunctions for cease-and-desist and claims for damages. Damages may be calculated as adequate license fees, infringer's profits or lost profits of the rights holder. In order to calculate damages, the rights holder can ask for a rendering of accounts.

The rights holder may make a claim for recall and destruction of infringing products. Customs seizure is available to stop import into German or European territory based on the type of design.

Costs for legal prosecution (ie, court fees and attorney fees) are recoverable up to a certain amount established by statutory German law.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

In regard to copyright, the Copyright Act prescribes that the general provisions of the Copyright Act shall also apply if the author has created the work in execution of his duties under a contract of employment. Accordingly, German copyright law does not feature a work for hire doctrine, and thus, as a general rule, copyright is owned by the author (ie, employee). However, jurisprudence and literature acknowledge in general that, by virtue of the employment contract, the employer is implicitly granted sufficient and exclusive exploitation of work of the expressly delegated tasks. However, the scope of such right of use is always limited by the purpose of the employment agreement. Thus, it can also not be excluded that the employer's right of use might terminate as soon as the employment agreement is terminated. Therefore, it is advisable to regulate the transfer of the exploitation rights to the employer in written form, typically in the employment contract.

In regard to computer programs, the Copyright Act explicitly prescribes that, if the employee creates a computer program in the execution of their duties or by following the instructions given by the employer, the employer has exclusive rights to exercise all the economic rights in the program, unless agreed otherwise.

The Act on Inventions of Employees (*Arbeitnehmererfindungsgesetz*) regulates patentable inventions and inventions eligible for utility models made by employees. Employees are required to immediately notify their employers of any job-related inventions in writing. The employer may claim ownership of such invention within 4 months of the notification date.

Until a law reform in 2009, the employer had to actively claim the invention during this 4-month period; otherwise, it remained with the employee. However, as a result of the reform, the employer is now deemed to have claimed the invention unless it specifically releases the invention to the employee in writing within 4 months of the notification. If the employer claims an invention, it must pay "reasonable compensation" to the employee and ensure the invention is properly protected in Germany. The amount of "reasonable compensation" must reflect the economic value of the invention, the position of the employee within the company and the share of the company in the development of the invention.

Furthermore, the Act on Inventions of Employees provides for an obligation of the employee to inform the employer of any other inventions made during the employment relationship but which are not job-related. Prior to any other exploitation of such an invention in relation to third parties, the employee is also obligated to offer the employer at least a non-exclusive right of use under reasonable conditions.

Consultants / contractors

Consultants and contractors will retain ownership of the intellectual property developed by them, unless otherwise agreed by the parties.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no registration requirement.

Recognized language of commercial agreements

Commercial contracts can be concluded in any language that both parties understand. The recognized language basically depends on the language used by the contracting parties prior to the conclusion of the contract. In particular with regard to consumers, companies shall specify the applicable language prior to the conclusion of the contract. If, for example, information on the company homepage regarding products or services was displayed in German, the contract with the consumer, including related terms and conditions, must also be in German.

Country-specific issues for online content

As a general rule, a host service provider is not liable for copyright-infringing content provided by others, provided that it does not have actual knowledge of the illegal content or, in case it gained knowledge of the illegal content, has immediately removed or blocked the illegal content. However, the host service provider is obliged to take the appropriate technical measures to credibly and effectively prevent copyright infringements on its platform.

Enforceability of online/clickwrap/shrinkwrap terms

The incorporation of online and clickwrap general terms and conditions into a contract is generally possible. However, it is debated whether shrinkwrap terms and conditions can validly be incorporated. It seems that the purchaser does not have an opportunity to take note of the contract text and the terms before the contract is concluded and the protective cover is opened.

Newly implemented consumer laws have led to material changes in German contract laws (B2C). In particular, the sale of digital products as well as contracts on products with digital elements are now addressed in detail. Further, contracts concerning continuing obligations may in general not be concluded for extensive periods of time, and automatic renewals are strictly regulated. For such continuing obligations, consumers have the possibility to terminate via a cancellation button on the respective website.

Governing law

The interpretation and enforceability of commercial contracts is a matter of governing law. The governing law is the law of the country chosen by the parties or, for lack of a valid choice of law provision, the law applicable on the basis of the respective legal provisions, in case of disputes before the courts within the European Union.

Regulation (EC) No 593/2008/ of June 17, 2008 on the law applicable to contractual obligations (Rome I) sets out the principles relating to law applicable in the absence of a choice of law by the parties. As a general rule, consumer contracts are governed by the law of the country where the consumer has their habitual residence provided that the business party pursues its commercial or professional activities in that country or where the business party directs such activities to and that the relevant contract falls within the scope of such activities (Article 6 (1) Rome I).

The governing law chosen by the parties is generally accepted, provided that the choice is made expressly or is obvious from the terms of the contract or the circumstances of the case. For consumer contracts, such a choice may not, however, have the result of depriving the consumer of the protection afforded to them by provisions that cannot be derogated from by agreement by virtue of the law which, in the absence of choice, would have been applicable (Article 6 (2) Rome I).

Where all other elements relevant to the situation at the time of the choice of law are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement (Article 6 (3) Rome I).

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

As a general rule, warranty disclaimers are enforceable if negotiated individually. The Civil Code contains restrictions on enforceability for certain circumstances (eg, damages caused by intent). Further and quite extensive limitations apply in general terms and conditions (B2C and B2B), as well as generally in consumer contracts.

Enforceability of exclusions/limitations of liability indemnification

As a general rule, limitations on liability can be enforced to a broad extent if negotiated individually (unless damages are due to willful intent). The ability to validly limit liability in general terms in conditions is, however, very restricted (B2C and B2B).

Damage claims under (unrestricted) statutory law generally include indirect and even unforeseeable damages. Thus, it is – at least in individually negotiated contracts – quite usual to agree on a liability cap for slight and gross negligence. Claims directly based on the specific Product Liability Act (*Produkthaftungsgesetz*) cannot be excluded or restricted.

Indemnification

While the obligation to indemnify is generally part of the damage claim (claims by third parties as damage), parties may agree on specific indemnification provisions (eg, for breach of IP rights). Restrictions apply in general terms and conditions – for example, an indemnification regardless of fault – will generally be invalid.

Electronic signatures

As a general rule, electronic signatures are legal, admissible and enforceable under German law. There are no formal requirements for a contract to be valid, unless explicitly mandated by law or agreed upon between the parties.

If written form is prescribed by law, the document must be signed by the issuer with their handwritten signature pursuant to Section 126 (1) of the German Civil Code (*Bürgerliches Gesetzbuch, BGB*). The written form may be replaced by electronic form unless the law explicitly requires the written form (see Section 126 (3) BGB). If the written form shall be replaced by electronic form, the issuer must add their name to such declaration and provide the electronic document with a qualified electronic signature (QES) in accordance with Regulation (EU) No. 910 /2014 of July 23, 2014 on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation) and the German Act on Trust Services (*Vertrauensdienstegesetz, VDG*).

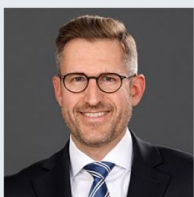
Thus, the QES is a specific category of electronic signatures that have a specific legal effect in accordance with European electronic signature rules. In fact, the eIDAS Regulation is directly applicable in all Member States and mainly differentiates between 2 forms of electronic signatures: the advanced electronic signature and the QES, subject to stricter legal requirements and highest technical security standards.

Article 25 (2) of the eIDAS Regulation explicitly states that a QES shall have the equivalent legal effect of a handwritten signature unlike advanced electronic signatures. Furthermore, according to Section 371a (1) of the German Code of Civil Procedure (*Zivilprozessordnung* or *ZPO*), private electronic documents that are provided with a QES have the same probative value in legal proceedings as private documents.

To qualify as QES, electronic signatures require qualified certificates that are created by specifically certified devices (so-called qualified electronic signature creation devices) that need to be certified by appropriate public or private bodies (qualified trust service providers).

However, when German law does not impose the written form or any other specific form of signature, any type of signature can be used – that is, even a simple electronic signature as regularly used in business email correspondence.

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HONG KONG, SAR



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Hong Kong has an established legal framework for the protection of intellectual property rights in patents, trademarks, copyright and registered designs under various ordinances.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Contract law in Hong Kong is largely based on the English common law model. There are no ordinances that govern commercial contracts generally, though there may be ordinances that are relevant to certain commercial arrangements, such as the sale of goods and supply of services and contracts in particular industries.

COPYRIGHTS

Nature of right

The Copyright Ordinance (Cap. 528) defines copyright as a property right given to the owner of an original work. The rights consist of economic and moral rights, which subsist in original literary dramatic, musical or artistic works, sound recordings, films, broadcasts or cable programs, and typographical arrangement of published editions.

Copyright owners have the exclusive right to reproduce, distribute, communicate, prepare derivative works of, publicly perform and publicly display their works of authorship. These rights arise automatically upon creation of the work, and there is no registration requirement to obtain copyright protection in Hong Kong.

Legal framework

Copyright is mainly governed by the Copyright Ordinance. As Hong Kong became a signatory to the Berne Convention in 1997, Hong Kong gives the same level of protection for copyright created by nationals and

residents of other Berne Convention contracting states as it does to copyright created by its own nationals and residents.

With the aim of strengthening copyright protection in the digital environment in Hong Kong, the Copyright (Amendment) Ordinance 2022 came into effect on May 1, 2023 to update the copyright regime. Major amendments include:

- (i) introducing an exclusive technology-neutral communication right for copyright owners to communicate their works to the public through any mode of electronic transmission (including streaming) and criminal sanctions against infringements relating to the communication right;
- (ii) expanding the scope of copyright exceptions to allow the use of copyright works in common internet activities;
- (iii) introducing “safe harbor” provisions to limit liability of online service providers in respect of copyright infringement occurring on online service platforms, subject to conditions such as taking reasonable steps to limit or stop the infringement as soon as practicable; and
- (iv) introducing 2 additional statutory factors for the court to consider in determining whether to award additional damages to copyright owners in civil cases involving copyright infringement.

Duration of right

In general, the duration of copyright in literary, dramatic, musical or artistic works is the life of the author plus 50 years. If the author of the work is anonymous, the duration is 50 years from the end of the calendar year in which the work was first made or, if during that period the work is made available to the public, 50 years from the end of the calendar year in which it was first made available.

Ownership / licenses

Joint ownership of copyrights is recognized. A license of copyright is a contractual right or permission from the copyright owner to perform certain acts otherwise prohibited under the Copyright Ordinance. The license may be exclusive or non-exclusive. An exclusive license must be in writing and signed by or on behalf of the copyright owner to be eligible to sue.

Remedies for infringement

Available civil remedies include damages (covering both economic loss and non-economic loss), an order for delivery up, an account of profits and injunctive relief. The court may award additional damages to copyright owners after considering all circumstances of the case including: (i) the flagrancy of the infringement, (ii) any benefit accruing to the defendant by reason of the infringement; (iii) the completeness, accuracy and reliability of the defendant’s business accounts and records; (iv) any unreasonable conduct of the defendant after the act constituting the infringement occurred; and (v) the likelihood of widespread circulation of infringing copies as a result of the infringement.

Relief for groundless threats of infringement in relation to parallel-imported copies of works is available. Relief may be in the form of a declaration that the threats are unjustifiable, an injunction against the continuance of the threats or damages for any loss that has been sustained by the threats.

Criminal sanctions including fines and imprisonment are possible.

MASK WORKS / TOPOGRAPHIES

Nature of right

An "integrated circuit" is defined as a product, in its intermediate or final form, in which the elements, at least 1 of which is an active element, and some or all of the interconnections are integrally formed in or on a piece of material and which is intended to perform an electronic function.

The Layout Design (Topography) of Integrated Circuits Ordinance (Cap. 445) protects a layout-design (ie, topography) that is owned by a qualified owner and is original. A qualified owner has the exclusive right to reproduce all or part of or to commercially exploit their protected layout-design (ie, topography).

Subject to certain exceptions, the owner may take civil action to prohibit others from reproducing or distributing their layout-design (ie, topography) without their consent or without payment of royalties. There is no need to register the layout-design right, and protection will be automatic.

Legal framework

Mask works are protected under the Layout-Design (Topography) of Integrated Circuits Ordinance.

The underlying concepts of rights granted under Layout-Design (Topography) of Integrated Circuits Ordinance are broadly the same as those under the Copyright Ordinance.

Duration of right

The duration of protection is 10 years after the end of the year in which it was first commercially exploited with the qualified owner's consent, anywhere in the world, or, if it has never been commercially exploited, 15 years following the end of the year in which it was created.

Ownership / licenses

Rights in layout-design (ie, topography) can be freely assigned, licensed or inherited. Assignment and transmission may be in total or partial. Assignment must be in writing and signed by or on behalf of the assignor.

Remedies for infringement

Available civil remedies include damages, order for delivery up, order for disposal, an account of profits and injunctive relief.

The court may award additional damages after considering all circumstances of the case including the flagrancy of the infringement and any benefit accruing to the defendant by reason of the infringement.

Relief for groundless threats of infringement is available. Relief may be in the form of a declaration that the threats are unjustifiable, an injunction against the continuance of the threats or damages for any loss that has been sustained by the threats.

PATENTS

Nature of right

A patent gives the inventor an exclusive right to use their invention. A patent protects the invention by giving the inventor a legal right to prevent others from manufacturing, using, selling or importing the patented invention.

Legal framework

Patents are governed by the Patents Ordinance (Cap. 514). Hong Kong became a party to the Patent Cooperation Treaty in 1981 and the Paris Convention in 1997. An invention is patentable if it (i) is new; (ii) involves an inventive step; (iii) is susceptible of industrial application; and (iv) does not belong to the excluded classes, such as discovery, scientific theory or mathematical method, aesthetic creation, among others.

There are 2 types of patents: standard and short-term patents.

Standard patents

For protection with a maximum term of 20 years, an applicant may file a standard patent application via either (1) the “re-registration system” (standard patent (R)); or (2) the “original grant” patent (OGP) system (standard patent (O)).

An applicant can rely on the re-registration system to file for a patent in Hong Kong, provided the subject patent application has first been filed in 1 of the 3 designated patent offices: (1) the United Kingdom Patent Office, (2) the China National Intellectual Property Administration or (3) the European Patent Office (for applications designating the United Kingdom), or the “designated patent offices.” Under this “re-registration” system, the Hong Kong Intellectual Property Department does not conduct substantive examination of the standard patent applications.

Following the passing of the Patents (Amendment) Ordinance 2016 and the Patents (General) (Amendment) Rules 2019, the OGP system was introduced, which provides an alternative route to the above “re-registration system” for seeking standard patent protection in Hong Kong.

Applicants can now file a standard patent application directly in Hong Kong. The OGP application will be subject to both formality and substantive examination conducted by the Registrar of Patents in determining whether the invention is patentable. The first standard patent under the OGP system was granted in June 2021.

Short-term patents

Short term patents can be directly applied in Hong Kong and offer protection of up to 8 years. The grant of a short-term patent is based upon a search report issued by an international searching authority or 1 of the 3 designated patent offices. No substantive examination is required before granting of a short-term patent.

However, after the grant, 3rd parties or the owner can apply for a post-grant substantive examination to determine the validity of the short-term patent. Procedurally, to rely on the short-term patent to bring a claim, the owner must first file a request for substantive examination of the short-term patent.

Duration of right

The duration of protection is 20 years for a standard patent and 8 years for a short-term patent.

Ownership / licenses

Joint ownership is permissible. Subject to agreement to the contrary, each co-owner is entitled to an equal, undivided share in the patent and is entitled to exploit the invention for their own benefit. A license can only be granted with the consent of all co-owners unless they have agreed otherwise.

Remedies for infringement

The remedies for infringement include order for delivery up or destruction of the infringed article, damages, an account of profits, declaration of infringement and injunctive relief.

Relief for groundless threats of infringement is available. Relief may be in the form of a declaration that the threats are unjustifiable, an injunction against the continuance of the threats or damages for any loss that has been sustained by the threats.

TRADEMARKS

Nature of right

A trademark is a sign that distinguishes the goods and services of one trader from those of others. Typically, a trademark can be words, indications, designs, letters, characters, numerals, figurative elements, colors, sounds, smells, the shape of the goods or their packaging, or any combination of these. Such sign must be capable of being represented graphically in order to be registered as a trademark.

A registered trademark is personal property.

Legal framework

The Trade Marks Ordinance (Cap. 559) governs trademarks. Hong Kong is not a member of the Madrid Protocol, the international trademarks registration system. The Trade Marks (Amendment) Ordinance 2020, which amended the Trade Marks Ordinance, was gazetted in June 2020, and provides a basis for the application of the Madrid Protocol in Hong Kong. The relevant provisions implementing the Madrid Protocol in Hong Kong will come into operation on a date to be appointed by the Secretary for Commerce and Economic Development after completion of all the necessary preparatory work for its implementation. Once it is fully implemented, trademark owners in other Madrid Protocol member jurisdictions will be able to designate Hong Kong in international trademark applications filed through the Madrid Protocol and vice versa.

Duration of right

The duration of protection is 10 years from the date of registration and renewable for an additional 10-year period.

Ownership / licenses

Joint ownership is permissible. Subject to agreement to the contrary, each co-owner is entitled to an equal, undivided share in the trademark and is entitled to exploit the trademark for their own benefit. A license can only be granted with the consent of all co-owners. A license, which may be general or limited, is not effective unless it is in writing and is signed by or on behalf of the grantor.

Remedies for infringement

The remedies for infringement include damages, an account of profits and injunctive relief, order for delivery up of infringing goods, material or articles and order for such goods, materials or articles to be forfeited, destroyed or disposed of outside the channels of commerce.

Relief for groundless threats of infringement is available. Relief may be in the form of a declaration that the threats are unjustifiable, an injunction against the continuance of the threats or damages for any loss that has been sustained by the threats.

Criminal sanctions for trademark counterfeiting under Trade Descriptions Ordinance (Cap. 362) is also available as a possible remedy.

TRADE SECRETS

Nature of right

Trade secrets and undisclosed commercial information can be protected by contract and the common law of confidence. In Hong Kong, the information constitutes trade secret if:

1. it is known to a business;
2. it is not known by anyone else, or is not generally known by the public;
3. it has value, because it is not known at all by anyone else, or is not generally known by the public; and
4. its value is sought to be preserved by maintaining secrecy.

Legal framework

There is no statutory regime for protection of trade secrets in Hong Kong. The law of confidence is the legal basis for trade secrets protection. The parties must prove 3 elements to establish a claim for breach of confidence, namely:

1. the information must have the necessary quality of the confidence, ie it must not be something which is public property and public knowledge;
2. the information must have been imparted in circumstances which impose an obligation of confidence – ie, any reasonable person standing in the shoes of the recipient of the information would have realized that the information was confidential; and
3. there must be an unauthorized use of that information to the detriment of the party communicating it.

The mere fact that the parties described or labelled the information as “confidential” will not be conclusive or determinative as to whether the information would be protected under the law of confidence. In an employment contract, even in the absence of express terms, there will generally be an implied term that an employee should

not disclose or use to the detriment of the employer any information obtained in confidence in the course of or by reason of their employment.

Duration of right

Trade secrets can be protected as long as they remain confidential, potentially in perpetuity.

Ownership / licenses

A plaintiff who asserts that they are the owner of trade secrets shall have to prove the same on a balance of probabilities. To be protected by the common law, the owner must show that the release of trade secrets and undisclosed commercial information would be detrimental to the owner or advantageous to their competitors or others.

As trade secrets are a species of property, joint ownership and grant of license are permissible. It is common to see licenses of trade secrets, typically in conjunction with licenses of patent rights.

Remedies for infringement

Remedies available for breach of confidence include injunctions, an inquiry as to damages or an account of profits and delivery up of materials containing confidential information.

OTHER KEY IP RIGHTS

Nature of right

Registered Designs

The registration of designs protects the appearance of products. A "design" means features of shape, configuration, pattern or ornament applied to an article by any industrial process. Once the design is registered, the registered owner will have the exclusive right to manufacture, import, use, sell or hire the design in relation to the article for which the design is registered.

Legal framework

To obtain protection as a registered design in Hong Kong, the design must be registered under the Registered Designs Ordinance (Cap. 522).

Under the Registered Designs Ordinance, a design is registrable if it is new at the filing date of the application or the priority date. A design would be regarded as "new" if:

1. it has not been previously registered for the same or any other article or
2. it has not been previously published or disclosed in Hong Kong or elsewhere.

A registered design application will only be subject to a formality examination, meaning that the Registry of Designs will only decide whether the applicant has filed the necessary information and documents in support of the application. However, the Registry will not conduct any substantive examination to consider or assess the registrability of the design.

Duration of right

The initial period of the registration of a design is 5 years beginning on the filing date of the application. The registered design protection can be extended for an additional period of 5 years, but the maximum period of registration is 25 years.

Ownership / licenses

Joint ownership of design is recognized. If there is more than 1 registered owner of a registered design, each of them shall be entitled to an equal undivided share in the design, unless there is any agreement to the contrary.

The co-owner of the registered design can only grant a license under the design or assign or mortgage a share in the design if they have obtained the consent from the other co-owner.

Remedies for infringement

The registered owner of the design enjoys an exclusive right to the design in relation to the article for which the design is registered. If a 3rd party used the design in the course of business in Hong Kong in relation to the same or similar articles without the consent of the registered owner, the 3rd party would be liable for infringement.

Available remedies include damages, an injunction, order for delivery up or disposal, an account of profits or other relief available to the plaintiff as is available in proceedings in respect of the infringement of other proprietary rights.

However, there are general restrictions on the recovery of damages or profits. The court shall not award damages or make an order for an account of profits against the defendant if it is proven that they were not aware and had no reasonable grounds for believing that the design was registered at the date of the infringement.

Relief for groundless threats of infringement is available. Relief may be in the form of a declaration that the threats are unjustifiable, an injunction against the continuance of the threats or damages for any loss that has been sustained by the threats.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The default position in Hong Kong is that an employer owns any intellectual property created by employees during the course of employment. It is also customary to include suitable contract clauses with respect to assignment and confidentiality in the employment contract.

The Patents Ordinance provides that the employer owns the invention if the invention is created in the course of the employee's normal duties or duties specifically assigned to them and the invention may reasonably be expected to result from the carrying out of the employees' duties. The employer also owns the invention if the employee has a special obligation to further the interests of the employer's undertaking due to the nature of their duties and the particular responsibilities arising from the nature of their duties, and the invention was made in the course of the employee's duties.

Notwithstanding the employer's ownership of such inventions, the employee may be entitled to monetary compensation, being a fair share of the benefits derived, if the patent resulting from the invention is of outstanding benefit to the employer.

The Copyright Ordinance provides that, subject to any agreement to the contrary, the employer is the first owner of the copyright of literary, dramatic, musical or artistic work or film made by employee in the course of employment. A further award shall be made to the employee if the use of the employee's work is beyond the employer's and the employee's reasonable contemplation at the time of making the work in the course of employment.

Similarly, for registered designs and layout-designs (topography), where a design is created by an employee in the course of their employment, their employer shall be treated as the owner of the design, unless otherwise agreed between the parties.

Consultants / contractors

It is customary for consultants and contractors to sign written agreements. The ownership of copyright in the work is determined by the express terms of the agreement. If there is no express term of written assignment of intellectual property rights, consultants and contractors generally retain ownership of the intellectual property developed by them, even if it is contracted and paid for by another party.

Where a layout-design (topography) or registered design is created in pursuance of a commission, the person commissioning that design is the owner, subject to any contrary agreement between the parties.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial contracts. Material contracts entered into by listed companies may require disclosure.

Certain commercial transactions affecting rights in registered designs, patents and trademarks, including assignment, mortgage and license, are registerable. Failure to register may render the transactions unenforceable against potential subsequent buyers of the rights without notice.

Recognized language of commercial agreements

English – preferably "plain English" that is consumer-friendly – is the usual language for commercial contracts. Consumer-facing agreements and terms are often provided in dual language (ie, English and Traditional Chinese).

Where one version of a contract in a certain language is to take priority over the other, it should be expressly stated in the contract.

Country-specific issues for online content

The Copyright (Amendment) Ordinance 2022 came into effect on May 1, 2023 and has introduced a safe-harbor provision for online service providers in respect of copyright infringement which occurs on online service platforms.

The safe-harbor provision limits online service providers' liability for subscribers' copyright infringement acts on their service platforms. Online service providers would not be liable for damages or any other pecuniary remedy for such infringement if they satisfy the below conditions:

- (i) the service provider has taken reasonable steps to limit or stop the infringement as soon as practicable after it received notice/became aware of the infringement, or became aware of any facts or circumstances that would lead inevitably to the conclusion that infringement had occurred
- (ii) the service provider has not received, and is not receiving, any financial benefit directly attributable to the infringement
- (iii) the service provider accommodates and does not interfere with the standard technical measures that are used by copyright owners to identify or protect their copyright works and
- (iv) the service provider designates an agent to receive notices of alleged infringements and supplies the agent's name and contact details on its service.

That said, online service providers are not required to monitor their services or actively seek facts that indicate infringing activity, except to the extent consistent with standard technical measures of copyright owner. Going forward, it is anticipated that the Hong Kong government will address the operational details and give practical guidance to online service providers in relevant voluntary code of practice.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally enforceable if they are conspicuous and users have an opportunity to review and indicate affirmative assent (eg, check a box or click-through).

Governing law

Parties are free to select the governing law and venue for resolution of disputes specified in a commercial contract, and this is accepted and recognized by Hong Kong courts.

Parties are free to opt for litigation or alternative dispute resolution such as arbitration and mediation.

From a litigation perspective, there have been arrangements in place for the reciprocal recognition and enforcement of monetary judgments in commercial matters between Hong Kong and Mainland China since 2008.

To establish a more comprehensive mechanism, the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters signed by the courts of Mainland China and Hong Kong has recently come into force on January 29, 2024.

Previously, only judgments issued pursuant to a written exclusive jurisdiction clause in favor of the court which made the judgment (ie Hong Kong or Mainland China) were reciprocally enforceable. Under the new arrangement, the test will no longer be focused on “exclusive jurisdiction”, instead the applicant will have to show that the dispute in the Hong Kong proceedings has a sufficient nexus with Hong Kong (eg the defendant has a place of residence in Hong Kong, the place of contractual performance is in Hong Kong etc.).

In addition, the scope of judgments that can be enforced in Mainland China or Hong Kong has been expanded to cover both monetary and non-monetary judgments that are civil and commercial in nature, as well as judgments in criminal proceedings that contain an order for the payment of a sum of money in respect of compensation and damages, subject to an excluded list of cases (eg certain maritime cases, cases on natural person’s qualification as a voter, certain cases involving IP rights etc.).

Similar to the arrangements simplifying enforceability of Hong Kong court judgments in Mainland China, arbitral awards rendered in Hong Kong pursuant to the Arbitration Ordinance (Cap. 609) may be enforced in Mainland China and vice versa, save for certain limited situations. In addition, an arrangement is in place between the Hong Kong government and the PRC Supreme Court, under which parties to Hong Kong-seated arbitrations may obtain interim measures (ie, interim preservation of assets and evidence and conduct) from PRC courts that will be enforceable in the PRC. As a result, Hong Kong arbitration is a sensible consideration for contracts where 1 party to the contract is a Mainland China entity.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Disclaimers of warranty are subject to the reasonableness test under the Control of Exemption Clauses Ordinance (Cap. 71). The disclaimers are enforceable if they are reasonable.

In a business contract for the sale of goods, a seller usually disclaims or excludes implied warranties under the Sale of Goods Ordinance (Cap. 26), including implied warranties of merchantable quality and fitness for a particular purpose. For consumer contracts for the provision of services, the Supply of Services (Implied Terms) Ordinance (Cap. 457) stipulates certain warranties that will be implied into the contracts, such as the implied term to charge reasonably, and to perform the contract within a reasonable time and with reasonable care and skill.

With respect to consumer contracts, the liability for breach of the implied terms and conditions under the Sale of Goods Ordinance or Supply of Services (Implied Terms) Ordinance cannot be excluded or restricted by reference to disclaimers. In other words, the seller or supplier (as applicable) would not be able to exclude or restrict their liability for breach of implied terms stipulated by the Ordinances by contractual means.

Enforceability of exclusions/limitations of liability indemnification

The enforceability of exclusions and limitations on liability is subject to the reasonableness test. The court will enforce such clauses if it is fair and reasonable in the circumstances. The relevant considerations include the strength of the bargaining positions of the parties, whether the buyer received an inducement to agree to the term or if it had an opportunity of entering into a similar contract without such similar term with others, whether the buyer knew or ought to have known of the existence and extent of the term, and whether it was reasonable at the time of contract to expect that compliance with the condition would be practicable.

However, exclusions and limitations of liability for (i) death or personal injury resulting from negligence or (ii) fraud or fraudulent misrepresentation are not enforceable in either business or consumer contracts.

As mentioned above, exclusions and limitations of liability for breach of the implied terms and conditions under the Sale of Goods Ordinance or Supply of Services (Implied Terms) Ordinance are not enforceable against consumers.

Indemnification

Express indemnities stated in contracts are recognized and generally respected.

In addition, a principal (or an employer) is under a duty to indemnify an agent (or an employee) against all expenses and liabilities incurred in the performance of lawful acts within the scope of the agent's (or employee's) duties. Courts do not usually imply an indemnity obligation in a contract where there is an express indemnity.

An indemnification provision in a contract generally provides for indemnifying the other party and holding the other party harmless against losses, damages, expenses, costs, claims and other types of liability arising from breach of a (specified) provision in the underlying contract or from another specified claim (eg, a 3rd-party claim). Indemnification may cover claims between parties as well as 3rd-party claims.

Caps on liability under indemnification provisions are generally enforceable.

Electronic signatures

Electronic signatures are, in most circumstances, recognized and enforceable in Hong Kong. The Electronic Transactions Ordinance (Cap. 553) recognizes the validity of contracts which have been concluded electronically, with some exceptions (such as wills, documents required to be attested under law, such as powers of attorney, negotiable instruments, and contracts relating to land). Where a signature is required under law, as long as the method used is reliable and appropriate and provided that the parties agree to conclude the contract electronically, the contract concluded electronically will have the same effect as a contract signed by hand. For contracts being entered into with or on behalf of government entities, only a digital signature (*ie*, a secure form of electronic signature supported by public key infrastructure technology) supported by a recognized digital certificate will satisfy the requirements of the Electronic Transactions Ordinance.

To facilitate the implementation of e-Government services by government bureaus and departments, there was a legislative proposal to amend the Electronic Transactions Ordinance on June 13, 2022. The proposed amendments will allow service of documents by registered post to be satisfied by the service of an electronic record. Government bureaus and departments could satisfy service of documents by registered post through electronic means and submission of multiple physical copies of documents by a single electronic copy. The Electronic Transactions (Amendment) Ordinance 2024 was passed in January 2024.

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HUNGARY



Last modified 17 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights are governed by individual state acts. In questions not specified by these acts, the Hungarian Civil Code (Act No. 5 of 2013 on the Hungarian Civil Code) is applicable.

Since Hungary is a member of the European Union, each intellectual property act shall be in line with the respective EU directives and regulations. In addition, certain EU regulations apply directly.

COMMERCIAL CONTRACT FRAMEWORK

Overview

General contract law and the rules governing specific commercial contracts are set forth in the Hungarian Civil Code.

In general, the parties may freely agree on the contract terms, and they are free to define the content of a contract.

The Civil Code sets out general rules (eg, for termination of a contract and rules for the event of breach of a contract) that are applicable for a contract if the parties do not agree otherwise.

Among the provisions on special contracts, the Civil Code regulates the following main commercial contract types: transfer of property (eg, sale and purchase), contracts for professional services (including research contracts), commission contracts, lease agreements, deposit contracts, distribution and franchise agreements, credit and account agreements, security (guarantee) agreements and insurance agreements.

The acts on intellectual property rights lay down particular provisions on license agreements concerning artworks, trademarks, patents and designs.

There are special provisions with respect to contracts concluded by electronic means in Act 108 of 2001 on Electronic Commerce and on Information Society Services. For instance, the party using general terms and

conditions and providing for an electronic way for concluding the contracts must make its general terms and conditions available in a way that the other party will be able to store and open them anytime.

The Government Regulation No. 45/2014 (II. 26.) contains provisions on the particular rules of contracts with consumers. This regulation also sets forth the rules on contracts between distant parties.

COPYRIGHTS

Nature of right

All literary, scientific and artistic works are entitled to copyright protection on the basis of its individual and original character deriving from the intellectual creating activity of the author.

Copyright protection arises automatically, and no application or registration is needed. Registration is only optional and serves as proof for authorship in possible contentious cases.

The copyright owner is entitled to moral and economic rights. The economic rights of the copyright holder include the exclusive right to use (eg, reproduce, distribute, communicate to the public, broadcast, exhibit or perform) and to authorize others to use their work, or part of it, in any material or non-material form.

Under the moral rights of the author, the author is entitled to the right of first publication, the indication of his /her name on the work as the author of the work. The author also has a right for the protection of the integrity of the work.

Legal framework

Act No. 76 of 1999 on Copyright. Hungary became signatory to the Berne Convention in 1922. Today, the version of 1971 of the Convention is implemented. As a member of the EU, Hungary has implemented several directives into its Copyright Act.

Duration of right

Copyright generally lasts during the life of the author and for 70 years after the date of death of the author. The duration of protection for related rights is usually 50 years, although in certain works (eg, sound recordings), the term lasts for 70 years. The duration for protection regarding rights in films is 50 years.

Ownership / licenses

According to the Hungarian Copyright Act, a work protected by copyright may have several authors. There are 3 categories for joint works:

- Joint works (if the parts of such work cannot be used independently)
- Connected works (if the parts of a joint work can be used independently)

- Jointly created works (the right holder of such work is a natural person or legal entity who initiated and coordinated the creative process of a work where the authors' contribution to the work and their rights respectively cannot be separated from each other)

Remedies for infringement

No prior registration required whatsoever for recourse to remedies in the event of copyright infringement.

The Copyright Act contains specific remedies. The following can be requested from the court: establishing the infringement, claim for cease and desist, amendment declaration, providing information on the infringement, termination of the injurious situation and restoration of the situation preceding the infringement and, among others, confiscating or destroying the products affected by the infringement as well as the tools and materials used for the infringement.

In regard to financial remedies, compensation for damages according to the civil law and restitution of the economic gains achieved through the infringement can be requested. According to the actual court practice, the minimum of the economic gains achieved with the infringement is the amount of the unpaid royalty.

Attorneys' fees of the copyright holder in a copyright infringement suit are recoverable, although the court has the power to reduce such fees.

It is also possible to prevent importation and distribution of goods that are infringing.

Injunctive relief is also a possible remedy that can be requested before initiating a lawsuit. Ex parte injunctive relief can also be requested.

Criminal penalties are available.

MASK WORKS / TOPOGRAPHIES

Nature of right

Microelectronic semiconductor topographies qualify for legal protection if they are original.

A topography is original if it is a result of an independent and intellectual creative effort and, at the time of its creation, it is not a commonplace in the industry. A topography consisting of standard elements may be registered if the combination of such elements is original.

A registration is required.

A topography shall mean the 3-dimensional combination in any form of the elements (of which at least 1 is active), and connections or parts thereof of a microelectronic semiconductor product, or such a 3-dimensional combination created for a semiconductor product to be manufactured.

The right owners have the exclusive right to exploit the topography and to authorize the exploitation thereof. Exploitation shall mean the reproduction, importation and distribution of the topography for commercial purposes.

The moral rights of the right holder are stipulated in the Hungarian Patent Act ([see Patents](#)).

Legal framework

Act No. 39 of 1991 on the Protection of Microelectronic Semiconductor Topographies. EU Council Directive 87/54/EC has been implemented.

Duration of right

The protection lasts for 10 years either from the first day of commercial exploitation anywhere in the world or from the day of filing the application for registration with the competent authority.

Must register within 2 years of first commercial exploitation.

Ownership / licenses

If the topography was created by several persons, they shall be entitled to the protection jointly.

Remedies for infringement

In the event of infringement the remedies set forth in the Hungarian Patent Act ([see “Patents”](#)) can be exercised.

PATENTS

Nature of right

An invention is patentable if it is capable of industrial application, is new and involves an inventive step. An invention is new if it does not pertain to the state of technical knowledge. An inventive step shall mean an activity that is not obvious to an expert in the view of the state of technical knowledge. An invention is deemed susceptible of industrial application if it can be produced or used in any branch of industry or agriculture.

Registration is required. Patent protection commences upon publication of the application, with retroactive effect to the date of application.

The patent holder has the exclusive right to exploit the invention. In the framework of this, the patent holder may prohibit, among others:

- To manufacture, use, distribute, offer to distribute, store or import the patented product
- To use the patented method, or to offer it for use

- To manufacture, use, distribute, offer to distribute, store or import the product created with the patented method

In relation to the moral rights, the inventor has the exclusive right to publish its invention before the filing of the patent application. The inventor is also entitled to be informed of the invention's documentation as the inventor thereof.

Legal framework

Act 33 of 1995 on the Patent Protection of Inventions. The relevant EU directives have been duly implemented.

Duration of right

The term of the definitive patent protection shall be 20 years from the date of application. A yearly renewal fee shall be paid.

The term of the protection shall expire on the day which corresponds in number to the starting day or, if this day is absent in the month of expiry, on the last day of that month. Protection shall cease after the day of expiry.

Ownership / licenses

The right to a patent belongs to the inventor or their legal successor.

If 2 or more persons have jointly created an invention, the respective share of authorship of the inventors shall be deemed equal, failing any indication originally filed in the patent application to the contrary.

If 2 or more persons have jointly created an invention, entitlement for patent protection shall be vested jointly in them or their respective successors in title. Where entitlement is vested in 2 or more persons, their respective share in patent rights shall be deemed equal, failing any indication to the contrary.

If the patent has more than one owner, each co-owner may freely dispose of their own share. In respect of the share, of any co-owner the other co-owners shall have pre-emption right vis-à-vis third persons.

The patent may be exploited by any of the co-owners individually; however, they must pay appropriate royalties to the other co-owners in proportion to their respective shares.

Remedies for infringement

Article 35 of the Patent Act contains special remedies. The following can be requested from the court: establishing the infringement, claim for cease and desist, amendment declaration by the infringer, providing information on the infringement and, among others, confiscating or destroying the products affected by the infringement as well as the tools and materials used for the infringement.

In regard to financial remedies, compensation for damages according to the civil law and restitution of the economic gains achieved through the infringement can be requested. According to the court practice, the amount

of such economic gain can be equal to the unpaid license fee, or with the net income (after the deduction of the costs) achieved through the infringement. In each case, the proportion of the patented part within the infringing product shall be taken into account.

Attorneys' fees can be recovered, although the court has the power to reduce such fees, should they be excessive.

Injunctive relief is also a possible remedy even before initiating a lawsuit. Ex parte injunctive relief can be requested as well.

TRADEMARKS

Nature of right

Any sign that is capable of (i) distinguishing the goods or services of one undertaking from those of other undertakings; and (ii) being represented in the trademark register, in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor. Trademark protection grants exclusive right for the trademark owner to use the trademark.

On the basis of this exclusive right of use, the owner may initiate proceedings against any party who, without their consent, uses in its business operations in connection with goods or services:

- i. A sign identical to the trademark in connection with goods and services which are identical to those specified in the specification of goods for which the trademark is registered
- ii. Any sign that consumers may confuse with the trademark due to the identity or similarity of the sign and the trademark, or due to the identity or similarity of the goods or services in question
- iii. Any sign identical or similar to the trademark, regardless of whether the goods or services that are listed in the specification of goods for which the trademark is registered are identical or not with the goods or services in connection to which the sign is used, to the extent that such trademark has a good reputation in the domestic market and the use of the sign without due cause would be detrimental to or unfairly exploit the trademark's distinctive character or reputation

Legal framework

Act No. 11 of 1997 on the Protection of Trademarks and Geographical Indications.

As a result of its membership of the European Union, the following law applies in Hungary:

- i. The Trademark Directive
- ii. The Trademark Regulation

Duration of right

Duration is 10 years. The right is renewable for successive periods of 10 years.

Ownership / licenses

Any and all legal or natural persons are entitled to obtain trademark protection irrespective of whether they carry out business activity. It is also possible to obtain trademark protection jointly.

In case more persons apply for the application of a trademark jointly, the trademark protection belongs to them – unless otherwise indicated – in equal proportions.

In case more persons are entitled to a trademark, they are entitled to dispose over their portion individually. Co-owners are entitled to pre-emption rights regarding the portion of another party towards third persons.

Remedies for infringement

Article 27 of the Trademark Act contains special remedies. The following can be requested from the court: establishing the infringement, claim for cease and desist, amendment declaration, providing information on the infringement, and among others confiscating or destroying the products affected by the infringement as well as the tools and materials used for the infringement.

In regard to financial remedies, compensation for damages according to the civil law and restitution of the economic gains achieved through the infringement can be requested.

Attorneys' fees can be recovered, although the court has the power to reduce such fees, should they be excessive.

Injunctive relief is also a possible remedy even before initiating a lawsuit. Ex parte injunctive relief can be also requested.

TRADE SECRETS

Nature of right

As a general rule, Act No. 54 of 2018 on the Protection of Trade Secrets provides protection for the trade secret that is being exchanged during the execution of an agreement, in case the parties fail to agree on such a provision of confidentiality themselves.

Trade secrets include any confidential fact, information and other data, or a compilation thereof, connected to economic activities, which are not publicly known in whole or in the complexity of its elements thus represent economic value, or which are not easily accessible to other operators pursuing the same economic activities, where the proprietor of the secret has taken reasonable efforts that may be expected in the given circumstances to keep such information confidential. The scope of the act also extends to know-how which means technical, economic and other practical knowledge of value, classified as a business secret, held in a form enabling identification, including accumulated skills and experience and any combination thereof.

Legal framework

Act No. 54 of 2018 on the Protection of Trade Secrets.

Act No. 100 of 2012 on the Criminal Code.

Duration of right

Potentially perpetual, as long as it does not become part of the public domain.

Ownership / licenses

No special provisions applicable. Joint ownership is possible.

Remedies for infringement

According to Hungarian law, it is a criminal offense if a person illegally acquires, uses or discloses a business secret for financial gain or advantage, or makes it available to others or publishes such information, causing pecuniary injury to others.

Act No. 54 of 2018 on the Protection of Trade Secrets also contains special remedies. For example, a person whose trade secrets have been violated, among others, shall have the right to demand:

- i. A court ruling establishing that there has been an infringement of rights
- ii. The cessation of or the prohibition of the use or disclosure of the trade secret
- iii. Destruction of the infringing goods or their withdrawal from the market
- iv. The termination of the injurious situation and the restoration of the previous state
- v. Restitution of the economic gains achieved through infringement

In the event of infringement of the right to trade secrecy, the proprietor of the trade secret may also demand compensation in accordance with the provisions of civil liability.

It is also common in Hungary to include a chapter into the contracts stipulating a confidentiality agreement, which would set out the amount of compensation (ie, penalty) the breaching party must pay in case of violation.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

All acts related to intellectual property (eg, Patent Protection Act and Copyright Act) regulate generally when a work is made in the framework of an employment relationship.

Under the Copyright Act, the employer, as the legal successor of the author, automatically obtains economic rights once a work is handed over, if the preparation of the work was the author's obligation within the scope of their employment, in the absence of any agreement to the contrary (ie, "work for hire" doctrine).

The Patent Protection Act distinguishes the "service invention" and "employee invention." A "service invention" means any invention created by a person in the execution of their duties stemming from employment that includes to work out solutions within the domain of the invention. An "employee invention" means any invention created by a person who is not required to do so under their contract of employment; however, the exploitation of such invention falls within the sphere of activities of their employer.

In case of service inventions, patent rights shall be vested in the employer, as the inventor's successor in title. In case of employee inventions, patent rights shall be vested in the inventor; the employer, however, is entitled to exploit the invention. The employer's right of exploitation is non-exclusive; the employer shall not grant a license of exploitation. Special rules apply to the consideration to be paid to the employees for service inventions and employee inventions.

Consultants / contractors

Customary for consultants and contractors to sign written agreements. In the absence of a written assignment of developments, consultants and contractors will retain ownership of the intellectual property developed by them, even if contracted and paid for by another party. Please note that, under Hungarian copyright laws – as a main rule (with software and filming rights being the main exceptions) – only a license can be acquired from the author, and the copyright itself cannot be transferred in its entirety.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

No general registration required.

Registration of licenses for patents, trademarks and designs are possible but not obligatory.

Recognized language of commercial agreements

There is no limitation in connection with the language of license agreements. Both parties shall understand the language of such agreements. If, however, the signatory of a contract does not speak the language in which the contract is executed, the contract may be null and void.

Country-specific issues for online content

There are special provisions regarding the liability of intermediary service providers for the transmitted illegal content. In given circumstances, they shall not be liable. This in many cases includes complying with notice and takedown requests from rights holders.

Enforceability of online/clickwrap/shrinkwrap terms

Generally viewed as enforceable if conspicuous and if users have an opportunity to review and indicate affirmative assent (eg, check a box).

Governing law

Governing law and venue for resolution of disputes specified in a commercial contract will generally be accepted and recognized. As a member of the EU the regulations on applicable law (Rome I, 593/2008/EC and Rome II, 864/2007/EC) and jurisdiction (1215/2012/EU) shall be applicable.

Dispute resolution means litigation in courts unless an alternative dispute resolution procedure, such as mediation or arbitration, is specified in the contract.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

As a principal rule stipulated in the Civil Code, warranty cannot be disclaimed in consumer contracts.

In license agreement, the licensor warrants according to the general rules that the subject matter of the license agreement is appropriate for the contractual use or exploitation.

The Trademark Act and the Patent Act contains special warranty rules that refer to the general rules of the Civil Code.

In the event a license agreement qualifies as a consumer contract, warranty cannot be validly disclaimed. In other cases, the warranty disclaimers are enforceable, although, given the fact that the new Hungarian Civil Code entered into force in 2014, there is no court practice to corroborate this.

The 1-year term of statutory warranty can be reduced, but not in the context of consumer contracts.

Enforceability of exclusions/limitations of liability indemnification

Any contractual term limiting or excluding liability for deliberate non-performance of an obligation or for non-performance resulting in loss of life, or harm to physical integrity or health, shall be null and void, so such terms are not enforceable.

Indemnification

Considering that no special indemnification rules regulate commercial contracts, the general contractual rules of the Civil Code shall apply to them.

Indemnities stated in contracts are recognized and enforceable.

Indemnification provisions generally have 3 distinct obligations: defense, indemnify (ie, pay damages) and hold harmless (ie, indemnifying party responsible for any other liability arising out of the claim).

Caps on liability under indemnification provisions can be enforceable.

Electronic signatures

The eIDAS Regulation, Regulation (EU) No 910/2014 of the European Parliament and of the Council of July 23, 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC provides that electronic signatures can be either advanced electronic signatures or qualified electronic signatures.

Procedural acts regulate the enforceability of electronic signatures, such as Act No. 130 of 2016 on the Code of Civil Procedure.

In line with the eIDAS Regulation,

Advanced electronic signature shall mean an electronic signature that meets the following requirements:

1. It is capable of identifying the signatory,
2. It is uniquely linked to the signatory,
3. It is created using electronic signature creation data that the signatory can, with a high level of confidence, use under their sole control,
4. It is linked to the data signed therewith in such a way that any subsequent change in the data is detectable.

A qualified electronic signature shall mean an advanced electronic signature that is created by a qualified electronic signature creation device, and which is based on a qualified certificate for electronic signatures.

Under Hungarian laws, documents signed with qualified electronic signatures and advanced electronic signatures with electronic time stamps meet the requirements of written form, thus documents signed with these types of electronic signatures are considered as made in writing. Furthermore, documents certified with a solution provided by the Hungarian State (the so-called AVDH authentication) also meet the requirements of written form. It shall be noted that, in certain legal areas (such as real estate, and company law) **electronic documents containing legal statements made in text form will be considered as written documents** in the context of real estate, inheritance, family law and corporate law. Additionally, for financial institutions, Hungarian laws allow for additional possibilities to create electronic documents made in written form.

In addition to the above rules on the validity of documents signed with electronic signatures, procedural laws establish the evidencing powers of documents signed electronically. Accordingly, under the Code of Civil Procedure, if an electronic document is signed by (i) a qualified electronic signature or seal or (ii) advanced electronic signature or seal based on a qualified certificate, such document shall be considered a 'private

document with full probative force.’ A private document with full probative force shall, until proven otherwise, have full probative value verifying that the signatory has in fact made or accepted the statement it contains, or undertakes to consider themselves bound by such statement.

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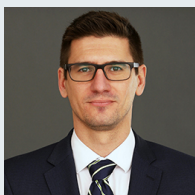
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INDIA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights in India are governed by federal statutes. The fundamental intellectual property framework in India is provided under the following acts: the Copyright Act, 1957; the Trade Marks Act, 1999; the Patents Act, 1970; the Designs Act, 2000; the Geographical Indications of Goods (Registration and Protection) Act, 1999; the Semiconductor Integrated Circuits Layout Design Act, 2000; the Protection of Plant Varieties and Farmers' Right Act, 2001; the Biological Diversity Act, 2002; and the Information Technology Act, 2000. These laws have been enacted and updated from time to time to meet the international commitments of the Indian Government to the World Trade Organization (WTO) under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) and various World Intellectual Property Organization administered treaties. However, trade secrets are not specifically protected by any legislation, though they may be protected as contractual obligations, subject to the Indian Contract Act 1872 (Contract Act).

COMMERCIAL CONTRACT FRAMEWORK

Overview

The Contract Act governs formation, implementation and enforcement of commercial contracts. It also lists contracts that may be void, voidable or unlawful. Apart from the general obligations under the Contract Act, there may be industry-specific legislations at the federal and state levels that may be applicable to contracts in particular industries, or particular types of contracts.

The Specific Relief Act, 1963 (SRA) grants specific relief in cases relating to enforcement of individual civil rights. Some of the reliefs that courts may grant under the SRA include specific performance of a contract and permanent injunctions. An amendment to the SRA has now introduced more certainty to specific performance of contracts through courts by doing away with the wide discretion that was vested in the courts earlier. The amendment now requires the courts to mandatorily enforce specific performance of a contract, except in certain prescribed instances under statute.

Apart from the Contract Act, transactions in goods are governed by the Sale of Goods Act, 1930 (SOGA), and transactions in immovable property are governed by the Transfer of Property Act, 1882.

Electronic contracts are recognized under the Information Technology Act 2000 (IT Act).

COPYRIGHTS

Nature of right

Copyright protection is available for original works of authorship expressed in a tangible form. Registration is not required for a valid copyright, and the rights arise at the time the original work is captured on a tangible medium.

Copyright owners have the exclusive right to reproduce, distribute, prepare derivative works, publicly perform and publicly display their works of authorship.

Legal framework

Copyright in India is enforced under the Copyright Act, 1957 (Copyright Act), read with the Copyright Act (Amendment) Rules, 2021. Like the Berne Convention, which has been adopted by India, Section 57 of the Copyright Act also expressly protects the moral rights of authors. Copyright in India permits an author or their legal representative to:

- Claim authorship of the work and exercise various economic rights and
- Restrain or claim damages in respect of any distortion, mutilation, modification or other act in relation to the said work, if such distortion, mutilation, modification or other act would be prejudicial to their honor or reputation.

Copyright in India does not extend to a right to restrain or claim damages in respect of any adaption of a computer program in order to utilize the computer program for the purpose for which it was supplied or to make back-up copies as a temporary protection against loss, destruction or damage.

Duration of right

Copyright in any literary, dramatic, musical or artistic work (including photographs) published within the lifetime of the author subsists for a period of 60 years from the year following the year in which the author dies.

Copyright in works published anonymously or pseudonymously subsists for 60 years from the year following the year in which it was first published, provided that, if the identity of the author is established before this period, copyright will subsist until 60 years from the beginning of the calendar year following the year in which the author dies.

Copyright subsists in works of international organizations, public undertakings, government works, cinematographs and sound recordings for a period of 60 years from the beginning of the calendar year following the year in which the particular work was published.

Ownership / licenses

Joint ownership of copyrights is recognized where a work has been produced by the collaboration of 2 or more authors and where the contribution of 1 author is not distinct from the contribution of the other author(s).

Implied licenses are usually not recognized in India, since the Copyright Act clearly requires that a granted in writing by the owner of the copyrighted work or their duly authorized agent. Further, where the term and geographical extent of the license is not clearly specified, the Copyright Act creates an assumption that the license has a term of 5 years and is applicable only within the territory of India.

Remedies for infringement

The owner of a copyright is entitled to civil as well as criminal remedies for infringement. Civil remedies consist of injunction, civil damages or account of profits. Statutory damages are not available under the Copyright Act.

Criminal penalties range from imprisonment for a term of 6 months to 3 years as well as fines between INR50,000 and INR200,000. The Copyright Act also provides for enhanced penalties in case of second or subsequent convictions. It states that a person convicted of an offense for the second time, or for every subsequent time, faces imprisonment for a term not less than 1 year, extendable to 3 years, and a fine of not less than INR100,000, extendable up to INR200,000.

MASK WORKS / TOPOGRAPHIES

Nature of right

The Semiconductor Integrated Circuits-Layout Design Act, 2000 (SICLD) protects the intellectual property of the creator in an original layout-design. Layout-design is defined under the SICLD as a layout of transistors and other circuitry elements and includes lead wires connecting such elements and expressed in any manner in a semiconductor integrated circuit. A validly registered layout-design gives to the registered proprietor the exclusive right to the use of the layout-design and to obtain relief in respect of infringement.

Legal framework

Mask works are protected under Indian law under the SICLD as layout-design. India is also party to the Washington Treaty on Intellectual Property in Respect of Integrated Circuits (1989), although it is not yet enforced in India.

Duration of right

The registration of a layout-design continues for a period of 10 years beginning from the date of filing an application for registration or from the date of first commercial exploitation anywhere in India or in any country, whichever is earlier.

Ownership / licenses

Joint ownership of a layout-design is recognized in India. An assignment of a registered layout-design may be made in connection with, or independently of, the goodwill of a business. Such assignment must be in writing, registered with the Registrar and advertised in such manner, form and within such period as may be prescribed by the Registrar.

The SICLD also recognizes the registration of 3rd parties as registered users of any registered layout-design.

Remedies for infringement

Criminal penalties for infringement of layout-design include imprisonment for a term of up to 3 years or a fine between INR50,000 and INR1 million, or both. Further, where a person is convicted of an offense of infringement, the court convicting them may direct the forfeiture to the government of all goods and things by means of, or in relation to, which the offense has been committed.

Criminal penalty for companies

If the person committing an offense is a company, the company as well as every person in charge of, and responsible to the company for the conduct of its business, at the time of the commission of the offense will be deemed to be guilty of the offense and liable to be proceeded against and punished accordingly.

Civil remedies

Costs for the prosecution of an offense are also recoverable, apart from civil damages and injunctive relief. Statutory damages are not prescribed.

PATENTS

Nature of right

Patents are a statutory right granted under the Patents Act, 1970 (Patents Act) to an "invention". A patent granted under the Patents Act confers upon the patentee the following rights:

1. Product patents: the exclusive right to prevent 3rd parties from the act of making, using, offering for sale, selling or importing for those purposes the product in India without the consent of the patentee.
2. Process patents: the exclusive right to prevent 3rd parties from the act of using that process and from the act of using, offering for sale, selling or importing for those purposes the product obtained directly by that process in India.

Legal framework

India is a party to the Patent Cooperation Treaty (PCT) and Paris Convention. The federal legislation in India that grants statutory right to patents is the Patents Act. India is also party to the Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purpose of Patent Procedure (2001). The same is in force in India.

Duration of right

Patents have a duration of 20 years from the date of filing a patent application either in India or internationally under the PCT. India follows a first-to-file system.

Ownership / licenses

Joint ownership of patents is possible, and the joint owners have an equal, undivided share in the patent, unless otherwise agreed between the parties. Unless an agreement to the contrary is in force, each person registered as

an owner of a patent will be entitled, by themselves, to the rights conferred on an individual patent owner for their own benefit, without accounting to the other person or persons. A license or share in a patent cannot be granted or assigned by a joint owner individually except with the written consent of the other joint owners.

Assignment of patents is valid if made in writing and duly executed. Any person who becomes entitled by assignment, transmission, license or operation of law to a patent is required to apply for registration of their title to it, to the Controller.

Remedies for infringement

The relief, which a court may grant in any suit for infringement, includes an injunction and, at the option of the plaintiff, either damages or an account of profits. The court may also order goods which are found to be infringing and materials and implements, the predominant use of which is the creation of infringing goods, to be seized, forfeited or destroyed.

If the person committing an offense is a company, then the company, as well as every person in charge of and responsible to the company for the conduct of its business at the time of the commission of the offense, would be deemed to be guilty of the offense and be liable to be proceeded against and punished accordingly.

No criminal penalties are awarded under the Patents Act in respect of patent infringement claims.

TRADEMARKS

Nature of right

A mark includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of hues or any combination.

A trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of 1 person from those of others and may include shape of goods, their packaging and combination of hues. A trademark indicates a connection in the course of trade between the goods or services, as the case may be, and a person having the right as proprietor to use the mark.

A collective mark means a trademark distinguishing the goods or services of members of an association of persons which is the proprietor of the mark from those of others.

Legal framework

India is a signatory to the Madrid Protocol, and the law governing trademarks in India is the Trade Marks Act, 1999.

Duration of right

Trademark protection is effective for 10 years from registration and thereafter renewable on payment of fees (in effect, perpetual, subject to payment of renewal fees).

Ownership / licenses

A registered trademark may be assigned or transferred, with or without the goodwill of the business concerned, and, in respect, either of some or all the goods or services with regard to which the trademark is registered.

Associated trademarks may only be assigned or transmitted as a whole.

Remedies for infringement

Civil remedies include injunctive relief, civil damages, an account of profits, delivery of infringing goods for destructions and cost of legal proceedings.

Criminal remedies may include imprisonment for a term not less than 6 months and up to 3 years, and a fine between INR50,000 and INR200,000. Subsequent convictions may include imprisonment for a term not less than 1 year and up to 3 years and fine between INR100,000 and INR200,000.

TRADE SECRETS

Nature of right

Protection is provided to trade secrets in the form of formulae, patterns, plans, designs, physical devices, processes and know-how.

Legal framework

There is no specific legislation that protects trade secrets in India, and Indian courts have upheld trade secrets protection under various statutes, including contract law, copyright law, the principles of equity and the common-law actions of breach of confidence and misappropriation under tort law. It is common for parties to contractually protect their respective trade secrets in compliance with the general provisions of the Contract Act.

India is party to the Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement) of 1994, which addresses the concept of Trade Secrets, in Article 39. However, India does not currently have any statute or legislation that protects trade secrets. Thus, trade secrets must be contractually protected.

Duration of right

Trade secrets may be protected if contractually agreed between the concerned parties. However, any trade secret that:

- Is known by a receiving party prior to receiving the trade secret from the disclosing party.
- Becomes rightfully known to the receiving party from a 3rd-party source, through no fault of the receiving party.
- Becomes publicly available through no fault of or failure to act by the receiving party in breach of this Agreement.
- Is required to be disclosed in a judicial or administrative proceeding, or is otherwise requested or required to be disclosed by law or regulation.

- Has been independently developed by employees, consultants or agents of a receiving party without violation of the terms of the contract.

Cannot be protected under contract as a trade secret.

No person can be restrained from seeking employment with a competitor on the grounds of disclosure of trade secrets. Indian courts do not enforce non-compete clauses beyond the duration of employment under the contract. However, Indian courts may enjoin an ex-employee from disclosing trade secrets of a former employer to a future employer.

Ownership / licenses

The ownership of trade secrets vests with an owner as long as they are secret and do not fall under the exceptions described above.

Trade secrets may be licensed under contract.

Remedies for infringement

Infringement of trade secrets amounts to breach of contractual obligations. A party may obtain an injunction, compensation and return or destruction of all confidential and proprietary information.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

It is customary for employees to sign invention assignment and confidentiality agreements. Failing to include the required text in the form of an assignment clause in employment agreements may raise enforceability issues, especially for work product that is patentable.

A concept similar to "work for hire" appears under Section 17 of the Copyright Act, wherein the employer is deemed to be the first owner of copyright in a work made by an employee, during the course of their employment.

Apart from copyright ownership, all other intellectual property rights created by employees require specific assignment and registration. In view of this, it is customary for employment agreements to contain general assignment provisions in favor of the employer, and enabling provisions, allowing the employer to seek specific assignment of identifiable work product.

Consultants / contractors

In case of a commissioned work product created by a consultant or contractor, Section 17 of the Copyright Act may be applicable, making it a work for hire. However, in all other cases, it is common to execute a general assignment, along with enabling provisions for a specific assignment of intellectual property.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

The Registration Act 1908 lists contracts for which compulsory registration is required. This generally includes instruments relating to transfer of immovable property, including gifts, leases and other non-testamentary instruments transferring or assigning or extinguishing any right, title or interest, to or in immovable property.

In addition, stamp duty is required to be paid under federal or state Stamp Acts in order to validate or authenticate certain documents, such as intellectual property assignment agreements.

Recognized language of commercial agreements

English is the most commonly used language for contracts in India.

Country-specific issues for online content

Intermediaries (eg, websites and internet service providers) may shield themselves from liability arising due to 3rd-party content, by taking certain statutory measures as required under the IT Act, read with the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules). In order for an intermediary to shield itself, an intermediary should establish that it did not (a) initiate the transmission, (b) select the receiver of the transmission, or (c) select or modify the information contained in the transmission.

In addition, the IT Rules place specific requirements on intermediaries, including but not limited to requiring that intermediaries ensure (to the extent possible) that its users do not post prohibited content, and, where prohibited user content is posted on the platform, that its users adequately address grievances and take down

content in the manner prescribed under the IT Rules. The IT Rules have also identified social media intermediaries (SMIs), including those SMIs with a higher user base (significant social media intermediaries), where these intermediaries are expected to adhere to an increased level of precaution and compliance obligations.

Separately, the Consumer Protection (E-Commerce) Rules, 2020, govern the sale and purchase of goods to consumers on e-commerce platforms. These E-Commerce Rules expect both sellers of products and entities providing platforms for sale to provide certain necessary product information to consumers, uphold necessary consumer rights and redress consumer grievances.

Additionally, the Consumer Protection Authority of India's Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022 (Advertisement Guidelines) also place compliance obligations on entities hosting advertisements in all formats and mediums, including online. The Advertisement Guidelines include requirements to ensure safe advertising and prohibit misleading, surrogate and bait advertisements.

Recently, the Central Consumer Protection Authority of India issued the Guidelines on Prevention and Regulation of Dark Patterns, 2023 (Dark Pattern Guidelines). The Dark Pattern Guidelines apply to all sellers, advertisers and platforms offering goods and services in India. Such entities are prohibited from engaging in the 13 "dark patterns" specified in Annexure I of the Dark Pattern Guidelines. "Dark patterns" are manipulative practices or deceptive design patterns in the user interface or user experience and choice architectures of a platform that subvert or impair user autonomy, influence decision making and work to the detriment of users.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally viewed as enforceable subject to compliance with Indian contract law and the IT Act. Users must have an opportunity to review and indicate affirmative assent (eg, check a box) to contractual terms.

Governing law

Governing law

Contracting parties have the right to choose the governing law of a contract. However, where the governing law is not mentioned in the contract, courts in India follow the "closest connection" test to determine governing law, meaning that the court would identify the legal system with which the transaction has its closest and most real connection. Various factors that the courts would look into are the place where the contract was made, place of performance, place of domicile, residence or business of parties and subject matter of contract.

It may be relevant to note that foreign law is not recognized by Indian courts and is required to be pleaded as facts, with expert evidence, under the Indian Evidence Act 1872.

Jurisdiction / venue

Jurisdiction of Indian courts arises from the Code of Civil Procedure, 1908 (CPC). The jurisdiction of civil courts is subject to territorial and pecuniary limitations. In cases of international commercial contracts, parties may choose the jurisdiction or venue of disputes. However, even in such cases, Indian courts may assume jurisdiction after analyzing the balance of convenience in cases where a party claims that the choice of foreign jurisdiction would result in undue disadvantage to that party.

Alternate dispute resolution

Parties may specify an alternative dispute resolution mechanism, such as arbitration, conciliation or mediation. Indian courts recognize and enforce decisions of recognized foreign arbitral tribunals, subject to limitations prescribed under the Indian Arbitration and Conciliation Act 1996.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Where any right, duty or liability arises under a contract of sale by implication of law, it may be negated (ie, overridden) or varied by express agreement or by the course of dealing between the parties or by usage, if the usage is such as to bind both parties to the contract.

Sellers, in their contracts for the sale of goods, customarily disclaim or exclude implied warranties and terms under the SOGA. The implied warranties that are disclaimed are usually the implied warranties of merchantability, fitness for a particular purpose and, sometimes, non-infringement warranties arising from usage of trade and course of performance.

Disclaimers of warranty are usually enforceable unless they are unconscionable, unclear or not conspicuous, or relate to fraud, personal injury or death.

However, with the enactment of an updated consumer protection law in India, vide the Consumer Protection Act, 2019, a new concept of product liability has been introduced, and it brings within its scope the manufacturer of the product, product seller or product service provider for any claim for compensation. Under the regime, manufacturers are liable in a product liability action even where it is proven that such manufacturer was not negligent or fraudulent in making any express warranty for the product sold.

Enforceability of exclusions/limitations of liability indemnification

The law relating to damages in contracts is contained under Sections 73, 74 and 75 of the Contract Act. Theory of damages in India rests on the concept of "restitution" – that is, the sum of money awarded as compensation should be such as to put the injured party in the same position as they would have been if they had not sustained the loss or damage for which they are receiving damages.

Section 73 of the Contract Act prescribes that damages for breach of contract should either be such:

- As may fairly and reasonably be considered as arising naturally, according to the usual course of things, from such breach itself or
- As may reasonably be or was supposed to have been in the contemplation of the parties at the time they made the contract, as the probable result of the breach.

Therefore, damages are not awarded for remote, indirect and consequential losses.

The concept of liquidated damages also finds its way into the Contract Act. It permits parties to determine, in advance, the amount of compensation to be paid on account of loss or damage caused by breach of contract.

However, in this case as well, the discretion would lie with the court to determine the reasonable compensation that may be awarded for the breach and, if the amount mentioned in the contract is either unconscionable or disproportionate to the value of the performance promised or consideration paid, the sum fixed would be deemed to be a penalty, which is not enforceable under Indian law. Additionally, the sum prescribed under contract acts as a cap on the amount of damages that may be awarded, such that, even where the reasonable damages is in fact greater than the sum prescribed under the contract, the court would only limit the damages to the amount mentioned in the contract.

Indemnification

The Contract Act recognizes indemnity as a contract by which I party promises to save the other from loss caused to them by the conduct of the promisor themselves, or by the conduct of any other person.

However, the Indian courts have held that an express indemnity clause may not be necessary in face of implied rights to indemnity already existing under Indian laws.

The promisee in a contract of indemnity, acting within the scope of their authority, is entitled to recover from the promisor:

1. All damages which they may be compelled to pay in any suit in respect of any matter to which the promise to indemnify applies.
2. All costs which they may be compelled to pay in any such suit if, in bringing or defending it, they did not contravene any orders of the promisor; and acted as would be prudent for them to act in the absence of a contract of indemnity; or if the promisor authorized them to bring or defend the suit.
3. All sums which they may have paid under the terms of any compromise of any such suit, if the compromise was not contrary to the orders of the promisor, or was prudent to be made in the absence of a contract of indemnity or is authorized by the promisor.

Electronic signatures

The IT Act and the Evidence Act recognize the validity of electronic signatures. While, under the IT Act, a valid and enforceable digital signature is required to be issued by an approved certifying authority in the manner prescribed under the Information Technology (Certifying Authorities) Rules, 2000 (Certifying Authority Rules), in practice, as long as the following conditions are met, an electronic signature would be considered valid and secure:

1. It is unique to the signatory
2. It can identify the signatory
3. It is created in a manner or using a means that is under the exclusive control of the signatory
4. It is linked to the electronic record to which it relates in such a manner that, if the electronic record were altered, the digital signature would be invalidated
5. The information or matter to which it relates is rendered or made available in an electronic form and
6. The information or matter is accessible so as to be usable for a subsequent reference

Section 10A of the IT Act clearly states that contracts formed through electronic means are valid and enforceable before a court of law in India. It provides that where a contract formation, the communication of proposals, the acceptance of proposals, the revocation of proposals and acceptances are expressed in electronic form or by means of an electronic record, such contract will not be deemed to be unenforceable solely on the ground that such electronic form or means was used for that purpose.

Initially, section 1(4) of the IT Act, read with the First Schedule of the IT Act, excluded the applicability of the IT Act to negotiable instruments (other than cheques), power of attorney, trust, wills and other testamentary disposition, as well as contracts for sale or conveyance of immovable property or any interest in property. Therefore, while electronically executed documents were recognized in India, the abovementioned documents could not be executed via digital or e-signature and, instead, had to be physically executed. Pursuant to an amendment to the First Schedule of the IT Act, the following documents may now be executed via digital or e-signature:

- (a) Demand promissory notes and bills of exchange issued in favor of or endorsed by an entity regulated by the RBI, National Housing Bank (NHB), SEBI, Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA)
- (b) Power of attorney that empowers an entity regulated by the RBI, NHB, SEBI, IRDAI and PFRDA to act for, on behalf of, and in the name of the person executing them and
- (c) Contracts for sale or conveyance of immovable property or any interest in property

KEY CONTACTS

INDONESIA



Last modified 12 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

The intellectual property framework consists of the following laws:

- Law Number 28 of 2014 on Copyrights
- Law Number 13 of 2016 on Patents as lastly amended by Job Creation Law (as defined below)
- Law Number 20 of 2016 on Trademarks and Geographical Indications as lastly amended by Job Creation Law
- Law Number 30 of 2000 on Trade Secrets
- Law Number 31 of 2000 on Industrial Designs
- Law Number 32 of 2000 on Layout Designs of Integrated Circuits
- Law Number 29 of 2000 on Plant Variety Protection as lastly amended by Job Creation Law
- Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (Job Creation Law)

The government body that has responsibility for the administration and registration of intellectual property rights in Indonesia is the Directorate General of Intellectual Property Rights under the Ministry of Law and Human Rights of the Republic of Indonesia. The Minister of Law and Human Rights issued the Regulation of Minister of Law and Human Rights Number 8 of 2016 regarding Requirements and Procedure of Recording of Intellectual Property Licenses Agreement (Minister Regulation No 8) on February 24, 2016.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Most of the provisions regarding law on contracts are contained in Book III of the Indonesian Civil Code. Indonesian law recognizes the principle of freedom of contract.

Article 1338 of the Indonesian Civil Code stipulates that all legally executed agreements shall bind the individuals who have concluded them by law. They cannot be revoked except by mutual agreement or pursuant to reasons which are legally declared to be sufficient. They shall be executed in good faith.

Article 1339 of the Indonesian Civil Code further stipulates that agreements shall bind the parties not only to that which is expressly stipulated, but also to that which, pursuant to the nature of the agreements, shall be imposed by propriety, customs or the law.

COPYRIGHTS

Nature of right

The nature of right of a copyright consists of 2 types of exclusive rights: moral rights and economic rights. The creator or a copyright holder has the moral right, which is the right eternally inherent to the creator to:

- Include or exclude their name in relation to the use of a copy of their work to the public.
- Use their alias name or pseudonym.
- Change the creation in accordance with the propriety of the community.
- Change the title and the subtitle of the creation.
- Defend their rights in the occurrence of distortion of a creation, mutilation of a creation, modification of a creation or any matters that are detrimental to their honor or reputation.

The other exclusive rights owned by the creator or a copyright holder are the economic rights to gain economic benefits such as to publish and/or reproduce the creation subject to the copyright and to grant permission for 3rd parties to publish and/or reproduce that creation.

Legal framework

Copyrights are governed by Law Number 28 of 2014 on Copyrights (Copyright Law), which revoked the previous Law Number 19 of 2002. Indonesia became the signatory to the Berne Convention in 1997, World Intellectual Property Organization Copyright Treaty in 1997 and World Intellectual Property Organization Performances and Phonograms Treaty in 2004.

Duration of right

The copyright protection for moral rights of the creator or a copyright holder have a perpetual term.

The copyright protection for economic rights on written works, choreographic works, forms of art, music, architecture, performances, discourse, educational and scientific visual aids and maps are valid for the life of the

creator plus 70 years after the creator's death commencing from January 1 of the subsequent year. If the creator or copyrights holder of the foregoing creation is a legal entity, the copyright protection is valid for 50 years after the first publication.

The copyright protection for economic rights on photographic works, portraits, cinematographic works, video games, computer programs, typographical writing, translations, transformation or modification of traditional cultural expression, compilations of works or data and compilation of traditional cultural expression to the extent that such compilation is the original version are valid for 50 years after the first publication.

The copyright protection for economic rights on applied art is valid for 25 years after the first publication.

The copyright protection for economic rights for performers is valid for 50 years after the first performance is fixed in phonograms, for producer phonograms is valid for 50 years after the phonogram is fixed, and for broadcasts is valid for 20 years after the work is first broadcast.

Ownership / licenses

Copyright law regulates provision regarding collective management institutions, which is an institution in the form of a nonprofit legal entity authorized by the creator, copyright holder and/or relevant right holder to operate its economic rights in terms of collecting and distributing royalty. A collective management institution must obtain operational license from the government. Copyright law also regulates that a copyright can become the object of fiduciary security.

A copyright holder has the right to give a license to a 3rd party based on a licensing agreement to publish and/or reproduce the creation subject to the copyright and to grant permission for 3rd parties to publish and/or reproduce that creation. Based on Minister Regulation No. 8, a copyright license agreement must be duly recorded, and the application for recording can be made electronically or in paper format. The recording is valid for a duration of 5 years and can be renewed. Minister Regulation No. 8 requires a copy of the copyright license agreement, proof of ownership of copyright, original of special power of attorney and proof of payment to be submitted. The applicant is also required to provide a statement letter stating that the object of the license agreement is still valid, will not cause any losses to the national economy interest, will not inhibit the development of technology and is not in conflict with the laws and regulations, morality and public order.

Remedies for infringement

Compensation, injunction or a combination of the 2 may be ordered by the Commercial Court as remedies for infringement. Criminal sanctions are in the form of imprisonment and/or fine may also apply for criminal acts of the Copyright Law.

MASK WORKS / TOPOGRAPHIES

Nature of right

A layout-design is a creation in the form of a 3-dimensional layout design formed by various elements, at least 1 of which is active, of which parts of or all of the interconnections in an integrated circuit and the 3-dimensional

layout are meant for the preparation of making an integrated circuit. An integrated circuit is a finished or half-finished product that contains various elements, at least 1 of which is active, which are partly or entirely interconnected and integrated in a semiconductor to produce electronic functions.

A right to layout-design of integrated circuits is an exclusive right granted by the government to a designer for their creation, for a given period to personally exploit their creation or to give permission to other parties to exploit the right.

Legal framework

Law Number 32 of 2000 on Layout Designs of Integrated Circuits (Layout Design Law) is the governing statute.

Duration of right

The protection of rights to a layout-design of integrated circuits is valid for 10 years from the first commercial exploitation or the date of filing.

Ownership / licenses

The owner of a layout-design of integrated circuits has the right to grant a license to a 3rd party based on a licensing agreement to exploit, and exclude others from exploiting, a layout-design integrated circuit under a license agreement.

According to Minister Regulation No. 8, the layout-design of integrated circuits license agreement must be duly recorded, and the application for recording can be made electronically or in paper format. Recording is valid for a duration of 5 years and can be renewed. Minister Regulation No. 8 requires a copy of the license agreement of the layout-design of integrated circuits, copy of the registration certificate of layout design of integrated circuits, original power of attorney and proof of payment to be submitted. Applicant is also required to provide a statement letter stating that the object of the license agreement is still valid, shall not cause any losses to the national economy interest, shall not inhibit the development of technology and not in conflict with the laws and regulations, morality and public order.

Remedies for infringement

Compensation, injunction or a combination of the 2 may be ordered by the Commercial Court as remedies for infringement. Criminal sanctions are in the form of imprisonment and/or fine.

PATENTS

Nature of right

Under Patent Law, a patent is an exclusive right granted by the government to an inventor for their invention in the field of technology for a certain period of time in operating such invention or granting a consent to other party to do so. Patent may be granted for an invention that is novel, involves inventive steps and can be applied in an industry. A simple patent may be granted for an invention that is novel or that is a development result from an existing process or product and can be applied in an industry. An inventor may be conferred either a patent (*paten*) or a simple patent (*paten sederhana*) depending on the nature of the invention.

Legal framework

Law Number 13 of 2016 on Patents as lastly amended by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (Patent Law) is the governing statute for patents. Indonesia became party to the Patent Cooperation Treaty in 1997 and became party to the Paris Convention in 1950.

Duration of right

A patent is granted for 20 years from the date of filing and cannot be extended. A simple patent is granted for 10 years from the date of filing and cannot be extended.

Ownership / licenses

Patent Law acknowledges the priority right as long the applicant has filled the patent application in the country which is a member of Paris Convention for the Protection of Industrial Property or Agreement Establishing the World Trade Organization. Patent law regulates that the right on the patent can become the object of fiduciary security.

A patent holder may grant a license to a 3rd party to use and gain economic benefits of the patent under a license agreement. Based on Minister Regulation No. 8, a patent license agreement must be duly recorded, and the application for recording can be made electronically or in paper format. Recording is valid for a duration of 5 years and can be renewed. Minister Regulation No. 8 requires a copy of the patent license agreement, copy of the patent registration certificate, original power of attorney and proof of payment to be submitted. The applicant is also required to provide a statement letter stating that the object of the license agreement is still valid, shall not cause any losses to the national economy interest, shall not inhibit the development of technology and is not in conflict with the laws and regulations, morality and public order.

Remedies for infringement

Compensation, injunction or a combination of the 2 may be ordered by the Commercial Court as remedies for infringement. Criminal sanctions are in the form of imprisonment and/or fine.

TRADEMARKS

Nature of right

Under Trademark Law, a trademark is a sign that can be graphically shown in the form of pictures, logos, names, words, letters, numbers, color compositions, in the form of 2 dimensions and/or 3 dimensions, sounds, holograms or combinations of 2 or more elements to distinguish goods and/or services produced by a person or legal entity in trade activity of goods and/or services. Practically, Indonesia adopts the "first to file" system in registering trademarks.

Further, under Presidential Regulation Number 63 of 2019 on the Use of Indonesian Language (Presidential Reg. 63), Article 35 (1) provides that the Indonesian language is mandatory for trademarks in the form of words or combination of words owned by Indonesian citizens or Indonesian legal entities. In practice, however, this

provision is still debatable. Notwithstanding the provision of Article 35 (1), the use of the Indonesian language is exempted for trademarks that are foreign licenses.

Legal framework

Law Number 20 of 2016 on Trademarks and Geographical Indication as lastly amended by Law Number 6 of 2023 on Enactment of Government Regulation in Lieu of Law Number 2 of 2022 on Job Creation into Law (Trademark Law) is the governing statute on trademarks. Indonesia became a signatory to the Trademark Law Treaty in 1997.

Duration of right

A registered trademark shall receive legal protection for a period of 10 years from the filling date, and can be renewed every 10 years for another 10-year term.

Ownership / licenses

Trademark law acknowledges the priority right as long the applicant has filled the trademark application in the country which is a member of Paris Convention for the Protection of Industrial Property or Agreement Establishing the World Trade Organization. The holder of the trademark may grant a license permitting a 3rd party to use the mark under a license agreement. The law stipulates that all licenses granted by the holder of the trademark must be recorded in the General Register of Marks and published in the Official Gazette of Marks.

A trademark license agreement must be duly recorded, and the application for recording can be made electronically or in paper format. Recording is valid for a duration of 5 years and can be renewed. Minister Regulation No. 8 requires a copy of the trademark license agreement, copy of the trademark registration certificate, original power of attorney and proof of payment to be submitted. The applicant is also required to provide a statement letter stating that the object of the license agreement is still valid, shall not cause any losses to the national economy, shall not inhibit the development of technology and is not in conflict with the laws and regulations, morality and public order.

Remedies for infringement

Compensation, injunction or a combination of the 2 may be ordered by the Commercial Court as remedies for infringement. Criminal sanctions are in the form of imprisonment and/or fine.

TRADE SECRETS

Nature of right

Under Trade Secret Law, a trade secret is an information in the field of technology and/or business that is not known by the public and has economic value as it is useful in business activities, and the confidentiality of which is maintained by its owner. The owner of a trade secret is entitled to the exclusive use of the trade secret and may prohibit 3rd parties from using or disclosing the trade secret for commercial purposes. The protection on trade secret shall include the methods of production, methods of processing (ie, preparation), methods of selling or other information in the field of technology and/or business that has economic value and is not known by the public in general.

Legal framework

Law Number 30 of 2000 on Trade Secret (Trade Secret Law) is the governing statute for trade secrets in Indonesia.

Duration of right

Information qualifies as a trade secret and is given protection as long as:

- The information remains confidential, known only by certain people or not known by the public in general.
- The confidentiality of the information has economic value.
- The owner or the parties that control the information have taken necessary and made an appropriate effort to maintain the information's confidentiality.

Ownership / licenses

The owner of the trade secret may grant a license permitting 3rd parties to use the trade secret and prohibit 3rd parties from using or disclosing the trade secret for commercial purposes under a license agreement.

Based on Minister Regulation No. 8, a trade secret license agreement must be duly recorded, and the application for recording can be made electronically or in paper format. Recording is valid for a duration of 5 years and can be renewed.

Minister Regulation No. 8 requires a copy of the trade secret license agreement, proof of ownership of trade secret, original power of attorney and proof of payment to be submitted. The applicant is also required to provide a statement letter stating that the object of the license agreement is still valid, will not cause any losses to the national economy interest, will not inhibit the development of technology and is not in conflict with the laws and regulations, morality and public order

Remedies for infringement

Compensation, injunction or a combination of the 2 may be ordered by the District Court as remedies for infringement. Criminal sanctions are in the form of imprisonment and/or fine.

OTHER KEY IP RIGHTS

Nature of right

Industrial design

Under Industrial Design Law, an industrial design is a creation on the shape, configuration or the composition of lines or colors, or lines and colors, or the combination thereof in a 2- or 3-dimensional form which gives an aesthetic impression and can be realized in a 2- or 3-dimensional pattern and used to produce a product, goods

or an industrial commodity and a handy craft. An industrial design right is a license issued by the government granted to a designer for their creation for a given period to exploit their creation or to give permission to another party to do so.

Legal framework

Industrial designs

Law Number 31 of 2000 on Industrial Design (Industrial Design Law) is the governing statute for industrial design in Indonesia.

Duration of right

Industrial designs

The protection of an industrial design right is granted for 10 years from the date of filing and cannot be extended.

Ownership / licenses

Industrial design

The holder of industrial design right may grant a license permitting a 3rd party to use the industrial design under a license agreement. The law stipulates that all licenses granted by the holder of industrial design right must be recorded in the General Register of Industrial Design and published in the Official Gazette of Industrial Design.

Based on Minister Regulation No. 8, an industrial design license agreement can now be duly recorded, and the application for recording can be made electronically or in paper format. A recording is valid for a duration of 5 years and can be renewed. Minister Regulation No. 8 requires a copy of the industrial design license agreement, copy of the industrial design registration certificate, original power of attorney and proof of payment to be submitted.

The applicant is also required to provide a statement letter stating that the object of the license agreement is still valid, will not cause any losses to the national economy interest, will not inhibit the development of technology and is not in conflict with the laws and regulations, morality and public order.

Remedies for infringement

Industrial design

Compensation, injunction or a combination of the 2 may be ordered by the Commercial Court as remedies for infringement. Criminal sanctions are in the form of imprisonment and/or fine.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Copyright Law provides that the creator of a creation shall be the creator and copyright holder, for creations created under an employment relationship or based on an order, unless agreed otherwise.

Patent Law provides a different approach which is the party entitled to the patent of an invention created in an employment relationship is the party that has given the work, unless agreed otherwise. But this stipulation does not abolish the inventor's right to remain named on the Patent certificate. The inventor is entitled to receive compensation based on an agreement made by the employer and the inventor, by taking into account the economic benefits obtained from the invention in question.

Therefore, it is practically common in Indonesia to incorporate an intellectual property assignment clause in the employment contract or even a separate declaration to be signed by the employee as an attachment to the employment contract where the employee agrees to assign all intellectual property that they have created during the tenure of their employment to the employer.

Consultants / contractors

Copyright Law provides that, if a creation is created in an employment relationship or is based on an order, then the party that creates such creation will be deemed the creator and copyright holder unless agreed otherwise between the parties.

Furthermore, Copyright Law stipulates that, if the creation is designed by someone and is manifested and conducted by another person under the lead of the person who designed such creation, the designer will be deemed the creator.

Patent Law provides that the party entitled to a patent is the inventor or a party that has received further rights from the relevant inventor.

Therefore, in a consultancy or contractor relationship, if the creator of a copyrighted work or patented invention is the consultant or the contractor, then the consultant or contractor is entitled to the copyright or patent unless agreed otherwise.

It then becomes a commercial negotiation point between the parties as to whether or not the copyright, patent or other intellectual property rights created by the consultant or contractor arising out of the relationship will vest with the consultant or contractor or whether it will vest with the client (ie, the party instructing the work).

If the copyright, patent or other intellectual property right is intended to pass to the party instructing the work, then the consultancy or contractor agreement must include an assignment clause or a separate declaration to be signed by the consultant or contractor as an attachment to the agreement where the contractor or consultant agrees to assign all intellectual property that was created as a result of the consultancy or contractor agreement to the party instructing the work.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

Generally, commercial agreements do not require registration.

Recognized language of commercial agreements

Under Article 31 of Law Number 24 of 2009 on Flag, Language, State Emblem and National Anthem, the Indonesian language must be used in any memorandum of understanding or any agreement entered by an Indonesian with a state institution, Indonesian government institution, Indonesian private entity or Indonesian citizen. Such memorandum of understanding or agreement that involves a foreign party may also be made in the national language of the foreign party and/or in English. Further, Article 26 paragraph (4) Presidential Reg. 63 provides that, in case of any discrepancy in the language interpretation used in such memorandum of understanding or agreement, the language to be prevailed can be further agreed by the parties of the memorandum of understanding or agreement.

Country-specific issues for online content

Indonesia has adopted Budapest Convention on Cybercrime through Law Number 11 of 2008 on Electronic Information and Transaction as lastly amended by Law Number 1 of 2024 on the Second Amendment of Law Number 11 of 2008 (EIT Law).

Enforceability of online/clickwrap/shrinkwrap terms

Online transactions via an electronic contract are generally binding upon the parties. The online offeror must make available complete and true information about the terms, producer and products offered in the online transaction.

Governing law

The governing law and venue for dispute resolution, as specified in a commercial contract, will generally be accepted and recognized by the Indonesian Courts under the principles of "freedom of contract" based on Article 1338 of the Indonesian Civil Code.

However, foreign court judgments are not recognized by Indonesian Courts as Indonesia is not a party to any treaty on the reciprocal enforcement of court judgments. This means that a lawsuit must be filed in Indonesia for a foreign court judgment to be enforced in Indonesia.

If the parties intend to apply foreign law as the governing law of the contract, the better alternative is to use such foreign law and to elect a foreign arbitration as the dispute resolution mechanism. Indonesia has ratified the New York Convention (Convention on the Recognition and Enforcement of Foreign Arbitral Awards).

Accordingly, Law Number 30 of 1999 on Arbitration and Alternative of Dispute Resolution (Arbitration Law) facilitates the enforcement of foreign awards in Indonesia, provided they meet the following conditions:

- The international arbitration award must be made by an arbitrator or panel of arbitrators in a country which is bound by agreement with Indonesia, either bilateral or multilateral, on the acknowledgment and enforcement of international arbitration awards.
- The international arbitration award in paragraph (a) is limited to awards which, pursuant to Indonesian law, is in the scope of commercial law.
- The international arbitration award as referred to in paragraph (a) can only be enforced in Indonesia if it is not contrary to public policy.

- The international arbitration award can only be enforced in Indonesia after obtaining an execution judgment from the Head of the Central Jakarta District Court.
- The international arbitration award in paragraph (a) involving the State of the Republic of Indonesia as a party in the dispute can only be enforced after obtaining an execution judgment from the Supreme Court of the Republic of Indonesia which is further assigned to the Central Jakarta District Court.

For its enforcement in Indonesia, a foreign award must be registered at the Central Jakarta District Court (CJDC). To enforce an international arbitration award, the Head of CJDC must recognize the foreign arbitration award and issue an execution enforcement judgment. If the Head of CJDC recognizes the foreign arbitration award through its judgment, then the judgment becomes final and binding. If the Head of CJDC does not recognize the foreign arbitration award through its judgment, the judgment still may be appealed to the Supreme Court. The judgment of the Supreme Court is a final and binding judgment.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Express warranty disclaimers are recognized and generally respected.

Enforceability of exclusions/limitations of liability indemnification

Express exclusion/limitation of liability is recognized and generally respected.

Indemnification

Express indemnities stated in contracts are recognized and generally respected.

Electronic signatures

Electronic signature is further regulated under Government Regulation Number 71 of 2019 on the Implementation of Electronic Systems and Transactions (GR 71/2019).

Article 1 paragraph (12) of EIT Law defines an electronic signature as a signature that contains electronic information that is attached, associated or related with other electronic information that is used for means of verification and authentication. Article 60 paragraph (1) of the GR 71/2019 stipulates that the function of electronic signatures is to authenticate and verify:

- The identity of the signatory
- The completeness and authenticity of the electronic information

Furthermore, Article 59 paragraph (3) of GR 71/2019 stipulates that electronic signatures in Indonesia will have legal force and legal effect to the extent satisfying the following requirements:

- The electronic signature formation data shall be associated only with the signatories.

- The electronic signature formation data at the time of signing shall only be under the authority of the signatory.
- Any alterations to the electronic signature occurring after the signing can be known.
- Any alterations to the electronic information related to the electronic signature occurring after the signing can be known.
- There are certain methods adopted to verify the identity of the signatory.
- There are certain methods to demonstrate that signatory has granted its consent to the associated electronic information.

Pursuant to Article 60 paragraph (2) of GR 71/2019, electronic signature recognized in Indonesia includes the following types:

- The certificated electronic signature (made by using electronic certification service provider and can be proven with electronic certificate) and
- The non-certificated electronic signature (made without using electronic certification service provider)

Article 64 of GR 71/2019 also provides that, in Indonesia, before an electronic signature is used, the electronic signature operator shall be obligated to verify the identity of the signatory by way of:

- The signatory providing its identity to the electronic signature provider.
- The signatory registering with the operator or supporting service of the electronic signature.
- If necessary, the electronic signature operator discreetly transferring the identity of the signatory to the other operators or supporting service of the electronic signature with the signatory's consent.

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IRELAND



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

The intellectual property regime in Ireland is primarily based on a modern legislative framework. There are some intellectual property rights that are governed by common law.

COMMERCIAL CONTRACT FRAMEWORK

Overview

For the most part, commercial contracts are governed by common law in Ireland. There are some industry specific and other legislation and regulation that apply to business-to-business commercial contracts. There is also a wide variety of primary and secondary legislative provisions that apply to business-to-consumer contracts.

COPYRIGHTS

Nature of right

Copyright is a property right. It gives protection to a range of works where the work is original, namely:

- Literary works including computer software
- Dramatic works
- Films
- Cable programs
- Broadcasts
- Musical or artistic works

- Sound recordings
- The typographical arrangement of a published edition and
- An original database

There is no registration regime in Ireland for copyright works; it is not a pre-condition of the protection afforded to the work under copyright law. Copyright will arise at the time that the original work of authorship is recorded or fixed.

An owner of a work that is protected by copyright has a number of specific, exclusive rights in relation to that work including:

- To reproduce
- To make available to the public (and this includes the right to perform or display their work to the public) and
- To adapt

The copyright owner has the sole authority to permit others to do any such acts.

Under Irish law, there is also protection available for database rights, performance rights and rental and lending rights.

The Copyright and Related Rights Acts 2000 (as amended) recognizes the concept of moral rights. The moral rights are:

- The paternity right (the right to be identified as the author of the work)
- The integrity right (the right to prevent mutilation, distortion or other derogatory alteration of the work)
- The right of protection against false attribution (the right of a person not to have a work falsely attributed to him/her) and
- The right to privacy in photographs and film where commissioned for private / domestic use

Importantly, it is not possible, as a matter of law, to assign moral rights. However, moral rights can be waived by the individual entitled to such rights.

Legal framework

The Copyright and Related Rights Act 2000 governs copyright in Ireland. On November 19, 2021, the act was amended by the implementation of the EU Directive on Copyright in the Digital Single Market ((EU) 2019/790), enacted under the European Union (Copyright and Related Rights in the Digital Single Market) Regulations 2021. In doing so, Ireland became the seventh EU Member State to implement the Directive into national law.

Ireland is a party to the Berne Convention of 1927.

Duration of right

There are different periods of protection for works under Irish copyright law, depending on the nature of the work.

For literary, dramatic, musical, artistic works or an original database, copyright will expire 70 years after the death of the author. If the musical work with lyrics is co-written, then copyright will expire on the death of the last author. The period of copyright protection applies regardless of the date on which these works were first made available to the public. However:

- For works that are computer generated, copyright will expire 70 years after the work is first lawfully made available to the public
- For cable programs, copyright will expire 50 years after the cable program was first lawfully included in a cable program service
- For typographical arrangements of a published edition, copyright will expire 50 years after the date on which it was first lawfully made available to the public and
- For broadcast or sound recordings, copyright will expire 50 years after the date on which it was first lawfully made available to the public

There are specific provisions in relation to the duration of copyright in relation to films. Copyright in a film will expire 70 years after the last of the following people dies:

- The director;
- The author of the music specifically composed for use in the film; and
- The author of the screenplay or dialogue.

Ownership / licenses

Under Irish law, copyright may be held jointly between 2 or more authors or creators.

There are no restrictions on assignment (transfer) or licensing of copyright works under Irish law. However there are a number of formalities set out in copyright law which must be adhered to.

Remedies for infringement

The primary remedies available to a copyright holder in relation to infringement are:

- Injunctive relief
- Damages
- An account of profits and/or

- Delivery up of the infringing material, seizure and destruction

In some circumstances, criminal penalties such as fines and imprisonment may be imposed for copyright infringement. Additionally, a copyright holder has rights to inform customs authorities of infringement thereby putting them on notice of counterfeit goods with a view to preventing importation of infringing materials.

MASK WORKS / TOPOGRAPHIES

Nature of right

Irish law recognizes the concept of a "topography right" which protects the integrated circuit layout of electrical circuits used in semiconductor products. As with copyright law generally, there is no registration pre-condition or system in Ireland in relation to such rights.

Legal framework

The Irish European Communities (Protection of Topographies of Semiconductor Products) Regulations 1988 (as amended) gives effect to the Directive on the Legal Protection of Topographies of Semiconductor Products (87/54 /EEC).

Duration of right

The topography right will commence on the date when it is first encoded or fixed (or in some cases, when first commercially exploited anywhere in the world). The topography right will expire 10 years from the end of the calendar year in which it was first commercially exploited or, where it has not been commercially exploited anywhere in the world, 15 years after it is first encoded or fixed.

Ownership / licenses

Under Irish law, topography rights may be held jointly between 2 or more authors or creators.

Remedies for infringement

The primary remedies available to a topography right holder in relation to infringement are:

- Injunctive relief
- Damages
- An account of profits and/or
- Delivery up of the infringing material, seizure and destruction

PATENTS

Nature of right

Patents are a statutory right in Ireland.

The following conditions must be met in order to obtain patent protection for an invention:

- It must be new
- It must be capable of industrial application
- It must involve an inventive step (being an invention that is not obvious to a person skilled in the particular area of technology, having regard to the state of the art) and
- It must not be the subject of an excluded category (including discoveries, scientific theories, mathematical methods, aesthetic creations, business method, computer programs and the presentation of information)

In general, it is not possible to get a patent for software. However, there may be scope to obtain patent protection for an invention requiring use of software if the software used provides a technical solution to a technical problem.

The owner of a patent has exclusive rights to exploit the patented invention. Any person who makes, uses, sells or imports the patented invention must first obtain the consent of the patent holder.

The protection granted under Irish patent law is territorial. A patent granting protection in Ireland can be obtained from the Irish Patents Office, through the European Patent Convention (a centralized process for granting a suite of independent, nationally enforceable patents in Europe) or under the Patent Co-Operation Treaty.

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The protection granted under Irish patent law is territorial. A patent granting protection in Ireland can be obtained from the Irish Patents Office, through the European Patent Convention (a centralized process for granting a suite of independent, nationally enforceable patents in Europe) or under the Patent Co-Operation Treaty.

Legal framework

The Patent Act 1992 (as amended) governs patents in Ireland. Ireland ratified the Patent Cooperation Treaty in 1992 and the Paris Convention entered into force in Ireland on December 4, 1925. A Referendum is due to be held in June 2024, where Irish citizens will vote on whether Ireland should join the Unified Patent Court (UPC). If Ireland joins the UPC, it will be possible to get patent protection in all participating EU Member States through a single application with the European Patent Office. The UPC, which was established via the Agreement on the Unified Patent Court 16351/12 of January 11, 2013, began operating in June 2023 and has exclusive jurisdiction to hear disputes relating to infringement and validity of both 'Unitary' patents and European patents. The Court will not have jurisdiction on national patents, as such, it is not intended to replace existing national patent litigation.

Duration of right

Patent protection will last for 20 years. It is possible to obtain supplementary protection certificates for individual medicinal and plant protection products disclosed in a patent. If secured, these extend the protection by a further 5 years.

It is also possible to obtain a short-term patent.

The continuation of registered patent protection is conditional on annual renewal fees be paid each year from the 3rd year from grant.

Ownership / licenses

A patent may be registered to 1 individual or jointly among a number of persons.

It is possible to assign and/or license patents. There are certain formalities to be observed, depending on the nature of the license.

Remedies for infringement

The primary remedies available to a patent holder in relation to infringement are:

- Injunctive relief
- Damages
- An account of profits
- Delivery up of the infringing product and/or
- A declaration that the patent is valid and has been infringed

TRADEMARKS

Nature of right

A trademark enables its owner to identify its goods or services and to distinguish them from other goods and services in the relevant market.

It is possible to obtain trademark protection for words, phrases, symbols, designs, logos, letters, numerals, shapes, colors, packaging and sounds or a combination, which differentiate the origin of the goods or services of one party from the goods or services of another.

A registered trademark owner can, subject to certain limitations, claim exclusivity in the trademark and prevent unauthorized use of the trademark.

Legal framework

In Ireland:

- Irish registered trademarks are governed by the Trade Marks Act 1996 (as amended) and
- European Union Trade Marks are governed by Regulation EU/2017/1001

Ireland ratified the Madrid protocol in 2001 and became a signatory to the Trademark Law Treaty in 1999.

Accordingly, trademarks can be registered nationally in Ireland or at a European level, which affords the registered owner protection on a pan-European basis.

For unregistered trademarks and logos, it is possible to obtain legal protection under the common law tort of passing off.

Duration of right

A trademark registration survives for ten years. It is possible to renew a trademark registration for additional ten-year periods.

Ownership / licenses

Joint ownership of trademarks is permitted. It is possible to license trademarks on either an exclusive or non-exclusive basis.

There are some recordal requirements in relation to assignments, licenses and certain other instruments affecting registered trademarks under Irish trademark law.

Remedies for infringement

The primary remedies available to a trademark owner in relation to infringement are:

- Injunctive relief
- Damages
- An account of profits
- Order for erasure, removal or obliteration of the offending sign from the infringing goods, articles or materials and/or
- An order for delivery up of the infringing goods, articles or materials

The European Union Trade Mark Regulations 2018 amended the Trade Marks Act 1996. These regulations entitle a trademark owner to seek to stop counterfeit goods passing through Ireland and to stop infringing goods earlier in the supply chain, for example, where there is a risk that a trademark is being used for ancillary or preparatory infringing acts (eg, being affixed on packaging, labels or tags for counterfeit goods).

TRADE SECRETS

Nature of right

The regulation of trade secrets protects commercially valuable undisclosed know-how and business information.

A trade secret is information that:

- Is secret (in the sense that it is not generally known or readily accessible to persons within circles that deal with such information)
- Has commercial value because it is secret and
- Has been subject to reasonable steps by the person lawfully in control of the information to keep it a secret

Confidential information may be protected under and subject to a number of tests in common law.

Legal framework

The Trade Secrets Directive (EU) 2016/943 has been implemented in Ireland by the European Union (Protection of Trade Secrets) Regulations 2018. These regulations protect undisclosed know-how and business information (trade secrets) against unlawful acquisition, use and disclosure.

The disclosure of confidential information is governed by common law and/or, where applicable, may be governed by contract.

Duration of right

Trade secret and confidential information protection has a potentially indefinite term provided the quality of confidence is maintained.

Ownership / licenses

It is possible to have joint rights in confidential information and to limit use of such confidential information by license or otherwise under contract.

Remedies for infringement

The primary remedies available to in relation to trade secrets for infringement:

- An order restraining any relevant person from disclosing any trade secret or alleged trade secret;
- An order implementing measures to preserve confidentiality of any trade secret or alleged trade secret;
- A compensation order for damages; and/or
- An order for cessation, prohibition or destruction

Criminal fines and penalties are also possible in certain cases.

OTHER KEY IP RIGHTS

Nature of right

Designs

Design rights protect the appearance of a product which may include any industrial or handicraft item, including parts to be assembled into a complex product, packaging, get-up, graphic symbols and typographical type faces. Computer programs cannot be subject to design right protection.

A design must have a new and individual character in order to qualify for protection.

The registered proprietor of a design right has the exclusive right to use or authorize others to use the design including the rights of making, offering, putting on the market, importing, exporting or use of a product in which the design is incorporated or to which it is applied, or stocking such a product for those purposes.

Infringement of an unregistered design right can only arise where there is intentional copying of the protected design.

Legal framework

Designs

The Industrial Designs Act 2001, supplemented by the Industrial Designs Regulations 2002 (as amended) govern the protection of national designs in Ireland. The Community Design Regulations No. 6/2002 govern pan European registered design rights and introduced the concept of an unregistered design right into Irish law.

Accordingly, design rights can arise from a national registered design right or as part of a European registered or unregistered design right.

Duration of right

Designs

A registered design right (whether a national or community design) survives for 5 years from the date of first registration. It is possible to apply to renew the registration for additional 5 year periods up to a maximum of 25 years.

Unregistered design protection survives for a period of 3 years from the date on which the design was first made available to the public.

Ownership / licenses

Designs

It is possible to have joint ownership in a design. It is also possible to transfer and/or license design rights. There are certain formalities in relation to the recordal of exclusive and non-exclusive design rights.

Remedies for infringement

Designs

The primary remedies available to a trademark owner in relation to infringement are:

- Injunctive relief
- Damages
- An account of profits and/or
- An order for seizure, forfeiture, destruction or delivery up of the infringing product

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

In general, works created by employees in the course of employment will be considered to be the intellectual property of the employer. However, this is not always the case if the work was created in the employees own time and in a way that did not rely on the time or information of the employer or otherwise relate to the day to day duties of the employee. This is not always clear-cut and so employment contracts will typically include provisions that seek to give certainty to the intellectual property rights as between the employer and the employee.

Consultants / contractors

The position regarding works done by persons who are independent contractors or consultants is different to the employer/employee relationship. Where the works are created as a result of and/or in the course of provision of the services by the independent contractor or consultant, typically the resulting intellectual property rights will be owned by the independent contractor or consultant.

Therefore it is necessary to ensure that appropriate provisions are included in the contract between the person commissioning the works or services and the independent contractor or consultant, to set out the intended position regarding ownership, transfer and licensing rights in relation to the resulting works. Such provisions should include appropriate terms providing for the waiver of moral rights where applicable.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no requirement to register commercial agreements in Ireland.

Recognized language of commercial agreements

English is the recognized language for commercial contracts in Ireland. There are some specific provisions in consumer protection law in Ireland which inform not just the content of business to consumer commercial agreements but also the style of English used, encouraging clear and intelligible language to be used for the benefit of the consumer.

Country-specific issues for online content

The statutory regime governing online content in Ireland generally derives from European law. Under the Consumer Rights Act 2022, the general principles of consumer law apply to contracts for the provision of digital content or digital services. In addition to this, the EU Digital Services Act places general obligations on digital service providers (including social media platforms, online marketplaces and app stores). These obligations aim to ensure transparency and accountability on how these online service providers moderate content and advertise, for example, by prohibiting targeted advertising towards children.

Enforceability of online/clickwrap/shrinkwrap terms

The enforceability of online terms is determined in Ireland by their compliance with normal principles of contract and consumer law, rather than by their medium.

The Unfair Contract Terms Directive, 1993/13/EEC is implemented in Ireland by the recently-enacted Consumer Rights Act 2022. The 2022 Act also implements Directive 2019/770 (on contracts for the supply of digital content and services) and EU Directive 2019/771 (on contracts for the sale of goods). This applies to the content of online/ click wrap/shrinkwrap contracts in a business to consumer context . The Act introduces a new “black list” of contractual terms that are always unfair in consumer contracts, including clauses that have the effect of giving traders the exclusive right to determine whether goods are in conformity with the contract or of granting the trader a shorter notice period to terminate the contract than the notice period required of the consumer. In addition, a “grey list” of terms that are presumed to be unfair is set out in the Act. A contract which contains unfair terms risks being unenforceable against the consumer.

The Consumer Rights Act 2022 also implements Directive 2011/83/EU on consumer rights, which prescribes certain information that must be provided to consumers in order for distance contracts (including agreements conducted online) to be enforceable.

Governing law

The Irish courts will generally recognize the governing law and venue for resolution of disputes (including arbitration) specified in a commercial contract. Specific rules apply to consumer contracts.

It is a specific requirement that business-to-consumer traders must include a link on their website to the European Commission's Online Dispute Resolution platform.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

While in general, warranty disclaimers will be enforceable under Irish law for business to business contracts, it is not possible to exclude the implied condition of title in a contract of sale.

The Sale of Goods Act 1893 (as amended by the Sale of Goods and Supply of Services Act 1980) contains certain implied terms relating to the quality of any goods. These cannot be excluded when supplying to consumers. There are other implied terms relating to the provision of services which can be excluded when supplying to consumers, subject to ensuring such exclusionary terms are fair and reasonable in the circumstances and are brought to the attention of the consumer.

A warranty disclaimer in a business to consumer contract may be unenforceable against the consumer where it is unfair, having regard to the Consumer Rights Act 2022.

Enforceability of exclusions/limitations of liability indemnification

Generally, liability can be subject to limitation (in the form of a financial cap) and exclusions (of certain heads of loss) in both consumer (subject to the fair and reasonableness requirements referred to above) and in business contracts. Exclusions of liability for fraud or death and personal injury caused by negligence and for certain implied warranties will not be enforceable in a consumer contract. Current Irish case law indicates that it may not be possible to exclude liability for a fundamental breach.

Indemnification

Indemnity clauses in contracts typically fall into 2 categories

- Clauses where one party agrees to indemnify the other against liability which that other may have toward him/her; and
- Clauses in which one party to the contract agrees to indemnify the other party against liability that the other party may incur toward 3rd parties.

Indemnities are generally respected and recognized. Indemnification provisions are generally enforceable unless they involve indemnification of conduct that has been declared unenforceable by statutes or the courts (such as fraud, wilful injury to persons or property and any other future or past unlawful acts) or are contrary to public policy.

It is not unusual to see limitations and exclusions of liability applying to indemnities. In general, these will be enforceable under Irish law.

Electronic signatures

The Electronic Commerce Act 2000 governs the use of electronic signatures in Ireland.

An electronic signature may be used provided the person or body to whom the signature is addressed consents to the use of the electronic signature. Where a signature to a document needs to be witnessed or where a seal is required to be affixed to a document, certain additional requirements apply including the requirement that an advanced electronic signature is used. Where the recipient is a public body, any information technology or procedural requirements imposed by that body must be complied with. There are also a number of exceptions under Irish law where an electronic signature may not be used such as:

- Wills
- Codicils
- Trusts
- Enduring powers of attorney
- Documents under which an interest in real property is created, acquired, disposed of or registered, sworn affidavits and
- Documents requiring a "wet ink" signature under law (such as prescriptions)

Under contract law, electronic signatures may have legal effect and be admissible as evidence in legal proceedings and are recognized as the functional equivalent of handwritten signatures.

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ISRAEL



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights are statutory rights, with the exception of trade secrets, which are protected under Israel's Commercial Tort Law as a civil tort.

COMMERCIAL CONTRACT FRAMEWORK

Overview

In general, contractual engagements are regulated under the Contracts Law (General Part), 5733-1973. The Contracts Law regulates, among other matters, the creation of a contract, the form and substance of the contract, the fulfillment of the contract and the rescission of the contract as a result of a fault arising from its creation.

Alongside the contract laws, there are several statutes that regulate specific contracts such as, those with respect to sale (including international sale of goods), agency (including with respect to a commercial agent), insurance, guarantees, assignment of rights and obligations and standard contracts.

COPYRIGHTS

Nature of right

Copyright protects authors' economic and moral rights. According to Section 4(a) of the Copyright Act 2007, copyright subsists in any original literary, dramatic, musical or artistic work if it is fixed in any form. Protection of moral rights is comprised of the authors' rights for attribution and for the work not to be distorted in any unauthorized manner.

Legal framework

The Copyright Act 2007 is the governing statute for copyrights.

Duration of right

Section 38 of the Copyright Act sets the term at the life of the author plus 70 years after their death, subject to certain exceptions. In the case of a joint work, copyright subsists throughout the life of its longest surviving joint author plus 70 years after their death.

Sound recordings are protected for 70 years from creation or, if published within 2 years of creation, for 70 years from the publication date. Where an insufficient number of copies is made available to the public, the record will be protected for 50 years from creation or publication, respectively.

According to Section 41A of the Copyright Act, fonts are protected under copyright for a term of 70 years following the publication of the font.

Ownership / licenses

The author of a literary, dramatic, musical or artistic work or the producer of a sound recording is the first owner of copyright in the work or sound recording, respectively. The employer is the first owner of copyright in a work created by an employee during and as a result of their employment, unless otherwise agreed. Copyright in a commissioned work remains with the author unless otherwise agreed by the commissioning party and the author, expressly or impliedly; however, the first owner of copyright in a portrait or photograph of a family event or other private event made pursuant to a commission shall be the commissioning party.

Licenses can be granted by the copyright owners and by licensees authorized to grant sub-licenses. There is no need to record such licenses with any authority. An exclusive license or a transfer of copyright must be in writing, but this does not apply to non-exclusive licenses.

As for moral rights, these are personal and cannot be transferred, although it is generally accepted that they can be inherited, nor do they belong to the employer in an employer/employee relationship. There is no moral right in software.

Remedies for infringement

An infringement of copyright or a violation of moral rights is a tort and the provisions of the Civil Wrongs Ordinance [New Version] apply to it, *mutatis mutandis*, and is subject to the provisions of the Copyright Act. In principle, in actions regarding such rights, remedies under the law of torts apply. Remedies include injunctions, monetary awards, statutory damages and the seizure and disposal of infringing materials.

With respect to monetary awards, 2 main routes are available:

- Actual damages and recovery of profits gained by the infringer.
- Statutory damages; at the claimant's request, the court may award damages without proof of injury for each infringement in an amount not to exceed ILS100,000 (approximately USD27,500).

In a copyright infringement action, the claimant is presumptively entitled to injunctive relief, unless the court finds grounds that justify not ordering such relief.

The remedy of declaratory judgment is available. Under the statutory provision, courts have an independent and unlimited discretion in granting declaratory relief.

MASK WORKS / TOPOGRAPHIES

Nature of right

The right protects designs of integrated circuits used in semiconductor chips and related electronic applications.

An integrated circuit is a product in its final or intermediate form, in which both of the following exist:

- Its elements, at least 1 of which is an active element, and some or all of the interconnections are integrally formed in or on a layer or layers of material.
- The product is intended to perform an electronic function.

The provisions of the Integrated Circuits (Protection) Law 1999 apply to an original layout-design (ie, topography) in respect of which 1 of the following applies:

- Its creator, on the date of creation, is a citizen or a resident of Israel.
- Its creator is a person or corporation with an active enterprise for the creation of layout-designs (ie, topographies) or for the manufacture of integrated circuits in Israel on the date of creation.

A layout-design (ie, topography) is defined as the 3-dimensional disposition of an integrated circuit or such 3-dimensional disposition prepared for the manufacture of an integrated circuit, however expressed.

Legal framework

The Integrated Circuits (Protection) Law 1999 is the governing statute.

Duration of right

The right has a term equal to the earlier of:

- The end of 10 years from the date on which the layout-design or an integrated circuit in which the layout-design is incorporated was first lawfully sold or distributed commercially in Israel or outside of Israel.
- The end of 15 years from the date of creation of the layout-design.

Ownership / licenses

As a basic rule, the creator of the layout-design shall be the first owner of the layout-design. However, where a layout-design is created by an employee as a result of and during the term of their employment by their employer, the employer shall be the owner of the layout-design unless otherwise provided in the contract between them.

With respect to licenses, an agreement for the transfer of rights in a layout-design (*ie*, topography) or for the grant of a license to use exclusive rights in a layout-design (*ie*, topography) must be documented in writing.

Remedies for infringement

The infringement of the rights in a layout-design constitutes a tort and the Civil Wrongs Ordinance [New Version] shall apply to it, subject to the provisions of the Integrated Circuits (Protection) Law.

PATENTS

Nature of right

A patentable invention must be novel and useful, be capable of use in industry and involve an inventive step. Patent protection encompasses the following forms of exploitation, for the applicable term:

- i. In respect of an invention that is a product –production, use, offer for sale, sale, or import for purposes of I of the aforesaid acts.
- ii. In respect of an invention that is a process – use of the process.

A patent holder is entitled to prevent any 3rd party from exploiting the invention for which the patent has been granted without their permission, either in the manner defined in the claims or in a similar manner.

Legal framework

The Patents Law 1967 (Patent Law) governs patents in Israel.

Duration of right

Patents have a term of 20 years from application, subject to certain exceptions.

Ownership / licenses

As with copyright, the basic rule is that the inventor is the owner of the rights. Subject to any agreement to the contrary, where an inventor is an employee, the employer is the owner of the invention created by the employee in the course of and during the period of their service (“Service Invention”), although in certain circumstances, the employee may be entitled to royalties from the commercialization of any such Service Invention (this right is often waived in employment contracts).

In order for a license to be binding upon 3rd parties, it must be recorded with the Israeli Patent Office.

Remedies for infringement

As with copyrights, both injunctive and monetary relief are available. In addition, if the infringement was committed after the patent holder or an exclusive licensee had warned the infringer, the court may grant punitive compensation up to the amount of the damages awarded – namely, no more than twice the amount of the damages in total. No statutory damages are available for patent infringement.

TRADEMARKS

Nature of right

is protection for both registered and unregistered trademarks. A trademark may be comprised of letters, numerals, words, devices or other signs, or combinations thereof, whether 2-dimensional or 3-dimensional, and is used to identify and distinguish the source of the goods or services of one party from those of others.

Legal framework

Trade Marks Ordinance [New Version] 1972 is the governing statute; rights in unregistered trademarks may also be enforced by means of the tort of passing off under the Commercial Torts Law 1999.

Duration of right

The term of a registered trademark in Israel is 10 years from the date of application. Renewals are available without limitation for additional 10-year terms, so in fact a registered trademark has an unlimited term of protection as long as the registration is maintained. In the case of an unregistered trademark, it can be enforced as long as it remains well-known, or as long as it satisfies the requirements of the tort of passing off under the Commercial Torts Law 1999.

Ownership / licenses

The ownership of a trademark is determined by the identity of the registrant with the Israeli Trademarks Office.

For a license to be binding, it must be recorded with the Israeli Trademarks Office. Sub-licenses are not mentioned in the Trade Marks Ordinance [New Version] 1972, but the Israeli Trademarks Office has indicated that sub-licenses can also be registered.

Remedies for infringement

Injunctive and monetary relief are both available for trademark infringement. In addition, statutory damages for passing off under the Commercial Torts Law 1999 can serve as a complementary claim to trademark infringement.

TRADE SECRETS

Nature of right

Trade secrets are defined as any business information, which is not publicly known and which cannot readily and legally be discovered by the public, the secrecy of which grants its owner an advantage over their competitors, provided that its owner takes reasonable steps to protect its confidentiality.

Legal framework

The Commercial Torts Law 1999.

Duration of right

Information can remain protected as a trade secret as long as the information remains confidential and does not enter the public domain.

Ownership / licenses

Usually, the owner of the information owns the trade secret; licenses can be granted and there is no need to record grant.

Remedies for infringement

Misappropriation of one's trade secret is a civil tort that may entitle the plaintiff to several types of remedies – for example, injunction and monetary compensation, including statutory damages of up to ILS100,000 (approximately USD27,500) without having to prove that actual damage was caused.

OTHER KEY IP RIGHTS

Nature of right

Designs

The Designs Law grants protection to registered and unregistered designs. A design protects the appearance of a product or part of a product, including the outline, color, shape, decoration or texture, or the material from which they are made. According to the Designs Law, 2017, a product may be a set of items, packaging, graphic symbols or screen displays (but not a font/typeface or computer program). Examples of items for which design rights have been granted include jewelry, clothes, toys, screen displays and furniture. A design is eligible for registration if it is novel and unique (*ie*, creates a different general impression among informed users in comparison with existing designs or products of any kind and of the same kind). An unregistered design, which is eligible for registration, is entitled to partial protection, mainly with regard to commercial manufacturing.

Legal framework

Designs

The Design Law 2017 (“Design Law”) governs the protection of designs since August 7, 2018.

Until such time the protection of designs was governed by the Patent and Designs Ordinance.

Duration of right

Designs

Section 39 of the Design Law sets the term of registered design protection at 25 years commencing from the date of registration. Section 65 sets the term of unregistered design protection at 3 years commencing from the date of first publication.

There is a 12-month grace period from the first publication of a design to apply for its registration.

A design registered under the Patent and Designs Ordinance, which grants protection for a total term of 15 years, can be further extended by an additional 3 years under the new Design Law (thus, 18 years in total).

Ownership / licenses

Designs

The designer is the first owner of a design. The employer is the first owner of a design made by an employee carrying out their tasks or as a result of making substantial use of the employer's resources, unless otherwise agreed. A design made to order is owned by the person who commissioned it, unless otherwise agreed.

Licenses can be granted by the owner of the rights and by licensees authorized to grant sub-licenses. An exclusive license or a transfer of rights in a design must be in writing and these are required to be recorded on the designs registry.

Remedies for infringement

Designs

An infringement of rights under the Design Law constitutes a tort and the Torts Ordinance [New Version] shall apply to it, subject to the specific provisions of the Design Law. Remedies include injunctions, monetary awards, statutory damages and the seizure and disposal of infringing materials.

With respect to monetary awards, 2 main routes are available: (i) actual damages and recovery of profits gained by the infringer, or (ii) statutory damages at the claimant's request; the court may award statutory damages without proof of injury for each infringement in an amount not to exceed ILS100,000 (approximately US\$27,500).

In case of design rights infringement, the claimant is presumptively entitled to injunctive relief, unless the court finds grounds that justify not ordering such relief.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

As set out above, in an employer/employee relationship, the employer is usually the owner of the right created in the course of such relationship. This holds true for service inventions under the Patent Law, works under the Copyright Act, designs under the Design Law, and layout-designs under the Integrated Circuits (Protection) Law. There are no legal provisions regarding this issue in connection with trademarks or trade secrets. Notwithstanding the foregoing, case law recognizes an obligation on the part of an employee to preserve the employer's trade secrets as a result of the employee's duties of good faith towards the employer.

Despite the provisions in various laws, as detailed above, it is customary to include a general covenant in employment agreements in which the employee assigns all intellectual property rights that they may have to the employer (and expressly waives any right they may have to royalties on Service Inventions - ie, inventions created during and in consequence of an employee's employment with the employer).

It should be noted that a number of cases since 2010 have considered the question of an employee's right to royalties on Service Inventions as a separate question from the issue of ownership of the right (which vests in the employer). Furthermore, the Committee for Compensation and Royalties ("Committee") has stated, in a decision under Chapter Six of the Patents Law, that it is possible to waive this right and that a general waiver of rights by the employee suffices for this purpose, with no specific reference to royalties under the Patent Law being required (*Barazani v. Iskar*).

In December 2019, the High Court of Justice ruled that employees have no "vested right" under Israeli law to receive remuneration for their Service Inventions (although, under the Patent Law, where there is no actual agreement between the employer and the employee determining whether, to what extent and on what conditions the employee has a right to remuneration for a service invention, the employee is entitled to apply to the Committee for a decision on the matter). In addition, the High Court of Justice has ruled that the period of proscription for filing an employee's motion to receive remuneration for a service invention commences on the date on which the employee is required by law to notify the employer of the Service Invention, namely as soon as possible after the date of invention.

Consultants / contractors

The author is the first owner of the copyright in a commissioned work, unless the parties agree otherwise, either expressly or implicitly (note that this is not the case where the commissioned work is a design).

The state is the first owner of a work made by or commissioned for the state, or by an employee of the state in the course of and during the period of their service.

Therefore, in agreements with consultants or contractors, one should include a covenant in which the consultant or contractor assigns all intellectual property rights that they may have to the company/principal as otherwise such rights may vest with the consultant or contractor.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement under Israeli law in connection with commercial agreements. Nevertheless, some agreements (eg, real estate or security documents) may require filing in order to be perfected or binding vis-à-vis the relevant authorities or 3rd parties. In addition, publicly traded companies may be required to disclose certain material contracts.

Recognized language of commercial agreements

In general, there is no requirement under Israeli law that a commercial agreement will be drafted in any specific language, to the extent that the chosen language will be understood by all parties to the agreement.

In consumer-type agreements, entering into a transaction with a consumer by exploiting the consumer's lack of knowledge of the specific language of the transaction is considered an unfair influence by the dealer which is prohibited. Such a claim would have to be proved by the consumer according to the specific circumstances of the

matter. There is a general presumption that, if an individual has decided to enter into a transaction, they understand its contents; however, such presumption, of course, can be rebutted. In addition, in remote sale transactions, mandatory disclosure documents are to be sent to the consumer in Hebrew or in the language used during the marketing stage.

Country-specific issues for online content

There are no specific requirements under Israeli law for online terms, which are considered to be a contract with all its implications (conditional upon the fulfillment of all elements under law required for the creation of a contract between 2 or more parties).

However, online terms may be deemed to be a standard contract under Israeli Standard Contracts Law (ie, a contract, the terms of which have been pre-determined by one party in order for them to be used in several agreements between that party and an undetermined and unspecified number of other parties). The consequence of an agreement being determined to be a standard contract by the court is that the court might strike out unfairly prejudicial terms contained within the contract (and in such case, any action by a party in accordance with such term might give rise to claims for breach of contract or tortious acts).

Examples of clauses which are presumed to be unfairly prejudicial under the Israeli Standard Contracts Law:

- A condition denying or limiting a right or remedy available to the customer ("a person to whom a supplier offers an engagement to which a standard contract applies, whether such customer is the receiver or the giver of anything") under law.
- A condition imposing the burden of proof on a person who would not have to bear it but for that condition.
- A condition which denies or limits the customer's right to make certain pleas before judicial authorities or that determines that any dispute between the supplier and the customer will be settled in arbitration.
- A provision which relieves the supplier, fully or partially, of a liability which the supplier would have to bear under law if such condition was not included in the contract.
- A condition which requires a customer to confirm that the customer read the contract, or to declare that they have committed any act, or to approve the customer's knowledge concerning a certain matter or fact, excluding information provided by the customer to the supplier in the contract.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally viewed as enforceable under Israeli law, subject to aspects involving a standard contract, as further discussed above.

Nevertheless, when entering into an agreement that is reviewed and signed online, companies should ensure that the signer has the opportunity to review the terms of the agreement beforehand and that the signer provides their consent to the agreement (such consent should be retrievable for evidentiary purposes), subject to the restrictions set forth in the Standard Contracts Law, as further discussed above.

It should be noted that in some decisions of the Israeli district courts (which are not binding case law, but rather guidance for lower courts) it has been ruled that the courts' tendency will be to revalidate online agreements when the signer has provided active consent (ie, clickwrap agreements or even hybridwrap agreements, where a clear and accessible link to the terms has been provided), as opposed to shrinkwrap (or browserwrap) agreements, where the active consent of the signer is not required.

In general, governing law provisions, including foreign governing law provisions, specified in a commercial contract will be accepted and recognized by Israeli courts. However, in certain circumstances, the Israeli courts may be prepared to apply Israeli law, such as when immediate temporary relief is required, with regard to civil legal procedures or where the agreement is deemed to be a standard Contract (as further discussed above).

It should be noted that, in some recent decisions of the Israeli district courts (which are not binding case law, but rather guidance for lower courts), it has been ruled that, with respect to standard contracts entered into between multinational corporations and numerous Israelis, with respect to services provided to or targeting Israelis, that determine a foreign jurisdiction and foreign governing law, Israeli courts will apply Israeli jurisdiction and law on the basis that such determination of foreign jurisdiction and law is considered a prejudicial term in a standard contract. In addition, the Supreme Court ruled in a case relating to a major technology company that, notwithstanding the agreement between the parties (which constituted a standard contract), Israeli courts would have jurisdiction but the governing law would be the contractually agreed foreign law, as the plaintiff had failed to demonstrate that such law was unfairly prejudicial. This decision constitutes a binding precedent.

Governing law

In general, governing law provisions, including foreign governing law provisions, specified in a commercial contract will be accepted and recognized by Israeli courts. However, in certain circumstances, the Israeli courts may be prepared to apply Israeli law, such as when immediate temporary relief is required, with regard to civil legal procedures or where the agreement is deemed to be a standard Contract (as further discussed above).

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KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

In general, under Israeli law, parties are free to enter into an agreement which sets out exclusion of warranties or implied terms, subject to such exclusion not being an unfairly prejudicial term contained within a standard

contract. With respect to certain specific goods, Israeli law sets out a mandatory warranty to be granted to a consumer and such warranty cannot be stipulated except where such stipulation was made for the benefit of the consumer.

Enforceability of exclusions/limitations of liability indemnification

Under Israeli law, parties are free to enter into an agreement which sets out exclusion or limitation of liability of one party (such exemption from liability will only bind the parties which agreed to it), except with respect to bodily injury or death which cannot be contractually stipulated or if such exclusion or limitation of liability is of a supplier in a standard contract (and thus such exclusion or limitation might be regarded as an unfairly prejudicial term contained within a standard contract) or in exceptional cases where the court might intervene and cancel such a provision if it contravenes public policy or if it is considered to be morally or socially undesirable. It should be noted that, in practice, parties usually limit liability to direct damages only or restrict the maximum amount of liability.

Indemnification

Under Israeli law, parties are free to enter into an agreement where one party will indemnify the other party for any losses or damages suffered by the indemnitee arising out of or as a result of specified events. In practice, indemnity agreements usually include indemnity carve-outs and exclusions (such as limited duration and scope of liabilities triggering the obligation to indemnify or limitation in indemnity amount).

Indemnification for criminal fines are not enforceable in Israel as they are usually regarded as contravening public policy.

Electronic signatures

Generally, Israeli law recognizes electronic signatures, except for certain inheritance-related documents that cannot be electronically signed. The Electronic Signature Law, 5761- 2001 (“ESL”), as amended in February 2018, expressly states that a signature will not be deemed inadmissible solely because it is an electronic signature – in other words, simple electronic signatures, eg, copied and pasted PDF signatures or click-through consents, are now *prima facie* acceptable for evidentiary purposes (for the sake of clarity, they have always been sufficient for contractual purposes). Until the 2018 amendment, the ESL only recognized the admissibility of 2 types of electronic signatures – secure and certified – both of which are required to comply with stringent technological and bureaucratic standards, as detailed below.

An electronic signature is defined as a signature that is electronic data or an electronic sign that is attached to or associated with an electronic message.

A secure electronic signature should comply with the following requirements:

- i. It is unique to the owner of the signing device (ie, a unique software, unique object or unique information required for producing a secure electronic signature);
- ii. It allows apparent identification of the owner of the signing device;
- iii. It has been created using a signing device that is under the sole control of the owner of the signing device;
- iv. It allows detection of any change to the electronic message subsequent to signing.

A certified electronic signature is a secure electronic signature where the signing device used to produce it has been verified by a registered certification authority. There are 2 certification authorities in Israel:

Personal ID Ltd. (www.personalid.co.il) and Comsign Ltd. (www.comsign.co.il).

An electronic signature is *presumed* to be secure if it complies with certain technological and technical criteria (eg, if it is produced using a key based on an accepted standard that uses an RSA or DSA key that is at least 1,024 bits long or an elliptic curve DSA key which is at least 160 bits long).

Prior to the 2018 amendment, any signature that was required by law had to be either a manual signature or a certified electronic signature. The amended ESL now allows the use of simple or secure electronic signatures in almost all cases where a document is required to be signed by law, provided the type of signature used is adequate to fulfill, to a sufficient degree of certainty, the purposes of such requirement. While this somewhat vague standard has not yet been fleshed out by the courts, the Israeli Ministry of Justice has published a document regarding electronic signatures, in which it clarifies that to examine such standard, one should: (a) identify the purposes behind the legal requirement; (b) examine the level of certainty required and the possible consequences of not fulfilling the objectives (which should be assessed on a case by case basis); and (c) choose the electronic signature that best addresses these issues.

The ESL deals with the evidentiary aspects of electronic signatures in Israel, but it is not the only piece of legislation dealing with the use of electronically signed documents, and there is no comprehensive list of such items. Various rules and regulations govern specific uses of electronically signed documents, eg, notarization and certifications, certain documents related to anti-money laundering and terror financing, etc. Certain government agencies may still not accept electronically signed documents or filings (eg, the Companies Registry, tax authorities) and sector-specific regulators (eg, banking, insurance) may impose their own rules on the use of electronic signatures (that apply to entities subject to their authority), although this tendency is constantly tending toward more flexibility with the advance of technology (and even more so as of the COVID-19 pandemic and the significant rise in the usage of electronic alternatives).

- From a practical point of view, the use of electronic signatures may be impossible or inadvisable in the following instances: Some companies and organizations, eg, insurance companies, still express a somewhat strong preference for manual signatures (even if an electronic signature is sufficient from a legal perspective), although some of them demonstrate more flexibility regarding the subject (as determined by the internal policy of the specific entity in question).
- (If the other party to the contract to be signed is known to be problematic for some reason (for instance, they have challenged contracts in the past), or if the ability to prove the validity of the contractual undertaking is of particular importance, it would be preferable to obtain a manual signature or a secure or certified electronic signature (despite the fact that a "simple" electronic signature would suffice) to avoid potential claims regarding validity or proper execution of the document in question).

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ITALY



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights are governed by the Industrial Property Code (Legislative Decree No. 30/2005) the Italian Copyright Law (Law No. 633/1941) the Italian Civil Code and ad hoc legislation.

COMMERCIAL CONTRACT FRAMEWORK

Overview

There are a number of laws that may apply to commercial contracts, depending on the type of contract and the industry involved. However, general contract laws are contained in the Italian Civil Code.

With regard to agreements between businesses and consumers, the Legislative Decree No. 206/2005 (the Consumer Code) is also applicable.

The Consumer Code provides for detailed provisions on e-commerce as well as the sale of goods, digital contents and services, which have been introduced by the Legislative Decree No. 21/2014 (implementing the EU Directive 2011/83), Legislative Decree No. 170/2021 (implementing EU Directive 771/2019), Legislative Decree No. 173/2021 (implementing EU Directive 770/2019) and Legislative Decree No. 26/2023 (implementing EU Directive 2019/2161).

With specific regard to e-commerce, Legislative Decree No. 70/2003 (implementing the EU Directive 2000/31) should also be taken into account.

COPYRIGHTS

Nature of right

Copyright protection is available to works that have a creative character and pertains to every field of human creation, including literature, music, graphic arts, architecture, theater and cinematography, among others.

Copyright owners have the exclusive right to reproduce, perform publicly by any distance medium, distribute, transform and lease and loan the work.

In addition to the above, the copyright owner also has moral rights such as the right to claim authorship of their work and, in case of an anonymous work, the right to reveal their identity; to object to any distortion, defacing or any other modification of their work that could be prejudicial to their honor or reputation; and to withdraw the literary work from commerce for serious moral reasons.

Legal framework

Law No. 633/1941 (the Italian Copyright Law) is the statute that governs copyrights.

Legislative Decree No. 35 of 15 March 2017 (that transposes EU Directive No. 26 of 2014) regulates the collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market.

Italy has transposed the EU Directive No. 790 of 2019 on copyright in the digital European market through the Legislative Decree No. 177 of 8 November 2021, introducing relevant provisions with reference to authors' rights, obligations for online content sharing service providers (OCSSPs) and Information society service providers (ISSPs) and new publishers' rights.

In short, the legislation establishes that authors should receive an adequate remuneration, proportionate to the potential or actual value of the rights licensed or transferred.

OCSSPs will be required to obtain authorization, such as a license, for the use of copyright-protected works directly from rightsholders or through collective rights management organizations. New complaint and redress mechanisms to address infringing content will have to be introduced and AGCOM (*Autorità per le garanzie nelle comunicazioni*, the Italian Communication Authority) will have to issue guidelines in this regard.

ISSPs will have to negotiate a licensing agreement with press publishers for the use of protected work. Press publishers shall be entitled to fair compensation to be determined also on the basis of the criteria established in *ad hoc* Regulation adopted by AGCOM, which shall also be competent to determine the fair compensation due in specific cases.

AGCOM Regulation on Copyright Protection on Electronic Communication Networks (Resolution No. 680/13 /CONS dated December 12, 2013) as further amended also applies. In 2023, amendments were made with the aim to prevent and suppress the illicit dissemination of copyright-protected content through electronic communication networks, by enhancing the role of AGCOM, which was recognized the authority to instruct service providers to disable access to unlawfully disseminated content, also through “dynamic injunctions.”

Finally, Italy is a party to various international copyright treaties and conventions, such as the Universal Copyright Convention, Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms, the Berne Convention, the TRIPS Agreement, the WIPO Performances and Phonograms Treaty, and the WIPO Copyright Treaty.

Duration of right

Copyright protection is automatic and originates from the mere creation of the copyrightable work.

The protection lasts for the life of the author plus an additional 70 years, starting from the first calendar year after the death of the author.

In the case of joint works and dramatic-musical and choreographic works and pantomimes, the duration¹ of economic rights are determined based on the life of the last-surviving co-author.

In case of cinematographic works, the term is calculated by taking into consideration the last-surviving person among the director, the screenplay writers and the author of the music if it is specifically created for the film. In case of anonymous or pseudonymous works, the duration is 70 years from publication, unless the author reveals their identity prior to expiration of such term.

In case of collective works, the duration² of economic rights for each part lasts until 70 years after the death of each collaborator, while the economic rights on the work in its completeness starts from the date of its first publication as a whole.

With regard to neighboring rights, phonographic producers' rights last 50 years from the fixation of the phonogram. However, Legislative Decree No. 22/2014 (implementing the EU Directive 2011/77/EU of September 27, 2011) provides that, should the phonogram be lawfully published or communicated to the public, the protection would be extended to 70 years from the date of its first lawful publication or communication to the public.

Performers' rights last for 50 years from the time of performance or, if a fixation of the performance is published or communicated to the public during that time, from the first publication or communication to the public, whichever is earlier.

Software is protected as copyrighted work; the Italian Copyright Law provides for some specific provisions in relation to this type of work.

Databases may be protected as copyrighted works in case they represent creative works resulting from the intellectual activity of the author, with consequent application of the relevant provisions on copyright. Should the database lack such characteristics, the creator of the database would be granted a sui generis right against full reproduction or material extraction of content lasting 15 years from January of the year subsequent to its completion or publication.

Moral rights, as described above, last forever and never expire. Upon the death of the author, the rights may be enforced by the author's heir(s). Furthermore, moral rights cannot be waived or transferred.

[1] Pursuant to Section 10 of the Italian Copyright Law a "joint work" is a work created as a result of the indistinguishable and non-severable contributions of different persons.

[2] Pursuant to Section 3 of the Italian Copyright Law a collective work is a work created with the contribution of different authors when each contribution can easily be distinguished and severed (by way of, for example, encyclopedias, dictionaries, anthologies, newspapers and magazines).

Ownership / licenses

Transfer of the ownership (economic rights) is allowed and must be in writing.

Generally speaking, the transfer of 1 or more copies of a copyrighted work does not entail the transfer of the copyright, unless differently agreed. It is considered, however, that the transfer of a mold or of any other means capable of reproducing the work implies the transfer of the copyright over the work, unless differently agreed.

Joint ownership of copyright is recognized with regard to joint works and collective works.

Remedies for infringement

Any person with reason to fear for the infringement of rights belonging to them under the Italian Copyright Law, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that their right is recognized and the infringement is put to an end. In such circumstances, the right holder will be entitled to remedies, including injunction and damages.

A popular means of protection is the so-called "search order," which allows the copyright owner to collect evidence of the infringement through an access to the premises of the infringer (or any other place where the evidence may be found) at the presence of a bailiff and, where necessary, of an expert appointed by the court. In order to stop the infringement, the court may also order the seizure of the works or the products and of all matters constituting an infringement of the copyright.

Criminal sanctions may also apply under certain circumstances.

MASK WORKS / TOPOGRAPHIES

Nature of right

The topography of a semiconductor product is a series of fixed or encoded correlated designs, representing the 3-dimensional pattern of the layers of which a semiconductor product is composed, and in which series each image, entirely or partly, reproduces a surface of the semiconductor product at any stage of the manufacture thereof.

A semiconductor product is a finished or intermediate product containing 1 or more layers of conductor, insulating or semiconductor material arranged in a particular 3-dimensional pattern and intended to perform, whether exclusively or not, electronic circuitry functions.

Mask work owners have the exclusive right to totally or partly reproduce the topography in any method or shape and commercially exploit the mask work – in particular, keeping or distributing for commercial purposes or importing a topography or a semiconductor product in which the topography is fixed.

Legal framework

Sections 87 to 97 of the Industrial Property Code govern semiconductor topography protection.

Duration of right

The protection is granted for 10 years starting either from the end of the year in which the application for registration was filed or – if precedent in time – from the date when the semiconductor containing the topography is put on sale for the first time in any part of the world.

Ownership / licenses

The owner of the mask work is the author that has expressed a creative intellectual effort resulting in a topography that is not common or familiar in the industry of semiconductor products, therefore constituting an object of exclusive rights.

Remedies for infringement

Any person with reason to fear for the infringement of rights belonging to them, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that their right is recognized and the infringement is put to an end. In such circumstances, the right holder will be entitled to remedies, including injunction and damages.

PATENTS

Nature of right

Patent protection is available to inventions (products and processes) that are deemed to be new, involve an inventive step and are suitable for industrial application.

From the publication of the patent application, the patent owner has the exclusive right to forbid 3rd parties from producing, using, trading in, selling or importing the product (should the invention be a product) or applying the method, or using, trading in, selling or importing the product that is directly obtained from the method (should the invention be a method).

Novel solutions capable of significantly improving existing products may be awarded protection as utility models.

Legal framework

The Industrial Property Code is the statute governing patents in Italy (Section 45 et seq.).

Italy is also party to the main international patent treaties and conventions, including the European Patent Convention. In addition, Italy joined the Unitary Patent and Unified Patent Court system (UPC), a supranational court with exclusive jurisdiction to decide on the infringement and validity of Unitary Patents, as well as European Patents validated in the participating states

The UPC system entered into force in June 2023: the 3rd seat of the Unified Patent Court's central division will be located in Milan, starting its activity in June 2024.

Given that both the Italian and the European patent systems may be applicable, art. 59 of the Industrial Property Code establishes that when an Italian patent and a European patent valid in Italy, or a European patent with

unitary effect have been granted for the same invention, with the same filing date or priority date, the Italian patent retains its effects and coexists with the European patent.

Duration of right

Patent protection lasts for 20 years for inventions and 10 years for utility models, starting from the filing date of the patent application.

Ownership / licenses

Ownership of a patent may be transferred to 3rd parties, as well as assigned by means of a license, authorizing the exploitation of the patent within the limits determined by the parties, such as exclusivity and sublicensing.

Remedies for infringement

Any person with reason to fear for the infringement of rights belonging to them under the Italian Intellectual Property Code, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that their right is recognized and the infringement is put to an end. In such circumstances, the right holder will be entitled to remedies, including injunction and damages.

Injunctions can be granted also as preliminary measures, by way of a summary proceedings, which could stop the infringement within 3 to 9 months from the petition date. The court may also order the seizure of the products and of all matters constituting an infringement of the patent, also with respect to cases when goods suspected of infringing IP rights are displayed at official or officially recognized exhibitions.

Another relevant remedy is the so-called "search order," which allows the patent owner to collect evidence of the infringement through access to the infringer's premises (or any other place where the evidence is deemed to be) at the presence of a bailiff and, and where necessary, of an expert appointed by the court.

Criminal sanctions may apply as well under certain circumstances.

TRADEMARKS

Nature of right

Trademark protection is available for signs that can be represented graphically, provided they are capable of distinguishing the goods or services of a company from those of other companies. In particular, it is possible to register words (including personal names), drawings, letters, numbers, sounds, forms of the product or its packaging or the combinations or shades of color.

The trademark owner has the right to prevent third parties from:

- Using a sign identical to the trademark filed for products or services identical to those for which the mark was registered.

- Using a sign identical or similar to the registered trademark for identical or similar products or services if the identity or similarity between the signs, and the identity or similarity between the products or services, may lead to a risk of confusion for the public, which may consist of a risk of association between the signs.
- Using a sign identical or similar to the registered trademark for different products or services if the use of the sign without justified reason allows the user to obtain an undue advantage from the distinctive character or fame of the trademark or causes prejudice thereof.

A form of protection is granted to unregistered trademarks as well. In case the unregistered trademark has become well known due to a long-lasting, widespread and intensive use, the owner has the right to prevent 3rd parties from registering that trademark when such registration could mislead the public with respect to the origin of the products.

In situations where the pre-use is only local, such use grants the owner of the unregistered trademark the right to continue using it for the same type of products or services, and in the same territory, without the right to prevent 3rd parties – that subsequently register the same trademark – from also using it in the same territory.

Legal framework

Sections 2569 to 2574 of the Italian Civil Code and Section 7 and subsequent of the Industrial Property Code regulate the protection of trademarks.

EU Regulation No. 1001 of 2017 applies to EU trademarks.

Italy is also party to the main community and international trademark treaties and conventions, such as the Paris Convention, Madrid Agreement and Protocol, Nice Agreement and TRIPS Agreement.

Duration of right

Trademark registration lasts 10 years from the filing date (unless waived by the owner), and it can be renewed an unlimited number of times, provided that the request for renewal is filed before the expiration date.

Ownership / licenses

Anyone, being a natural person or a legal entity, who uses or proposes to use a trademark for products and services, can obtain the registration of a trademark (non-use of the trademark within 5 years from the date of registration can cause the trademark to lapse).

The trademark can be transferred without the company or without a branch thereof, provided that no deception is caused to the consumer; trademarks can be the object of a license (including non-exclusive licenses) for all or part of the products or services for which it was registered.

Remedies for infringement

Any person with reason to fear for the infringement of rights belonging to them, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to

ensure that their right is recognized and the infringement is put to an end. In such circumstances, the right holder will be entitled to remedies, such as injunction and damages.

Injunctions can be granted also as preliminary measures, by way of a summary proceedings, which could stop the infringement within a very short time, and also ex parte. The court may also order the seizure of the products and of all matters related to the infringement.

Another relevant remedy is the so-called "search order," which allows the trademark owner to collect evidence of the infringement through access to the infringer's premises (or other places where the goods are stored) at the presence of a bailiff and, where necessary, of an expert appointed by the court.

Criminal sanctions may also apply under certain circumstances.

TRADE SECRETS

Nature of right

Trade secrets are defined as corporate information and technical-industrial experiences subject to the legitimate control of the owner, provided that said information:

1. Is secret (in the sense that it is not, in its entirety or in the precise configuration and combination of the elements thereof, generally known or easily accessible to experts and operators in the relevant market sector)
2. Has an economic value due to its confidentiality and
3. Is subject to reasonable measures to keep it secret.

In addition to the above, data relating to experiments or other secret data may also be protected if processing them would require a considerable effort and the disclosure of that data is required in order to receive an authorization for marketing chemical, pharmaceutical or agricultural products containing new chemical substances.

The rightful holder of the trade secrets has the right to:

- Prevent 3rd parties from obtaining or revealing to 3rd parties or using in an abusive manner such trade secrets, unless they were obtained autonomously.
- Prevent 3rd parties from obtaining, revealing or using the trade secrets when they knew or should have known that they were being used illegally by a subject other than the rightful holder.
- Prevent 3rd parties from in any way commercializing goods that were manufactured while unlawfully exploiting the trade secrets.

The disclosure or unlawful use of trade secrets or confidential information may also constitute a breach of the principles of professional correctness.

Legal framework

Section 2598 of the Italian Civil Code and Sections 98 and 99 of the Industrial Property Code govern the protection of trade secrets.

The current legal framework governing trade secret protection has been slightly amended by Legislative Decree 11 May 2018, No. 63 in order to comply with the provisions set forth in Directive No. 943/2016/UE (the so-called Trade Secret Directive).

Duration of right

The duration of protection is potentially perpetual as long as the abovementioned requirements sub i., ii., iii. are in place.

Ownership / licenses

The holder of the trade secret is the entity that developed such secret (joint ownership is possible).

Remedies for infringement

Any person with reason to fear for the infringement of rights belonging to them, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that their right is recognized and the infringement is put to an end. In such circumstances, the right holder will be entitled to remedies, such as injunction and compensation for damages.

Criminal sanctions may also apply under certain circumstances.

OTHER KEY IP RIGHTS

Nature of right

A product or a part of it may be registered as a design provided that they are new and that they have individual character.

A design is deemed to be new if no identical design has been widespread among the public before the application is filed (or, in case a priority is claimed, before the latter had been widespread among the public).

A design is deemed to have individual character if it generates a different impression in the informed user compared to other designs previously widespread. To assess the individual character, the margin of freedom in the realization process of the product should be taken into consideration.

The registration of a design attributes to its owner the right to use it and to prevent others from using or exploiting it in any manner without their consent. Private and didactic use are allowed.

Some less extensive forms of protection are granted to unregistered EU designs (eg, the right to prevent 3rd parties from using the design is limited to cases in which the latter are aware of the existence of that design).

Designs and models that appear in an official exhibition, or an exhibition officially recognized, held in the Italian territory or in the territory of a foreign State that grants reciprocity of treatment can receive temporary

protection. Such temporary protection allows designs to be protected from the date of their exhibition, provided that the relevant application is filed within 6 months from such date.

Legal framework

Sections 31 and subsequent of the Industrial Property Code apply to registered designs.

Regulation (EC) No. 6/2002 applies to both registered and non-registered EU designs.

Duration of right

For registered designs, protection lasts 5 years from the date of filing of the application. It can be renewed for periods of 5 years with a limit of 25 years total.

For unregistered designs, protection lasts 3 years from the disclosure to the public, and it cannot be renewed.

The temporary protection to designs that appear in an official or officially recognized exhibition lapses if the application for registration of the design is filed after the expiry of a period of 6 months from the date of the exhibition.

Ownership / licenses

Generally speaking, ownership belongs to the creator of the design (unless it is created in the context of an employment relationship – see below) and the economic rights related to it can be licensed to 3rd parties.

Remedies for infringement

Any person with reason to fear for the infringement of rights belonging to them, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that their right is recognized and the infringement is put to an end. In such circumstances, the right holder will be entitled to remedies, such as injunctions and damages.

Injunctions can be granted also as preliminary measures, by way of a summary proceedings, which could stop the infringement within a very short time, and also ex parte. The court may also order the seizure of the products and of all matters related to the infringement.

Criminal sanctions may apply under certain circumstances.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Copyright

As a general rule, unless otherwise agreed by the parties, should a work be commissioned by 3rd parties or created by an employee in the performance of their tasks or upon instructions given by the employer, the economic rights on such work would be held by the commissioner or employer, while moral rights, which are non-transferable and inalienable, would be retained by the author (ie, employee).

With regard to software and databases, unless otherwise agreed, the employer holds the exclusive right to exploit the work created by an employee in the performance of their tasks or upon the instructions of the employer.

With regard to industrial designs, economic rights would be held by the employer in case the work has been created by the employee in the performance of their duties. Moral rights would, in any case, be retained by the employee.

Patent

When an industrial invention is made during the performance or fulfillment of an employment contract, whereby the inventive activity is deemed to be the objective and the employee is specifically paid to invent, the employer retains the patent rights arising from the invention, and the inventor (which is not entitled to any bonus or compensation with regard to the invention) retains the right to be recognized as such.

When an industrial invention is made during the performance or fulfillment of an employment contract that does not provide specific compensation for inventive activity, the employer holds the patent rights arising from the invention, and the inventor is entitled to a fair compensation and holds the right to be recognized as inventor.

If none of the above applies, but the invention is related to the field of activities of the employer, the employer retains an option rights to use and purchase the invention.

With respect to the framework of research by universities and similar institutions, the rights of the inventions made by researchers during the course of employment with a research institution, university or similar entities, belong to the research institution or university. The researcher retains the moral right to be recognized as inventor.

Different principles apply to inventions carried out within the frame of publicly funded research by universities and similar institutions and researchers.

Consultants / contractors

Law No. 81/2017, published on June 13, 2017, established the principle, previously supported only by case law, according to which any economic IP right originating from the performance of the contract belongs to the party retaining the contractor, as long as the inventive activity is expressly indicated as the object of the contract and specifically remunerated. Otherwise, they belong to the contractor. The parties remain free to agree otherwise.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

While it is not necessary to register an agreement at the Italian PTO, the registration of some contracts (eg, trademarks and patent licenses) may be advisable, especially for evidentiary purposes in case of a court proceeding.

Recognized language of commercial agreements

Generally, the parties are free to determine the language of the contract. However, with regard to business-to-consumer agreements for the sale of goods and standard terms and conditions, use of the Italian language is mandatory. Moreover, should 1 or more of the parties not be familiar with a given foreign language, said party may claim the invalidity of some clauses of the contract.

Country-specific issues for online content

With regard to B2C contracts concluded of distance or off-premises, the Consumer Code, as amended by Legislative Decrees Nos. 21/2014, 170/2021, 173/2021 and 26/2023 (pursuant to the Directive EU 2019/2161), provides some enhanced obligations in relation to pre-contractual information that vendors need to communicate to consumers, such as the details on the vendor's identity, the main characteristics of the goods and services sold and the total price and the payment modalities, as well as specific obligations with regard to the consumer right of withdrawal. Furthermore, the Consumer Code sets forth a number of seller's obligations with respect to (i) the suitability of the goods sold to the consumers' needs; (ii) the conformity of the goods to the description provided, to public statements and samples; (iii) the completeness of the material and accessories to be provided as well as the characteristics of the goods or services sold; and (iv) the transparency of prices when making discounts with the requirement to display the lowest price charged in the previous 30 days.

With respect to goods or services with digital elements as well as digital contents and services, the seller is obliged to provide the consumer, for a reasonable period of time, with updates that are necessary to ensure the conformity of the good or service sold, including informing the consumer of the availability of such updates. However, with specific reference to the seller's ability to modify the digital content or service, further requirements must be met (eg, the possibility to amend the digital content or service at hand is provided for in the general terms and conditions with a valid reason).

In particular, the Consumer Code provides that the right of withdrawal for online contracts may be unilaterally exercised by consumers within 14 days from the purchase of the service/delivery of the good, without penalty and without providing any reason (except in case of specific contracts). Consumers only bear the costs of returning the received goods. If the vendor has not properly informed the consumer of their right of withdrawal and on its terms, the right of withdrawal is extended to 12 months and the costs of the return are charged to the vendor.

In any case, as per the general rule for online and offline contracts between vendors and consumers, the Consumer Code provides that the delivery of the purchased goods shall take place at the latest within 30 days from the conclusion of the contract. An additional term may be provided under certain circumstances to the vendor to deliver the goods, but, at the expiry of such term, the consumer is entitled to terminate the contract and to obtain damages compensation.

In addition, new rules have been introduced to enhance transparency in e-commerce. These regulations include the requirement to disclose whether the seller is not a professional but another private customer, the verification process of online reviews, the functioning of products and services' ranking mechanisms and the marketing of products that resemble those sold in different Member States but have substantial differences (dual quality).

Enforceability of online/clickwrap/shrinkwrap terms

The following considerations should be taken into account when entering into an online contract, especially in case of clickwrap and shrinkwrap terms.

Pursuant to Section 1341 of the Italian Civil Code, in case of standard terms and conditions drafted by a single party, some provisions (so-called “unfair clauses” that are one-sided to the benefit of the entity that drafted the contract) would be enforceable against the party who did not have the chance to negotiate the contract solely if specifically accepted in writing by the latter. In this case, the contracts would require a “double signature:” one for the specific approval of the abovementioned provisions and another for the general acceptance of the whole contract. In particular, the Italian Civil Code identifies as unfair clauses the provisions, which:

- Limit the liability of the party who prepared the terms and conditions
- Give the said party the right to withdraw from the contract or to suspend the execution thereof
- Burden the other party with time limits for the exercise of a right or limitations of such party's power to raise defenses or with restrictions on freedom of contract with third persons, or with tacit renewal of the contract, or
- Provide for arbitration or derogations from the normal venue or jurisdiction of the courts.

In B2C contracts, the clauses which are set by the vendor with no negotiation and which cause a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer, shall be considered “unfair clauses” and therefore void. Where said clauses are the result of a negotiation between the vendor and the consumer, such clauses shall be considered effective, provided that they:

- Do not exclude or limit the liability of the vendor in the event of death or injury to the consumer due to an action or omission of the vendor
- Do not exclude or limit the consumer's power to raise defenses in case of non-fulfillment or inadequate fulfillment of the vendor's obligations and
- Result in the acceptance of clauses that the consumer could not examine before the conclusion of the contract.

Even if these provisions are negotiated between the parties, the clauses providing for the exclusions or limitations indicated above are always considered null and void, leaving the remaining provisions of the contract valid.

Governing law

With regard to B2B contracts, governing law can be freely decided by the parties, but, if 1 of the parties is an Italian entity, the Italian law mandatory provisions will still apply to the agreement.

With regard to B2C contracts entered with Italian consumers, some provisions shall necessarily be governed by the Italian law irrespective of the governing law of the agreement.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

In B2B sale contracts, the vendor shall ensure that the goods sold are free from defects which could make the goods unfit for the use for which they are intended or which could appreciably impair their value. Pursuant to Section 1490 of the Italian Civil Code, the agreement by which the parties exclude or limit such guarantees has no effect if the seller has in bad faith concealed the goods' defects to the buyer. Such legal guarantee lasts for 1 year from the delivery of the good.

In B2C sale contracts, the vendor shall insure consumers against any lack of conformity for a period of 2 years from the delivery of the good. In this case, the consumer is entitled, at its option, to the repair or replacement of the defective good. Should such remedies be impossible or too burdensome, the consumer is still entitled to a price reduction or a reimbursement against the return of the defective product. However, in the case of the supply of digital goods and services lasting more than 2 years, liability extends for the entire supply duration. Conversely, in the case of used goods, liability may be reduced to at least 1 year.

The consumer's action to assert defects is time-barred for a period of 26 months from delivery of the goods, unless the seller has fraudulently concealed the defects. However, the presumption that a defect of the delivered goods already existed at the time of delivery is extended from 6 months to 1 year, and for the entire duration of the supply, in the case of digital goods and services, unless this assumption is incompatible with the nature of the goods or the nature of the lack of conformity. As such, the burden of proof falls on the seller with respect to the presence of the defect at the time of delivery.

Enforceability of exclusions/limitations of liability indemnification

Provisions containing limitations of liability are generally enforceable, except in the event of willful misconduct and gross negligence.

In the case of standard contracts drafted only by 1 party, limitation of liability clauses shall be approved in writing by the other party, as mentioned above.

In B2C agreements, clauses excluding or limiting the liability of the vendor in the event of death or injury to the consumer due to an action or omission of the vendor are in any case void.

Tort liability may not be excluded or limited.

Indemnification

Under the general provisions of the Italian Civil Code, only the damages that are an immediate and direct result of the non-fulfillment or delay in the performance of the contractual obligation (Section 1223 of the Italian Civil Code) can be claimed by the parties.

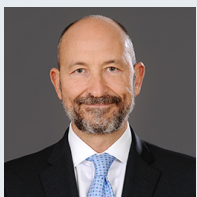
Electronic signatures

Legislative Decree 7 March 2005, No. 82 (the Digital Administration Code or CAD), as lastly amended by the Legislative Decree 13 December 2017, No. 217, refers to the eIDAS Regulation 910/2014 providing – together with the eIDAS Regulation – a twofold legal regime for simple electronic signatures, and for advanced, qualified and digital electronic signatures. Indeed,

- The suitability of an electronic document signed with a simple electronic signature (SES) to meet the requirement of written form and its probative value shall be freely assessed by the court, in relation to the safety, integrity and immutability of its features.
- On the contrary, the electronic document meets per se the requirement of written form (be it for its validity or only for its probative value) when it is signed by way of a digital signature, another type of qualified electronic signature or an advanced electronic signature (so-called “strong” electronic signatures), or when it is created, following the electronic identification of its author, through a process meeting the requirements set by the Italian Digital Authority.

With specific reference to the latter modality of signature, on February 13, 2020, the Italian Digital Authority adopted the “Technical rules for the electronic signature of documents pursuant to Art. 20 of the CAD,” setting out technical rules that regulate the way in which service providers (both public and private) can use citizens’ Public Digital Identity System (SPID) to make them “sign” electronic documents. The SPID is specifically aimed at enabling the execution of documents in the relationship with public authorities.

KEY CONTACTS



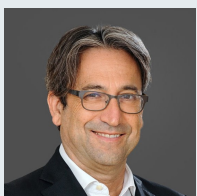
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JAPAN



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights including patent right, utility model right, design right, copyright, trademark right and trade secrets are specified and protected under each relevant intellectual property law.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Contracts including commercial contracts are interpreted and enforced in accordance with the Civil Code (Act No. 89 of 1986), any other related laws, specified rules and regulations such as the Commercial Code (Act No. 48 of 1899) and court precedents.

COPYRIGHTS

Nature of right

Works created by an author are protected subject to certain exceptions specified in the Copyright Act, such as private use, citations and school text book use. "Works" means a production in which thoughts or sentiments are creatively expressed and which falls within the literary, academic, artistic or musical domain.

No fixation to a tangible medium (except for movies) or registration is required.

The copyright arises and is protected from the moment of creation.

Copyright owners have the exclusive right to reproduce, publicly perform, screen, transmit, recite, exhibit or distribute, transfer, lend reproductions, translate, adapt the work and use derivative works.

Moral rights of an author and neighboring rights are recognized under the Copyright Act.

Legal framework

The Copyright Act (Act No. 48 of 1970) (the Copyright Act) governs copyrights.

Japan became signatory to Berne Convention in 1899, to Universal Copyright Convention in 1956, International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations in 1989, Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms in 1978, Agreement on Trade-Related Aspects of Intellectual Property Rights in 1994, World Intellectual Property Organization Copyright Treaty in 2000 and World Intellectual Property Organization Performances and Phonograms Treaty in 2002.

Duration of right

Copyright protection lasts for the life of the author plus an additional 70 years. Some special calculations are applicable for copyrightable works made before or during the Second World War.

For an anonymous work or a pseudonymous work, the copyright lasts for a term of 70 years from its first publication, or a term of 70 years from the death of the author if the author is known, whichever expires first.

For a work owned by an entity (eg, work made for hire), the copyright lasts for a term of 70 years from the work's first publication. If it is not made public within the 70-year term, the copyright lasts for 70 years after the creation.

If a work is a movie, its copyright endures for a term of 70 years from its first publication. If the movie is not made public, the copyright lasts for 70 years after the creation of the movie.

Ownership / licenses

Exercise of a jointly owned copyright requires consent from the other joint owner(s) of the copyright. However, each joint owner cannot withhold consent without reasonable grounds.

Exclusive and non-exclusive licenses, as well as transfer of copyright are recognized. Moral rights are not transferrable and not waivable.

Remedies for infringement

No registration is required to seek remedies for infringement.

Monetary damages can be compensated. There are certain statutory presumptions to calculate damages but punitive damages are not available under Japanese law.

Injunctive relief, including seeking/preventing importation of infringing goods, is available as a remedy.

For moral rights, measures to correct and restore the honor and reputation of the author or performer are available (eg, publishing an apology in a newspaper).

Each joint owner can seek a remedy without the other owner's consent.

Criminal penalties are possible for infringement of copyright.

MASK WORKS / TOPOGRAPHIES

Nature of right

The layout-design of semiconductor integrated circuits is protected.

A semiconductor integrated circuit means a product having transistors or other circuitry elements inseparably formed on the surface of a semiconductor material or an insulating material, or within a semiconductor material and designed to perform electronic circuitry functions.

Layout-design means a layout of circuitry elements in semiconductor integrated circuits and the lead wires connecting such elements.

Registration with the Software Information Center is required.

Owners have the exclusive right to manufacture, transfer, lease, display or import a semiconductor in which mask work is embodied for business.

An owner cannot assert its right against the same mask work that was independently developed.

Legal framework

The Act on the Circuit Layout of a Semiconductor Integrated Circuits (Act No. 43 of 1985) governs the protection of layout-designs of semiconductors.

Duration of right

The duration of protection is 10 years from registration, and no renewal or extension of duration is provided. The layout-design must be registered within 2 years of first commercial exploitation.

Ownership / licenses

If 2 or more persons jointly develop a mask work, all of them must jointly apply for registration.

Exclusive and non-exclusive licenses and transfers of mask works are recognized.

Joint ownership is permissible. Exclusive or non-exclusive licensing of the mask work, transferring or establishing pledge on the share of the mask work requires consent from all joint owners of the right.

Remedies for infringement

Monetary damages can be compensated. There are certain statutory presumptions to calculate damages but punitive damages are not available under Japanese law.

Injunctive relief, including seeking/preventing importation of infringing goods, is available as a remedy.

Each joint owner can seek a remedy without the other owner's consent.

Criminal penalties are possible for infringement of mask works.

PATENTS

Nature of right

Japanese law protects inventions (the highly advanced creation of technical ideas utilizing the laws of nature), utility models (the creation of technical ideas utilizing the laws of nature), and designs (shapes, patterns or colors, or any combination of these of an article having visual aesthetic attributes), and plant varieties.

A patent holder has the exclusive right to produce, use, transfer, sell, lease, offer for sale or lease, export or import the patented invention for business.

For utility and design patents and utility model rights, registration with the Japan Patent Office is required.

Legal framework

Inventions are protected by the Patent Act. (Act No. 121 of 1959).

Japan joined the Patent Cooperation Treaty in 1978 and Paris Convention in 1899.

Utility models are protected by the Utility Model Act (Act No. 123 of 1959).

Designs are protected by the Design Act (Act No. 125 of 1959).

Duration of right

For invention patents, the duration of protection is 20 years from filing date of application and up to 5 years extension, subject to certain requirements.

For utility model patents, the duration of protection is 10 years from application. No extension is available.

For design patents, the duration of protection is 25 years from filing date of application. No extension is available.

Ownership / licenses

Exclusive and non-exclusive licenses and transfers of patent rights are recognized.

Joint ownership is permissible. Exclusive or non-exclusive licensing of the patent right, transferring or establishing pledge on the share of the patent right requires consent from all joint owners of the patent right.

Remedies for infringement

Monetary damages can be levied. There are certain statutory presumptions to calculate damages but punitive damages are not available under Japanese law.

Injunctive relief, including seeking/preventing importation of infringing goods, is available as a remedy.

Measures are available to restore the business reputation of the patent holder and exclusive licensee (eg, publishing an apology in a newspaper).

Each joint owner can seek a remedy for infringement without the other owner's consent.

Criminal penalties are possible for patent infringement.

TRADEMARKS

Nature of right

A trademark means any letter(s), figure(s), sign(s), 3-dimensional shape(s), or any combination of these, or color(s), or any combination of these, or sound(s) and other certain item(s) which identifies and distinguishes the source of the goods or services from those of others.

A trademark holder has the exclusive right to use the trademark for the product or service.

Registration with the Japan Patent Office is required.

Legal framework

The Trademark Act (Act No. 127 of 1959) governs trademarks.

Japan joined the Madrid Protocol in 2000.

Japan joined the Trademark Law Treaty in 1997.

Duration of right

The duration of protection is 10 years from registration and renewable every 10 years.

Ownership / licenses

Exclusive and non-exclusive licenses and transfers of trademark are recognized.

Joint ownership is permissible. Exclusive or non-exclusive licensing of the trademark, transferring or establishing pledge on the share of the trademark requires consent from all joint owners of the trademark.

Remedies for infringement

Monetary damages can be levied. There are certain statutory presumptions to calculate damages but punitive damages are not available under Japanese law.

Injunctive relief, including seeking/preventing importation of infringing goods, is available as a remedy.

Measures are available to restore the business reputation of the trademark holder and exclusive licensee (eg, publishing an apology in a newspaper).

Each joint owner can seek a remedy for infringement without the other owner's consent.

Criminal penalties are possible for trademark infringement.

TRADE SECRETS

Nature of right

Illicit obtainment of trade secrets and use and disclosure of trade secrets for unjustified purposes are regulated under the Unfair Competition Prevention Act (UCPA)(Act No. 47 of 1993).

The UCPA defines trade secrets under a 3-prong test:

- i. Information is "technical or business information useful for business activities such as manufacturing or marketing methods"
- ii. Information is "managed as a secret" and
- iii. Information is "not publicly known."

Legal framework

The UCPA is the main governing law regarding trade secrets. The UCPA does not require any registration or filing of trade secrets to protect them.

Duration of right

There is no specific duration of right or protection period of time under the UCPA. As long as a trade secret falls under a trade secret defined under the UCPA, it will be protected as such by the UCPA.

Ownership / licenses

The UCPA is silent on joint ownership of and licensing of trade secrets. As long as these do not undermine trade secrets to meet the 3-prong test, the trade secrets will be still protected.

Remedies for infringement

Monetary damages can be levied. There are certain statutory presumptions to calculate damages but punitive damages are not available.

Injunctive relief is available as a remedy.

Criminal penalties are available for theft and use of trade secrets.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The "work for hire" doctrine is applicable to copyrights and mask works. The doctrine is also applicable to patents as long as it is agreed in the work rules or employment agreement that the work for hire patents are inherently owned by the employer in advance. Employees must be reasonably compensated by an employer for the work for hire patents, patent assignments or grant of an exclusive license. The law does not provide the compensation figures but certain factors to be taken into consideration are provided and the amount must be reasonable. For copyrights, a work must be made public under the name of an employer except for computer program related copyrights.

Even if an employer did not provide that patents created by employees are inherently owned by the employer from the moment of their creation in the work rules or employment agreement, statutes give an employer a right that is similar to a shop right within the scope of a non-exclusive license. This only applies to patents.

Consultants / contractors

In practice, consultants and contractors are often required to sign written agreements to assign all intellectual property related to their work for the company. Some courts have applied the concepts mentioned in "Employees" section above to consultants and contractors given the fact that relationship was an employment relationship due to misclassification (ie, disguised service/independent contractor agreement). It is recommended that written contracts expressly assign all intellectual property to the company retaining the consultant/contractor.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial contracts. Material contracts of publicly-traded companies may require limited disclosure.

Patent license or trademark license for statutory exclusivity requires registration to be enforceable. Registration of non-exclusive licenses for trademarks is possible in order to put potential buyers of the trademarks on notice of the license. Such registration is, however, not required.

Registration of copyright licenses is not available in Japan, although transfer or assignment of copyrights can be registered to assert such assigned rights against third parties.

Recognized language of commercial agreements

Japanese language is used for consumer-facing commercial agreements though it is not mandatory for a contract to be enforceable. In business transactions, English agreements are not common but they are enforceable.

Country-specific issues for online content

Does not apply for this jurisdiction.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally considered enforceable if conspicuous and users have an opportunity to review terms in advance.

Under the Civil Code, terms of service or use would fall under the definition of the adhesion contract (i.e. template terms and conditions prepared by one party for agreements between unspecified counterparties which is expected to be used without variation). To have an adhesion contract legally binding, consents from counterparties to execute the adhesion contract is necessary. In addition, to amend adhesion contracts, the content of the amendment must be (i) beneficial for the counterparties or (ii) consistent with the original intention of the adhesion contract and its underlying rationale (several factors will be considered in making this determination), or the party shall get consents from counterparties.

The Electronic Contract Act (Act No. 95 of 2001) allows a consumer who had erroneous operation of a computer (eg, accidental click) to cancel the contract if the company does not take appropriate measures (eg, easily understandable order confirmation display) for the consumer to reconfirm the details of the order before the final click.

Governing law

Choice of governing law and venue for resolution of disputes specified in a contract is generally accepted and recognized by courts in Japan.

It should be noted that under Japanese conflict law, in consumer contracts, a consumer may require additional application of the law of the consumer's residence in addition to agreed governing law.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Warranty disclaimers are generally enforceable unless sellers are aware of a defect in the product(s) at the time of sale.

For disclaimers against consumers, even if the seller is not aware of a defect in the product(s) at the time of sale, comprehensive disclaimers are not enforceable under the Consumer Contract Act (CCA) (Act No. 61 of 2000).

Enforceability of exclusions/limitations of liability indemnification

Exclusions and limitations of liability are usually enforceable unless they are grossly unfair. In consumer contracts, full exclusions or partial exclusions in case of gross negligence or willful misconduct are unenforceable under the CCA.

Indemnification

The concept of indemnification does not exist under Japanese law. Instead, a contract party will be entitled to certain remedies upon breach of contract, such as damage claims and specific performance. Separately, damage claims are also available in tort cases.

Either in contract or in tort, if a party seeking compensation for monetary damages was also negligent, a Japanese Court may consider reducing damages under the concept of comparative negligence.

Electronic signatures

Act No. 102 as of 2000 on Electronic Signatures and Certification Business (Act) provides details regarding the enforceability of electronic signatures of individuals. Under the Act, documents with electronic signatures that meet certain requirements are acknowledged as authentically created by the signatories and are admissible as evidence in civil litigation. Electronic signatures are also available for corporations. Electronic signatures have been used in both public and private sectors in Japan, such as tax filings, biddings and commercial transactions.

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LUXEMBOURG



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

In general, the intellectual property rights in Luxembourg are governed by the following statutory laws:

- i. Copyright – Law of 18 April 2001 on Copyright, Neighboring Rights and Databases, as amended, lastly by the Law of 3 April 2020 (the Copyright Act)
- ii. Database Rights (*sui generis* right, distinct from copyright) – Law of 18 April 2001, as amended by the Law of 18 April 2004 and lastly by the Law of 10 February 2015 (the Copyright Act)
- iii. Patent – Law of 20 July 1992 amending the System for Patents for Invention, as amended by the Law of 24 May 1998 and lastly by the Law of 18 December 2009 (the Patent Act)
- iv. Trademarks – Benelux Convention on Intellectual Property of 25 February 2005 as approved by the Law of 16 May 2006. The Benelux Convention was amended by the Protocol of 11 December 2017 (into force 1 March 2019), approved by the law of 20 July 2018.
- v. Industrial Designs – Benelux Convention on Intellectual Property of 25 February 2005 as approved by the Law of 16 May 2006. The Benelux Convention was amended by the Protocol of 11 December 2017 (into force 1 March 2019), approved by the law of 20 July 2018.
- vi. Semiconductors – Law of 29 December 1988 on the Legal Protection of Topographies of Semiconductor Products
- vii. Professor's Privilege/Ownership of publicly funded research – Special laws on the public funding of research results

Article 50bis of the Luxembourg income tax law, providing for a specific tax regime applying for intellectual property rights, has been repealed by the Law of 18 December 2015 and no longer applies as from July 1, 2016.

However, the new law of 17 April 2018 introduced a new article 50ter which provides for an 80-percent partial tax exemption on the net income derived from eligible intellectual property assets as well as a 100-percent exemption from net wealth tax.

COMMERCIAL CONTRACT FRAMEWORK

Overview

A number of laws may apply to commercial contracts depending on the type of contract and the industry involved. However, generally commercial contracts are governed by provisions contained in the Luxembourg Civil Code.

The Consumer Code in Luxembourg applies to business-to-consumer agreements, and the E-Commerce Law of 14 August 2000, as amended, applies to e-commerce transactions.

COPYRIGHTS

Nature of right

To qualify for copyright protection, a work must be original.

The same requirement of originality applies to the copyright protection of databases, which are considered original when they constitute the author's own intellectual creation by reason of the selection or arrangement of their contents.

There is no registration process for copyright protection; the author's right arises automatically with the creation. Mere ideas or concepts are not protected.

Legal framework

Copyrights are governed by the Law of 18 April 2001 on Copyright, Neighboring Rights and Databases, as amended.

In April 2019, the European Union adopted the Directive 2019/790 in order to adapt the existing framework of copyright and related rights to the digital age. This directive has yet to be implemented into Luxembourg law. A draft law No. 7847 is currently being discussed and, when adopted, should modify:

- The Law of 18 April 2001 on Copyright, Neighboring Rights and Databases, as amended
- The Law of 3 December 2015 on certain authorized uses of orphan works
- The Law of 25 April 2018 on the collective management of copyright and related rights and the granting of multi-territorial licenses of rights in musical works musical works for online use in the internal market

Duration of right

The duration of an author's right is the author's life plus 70 years after their death.

Ownership / licenses

Only natural persons (ie, individuals) who have created works may enjoy the status of an author, even where an author is an employee. However, there are some presumptions, such as those regarding the assignment of economic rights in computer programs, that automatically favor employers.

The Copyright Law includes a rebuttable presumption of authorship; the author is presumed to be the person under whose name the work is being disclosed.

Persons collaborating directly on the creation of a work become co-authors. Their copyright is indivisible. In these situations, the exercise of the right of co-authors is governed by agreement. Failing such agreement, no author may exercise this right in isolation, unless a court decision provides otherwise in case of a dispute. In a situation in which the contributions of the authors may be individually identified, those authors share the right to exploit their contribution in isolation provided that such exploitation is not done together with the contribution of another co-author and does not harm the joint work.

The economic rights of the author shall be freely assignable and transferable, in whole or in part, in accordance with the provisions of the Civil Code. In particular, they may be the subject of alienation or of an ordinary or exclusive license.

A specificity of Luxembourg copyright law is that it also allows the author to assign or transfer, in whole or in part, their moral rights to the extent that it is not prejudicial to their honor or reputation.

Remedies for infringement

Given the implementation of the Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, right holders are entitled to similar remedies under most intellectual property laws in the European Union, which differ only slightly and which warrant both (interim and final) injunctive and monetary relief.

The possible civil and criminal remedies for copyright infringement are set out under Sections 8 and 9 of the Copyright Act.

Civil remedies are inter alia:

- i. Cessation of infringement
- ii. Damages
- iii. Publication and posting of judgment
- iv. Daily monetary fine (articles 2059-2066 of the Luxembourg Civil Code)

Reference should also be made to the *saisie-contrefaçon* procedure (Section 8 of the Copyright Act), which allows a rights holder to enter, without prior warning but after authorization by the judge, the premises of an alleged infringer or an intermediary 3rd party in order to find evidence of and more information regarding infringements.

Criminal remedies are:

- i. Criminal fine
- ii. Confiscation or destruction of infringing goods or goods that directly served the purpose of committing the infringements at hand
- iii. In case of a bad-faith or fraudulent infringement, the sanction may include imprisonment
- iv. Heavier sanctions in case of repeated infringement:
 - Possible combination of imprisonment and monetary fine
 - Permanent or temporary closure of the establishment ran by the condemned party for a maximum period of 5 years
 - Publication and posting of the judgment

MASK WORKS / TOPOGRAPHIES

Nature of right

The topography of a semiconductor product is protected if it is the result of its creator's own intellectual effort and is not commonplace in the semiconductor industry. Where the topography of a semiconductor product consists of elements that are commonplace in the semiconductor industry, it shall be protected only to the extent that the combination of such elements, taken as a whole, is the result of the creator's own intellectual effort and the combination is not commonplace in the industry. The protection extends solely to the topography and not to any concept, process, system, technique or encoded information embodied in the topography.

The rights holder has the exclusive and temporary right to reproduce and commercially exploit the topography (or import it to this end). The rights holder may, however, not assert this exclusive right (i) to prohibit reproductions of the topography that serve the sole purpose of analyzing or evaluating its techniques (ie, reverse engineering) and (ii) to act against any topography resulting from such analysis to the extent that it is the result of the creator's own intellectual effort and is not commonplace in the semiconductor industry.

Legal framework

The protection of semiconductor topographies is governed by the Law of 29 December 1988 on the Legal Protection of Topographies of Semiconductor Products.

Duration of right

The exclusive right related to the protection of topographies of semiconductor products come into existence on the earlier of:

- The date on which the topography was first commercially exploited anywhere in the world

- The date on which the application for registration was filed in due form

This exclusive right expires after 10 years, calculated from the end of the calendar year during which the exclusive right came into existence.

Exclusive rights will no longer be enjoyed or will expire if an application for registration has not been filed with public authority within 2 years of its first commercial exploitation.

Where a topography has not been commercially exploited anywhere in the world within a period of 15 years from its first fixation or encoding, the exclusive rights may no longer commence unless an application for registration has been filed within that period.

Ownership / licenses

The ownership of the exclusive right is granted to the creator of the topography of a semiconductor product. Where this topography is created by an employee in the course of their employment, the employer shall be deemed the creator, unless otherwise agreed in writing. Where this topography is created under a contract other than a contract of employment, the person who has commissioned the topography shall be deemed the creator, unless otherwise agreed in writing.

The exclusive rights are not granted automatically but require a registration; they are freely licensable and transferrable, including to the successors in title of the rights holder.

Remedies for infringement

Compensation for infringement is governed by the same provisions of the legislation on patents for invention. (See "[Patents – Remedies for Infringement](#).")

PATENTS

Nature of right

An invention is eligible for patent protection if it satisfies 3 conditions:

- i. It is new
 - An invention is new if it does not fall within the relevant state of the art –meaning everything made available to the public before the date of filing of the patent application.

The novelty of an invention is not jeopardized if the invention was disclosed to the public in the course of 6 months prior to the filing of the application and it is due directly or indirectly to (a) an obvious abuse in relation to the applicant or (b) the invention has been displayed at an exhibition organized by the public authorities or an official international exhibition. In the latter case, the applicant shall declare, when submitting their application, that the invention was actually disclosed during an exhibition and furnish a relevant certificate.

- i. Inventive

- It is inventive if it, in regard to the state of the art, is not obvious to a person skilled in the art.
- ii. Capable of industrial application
 - Finally, the term "industrial application" must be understood very widely as being able to be made or used in any kind of industry, including agriculture.

Patent protection requires the successful completion of a patent application process.

- i. A priority right is granted by the person who has filed an application for a patent for the same invention. In order to benefit from this priority right, registrations must be carried out before the end of the 12th month following the date of filing of the first application. In addition, the applicant must make a "statement of priority" when applying.
- ii. Such priority right provides that the date of priority shall be the date of filing the application.
- iii. Any person who, in good faith, prior to the patent application or the priority date, possessed in Luxembourg a justified right in the prior use of the patented invention is entitled to continue the exploitation of the invention, for personal use, notwithstanding the existence of a patent granted to a 3rd party.

The patent shall confer on its owner the right to prevent all 3rd parties not having their consent:

- From making, offering, putting on the market or using a product that is the subject matter of the patent, or importing or stocking the product for those purposes.
- From using a process that is the subject matter of the patent or from offering the process for use in Luxembourg territory, or when the 3rd party knows, or it is obvious in the circumstances, that the use of offering of the process is prohibited without the consent of the owner of the patent.
- From offering, putting on the market, using, importing or stocking for those purposes the product obtained directly by a process that is the subject matter of the patent.
- Supplying or offering to supply, in Luxembourg territory, a person other than a person entitled to exploit the patented invention the means of implementing, in that territory, the invention with respect to an essential element thereof where the 3rd party knows, or it is obvious from the circumstances, that such means are suited and intended for putting the invention into effect.

Legal framework

The Law of 20 July 1992 amending the System for Patents for Invention, as amended, governs patents in Luxembourg.

Duration of right

Patents have a duration of 20 years from the date of filing of the patent application. Renewal is not possible.

Exploitation of the invention is not a prerequisite for maintaining patent protection. However, if the invention is not exploited in Luxembourg or any other Member State of the Agreement Establishing the WTO for a period of 4 years following the date of patent application or for a period of 3 years following the grant of the patent, a compulsory license may be granted following a request to the court.

Unitary Patent System

Regulations (EU) No. 1257/2012 and No. 1260/2012 of 17 December 2012 implementing enhanced cooperation in the area of the creation of unitary patent protection set up the European Unitary Patent System. These regulations entered into force on 20 January 2013 and are applicable since June 1, 2023 which is the entry into force of the Agreement on a Unified Patent Jurisdiction establishing the Unified Patent Court

To date, 17 Member States have ratified the UPC Agreement (including the 3 Member States with the highest number of European patents in force in 2012: Germany, France and Italy). It is expected that further Member States will ratify the UPC Agreement in the coming years.

The unitary patent system makes it possible to get patent protection in up to 24 EU Member States by submitting a single application with the European Patent Office, thus simplifying the procedure and making it more affordable for applicants.

The Unified Patent Court (UPC) is an international court established by the participating EU Member States to deal with infringement and validity cases of unitary patents as well as European patents, thus eliminating costly parallel proceedings and increasing legal certainty. The unified patent jurisdiction will consist of a first level court in Paris (with a section in Munich) and a court of appeal in Luxembourg, as well as local divisions in several countries. From June 1, 2023, and for a transitional period of at least seven years, national courts will continue to have concurrent jurisdiction for "classic" European patents and supplementary protection certificates.

The UPC's Court of Appeal and Registry are based 1, rue du Fort Thüngen, L-1499 Luxembourg, in the immediate vicinity of the Court of Justice of the European Union and the European Public Prosecutor's Office, thus reinforcing Luxembourg's position as the European Union's judicial center.

Ownership / licenses

The Patents Law provides that the patent rights are owned by the inventor or their successor in title.

In case of joint ownership, each co-owner has a personal right to exploit the invention or give non-exclusive licenses if they compensate the other owner(s). An exclusive license may, however, only be granted with the consent of all co-owners. Each co-owner may act against infringement actions or assign any rights of the patent, but they must notify the other co-owners thereof. In the latter event that one of the co-owners wishes to assign their share, the other co-owners have a pre-emption right over the proposed assignment for a 3-month period from the moment they have been informed of the intention to assign. In addition, the co-ownership regime as specified in the Luxembourg Civil Code (815 et seq.; 1973a-I et seq and 883 et seq) is not applicable to patent co-ownership.

If a patent application is submitted only by 1 owner without the involvement of the other joint owner(s), the other joint owner(s) may initiate legal proceedings requiring the transfer of the patent or the patent application as joint owner.

Remedies for infringement

The possible remedies for infringement are set out under title IX "Trademark counterfeiting" of the Patent Act:

- i. Cessation of infringement (provisional or permanent), possibly accompanied by the penalty of a daily fine
- ii. Publication of the judgment
- iii. Damages to make good the harm caused
- iv. Confiscation or destruction of infringing goods and of the instruments, devices or means specifically intended for committing the infringement

Reference should also be made to the description and *saisie-contrefaçon* procedures (Article 79 of the Patent Act), which respectively allow for:

- The drawing up of a detailed description of the allegedly infringing articles and the instruments that have served to commit the alleged infringement by a sworn expert.
- The unexpected seizure of allegedly infringing articles and the instruments that have served to commit the alleged infringement.

Both procedures serve the purpose of gathering evidence of and more information regarding infringements and may not exceed a period of 3 months from notification of the order to the person or to their domicile.

TRADEMARKS

Nature of right

Any signs (such as, but not limited to, names, designs, imprints, stamps, letters, numerals, shapes of goods or their packaging, colors and slogans) that may be represented graphically and may be used to distinguish the goods or services of a company are eligible to be registered as individual trademarks. However, signs solely comprising a shape which is imposed by the very nature of a product, which gives the product substantial value or which is necessary for obtaining a technical result may not be registered as trademarks.

Trademark protection requires the successful completion of a trademark registration process.

In order to be registered, the sign must have a sufficient "distinctive character." Such distinctive quality is not a constant but a variable. This means that a rather weak trademark at the time of registration may become a strong trademark through intensive advertising and enforcement, or, conversely and failing sufficient advertising and enforcement, that a strong trademark may become a weak trademark with a smaller scope of protection or even become the normal commercial description of a product or service for which it is registered as a result of the activity or inactivity of its owner, in which case the trademark will be declared as lapsed.

A registered trademark will give its owner an exclusive right to prevent any 3rd party, without its consent, from:

- Using in business a sign that is identical to the trademark for goods or services that are identical to those for which the trademark is registered.
- Using in business a sign that is identical or similar to the trademark because the goods or services covered by the trademark and the sign are identical or similar and there is a risk of confusion in the mind of the public because of the risk of association between the sign and the trademark.
- Using in business a sign which is identical or similar to the trademark for goods or services which are not similar to those for which the trademark is registered, where the trademark enjoys a reputation in the Benelux territory and where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the reputation of the trademark.
- Using a sign for purposes other than those of distinguishing the goods or services, where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the reputation of the trademark.

Legal framework

There is no Luxembourg trademark system per se. Luxembourg is party to the Benelux Convention, and as such, Benelux trademarks are in effect in Luxembourg alongside EU trademarks and international trademarks designating Benelux.

Trademarks are governed by the Benelux Convention on Intellectual Property of 25 February 2005 as approved by the Law of 16 May 2006, as amended.

The Directive (EU) 2015/2436 of the European Parliament and the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks has been implemented in Luxembourg through the Law of November 17, 2016 and the Law of July 20, 2018 approving the protocol amending the Benelux Convention in the field of intellectual property.

Furthermore, as far as EU trademarks are concerned, Regulation (EU) 2015/2424 of the European Parliament amending Council Regulation (EC) No 207/2009 on the Community trademark and Community Regulation (EC) No 40/94 on the Community trademark, and repealing Commission Regulation (EC) No 2869/95 on the fees payable to the Office for Harmonization in the Internal Market, has now come into force. Most notably, it included a name change for the traditional Community marks to European Union marks as well as a change from the traditional OHIM to EUIPO.

Also, the European Union trademark regime, which is applicable across all EU Member States, is regulated by Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017; Commission Delegated Regulation (EU) 2018/625 of March 5, 2018 supplementing Regulation (EU) 2017/1001 regulate the European trademark regime, which is applicable across all EU Member States; and Commission Implementing Regulation (EU) 2018/626 of March 5, 2018 lays down detailed rules for implementing certain provisions of Regulation (EU) 2017/1001.

Finally, on October 27, 2023 the Regulation (EU) 2023/2411 of the European Parliament and of the Council of October 18, 2023 on the protection of geographical indications for craft and industrial products and amending Regulations (EU) 2017/1001 and (EU) 2019/1753 ("Regulation") was published.

This Regulation introduces a new EU intellectual property right, extending the protection for geographical indications (“GI”) to craft and industrial products. Previously, only agricultural products, wine and spirit drinks could enjoy EU GI protection, and only a few Member States had implemented a dedicated legal framework at national level to acknowledge and safeguard GI’s for craft and industrial products

Duration of right

The duration of trademark protection is 10 years starting from the date of filing of the application and renewable for an unlimited number of consecutive 10-year periods.

Ownership / licenses

The exclusive rights encompassed by a trademark are obtained by registration. An application for registration may be filed by anyone (eg, private persons, public authorities or companies) and does not need to be filed by the enterprise that will commercialize the trademark.

No protection to trademark owners is guaranteed without registration unless such unregistered trademarks are well known.

No specific provisions are foreseen in Luxembourg law with respect to co-ownership of trademarks.

Independently of the transfer or all or part of a business, a trademark may be transferred for all of some of the goods or services for which the trademark was filed or registered. A trademark may also be the object of a license for all or some of the goods or services for which the trademark was filed or registered.

Remedies for infringement

The possible remedies for trademark infringement are set out in articles 2.21 and 2.22 of the Benelux Convention on Intellectual Property of 25 February 2005, as approved, by the Law of 16 May 2006 and amended by the Protocol of 11 December 2017 (put into force March 1, 2019), approved by the Law of 20 July 2018.

- i. Compensation of material and non-material damages, which consist of:
 - Losses suffered, including costs and expenses imposed on it for the investigation and determination of the infringements and the inconveniences connected with the proceedings the trademark holder is forced to institute, loss of reputation, prejudice to the commercial value of the trademarks and loss of market share
 - Loss of profits
- ii. The handing over of the materials and instruments that were mainly used for the production of the infringing goods.
- iii. In case of acts committed in bad faith, transfer of the profit enjoyed as a result of those infringing acts.

TRADE SECRETS

Nature of right

Since July 2, 2019, trade secrets are explicitly regulated in Luxembourg through the Law of 26 June 2019 on the protection of undisclosed know-how and commercial information (business secrets) against unlawful acquisition, use and disclosure.

To respond to the need for harmonization across borders, the Directive (EU) 2016/943 of the European Parliament and of the Council of June 8, 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure brought both a common definition for trade secrets as well as more legal clarity as to the conditions guaranteeing the protection of a trade secret across the European Union.

The Law of 26 June 2019 on trade secrets (Trade Secrets Act) has finally transposed the abovementioned directive. While trade secrets used to be defined by case law, the new law now provides a legal definition of trade secrets, thereby allowing for further legal stability.

As provided by the directive, the Trade Secrets Act defines a "trade secret" as "information which meets all of the following requirements:

- It is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question.
- It has commercial value because it is secret.
- It has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

This definition is close to the definition of Section 39(2) of the TRIPS Agreement:

Reference should also be made to Section 1 (i) of the Commission Regulation (EC) 316/2014 of 21 March 2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements: "know-how" means a package of practical information resulting from experience and testing which is:

- Secret – that is, not generally known or easily accessible.
- Substantial – that is, significant and useful for the production of the contract products.
- Identified – that is, described in a sufficiently comprehensive manner so as to make it possible to verify that it fulfills the criteria of secrecy and substantiality.

Legal framework

While remedies for trade secret infringements used to be governed by tort law (article 1382 of the Civil Code), unfair competition law (Competition Act of 23 October 2011) and general criminal law (article 309 of the Criminal Code), as well as contract law (article 1134 of the Civil code) under the Trade Secrets Act, the trade secret holder may make use of measures and remedies, such as:

- Prohibitory injunctions
- Damages
- Corrective measures (eg, the destruction of the infringing goods)

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

As for most European jurisdictions, competition rules prevail over contractual arrangements. Licenses of trade secrets are subject to Commission Regulation (EC) 316/2014 of March 21, 2014 on the application of Article 101 (3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements. Such licenses are exempted from the application of Article 101(1) of the treaty in case the parties' joint market share does not surpass certain thresholds and if the licensed technology rights have not expired, lapsed or been declared invalid or, in the case of know-how, for as long as the know-how remains secret, except if the disclosure of the know-how is the result of an action by the licensee (in which case the exemption shall only apply for the duration of the agreement). In any case, trade secrets licenses containing any of the hardcore restrictions listed in Section 4 of aforementioned regulation are not exempted.

Remedies for infringement

Civil remedies for misappropriation of trade secrets include:

- i. Injunction (eg, cease and desist order, ordinary action and interim relief)
- ii. Publication of judgment
- iii. Damages for both losses suffered and loss of profits
- iv. Restraint measures, such as a penalty for future breach of the court's order, ordinary action and interim relief

Reference should also be made to the possibility of obtaining a search order to search the premises and computer in order to find misappropriated data.

Criminal remedies include:

- Monetary fines
- Imprisonment (natural persons)
- Confiscation of goods used to commit the offense
- Exclusion of public procurement markets (companies)

- Dissolution of company (companies)

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Copyright

In case of a work commissioned by 3rd parties or works created by an employee in the performance of their tasks or upon instructions given by the employer, the employer or the commissioner is to be considered the assignee of the economic rights if the parties have expressly agreed to this in writing.

The original author retains the moral rights on the work but is in principle entitled to transfer them in whole or in part.

Patent

When the inventor is an employee and unless the parties have expressly agreed otherwise in writing, patent rights belong to the employer:

- When an industrial invention is made during the performance or fulfillment of the employment contract, whereby the inventive activity is deemed the objective and the employee is paid to invent and make researches

- ii. When an industrial invention is made through the knowledge or use of technics or specific means to the employer or data procured by the employer

Design

If a design has been created by an employee in the course of their employment, the employer shall, unless specified otherwise, be regarded as the creator.

Consultants / contractors

Please see the "Employees" section.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial contracts. Registration of licenses for patents, designs and trademarks is a legal requirement for the license to become enforceable against 3rd parties and entitles the licensee to have an absolute defense against infringement but is not required for the validity of the license itself.

Recognized language of commercial agreements

Commercial contracts may be concluded in any language. From an enforceability perspective, the claimant must prove that the counterparty consented to the terms, which includes understanding the language. For consumers, this evidentiary burden of proof is difficult to satisfy if the contract language is not the official language of the region of residence of the consumer.

Country-specific issues for online content

The Luxembourg E-Commerce Law of August 14, 2000, as lastly amended by the Law of April 2, 2014, provides several additional requirements regarding the information to be provided to conclude online agreements, including information about the service provider and the languages in which the agreement can be concluded.

Enforceability of online/clickwrap/shrinkwrap terms

When a contract is drafted by 1 party and the other party merely has the opportunity to accept it (ie, the contract is not negotiated), some provisions must be specifically approved in writing by the other party in order to be enforceable against the party that has not drafted the agreement. Such provisions include those relating to limitation of liability, time limits, exclusivity, withdrawal rights and choice of venue.

For contracts approved online, it is a common practice to contemplate a second checkbox to specifically approve the relevant clauses. However, such second tick is not deemed sufficient, and consequently there is the risk that users challenge the enforceability of the provisions mentioned above while the other terms of the contract will remain valid.

Governing law

Subject to the case law of the European Union on the conclusion of cross-border online agreements, the Rome I and Brussels Ibis regulations and the limitations they impose on consumer contracts and employment contracts, the governing law and venue for resolution of disputes – including arbitration – specified in a commercial contract will generally be accepted and recognized.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Limitations and exclusions of warranty claims are generally permissible, including in business-to-consumer contracts, but are subject to the Luxembourg Consumer Code in respect of the sale of consumer goods, as amended, which provides a 2-year warranty period.

Enforceability of exclusions/limitations of liability indemnification

Limitations of product liability for defects are severely restricted under Luxembourg law. Aside from product liability, liability in general may be excluded in principle, subject to certain conditions. For instance, liability may not be excluded if such would lead to a complete elimination of the main obligations of the agreement or would lead to limiting one's liability for fraud, willful misconduct, death or personal injury.

Indemnification

Under the general provisions of the Luxembourg Civil Code, only the damages that are the immediate and direct result of the non-performance or delay in the performance of the contractual obligation (Article 1142 and following of the Luxembourg Civil Code) may be claimed by the parties.

Electronic signatures

Until mid-2016, the use of electronic signatures in the European Union was governed by Directive 1999/93 on a Community framework for electronic signatures (E-Signature Directive) as transposed into the national laws of 28 Member States of the European Union.

The Regulation (EU) No 910/2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (eIDAS Regulation) was adopted in July 2014 and has been effective as of July 1, 2016. This eIDAS Regulation aims to provide more predictable regulatory environment and is directly applicable in all Member States of the European Union without having to be transposed in national legislation.

On November 8, 2023, the European Commission endorsed the provisional political agreement of the European Parliament and the Council of the EU including the key elements of the proposal for a legal framework for a European Digital Identity, also called eIDAS 2.0. This new version of the Regulation 910/2014 of July 23, 2014 aims to strengthen security and user confidence in digital interactions within the EU, and to create a digital environment that is both reliable and fluid.

Indeed, with the eIDAS 2.0 Regulation, it will now be possible to have a unique and recognized means of identification within the European Union. This will apply not only to identity documents, but also to all attributes (such as nationality, age or marital status) used to authenticate a person remotely.

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MEXICO



Last modified 17 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

Two federal laws provide the core legal basis for protection of intellectual property rights in Mexico:

- The Federal Law for the Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*) and
- The Federal Copyright Law (*Ley Federal del Derecho de Autor*).

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial matter provisions are governed by federal laws. In general, commercial agreements are governed by the Commercial Code; thus, certain agreements are governed by specific federal laws (ie, bank credit agreements, insurance, pledge and trusts, among others).

Additional commercial contract provisions may be found in other federal laws (ie, antitrust and consumers' protection), regulations and official standards.

The venue for resolution of disputes specified in a commercial contract corresponds to federal courts, although state courts may accept venue.

Commercial contracts with federal and state government agencies are subject to separate governmental regulations, which may include, among other matters, specific auditing and recordkeeping requirements.

COPYRIGHTS

Nature of right

Copyright can apply to a variety of works, including musical, literary, broadcasting, photography, works of art (ie, graphic design, pictorial, drawing, sculpture and caricature), cinematography, audiovisual work, editorial compilations (such as encyclopedias and anthologies), operating systems and computer programs.

Copyright grants both moral and economic rights to its author, which shall be an individual as opposed to an entity.

Moral rights make the author the first and only perpetual owner of the rights of the copyright work; patrimonial rights allow the titleholder to exploit the work exclusively or to authorize 3rd parties to exploit the copyright.

Legal framework

Federal Copyright Law (*Ley Federal del Derecho de Autor*) governs copyrights.

Duration of right

Moral rights are perpetual; economic rights last for the life of the author plus an additional 100 years; although, when the work belongs to 2 or more co-authors, the 100 years will be counted from the death of the last co-author.

Ownership / licenses

In order to perfect ownership of a copyright, the author must register their work with the National Institute of Author Rights (*Instituto Nacional del Derecho de Autor*).

Titleholder of the economic rights of the copyright may grant exclusive or non-exclusive licenses to 3rd parties, as well as transfer their rights.

All transfers shall be conducted against valid consideration and on a non-perpetual basis.

Licenses and transfer of copyrights shall be evidenced in writing and shall be registered with the National Institute of Author Rights.

The copyrights related to broadcasting work are limited by the signal retransmission obligation for broadcasting concessionaires set forth in the Federal Telecommunications and Broadcasting Law.

Remedies for infringement

Infringement of copyright may lead to payment of damages and losses, which shall be determined by the Mexican Institute of Industrial Property (*Instituto Mexicano de la Propiedad Industrial or IMPI*), based on actual damage and/or loss.

Criminal penalties may be imposed.

MASK WORKS / TOPOGRAPHIES

Nature of right

Mask works protect the titleholder of any reproduction, total or partial, as well as from the import, sale or distribution for commercial purposes.

Legal framework

Fifth Chapter of Second Title of the Federal Law for the Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*) governs mask works.

Duration of right

The duration of mask work protection is 10 years from the date the filing is presented before the Mexican Institute of Industrial Property (*Instituto Mexicano de la Propiedad Industrial* or IMPI).

Ownership / licenses

In order to establish the ownership of a mask work, registration is required before the IMPI.

Mask works registrations or registrations in process may be encumbered, transmitted or licensed pursuant to commercial general provisions. Registration of the agreement is required before the IMPI to perfect the encumbrance, transmission or license.

No obligatory license operates in mask work registrations.

Remedies for infringement

Violation of a registered mask work may lead to payment of damages and losses, which shall be determined by the IMPI, based on actual damage and loss. Such payment of damages and losses will in no case be less than 40 percent of the public sale price of each product or the provision of the services that involve a violation of any of the intellectual property rights governed by the Federal Law for the Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*).

Criminal penalties may be imposed.

PATENTS

Nature of right

Regarding inventions, the right granted is a patent; regarding utility models and industrial designs, the right granted is a registration.

Legal framework

3rd Title of the Federal Law for the Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*).

Duration of right

The duration of a patent is 20 years (non-extendable) from the filing requesting the patent; the duration for utility models is 10 years (non-extendable) from the filing requesting the registration; and the duration for industrial designs is 5 years as of the filing requesting the registration, subject to additional extensions of 5 years up to 25 years.

Ownership / licenses

In order to establish ownership of a patent, registration is required before the IMPI.

Patents registrations and registrations in process may be encumbered, transmitted or licensed pursuant to commercial general provisions. Registration of the agreement is required before the IMPI to perfect an encumbrance, transmission or a license.

Remedies for infringement

Violation may lead to payment of damages and losses, which shall be determined by the IMPI, based on actual damage and loss.

Criminal penalties may be imposed.

TRADEMARKS

Nature of right

Trademarks can be visible names, figures, sounds, scents or the plurality of operational elements (eg, image, shape, size, color, package or decoration) that are sufficiently distinctive and capable of identifying the products or services to which they are applied, or are intended to be applied, compared with others of the same type or category; 3-dimensional shapes; trade names and company or business names, provided that they are not an exception; and the proper name of a natural person, provided that it is not the same as a registered mark or published trade name.

Trademarks shall be registered in relation to specific products or services according to the classification provided for by the Regulations of the Law.

Legal framework

Trademarks are governed by the Fourth Title of the Federal Law for the Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*).

Duration of right

Trademarks have a duration of 10 years as of the filing requesting the trademark registration.

Ownership / licenses

In order to establish ownership of the title, registration of the trademark is required before the IMPI.

Trademark registrations and registrations in process may be encumbered, transmitted or licensed pursuant to commercial general provisions. Registration of the agreement is required before the IMPI to perfect encumbrance, transmission or license.

Remedies for infringement

Violation may lead to payment of damages and losses, which shall be determined by the IMPI, based on actual damage and loss. Such payment of damages and losses will in no case be less than 40 percent of the public sale price of each product or the provision of the services that involve a violation of any of the intellectual property rights governed by the Federal Law for the Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*).

Criminal penalties may be imposed.

TRADE SECRETS

Nature of right

Trade secrets can include the nature, characteristics or purposes of the products; the production methods or processes; or the means or forms of distribution or commercialization of the products or rendering of services.

Legal framework

3rd Title of the Federal Law for the Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*).

Duration of right

As long as reasonable efforts are taken by the owner of the information to maintain the information as a trade secret; trade secret protection is potentially perpetual.

Ownership / licenses

No registration is required. An owner must use means or systems to preserve a trade secret's confidentiality and restricted access to the trade secret.

An owner may transfer or allow the use of the trade secret to a 3rd party. A 3rd party shall have the obligation to not disclose the trade secret.

Remedies for infringement

Violation may lead to payment of damages and losses, which shall be determined by the IMPI, based on actual damage and loss. Such payment of damages and losses will in no case will be less than 40 percent of the public sale price of each product or the provision of the services that involve a violation of any of the intellectual property rights governed by the Federal Law for the Protection of Industrial Property (*Ley Federal de Protección a la Propiedad Industrial*).

Criminal penalties may be imposed.

OTHER KEY IP RIGHTS

Nature of right

Not applicable.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The Mexican Labor Act provides that an employee-inventor has the right to be named as author of their inventions. This is a right to recognition, not ownership. With respect to ownership of inventions, the Labor Act provides that:

- i. Where an employee-inventor works in research and development or works on perfecting processes used in the employer's business, the resulting intellectual property belongs to the employer, provided that, if the benefit to the employer is disproportionate to the salary paid to the employee, the employee shall have the right to a royalty, as determined by mutual agreement of the parties or by the Mediation and Arbitration Board, and
- ii. Intellectual property developed by an employee engaged in any other area shall belong to the employee, provided that the employer shall have the first right to the exclusive use or acquisition of the invention or patents (on terms to be negotiated by the parties or determined by the Mediation and Arbitration Board).

Consultants / contractors

There is no specific legal framework under Mexican law for ownership of intellectual property developed by consultants and contractors. It is customary for consultants and contractors to sign written agreements. Absent a

written present assignment of developments, consultants and contractors retain ownership of the intellectual property developed by them, even if contracted and paid for by another party.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

No general registration requirement, but all intellectual property-related agreements shall be registered before the relevant governmental authority to be effective against 3rd parties.

Recognized language of commercial agreements

Spanish. Documents to be filed with a governmental authority shall be translated into Spanish by an official translator.

Country-specific issues for online content

There is no specific legislation regarding online content.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally viewed as enforceable as long as they are conspicuous and users have an opportunity to review and indicate affirmative assent (eg, check a box).

Governing law

Governing law and venue for resolution of disputes specified in a commercial contract corresponds to federal courts, although state courts may accept venue.

Dispute resolution is litigation in federal courts unless an alternative dispute resolution procedure, such as mediation or arbitration, is specified in the contract.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Under Mexican law, the granting of warranties is mandatory only for determined products and services. If a seller or service provider grants warranty to its client, it shall respect such warranty in all its terms and conditions and contain the minimum requirements set forth by the applicable law.

Enforceability of exclusions/limitations of liability indemnification

Provided that granting a warranty is not mandatory, if the seller or service provider grants warranty to its client, it shall respect such warranty in all its terms and conditions and contain the minimum requirements set forth by the applicable law.

Indemnification

Federal and state civil laws set forth the provisions related to indemnification for damages and losses, which shall be, and are limited to, direct and immediate consequence of the act or omission that generated the indemnification.

Liquidated damages provisions may be used in agreements, provided that the amount of such liquidated damages may not be greater than the principal amount of the agreement.

Electronic signatures

Electronic commerce and electronic signatures are recognized and regulated by Mexican law for private transactions; electronic methods may be used for commercial acts and their formation and consent may be expressed through electronic methods. The electronic signature is any electronic data comprised in or attached to a data message used in order to:

- Identify the signatory in connection with the data message and
- To indicate that person's approval of the information contained in the data message.

The electronic signature produces the same legal effects as the handwritten signature, and it is admitted as evidence in court.

Mexican law does not limit or restrict electronic signatures to a particular format or tool. However, the data message shall contain information regarding the name of the signatory in order to create a connection between the person and the electronic signature.

Pursuant to the provisions set forth in Article 93 of the Commerce Code, any commercial act required to be signed by the corresponding parties pursuant to the applicable laws may be signed electronically through an electronic signature as long as such electronic signature is attributable to the relevant parties and/or signatory persons. Furthermore, the information contained in the relevant data message shall be entirely conserved and kept as available for subsequent consultation.

An electronic signature may be considered advanced:

- When the signature is exclusively in control of the signatory person and
- When any modification to the original data message or electronic signature may be identified (eg, the password-protected identification form or digital fingerprint), pursuant to the opinion issued by a certification agent in e-commerce matters.

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NETHERLANDS



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

In the Netherlands, the intellectual property rights are governed by the following federal statutory laws:

1. Copyright – Copyright Act of 1912
2. Software – Regulation regarding software is included in the Copyright Act of 1912 (see chapter VI of the Copyright Act of 1912) implementing the EU Directive of April 23, 2009 on the Legal Protection of Computer Programs (2009/24/EC)
3. Patent – Patents Act of 1995 and the European Patent Convention of 1973
4. Trademarks – Benelux Convention on Intellectual Property of 2005, European Union Trademark Regulation (EU/2017/1001) of 2017 and European Union Trademark Directive (EU//2015/2436) of 2015
5. Designs – Benelux Convention on Intellectual Property of 2005, European Community Regulation on Community Designs (EC/6/2002) of 2001
6. Semiconductors – Act on the Legal Protection of Topographies of Semiconductor Products of 1987
7. Database rights – Databases (Legal Protection) Act of 1999
8. Trade name – Trade Names Act of 1921
9. Neighbouring rights – Neighbouring Rights Act of 1993

In addition, certain other statutory laws may protect other manifestations of intellectual property that do not fulfill the requirements of the intellectual property types cited above, such as know-how, trade and industrial secrets, company names, domain names and misleading and comparative advertising.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Depending on the circumstances, such as the type of contract and sector, the Dutch Civil Code and other Dutch laws apply to commercial contracts.

COPYRIGHTS

Nature of right

To qualify for copyright protection, a work must be an original intellectual creation of the author. Even if the work consists of elements which, considered in isolation, are not as such an intellectual creation of the author who employs them, the author may express their creativity in an original manner through the choice, sequence and combination of those elements. The functional nature of a work does not necessarily exclude the work from copyright protection.

The same requirement of originality applies to the copyright protection of databases, which is considered original when it constitutes the author's own intellectual creation by reason of the selection or arrangement of their contents.

There is no registration process for copyright protection. The author's right arises automatically with the creation of the work. Mere ideas or concepts are not protected.

Legal framework

Copyrights are governed by the Copyright Act of 1912.

Duration of right

The copyright shall expire 70 years after January 1 of the year following the year of the death of the author. The duration of the copyright belonging jointly to 2 or more persons in their capacity as co-authors of a work shall be calculated from January 1 of the year following the year of the death of the last surviving co-author. If the author is unknown or is not a natural person, the copyright expires 70 years after January 1 of the year following the year of first publication of the work.

Ownership / licenses

The Copyrights Act of 1912 provides a rebuttable presumption of authorship: the author is presumed (unless proven otherwise) to be the person identified by name on the work by virtue of the mention of their company name or the appearance of another sign that enables their identification.

Persons collaborating directly in the creation of a work become co-authors. The right of exploitation belongs to the authors together. In these situations, the exercise of the right of co-authors is governed by the rules regarding community, which is regulated in the Dutch Civil Code.

While an author's moral rights are in principle non-transferable and inalienable, an author's economic rights can be assignable and transferable, in whole or in part. The assignment of the copyrighted work and the grant of an exclusive license requires a written deed. The assignment or license will comprise only such rights as are recorded in such deed or necessarily derive from the nature or purpose of the title. The works transferred must be sufficiently determinable. If the author is a natural person, they have the right to terminate the assignment agreement or a license if the work is not sufficiently exploited within a reasonable time by the assignor or the licensee. The assignment or license of a copyright of a not-yet-existing work is possible but voidable if the author of the work is a natural person.

The author (ie, natural person) who grants a license is entitled to a fair remuneration. If the work is exploited in a way that was unforeseen at the moment the license was granted, the author (ie, natural person) can be entitled to an additional remuneration. These rights can be invoked against 3rd parties – such as 3rd-party assignees.

Authorization given by the author of a work protected by copyright to a 3rd party to file a design in which that work is incorporated must imply the assignment of the copyright attached to that work insofar as it is incorporated in the design. The party filing a design will be presumed also to be the owner of the copyright relating thereto; this presumption does not, however, apply in respect of the actual author of the copyrighted work or their beneficiary. The assignment of the copyright relating to a design will result in the assignment of the right in the design and vice versa.

Remedies for infringement

Copyright holders are entitled to injunctive and monetary relief that conform with the Directive 2004/48/EC of the European Parliament and of the Council of April 29, 2004 on the enforcement of intellectual property rights.

Monetary relief entails the possibility to claim damages as a lump sum or a payment of infringement profits made. A number of supplementary, injunctive measures are available, such as:

- A recall, removal from the channels of commerce or destruction of the infringing goods and in appropriate cases, of the materials and implements principally used in the creation or manufacture of these goods
- The right of information, ordering that the infringer discloses of information about the origin of the infringing goods or services, the distribution channels and the identity of any 3rd parties involved in the infringement
- The publication of the decision, in full or in part

A European rule of exhaustion applies, which means that, if a specimen (ie, particular copy) of literary, scientific or artistic work has been brought into circulation by means of transfer of ownership for the first time with the consent of the author or their assignees within the community, then the bringing of that specimen (ie, particular copy) into circulation in any other way, with the exception of hiring and letting, shall not be considered as an infringement of the copyright.

According to Article 1019h of the Dutch Code of Civil Procedure, generally the losing party is obliged to pay the legal costs of the winning party. However, the judge has the authority to decide that these costs will be partly compensated by the winning party. In practice, the legal fees are calculated based on fixed statutory fees that vary depending on the complexity of the case.

Neighbouring Right Acts

Neighbouring rights are similar to copyright, and protect the intellectual property rights of performers (eg singers, actors, dancers), producers of phonograms (eg record labels), publishers, broadcasting organizations or producers of films. Copyrights and neighbouring rights often overlap. Similar to copyrights, neighbouring rights arise automatically and can be assigned and transferred by a written deed. Depending on the type of neighbouring right, they expire after 50 or 70 years after the first performance of publication.

Neighbouring rights are governed by the Neighbouring Rights Act of 1993.

MASK WORKS / TOPOGRAPHIES

Nature of right

Pursuant to the Dutch Act on the Legal Protection of Topographies of Semiconductor Products, the topography of a semiconductor product is protected if it is the result of its creator's own intellectual effort and is not commonplace in the semiconductor industry. Where the topography of a semiconductor product consists of elements that are commonplace in the semiconductor industry, it is protected only to the extent that the combination of such elements, taken as a whole, fulfills the above-mentioned conditions. The protection applies solely to the topography and excludes any concept, process, system, technique or encoded information embodied in the topography.

The rights holder shall have the exclusive and temporary right to reproduce and commercially exploit the topography. The rights holder may, however, not assert this exclusive right of:

- Reproduction solely for the purposes of analysis, evaluation or teaching of the topography or the concepts, processes, systems or techniques embodied in the topography
- A topography resulting from the analysis and evaluation of another topography carried out in accordance with item 1, at least insofar as the new topography is the result of its creator's own intellectual effort and is not commonplace in the semiconductor industry

Legal framework

Semiconductor topographies are protected pursuant to the Act of October 28, 1987 on the Legal Protection of Topographies of Semiconductor Products.

Duration of right

The exclusive right related to the protection of topographies of semiconductor products shall come into existence when the topography is fixed for the first time and expires 10 years from the end of the calendar year in which the topography was filed or is first commercially exploited anywhere in the world, whichever comes first. The exclusive right expires where a topography has not been commercially exploited, and, if no application was made, the right expires within a period of 15 years from the date on which it was first fixed.

Ownership / licenses

The ownership of the exclusive right is granted to the creator of the topography of a semiconductor product.

Like a copyright in the Netherlands and contrary to many other EU Member States, the exclusive right is granted automatically (ie, without the obligation to register) and is freely licensable and transferrable, including to the successors in title of the rights holder. However, the exclusive right to a topography may only be exercised against 3rd parties after the registration of the topography with the respective authority (ie, the Dutch Patent Office).

Remedies for infringement

Monetary relief also entails the possibility to claim damages as a lump sum as well as payment of infringement profits. A number of supplementary, injunctive sanctions may be applied for, such as:

- A recall from the channels of commerce, surrender to the patent holder or destruction of the infringing goods and, in appropriate cases, of the materials and implements principally used in the creation or manufacture of these goods
- The right of information, ordering the infringer to share precise information on the origin of the infringing goods or services, the distribution channels and the identity of any third parties involved in the infringement
- Appropriate measure for the dissemination of or information on the decision

A European rule of exhaustion applies, which means that, if a particular semiconductor product in which the topography is incorporated has been brought into circulation by means of transfer of ownership for the first time with the consent of the right holder within the community, then the bringing of that particular product into circulation in any other way shall not be considered an infringement.

According to Article 1019h of the Dutch Code of Civil Procedure, generally the losing party is obliged to pay the legal costs of the winning party. However, the judge has the authority to decide that these costs will be partly compensated by the winning party. In practice, a cap is applied to the legal fees, depending on the complexity of the case.

PATENTS

Nature of right

Subject to the provisions of Articles 53 to 60 of the Dutch Patent Act of 1995, a patent shall confer on its owner the exclusive right:

- To make, use, put on the market or resell, hire out or deliver the patented product, or otherwise deal in for their business, or to offer, import or stock it for any of those purposes
- To use the patented process in or for their business or to use, put on the market or resell, hire out or deliver the product obtained directly as a result of the use of the patented process, or otherwise deal in for their business, or to offer, import or stock it for any of those purposes

An invention is eligible for patent protection if it satisfies 3 conditions:

- It is new (*ie*, novel)
 - An invention is new (*ie*, novel) if that invention was not already known in the state of the art.
- Inventive
 - It is inventive if it would not be obvious to a skilled person based on the state of the art.

- Susceptible of industrial application
 - Finally, the term “industrial application” must be understood broadly and can include agriculture.

The novelty of an invention is not jeopardized if the invention was disclosed to the public within 6 months prior to the filing of the application and it is due directly or indirectly to:

- An apparent abuse in relation to the applicant
- The invention being shown at an exhibition organized by the public authorities or an official international exhibition

In order to benefit from the priority right, registrations must be carried out during the 12 months from the filing date of the application (ie, priority date).

Any person who, in the Netherlands (or Netherlands Antilles), has already manufactured or applied or commenced implementation of their intention to manufacture or apply the subject matter of a patent application filed by another on the filing date thereof or, if the applicant has a right of prior use under Article 9(1) Dutch Patent Act or Article 87 of the European Patent Convention, on the filing date of the priority application, shall continue to have the exploitation right(s), this right being based on prior use, unless their knowledge was obtained from a matter already made or applied by the applicant or from the applicant's descriptions, drawings or models.

Legal framework

The Patent Act 1995 governs Netherlands patents and the European Patent Convention of 1973 govern EU patents (with validity in the Netherlands).

Regulations (EU) No. 1257/2012 and No. 1260/2012 of 17 December 2012 implement enhanced cooperation in the area of the creation of unitary patent protection set up the European Unitary Patent System. These regulations entered into force on January 20, 2013 and have been applicable from June 1, 2023, the date of entry into force of the Agreement on a Unified Patent Jurisdiction establishing the Unified Patent Court (UPC).

The unitary patent system makes it possible to secure patent protection in 17 EU Member States by submitting a single application with the European Patent Office (EPO), thus simplifying the procedure and making it more affordable for applicants. The new Unitary Patent is based on the European patent granted by the EPO under the rules of the European Patent Convention (EPC).

The UPC is an international court established by the participating EU Member States to deal with infringement and validity cases of unitary patents as well as European patents, thus eliminating costly parallel proceedings and increasing legal certainty. The unified patent jurisdiction will consist of a central division in Paris (with a section in Munich) and a court of appeal in Luxembourg, as well as local divisions in several countries. In the Netherlands, the local division of first instance is located in The Hague.

The transitional measures of the Unitary Patent System began on January 1, 2023, and the UPC entered into force on June 1, 2023. Patent applicants are now able to file early requests for unitary effect as well as requests to postpone the decision to grant a European patent. These measures will remain applicable until the full entry into force of the **unitary patent protection package**.

Duration of right

Patents have a duration of 20 years from the filing date of the patent application. It is not possible to renew the patent application. Exploitation of the invention is not a prerequisite for maintaining patent protection.

Ownership / licenses

The Patents Act provides that the patent rights are held by the patent holder or their successor in title. If the public interest so requires, the competent ministry has the authority to grant a compulsory license.

The patent owner must grant a license required for the use of a patented invention granted in respect of an application which has the same or a later date of filing or, where a right of priority exists for the application, the same or later priority date, if the patent for which the license is requested represents a considerable advance; the patent owner shall, however, only be obligated to grant a license required for the working of a European patent after the time limit for filing an opposition to the European patent has expired or after pending opposition proceedings have been terminated. Such a license shall not extend further than is necessary for the application of the patented invention of the licensee. The latter shall be obliged to grant a reciprocal license under their patent to the owner of the other patent. If the abovementioned license is unjustifiably withheld, the license can also be granted by the court on a claim by the interested party. Such a compulsory license is rare.

Remedies for infringement

A patent holder is entitled to remedies for infringement similar to those available for infringement of other intellectual property rights, which warrant both (interim and final) injunctive and monetary relief (see Article 70 et seq. of the Dutch Patent Act).

Damages as well as surrender of profits made can only be awarded if the infringer knew or should reasonably have known their actions entailed a patent infringement. A number of supplementary, injunctive sanctions may be applied for, such as:

- A recall or definitive removal from the channels of commerce, surrender to the patent holder or destruction of the infringing goods and, in appropriate cases, of the materials and implements principally used in the creation or manufacture of these goods
- The right of information, ordering the infringer to share precise information on the origin of the infringing goods or services, the distribution channels and the identity of any 3rd parties involved in the infringement
- The dissemination of the decision in full or in part

A European rule of exhaustion applies, which means that if a particular patented product, or product that has been directly obtained through the patented process, has been brought into circulation for the first time with the consent of the patent holder within the Community, and/or Curacao or St. Martin, then the bringing of that particular product into circulation in any other way shall not be considered patent infringement.

According to Article 1019h of the Dutch Code of Civil Procedure, generally the losing party is obliged to pay the legal costs of the winning party. As a result, the winning party's legal costs is fully reimbursed by the losing party. However, the Dutch patent courts have set caps (so-called indication tariffs) on the maximum costs to be reimbursed in patent litigation (similar caps already applied in other IP cases for some time, but these are lower than in patent cases). The caps are divided into categories: simple, normal, complex and very complex. The courts have provided criteria to determine if a case is simple, normal, complex or very complex (eg. scope of the facts, grounds for the action and the defense, and the financial interest).

TRADEMARKS

Nature of right

Any signs (such as, but not limited to, names, designs, letters, numerals, colors shapes of goods or their packaging, or sounds) that can be used to distinguish the goods or services of a company are eligible to be registered as individual trademarks. However, signs solely comprising a shape or other characteristic which is imposed by the very nature of a product, which gives the product substantial value, or which is necessary for obtaining a technical result is excluded from trademark protection.

In order to be registered, the sign must have a sufficient distinctive character. Such distinctive quality is not a constant but a variable. This means that a rather weak trademark at the time of registration may become a strong trademark through intensive use or, conversely and failing sufficient use, that a strong trademark may become a weak trademark with a smaller scope of protection or even become the normal commercial description of a product or service for which it is registered as a result of the activity or inactivity of its owner, in which case the trademark shall be declared as lapsed.

On the basis of a registered Benelux or EU trademark, its owner has the exclusive right to prevent any 3rd party, who does not have the owner's consent thereto, from:

- Use in the course of trade of a sign that is identical to the trademark for goods or services that are identical to those for which the trademark is registered
- Use in the course of trade of a sign which is identical or similar to the trademark for goods or services which are identical or similar to those for which the trademark is registered, where a risk of confusion in the mind of the public exists, which includes the risk of association between the sign and the trademark
- Use in the course of trade of a sign which is identical or similar to the trademark for goods or services which are similar to those for which the trademark is registered, where the trademark is well known in the Benelux or EU territory and where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the repute of the trademark

- Using in business a sign in respect of which, because it is identical or similar to the trademark and because the goods or services covered by the trademark and the sign are identical or similar, there is a risk of confusion in the mind of the public which includes the risk of association between the sign and the trademark
- Specifically for Benelux trademarks: using a sign for purposes other than those of distinguishing the goods or services, where use of the sign without due cause would take unfair advantage of or be detrimental to the distinctive character or the repute of the trademark

Legal framework

Benelux Convention on Intellectual Property governs Benelux trademarks, the European Union Trademark Regulation (EU/2017/1001) of 2017 and European Union Trademark Directive (EU//2015/2436) of 2015 both cover European Union trademarks (also applicable in the Benelux territory).

Duration of right

Trademarks have a duration of 10 years starting from the date of filing of the application and are renewable for an unlimited number of consecutive 10-year periods.

Ownership / licenses

The exclusive rights conferred by a trademark are acquired by virtue of registration to the registration holder. Thus, no protection to trademark owners is guaranteed without registration, unless such unregistered trademarks are well known to the public. However, if the owner of an unregistered trademark is confronted with the registration by a 3rd party of a similar sign for similar goods or services, they can apply for the revocation of the registration on grounds of bad faith if the applicant had knowledge of the previous use.

No specific provisions are in the laws of the Netherlands with respect to co-ownership of trademarks. However, it is generally understood that the exercise of the right of co-ownership of trademarks is governed by the rules regarding community, which is regulated in the Dutch Civil Code.

Independently of the transfer of all or part of a business, a trademark may be transferred in respect of all or some of the goods or services for which the trademark was filed or registered. A trademark may also be the subject of a license for all or some of the goods or services in respect of which the trademark was filed or registered as well as for a specific territory. To be valid against 3rd parties, the license must be recorded in the register. However, if a license has been recorded, registration of the trademark may be surrendered only at the joint request of the holder of the trademark and the licensee. The same applies for cancellation of the license in the register.

Remedies for infringement

The possible remedies for trademark infringement are set out in the Benelux Convention on Intellectual Property and European Union Trademark Regulation (EU/2017/1001) of 2017, which also allow both interim and final injunctive and monetary relief.

Monetary relief also entails the possibility to set the damages as a lump sum as well as the possible conveyance to the claimant of infringing goods and, in appropriate cases, of the materials and implements principally used in the creation or manufacture of these goods. In case of a bad-faith infringement, monetary relief also includes the

possibility to claim payment of unfair profits made. A number of supplementary, injunctive sanctions may be applied for, such as:

- A recall or definitive removal from the channels of commerce or destruction of the infringing goods and, in appropriate cases, of the materials and implements principally used in the creation or manufacture of these goods
- The right of information, ordering the infringer to share precise information on the origin of the infringing goods or services, the distribution channels and the identity of any third parties involved in the infringement
- The dissemination of the decision, including the displaying and publishing of the decision, in full or in part

A European rule of exhaustion applies, which means that the trademark owner shall not be entitled to prohibit the use in relation to goods which have been put on the market in the European Union under that trademark by the trademark owner or with the owner's consent. This rule of exhaustion does not apply where there exist legitimate reasons for the trademark owner to oppose further commercialization of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.

According to the Dutch Code of Civil Procedure, generally the losing party is obliged to pay the legal costs of the winning party. However, the judge has the authority to decide that these costs will be partly compensated by the winning party. In practice, the legal fees are calculated based on fixed statutory fees that vary depending on the complexity of the case.

TRADE SECRETS

Nature of right

Reference is made to the Dutch Trade Secrets Act 2018, which implements the EU trade secrets directive of June 8, 2016 (2016/943/EU). The Trade Secrets Act defines a Trade Secret as information that is:

- Secret, meaning that it is not generally known among or readily accessible to persons within the circle that normally deal with the kind of information in question
- Commercially valuable because it is secret
- Subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret

A trade secret is not necessarily restricted to technical knowledge or information. Commercial information such as marketing strategies, business plans and trade information can also be considered trade secrets. The trade Secrets Act also contains measures and remedies to enforce trade secrets, such as filing for an injunction to prevent further use or disclosure of a trade secret. Furthermore, the Trade Secrets Act also provides various remedies against "infringing goods."

The Trade Secrets Act allows courts to grant the winning party a full-cost award of all reasonable and equitable legal costs and other costs, similar to the full cost award in intellectual property right cases.

Legal framework

Civil law

In addition, the Dutch Civil Code provides a basis for action, for instance, against someone who breached a non-disclosure obligation or who has provoked such a breach. In addition, when a third party takes advantage of the breach of someone else's non-disclosure obligation, it may be unlawful.

Contract law, if an agreement (such as a non-disclosure agreement) was concluded with the third party.

Article 7:678 sub I of the Dutch Civil Code provides that an employee who discloses information that should have been kept secret about their employer's company may be dismissed with immediate effect.

Criminal Law

The Dutch Criminal Code stipulates the criminal protection of trade secrets.

European developments

On June 8, 2016, following a proposal from the European Commission, the European Parliament and the Council adopted a directive that aims to standardize the national laws in EU countries against the unlawful acquisition, disclosure and use of trade secrets.

The directive harmonizes the definition of trade secrets in accordance with existing internationally binding standards. It also defines the relevant forms of misappropriation and clarifies that reverse engineering and parallel innovation must be guaranteed, given that trade secrets are not a form of exclusive intellectual property right.

Without establishing criminal sanctions, the proposal harmonizes the civil means through which victims of trade secret misappropriation can seek protection, such as:

- Stopping the unlawful use and further disclosure of misappropriated trade secrets
- The removal from the market of goods that have been manufactured on the basis of a trade secret that has been illegally acquired
- The right to compensation for the damages caused by the unlawful use or disclosure of the misappropriated trade secret

EU countries must bring into force the laws and administrative provisions necessary to comply with the Directive by June 9, 2018. As stated above. The EU Trade secrets directive was enacted in the Netherlands in the Trade Secrets Act in October 2018.

Duration of right

In principle, unlimited, provided that the trade secrets retain their commercial value due to its secrecy.

Ownership / licenses

Licenses for know-how and trade secrets are common under the laws of the Netherlands. Licenses in respect of trade secrets are subject to Commission Regulation (EC) 772/2004 of April 27, 2004 on the application of Article 81(3) of the Treaty to categories of technology transfer agreements.

Remedies for infringement

There can be criminal and civil proceedings for trade secret misappropriation. In principle, both (interim and final) injunctive and monetary relief can be obtained.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Copyright

The Dutch Copyright Act stipulates that, where labor carried out by an employee consists of the making of certain literary, scientific or artistic works, the employer shall be deemed the author thereof, unless otherwise agreed between the parties.

As the employer is deemed to be the author of the work, it is likely that they also retain the moral rights. However, this is still an unanswered issue in Dutch literature. It is also justifiable to understand that the employee (as the original author) retains the moral rights on the work. However, they may be waived as far as permitted by law.

Patent

The Patent Act provides that the right to a patent shall belong to the inventor or their successor in title. Where the invention for which a patent application has been filed has been made by a person employed in the service of another person, the employee shall be entitled to the patent unless the nature of the service entails the use of the employee's special knowledge for the purposes of making inventions of the same kind as that to which the patent application relates. Should the latter be the case, the employer shall be entitled to the patent. In case the salary is to be regarded insufficient compensation for the employee's loss of patent to their employer, a remuneration may be applicable.

Design

If a design has been developed by an employee in the execution of duties, the employer shall, unless otherwise agreed, be deemed to be the designer.

Where a design is created in an employment context, the copyright relating to the design shall belong to the party deemed to be the designer, in accordance with the provisions of the Benelux Convention on Intellectual Property.

Consultants / contractors

Copyright

If a work has been made exactly according to the draft and under the strict guidance and supervision of another person, that person shall be deemed the author of the work.

Where a design is created in a consultants or contractors context, the copyright relating to the design shall belong to the party deemed to be the designer, in accordance with the provisions of the Benelux Convention on Intellectual Property.

Patent

The applicant shall generally be deemed to be entitled to exercise the right to the patent. Where an invention has been made by 2 or more persons working together by agreement, they shall have a joint right to a patent. Any person who has made an invention for which a patent application has been filed shall have a right to be mentioned as the inventor in the patent.

Design

If a design has been created on commission, the commissioning party shall, unless specified otherwise, be deemed to be the designer, provided that the commission was given with a view to commercial or industrial use of the product in which the design is incorporated.

Where a design is created in a consultants or contractors context, the copyright relating to the design shall belong to the party deemed to be the designer, in accordance with the provisions of the Benelux Convention on Intellectual Property.

Trade secrets

Article 7:678 sub I of the Dutch Civil Code provides that an employee who discloses information that should have been kept secret about their employer's company can be dismissed with immediate effect.

Post-employment, the disclosure by a former employee of trade secrets of the former employer can be interpreted to be a breach of the obligation following from Article 7:61 I of the Dutch Civil Code to act as a good employee.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial contracts. Registration of licenses for patents, designs and trademarks is possible and necessary for the license to have 3rd-party effect, but is not required for the validity of the license itself.

Recognized language of commercial agreements

Commercial contracts may be concluded in any language, albeit that contracts concluded with consumers must be sufficiently understandable for a consumer. This could imply the need for contracts in the Dutch language.

Country-specific issues for online content

If a consumer acquires online content, the right to terminate the agreement within a 14-day period (ie, the general consumer right for online purchases) remains in effect. In order to exclude this right, the consumer must explicitly accept that:

- Content will be provided within the 14-day period and
- That the right to terminate the agreement is waived after provision of the content

Furthermore, pursuant to Dutch consumer law, a subscription for online content set out in general terms and conditions may not exceed 1 year. After such term, the subscription can be terminated with a 1-month notice period.

Enforceability of online/clickwrap/shrinkwrap terms

In order to be enforceable, the customer must have accepted the terms, usually by ticking a box, and a copy of the terms must be provided or made available. The obligation to provide a copy of the standard terms means that the user must afford the other party a reasonable opportunity to review and accept the standard terms prior to or at the time of conclusion of the agreement. The user has afforded the other party this opportunity when they have handed over the standard terms to the other party at the time of entering into the contract. This obligation will be satisfied in an online environment if the standard terms were made available to the consumer either prior to or upon concluding an agreement in such a manner that the consumer could download them and save them on their own data carrier (eg, hard drive or USB stick), as the other party must also be able to refer to them at a later point in time. Including a link to a website is not sufficient.

Governing law

Subject to the conflict of law provisions as laid down in the Rome I and Brussels I regulations and in the Dutch Civil Code, and the limitations they impose on, for example, consumer contracts and employment contracts, the governing law and venue for resolution of disputes (including arbitration) specified in a commercial contract will generally be accepted and recognized.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Limitations of warranty claims are generally permissible, including in business-to-consumer contracts, but may be subject to certain restrictions in the Dutch Civil Code (especially in respect of general terms and conditions). Limitations of warranty provisions that set aside a consumer's statutory rights are generally prohibited in a sale of goods agreement entered into with a consumer. In a consumer sale, a warranty must state in plain intelligible language which rights or remedies are granted to the buyer and make clear that these entitlements are without prejudice to rights or remedies conferred by law. The warranty must further state the name and address of the seller or the producer who granted the warranty and the duration and territorial scope for which it holds.

Enforceability of exclusions/limitations of liability indemnification

In principle, a party will be liable for all damages related to an attributable breach of the contract. With some exceptions, commercial entities are largely free to agree on a limitation of liability. Limitations and exclusions – for example, with respect to consequential damages – are common to Dutch law contracts.

Liability clauses do not apply to the extent, in the given circumstances, it would be unacceptable according to standards of reasonableness and fairness. Limitations of liability set out in general terms and conditions are generally deemed unreasonable in B2C relationships. In B2B relationships within the supply chain, risk for product liability can, in general, be apportioned between the parties on an agreed basis by indemnity protection.

Indemnification

The concept of indemnification will, in general, be interpreted in accordance with the Dutch law principles (meaning the principles of reasonableness and fairness) and is subject to freedom of contract.

Electronic signatures

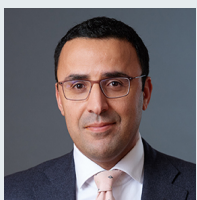
Pursuant to Dutch law, agreements are concluded by means of an offer and acceptance thereof. Agreements are generally valid if legally competent parties reach an agreement (irrespective of whether the agreement is concluded verbally, on physical paper or electronically). Electronic signatures are no different from handwritten signatures from an enforceability perspective. If the validity of a signature – whether electronic or not – is contested, the underlying agreement cannot serve as evidence of the agreement reached as long as the origins of the signature is not proven. For electronic signatures, this risk can be mitigated through the use of so-called "qualified electronic signatures" as defined in the Electronic Identification and Trust Services Regulation 2014 (Regulation (EU) No 910/2014 (eIDAS Regulation)).

Generally, commercial agreements can be concluded by means of a simple electronic signature (without authentication). Some contracts must be concluded in writing, such as the sale of a house to a non-professional party. Such contracts can also be concluded by electronic means, provided that all of the following requirements are met:

- The contract is and remains accessible for the parties
- Authenticity of the contract is sufficiently guaranteed (by electronic signature)
- Moment on which the contract was formed can be determined with sufficient certainty
- Identity of the parties can be assessed with sufficient certainty

Deeds that create or transfer rights in real estate require the involvement of courts, public authorities or professions exercising public authority and cannot be concluded electronically.

KEY CONTACTS



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NEW ZEALAND



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights in New Zealand are primarily governed by specific statutes: the Trade Marks Act 2002, Designs Act 1953, Patents Act 2013 and the Copyright Act 1994. However, these statutes have not codified New Zealand intellectual property law, and common law principles relating to intellectual property rights are still an important part of the intellectual property framework.

New Zealand has ratified the Trans-Pacific Partnership Agreement (TPP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). There are amendments to certain key intellectual property laws, including the Copyright Act 1994 and the Patents Act 2013, which are not yet in force, and are unlikely to come into effect unless the USA and other jurisdictions sign the TPP.

COMMERCIAL CONTRACT FRAMEWORK

Overview

The commercial contract framework in New Zealand is composed of an amalgamation of statutes, the common law, equitable doctrines and, to some extent, international law instruments. The most recent addition is the Contract and Commercial Law Act 2017, which has combined a number of statutes and covers matters such as contractual privity, contractual remedies, sale of goods and electronic transactions, among other things. The interpretation and enforceability of commercial contracts is generally a matter of common law.

There are statutes that may be relevant to certain commercial arrangements. For example, there are specific statutes relating to consumer contracts, consumer credit contracts and construction contracts, as well as statutes governing competition and fair trading in the marketplace. There are also industry-specific regulations that may be applicable to contracts in particular industries.

Commercial contracts with the state and government agencies may be subject to additional regulations.

COPYRIGHTS

Nature of right

Copyright protection is available for original literary, dramatic, musical or artistic works, as well as sound recordings, films, communication works and typographical arrangements of published editions.

There is no registration requirement for copyright in New Zealand and no copyright registration system. The protection is automatic and the work is protected from the time it is first recorded (in writing or otherwise).

Copyright owners have the exclusive right to prevent others from copying the work, issuing copies of the work to the public, performing, playing or showing the work in public, communicating the work to the public or making an adaptation of the work.

Legal framework

Copyright is governed by the Copyright Act 1994 as well as court judgments that impact the interpretation of the Copyright Act.

The Copyright Act provides for moral rights for original works, as well as for performer's rights for performances.

New Zealand is a party to the Berne Convention, the Universal Copyright Convention, the TRIPS Agreement and the Marrakesh Treaty.

Duration of right

Copyright protection in a literary, dramatic, musical or artistic work generally lasts for the life of the author plus an additional 50 years. Where the work is of unknown authorship, the copyright expires at the end of the period of 50 years from the end of the calendar year in which the work was first made available to the public by an authorized act.

For sound recordings and films, the copyright expires 50 years from the end of the calendar year in which the work was made, or if it is made available to the public by an authorized act before the end of this period, then 50 years from the end of the calendar year in which it was made available. Copyright in communication work expires 50 years from the end of the calendar year in which the work was first communicated to the public.

Copyright in a typographical arrangement of a published edition expires 25 years after the end of the calendar year in which the edition was first published.

Crown copyright generally lasts for 100 years from the end of the calendar year in which the work is made.

Ownership / licenses

The copyright owner can assign or license some or all of their copyright rights to another person. Moral rights may not be assigned, but these can be waived in certain circumstances and acts that would infringe moral rights can be consented to by the holder of the rights.

Joint ownership of copyrights is recognized and arises automatically where a work has been produced by more than one owner. In general, licensing jointly owned copyright works requires consent from all joint owners.

Authorized entities (educational establishments or resource suppliers, libraries, or charities) may reproduce, and distribute works incorporating copyrights in accessible formats (braille, audio, large print texts) without the permission of the copyright owners.

Remedies for infringement

The copyright owner (or, in some circumstances, licensee) may bring proceedings in court for infringement of copyright and the relief available includes damages, injunctions and/or an account of profits. In certain situations criminal proceedings may be brought for copyright infringement. In addition, infringement of moral rights are actionable by the person entitled to the right and relief by way of damages and injunction is available.

In proceedings where it is proven that the defendant did not know and had no reason to believe that copyright existed in the work, damages will not be available.

The court may, due to the flagrancy of the infringement and any benefit accruing to the defendant due to the infringement, award additional damages.

MASK WORKS / TOPOGRAPHIES

Nature of right

The Layout Designs Act 1994 provides protection for the original three-dimensional disposition, however expressed, of the elements of an integrated circuit (a layout design) where this layout design was produced by an eligible person (such as a New Zealand citizen), or first commercially exploited in New Zealand.

The owner of the layout design rights has the exclusive right to copy the layout design, produce an integrated circuit in accordance with the layout design or copy, and commercially exploit the layout design in New Zealand.

The protection is automatic and registration is not required in New Zealand.

Legal framework

Layout designs are governed by the Layout Designs Act 1994.

Duration of right

The duration of protection is 15 years after the calendar year in which the layout design was made, or, if the layout design was first commercially exploited within 5 years after the calendar year it was made, then the protection lasts for 10 years after the calendar year in which the layout design was first commercially exploited.

Ownership / licenses

The maker of a layout design is generally the first owner of the rights in that layout design. However, where a layout design is made under the terms of an employment agreement, contract for services or as commissioned, then the employer/contractor/person who commissioned the work, as the case may be, is the first owner of the layout design. Joint ownership of layout designs is also recognized where the layout design is jointly made.

The owner of the layout design rights may assign or license some or all of the rights to another person. These rights may also pass by will or operation of law.

Remedies for infringement

A court may grant relief for infringement of layout design rights by way of damages, an account of profits and/or an injunction.

Where the infringement occurred, but the defendant was not aware and did not have reasonable grounds to suspect that there was an infringement of a layout design, then damages will not be available.

The court will consider the flagrancy of the infringement and benefit to the defendant when deciding whether to grant additional damages.

PATENTS

Nature of right

Patents are a registered right that protects inventions that are a "manner of manufacture" (including chemical compounds, products, systems, processes and methods), are novel, involve an inventive step and are useful.

Patents grant the right to exclude others from making, hiring, using, selling, offering for sale or hire, offering to make, and importing the claimed invention.

Legal framework

Patents are governed by the Patents Act 2013. New Zealand is a party to the Patent Cooperation Treaty, the Paris Convention, the TRIPS Agreement and the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.

Duration of right

Patents generally have a term of 20 years from the filing date of the complete specification for the application. In certain cases, an application can be made for a term beginning from a later date. This term is subject to payment of renewal fees.

Separate registrable rights exist for plant varieties and designs.

Ownership / licenses

A patent owner can license or assign some or all of their patent rights. Assignments must be registered.

Joint ownership is recognized and each patentee is entitled to an equal undivided share in the patent. Each patentee is entitled to exercise the exclusive rights given by the patent for the person's own benefit, without accounting to the others, but must not assign or license the patent without consent of all patentees.

In certain circumstances, the Commissioner may give directions to co-owners relating to the sale, lease or license of a patent or any interest in it. The court may also grant compulsory licenses if a market for the patented invention is not being supplied in New Zealand or is not being supplied on reasonable terms in New Zealand.

Remedies for infringement

Infringement proceedings may be brought in court by the patentee or, in some cases, the licensee. The relief available includes injunctive relief and, at the option of the plaintiff, damages or an account of profits.

However, the court may not award damages or an account of profits for infringement if the defendant proves that, at the date of infringement, the defendant did not know and ought not reasonably to have known that the patent existed or that the complete specification had become open to public inspection. If a product is marked merely to indicate that it is patented, this will not be sufficient to presume the defendant ought to have known the product was patented.

TRADEMARKS

Nature of right

Trademarks can be a word, phrase, design, image, smell, shape, sound, color, gesture, letter, number or any combination of these. Trademarks identify and distinguish the source of the goods or services of one trader from those of others traders.

Registering a trademark is not mandatory but is strongly encouraged so as to get the full benefit of the rights that trademark owners are afforded under the Trade Marks Act 2002.

Though it is possible to enforce trademark rights in respect of non-registered trademarks, it can be more difficult as proof of ownership and use must be established, which, in some situations, can be difficult to show. Registering a trademark with the Intellectual Property Office clearly shows ownership and is difficult to dispute.

Legal framework

The Trade Marks Act 2002 governs registered trademark rights. Registered marks are signified by the symbol ®, and the ™ symbol can be used to indicate a trader's intention to register a mark as a trademark. Trademark owners have the exclusive right to use, license or sell the trademark and can prevent others from using the same mark, or a similar mark, usually in relation to the same or similar goods and services.

The Fair Trading Act 1986 and the common law tort of "passing off" provide additional remedies to trade mark owners of registered and unregistered marks.

New Zealand is a party of the Madrid Protocol, Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods, Singapore Treaty on the Law of Trademarks, TRIPS Agreement and Nice Agreement Concerning the International Classification of Goods and Services for the Purpose of Registration of Marks.

Duration of right

Trade mark registrations are protected for ten years from the date of the application and are renewable indefinitely (for 10 year periods) on the payment of renewal fees, provided that the relevant mark continues to be used.

Ownership / licenses

Trade mark owners can assign or license their trade mark rights. It is advisable to include appropriate quality control language when licensing a trade mark in order to avoid dilution (or loss) of the mark and to preserve the mark's reputation, although licenses are not required to be written.

Remedies for infringement

The remedies available for infringement of a trade mark include damages, an account of profits and an injunction. In certain situations criminal proceedings may be commenced for trademark infringement.

Trade mark owners may also give notice to the New Zealand customs service requesting that they detain any goods in the control of customs, on which or in physical relation to which an infringing sign is used.

In addition, remedies may be sought under the Fair Trading Act 1986 for misleading and deceptive conduct as well as pursuant to the tort of "passing off."

TRADE SECRETS

Nature of right

In New Zealand, trade secrets are a form of confidential information. A trade secret is information that is not generally known within the industry and that has commercial value to a business, such as formulas, recipes or business strategies. Unauthorized disclosure of trade secrets can generally give rise to a claim for breach of confidence. In certain circumstances criminal proceedings may be brought for taking, obtaining or copying trade secrets.

There is no requirement or ability to register trade secrets in New Zealand.

Legal framework

Trade secrets are governed by common law protection of confidential information, but often plaintiffs will be able to rely on contractual arrangements and also employment law.

Duration of right

Trade secrets can lose the necessary quality of confidence if they are no longer required to remain protected as confidential information, but otherwise, the protection has a potentially indefinite term.

Ownership / licenses

Trade secrets are confidential information and therefore not property per se. However, contractual rights to use trade secrets may be assigned or licensed.

Remedies for infringement

The main remedies for infringement available are damages, accounts of profits and injunction. There is also the possibility of punitive damages if the conduct of the defendant is deserving of condemnation.

Criminal penalties are possible under certain circumstances.

OTHER KEY IP RIGHTS

Nature of right

Passing off

The common law tort of passing off generally concerns the false or misleading representation that another trader's goods or services are, or are connected with, those of the plaintiff. The tort can also include misrepresentations as to quality and authority or endorsements.

The misrepresentation can be an express statement, but often arises from the defendant's use of a mark, trade name or "get-up" with which the goods or services the plaintiff are commonly associated, in the minds of the relevant customers or other traders.

There must be damage, to the plaintiff's business or goodwill or likely damage if the conduct continues.

Designs

A design is defined as the new or original features of shape, configuration, pattern or ornament applied to an article by any industrial process or means. However, this cannot be a solely functional element. The design must not be published prior to the filing date.

Design rights owners have the exclusive right in New Zealand to make or import for sale or for use for the purposes of trade, or to sell, hire or offer for sale, an article in respect of which the design is registered. Design rights can be assigned and licensed. In some cases a compulsory license in respect of a registered design can be granted by the Commissioner or a court.

Legal framework

Designs are a registered right governed by the Designs Act 1953.

Duration of right

Designs

Design rights generally subsist for a period of 5 years from the date of registration and can be renewed for a further two 5-year periods on the payment of renewal fees.

Ownership / licenses

Generally, the author of a design is the owner of it, except where the design is made for someone else for good consideration, in which case that other person will be treated as the owner. Design owners can assign and license their designs.

Remedies for infringement

Design

The remedies available for infringement include damages, an accounting of profits and injunction. However, in the case of innocent infringement, neither damages or accounting of profits is available.

Criminal penalties are also possible in certain circumstances.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Where an employee makes, in the course of their employment, a literary, dramatic, musical or artistic work, that person's employer is the first owner of any copyright in that work, subject to any agreement to the contrary. The position is the same with respect to design rights created in the course of employment. With respect to patentable inventions, the invention belongs to the employer if it was made in the normal course of the employee's duties or specifically assigned duties.

Where specific work is commissioned, then the person who paid for the commissioned work will generally own the rights in that work.

Usually, employment contracts will contain provisions relating to the ownership and/or waiver of rights, if any, in intellectual property created by the employee, as well as provisions relating to non-disclosure or confidential information and restraints of trade.

Consultants / contractors

As a general rule if intellectual property is created by an independent contractor, it belongs to the contractor. However, this can be modified by express agreement and, in some cases, by implied terms. If copyright works or designs are commissioned works, generally the person commissioning the work will own the intellectual property rights in it.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial agreements. However, some commercial agreements may require disclosure where they relate to publicly listed companies or the state sector.

Where an agreement creates a security interest over personal property then this should be registered on the Personal Property Securities Register, pursuant to the Personal Property Securities Act 1999.

Recognized language of commercial agreements

A contract in plain English that is consumer-friendly is preferred. In consumer contracts in particular, certain terms may be unenforceable if they are not brought to the consumer's attention in a clear and unambiguous manner.

Country-specific issues for online content

An Internet service provider does not infringe copyright merely because a consumer uses the Internet services of the provider in infringing the copyright or merely because the Internet service provider knows of the infringement from information received as a result of enforcement action taken pursuant to the Copyright Act 1994. However, in some cases injunctive relief is still available against the provider.

All consumer contracts, whether online or otherwise, are subject to the requirements in the Consumer Guarantees Act 1993 and the Fair Trading Act 1986. In addition, consumer credit contracts, whether online or otherwise, are subject to the Credit Contracts and Consumer Finance Act 2003.

Enforceability of online/clickwrap/shrinkwrap terms

Information is not denied legal effect solely because it is in electronic form or is an electronic communication. Therefore, online, clickwrap and shrinkwrap agreements are generally enforceable, provided that they are validly made (including giving appropriate notice of terms and conditions).

However, traders must also be mindful of the statutory rights of consumers as well as fair trading requirements, as these may impose additional terms and/or render some terms unenforceable.

Governing law

Governing law and choice of forum for disputes that have been expressly specified in a commercial contract will generally be accepted and recognized in New Zealand courts. However, in some cases the subject matter or the type of contracting party (consumers for example) may justify challenging an express choice of law clause. There are also particular statutes that may apply regardless of any express choice of law clause (such as the Commerce Act 1986, the Consumers Guarantees Act 1993 and the Fair Trading Act 1986).

Arbitration may be a preferred option for parties and is governed by the Arbitration Act 1996. There are also a number of alternative dispute resolution procedures including private mediation and judicial settlement conferences. In some industries, such as telecommunications and utilities, specific dispute resolution forums have been established.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Statutory consumers' rights cannot be disclaimed or limited by a warranty disclaimer. A warranty disclaimer that purports to exclude or limit these rights will be unenforceable and could also lead to civil and/or criminal proceedings against the trader. Any warranty provided must be additional to statutory consumer guarantees.

Warranty disclaimers between parties in trade are generally enforceable, but in some cases, for example where there is a substantial imbalance of bargaining power, disclaimers may be challenged.

Enforceability of exclusions/limitations of liability indemnification

An exclusion or limitation of liability clause will generally be construed strictly against the party that drafted the clause or against the party seeking to rely on the clause where there is ambiguity, particularly where there is an imbalance of bargaining power. Clear and unambiguous language is generally required to exclude liability for negligence.

Where such a clause seeks to limit or exclude liability in relation to certain guarantees or representations in consumer contracts, these will be unenforceable.

In New Zealand, no action may be brought for personal injury covered by the Accident Compensation Act 2001 other than proceedings for exemplary damages. However, this liability may not be excluded or limited.

Indemnification

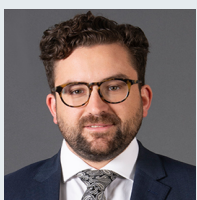
Express indemnities are recognized and generally respected.

However, with respect to specific subject matter, for example pecuniary penalties in relation to entering into cartel provisions, an indemnity may be void. In addition, some statutes require additional formalities before an indemnity provision will be enforceable (such as pursuant to the Credit Contract and Consumer Finance Act 2003).

Electronic signatures

A legal requirement for a signature will generally be met by means of an electronic signature if that signature adequately identifies the signatory and their approval of the information to which the signature relates, and is as reliable as is appropriate given the context and the purpose for which the signature is required.

KEY CONTACTS



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NIGERIA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights in Nigeria are governed by 3 main laws: the Copyright Act 2022, the Trademarks Act 1967, and the Patents and Designs Act 1971, which govern the protection and administration of the predominant intellectual property rights in Nigeria.

Nigeria is also signatory to the Paris Convention for the Protection of Industrial Property, Berne Convention for the Protection of Literary and Artistic Works, Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, Patent Law Treaty, the Patent Cooperation Treaty, Agreement on Trade-Related Aspects of Intellectual Property Rights, the African Continental Free Trade Area Agreement Protocol on Intellectual Property Rights. Most of the treaties and regional agreements have not been enacted into law and are not enforceable in Nigeria at this time.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Legislation, common law principles and practices regulate and govern contracts in Nigeria. Pursuant to Section 30 of the Nigerian Copyright Act, Section 26 of the Trademarks Act and Section 23 of the Patents and Designs Act, the intellectual property within the scope of each of these laws can be assigned and transferred by a written agreement. For a commercial contract to be valid and enforceable, it must satisfy 4 key elements: it must constitute an agreement, the parties must have the capacity to contract, there must be consideration, and there must exist an intention to create a legal relationship.

Under the Nigerian legal framework, parties are free to enter into contracts on agreed terms, and the courts generally do not interfere in the contractual terms that are voluntarily agreed by parties, provided they are not illegal and have all of the key elements of validity. Courts in Nigeria will not enforce a contract tainted with illegality or contrary to public policy. Commercial contracts can be challenged where they are alleged to contain vitiating elements such as fraud, coercion, duress, undue influence, misrepresentation of facts, mistake, incapacity and improper execution.

COPYRIGHTS

Nature of right

Overview

By virtue of the Nigerian Copyright Act, 2022, provided the criteria for eligibility is met, copyright subsists in literary works, artistic works, musical works, sound recordings, audiovisual works and broadcasts. There is a non-mandatory provision for registration under the Copyright Act. Further to this provision, owners and creators of copyright works may register their works in the Register of Works with the Nigerian Copyright Commission (NCC). This is called the Nigeria Copyright eRegistration System. The Register's content is, at first instance, the evidence of the copyright work and the particulars entered therein. Registration of the work does not constitute proof of ownership.

The requirements for eligibility in relation to literary, musical and artistic works are that such works must be of original character and have been fixed in a definite medium of expression from which they can be perceived, reproduced or communicated. Any work that meets the aforementioned requirements are also eligible for copyright regardless of the quality of the work or purpose for which it was created.

Category of works	Exclusive Rights
Literary and musical works	• Reproducing the work in any material form • Publishing the work • Performing the work in public • Producing, reproducing, performing or publishing any translation of the work • Making any cinematograph film or a record in respect of the work • Distributing to the public, for commercial purposes, copies of the work, through sale or other transfer of ownership provided the work has not been subject to distribution authorized by the owner. • Broadcasting or communicating the work to the public. • Making the work available to the public by wire or wireless means in such a way that members of the public are able to access the work from a place and at a time independently chosen by them.

	• Making any adaptation of the work and doing, in relation to a translation or adaption of the work, any of the acts aforementioned.
Artistic works	• Reproducing the work in any material form • Publishing the work • Including the work in any audiovisual work broadcast the work. • Communicating the work to the public. • Make the work available to the public by wire or wireless means in such a way that members of the public are able to access the work from a place and at a time individually chosen by them. • Making any adaptation of the work. • Doing, in relation to the adaptation, any of the aforementioned acts.
Audiovisual works	• Reproduce the audiovisual work. • Causing the audiovisual work that consists of visual images, to be seen in public and, insofar as it consists of sounds, to be heard in public. • Broadcast the audiovisual work. • Make a copy of the soundtrack of an audiovisual work. • Make the work available to the public by wire or wireless means in such a way that members of the public are able to access the work from a place and at a time independently chosen by them. • Distribute to the public, for commercial purposes, copies of the work, through sale or other transfer of ownership provided the work has not been subject to distribution authorised by the owner.

	• Make an adaptation of the audiovisual work. Make a translation of the audiovisual work or any part ; and do in relation to a translation or an adaptation of the work, any of the acts specified in relation to the work under this section.
Sound recordings	• Controlling the direct or indirect reproduction, broadcasting or communication to the public of the whole or a substantial part of the recording either in its original form or in any form recognizably derived from the original. • Make the sound recording available to the public by wire or wireless means in such a way that members of the public are able to access the sound recording from a place and at a time independently chosen by them. • Distributing to the public, for commercial purposes, copies of the work by way of rental, lease, hire, loan or a similar arrangement. • Distribute to the public for commercial purposes, copies of the work, through sale or other transfer of ownership provided the work has not been subject to distribution authorized by the owner.
Broadcast	• The right to the recording and the re-broadcast of the whole or a substantial part of the broadcast. • Communicating to the public of the whole or a substantial part of a television broadcast, either in its original form or in any form recognizably derived from the original. • Making the broadcast available to the public by wire or wireless means in such a way that members of the public are able to access the work from a place and at a time independently chosen by them. • Fixation of the broadcast • Reproduction of a fixation of the broadcast, adaptation of a fixation of the broadcast; or distribution of a fixation of the broadcast or copies for commercial purposes by way of rental, lease, hire, loan or similar arrangement.

- Distributing to the public, for commercial purposes, copies of the work by way of rental, lease, hire, loan or a similar arrangement

A work, other than a broadcast, enjoys copyright protection under Nigerian law if its author is a citizen or habitually resident in Nigeria or that of a company incorporated under Nigerian law. A copyright may also be conferred on musical or artistic works and audiovisuals which are 1st published in Nigeria and on sound recordings made in Nigeria or a broadcast transmitted from Nigeria or by a broadcasting organization that has its headquarters situated in Nigeria. Works made under the direction of a federal or state government or an international organization also enjoy copyright protection if they meet the eligibility requirements specified above.

A work may also additionally qualify for protection in Nigeria if at least 1 of the authors is a citizen of or is domiciled in a country which is party to an obligation under any treaty or international agreement to which Nigeria is a party. Works published by the United Nations Organizations or any of its specialized agencies, the African Union and the Economic Communities of West African States, also enjoy copyright protection under the Act.

Legal framework

1. Copyright Act, 2022 and its subsidiary legislation are is the principal legislation on copyright in Nigeria.
2. Contractual principles
3. Case law
4. Nigerian Film Corporation Act CAP N109 LFN 2004
5. Advertising Regulatory Council of Nigeria Act, 2022
6. Nigerian Communications Act CAP N33 LFN 2004
7. The National Broadcasting Commission Act CAP N11 LFN 2004
8. The National Film and Video Censors Board Act CAP N40 LFN 2004
9. Nigeria is a signatory to many of the international copyright treaties. The treaties include: The World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS); the Berne Convention of 1886; the WIPO Copyright Treaty; the WIPO Performances and Phonograms Treaty; the Rome Convention for Protection of Performers, Producers of Phonograms and the Broadcasting Organization.

Duration of right

Category of Works	Duration
Literary, musical or artistic works (other than photographs)	70 years after the end of the year which the author dies

Audiovisual works and photographs	50 years after the year the work was first made available to the public with the consent of the author or 50 years after the work was created.
Sound recordings	50 years after the year in which the recording was first made available to the public with the consent of the author or 50 years after the work was created.
For works made under the direction and control of a government, agency of government or prescribed international body	50 years after the year in which the work was first made available to the public or 50 years after the work was created
Performer's right	50 years from the end of the year in which the performance was first fixed
Broadcasts	50 years after the year in which the broadcast first took place

Ownership / licenses

Ownership of copyright in works is, in the 1st instance, granted to the author. Authorship is defined in relation to each category of work. For literary, artistic and musical works, the author is the creator of the work. The author of a photographic work is the person who took the photograph. In the case of an audiovisual work, the author is the person by whom the arrangements for the making of the audiovisual work were made, unless the parties to the making of the audiovisual work provide otherwise by contracts between them.

The exception to the rule of the author being the 1st owner of copyright is where a work is created by a person in the absence of an agreement to the contrary, under a contract for services, or in the course of employment by a government, a ministry, department or agency of a government or a prescribed international or inter-governmental organisation, the copyright in that work shall vest in that government, ministry, department, agency, prescribed international or inter-governmental organisation.

Joint ownership of copyright is also recognized under the Act and arises automatically where either a work is created by 2 or more persons or where several persons have an interest in a work.

Copyright, like all other proprietary rights, is transferable by assignment, license, testamentary disposition or by operation of the law. A copyright license (*ie*, a license to use the copyright work) may either be exclusive or non-exclusive. An assignment or exclusive license must be in writing to be enforceable. There is no requirement for a non-exclusive license to be in writing for it to be enforceable.

Each exclusive right is considered as a single unit of right, all of which constitutes copyright. Thus, each right may be transferred independent of the other right. A transfer of copyright may also be limited in relation to the duration and geographical coverage of the rights covered.

Remedies for infringement

The owner of copyright whose rights have been infringed may apply to court to claim the following statutory reliefs: damages, injunction, recovery of all infringing copies of the work and other remedies as the court may deem fit. The court with jurisdiction to hear all claims involving copyright infringement is the Federal High Court.

MASK WORKS / TOPOGRAPHIES

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

PATENTS

Nature of right

Overview

A patent confers a monopoly to exploit an invention. This monopoly is important to inventors, including, for example, technicians, technologists, medical and space scientists, lecturers, researchers, physicists, pharmacists, agriculturists, computer engineers and electric, civil and mechanical engineers.

A patent is territorial in nature, which means that it is only enforceable in the territory in which it is granted. To qualify for protection in Nigeria, the invention must be new or constitute a non-obvious improvement of an existing invention, result from inventive activity and be capable of industrial application. The key attributes of the requirements for newness and capability for industrial application are as follows:

The term “invention” is not defined in the Patents and Designs Act for the purposes of granting a patent.

- An invention is deemed to be new if it (a) does not form part of the state of the art or relevant field of knowledge anywhere in the world and (b) is not disclosed to the public within 6 months prior to the date of the application for registration, unless the disclosure was by an official or officially recognized exhibition or experimentation required to prepare the patent specification.
- An invention is deemed to result from inventive activity if it (a) does not follow obviously from the state of the art or field of knowledge to which the invention relates or (b) differs from previous efforts in the relevant field of knowledge.
- The inventor is the statutory inventor or the person who is the 1st to file the application for the grant of a patent.

Nature of rights

Once granted, the inventor acquires a monopoly in respect of any of the following acts:

- Where the patent is in respect of a product; the making, importing, selling or using the product; or stocking it for the purpose of sale or use.
- Where the patent is in respect of a process, applying the process or performing, in respect of a product obtained through the process, any of the acts mentioned above.

The scope of protection is determined by the claims contained in the application for registration.

Legal framework

- Patents and Designs Act 1971.
- Patent Rules of 1971
- Contractual principles
- Case law
- Nigeria has ratified the Patent Law Treaty which seeks to harmonize formal procedures in patent applications between Nigeria and other member countries and the Patent Cooperation Treaty which allows for simultaneous protection of inventions across all treaty By ratifying these treaties, Nigeria has expressed its intention to be bound by same. Nigeria has not enacted the treaties into law. Despite this, international applications filed under the Patent Cooperation Treaty are acceptable in Nigeria. However, such applications cannot be filed in Nigeria at the 1st instance.

- **The Patent (Additional Rights, etc.) Bill:** The Bill has passed the 2nd reading before the House of Representatives, the legislative arm of government.
- **The Patent and Designs (Repeals and Re-enactment) Bill:** The Bill seeks, among other things, to overhaul the current Patent and Designs Act, broaden the scope of patent protection to include utility models and give effect to international conventions on patents. While the Bill remains pending, the Minister of Industry, Trade and Investment has approved the grant of Utility Model Patents and Business Method in Nigeria. Thus, the validity of Utility Model Patents and Business Methods remains in doubt.
- Business Facilitation (Miscellaneous Provision) Act 2023 (BFA)

Duration of right

Subject to payment of annual fees, a patent grant is valid for 20 years from the date of filing the application.

Priority

Priority registrations are permitted in Nigeria. Priority registration is an application made in Nigeria claiming priority on the basis of an earlier mark filed in a foreign country with which Nigeria has signed a treaty or a convention (otherwise known as a Convention Country). The list of Convention Countries is contained in the Patent and Designs (Convention Countries) Order of 1971. The application for priority registration must be made within 12 months of the earlier application in the convention country. The applicant must furnish the Registry with a copy of the earlier application within a 3-month period after filing in Nigeria. Once completed, the registration in Nigeria equates to an application made in the convention country of origin.

Ownership / licenses

The owner of a patent is known as a patentee or statutory inventor or person who is the 1st to file the patent application or validly claim a foreign priority for a patent application. The true inventor is entitled to be named in the patent, whether or not they are also the statutory inventor, and the entitlement in question shall not be modifiable by contract.

A patentee may grant a license to any person to exploit the relevant invention or process. Such license must be in writing, signed by the parties and registered with the Patent and Design Registry. Failure to register the license affects its validity.

A patent may also be held jointly by joint-patentees. In the absence of any prior agreement to the contrary between the joint-patentees, each right holder may separately transfer their right to exploit the patented invention. In the case of a license to use a patented invention that is held by joint patentees, such license must be awarded jointly, and failure to obtain a joint grant affects the validity of the license.

A compulsory license may also be granted by the court upon the expiration of a period of 4 years after filing a patent application or the expiration of 3 years after the grant of a patent, whichever period expires later. The license entitles the licensee to make, import, sell, use and stock the patent for the purpose of sale or use. It, however, does not entitle them to grant further licenses and may contain additional obligations and restrictions.

The license may be transferred only with the industrial undertaking in which the relevant invention is used, and the transfer may only be valid with the consent of the court. The application for a compulsory license is brought to the court on 1 or more of the following grounds:

- The patent capable of being utilized in Nigeria has not been utilized.
- The existing degree of working the patent in Nigeria does not reasonably meet the demand for the product or process covered by the patent.
- The working of the patent in Nigeria is being hindered or prevented by the importation of the patented article.
- The patentee's refusal to grant licenses on reasonable terms or the establishment or development of industrial or commercial activities in Nigeria is unfairly and substantially prejudiced.

Remedies for infringement

Infringements occur where there is unauthorized use of a patent in a manner consistent with the rights vested upon the licensed owner. Actions for infringement have the following reliefs in law:

- Damages
- Injunctions
- Delivery up of infringing products
- Account of profits

The Patent (Additional Rights, etc.) Bill, 2019 was presented for 1st reading before the House of Representatives, the legislative arm of government on 18 July 2019. On May 20, 2021, the bill proceeded to the stage of 2nd reading, and there is optimism that once it is passed into law, it will better protect rights of patent holders. However, the bill is yet to proceed beyond the 2nd reading and there are no guarantees that it will become law any time soon.

Industrial Designs

Industrial designs are any combination of lines or colors or both, and any 3-dimensional form, whether or not associated with colors, intended by the creator to be used as a model or pattern to be multiplied by industrial process and which is not intended solely to obtain a technical result.

To qualify for protection in Nigeria, the design must be new and not contrary to public order or morality.

Nature of right

Once issued, the creator acquires a monopoly in respect of any of the following acts:

- Reproducing the design in the manufacture of a product or

- Importing, selling, utilizing for commercial purposes a product reproducing the design and holding such product for sale or commercial purposes.

The scope of protection is determined by the claims contained in the application for registration.

Legal framework

1. Patents and Designs Act CAP P2 Laws of the Federation of Nigeria (LFN) 2010.

2. Contractual principles

3. Case law

4. The Paris Convention and the World Trade Organization's agreement on Trade-Related Aspects of Intellectual Property (TRIPS).

In 1963, Nigeria ratified the Paris Convention for the Protection of Industrial Property. The agreement seeks to protect intellectual works across all convention countries.

In 1995, Nigeria ratified the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The TRIPS Agreement provides a uniform minimum standard for the regulation of intellectual property by national governments.

As earlier noted, most of these treaties that have been ratified have not been enacted into law in Nigeria.

5. The Patent and Designs (Repeals and Re-enactment) Bill:

6. The Patent and Designs (Repeals and Re-enactment) Bill: The Bill seeks among other things, to overhaul the current Patent and Designs Act, broaden the scope of patent and design protection and give effect to international conventions on patents.

Priority

Priority registrations are permitted in Nigeria. The application for priority registration must be made within 6 months of the earlier application in the convention country. The applicant must furnish the Registry with a copy of the earlier application within a 3-month period after filing in Nigeria. Once completed, the registration in Nigeria equates to an application made in the convention country of origin.

Duration of right

Industrial designs have a protection term of 5 years from the date of application for registration. Upon expiration and subject to the payment of the prescribed fee, the design may be renewed for 2 consecutive periods of 5 years.

Ownership / licenses

The owner of an industrial design is known as the statutory creator or person who, whether or not they are the true creator, is the 1st to file the application for the registration of the design or validly claim a foreign priority

for an application for registration of the design. The true creator is entitled to be named as such in the register, whether or not they are also the statutory creator, and the entitlement in question shall not be modifiable by contract.

A design owner may grant a license to any person in the same manner and with the same effect as license grants under patents.

Remedies for infringement

Infringements occur where there is unauthorized use of an industrial design in a manner consistent with the rights vested upon the licensed owner. Actions for infringement have the following reliefs at law:

- Damages
- Injunctions
- Delivery up of infringing products
- Account of profits

TRADEMARKS

Nature of right

The Trade Mark Act and Regulations permit the registration of the following classes of marks:

- Marks that are used or proposed to be used in the course of trade, in relation to goods or classes of goods for the purpose of indicating a connection between the goods and the proprietor or registered user of the mark. Marks eligible for registration include (a) the name of a company, individual or firm represented in a special or particular manner, (b) the signature of the applicant for registration or some predecessor in their business, (c) an invented word or words, (d) a word or words having no direct reference to the character or quality of the goods and not being, according to its ordinary signification, a geographical name or a surname and (e) any other distinctive marks. For such marks to be registrable, they must be capable of distinguishing the goods in respect of which they are proposed to be registered.
- Marks that are adapted to distinguish goods certified by any person, in respect of origin, material, method of manufacture, quality, accuracy or other characteristic from goods not so certified and
- Marks consisting of an invented word or invented words that have become well known in Nigeria.

For decades, the Trademarks Act, governed the registration of trademarks in relation to goods only. However, in March, 2007, the Minister of Industry, Trade and Investment signed amendments to the Trademarks Regulations 1967 to include Classes 35 to 45 (covering a range of services) and this took effect immediately. The Trademark Act of 1965 initially restricted the definition of “goods” under trademarks. However, the recent amendment by the BFA has broadened the scope of trademarks. This amendment specifically revises the definition of “goods” to explicitly include “services.” This amendment addresses previous uncertainties surrounding the enforcement of service marks. In essence, the BFA has extended the protection afforded by trademarks to encompass both goods

and services, providing more clarity in the legal framework. The BFA further expanded the definition of trademarks to include “shape of goods”, “packaging” and “a combination of colours”

There are absolute and relative grounds for the refusal of trademark applications. Absolute grounds include (a) lack of distinctive character, (b) deceptive or scandalous marks or marks that are contrary to law or morality or in any way disentitled to protection, (c) marks that contain prohibited words and/or symbols such as the names of chemical substances, Coat of Arms, the words “patent,” “patented,” “registered,” “registered design,” “copyright,” “to counterfeit this is a forgery,” or words to the like effect. Relative grounds include the following: (a) the applicant is not the true proprietor; (b) the application was made in bad faith; (c) the mark is identical or confusingly similar to an existing/prior registration; or (d) the mark contains some restricted words and/or symbols, such as representations of the Geneva cross and other crosses in red or of the Swiss Federal cross in white on a red background or in silver on a red background. Applicants can make representations either orally or written to the Registrar or by amending the trademark application.

Within 2 months of advertisement of an application for trademark registration in a journal, an interested person may oppose the application.

Upon registration of the mark, the proprietor acquires the exclusive right to (a) use the mark in relation to the goods that are covered by the class or classes of registration and (b) prevent 3rd parties from using similar or identical marks in such a way as to be likely to deceive or cause confusion in the course of trade.

The registration of a trademark in Nigeria does not interfere with:

- Any bona fide use by a person of their own name or the name of their place of business, or any of their predecessors in business, or
- The use by any person of any bona fide description of the character or quality of their goods, not being a description that would be likely to be taken as importing any reference to a certification mark or equities in respect of a trademark, or
- Marks that are identical with or so nearly resembling the registered trademark in relation to goods in relation to which a person or their predecessor in title has continuously used the mark from a date that is previous to the use or registration of the trademark by the proprietor.

Trademarks can acquire distinctiveness through use and adaptation. For a trademark to acquire distinctiveness, it must be capable of creating an association, in the minds of the purchasing public, with a connection in the course of trade between the proprietor and the goods or services to which the mark is applied.

A registered trademark may be removed from the register of trademarks in relation to any of the goods in respect of which it is registered, on an application made by a concerned person to the Registrar of Trademarks or to court on any of the following grounds: (a) the mark was registered without any bona fide intention to use it in relation to the goods covered by the registration and there has been no bona fide use of the mark up to 1 month before the application or (b) up to 1 month before the application, a continuous period of 5 years or longer has lapsed during which the trademark was registered and no bona fide use occurred.

Legal framework

- Trademarks Act 1965

- The Trademarks Regulation 1967 (and amendments thereto)
- The Business Facilitation (Miscellaneous Provision) Act 2023

Priority

Nigeria is a signatory to the Paris Convention. Section 44 of the Nigerian Trademark Act provides for the registration of trademarks based on foreign priority. However, Nigeria has yet to declare or specify convention countries in its gazette in order to acquire statutory recognition. While the registrations may be processed, their enforceability at this point in time is in doubt.

Duration of right

The registration of a trademark shall be valid for a period of 7 days from the date of the application for registration and can be renewed for a period of 14 years at a time.

Ownership / licenses

A registered trademark is assignable and transmissible either in connection with the goodwill of a business or not.

Remedies for infringement

Where a registered trademark has been infringed upon, the proprietor may:

- Issue a cease and desist letter to the infringer.
- Commence legal action at the Federal High Court for the following reliefs: (a) an injunction (interim and final), (b) damages, (c) an order for delivery up or destruction of infringing articles and/or (d) an order allowing search and seizure, which can be granted without notice to the defendant.
- Commence takedown measures of infringing content from the internet.

TRADE SECRETS

Nature of right

A trade secret denotes proprietary business knowledge, encompassing elements like formulas, patterns, compilations, programs, devices, methods, techniques, or processes, which are kept confidential to gain a competitive advantage over competitors. Nigeria lacks legislation on trade secret protection. In the absence of legislation, legal protection may be derived from other sources of law such as laws of contract and tort, criminal law and the laws governing employee/employer relations, equitable doctrine of breach of confidentiality, fiduciary obligations, patents and designs.

Nigeria lacks legislation on trade secret protection. In the absence of legislation, legal protection may be derived from other sources of law such as laws of contract and tort, criminal law and the laws governing employee /employer relations, equitable doctrine of breach of confidentiality, fiduciary obligations, patents and designs. Some of the ways to protect trade secrets include:

- The execution of (a) non-disclosure and confidentiality agreements and (b) non-compete agreements with the employees, which are enforceable in Nigeria under the law of contract. Breach may give rise to claims for, for example, damages for breach of contract or loss of profit
- Provided formal requirements are met, the registration of trade secrets as patents or designs.
- Unauthorized use of the patent or design may give rise to claims for infringement. The key disadvantages of this measure are (a) mandatory disclosure of the trade secret to the Patent and Designs Registry for the purpose of registration and (b) potential reverse engineering of the trade secret and registration of an improvement thereof by 3rd parties and/or competitors.
- Keeping the trade secret in a safe location and granting limited access to a few individuals. This could safeguard the trade secret against theft or other forms of misappropriation.
- The establishment of trade secret protection policies within establishments that are binding on personnel.

Legal framework

No text yet.

Duration of right

No text yet.

Ownership / licenses

No text yet.

Remedies for infringement

No text yet.

OTHER KEY IP RIGHTS

Nature of right

Once issued, the creator acquires a monopoly in respect of any of the following acts:

- Reproducing the design in the manufacture of a product or

- Importing, selling, utilizing for commercial purposes a product reproducing the design and holding such product for sale or commercial purposes.

The scope of protection is determined by the claims contained in the application for registration.

Industrial designs

Industrial designs are any combination of lines or colors or both, and any 3-dimensional form, whether or not associated with colors, intended by the creator to be used as a model or pattern to be multiplied by industrial process and which is not intended solely to obtain a technical result.

To qualify for protection in Nigeria, the design must be new and not contrary to public order or morality.

Legal framework

- Patents and Designs Act CAP P2 Laws of the Federation of Nigeria 2010.
- In 1963, Nigeria ratified the Paris Convention for the Protection of Industrial Property. The agreement seeks to protect intellectual works across all convention countries.
- In 1995, Nigeria ratified the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The TRIPS Agreement provides a uniform minimum standard for the regulation of intellectual property by national governments.

Priority

Priority registrations are permitted in Nigeria. The application for priority registration must be made within 6 months of the earlier application in the convention country. The applicant must furnish the Registry with a copy of the earlier application within a 3-month period after filing in Nigeria. Once completed, the registration in Nigeria equates to an application made in the convention country of origin.

Duration of right

Industrial designs have a protection term of 5 years from the date of registration. Upon expiration and subject to the payment of the prescribed fee, the design may be renewed for 2 consecutive periods of 5 years.

Ownership / licenses

The owner of an industrial design is known as the statutory creator or person who, whether or not they are the true creator, is the first to file the application for the registration of the design or validly claim a foreign priority for an application for registration of the design. The true creator is entitled to be named as such in the register, whether or not they are also the statutory creator, and the entitlement in question shall not be modifiable by contract.

A design owner may grant a license to any person in the same manner and with the same effect as license grants under patents.

Remedies for infringement

Infringements occur where there is unauthorized use of an industrial design in a manner consistent with the rights vested upon the licensed owner. Actions for infringement have the following reliefs at law:

- Damages
- Injunctions
- Delivery up of infringing products
- Account of profits

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Copyright

The Copyright Act vests the copyright interest in the author (in the 1st instance) of a copyrightable work. This applies in the case where the work is made in the course of the author's employment, unless otherwise stipulated in writing under a contract of employment. The Copyright Act does, however, permit an exception to this general provision. Under the Copyright Act, where a person in the absence of an agreement to the contrary, creates a work under a contract for services, or in the course of employment by a government, a ministry, department or agency of a government or a prescribed international or inter-governmental organisation, the copyright in that work shall vest in that government, ministry, department, agency, prescribed international or intergovernmental organization. In all other respects, the author shall be the 1st owner of the copyright in the work (ie, the employee).

Patents

Under the Patent and Designs Act, where an invention is created in the course of employment or in the execution of a contract, the right to a patent is vested in the employer or the party who commissions the invention. However, fair remuneration is payable by the employer to the employee who creates the invention. The entitlement to fair remuneration applies, subject to 2 conditions: (i) if the contract of employment does not require the employee to exercise any inventive activity but he makes the invention using the data or means of their employer and (ii) if the invention is of exceptional importance. Fair remuneration is determined taking into account the employee's salary and the importance of the invention. This entitlement is not modifiable by contract and may be enforced by civil proceedings.

Industrial Design

Under the Patent and Designs Act, where an industrial design is created in the course of employment or in the execution of a contract, the right to register is vested in the employer or the party who commissions the industrial design. However, fair remuneration is payable by the employer to the employee who creates the industrial design. Fair remuneration applies where the creator is an employee and the employee's contract of employment does not require them to exercise any creative activity, but the industrial design was created using

the data and means of their employer. Fair remuneration is determined taking into account the employee's salary and the importance of the invention. Fair remuneration if applicable, is not modifiable by contract and may be enforced by civil proceedings.

Trademarks

There is no statutory provisions concerning ownership of trademarks that are developed in the course of employment or in the execution of a contract. Therefore, ownership of a trademarks that is developed in the course of employment, particularly a trademark that cannot be construed as a literary or artistic work under the Copyright Act (such as a coined word, phrase or slogan), will be subject to the mutual agreement of the employer and employee as expressed in the relevant contractual documents.

Consultants / contractors

The Copyright Act provides that, where a work is commissioned by a person who is not the author's employer, the copyright shall belong in the 1st instance to the author unless otherwise stipulated in writing under contract.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial contracts. However, the National Office for Technology Acquisition and Promotion (NOTAP) Act provides for the registration of technology transfer agreements. A 2019 decision by the Nigerian Court of Appeal declared that the non-registration of technology transfer agreements does not render such agreements invalid or unenforceable.

Further, registration of licenses for patents and industrial designs (*ie*, general rights transfer and contractual licenses) are mandated by law. Failure to register the license with the Patent and Designs Registry affects validity.

Under the Trademarks Act, a registered mark that is assigned to a 3rd party, must be registered at the Trademark Registry in the name of the assignee within 6 months from the date of the assignment or any such extended period allowed by the Registrar. An assignee that fails to comply with this provision will not acquire any right under the assignment, unless the direction of the Registrar is obtained.

Recognized language of commercial agreements

There is no general requirement for contracts to be in a specific language in order to have legal effect. As a basic principle, it is important to ensure that the written terms of agreements are in plain language that can be easily understood. However, documents to be filed with the court and other government agencies must be in English, the official language in Nigeria.

Country-specific issues for online content

A major issue with online content in Nigeria is infringement of copyright. The new Copyright Act has included provisions that cater specifically for online content. Once infringement of a content is reported, the internet

service provider takes requisite steps to review the notice and take down infringing content. Repeated infringers can also be suspended or blocked from uploading content on a platform. This is a progressive effort to curb the rate of infringement in Nigeria. The steps provided by the Act include:

- Every service provider should include an address or process for issuing a written notice of infringement.
- Upon receipt of infringement notice, the service provider shall notify the subscriber of the notice and take down infringing content from the platform.
- The service provider shall inform the owner of the copyright work that the content has been taken down.
- In the event a counternotice is received from the subscriber, the service provider will forward such notice to the copyright owner.
- The service provider will restore the content if there is no response from the copyright owner after 7 days.
- Where the copyright owner issues a counter notice, the service provider will have to consider and decide on it. They may also refer the issue to the Nigerian Copyright Commission (NCC).
- Once a service provider receives multiple notices of infringement from a subscriber, a warning will be sent which may lead to a suspension of account.

The Copyright Act further provides that upon a court order, identifiable information about an infringer will be provided to the copyright owners. Also, the NCC can elect to block out infringing content from any platform, system or network with or without assistance from a service provider.

There are also data protection issues where online content in Nigeria is concerned. Nigeria data protection laws and regulations include provisions regulating data processing, data security, rights of data subjects and procedure for data transfers by data controllers and processors in uploading and managing online content.

Enforceability of online/clickwrap/shrinkwrap terms

Given the emphasis placed on a user's content, courts in Nigeria favor binding agreements where the user engages in affirmative conduct, acknowledging the terms of an agreement. Courts do not reasonably require the terms to be read but require that the user had reasonable notice and an opportunity to read the terms. For a browse-wrap agreement to be enforceable, the website must give the user actual or constructive notice of the agreement, and the user must consent to the agreement.

Governing law

Governing law and venue for resolution of disputes specified in a commercial contract will generally be accepted and recognized by the courts as Nigerian law does not provide a unified set of rules solely applicable to commercial contracts.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

By the law of contract, parties are free to submit themselves to any law of their choice, subject to conflicts with any mandatory provisions in such laws. Parties may also set their own values on the terms that they impose upon each other, and the consequences may be attached to any particular breach. By the Sales of Goods Act, enforceability of a warranty gives a right to an action for damages for the loss sustained but not the right to reject the goods or treat the contract as repudiated.

Enforceability of exclusions/limitations of liability indemnification

Generally, exclusion of liability clauses in Nigeria are enforceable. However, a condition precedent to enforcing an exclusion, exemption or limitation clause is that documents containing it must be tendered in evidence. Other conditions are that the clause must be incorporated in the contract, the clause must be clear and devoid of ambiguity, it must not be prohibited by a statute or a rule of law and it must be relevant.

The courts have also held that a limitation clause is a specie of the genus of an exemption clause. In the realm of contract, an exemption clause, which does not avail a party guilty of fundamental breach of contract, binds one who is aware of it. By implication, this decision renders a limitation, exclusion or exemption clause unenforceable if the party seeking to enforce it has breached a fundamental term of the contract.

The court would also not enforce an exemption clause which seeks to exclude liability for negligent execution of a contract.

Indemnification

Indemnification under Nigerian law is generally enforceable. It can either arise from contract, from an obligation resulting from the relation of the parties (express or implied) or by the statutes. The rule of indemnity is aimed at restoring the party who has suffered a loss within the contemplation of the parties to the financial position they occupied before the loss in relation to the subject matter. Indemnity principle introduces some amount of certainty to an agreement. Parties are able to measure their financial obligations to each other.

Electronic signatures

Electronic signatures in Nigeria are valid and binding in respect of the purchase of goods and any other transactions. However, certain transactions by law are excluded from the use of electronic signatures. They include the creation and execution of testamentary documents, death certificates, birth certificates, matters under family law, official judicial documents, cancellation or termination of utility services, instruments required to accompany the transportation and handling of dangerous materials that are either solid or liquid.

KEY CONTACTS

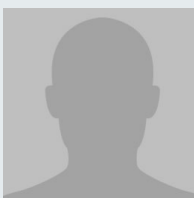
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NORWAY



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

In Norway, intellectual property rights are governed by various Norwegian laws. Norwegian intellectual property legislation is based on various international agreements and EU directives and regulations implemented through the EEA agreement.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Norwegian contract regulations are governed by statute, non-statutory law and practice. The principles of *pacta sunt servanda* and freedom of contract are fundamental to the Norwegian contract law.

The Norwegian Contracts Act (*avtaleloven*) regulates and codifies certain law in relation to contracts. However, due to the development of non-statutory rules, the Contracts Act is mainly used for rules of authorization of contracts and invalid agreements.

The content of an agreement is primarily determined by what has been agreed between the parties, their justified expectations and subjective understanding of the agreement.

Certain mandatory provisions may apply in business-to-consumer contracts. Furthermore, the specific laws relating to certain intellectual property rights contain further provisions on licensing agreements.

Customs

In July 2021, Norwegian authorities adopted Customs Act chapter 15 rules, which strengthen the position of licensees and bring Norwegian regulations to a greater extent on a par with EU rules pursuant to Regulation no. 608/2013.

Under the rules, it is possible to request the custom authorities to detain goods that infringe intellectual property rights or certain rights under the Marketing Act. This may, for example, be relevant in the event of suspicion of

the introduction of illegal product imitations or pirated copies. Following such an application, the customs authorities will be able to make decisions on assistance with the withholding of goods.

COPYRIGHTS

Nature of right

Copyright protection is available for original literary or artistic works. The protection covers works of any kind, regardless of mode of expression or form of creative expression.

To earn copyright protection, the work must be created through creative effort and have sufficient originality. Neither registration nor the use of the international copyright sign is required. However, it is generally recommended that, where possible, both be included in order to strengthen the owner's right to the work.

Copyright owners have the exclusive right to distribute copies and make the work available to the public, including the right to publicly display, present and share the created work.

Legal framework

Copyrights are governed by the Norwegian Copyright Act (*åndsverkloven*).

The new Copyright Act came into force on July 1, 2018. The purpose with the new Copyright Act was to modernize and simplify the Act, and thus the new Act entailed mostly structural changes. Norway is a signatory to multiple international conventions, such as the Berne Convention, the Rome Convention and the TRIPS agreement.

In July 2021, a new law on collective management of copyright. was passed to implement the EU directive on collective management (2014/26 / EU).

Duration of right

Copyright protection lasts for the life of the author plus an additional 70 years. For an anonymous work, the copyright lasts for 70 years from the year of its publication or, if it has not been published, 70 years from its creation. In general, the copyright protection of neighboring rights lasts for 50 years, but the duration runs from various dates depending on the neighboring right in question.

Ownership / licenses

The author owns the work. Joint ownership of copyrights is recognized, and the economic rights to the work can be transferred or licensed, in whole or in part. Moral rights may not be transferred and can only be waived – except from the right to be referred to as the author, which cannot be transferred or waived. There are no formal requirements for licenses. However, through the Copyright Act of 2018, the original author or artist has an invariable right to get a reasonable remuneration when transferring their rights to commercial parties. This provision is meant to protect the artists from being taken advantage of when negotiating transfers. Furthermore, a transfer of copyright does not entail a right to change the work unless explicitly agreed, and copyright may not be further transferred unless having obtained the author's consent unless transferred as part of a business transfer.

Remedies for infringement

Remedies for copyright infringement include equitable and reasonable compensation for use as well as compensation for losses and further injuries caused by negligent or willful infringement.

It is possible to obtain a court order for destruction of infringing products. An optional initial step is to obtain a preliminary court order for the confiscation of infringing products and equipment used in the manufacture thereof.

Criminal penalties are possible.

Collective management

The new law on collective management contains provisions for the collective management of intellectual property rights by rights organizations. It governs requirements for the management of such organizations, handling of and distribution of remuneration to the members, transparency and member participation. The law is intended to facilitate distribution of copyright protected and there are specific rules applicable for cross border distribution of music rights.

MASK WORKS / TOPOGRAPHIES

Nature of right

The creator of an integrated circuit or layout-design has the exclusive right to enforce the design. The owner is granted the exclusive right to reproduce, import and make the layout-design available to the public by sale, renting /lending or other public distribution.

The layout-design must be the result of the creator's own intellectual effort, and it cannot be standard in the industry.

The protection of the layout-design does not include any information, systems or techniques that the circuit is based on or represents.

Legal framework

Mask works and topographies are governed by the Norwegian Integrated Circuits Act (*kretsmønsterloven*).

Duration of right

The exclusive right to the layout commences with its creation and expires 10 years after the circuit was used commercially for the first time. The exclusive right shall nevertheless come to an end 15 years after the creation of the layout, regardless of whether it has been commercially utilized or not.

Ownership / licenses

The creator of the layout-design is the owner of it. Joint ownership is recognized.

The creator is at any time entitled to transfer the exclusive right in whole or in part to any other person. Transfer of a copy of the layout-design does not constitute a transfer of any rights in the layout.

If the layout-design has been created by an employee, the exclusive right to the layout-design passes to the employer unless otherwise agreed.

Remedies for infringement

Potential remedies for infringements are injunctive relief, damages and criminal penalties, and illegal copies may be confiscated or destroyed.

PATENTS

Nature of right

Upon registration, patent protection is available for reproducible inventions of a technical character with a technical effect. The inventions must be "new," be industrially applicable and have sufficient "inventive step."

Patent right owners are granted the exclusive right to exploit the invention commercially.

Legal framework

Patents are governed by the Norwegian Patent Act (*patentloven*).

Norway became party to the European Patent Convention on January 1, 2008 and ratified the Patent Cooperation Treaty on October 1, 1979.

Norway is also a signatory of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, the London Agreement, Strasbourg Agreement Concerning the International Patent Classification and Paris Convention Treaty.

Duration of right

Patents have a duration of 20 years, calculated from the filing date of the application. The patent system in Norway is based on a first-to-file system.

Ownership / licenses

The inventor owns the patent unless otherwise assigned. Others cannot, without consent from the inventor or their successor in title, use the invention.

Joint ownership is permissible, and, in case of joint ownership, use within its ordinary business operations are allowed without further agreement, and the parties must receive consent of each joint owner to each significant transaction, unless the parties contractually agree to waive the duty to account to other joint owners.

Contractual license and compulsory license may be granted.

Remedies for infringement

Remedies for patent infringement include equitable and reasonable compensation for the use and compensation for losses and further injuries caused by negligent or willful infringement. Criminal penalties and injunctions against continuous infringements may also be granted.

TRADEMARKS

Nature of right

A trademark may consist of any signs capable of being represented graphically, or words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Legal framework

Norway has implemented the Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trademarks.

Norway has adopted changes in the Norwegian Trademark Act in order to implement Directive 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks. The Directive is more technology-neutral in terms of what may be registered as a trademark, and the previous requirement that the trademark must be able to be “reproduced graphically” will be removed.

Other changes include the following:

- A trademark registration may be valid even if it acquired distinctive character after the application date.
- Introduction of “bad faith” as absolute ground for refusal.
- Non-use can be used as a defense in the same case as an invalidity or objection case.
- Trademarks in black and white no longer have protection for all colors.
- Possibility to mortgage a trademark separately.

The changes will enter into force March 1, 2023. Alongside the new changes, Norway will also sign the Singapore Treaty.

Norway has additionally signed the Paris Convention, the TRIPS Agreement, the Madrid Protocol and the Nice Agreement.

Duration of right

Registered trademarks are in effect for a period of 10 years from the date of the application, after which they can be renewed indefinitely for periods of 10 years.

Protection for unregistered trademarks are in effect for as long as the trademark fulfills the requirements for unregistered protection (well known in the market).

Ownership / licenses

Any natural or legal person can apply for and own a trademark or obtain a trademark through use.

The owner of the trademark has the exclusive right to use, transfer or license the trademark.

Remedies for infringement

The remedies for trademark infringement include equitable and reasonable compensation for the use and compensation for losses and further injuries caused by negligent or willful infringement. The court may also order products or materials infringing the trademark be recalled from stores, delivered to the trademark owner or destroyed.

Injunctive relief and criminal penalties are also possible remedies.

TRADE SECRETS

Nature of right

Trade secrets do not have a statutory definition by law, but often include information about business and operation conditions – first and foremost, commercial, technical or operational information – whose value is dependent on keeping such information a secret. By case law, the definition of trade secrets generally refers to company-specific information, which has importance to the competitive position of the company and which is the subject of precautions to maintain its secrecy.

Legal framework

The protection of trade secrets are governed by the Norwegian Trade Secret Act (*forretningshemmelighetsloven*).

The Trade Secret Act incorporates Directive 2016/943 of the European Parliament and of the Council June 8, 2016 on the protection of undisclosed know-how and business information (ie, trade secrets) against their unlawful acquisition, use and disclosure. The Act repeals the previously scattered legal framework and consolidates the law into one Act. The Trade Secrets Act introduced new enforcement alternatives. Trade secrets shall have the same meaning under the new law.

Duration of right

As long as the secret has commercial value and is not known by others outside the company, the secret will have legal trade secret protection.

Ownership / licenses

Licenses for know-how and trade secrets are common in Norway, and, as such, these can be transferred and licensed. To retain their status as trade secrets, such information must be subject to confidentiality provisions.

Remedies for infringement

In case of an infringement, the owner of the trade secret may proceed by either claiming for damages or injunction based on the Marketing Act or the Trade Secret Act or by filing a criminal claim.

OTHER KEY IP RIGHTS

Nature of right

Design

A design is defined as the looks or part of a product that is characterized by its lines, contours, colors, form, structure or material to the product or its decoration. The design must be "new" and have "individual character" in order to be able to be protected.

The designer can protect their exclusive right to the design through registration with the Norwegian Industrial Property Office. Registration of a design does not, however, limit the design's protection under other law, such as trademark, copyright or patent law.

Legal framework

Design

Designs are governed by the Norwegian Design Act (*designloven*).

Duration of right

Design

The right to registered designs lasts for 5 years, but the protection may be renewed for up to 5 consecutive periods a total protection period of 25 years.

Ownership / licenses

Design

The designer has the exclusive right to their registered design, and no third party may use the design without the designer's consent.

There are some exceptions to this exclusive right, and it applies to private and non-commercial use, use for experimental purposes and use for the purpose of teaching and citation.

Licenses to designs may be granted.

Remedies for infringement

Design

The remedies for design infringement include equitable and reasonable compensation for the use and compensation for losses and further injuries caused by negligent or willful infringement. The court may also order that products or materials infringing the design can be recalled from stores, delivered to the design owner or destroyed.

Injunctive relief and criminal penalties are also possible remedies.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The Norwegian Right to Inventions made by Employees Act (*arbeidstakeroppfinnelsesloven*) regulates the right to patentable inventions which are invented by employees employed in private and public sectors.

The general rule is that employees have the same right to their original inventions as any other inventor. However, there are certain exceptions to this general rule that provides the employer the right or priority to the inventions.

Employees must provide their employer with a notice of any invention in accordance with section 5 in accordance with the Norwegian Right to Inventions made by Employees Act.

The employer has the following types of claims against the employer's inventions:

- In accordance with section 4 paragraph 1 of the Norwegian Right to Inventions made by Employees Act, if the employee is employed as an inventor or researcher, or if the invention is within a certain task set by the employee, then the employer has a right to claim that such patent is transferred to them, if this invention may be used within the company's business area. Within 4 months from the employee's notice, the employer must inform the employee whether they wish to claim any rights to the invention.
- If the invention is created by an employee in connection with the employment but not as set out in paragraph 1, then section 4 paragraph 2 of the Norwegian Right to Inventions made by the Employees Act states that the employer has a right to request a license to the invention. If the employer wishes to receive a more extensive right, then they have a first right of refusal for 4 months after the provision of the employee's notice to enter into an agreement for such purposes.
- Where the invention has been made by the employee in circumstances that are not connected to their employment, then the employer has a first right of refusal for 4 months after the provision of the employee's notice to enter into an agreement for such purposes. This is subject to the invention being relevant to the company's business area, and this provision does not apply to universities or similar institutions.

Inventions made by the employee within 6 months after they have left the company will be considered to have been created under the service of the employer. This is subject to the invention being relevant to the business area of the company and having been part of the inventor's work during employment, or the invention being a result of a task that was assigned by employer to the employee.

If the employee transfers the invention to the employer, they have the right to a reasonable remuneration, except when the value of the inventions does not exceed what reasonably should be expected, taken into account the salary and other benefits received as employee.

The Copyright Act does not state any specific rules for work created in the scope of an employment other than copyright in computer programs. Unless otherwise agreed, computer programs created by an employee as a part of their tasks or by following instructions of the employer will be transferred to the employer. Other works made by an employee remain as a general principle under the Copyright Act the property of the employee, unless otherwise agreed. However, it is still outlined by non-statutory employment law principles that the copyright is transferred to the employer if creating of the copyrighted material is considered necessary for the employment contract to fulfill its purpose or otherwise necessary for the employer's ordinary business. Clarification in the employment contract is strongly recommended for clarity.

The right to layouts generated by an employee is transferred to the employer unless there is a contractual agreement stating otherwise.

The employer's right to a design is not regulated in the Design Act. The employee therefore owns the design, unless otherwise agreed, or the employer can prove there is a presumption between the parties that such design is to be owned by employer. However, this is governed by the abovementioned non-statutory employment law principles.

Consultants / contractors

Consultants and contractors own the intellectual property developed by them, unless they have signed a written agreement stating otherwise.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial contracts. Some contracts may, however, require registration to be enforceable towards third parties, such as patent pledge agreements.

Registration of licenses for patents, designs and trademarks is possible to put potential buyers of the patents, designs and trademarks on notice of the license. Such registration is not required.

Recognized language of commercial agreements

Commercial contracts in business-to-business transaction are often in English, although Norwegian is the most common language between smaller companies.

Though not expressly required under mandatory law, Norwegian is preferable and recommended in business-to-consumer contracts. In case of business-to-consumer contracts entered into through distance selling, where the Norwegian Rights of Cancellation Act applies, the contractual terms must be presented in the Norwegian

language if an e-commerce site is deemed to “target” Norwegian consumers. Whether a website is deemed to target Norwegian consumers will depend on an overall assessment of various factors, such as language of the site, whether customer service is provided in local language or whether one can pay in local currency, among others.

Country-specific issues for online content

Companies must adhere to the E-Commerce Act (*ehandelsloven*) and the Right of Cancellation Act (*angrertloven*).

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally viewed as enforceable if conspicuous, and users have an opportunity to review and indicate affirmative assent. This can, for example, be done through a checkbox.

Companies offering services online must make terms available in a way which makes it possible to save and retrieve them, according to the E-Commerce Act.

In a business-to-consumer situation, specific rules apply.

Governing law

The parties have a contractual freedom in relation to choice of law. Governing law and venue of resolution of disputes specified in a commercial contract will generally be accepted and recognized by Norwegian Courts.

In a business-to-consumer situation, specific rules may apply.

District courts have jurisdiction over disputes unless an alternative dispute resolution procedure, such as arbitration, is specified in the contract.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Disclaimers of warranty are usually enforced unless they are unconscionable, unclear or not conspicuous. Warranty disclaimers against consumers will most likely be covered by mandatory provisions seeking to protect the consumer, and, in case of an unclear contract terms, it must be interpreted in favor of the consumer.

Enforceability of exclusions/limitations of liability indemnification

Exclusions and limitations on liability are usually enforced unless they are unconscionable, unclear or not conspicuous. Exclusions of liability in cases of gross negligence or willful misconduct and for contractual terms which inappropriately exclude or limit the legal rights in the event of total or partial non-performance are presumed to be unfair. However, there is little case law established on this point.

Indemnification

Indemnification clauses of contracts are generally enforceable unless they are unfair.

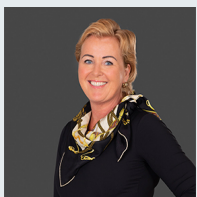
Electronic signatures

Norwegian general contract law is based on the principle that all agreements are binding irrespective of the form they are entered into. Norway has implemented the eIDAS regulation through the Act on dated 15.6.2018 No. 44.

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PERU



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

A series of national and regional sets of laws provide the core legal basis for the protection of intellectual property rights in Peru:

- Andean Community Decision 486 (Industrial Property Act)
- Andean Community Decision 351 (Copyright Act)
- Legislative Decree No. 1075 (Industrial Property Law)
- Legislative Decree No. 822 (Copyright Law)
- Legislative Decree No. 1092, which approves frontier measures for the protection of copyright and trademark rights

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial matter provisions are governed by national laws. In general, commercial agreements are governed by the Commercial Code; thus, in general, certain agreements are governed by specific national laws. Commercial contract provisions may be found in other national laws (ie, antitrust, consumers' protection, unfair competition and publicity), regulations and official standards.

The venue for resolution of disputes specified in a commercial contract corresponds to courts.

COPYRIGHTS

Nature of right

Copyright can apply to a variety of works, including musical, literary, broadcasting, photography, works of art (ie, graphic design, pictorial, drawing, sculpture and caricature), cinematography, audiovisual work, editorial compilations (eg, encyclopedias and anthologies), operating systems and computer programs (ie, software) and architecture.

Copyright grants both moral and economic rights to its author, which shall be an individual who can transfer its economic rights to another individual or entity.

Moral rights make the author the first and only perpetual owner of the rights of the copyright work; patrimonial rights allow the titleholder to exploit the work exclusively or to authorize third parties to exploit the copyright.

Legal framework

National Copyright Law (Legislative Decree No. 822) governs copyrights.

Duration of right

Moral rights are perpetual; economic rights last for the life of the author plus an additional 70 years.

Ownership / licenses

The ownership of a copyright is given with the creation of the original work; however, the author or economic rights holder can register their work with the National Copyright Office to obtain a declaration of the ownership.

The titleholder of the economic rights of the copyright may grant exclusive or non-exclusive licenses to third parties as well as transfer their rights.

Licenses and transfer of copyrights shall be evidenced in writing.

Remedies for infringement

The National Copyright Office may impose sanctions for copyright infringement. Copyright infringement fines of up to USD190,000 may be imposed.

Infringement of copyright may lead to payment of damages and losses, which shall be determined by a court of law.

Criminal penalties may be imposed and are regulated by the national Criminal Law.

MASK WORKS / TOPOGRAPHIES

Nature of right

N/A

Legal framework

N/A

Duration of right

N/A

Ownership / licenses

N/A

Remedies for infringement

N/A

PATENTS

Nature of right

The exclusivity right for inventions, utility models and industrial designs is granted through registration.

Invention Patents: New product or procedure that solves a technical problem and comply with patentability requirements, novelty, high invention level and industrial application. For example a solar engine, a method to purify polluted air, a pharmaceutical product.

Utility Models Patents: Any new form or configuration of elements of some artifact, tool, instrument, mechanism or other object or of any part of it, that allows a better or different operation, use or manufacture of the object that incorporates or that provides any utility, advantage or technical effect that previously did not had. Utility models will be protected by patents following the same registration procedure but the protection with exclusive rights is lower because it does not have the invention level required for invention patents and the 20 years exclusivity rights. For example a corrugating machine that makes wavy forms.

Industrial Designs: Industrial designs are totally different from invention patents and utility model patents. Industrial design is the particular appearance of a product that results from any meeting of lines or color combination, or from any external form two-dimensional or three-dimensional, line, contour, configuration, texture or material, without changing the destination or purpose of said product. For example designs of cars, footwear.

Legal framework

The Industrial Property Law (Legislative Decree No. 1075).

Duration of right

The duration of an invention patent is 20 years (non-extendable) from the filing requesting of the patent, paying each year an annuity in order to maintain validity; the duration for utility model patents is 10 years (non-extendable) from the filing requesting the registration, paying each year an annuity in order to maintain validity; and the duration for industrial designs is 10 years from the filing requesting the registration (non-extendable).

Ownership / licenses

In order to obtain exclusive rights, registration is required before the National Patent Office.

Patent registrations and registrations in process may be transmitted or licensed. Registration before the National Patent Office is required to perfect a transmission or license.

Remedies for infringement

The national authority may establish fines of up to USD 160,000 for the infringement of intellectual property rights.

Violation may lead to payment of damages and losses, which shall be determined by a court of law.

Criminal penalties may be imposed and are regulated by the national Criminal Law.

TRADEMARKS

Nature of right

Trademarks can be any sign that is able to distinguish products and services in the market, including visible names, figures, sounds, scents, logos, colors and shapes, among others, and that are sufficiently distinctive and capable of identifying the products or services to which they are applied.

Trademarks shall be registered in relation to specific products or services according to the classification provided for by the Nice International Classification.

The ownership and exclusivity of a trademark is given with its registration before the national Trademark Office.

Legal framework

Trademarks are governed by the Industrial Property Law (Legislative Decree No. 1075).

Duration of right

Trademarks have a duration of 10 years as of the filing requesting the trademark registration and can be renewed indefinitely.

Ownership / licenses

In order to perfect the title, registration of the trademark is required before the National Trademark Office.

Trademark registrations and registrations in process may be transmitted or licensed. Registration of the transfer agreement is required before the National Trademark Office to perfect transmission; nevertheless, registration of licenses is not necessary.

Remedies for infringement

The national authority may establish fees of up to USD 160,000 for the infringement of intellectual property rights.

Violation may lead to payment of damages and losses, which shall be determined by a court of law.

Criminal penalties may be imposed and are regulated by the national Criminal Law.

TRADE SECRETS

Nature of right

N/A

Legal framework

N/A

Duration of right

N/A

Ownership / licenses

N/A

Remedies for infringement

N/A

OTHER KEY IP RIGHTS

Nature of right

The Andean Community is an international organization that establishes mechanisms and policies for development through Andean integration.

Peru, Bolivia, Colombia and Ecuador are the 4 member countries of the Andean Community, which, in its development efforts through Andean integration, has established a series of common rules for intellectual property such as the Industrial Property Act (Decision 486 and 689) and Copyright Act (Decision 351), among others.

In order to obtain full protection, filing is required in each country as there is no common registry. However, there are some common benefits for the members of the Andean Community regarding IP rights, such as:

- Andean opposition: A trademark filed in 1 of the 4 member countries of the Andean Community is valid to oppose any similar or identical trademark applied for in another country member of the Andean Community. However, once the opposition is filed, the opponent is obliged to simultaneously file its trademark in the country of opposition in order to prove their legitimate interest. The Andean opposition does not prevent the opposed party from using the trademark.

- Non-use cancellation action: The use of a trademark in 1 member state is valid in all member states. A trademark owner can file evidence of use in any of the 4 Andean countries as defense against a non-use cancellation action.
- Highly renowned/well-known trademarks: When the well-known nature of a trademark is declared in a member country of the Andean Community, it is recognized by the other member countries. The well-known nature must be declared by the competent authority of the member country if a trademark is renowned in its sector and can only be requested within a contentious procedure.

Legal framework

Andean Community Decision 486 (Industrial Property Act).

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

N/A

Consultants / contractors

N/A

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

N/A

Recognized language of commercial agreements

N/A

Country-specific issues for online content

N/A

Enforceability of online/clickwrap/shrinkwrap terms

N/A

Governing law

N/A

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

N/A

Enforceability of exclusions/limitations of liability indemnification

N/A

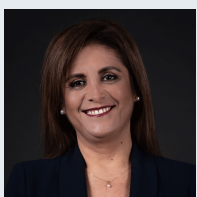
Indemnification

N/A

Electronic signatures

N/A

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PHILIPPINES



Last modified 19 April 2023

INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights are governed by Republic Act No. 8293, as amended, or the Intellectual Property Code of the Philippines (IPC), along with other laws relating to intellectual property and intellectual property rights.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial transactions are governed by various Philippine laws, such as Republic Act No. 386, or the Civil Code, and Republic Act No. 11232, or the Revised Corporation Code. There are industry-specific laws, such as Republic Act No. 8762, or the Retail Trade Liberalization Act, Republic Act No. 9136, or the Electric Power Industry Reform Act, and, more recently, the country's comprehensive competition legislation was passed as Republic Act No. 10667, or the Philippine Competition Act.

Intellectual property rights are protected principally under the Intellectual Property Code of the Philippines.

Under Philippine law, intellectual property rights consist of:

- Copyright and related rights
- Trademarks and service marks
- Geographic indications
- Industrial designs
- Patents
- Layout-designs and

- Protection of undisclosed information.

However, note that, in addition to the above enumeration, Philippine jurisdiction recognizes protection for utility models and new plant varieties.

COPYRIGHTS

Nature of right

Copyright is the legal protection extended to the owner of the rights in an original work. Original work refers to every production in the literary, scientific and artistic domain. The rights attach from the moment of creation without need of registration or recordation. However, deposit or recordation is available under Philippine law.

Owners of works protected by copyright enjoy the exclusive right to use or authorize others to use the work. They may authorize or prohibit the reproduction of the work in all forms, including print and sound recording, and public performance and communication to the public, among others.

Legal framework

The IPC, in Part IV, and as amended by Republic Act No. 10372, governs copyright.

Duration of right

The term of copyright shall last for the lifetime of the author or creator, and for an additional 50 years after their death. Under amendments introduced in 2012 in Republic Act No. 10372, the moral rights of an author or creator to attribution lasts during of the lifetime of the author or creator, and in perpetuity after their death. For the right to make alterations; withhold the work from publication; object to any distortion, mutilation or medication or derogation; or restrain the use of their name with respect to any work not of their creation or distorted version of work, the duration is coterminous with the economic rights.

The person or persons to be charged with the posthumous enforcement of these rights shall be named in a written instrument, which shall be filed with the National Library. In default of such person or persons, such enforcement shall devolve upon either the author's heirs, and in default of the heirs, the Director of the National Library.

Ownership / licenses

Copyright belongs to the author or creator of the work.

The IPC recognizes joint authorship, and the co-authors shall be the original owners of the copyright and in the absence of agreement, their rights shall be governed by the rules on co-ownership. If, however, a work of joint authorship consists of parts that can be used separately and the author of each part can be identified, the author of each part shall be the original owner of the copyright in the part that they have created.

In the case of audiovisual work, the copyright shall belong to the producer, the author of the scenario, the composer of the music, the film director and the author of the work so adapted. However, subject to contrary or other stipulations among the creators, the producer shall exercise the copyright to an extent required for the

exhibition of the work in any manner, except for the right to collect performing license fees for the performance of musical compositions, with or without words, which are incorporated into the work.

In respect of letters, the copyright shall belong to the writer (subject to the relevant provisions of the Civil Code).

Remedies for infringement

Any person found to have committed copyright infringement may be made liable to pay actual damages. Actual damages include legal costs and other expenses incurred by the owner due to the infringement, as well as profits that the infringer may have made. In lieu of actual damages, the law authorizes the court to assess such damages as shall appear to be just. The amount awarded may be doubled against an infringer who circumvents affective technological measures or had reasonable grounds to know it would induce, enable, facilitate or conceal the infringement or remove or alter any electronic rights management information from a copy of a work.

Among the amendments introduced under Rep. Act No. 10372 is the option on the part of the copyright owner to elect an award of statutory damage, in lieu of actual damages. The copyright owner may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in an action in a sum equivalent to the filing fee of the infringement action, but no less than PHP50,000.

In an infringement action, the court also has the power to order the seizure and impounding of any article which may serve as evidence in the proceedings, in accordance with the rules on search and seizure involving violations of intellectual property rights issued by the Supreme Court.

MASK WORKS / TOPOGRAPHIES

Nature of right

The IPC likewise protects layout-designs of integrated circuits. Integrated circuits means a product in its final form, or an intermediate form, in which the elements, at least 1 of which is an active element, and some or all of the interconnections are integrally formed in and/or on a piece of material, and which is intended to perform an electronic function. “Layout-design” is synonymous with topography and refers to the 3-dimensional disposition, however expressed, of the elements, at least 1 of which is an active element, and of some or all of the interconnections of an integrated circuit, or such a 3-dimensional disposition prepared for an integrated circuit intended for manufacture.

Only layout-designs that are original benefit from the protection of the IPC. A layout-design is considered original if it is the result of the creator’s intellectual effort and is not commonplace among creators of layout-designs and manufacturers of integrated circuits at the time of its creation. A layout-design consisting of a combination of elements and interconnections that are commonplace shall be protected only if the combination, taken as a whole, is original.

The owner of a layout-design registration enjoys the exclusive right to (i) reproduce, whether by incorporation in an integrated circuit or otherwise, the registered layout-design in its entirety or any part thereof, except the act of reproducing any part that does not comply with the requirement of originality and (ii) to sell or otherwise distribute for commercial purposes the registered layout-design, an article or an integrated circuit in which the registered layout-design is incorporated.

Legal framework

The IPC, as amended by Republic Act No. 9150 (entitled “An Act for the Protection of Layout-Designs (Topographies) of Integrated Circuits, Amending for the Purpose Certain Sections of Republic Act No. 8293, otherwise known as the Intellectual Property Code of the Philippines”), governs the protection of topographies of integrated circuits.

Duration of right

The protection for layout-design commences on (i) the date of the first commercial exploitation anywhere in the world, or (ii) on the filing date of the application for registration, if the layout-design has not been previously exploited commercially anywhere in the world. The registration of a layout-design is valid for a period of 10 years from commencement of protection.

Registration must be filed within 2 years of first commercial exploitation.

Ownership / licenses

The right belongs to the creator. When 2 or more persons have jointly made a layout-design, the right to protection shall belong to them jointly.

Remedies for infringement

Action for damages, including attorney’s fees and other expenses of litigation, as well as injunctive relief, is available to the creator or owner. If the damages are inadequate or cannot be ascertained with reasonable certainty, the court may award damages equivalent to reasonable royalty.

PATENTS

Nature of right

A patent is an exclusive right that allows the inventor to exclude others from making, using or selling the product of their invention during the life of the patent. An invention patent is a government-issued grant, bestowing an exclusive right to an inventor over a product or process that provides any technical solution to a problem in any field of human activity which is new, inventive and industrially applicable.

Legal framework

Patents are governed by the IPC, in Part II, as amended by Republic Act No. 9502, or the Universally Accessible Cheaper and Quality Medicines Act of 2008.

Duration of right

The term of a patent is 20 years from the filing date of the application, without benefit of further renewal. This is subject to the payment of annual fees.

Ownership / licenses

The right to a patent belongs to the inventor, their heirs or assigns. When 2 or more persons have jointly made an invention, the right to a patent shall belong to them jointly.

Philippine jurisdiction adheres to the first-to-file rule. If 2 or more persons have made the invention separately and independently of each other, the right to the patent shall belong to the person who filed an application with the earliest filing date or earliest priority date.

The IPC also provides for both compulsory and voluntary licensing regimes.

Remedies for infringement

The patent statute permits an award of damages in an amount adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs. Some awards may be a combination of lost profits and a reasonable royalty.

Treble damages up to 3 times actual damages are possible if the infringement is willful.

Failing to include appropriate patent marking can preclude recovery of damages for past infringement.

Injunctive relief is also a possible remedy.

A criminal action patent infringement is a remedy available only for repeated patent infringement.

TRADEMARKS

Nature of right

Mark means any visible sign capable of distinguishing the goods (trademark) or services (service mark) of an enterprise and shall include a mark or stamped container of goods.

Except in cases of importation of drugs and medicines and of off-patent drugs and medicines, the owner of a registered mark shall have the exclusive right to prevent all third parties that do not have the owner's consent from using, in the course of trade, identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed.

Legal framework

The IPC provides protection for marks in general.

Registered marks are signified by the symbol ®. To indicate that a visual sign is being used as a mark, the symbol ™ may be used.

Republic Act No. 8203, or the Special Law on Counterfeit Drugs, considers as counterfeit the drug itself, or the container or labeling thereof bearing without authorization the trademark, trade name or other identification that is owned or registered in the name of another person.

The Philippines ratified the Madrid Protocol on March 27, 2012 and came into force in the country on July 25, 2012.

Duration of right

A certificate of registration of a mark shall remain in force for 10 years, subject to submission of a sworn Declaration of Actual Use within 3 years from filing of the application for registration, and within 1 year from the fifth anniversary of registration. It may be renewed for periods of 10 years at its expiration.

Ownership / licenses

Owners granting licenses to trademarks must include appropriate quality control language in order to preserve and avoid dilution (or loss) of the mark.

Any license contract concerning the registration of a mark, or an application for registration, shall provide for effective control by the licensor of the quality of the goods or services of the licensee in connection with which the mark is used. If the license contract does not provide for such quality control, or if such quality control is not effectively carried out, the license contract shall not be valid.

The IPC further requires the recordal of a license contract (in the Intellectual Property Office of the Philippines). A license contract shall have no effect against third parties until such recording is completed.

Remedies for infringement

The owner of a registered mark may recover damages from any person who infringes their rights, and the measure of the damages suffered shall be either (i) the reasonable profit which the complaining party would have made, had there been no infringement, or (ii) the profit which the infringer actually made out of the infringement. In the event such measure of damages cannot be readily ascertained with reasonable certainty, then the court may award as damages a reasonable percentage based upon the amount of gross sales of the infringer or the value of the services in connection with which the mark or trade name was used in the infringement of the rights of the complaining party.

The award of damages may be doubled in cases where actual intent to mislead the public or to defraud the owner is shown.

Injunction and impoundment are also available remedies.

In any suit for infringement, the owner of the registered mark shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is likely to cause confusion, cause mistake or deceive. Such knowledge is presumed if the registrant gives notice that their mark is registered by displaying with the mark the words "Registered Mark" or the letter R within a circle ® or if the defendant had otherwise actual notice of the registration.

Criminal action is also available, independently of civil and administrative sanctions.

TRADE SECRETS

Nature of right

The IPC specifically considers protection of undisclosed information as an intellectual property right.

Trade secrets are considered privileged information and may not be the subject of compulsory disclosure.

It has been previously decided by the Philippine Supreme Court that any determination by a company as to the confidential nature of trade secrets must have a substantial factual basis, which can pass judicial scrutiny. The Supreme Court in 2020 also issued the Revised Rules on Evidence, recognizing trade secrets as privileged information.

Legal framework

The IPC, as interpreted by the Philippine Supreme Court, protects trade secrets as intellectual property right under undisclosed information.

A trade secret is defined as a plan or process, tool, mechanism or compound known only to its owner and those of their employees to whom it is necessary to confide it. The definition also extends to a secret formula or process not patented, but known only to certain individuals using it in compounding some article of trade that has a commercial value.

A trade secret may consist of any formula, pattern, device or compilation of information that (1) is used in one's business and (2) gives the employer an opportunity to obtain an advantage over competitors who do not possess the information. Generally, a trade secret is a process or device intended for continuous use in the operation of the business – for example, a machine or formula – but can be a price list or catalogue or specialized customer list. It is indubitable that trade secrets constitute proprietary rights. The inventor, discoverer or possessor of a trade secret or similar innovation has rights therein which may be treated as property, and ordinarily an injunction will be granted to prevent the disclosure of the trade secret by one who obtained the information "in confidence" or through a "confidential relationship."

Duration of right

As long as reasonable efforts are taken by the owner of the information to maintain the information as a trade secret, the duration of protection is potentially perpetual.

Ownership / licenses

Joint ownership is possible. Trade secret (or know-how) licenses are enforceable.

Remedies for infringement

Damages, including actual damages, may be claimed by the trade secret owner.

Actual or threatened access or appropriation of trade secrets may be enjoined under injunctive relief.

OTHER KEY IP RIGHTS

Nature of right

Not applicable in this jurisdiction.

Legal framework

Not applicable in this jurisdiction.

Duration of right

Not applicable in this jurisdiction.

Ownership / licenses

Not applicable in this jurisdiction.

Remedies for infringement

Not applicable in this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

With regard to copyright, in the case of work created by an author during and in the course of their employment, the copyright shall belong to (i) the employee, if the creation of the object of copyright is not a part of their regular duties, even if the employee uses the time, facilities and materials of the employer, and (ii) the employer, if the work is the result of the performance of their regularly assigned duties, unless there is an agreement, express or implied, to the contrary.

For inventions, in case the employee made the invention in the course of their employment contract, the patent shall belong to (i) the employee, if the inventive activity is not a part of their regular duties, even if the employee uses the time, facilities and materials of the employer, and (ii) the employer, if the invention is the result of the performance of their regularly assigned duties, unless there is an agreement, express or implied, to the contrary.

Consultants / contractors

For copyright, in the case of a work commissioned by a person other than an employer of the author and who pays for it and the work is made in pursuance of the commission, the person who so commissioned the work shall have ownership of the work, but the copyright thereto shall remain with the creator, unless there is a written stipulation to the contrary.

For patent, the person who commissions the work shall own the patent, unless otherwise provided in the contract.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement, though some government contracts may require filing. Material contracts of publicly traded companies may require disclosure.

Registration of licenses for patents, registered copyrights and trademarks is possible to put potential buyers of the patents, registered copyrights and trademarks on notice of the license. Under the IPC, technology transfer arrangements (TTA) may be registered with the Documentation, Information and Technology Transfer Bureau of the Intellectual Property Office of the Philippines (IPO-DITTB). TTAs that do not conform to the mandatory and prohibited clauses for voluntary licensing under the IPC are automatically rendered as unenforceable unless said TTA is registered with the IPO-DITTB.

Certain contracts are required to appear in public documents or acknowledged before a notary public or authorized officer for greater efficacy or to bind third parties, but such requirement does not affect the validity of said contracts as between the parties.

Recognized language of commercial agreements

English, and specifically "plain English" that is consumer-friendly, is preferred, particularly in consumer-facing commercial agreements and terms.

In the event of litigation, documentary evidence in the English or Filipino language is generally admissible as evidence under the Revised Rules of Evidence, as amended. In contrast, documents in an unofficial language may be admitted in evidence only when accompanied with a translation into English or Filipino.

Country-specific issues for online content

Republic Act No. 8792 or the Electronic Commerce Act of 2000 (E-Commerce Act) features a safe harbor provision for service providers of online services or network access for online communications or electronic documents. Service providers as defined in the E-Commerce Act may not be held civilly or criminally liable in respect to the electronic data message or electronic document if such liability is founded on:

1. The obligations and liabilities of the parties under the electronic data message or electronic document.
2. The making, publication, dissemination or distribution of such material or any statement made in such material, including possible infringement of any right subsisting in or in relation to such material, as long as the service provider:
 1. Does not have actual knowledge, or is not aware of the facts or circumstances from which it is apparent, that the making, publication, dissemination or distribution of such material is unlawful or infringes any rights subsisting in or in relation to such material
 2. Does not knowingly receive a financial benefit directly attributable to the unlawful or infringing activity and

3. Does not directly commit any infringement or other unlawful act and does not induce or cause another person or party to commit any infringement or other unlawful act and/or does not benefit financially from the infringing activity or unlawful act of another person or party.

Enforceability of online/clickwrap/shrinkwrap terms

Online, clickwrap and shrinkwrap agreements are generally viewed as enforceable if they are conspicuous and users have an opportunity to review and indicate affirmative assent (eg, checking a box).

Governing law

Governing law and venue for resolution of disputes specified in a commercial contract will generally be accepted and recognized by the courts.

Dispute resolution is litigation in courts unless an alternative dispute resolution procedure, such as mediation or arbitration, is specified in the contract. Waivers of class action arbitrations require special attention to be enforceable against consumers.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

The principal laws that apply to the sale of goods and services in the Philippines are the Civil Code of the Philippines (Civil Code) and Republic Act No. 7394, or the Consumer Act of the Philippines (Consumer Act). The Consumer Act regulates the sale of consumer products on the Philippine market. It prohibits deceptive, unfair and unconscionable sales acts and practices.

Sellers, in contracts for the sale of goods and services, may include a waiver, disclaimer or implied warranties that are provided in the Civil Code for the benefit of buyers. The implied warranties that are disclaimed are usually the implied warranties of merchantability, fitness for a particular purpose, hidden defects, against eviction and sometimes non-infringement and warranties arising from usage of trade and course of performance.

Disclaimers of warranty are usually enforced except on certain instances where the seller has no knowledge of the defect or acted in bad faith.

Enforceability of exclusions/limitations of liability indemnification

Sellers, in their contracts for the sale of goods and services, may exclude indirect damages (including consequential, incidental and special damages).

A cap on direct damages or aggregate liability is also common. Parties to a contract may agree on liquidated damages that must be paid in the event of breach, but such may be equitably reduced by the courts if found as unconscionable.

Exclusions and limitations on liability are usually enforced unless they are contrary to law, morals, public policy or good customs, or unconscionable, unclear or not conspicuous. For a waiver of liability to be valid, it must be couched in clear and unequivocal terms which leave no doubt as to the intention of a person to give up a right or

benefit which legally pertains to that person. Exclusions of liability for fraud, personal injury, death and, in some states, bad faith, willful injury or unlawful conduct, are not enforceable. Some states allow exclusions of liability for gross negligence if "gross negligence" is specified in the contract.

A provision to renounce in advance the recovery of punitive (exemplary) damages is considered void.

Indemnification

Express indemnities stated in contracts are recognized and generally respected.

Implied indemnities are based on theories of comparative indemnity or partial indemnity or comparative equitable indemnity (ie, comparative fault of the parties). Courts may award indemnity obligations in the form of moral, exemplary or nominal damages, notwithstanding that an express indemnity is already stated in a contract.

Express indemnities based on comparative fault are enforceable.

Indemnification provisions are generally enforceable unless they require indemnification of behavior that statutes or courts have held to be unenforceable (such as fraud, willful injury to a person or property and other future unlawful acts); indemnification for past unlawful acts is enforceable.

Indemnification provisions generally have 3 distinct obligations: defend, indemnify (pay damages) and hold harmless (the indemnifying party is responsible for any other liability arising out of the claim). Indemnification is not limited to third-party claims.

Caps on liability under indemnification provisions can be enforceable.

Electronic signatures

The E-Commerce Act provides for the rules to recognize the authenticity and reliability of electronic documents that are used to facilitate electronic transactions and allows electronic documents to have the same legal affect, validity or enforceability as any other document or legal writing. The E-Commerce Act also grants electronic signatures on an electronic document the same legal standing as the signature of a person on a written document if that signature is proven through a prescribed procedure such that the signature is unalterable by those who have an interest in the electronic document.

Under the E-Commerce Act, an electronic document refers to information or the representation of information, data, figures, symbols or other modes of written expression, described or however represented, by which a right is established or an obligation extinguished, or by which a fact may be proved and affirmed, which is received, recorded, transmitted, stored, processed, retrieved or produced electronically. On the other hand, an electronic signature refers to any distinctive mark, characteristic and/or sound in electronic form, representing the identity of a person and attached to or logically associated with the electronic data message or electronic document or any methodology or procedures employed or adopted by a person and executed or adopted by such person with the intention of authenticating or approving an electronic data message or electronic document.

The E-Commerce Act qualifies that, when another law requires a document to be in writing, such requirement is complied with by an electronic document as long as the same maintains its integrity and reliability, and it can be

authenticated so as to be usable for subsequent reference. To assess the electronic document's integrity, it must remain complete and unaltered, save only any endorsement, authorized change or change that arises in the normal course of communication, storage and display.

Further, when another law requires a document to be presented or retained in its original form, an electronic document is considered compliant if (1) there exists a reliable assurance as to the integrity of the document from the time it was first generated in its final form, and (2) it is capable of being displayed to the person to whom it is to be presented.

The Rules on Electronic Evidence provide that an electronic signature is admissible in evidence as the functional equivalent of the signature of a person on a written document as long as it is authenticated by:

1. Evidence that a method or process was utilized to establish a digital signature and verify the same
2. Any other means provided by law or
3. Any other means satisfactory to the judge as establishing the genuineness of the electronic signature.

KEY CONTACTS

POLAND



Last modified 13 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

The regulations governing intellectual property rights in Poland include:

- i. The Industrial Property Law Act (*Prawo własności przemysłowej*), which regulates patents, utility models, industrial designs, trademarks and service marks, mask works and geographical indications
- ii. The Act on Copyright and Related Rights (*Ustawa o prawie autorskim i prawach pokrewnych*), which covers the protection of the rights of authors to their works, the rights of performers to their artistic performances, the rights of producers of phonograms and videograms, and the protection of personal images
- iii. The Act on Combating Unfair Competition (*Ustawa o zwalczaniu nieuczciwej konkurencji*), which protects trade secrets
- iv. Regulation (EU) 2017/1001 of the European Parliament and of the Council of June 14, 2017 on the European Union trade mark
- v. Council Regulation (EC) No. 6/2002 of December 12, 2001 on Community designs

COMMERCIAL CONTRACT FRAMEWORK

Overview

Legal provisions relating to contracts in general can be found in the Civil Code and the Code of Commercial Companies.

However, there are specific laws related to contracts concerning particular intellectual property rights, as indicated above.

COPYRIGHTS

Nature of right

Copyright protects the manifestation of creative activity of an individual nature, established in any form, irrespective of its value, purpose or form of expression. Copyright protection begins as soon as the work is established (registration of the right is not necessary). As a general rule, the copyrights to works of authorship (comprising the author's economic and personal copyrights) are owned by their author.

The author's economic copyrights stipulate the author's exclusive right to use the work, or to trade the right to use the work in all fields of exploitation, and to receive remuneration for its use.

The author's moral rights concern the author's relation with the work. These moral rights include the right:

- of authorship
- to put the author's name or pseudonym on a work, or to communicate a work anonymously
- to protect the integrity of the content and form of a work and its fair use
- to decide to communicate a work to the public for the first time
- to control the manner in which the work is used

Legal framework

Poland became a signatory of the Berne Convention in 1920 and the WIPO Copyright Treaty in 2003.

It is also a signatory of other international treaties relating to copyright matters - for example, Poland has been bound by the TRIPS Agreement since July 1, 1995.

Additionally, Poland has implemented – or is in the process of implementing – certain EU Directives relating to copyright matters.

The most notable among them is the Digital Single Market directive (2019/790), which requires online content-sharing service providers to obtain a license whenever they give the public access to copyright-protected works. Due to widespread opposition to the law, the directive's implementation has not been concluded, and Poland filed an action for its annulment with the Court of Justice of the European Union. Although the action was dismissed by the Court, the DSM Directive has not been yet implemented in Poland.

Duration of right

As a general rule, the duration of economic copyright protection is 70 years from the death of the author. If the copyrights are owned by joint authors, the 70-year period lapses with the death of the last surviving co-author.

However, if the author of the work is unknown, the 70-year period starts from the date of the first dissemination of the work, unless a pseudonym does not raise any doubts as to the author's identity or the author has disclosed his/her identity. Moreover, if the author's economic rights are vested in a person other than the author of the

work, the period starts from the date of dissemination - or the date of establishment of the work if it has not been disseminated.

In the case of an audiovisual work, the protection period lapses with the death of the last of the following persons: the main director, the author of the script, the author of the dialogues or the composer of the music. In the case of a word-musical work, if it was created for a particular work, the period lapses with the death of last of the following: the author of the verbal work or the composer of the music.

The protection of copyrights is calculated in years (following the year in which the event commencing the protection period took place). Different protection periods apply to rights to artistic performances, producers' rights to phonograms and videograms, broadcasting rights, and rights to first publications and scientific and critical publications.

Ownership / licenses

As a general rule, copyrights are owned by the author of the work. However, the author's economic copyrights may be assigned to 3rd parties (natural or legal persons), and also to heirs after the author's death.

An employer acquires the copyrights to the works created by an employee in the course of the performance of his/her employment duties, upon the acceptance of the work, within the scope resulting from the aim of the employment contract and the agreed will of the parties; however, copyrights to computer programs created by an employee in the course of the performance of his/her employment duties are vested in the employer (unless the employment agreement provides otherwise).

As a rule, a copyright assignment agreement must be concluded in writing (otherwise being null and void) and should list the fields of exploitation to which the assignment relates. Joint ownership of copyrights is also recognized under Polish law. The author's moral rights are non-transferrable.

Moreover, the author (or the owner of the author's economic copyrights) may grant consent for the use of the works to 3rd parties by concluding a license agreement, which may be exclusive or non-exclusive. An exclusive license needs to be concluded in writing. As a rule, licenses are limited in terms of the time, place and manner of using the copyrights.

Remedies for infringement

The remedies available to a copyright holder whose copyrights have been infringed include the right to seek:

- The cessation of the infringement
- The removal of the effects of the infringement
- Compensation for damage incurred – on the basis of the general provisions of Polish law or by the payment of a lump sum equal to 2 times the value of the license fee
- The return of any benefits gained

Regardless of the above, the copyright holder may also request that the infringer make a single or multiple statements in the media or that the ruling be published in a manner ordered by the court.

Additionally, at the request of the copyright holder, the court may decide on the future of the infringing goods and the tools and materials used for their manufacturing. In particular, it may order that they be withdrawn from the market, that they be given to the copyright holder or that they be destroyed.

The injured party is not obliged to send a cease and desist letter to the infringer before the initiation of a court dispute. However, before the initiation of infringement proceedings, a copyright holder may file a request for a preliminary injunction. Since July 1, 2023, the courts are required to hear the infringer's arguments before granting an interim injunction, therefore it has become more difficult to take the infringer by surprise. In addition, it will not be possible to obtain an interim injunction after 6 months from the date when the rightsholder becomes aware of the alleged infringement of the intellectual property right in question. A preliminary injunction provides the opportunity to secure the situation of the copyright holder for the entire duration of the civil proceedings since the infringer may be prevented from offering and marketing the infringing goods and they would be seized and held until the civil proceedings conclude with a final judgment.

The copyright holder may file a request for information (also before the main proceedings when infringement is highly probable) required to pursue claims against the infringer.

Violation of copyrights may also result in criminal sanctions, eg. the distribution of a 3rd person's work in its original version or as a derivative work, a performance, a phonogram or a broadcast or the fixing or reproducing of such a work for the purpose of distribution, may be subject to a fine, a restriction of liberty or imprisonment of up to 2 years.

MASK WORKS / TOPOGRAPHIES

Nature of right

A topography of an integrated circuit is a 3-dimensional arrangement of elements presented in any form, where at least 1 of them is an active element, and all or part of the connections of the integrated circuit.

The registration right to a topography may be granted for a topography which is original. A topography is original if it is the result of the creator's own intellectual effort and its design is not commonly known at the moment of its creation. For a topography consisting of commonly known elements, a registration right is granted only if the combination of the elements is original.

The protection of a topography is granted by the Polish Patent Office (*Urząd Patentowy RP*). From the moment the right is registered, the right owners have the exclusive right to exploit the topography for profit or for professional purposes.

The Polish Patent Office issues a decision on granting a right if the application is properly filed and no impediments to the granting are found. However, the granting of the right may be challenged by 3rd parties.

Legal framework

Topographies of integrated circuits are governed by the Industrial Property Law Act.

Duration of right

The protection of a topography ceases to have effect 10 years after the end of the calendar year in which the topography – or an integrated circuit incorporating the topography – was put on the market, or the end of the calendar year in which an application to register the topography was filed with the Patent Office, depending on which of these time limits expires first.

The registration right to a topography also lapses 15 years after its creation and establishment if this period expires earlier than the time limit for which a right in registration was granted (and the topography was not used within said time for commercial purposes).

Ownership / licenses

The ownership of the right to a topography can be transferred by contractual agreement. The agreement for the assignment of the right must be concluded in writing. Information on the assignment of the right should be entered in the register in order for the right to be enforceable against 3rd parties. Joint ownership of the right to a topography is possible under Polish law.

Licenses for the use of a registered topography can be granted on an exclusive or non-exclusive basis, also to multiple parties. A license must be concluded in writing. Sub-licenses can be granted only with the consent of the right holder. Granting of further sub-licenses is not permitted.

Remedies for infringement

If the right to a topography is infringed (eg, it is reproduced as a whole or in part, unless for non-original part, or a copy of the protected topography is marketed), the right holder may demand:

- i. The cessation of the infringement
- ii. The payment of compensation for the damage incurred – on the basis of the general provisions of Polish law or by the payment of a lump sum equivalent to the value of the license fee
- iii. The return of unfairly gained profits

Regardless of the above, the right holder may also demand that the ruling be published in a manner ordered by the court. At the request of the right holder, the court may also decide on the future of the infringing goods and the tools and materials used for their manufacturing. In particular, it may order that they be withdrawn from the market, that they be given to the right holder or that they be destroyed.

Before the initiation of infringement proceedings, a right holder may file a request for a preliminary injunction to secure its situation for the entire duration of the civil proceedings, since the infringer may be prevented from offering and marketing the infringing products and its products would be seized and held until the civil proceedings conclude with a final judgment. A right holder may also file a request for information – also before the main proceedings, when infringement is highly probable – required to pursue claims against the infringer.

PATENTS

Nature of right

An invention is patentable in Poland if it is novel, has an inventive step and is industrially applicable. There are certain categories of inventions that cannot be patented, such as discoveries, scientific theories and mathematical methods, schemes, rules and methods concerning mental or economic activity, as well as games and computer programs as such (ie, computer programs that do not cause any further technical effects as a result of their operation). Additionally, some technical solutions are excluded from patent protection for ethical reasons.

Under Polish law, technical solutions may also be protected as utility models. In order to be protected as a utility model, a technical solution should be new, useful, and refer to the shape, structure or durable assembly of an object.

A patent application may be converted into a utility model application (but not vice versa). Patents and protection rights to utility models are both granted by the Polish Patent Office.

A patent and a protection right to a utility model give the holder the exclusive right to use them in a commercial and professional way in the territory of Poland. They forbid any 3rd party from making, using, offering, marketing or importing a product incorporating the invention or the technical solution that is the subject of the right to a utility model. In the case of a patent, 3rd parties are prohibited from applying the process that is the subject of the patented invention and from using, offering, marketing or importing products obtained by means of this process.

Legal framework

The Industrial Property Law is the law applicable to both patents and utility models.

Duration of right

A patent lasts for 20 years from the application date. In the case of patents referring to pharmaceutical products and plant protection products, protection for a product implementing a particular solution might be extended up to 25 years by acquiring a Supplementary Protection Certificate.

Utility models are protected for 10 years from the application date and the protection period cannot be extended.

Ownership / licenses

Joint ownership of a patent or the right to a utility model is possible. A co-owner may, without the consent of the other co-owners, use the patent or utility model to the extent to which the right belongs to him and may pursue claims against 3rd parties for infringement.

It is also possible to transfer a patent or the right to a utility model, although it must be done in writing – otherwise the transfer will be null and void. The same applies to licenses.

Licenses may be granted on an exclusive and non-exclusive basis. However, only the holder of an exclusive license (which has to be recorded in the patent register) may pursue claims for infringement of the patent, unless the license agreement provides otherwise. A licensee may grant a further license only upon the consent of the licensor (further sublicensing is prohibited). A license that does not limit the scope of patent use is regarded as a license granting full rights as exercised by the patent holder.

The license remains effective towards the new owner of the patent or a right to the utility model.

Remedies for infringement

Polish law provides remedies for patent holders to combat patent infringement, such as demands to cease infringement, to compensate for damage incurred (also by paying a license fee), and the return of unfairly gained profits. Furthermore, under Polish law it is possible to pursue claims to prohibit actions constituting a threat of patent infringement. The patent holder may also seek a preliminary injunction before initiating the main proceedings, under which, for example, the infringing actions must be ceased and the infringing goods seized and held for the duration of the main infringement proceedings before the court. Since July 1, 2023, the courts are required to hear the infringer's arguments before granting an injunction, therefore it has become more difficult to take the infringer by surprise. Rightsholders are also required to inform the court of pending or past cases concerning invalidation of their rights. In assessing whether an injunction is justified in a particular case, the courts take into account the likelihood that the plaintiff's intellectual property right will be invalidated. In addition, it will not be possible to obtain an interim injunction if it has been more than 6 months from the date when the rightsholder becomes aware of the alleged infringement of the intellectual property right in question.

The possibility to file a request for information required to pursue claims against the infringer and obtain discovery – when an infringement is highly probable – is also available to the patent holder (before the main proceedings or during the course thereof).

In some instances, patent infringement may be regarded as the misappropriation of 3rd party economic right.

Patent infringement claims may be pursued once the patent is granted. However, the patent holder may pursue claims against an infringer for infringements that occurred from the moment the patent application was published by the Patent Office (under some circumstances, also for an earlier period) or, in the case of a European patent validated in Poland, from the moment the information on the submission (to the Polish Patent Office) of a translation of the patent claim is published by the Polish Patent Office.

Contributory or indirect infringement and inducement is not regulated in the Industrial Property Law Act. However, based on general civil law rules, any person that induces another person to inflict damage, or that assists this person, as well as any person that consciously benefits from the damage inflicted on a patent holder, may be held liable for these acts.

In patent infringement litigation, the losing party must, upon the request of the adverse party, reimburse the court costs and attorneys' fees (capped fees). When only a part of the claims is awarded, the costs may either be waived or proportionally shared between the parties. In specially justified cases, the court may also charge the losing party with only a part of the costs or no costs at all. In the case of a settlement, the costs are waived, unless the parties agree otherwise.

TRADEMARKS

Nature of right

Trademarks are signs that have a distinctive character and that distinguish the products of one company from the products of another company. On March 16, 2019, the Industrial Property Law Act (Prawo własności przemysłowej) was amended as a result of the implementation into the Polish legal system the Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015. The aim of the amendment was to harmonize the laws of the Member States relating to trademarks. The legal definition of the term “trademark”

was changed and does not now include the requirement of graphic representation. The purpose of this change is to enable the protection of unconventional trademarks that cannot be easily presented in a visual form.

In Poland there are 3 regimes of registered trademark rights: national trademarks (registered by the Polish Patent Office); international trademarks (registered through World Intellectual Property Organization and approved by the Polish Patent Office); and EU trademarks (registered through EU Intellectual Property Office).

In Poland, a person wishing to seek protection of his/her designation (sign) does not have to register the trademark through any office. This person may benefit from an unregistered trademark right based on unfair competition law on the basis of prior use on the market. The Polish Industrial Property Law Act also confers certain rights on the owners of unregistered but well-known trademarks commonly used in the Republic of Poland (a high degree of recognition by the relevant public is required).

The trademark right grants the owner the exclusive right to use the trademark in a commercial and professional way in the territory of Poland (or in the EU, based on an EU trademark). A trademark right prohibits any third party from manufacturing, using, offering, marketing or importing and exporting and stocking for these purposes, products marked with an identical, similar or confusingly similar trademark (in the case of renowned trademarks, the level of similarity is lower and does not require that goods marked with such trademarks be identical or very similar).

Legal framework

In Poland, a trademark owner may pursue claims on the basis of the Industrial Property Law and the Act on Combating Unfair Competition.

In the case of EU trademarks, EU Regulation 2017/1001 of June 14, 2017 on the European Union trade mark applies.

Poland is also a signatory of the Madrid Agreement (since March 18, 1991) and the Madrid Protocol (since March 4, 1997).

Duration of right

The right to a registered trademark may last indefinitely if the protection is extended every 10 years.

In the case of unregistered rights, the trademark has to be in use for the owner to pursue any claims regarding its infringement.

Ownership / licenses

Under Polish law, there are 3 types of joint trademark ownership:

- Simple joint ownership by several commercial entities (such use must not create confusion for the public)
- A collective trademark (registered in the name of an organization and its affiliated companies)
- Certification trademark (registered in the name of organization that may grant the right to trademark use to entities that meet established requirements)

For all types of trademark ownership, the rules of trademark use should be filed with the trademark application.

A trademark owner may transfer or license the ownership rights. This must be done in writing otherwise it will be null and void.

Licenses may be granted on an exclusive and non-exclusive basis. However, only the holder of an exclusive license (which has to be recorded in the trademark register- this applies in the case of Polish trademarks) may pursue claims for the infringement of the trademark, unless the license agreement provides otherwise. A licensee may grant a further license only upon the consent of the licensor (further sublicensing is prohibited). A license that does not limit the scope of trademark use is regarded as a license granting full rights as exercised by the trademark owner.

Remedies for infringement

Polish law provides remedies for trademark owners to combat trademark infringement, such as demands to cease infringement, to compensate for damage incurred (also by paying a license fee), and the return of unfairly gained profits. Furthermore, under Polish law it is possible to pursue claims to prohibit actions constituting a threat of trademark infringement. The trademark owner may also seek a preliminary injunction before initiating the main proceedings, under which, for example, the infringing actions – such as manufacturing, offering and selling the infringing products – must be ceased and the infringing goods seized and held for the duration of the main infringement proceedings before the court. Since July 1, 2023, the courts are required to hear the infringer's arguments before granting an injunction, therefore it has become more difficult to take the infringer by surprise. Rightsholders are also required to inform the court of pending or past cases concerning invalidation of their rights. In assessing whether an injunction is justified in a particular case, the courts take into account the likelihood that the plaintiff's intellectual property right will be invalidated. In addition, it will not be possible to obtain an interim injunction if it has been more than 6 months from the date when the rightsholder becomes aware of the alleged infringement of the intellectual property right in question.

It is also possible to file a request for information required to pursue claims against the infringer and obtain discovery when an infringement is highly probable (before the main proceedings or during the course thereof).

The same rules as in patent infringement cases apply with regard to the court order concerning costs of the proceedings.

TRADE SECRETS

Nature of right

A trade secret is understood as technical, technological and organizational information (know-how) of an enterprise, or other information of economic value, which, as a whole or in the precise configuration and assembly of its components, is not generally known among persons who normally deal with the kind of information in question or is not readily accessible to such persons, and provided that the person entitled to use or dispose of the information (eg, licensee) has taken, with due care, steps to maintain its confidentiality. Thus, in order to be regarded as a trade secret, the information should be confidential, not disclosed and protected. The definition of a trade secret, the forms of infringement, as well as the catalogue of available claims were recently modified (the amendments have been in force since September 4, 2018) due to the implementation of the provisions of Directive (EU) 2016/943 of the European Parliament and of the Council into Polish law.

Legal framework

The Act on Combating Unfair Competition.

Duration of right

A trade secret is protected as long as the information is kept confidential and remains of economic value. As a result of the implementation of Directive (EU) 2016/943, the previous statutory 3-year non-disclosure time limit relating to employees or persons working for an enterprise under civil law contracts was removed from the Polish legal system (now there is no particular time limit for the protection of trade secrets based on the provisions on combating unfair competition). There are also some statutory exemptions aimed at protecting the public interest and social values (eg, freedom of speech), describing when an infringement will not occur.

Ownership / licenses

Information regarded as a trade secret may be transferred or licensed. The relevant agreement usually includes a non-disclosure clause. There are no requirements as to the form of the transfer or licensing of such information. With regard to licensing an invention that is protected as a trade secret (which is patentable but not protected by a patent), certain rules referring to licensing patents apply – for example, the license expires when the trade secret is no longer confidential (unless the parties agree otherwise). It is accepted that a license for the use of such trade secrets does not have to be in writing (as it is in the case of patents).

Remedies for infringement

A party whose interests and rights are infringed by the disclosure of trade secrets may take action against the infringer, demanding that it cease its unlawful actions (using the trade secrets in its business), pay damages – on the basis of the general provisions of Polish law or by the payment of a lump sum equal to the value of the license fee, return unfairly gained profits, redress the effects of the infringement and publish certain statements in this regard, including information on the court judgment or information on its content. The court may also order the destruction of products and other things that are directly connected with the infringement. In such cases, the court may grant a preliminary injunction to be effective while it is considering the main claim. The court may also order discovery.

Conduct which leads to an infringement may include the unlawful disclosure, use or acquisition of a trade secret.

Polish law also provides criminal liability for the infringement of trade secrets. This was recently modified to cover the disclosure or use of trade secrets by persons who became acquainted with them in connection with participation in court proceedings concerning unfair competition related to a trade secret or in connection with reading the files of such proceedings – provided that the court ordered that the proceedings be confidential.

The same rules as in patent infringement cases apply with regard to the court order concerning costs of the proceedings.

OTHER KEY IP RIGHTS

Nature of right

Industrial design is the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colors, shape, texture and/or materials of the product itself and/or its ornamentation. An industrial design will be granted protection if it is new and has an individual character.

In Poland, there are 3 regimes of registered industrial designs:

- National industrial designs (registered by the Polish Patent Office)
- International industrial designs (registered through the World Intellectual Property Organization and approved by the Polish Patent Office)
- Community designs (registered through the EU Intellectual Property Office)

In Poland, a person seeking protection of his or her design does not have to register the design through any office. This person may benefit from an unregistered community design right that lasts for 3 years from the date on which the design was first made available to the public within the community. Furthermore, an industrial design may be protected as a copyrighted work under the rules established in the Act on Copyrights and Related Rights (provided it meets the requirements described in the definition of a work). Additionally, the appearance of a product may be protected under unfair competition law (Act on Combating Unfair Competition) against its copying by industrial means, if such copying causes the likelihood of confusion.

The right of registration to an industrial design gives its owner the exclusive right to use the design in a commercial and professional way in Poland (or in the EU, in the case of registered community designs). The holder of the right to a registered industrial design may prohibit any 3rd party from manufacturing, using, offering, marketing or importing and exporting and stocking for these purposes, products whose appearance does not produce on the informed user a different overall impression.

Legal framework

The owner of an industrial design registered with the Polish Patent Office may pursue claims on the basis of the Industrial Property Law and the Act on Combating Unfair Competition as well as the Act on Copyrights and Related Rights.

In the case of community designs, Council Regulation (EC) No. 6/2002 of 12 December 2001 on community designs applies.

Poland is also a signatory to the Hague Agreement (since July 2, 2009).

Duration of right

The right to a registered design may last 25 years from the date of application, if the protection is extended every 5 years.

Ownership / licenses

The right of registration to an industrial design gives its owner the exclusive right to use the design in a commercial and professional way in Poland (or in the EU, in the case of registered community designs). The holder of the right to a registered industrial design may prohibit any 3rd party from manufacturing, using, offering,

marketing or importing and exporting and stocking for these purposes, products whose appearance does not produce on the informed user a different overall impression.

It is also possible to transfer a registered design, although in respect of the industrial designs registered with the Polish Patent Office, it must be done in writing – otherwise the transfer will be null and void. The same applies to licenses.

Licenses may be granted on an exclusive and non-exclusive basis. However, only the holder of an exclusive license to an industrial design registered with the Polish Patent Office may pursue claims for infringement of the rights to the design, unless the license agreement provides otherwise. A licensee may grant further licenses only upon the consent of the licensor (further sublicensing is prohibited in respect of designs registered with the Polish Patent Office). A license that does not limit the scope of the design's use is regarded as a license granting full rights as exercised by the holder of rights to the registered design.

Where a registered industrial design right encumbered with a license is transferred, the license contract is effective towards the successor in title.

Remedies for infringement

Polish law provides remedies for the right-holders of industrial designs to combat infringements, eg, they may demand (i) the cessation of the infringement, (ii) compensation for damage incurred (also by paying a lump sum equal to a license fee), and (iii) the return of unfairly gained profits. Furthermore, under Polish law, it is possible to pursue claims to prohibit actions constituting a threat of infringement of a registered design. The holder of the right to an industrial design may also seek a preliminary injunction before initiating the main proceedings, under which, for example, the infringing actions – such as manufacturing, offering and selling the infringing products – must be ceased and the infringing goods seized and held for the duration of the main infringement proceedings before the court. The possibility of filing a request against an infringer to disclose certain information and evidence (before or during the main proceedings) is also available (please see preceding sections, eg, on patents or trademarks). The same rules as in patent infringement cases apply with regard to the court order concerning the costs of the proceedings.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Under the general rules of Polish law, the employer generally acquires all the intellectual property rights to works created on the basis of an employment contract, unless the contract provides otherwise.

Therefore, based on the employment relationship, the employer acquires, *inter alia*, the following rights to intellectual property created in the course of employment:

- Right to inventions, designs and utility models, which also includes the right to obtain a patent or protection rights for the design or utility model
- Economic copyrights

However, copyrights to computer programs created by an employee in the course of the performance of his/her employment duties are vested in the employer.

The acquisition of copyrights to works that are not computer programs does not include personal copyrights (non-disposable rights of the author).

However, it is permissible to include in an employment contract an authorization for the employer to exercise the personal copyrights to an employee's works. This is usually provided in the contract in order to enable the employer to interfere in the integrity of the work (in particular, by modifying the work) or to disseminate the work without indicating its author.

In addition, the transfer of the right to use and dispose of works derived from an employee's work does not occur automatically with the transfer of economic copyrights. Therefore, the contract of employment needs to specifically provide for the transfer of derivative rights as well as the fields of exploitation in which this transfer occurs.

Consultants / contractors

Industrial property rights

Under the Industrial Property Law Act, where an invention, utility model or industrial design is created in the performance of an employment contract or other contract, it is the employer or the contractor that is entitled to the right to obtain a patent for an invention or a protection right over a utility model or a right in industrial design registration, unless the parties agreed otherwise.

Copyrights

Under Polish law, copyrights to works created by consultants or contractors are not automatically transferred to the entity to which the consultants or contractors are related. In order to transfer the copyrights to this entity to the greatest possible extent, the contract should stipulate:

- The transfer of economic copyrights for specified fields of exploitation
- The transfer of the right to use and dispose of works derived from the work created by the consultant or contractor in specified fields of exploitation
- The authorization for the entity to exercise personal copyrights on behalf of the consultant or contractor

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

In general, the contracts do not need to be registered. However, certain laws may require that specific contracts be registered in order to cause specific legal consequences.

Recognized language of commercial agreements

Commercial agreements may be drafted in any language that the parties choose. However, contracts concluded with consumers have to be drafted in Polish. Also, for the purpose of providing the contract with the authorities or to register the contract in order to cause specific legal consequences, it may be necessary to prepare a Polish version or a sworn translation of the contract.

Country-specific issues for online content

Generally, the hosting provider is not liable for content provided by 3rd parties that infringes intellectual property rights provided that it was unaware of the unlawful character of the stored data or related activities or – having received an official notification or reliable information about the unlawful character of the data or related activities – denies access to the data or deletes the data, as applicable.

The hosting provider is not obliged to check (monitor) the data which it stores in order to assess whether they infringe any intellectual property rights.

Enforceability of online/clickwrap/shrinkwrap terms

Online and clickwrap general terms and conditions are enforceable. However, if written form is prescribed by law (eg, agreements on the transfer of an author's economic rights must be in written form), the document must be signed in a written form (ie, with handwritten signatures or Qualified Electronic Signatures). Therefore, such agreements cannot be concluded as clickwrap terms and conditions. The enforceability of shrinkwrap terms is less clear, especially with regard to the business-consumer relationship.

Governing law

The parties are free to choose any governing law for the contract. However, Polish law may contain so-called overriding mandatory provisions which would be applicable despite the law chosen by the parties.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

In B2B relations, warranty for defects may be extended, limited or excluded. However, the exclusion or limitation of liability on account of warranty for defects is considered invalid if the defect was hidden deceitfully.

In contracts concluded with consumers, the limitation or the exclusion of liability on account of warranty for defects is only admissible in the cases provided for in specific provisions.

Enforceability of exclusions/limitations of liability indemnification

The parties to a contract who are professionals conducting business entity may limit the liability for negligence in full. However, it is not permitted to exclude liability for willful conduct.

There are specific laws which prohibit the exclusion or limitation of liability, the most well-known of which is the liability for hazardous products.

For contracts concluded with consumers, clauses excluding or limiting liability towards the consumer in the event of an injury to a person or the non-performance or improper performance of an obligation are considered abusive.

Also, a register of abusive clauses has been implemented in Poland. It contains examples of clauses that are considered abusive with respect to customer contracts. However, most of these clauses do not specifically refer to intellectual property issues. Nevertheless, the register should be considered with respect to other clauses included in commercial contracts referring to intellectual property.

Indemnification

It is permissible for 1 party to indemnify the other party against the claims of 3rd parties. Such clauses are commonly used in contracts concerning the transfer or licensing of intellectual property rights.

In transactions, indemnification clauses are usually used for defined and already existing risks, to ensure that the indemnifying party will hold the other party harmless in the event of any 3rd-party claims.

Electronic signatures

Under Polish law, the following legal acts regulate electronic signatures: EU Regulation No. 910/2014 (eIDAS Regulation) and the Polish Act on Trust Services and Electronic Identification.

In the light of the eIDAS Regulation, there are 2 forms of electronic signatures:

- Advanced electronic signature – an electronic signature that meets the requirements set out in Article 26 of the eIDAS Regulation:
 - It is uniquely linked to the signatory.
 - It is capable of identifying the signatory.
 - It is created using electronic signature creation data that the signatory can, with a high level of confidence, use under his/her sole control.
 - It is linked to the data signed therewith in such a way that any subsequent change in the data is detectable.

According to Article 26 of the eIDAS Regulation, advanced electronic signatures may be used in public online services if an EU member state requires an advanced electronic signature to use an online service offered by, or on behalf of, a public sector body. In Poland, there are several specific regulations requiring the use of an advanced electronic signature within such public online services (such as customs law, etc.).

- Qualified electronic signature – an advanced electronic signature that is created by a qualified electronic signature creation device and is based on a qualified certificate for electronic signatures. According to Article 25 of the eIDAS Regulation, a qualified electronic signature has the equivalent legal effect of a handwritten signature.

Under the Civil Code, a declaration of intent made in electronic form (a declaration of intent with a qualified electronic signature should be treated as such) should be tantamount to a declaration of intent made in written form. A company is able to issue a qualified electronic signature if it is included in the Trusted List of qualified trust service providers which every EU member state maintains pursuant to Article 22 of the eIDAS Regulation.

The general rule under Polish law (*ie*, when no specific form is required by a specific legal provision) is that agreements may be concluded with any kind of electronic signature (including a signature that is neither advanced nor qualified, such as an e-mail signature). If written form is mandatory, a qualified electronic signature should be used because only this type of electronic signature has the equivalent legal effect of a handwritten signature. Agreements which require the form of a notarial deed cannot be concluded in electronic form (even with a qualified electronic signature).

Therefore, if a specific form (*eg*, written or notarial deed) for a particular contract is not required by the law, the contract may be concluded with any kind of electronic signature (*ie*, the signature does not need to be advanced or qualified in the meaning of eIDAS Regulation to be valid).

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PORTUGAL



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

The fundamental intellectual property framework in Portugal is provided in 2 main acts: the Code of Copyright and Related Rights (Decree-Law no. 63/85 of 14 of March, as amended) and the Industrial Property Code (Decree-Law no. 110/2018 of 10 of December, as amended)

COMMERCIAL CONTRACT FRAMEWORK

Overview

Portuguese law lays down a general principle of contractual freedom, which means that parties are mostly free to establish the terms and conditions to be observed by the contracts they enter into (exceptions are made to mandatory rules legally imposed which will depend on the specific contractual relationship) and are entitled to enter into contracts provided for in the law as well as contracts that are not provided for in the law.

Portuguese law does not establish a unitary act or set of rules applicable to all commercial contracts. Depending on the specific contractual relationship, commercial contracts may be subject to the provisions of the Civil Code, Commercial Code, Code of Copyright and Related Rights, and the Industrial Property Code as well as other specific legislation.

The aforementioned set of rules changes according to the specific contract in question.

COPYRIGHTS

Nature of right

Copyright covers original literary, scientific and artistic intellectual creations (ie, works). Registration is not required for the acquisition or maintenance of copyright rights; however, there are certain specific copyright-related acts subject to registration in order to be valid.

In Portugal, copyright comprises patrimonial and moral rights.

In the scope of the patrimonial rights, copyright owners have the exclusive right to use, enjoy and dispose of their work, or to authorize the use of the work, wholly or in part, by 3rd parties.

Moral rights consist in the right to claim authorship of the work, as well as the right to ensure its genuineness and integrity.

Legal framework

Copyrights are governed by the Code of Copyright and Related Rights.

Portugal became signatory to the Berne Convention in 1911 and to the WIPO Copyright Treaty in 2010.

Duration of right

As general rule, Copyright protection expires 70 years after the death of the author of the work, even in cases where the work was only published or disclosed after the death of the author.

In the case of works in collaboration, copyright expires 70 years after the death of the last surviving author. As per collective works or works originally assigned to a corporate person, copyright expires 70 years from the date of the first licit publication or disclosure, except if the individuals who create it were identified in the version of the work available to the public.

The duration of an anonymous work (or work that was legally published or disclosed without identifying the respective author) protection is for 70 years after publication or disclosure.

Ownership / licenses

Moral rights are inalienable.

The copyright owner (as well as their successors or assignees) may authorize the use of the work by 3rd parties or assign economic rights, wholly or partially.

Granting an authorization to 3rd parties in order for them to divulge, publish, use or explore the work does not imply the transfer of copyright.

Authorization shall only be granted in writing (mandatorily including the duration, place and price conditions) and it is presumed to be onerous and non-exclusive.

The total and final transmission of copyright patrimonial rights shall only be valid if concluded by public deed.

Partial transmission shall be concluded in writing with notarized signatures and shall include the rights object of transmission and the execution - notably, the duration, place and price (if applicable). In case no duration is established, it is presumed that the maximum duration is 25 years (in general) and 10 years in cases of photographs or applied art.

Remedies for infringement

If a copyright infringement is intentional or negligent, the agent shall be obliged to compensate the injured party for damages resulting from the infringement.

The determination of the amount of the compensation will take into consideration the profit realized by the infringer as a result of the infringement, the loss of profit and financial loss suffered by the injured party, as well as the costs borne by the injured party related to the protection of copyright rights and the costs of the investigation termination of the infringement.

The amount of the compensation shall also take in consideration the personal injury caused by the conduct of the infringer, the circumstances of the infringement, the seriousness of the offense and the degree of the illicit disclosing of the work.

Criminal penalties are also possible for infringement of copyright and may be punished with imprisonment for up to 3 years or a fine.

MASK WORKS / TOPOGRAPHIES

Nature of right

The topography of a semiconductor product is a set of related fixed or encoded images that represent the 3-dimensional layout of the layers making up the product, in which each image shows the layout or part of the layout of a surface of the same product in any stage of its manufacture.

Only topographies of semiconductor products that result from the intellectual efforts of their creator and are not known in the semiconductor industry may be protected.

Topographies consisting of elements known in the semiconductor industry may also be protected, provided that the combination of these elements, as a whole, fulfills the conditions in the previous paragraph.

Protection granted to topographies of semiconductor products applies only to the topographies themselves and not to any concept, process, system, technique or encoded information incorporated in them. Any creator of a final or intermediate topography of a semiconductor product has the exclusive right to use this topography, provided that the creator meets legal requirements, such as those regarding registration.

Legal framework

Mask works are governed by Title II, Chapter II of the Industrial Property Code (Articles 153 to 172).

Duration of right

The duration of a registration is 10 years from the date of application or the date on which the topography was first exploited in any location, if earlier.

Ownership / licenses

The topography of a semiconductor product can be transferred in writing whether or not for financial reward.

The topography of a semiconductor product may also be licensed in writing, wholly or partially, whether or not for financial reward, on an exclusive or non-exclusive basis.

Transfer of ownership and licenses shall be recorded in the Portuguese Institute of Industrial Property to be effective against 3rd parties.

Remedies for infringement

Whenever there is violation of, or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right, including a topography of a semiconductor product, the court may, at the request of the interested party, order appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights of another person with intent or by negligence shall be obliged to pay compensation to the injured party for the damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court shall take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne with the protection of the right in question and the investigation and termination of the harmful conduct, as well as personal injury, shall also be taken into consideration.

If it is impossible to quantify the losses effectively suffered by the injured party, the court may – provided this is not opposed by the injured party – alternatively define a fixed amount with recourse to equity that is based, as a minimum value, on the remuneration that the injured party would have received if the infringer had requested authorization to use the industrial property rights in question and the costs borne with the protection of the industrial property right and the investigation and termination of the harmful conduct.

Infringement of the exclusive right granted by a topography of a semiconductor product is punishable as crime with imprisonment up to 3 years or a fine.

PATENTS

Nature of right

Patent rights cover new inventions, in all fields of technology, provided that they are new, involve an inventive step and are susceptible of industrial application.

An invention shall be considered new if it does not form part of the state of the art, which comprises everything, inside or outside the country, made available to the public by means of a written or oral description, by use, or in any other manner, before the date of filing of the patent application.

An invention shall be considered involving an inventive step if it is not obvious to a person skilled in the art.

An invention shall be considered susceptible of industrial application if it can be made or used in any kind of industry, including agriculture.

A national patent confers on its owner the exclusive right to exploit the patented invention in Portuguese territory.

Legal framework

Patents are governed by:

- i. Title II, Chapter I, Subchapter I of the Industrial Property Code (Articles 50 to 118)
- ii. European Patent Convention, of 5 October 1973, as revised by the Act revising its Article 63 of 17 December 1991 and the Act revising the European Patent Convention of 29 November 2000

Portugal became party to the Patent Cooperation Treaty in 1992.

Portugal became party to the Paris Convention in 1884.

Duration of right

Patent protection is granted up to a maximum period of 20 years from the date of filing of the patent application.

Ownership / licenses

Patents can be transferred in writing whether or not for financial reward.

Patents may also be licensed in writing, wholly or partially, whether or not for financial reward, on an exclusive or non-exclusive basis.

Transfer of ownership and licenses shall be recorded in the Portuguese Institute of Industrial Property to be effective against 3rd parties.

Remedies for infringement

Whenever there is violation of or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right, including patent rights, the court may, at request of the interested party, order the appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights of another person with intent or by negligence shall be obliged to pay a compensation to the injured party for damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court shall take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne with the protection of the right in question and the investigation and termination of the harmful conduct, as well as personal injury, shall also be taken in consideration.

If it is impossible to quantify the losses effectively suffered by the injured party, the court may, provided this is not opposed by the injured party, alternatively define a fixed amount with recourse to equity, that is based, as a minimum value, on the remuneration that the injured party would have received if the infringer had requested authorization to use the industrial property rights in question and the costs borne with the protection of the industrial property right and the investigation and termination of the harmful conduct.

Infringement of the exclusive right granted by a patent may be also punishable as crime with imprisonment up to 3 years or a fine.

TRADEMARKS

Nature of right

A trademark may be composed by a sign (or a combination of signs) capable of being represented graphically (eg, words, drawings, letters, numbers, sounds, colors, the shape of goods or of their packaging) or by a sign (or a combination of signs) which may be represented in a manner which enables to determine the clear and precise subject matter of the protection, provided that such signs are capable of distinguishing the goods or services of one company from those of other companies.

The registered trademark confers to the owner the right to prevent 3rd parties not having their consent from using in the course of trade any sign which is identical or similar to the trademark in relation to goods and/or services which are identical or similar to those for which the trademark is registered and where, because of its similarity, there is a likelihood of confusion or association on the part of the public.

Legal framework

Trademarks are governed by:

- i. Title II, Chapter IV of the Industrial Property Code (Articles 208 to 269)
- ii. Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark

Portugal became party to the Paris Convention in 1884.

Portugal became member of the Madrid Agreement in 1893.

Portugal became member of the Madrid Protocol in 1997.

Duration of right

National trademark registrations remain valid for 10 years starting from the date of filing of the application and may be indefinitely renewed for equal periods.

Ownership / licenses

Trademarks can be transferred in writing, wholly or partially, whether for financial reward or not.

Trademarks may also be licensed in writing, wholly or partially, whether for financial reward or not, on an exclusive or non-exclusive basis.

Transfer of ownership and licenses must be recorded in the Portuguese Institute of Industrial Property to be effective against 3rd parties.

Remedies for infringement

Whenever there is violation of or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right, including trademarks, the court may, at request of the interested party, order appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights of another person with intent or by negligence shall be obliged to pay a compensation to the injured party for the damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court shall take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne with the protection of the right in question and the investigation and termination of the harmful conduct, as well as personal injury, shall also be taken in consideration.

If it is impossible to quantify the losses effectively suffered by the injured party, the court may, provided this is not opposed by the injured party, alternatively define a fixed amount with recourse to equity that is based, as a minimum value, on the remuneration that the injured party would have received if the infringer had requested authorization to use the industrial property rights in question and the costs borne with the protection of the industrial property right and the investigation and termination of the harmful conduct.

Trademark counterfeiting is punishable as crime with imprisonment up to 3 years or a fine.

The sale of counterfeit products is punishable as crime with imprisonment up to 18 months or a fine.

TRADE SECRETS

Nature of right

Trade secrets may be defined as information that is secret in the sense that it is not common knowledge or easily accessible for persons in the circles that normally deal with the type of information in question, that has commercial value based on the fact that it is secret and that has been the object of considerable diligences on the part of the person with legal control over it in order to keeping it secret.

Legal framework

Trade secrets are governed by:

- i. Title III, Chapter II of the Industrial Property Code (Articles 313 to 315)
- ii. Articles 195 to 197 of the Criminal Code

Duration of right

Information is protected as secret for so long as it qualifies as secret.

Ownership / licenses

The person with legal control over the information is the owner of the information.

Remedies for infringement

Whenever there is violation of or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right or a trade secret right, the court may, at request of the interested party, order appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

In case of trade secrets, the court shall take in consideration, notably, the value of the secret or other specific characteristics of the secret, the measures taken in order to protect it, the behavior of the infringer, the impact of the illegal use or disclosure, as well as the legitimate interests of the parties, 3rd parties and public interest and the safeguard of fundamental rights. The judicial decision may impose to the infringer:

- The termination or, depending on the case, the prohibition of use or disclosure of the trade secret
- The prohibition of producing, offering, placing on the market or use of the products in infraction, or the importation, exportation and storage of products in infraction to such purposes

Whoever illegally violates trade secret rights of another person with intent or by negligence is obliged to pay a compensation to the injured party for the damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court will take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne with the protection of the right in question and the investigation and termination of the harmful conduct, as well as personal injury, shall also be taken in consideration.

If it is impossible to quantify the losses effectively suffered by the injured party, the court may – provided this is not opposed by the injured party – alternatively define a fixed amount with recourse to equity that is based, as a minimum value, on the remuneration that the injured party would have received if the infringer had requested authorization to use the industrial property rights in question and the costs borne with the protection of the industrial property right and the investigation and termination of the harmful conduct.

The unlawful acquisition, use or disclosure of trade secrets (ie, without the consent of the trade secret holder) is punishable with a fine between EUR3,000 and EUR90,000, depending on the size of the company, if the infringer is a legal person, and from EUR2,000 up to EUR7,500 if the infringer is a natural person.

Trade secret violation or undue use may also be criminally punished with imprisonment up to 1 year or a fine.

OTHER KEY IP RIGHTS

Nature of right

Logo

A logo is a sign (or a combination of signs) capable of being represented graphically, in particular by words or figurative elements or by a combination of both, or a sign (or a combination of signs) which may be represented in a manner which enables to determine the clear and precise subject matter of the protection afforded to its proprietor, provided that such signs are capable of distinguishing an entity.

The registered logo confers to the owner, the right to prevent 3rd parties not having their consent, from using any identical or confusing sign which is designed to identify an identical or similar activity and where, because of its similarity, there is a likelihood of confusion or association on the part of the public.

Designs or Models

Designs' or models' rights cover new designs or models which have a unique character. The legal protection extends to designs or models which are not entirely new but involve new combinations of known elements or different arrangements of elements already used in such a way as to give the respective products their unique character.

Upon registration, the holder of a design or model is granted exclusive rights, empowering them to use and prevent 3rd parties from using it without consent. This usage includes activities such as making, offering, placing on the market, importing, exporting, or using a product in which the design or model is incorporated or to which it is applied. Additionally, it encompasses the storage of such a product for the same purposes.effective against 3rd parties.

Legal framework

Logos

Logos are governed by Title II, Chapter VI of the Industrial Property Code (Articles 281 to 298).

Duration of right

Logo

Logos registrations remain valid for 10 years starting from the date of filing of the application and may be indefinitely renewed for equal periods.

Ownership / licenses

Logos

Logos can be transferred in writing, wholly or partially, whether for financial reward or not. When a logo is used in an establishment, the rights arising from the application for registration or registration of a logo may only be transmitted together with the establishment or part of the establishment to which they are connected.

On the other hand, the transfer of the establishment involves its logo, which may continue as it is registered, unless the transferor reserves it to another establishment, present or future.

Logos may also be licensed in writing, wholly or partially, whether for financial reward or not, on an exclusive or non-exclusive basis.

Transfer of ownership and licenses must be recorded in the Portuguese Institute of Industrial Property to be effective against 3rd parties.

Remedies for infringement

Logos

Whenever there is violation of or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right, including logos, or a trade secret right the court may, at request of the interested party, order appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights or trade secret rights of another person with intent or by negligence will be obliged to pay a compensation to the injured party for the damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court will take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne with the protection of the right in question and the investigation and termination of the harmful conduct, as well as personal injury, will also be taken in consideration.

If it is impossible to quantify the losses effectively suffered by the injured party, the court may – provided this is not opposed by the injured party – alternatively define a fixed amount with recourse to equity that is based, as a minimum value, on the remuneration that the injured party would have received if the infringer had requested authorization to use the industrial property rights in question and the costs borne with the protection of the industrial property right and the investigation and termination of the harmful conduct.

Improper using of a logo is punishable as crime with imprisonment up to 3 years or a fine.

Designs or Models

Whenever there is violation of or justified fear that another party may cause serious and difficult-to-repair harm to an industrial property right, including designs or models rights, the court may, at request of the interested party, order appropriate measures to prevent any imminent violation or to prohibit continuation of the violation.

Whoever violates the industrial property rights of another person with intent or by negligence will be obliged to pay compensation to the injured party for the damages resulting from the violation.

In determining the amount of compensation for losses and damages, the court will take into account the profit obtained by the infringer and the resulting damages and lost profits suffered by the injured party. The costs borne with the protection of the right in question and the investigation and termination of the harmful conduct, as well as any personal injury, will also be taken in consideration.

If it is impossible to quantify the losses effectively suffered by the injured party, the court may – provided this is not opposed by the injured party – alternatively define a fixed amount with recourse to equity that is based, as a minimum value, on the remuneration that the injured party would have received if the infringer had requested authorization to use the industrial property rights in question and the costs borne with the protection of the industrial property right and the investigation and termination of the harmful conduct.

Design or model violation or undue use may also be criminally punished with imprisonment up to 3 years or a fine.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

As a general rule, the copyright over a work made under a employment agreement or in compliance with functional obligations is determined by agreement between the parties. In case no agreement exists, it is presumed that the ownership over the work belongs to the respective intellectual creator. In case the name of the creator is not in the work, it is presumed that the copyright belongs to the entity for which the work was created. In specific circumstances, even if the patrimonial rights belong to the entity for which the work was made, the intellectual creator, in addition to the agreed remuneration, may have the right to a special remuneration.

In the case of a computer program created by an employee in the exercise of their functions or according with the instructions provided by the employer, the employer shall be the owner of the rights over the programs, except when otherwise agreed or implied in the purposes of the contract. In specific circumstances, even if the patrimonial rights belong to the entity for which the computer program was created, the intellectual creator, in addition to the agreed remuneration, may have the right to a special remuneration.

The right to patent shall belong to the inventor or their successors in title. Notwithstanding, if an invention was made during the performance of an employment contract in which inventive activity is provided for, the right to the patent belongs to the employer.

Consultants / contractors

In principle, consultants and contractors will retain ownership of the intellectual property developed by them, unless otherwise agreed by the parties or provided for in the law.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial contracts under Portuguese law; however, certain exceptions may arise. Furthermore, Industrial Property Rights licenses are subject to registration within the Portuguese Industrial Property Institute (INPI) in order to be effective against 3rd parties.

Recognized language of commercial agreements

There are no general requirements under Portuguese law that provide that contracts must be written in Portuguese. However, in certain cases (eg, contracts with consumers), Portuguese language is mandatory, and, if the contract is to be used in specific situations (eg, for purposes of evidence in court or used with public authorities), translation to Portuguese is required.

Country-specific issues for online content

Electronic contracts are regulated under Decree-Law no. 7/2004, of 7 January as later amended also known as the E-Commerce Law which enacted the Directive 2000/31/EC of the European Parliament and of the Council of 8

June 2000 and contracts concluded at a distance are regulated by Decree-Law no. 24/2014 of 14 February (as later amended) which enacts Directive EU/2011/83 of the European Parliament and of the Council of 25 October 2011, on the protection of consumers in respect of distance contracts.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are, in principle, enforceable in cases where the legal requirements applicable to the agreement are met.

Governing law

The interpretation and enforceability of contracts is a matter of governing law. The choice of law by the parties is accepted as a general principle, except when otherwise provided for by law (please, however, note that in certain cases there are rules of mandatory application – for instance, in the scope of contracts concluded with consumers).

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

This will depend on the specific warranty. Notwithstanding, the law may provide some restrictions on the enforceability of warranty disclaimers (eg, for reasons of consumer protection).

Enforceability of exclusions/limitations of liability indemnification

As general rule, the enforceability of exclusions or limitation of liability is limited under Portuguese law. According to civil law, limitation of liability or exclusion of liability concerns the grounds of liability itself and the damages and losses. The law is not absolutely clear when dealing with the matter; therefore, some hold the opinion that the law does not prevent clauses limiting or excluding liability for acts of mere negligence, while others suggest that all clauses of exclusion or limitation are completely null and void.

Indemnification

Indemnification clauses in contracts are, in principle, enforceable, but may be subject to restrictions provided for in the law. It is relatively common to stipulate in commercial agreements that the indemnifying party will indemnify and hold harmless the other party against claims of 3rd parties related to the subject matter of the agreement.

Electronic signatures

According to Portuguese law, a qualified electronic signature is equivalent to an autographic signature in paper documents. An electronic document shall only be deemed to be signed for purposes of evidence where it meets the requirements set by the law on electronic signature and certification.

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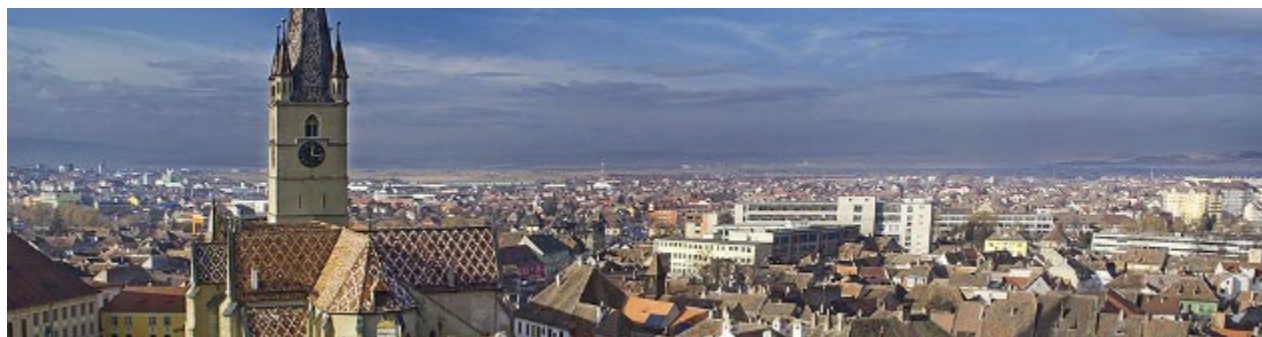
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ROMANIA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights are governed by statutory provisions, which are generally harmonized across the European Union.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Romania is a civil law jurisdiction. Under the new legal regime implemented by the New Civil Code (NCC), which entered into force in Romania on October 1, 2011, commercial contracts are now referred to as contracts concluded between professionals. There are no general statutory provisions that govern contracts between professionals.

There are, however, statutory provisions that may be relevant to certain contracts concluded between professionals – for example, provisions regarding price determination and specific provisions that may be applicable to contracts in particular industries.

Mandatory provisions on licensing and/or assignment of intellectual property rights may be found in various laws regulating the legal regime of such rights.

The interpretation and enforceability of contracts concluded between professionals is generally a matter governed by the laws of the state specified in the contract. However, certain rights that are recognized by Romanian copyright law (eg, moral rights), when the work has been published in Romania, may not be waived irrespective of the laws governing the merits of the contract. Case law is not a source of law.

Contracts with state government agencies are subject to separate public procurement laws, which may include, among other matters, the allocation of intellectual property rights that may be unilaterally decided by the contracting authority.

COPYRIGHTS

Nature of right

Copyrights are available for original works of authorship fixed in a tangible medium of expression. The rights arise at the time the original work of authorship is fixed in a tangible medium of expression, and registration is not required to validate the copyright. Registered copyrights are denoted by the symbol ©.

Copyright owners have a bundle of exclusive rights, which include the right to reproduce, distribute, prepare derivative works and publicly perform their works of authorship.

Legal framework

Law no. 8 of March 14, 1996 on copyright and neighboring rights governs copyright in Romania. Romania became signatory to the Berne Convention in 1926 and grants moral rights to authors, which may not be waived.

Duration of right

Copyright protection lasts for the life of the author plus an additional 70 years. In case of co-authored works, the 70-year term begins following the death of the last co-author. For anonymous works or pseudonymous works, the copyright endures for a term of 70 years from the year of its first publication.

Unpublished works that are lawfully disclosed to the public following the expiry of the copyright (eg, after the death of the author) are protected for 25 years starting from the date they were disclosed.

For musical works with lyrics, the 70-year term is calculated from the death of the last survivor between the lyricist and the composer, whether or not they have been designated as co-authors, provided that the contribution made to that musical work has been specifically created for it.

These terms are calculated starting on January 1 of the year following the death of the author or following the public disclosure, as the case may be.

Ownership / licenses

Joint authorship is recognized in collective and common works. In case of collective works, the co-authors' personal contributions may not be differentiated when considering the nature of the work and, in such cases, the copyrights are jointly exercised. Conversely, in case of works created in common, the personal contribution of each of the co-authors may be separated and utilized independently provided that such use does not harm the rights of the other co-authors. Except when otherwise agreed, the co-authors of a common work may not utilize the work without having the joint consent of all co-authors.

Copyrights may be transferred by way of an assignment contract, which must contain clauses referring to the patrimonial rights transmitted and must indicate each right transferred, the modalities of use, the duration and extent of the assignment and the remuneration of the copyright holder. The absence of any of these provisions entitles the interested party to request the termination of the contract. Licenses are additionally possible, and their duration is limited to 49 years.

Remedies for infringement

Copyright registration is not required to claim damages for infringement.

Actual damages may consist of actual monetary loss suffered by the copyright owner and profits gained by the infringer. In establishing the damages, the court considers criteria such as negative economic consequences, particularly non-earned benefits, benefits earned unlawfully by the offender or other elements, such as moral damages caused to the copyright holder. If these criteria may not be applied, the court may grant damages representing triple the amount that would have been lawfully owed for a similar lawful utilization.

Attorneys' fees of the copyright holder in a copyright infringement suit are available even if the work is not registered. Injunctive relief is also a possible remedy, including the ability to enjoin importation of infringing goods.

Copyright infringement may be considered a criminal offense in certain conditions and punishable with criminal penalties or imprisonment.

MASK WORKS / TOPOGRAPHIES

Nature of right

Owners of original topographies have exclusive rights in relation to the topography of semiconductor products following their registration.

Topographies of semiconductor products are defined as a series of related images, however fixed or encoded, representing the 3-dimensional configuration of the layers that make up a semiconductor product and in which each image reproduces the design or part of the drawing of a semiconductor surface at any stage of its manufacture.

Semiconductor products are defined as (i) the final or intermediate form of any product composed of a substrate that has a layer of semiconductor material; (ii) consisting of 1 or more layers of conductive, insulating or semiconducting materials, the layers being arranged according to a predetermined 3-dimensional configuration; and (iii) having a configuration that is intended to perform, whether exclusively or not, an electronic function.

Subject to certain exceptions, owners of registered topographies have the exclusive rights to exploit the topography, as well as to authorize or forbid the reproduction of the said topography and the commercial exploitation or import for this purpose of a topography or a semiconductor product made based on the said topography.

Legal framework

Topographies of semiconductors are governed by Law no. 16 of March 6, 1995 on the protection of topographies of semiconductor products and are protected following their registration at the State Office for Inventions and Trademarks (SOIT).

Duration of right

The duration of protection is 10 years. As a general rule, this term is calculated from registration. Registration must be filed within 2 years from the first commercial exploitation.

Ownership / licenses

Common ownership of topographies is recognized and must be exercised jointly by creators.

Remedies for infringement

Infringement is considered a criminal offense punishable in certain conditions with imprisonment or a criminal fine.

Statutory damages are not available for owners of topography rights. The aggrieved party is entitled to claim actual damages, which may be actual monetary loss suffered by the topography owner and loss of profit. Attorneys' fees and costs may be recoverable.

Injunctive relief, including the seizure of infringing goods, is also a possible remedy.

PATENTS

Nature of right

Patents are a statutory right. Patents grant the right to exclude others from making, using, selling, offering for sale and importing the claimed invention.

Legal framework

Patents are governed by Law no. 64 of October 11, 1991 regarding patents and Law no. 83 of June 26, 2014 regarding labor inventions (Labor Inventions Law). Romania became party to the Patent Cooperation Treaty in 1970 and the Paris Convention in 1920.

Duration of right

Patents are protected for 20 years from the filing date of the application for registration.

Ownership / licenses

Joint ownership is permissible, and patent rights must be exercised in common. If the inventor is an employee, the employer owns the rights over inventions resulting from the exercise of the inventor's job specifications expressly mentioned in their employment agreement and in the job description sheet, or mentioned in other binding material for the inventor that provides for an inventive mission. In addition, the employer owns the rights over inventions created while the inventor is an employee, as well as over inventions created after termination of employment for a maximum of 2 years after the termination of the employment agreement, by knowing or using the employer's experience and material resources, as a result of the professional training offered to the employee at the expense of the employer or by the use of information derived from the employer's activity.

Remedies for infringement

Patent law permits the award of damages in an amount adequate to compensate for the infringement, which includes actual loss and loss of profit.

Injunctive relief is also a possible remedy.

Infringement of patent rights is a criminal offense in the form of counterfeit, punishable by imprisonment in certain conditions.

TRADEMARKS

Nature of right

Any signs; particular words, including personal names; designs; letter; numerals; colors; the shape of goods or of the packaging of goods; or sounds, provided that they (i) are capable of distinguishing the goods or services of an undertaking from those of other undertakings and (ii) are represented on the register in a manner that enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

Legal framework

Law no. 84 of March 30, 1998 on trademarks and geographical indications provides protection for registered marks.

Romania became a member of the Madrid Protocol in 1989 and the Trademark Law Treaty in 1998.

Duration of right

National trademark registrations stay in effect for 10 years and are renewable indefinitely, so long as the mark's use in commerce continues.

Ownership / licenses

Owners may grant licenses to 3rd parties, but there are no statutory requirements regarding specific clauses referring to appropriate quality-control language in order to preserve and avoid dilution, or loss, of the mark.

Remedies for infringement

Damages may include actual damages and/or loss of profits resulting from the infringement. Trademark infringement is considered a criminal offense punishable in certain conditions with imprisonment.

Costs and reasonable attorneys' fees are recoverable.

Injunctive relief is also an available remedy. The owner of the registered marks may file a request for intervention with the Romanian customs authorities in order to prevent importation of counterfeit products.

TRADE SECRETS

Nature of right

Legal protection is available for trade secret holders against unlawfully acquired, used or disclosed trade secrets.

Trade secrets are defined as information which (i) is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question, (ii) has commercial value because it is secret and (iii) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

Legal framework

Trade secrets are governed by Urgency Ordinance no. 25 of April 18, 2019 on the protection of know-how and undisclosed business secrets that are commercial secrets against unlawful acquisition, use and disclosure, as well as for the amending and completion of other normative acts and Law no. 11 of January 29, 1991 on fighting unfair competition.

Duration of right

As long as reasonable efforts are taken by the owner of the information to maintain the information as a trade secret, the duration of protection may be perpetual.

Ownership / licenses

Joint ownership is possible. Trade secret, or know-how, licenses are enforceable.

Remedies for infringement

The statute of limitation for the protection of trade secrets against unlawful acquisition, use or disclosure is 6 years from the moment the claimant has known or should have known the unlawful acquisition, use or disclosure of the trade secret.

Damages may include actual loss and loss of profit. Statutory attorneys' fees may additionally be awarded. Injunctive relief is also a possible remedy.

At the claimant's request, the court of law may oblige the author of the unlawful act to publish the judgment either entirely or partially.

Certain unlawful acts – such as unlawful use or disclosure of a trade secret – that continue following the judgment of a court of law are punishable with imprisonment or criminal penalties.

OTHER KEY IP RIGHTS

Nature of right

Industrial designs

Industrial design holders are protected against infringement. The term “industrial design” is defined as the appearance of a product or a 2- or 3-dimensional part of it resulting from the combination of its main features – especially lines, contours, colors, shape, texture and/or ornamentation of the product itself.

Legal framework

Industrial designs are governed by Law no. 129 of December 29, 1992 on the protection of industrial designs.

Duration of right

The registration certificate is valid for 10 years from the filing date of the application for registration and may be renewed for up to 3 consecutive 5-year periods.

Ownership / licenses

Joint ownership is possible. Rights over industrial designs may be transferred by way of assignments and/or licenses.

Remedies for infringement

Damages may include actual damages or loss of profit resulting from the infringement. Industrial design infringement is considered a criminal offense punishable in certain conditions with imprisonment.

Costs and reasonable attorneys' fees are recoverable.

Injunctive relief is also an available remedy. The owner of the industrial design may file a request for intervention with the Romanian customs authorities in order to prevent importation of counterfeit products.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Inventions/patents

Under the Labor Inventions Law, the employer owns the rights over inventions resulting from the exercise of the inventor's job specifications expressly mentioned in their employment agreement and in the job description sheet, or mentioned in other binding material for the inventor that provides for an inventive mission. In addition, the employer owns the rights over inventions created while the inventor is an employee, as well as over inventions created after termination of employment for a maximum of 2 years after the termination of the employment agreement, by knowing or using the employer's experience and material resources, as a result of the professional training offered to the employee at the expense of the employer or by the use of information derived from the employer's activity. Inventions must be disclosed immediately to the employer. In this case, the employer has 4 months (subject to a longer term provided in the internal regulation) to categorize the invention as a labor invention and to claim ownership over it. If the employer does not claim ownership, the invention belongs to the employee.

Employers can benefit from a non-exclusive license granted by the employee for the patented invention if the employer no longer wishes to continue with the post-filing procedures for the invention or is not interested in protecting the invention in states other than Romania.

However, employees own the rights to inventions they have developed entirely on their own time without use of employer resources and that are unrelated to the employer's business.

Copyright

As a general rule, employees own the copyright for works created in the exercise of their duties described in their labor contract. In this case, the employee may authorize the use of such work by 3rd parties only with the consent of the employer and after compensating the employer for the costs incurred for the creation of the work. The employer is not required to obtain the employee's authorization for the use of the work within its scope of activity.

Specific rules are applicable to computer programs created by employees in the exercise of their duties or following the instructions of their employer. In this case, the patrimonial rights over the computer programs belong to the employer subject to a contrary provision in the labor contract. However, the direct enforceability of such provision in the absence of a specific assignment provision in the labor contract is under current debate.

Consultants / contractors

It is customary for consultants and contractors to sign written agreements. As a general rule, the written form of the agreement is mandatory in order to prove the content of such agreement.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

Trademark and industrial design licenses and assignments must be registered with the SOIT for opposability purposes.

Recognized language of commercial agreements

There are no mandatory requirements in relation to the language of contracts concluded between professionals. However, legalized translations into Romanian are necessary for court proceeding purposes. For contracts concluded with consumers, Romanian is mandatory.

Country-specific issues for online content

As of February 17, 2024 the European Regulation 2022/2065 known as the Digital Services Act became effective for all members of the European Union and new legislation is expected to be adopted.

Enforceability of online/clickwrap/shrinkwrap terms

Online, clickwrap and shrinkwrap agreements are generally viewed as enforceable if they are conspicuous and if users have the opportunity to review and indicate affirmative assent, such as through checking a box. However,

unusual clauses, such as limitation of liability clauses or clauses containing the right to unilaterally terminate the contract or suspend the performance of the obligations and the like, must be expressly accepted in writing in order to be enforceable.

Governing law

Governing law and the venue for resolution of disputes specified in a contract will generally be accepted and recognized subject to mandatory provisions in relation to the jurisdiction of the Romanian courts.

Jurisdiction clauses in consumer contracts that provide for a different court than the court located in the area where the consumer lives are not enforceable if signed before the consumer's right to damages arises.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Sellers, in their contracts for the sale of goods under Article 1699 of the NCC, may not completely exclude their liability for damages caused by their own actions or generated by reasons known by the seller at the time of sale which were hidden from the buyer. Enforceability of disclaimers against consumers is of limited applicability as it is mandatory for companies to offer warranty for the products or services sold to consumers.

Enforceability of exclusions/limitations of liability indemnification

Sellers, in their contracts for the sale of goods under Article 1708 of the NCC, may limit their liability for hidden defects. A cap on direct damages or aggregate liability is also possible.

Indemnification

Express indemnities stated in contracts are recognized and generally respected. Such express indemnity may be censored by Romanian courts in very limited situations.

Implied indemnities are additionally possible and usually include the loss actually suffered by the aggrieved party and loss of profit. In determining the extent of the indemnity, account is also taken of the costs incurred by the aggrieved party, within a reasonable limit, to avoid or limit the damage.

Express indemnities based on comparative fault are enforceable. Caps on liability under indemnification provisions may be enforceable.

Electronic signatures

Law no. 455 of July 31, 2001 regarding electronic signatures grants qualified extended signatures the same legal standing as pen-and-paper signatures subject to the fulfillment of several conditions. To this end, a qualified extended signature is an extended electronic signature meeting the conditions stated below and based on a qualified certificate and created by a secure-signature-creation device:

- Uniquely linked to the signatory

- Capable of identifying the signatory
- Created by means solely under the control of the signatory party and
- Linked to the data signed therewith in such a way that any subsequent change in the data is detectable

KEY CONTACTS



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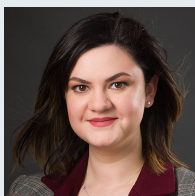
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RUSSIA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights are governed by Part IV of the Russian Civil Code.

COMMERCIAL CONTRACT FRAMEWORK

Overview

There are a number of laws that may apply to commercial contracts, depending on the type of contract and on the industry involved. However, the general provisions are contained in the Russian Civil Code (Parts I and II).

COPYRIGHTS

Nature of right

Copyright protection is available to works that have a creative character and pertains to works of literature, science and arts, regardless of their purpose, qualities and the mode or form of expression. Computer programs and databases are generally protected as literary works.

Copyright owners have certain exclusive rights, including the right to reproduce, distribute, publicly display, import, loan, perform publicly by any distance medium, communicate by air, communicate by cable, translate /transform, implement (in relation to architectural and design projects) and convey the work to the public.

In addition to the above, the author (individual creator of the work) has moral (personal inalienable) rights such as the right to claim authorship of their work, the right to indicate or not indicate their identity, the right to integrity of the work and the right to make the work available to the public.

Legal framework

Part IV of Russian Civil Code governs copyrights.

Russia is also party to the main international copyright treaties and conventions such as the Universal Copyright Convention, Convention for the Protection of Producers of Phonograms, Berne Convention, WIPO Performances and Phonograms Treaty and WIPO Copyright Treaty.

Duration of right

Copyright protection lasts for the life of the author plus an additional 70 years, starting from the first calendar year after the death of the author. The law provides certain specifics in relation to anonymous works or works published under pseudonym, to works published post mortem and for certain categories of authors (such as participants of the Second World War).

In the case of joint works, the duration of rights is determined in relation to the life of the last-surviving co-author.

Unless differently specified, with regard to neighboring rights, the period of protection is 50 years and occurs from the date of broadcasting or performance.

Personal inalienable rights never expire. Upon the death of the author, the rights may be enforced by the author's heir(s). Furthermore, such rights cannot be waived.

Ownership / licenses

Joint ownership of copyright is recognized with regard to joint works.

Transfer of copyright ownership (exclusive rights to a work) is allowed and must be in writing for most types of use. In general, the transfer of 1 or more copies of a copyrighted work does not imply the transfer of the copyright, unless differently agreed.

Remedies for infringement

The copyright owner or exclusive licensee is entitled to the following primary remedies:

- i. Demand to stop infringement
- ii. Demand to redress damages in full
- iii. As an alternative to claiming damages, to demand monetary compensation in the amount from RUB10,000 to RUB5 million, or in double the amount of the cost of originals of the work or imputed license fee and
- iv. Demand seizure of media bearing infringing objects.

MASK WORKS / TOPOGRAPHIES

Nature of right

The topography of a semiconductor product is a series of fixed or encoded correlated designs, representing the 3-dimensional pattern of the layers that make up a semiconductor product.

Mask work owners have the exclusive right to totally or partly reproduce the topography in any method or shape and commercially exploit the mask work – in particular, keeping or distributing for commercial purposes or importing a topography or a semiconductor product in which the topography is fixed.

Legal framework

Part IV of the Russian Civil Code governs the protection of semiconductor topographies.

Duration of right

The protection is granted for 10 years starting from the earlier of either the filing date of the application or the date when the semi-conductor containing the topography was put on sale for the first time in any part of the world.

Ownership / licenses

The owner of the mask work is the author that has expressed a creative intellectual effort resulting in a topography.

Remedies for infringement

The owner of the mask work or an exclusive licensee is entitled to the following primary remedies:

- i. Demand to stop infringement
- ii. Demand to redress damages in full and
- iii. Demand seizure of media bearing infringing objects; criminal penalties may also apply under certain circumstances.

PATENTS

Nature of right

Patent protection is available for inventions that are deemed to be new, not obvious, and suitable for application in the industrial field.

From the grant of the patent, the patent owner has the exclusive right to forbid third parties from producing, using, trading in, selling or importing the product (should the invention be a product) or applying the method, or using, trading in, selling or importing the product that is directly obtained from the method (should the invention be a method).

There are separate legal provisions on protection of utility models and industrial designs, which have the basic regime of legal protection similar to that granted to inventions, but with certain distinctions.

Legal framework

Part IV of the Russian Civil Code governs patents.

Russia is a party to the Patent Cooperation Treaty and Paris Convention.

Duration of right

Patent protection lasts for 20 years from filing the application, based on a first-to-file principle.

Ownership / licenses

Ownership of (or exclusive right to) a patent may be transferred to third parties by means of assignment, as well as license, authorizing the exploitation of the patent within the limits determined by the parties. Transfers of ownership and exclusive licenses must be registered to be effective.

Remedies for infringement

The owner of the patent or an exclusive licensee is entitled to the following primary remedies:

- i. Demand to stop infringement
- ii. Demand to redress damages in full and
- iii. Demand seizure of media bearing infringing objects; criminal penalties may also apply under certain circumstances.

TRADEMARKS

Nature of right

Trademark protection is available to signs that can be represented graphically, provided that they are capable of distinguishing the goods or services of a company from those of other companies. In particular, it is possible to register words and their combinations (including personal names), drawings, the combination of both as well as less traditional marks, such as 3-dimensional marks and sounds. To qualify for protection, a trademark must be registered with the Russian Trademark Office (Rospatent) or protected in Russia by virtue of the Madrid Protocol.

The trademark owner has the right to forbid third parties from using a sign identical or confusingly similar to its trademark if it is used in relation to goods or services identical or similar to those for which the mark was registered. This also captures the use on the internet, including within domain names. The enforcement of trademark rights against violation in relation to dissimilar goods and services is much more difficult, but might be possible in rare cases depending on circumstances (typically through an unfair competition action).

An unregistered trademark does not enjoy legal protection. The exception is taking the intensively used designation into account when confronting with bad faith applicants or users. However, this requires a significant amount of evidence and is resolved on a case-by-case depending on the circumstances of each specific dispute.

Legal framework

Part IV of the Russian Civil Code governs trademarks.

Russia is a member of the Singapore Treaty and Madrid Convention and Protocol.

Duration of right

Trademark registration lasts 10 years from the filing date (unless the registration is waived by the owner) and it can be renewed, within the date of expiration, an unlimited number of times.

Ownership / licenses

A trademark can be transferred to a third party (legal entity or individual entrepreneur) by way of trademark assignment. A trademark can be the object of a license, including non-exclusive licenses, for all or part of the goods or services for which it was registered. The transfer of rights under both trademark assignment and licenses must be registered with the Rospatent.

Remedies for infringement

The trademark owner or exclusive licensee is entitled to the following primary remedies:

1. Demand to stop infringement
2. Demand to redress damages in full
3. As an alternative to claiming damages, to demand the monetary compensation in the amount from RUB10,000 to RUB5 million, or in double the amount of the cost of counterfeit originals or imputed license fee and
4. Demand seizure or destruction of media bearing infringing objects.

Criminal or administrative penalties may also apply, under certain circumstances.

TRADE SECRETS

Nature of right

Trade secrets are defined as any company information of technical, economical, organizational, manufacturing and other nature, which:

- i. Is kept secret by its holder
- ii. Has an economic value due to its secrecy or
- iii. Is subject to a commercial secrecy regime.

The disclosure or unlawful use of trade secrets is a breach of the rights to commercial secrets.

Legal framework

Part IV of the Russian Civil Code governs trade secrets.

Duration of right

Trade secret protection is potentially perpetual if the owner can keep the information secret.

Ownership / licenses

The holder of the trade secret is the owner of such secret (joint ownership is possible). The right to trade secret may be assigned or licensed.

Remedies for infringement

The owner of the trade secret is entitled to demand to redress damages in full. Criminal penalties may also apply under certain circumstances.

OTHER KEY IP RIGHTS

Nature of right

Not applicable.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The patentable and copyrightable works created by an employee in an employment context are deemed to be owned by the employer, unless the parties agree otherwise or, in case of patentable objects, unless the employer fails to timely formalize its patent rights. However, the employee is entitled to remuneration payable by the employer. While the law is more liberal in relation to copyright works and generally allows the remuneration for their creation to be part of the salary, for patentable works, the stand-alone remuneration must be agreed on and paid

The author retains personal inalienable rights to created objects in any case.

Consultants / contractors

The **rules for employees** do not automatically extend to non-employees, such as consultants and contractors. Unless the parties specify the allocation of intellectual property rights in a written contract, in most types of contracts, the respective intellectual property rights would generally vest on the creator and would not automatically be transferred to the party who ordered the respective work.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement with regard to commercial agreements, though certain kind of contracts, such as contracts involving transfer of trademarks and patents, require a prior registration.

Recognized language of commercial agreements

The agreement can be executed in any language. However, for agreements concluded with Russian consumers (B2C), the Russian version is necessary as its absence may entail the risk of consumer claims based on "lack of information on the goods." In addition, Russian counterparties may request a Russian translation for administrative purposes, such as for tax inspections.

Country-specific issues for online content

In regard to internet-related infringements, under certain circumstances, the copyright owner or exclusive licensee may request the court to order blocking of an infringing website even before consideration of the case on the merits.

Enforceability of online/clickwrap/shrinkwrap terms

There is still no established practice on acceptance or enforceability of online terms. In most cases, however, such online terms should be deemed binding if accepted by the addressee (eg, by click method), and such accepting party can be identified in case of dispute.

Governing law

The law can be freely chosen by the parties. However, the parties must consider the possibility of certain "super-imperative" provisions of Russian laws which may be applicable regardless of the choice of law (eg, registration of contract, currency control regulations and consumer laws).

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Warranty disclaimers may be recognized as invalid if they contradict mandatory Russian legal provisions, especially in the consumer context, where minimal statutory warranties in relation to specific goods or services are provided.

Enforceability of exclusions/limitations of liability indemnification

The liability may be limited, but not entirely excluded, by the parties only in the B2B context but, even in that case, liability for willful actions cannot be limited or excluded.

Indemnification

Indemnification is currently recognized as enforceable in Russia, but in limited scope. Additionally, this concept is still very new and untested.

Electronic signatures

The requirements for electronic signatures (ES) in Russia are regulated by Federal Law "On the electronic signature" dated April 6, 2011 (ES Law). Under the ES Law, the electronic signature made on an electronic document is equivalent to a handwritten signature on an ordinary paper document. The electronic signature technically represents a number of symbols attached to an electronic document that is being signed and that identifies the signatory.

There are 2 types of the electronic signatures:

- Simple electronic signature and
- Enhanced electronic signature.

Depending on the level of encryption protection, enhanced electronic signatures may be "unqualified" or "qualified."

A simple electronic signature is an electronic signature formed using codes, passwords and other means that confirm the formation of the electronic signature by a particular person. As opposed to unqualified and qualified enhanced electronic signatures, a simple electronic signature is not produced by a certification center.

The ES Law states that any electronic message signed with a simple electronic signature is deemed to have the same legal effect as a paper document signed by hand, provided that:

1. The parties have expressly agreed to use electronic signatures when exchanging messages through the relevant electronic messaging system
 2. Rules established in the relevant electronic messaging system for use of electronic signatures are complied with
- The electronic message contains information regarding the person on behalf of whom the electronic message was generated and/or sent and
 - The parties' agreement on exchanging messages through an electronic messaging system must at least also contain provisions related to:

- Identification of a person signing electronic messages based on its simple electronic signature and
- The parties' obligation to keep the means for generating the simple electronic signature (eg, codes, passwords) confidential.

An enhanced electronic signature is produced by certification centers (accredited certified centers in case of qualified electronic signatures) and shall be used in documents which require a seal. The enhanced electronic signature is more highly protected compared to the simple electronic signature, and its validity is subject to control by relevant certification centers. Enhanced electronic signatures are created by cryptographic processing of information by an electronic signature key, and they help to identify the person that signed the document or made changes to such document.

The qualified type of enhanced electronic signature is even more highly protected, and it has a specific qualifying certificate created by means approved by the competent state authority. The qualified type of enhanced electronic signature is produced by certified centers accredited by the Ministry of Telecom and Mass Communications of the Russian Federation. The Ministry keeps a register of qualified electronic signatures that can be accessed to verify such electronic signature.

KEY CONTACTS

SAUDI ARABIA



Last modified 19 April 2023

INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights are protected by a number of laws that have been passed by Royal Decree and are enforced by the courts. All laws in the Kingdom of Saudi Arabia (KSA) are subject to Shari'a principles.

The KSA generally operates by reference to the Hijri (or Islamic) calendar for official purposes. Careful attention is therefore required when making reference to protection periods and any timeframes associated with the different intellectual property rights, to ensure that relevant deadlines are not inadvertently missed.

COMMERCIAL CONTRACT FRAMEWORK

Overview

The KSA does not have a formal dedicated code or legislation as such setting out the principles of contract law. The key principles of contract law derive from Shari'a (or Islamic) principles, the primary source of law in the KSA, but which are not codified.

In addition, the law in the KSA consists of legislation passed by government (which is secondary if it conflicts with Shari'a principles), which also govern commercial activities in the KSA. For example, additional requirements apply to procurement and contracting with government entities under the Government Tenders and Procurement Law (Council of Ministers Resolution No. 649/I440 and published in the Umm Al-Qura Official Gazette, Issue No. 4790 on 2 August 2019), and its Implementing Regulations. The Saudi Arabian Monetary Authority (SAMA) oversees, amongst other things, banking activities in the KSA.

There is no concept of judicial precedent in the KSA, which means that the decisions of the courts and other judicial authorities do not have binding authority in respect of another case. In addition, court cases are not generally published as a matter of course. This means that it is not always possible to reach a conclusive interpretation of laws and regulations or to understand how the courts/authorities in the KSA would view a particular matter.

COPYRIGHTS

Nature of right

Under the Copyright Law, copyright protection applies to works "created in the fields of literature, art and sciences, irrespective of their type, means of expression, importance or purpose of authorship."

The Copyright Law covers works of Saudi and non-Saudi authors published, produced, performed or displayed for the first time in the KSA, and works of Saudi authors published, produced, performed or displayed for the first time outside the KSA, works of broadcasting organizations and producers of sound recordings and performers as well as works copyrighted pursuant to international agreements or treaties for protection of copyright to which the KSA is a party.

Copyright owners have the exclusive right to reproduce, distribute, prepare derivative works, publicly perform and publicly display their works of authorship. Copyright Law also affords extensive moral rights to the author of a copyright work, which are considered permanent rights of the author and, significantly, cannot be subject to waiver, lapse or transfer (except to the heir(s) of the author in case of the author's death or, if there are no heirs, to the Ministry of Culture and Information).

Assignment by an author of all his future intellectual production is, under the Copyright Law, also deemed to be null and void.

The application of moral rights and restrictions on future assignment have implications for the drafting of contracts and assignment documents.

Legal framework

The Copyright Law (promulgated by Royal Decree No. M/41 of 2 Rajab, 1424 (corresponding to 30 August 2003)), and its Implementing Regulations (Copyright Law).

The KSA acceded to the Berne Convention for the Protection of Literary and Artistic Works on 11 December 2003.

Duration of right

The period of copyright protection for an author is the duration of his/her lifetime and 50 years following his/her death. For joint works, the period of protection is computed from the date of the death of the last surviving author. If the writing is in the form of various parts or volumes then each volume is treated as a separate and independent piece of work.

Where the author is a corporate entity, the period of protection is 50 years from the date of first publication.

The period of protection for audio works, audio-visual works, films, collective works and computer software is 50 years from the date of the first show or publication of the work.

The period of protection for applied arts (handcrafted or manufactured) and photographs is 25 years from the date of first publication.

The period of protection for broadcasting organizations is 20 years from the date of the first transmission of programs or broadcast materials.

The period of protection for the producers of sound recordings and performers is 50 years from the date of performance or its first recording.

Ownership / licenses

Joint ownership of copyright is recognized. Any transfer of copyright must be recorded in writing and must express any limits to the scope of the transferred right with respect to both time and place.

Remedies for infringement

A wronged party can seek damages or compensation for infringement of its rights and damage suffered. In addition, the Copyright Law stipulates certain penalties for infringement, including:

- i. A warning to the offender
- ii. A fine not exceeding SAR250,000
- iii. Naming and shaming of the violator (at the violator's expense) by a method deemed appropriate by the competent committee, which is formed by decision of the Minister of Culture and Information to review violations
- iv. An injunction against the printing, production, publication or distribution of the work infringed upon, in addition to impounding of related copies and materials, and any temporary measure the competent committee finds necessary to protect the copyright works until a final decision is reached regarding the complaint or offense
- v. A temporary shutdown of the offending establishment for a maximum of 2 months
- vi. A suspension from participating in specific commercial events (if the infringement was discovered during any such commercial events) for a period of up to 2 years
- vii. Confiscation of violating goods or copies of the work and the materials used or intended for use in copyright infringement and
- viii. A jail term of up to 6 months.

It is notable that repeat offenses of infringement may result in doubling of maximum penalties.

MASK WORKS / TOPOGRAPHIES

Nature of right

In the KSA, protection is available for layout designs of integrated circuits.

Any layout design of integrated circuits that is to be protected must be "original" in the sense that it must be the result of its creator's own intellectual effort, and is not commonplace among creators of layout designs and manufacturers of integrated circuits at the time of its creation.

Applications for registration of a layout design of an integrated circuit are made to the King Abdulaziz City for Science and Technology (KACST).

Legal framework

The Law of Patents, Layout-Designs of Integrated Circuits, Plant Varieties, and Industrial Designs (promulgated by Royal Decree No. M/27 of 29/5/1425H (corresponding to 17 July 2004)), and its Implementing Regulations (Patents Law).

Duration of right

Layout-design certificate protection is valid for 10 years from the date of filing the application for registration or 10 years from the date on which it was first commercially exploited anywhere in the world (but, in any case, no longer than 15 years from the date of creation of the layout-design).

Ownership / licenses

A layout design may be assigned or licensed to a third party by the registered owner, in accordance with the requirements of the Patents Law.

There are certain circumstances where compulsory licenses may be granted by KACST to a third party to exploit a layout design covered by a certificate of design.

Remedies for infringement

A wronged party can seek damages or compensation for infringement of its rights and harm suffered. In addition, the Patents Law stipulates certain penalties for infringement, without prejudice to further liability which may arise from other laws, including:

- i. An injunction
- ii. A fine of up to SAR100,000, which may be doubled for a repeat offender
- iii. A possible jail term, including referral to the Board of Grievances
- iv. Naming and shaming in 2 daily newspapers and the Official Gazette, the cost of which is borne by the party in breach, and
- v. Any other prompt measures considered necessary to prevent damages resulting from the infringement.

PATENTS

Nature of right

A patent may be issued on an invention, if it involves an inventive step, and is capable of industrial application. The invention may be a product, process or related to either.

Applications for registration of patents are made to KACST.

Legal framework

The Law of Patents, Layout-Designs of Integrated Circuits, Plant Varieties, and Industrial Designs (promulgated by Royal Decree No. M/27 of 29/5/1425H (corresponding to 17 July 2004)), and its Implementing Regulations (Patents Law).

Duration of right

Patent protection in the KSA is valid for a period of 20 years from the date of filing the application.

Note that it is also possible to file a GCC patent application which, if granted, affords protection of the patent in the 6 GCC countries. Subject to the continued payment of maintenance fees, the term of a GCC patent application is 20 years from the filing date.

Ownership / licenses

A patent may be assigned or licensed to a third party by the registered owner, in accordance with the requirements of the Patents Law.

There are certain circumstances where compulsory licenses may be granted by KACST to a third party to exploit an invention covered by a patent.

Remedies for infringement

A wronged party can seek damages or compensation for infringement of its rights and harm suffered. In addition, the Patents Law stipulates certain penalties for infringement, without prejudice to further liability which may arise from other laws, including:

- i. An injunction
- ii. A fine of up to SAR100,000, which may be doubled for a repeat offender
- iii. A possible jail term, including referral to the Board of Grievances
- iv. Naming and shaming in 2 daily newspapers and the Official Gazette, the cost of which is borne by the party in breach, and
- v. Any other prompt measures considered necessary to prevent damages resulting from the infringement.

TRADEMARKS

Nature of right

Trademarks must generally take a distinctive form and be capable of distinguishing goods or services.

The GCC Trademark Law (as implemented in KSA) provides an indicative list of registrable trademarks, including names, words, signatures, characters, codes, numbers, titles, seals, drawings, images, inscriptions, packaging, figurative elements, shapes or colour, group of colours or combinations of colours. Unconventional marks such as sounds and smells are now also registrable under the GCC Trademark Law.

The KSA has adopted and applies the Nice Classification for the purposes of registration of marks.

An application for trademark registration is submitted to the Trademarks Office at the Saudi Authority for Intellectual Property. A person who has a registered trademark is its exclusive owner, and the use of a registered trademark by any other person requires the consent of the owner.

Legal framework

With effect from September 29, 2016, the KSA adopted the GCC Trademark Law (Law No. 1/1437 of 13 Dhu'l-Hijjah 1437 H, corresponding to September 29, 2016) and its Implementing Regulations (GCC Trademark Law). The GCC Trademark Law replaces the former KSA Trademark Law that was in place since 2002.

Note that the GCC Trademark Law does not establish a unitary registration system – it contains a single set of provisions which apply across all GCC countries, but it does not envisage a single registration or enforcement system (ie, a GCC mark will still require 6 separate, national applications).

Duration of right

The period of protection for a trademark is 10 years (subject to rights of renewal).

Ownership / licenses

A trademark may be sold or licensed to a third party by the registered owner, in accordance with the requirements of the GCC Trademark Law.

Remedies for infringement

A wronged party can seek damages or compensation for infringement of its rights and harm suffered. In addition, the GCC Trademark Law stipulates certain penalties for trademark infringement depending upon the nature of the offense. For example, it is an offense to, amongst others, counterfeit or imitate a registered trademark so as to mislead or confuse the public, or to use in bad faith a trademark owned by others on goods or services without authorization. These offenses carry a jail sentence of between 1 month to 3 years or a fine between SAR5,000 and SAR1 million, or both. Penalties may be doubled for repeat offenders. Additional penalties may include potential closure of the place of business for between 15 days to 6 months and publication of the decision at the expense of the offender.

TRADE SECRETS

Nature of right

A commercial secret is defined under the Trade Secrets Regulations as information not known in its final form or where information is not usually easily obtainable by those engaged in this type of business, as well as where the information is of commercial value due to its confidentiality, and where the rightful owner takes reasonable measures to maintain its confidentiality. However, the Trade Secrets Regulations do not protect commercial secrets which are inconsistent with Shari'a, public order and/or public morals.

Obtaining, using or disclosing any commercial secret in a manner that is inconsistent with "honest commercial practices" and without the consent of the rightful owner is deemed an abuse of the commercial secret under the Trade Secrets Regulations.

Legal framework

Trade secrets are governed by the Regulations for the Protection of Confidential Commercial Information issued by Ministry of Commerce and Industry Decision No. 3218 (as amended), passed in 2005 (Trade Secrets Regulations).

Duration of right

As long as reasonable efforts are taken by the owner of the information to maintain the information as a trade secret, the Trade Secrets Regulations do not expressly provide for a limit on the duration of the right, although a minimum protection period of 5 years is specified (subject to limited exceptions) in the context of secret information submitted to an official competent authority for the purpose of approval of the marketing of drugs or chemical agricultural products in which new chemical substances are used.

Ownership / licenses

Trade secrets or know-how licenses are, in principle, enforceable.

Remedies for infringement

Remedies include a claim for compensation for damages for any person harmed as a result of a violation of the provisions of the Trade Secrets Regulations.

OTHER KEY IP RIGHTS

Nature of right

Not applicable.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

There are no regulatory protections that specifically cover employees in the Trade Secrets Regulations. However, agreed confidentiality provisions in an employment contract may grant certain levels of protections.

The Copyright Law restricts the right to assign copyright in future works (any such purported assignment is deemed "null and void"). Standard language in employment contracts often vests ownership of all works created by the employee in the employer. Employers that usually rely on future copyright assignments need to ensure that suitable intellectual property rights provisions are used, as those rights will not automatically vest in the employer.

The general position under the Patents Law is that the employer shall be the owner of the relevant protection document (a patent, or a certificate of layout design), subject to certain stipulated requirements and exceptions in the Patents Law. There are however provisions in the Patents Law that provide for an employee's right to receive a special award.

Consultants / contractors

Please see our comments in relation to [employees](#), which are also relevant here.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is generally no legal requirement for commercial contracts to be registered (subject to certain exceptions, for example registration of qualifying agency, distribution and franchise agreements with the Ministry of Commerce and Investment).

Recognized language of commercial agreements

Generally, there is no legal requirement to execute contracts in Arabic, although there are exceptions (for example, when contracting with the KSA government). It is however important to bear in mind that, if brought before the KSA courts/authorities, contracts and related documentation will need to be in the Arabic language or translated into Arabic by a certified translator.

Country-specific issues for online content

Not applicable.

Enforceability of online/clickwrap/shrinkwrap terms

The enforceability of online terms (including whether the user has given appropriate consent to such terms) should be reviewed on a case-by-case basis.

Governing law

Contracting parties generally have the right to choose the governing law of a contract (although the position is different when contracting with government entities in KSA).

Consideration should be given to the most suitable governing law and jurisdiction for resolving disputes to be specified in the contract, depending upon the nature of the contract, the parties and other specific circumstances.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Warranty disclaimer language must be considered on a case-by-case basis. Such language is generally subject to review by the KSA courts, which will likely assess whether the wording fairly allocates risk between the parties.

Enforceability of exclusions/limitations of liability indemnification

Exclusions/limitations of liability may not be enforced in the KSA courts even if the parties to a commercial contract agree to such limitation.

Indemnification

The enforceability of an indemnification obligation is ultimately subject to court evaluation and discretion. That said, a party is only likely to be held liable under an indemnity if found to be a direct cause of losses which have been actually incurred by the party benefiting from the indemnity. Indirect and consequential losses are unlikely to be recoverable.

Electronic signatures

The Electronic Transactions Law (ETL), issued by Royal Decree No. M/8 and dated 26 March 2007, provides guidelines for the use of electronic transactions (defined broadly as "any exchange, communication, contracting or other procedure, performed or executed, wholly or partially, by electronic means") and electronic signatures (defined as "electronic data included in, attached to or logically associated with an electronic transaction used to verify the identify and approval of the person signing it and to detect any change to the transaction after signature"). The ETL in principle recognizes the legal effect of "electronic signatures" provided that certain conditions, requirements and specifications are met under the ETL and its Implementing Regulations (No. 1/1429 and issued on 18 March 2008). There are a number of documents and transactions to which the ETL does not apply (for example, transactions relating to personal status law, amongst others).

As there is no system of precedent and cases are not published as a matter of course, the extent to which a KSA court would enforce an electronic signature is uncertain, particularly if the veracity of such signature is challenged. Depending upon the circumstances, it may be prudent to have contracts/documents also physically signed on paper by the relevant parties.

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SINGAPORE



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights are governed by a body of local legislation in Singapore, such as the Intellectual Property Office of Singapore Act 2001, Patents Act 1994, Copyright Act 2021, Registered Designs Act 2000, Trade Marks Act 1998, among others (as amended and supplemented from time to time). With the aim to create an efficient and business-friendly Intellectual Property registration system in Singapore, the Parliament passed the Intellectual Property (Amendment) Bill 2021 (Bill) on January 12, 2022, and the Bill came into force on May 26, 2022. The Intellectual Property (Amendment) Act 2022 amended a number of existing intellectual property statutes including the Registered Designs Act, the Patents Act and the Trade Marks Act to create more streamlined intellectual property registration processes.

The Intellectual Property Office of Singapore (IPOS) oversees and advises on the application of this legislation.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Singapore contract law is largely based on English common law, though, in some cases, the precedent set by common law has been modified by statute. While there is no Contracts Act, the law has been codified in areas such as rights of 3rd parties under contracts (Contracts (Rights of Third Parties) Act 2001), unfair contract terms (Unfair Contract Terms Act 1977) and restitution in frustrated contracts (Frustrated Contracts Act 1959).

The Electronic Transactions Act 2010 applies to contracts concluded online and is the primary legislation governing e-commerce in Singapore. The Electronic Transactions (Amendment) Act 2021, which came into force on March 19, 2021, adopts the UNCITRAL Model Law on Electronic Transferable Records with modifications, and expands the scope of applicability of the Electronic Transactions Act to cover transferable documents or instruments such as bills of lading.

COPYRIGHTS

Nature of right

Copyright protects literary, dramatic, musical and artistic works and other subject matter, such as sound recordings, films, broadcasts, cable programs and published editions of works. The copyright owner has an exclusive right to engage in certain acts in relation to the copyrighted work, such as reproduction or publishing.

In order for a copyright to be applicable, the work must be original and exist in tangible form such as in writing or as a recording. Ideas or concepts alone are not protected.

Copyright does not need to be registered. The author of a work to which copyright applies automatically enjoys copyright protection as soon as the work is expressed in a tangible form.

Legal framework

The Copyright Act 2021, which came into force on November 21, 2021, replaced the prior Copyright Act (Cap 63). To take into account technological developments and balance the rights of creators and copyright users, the Copyright Act 2021 updates and strengthens the copyright regime in Singapore, including in the following areas:

- Granting authors of authorial works and performers of performances the right to be identified when their works are used in public.
- Introducing civil and criminal liability provisions relating to streaming content from unauthorized sources in devices such as set-top boxes or software applications.
- Strengthening the general “fair use exception.”
- Setting an expiry date for copyright protection of unpublished work.
- Introducing a new exception to allow copyright materials to be used for computational data analysis, eg, text, data mining and sentiment analysis.
- Introducing a new educational exception to permit schools and students of nonprofit educational institutions to use internet resources for educational purposes.
- Refining and introducing new exceptions to permit cultural heritage institutions to carry out activities relating to their work, eg, copying for administrative purposes, among others.
- Granting creators default ownership of all types of commissioned works, except for employee-created content where the employer is the default owner of content created by employee during the course of employment.
- Introducing new equitable remunerations rights when commercially published sound recordings are broadcasted or publicly performed.
- Refining existing exceptions for print-disabled users.
- Introducing new offenses relating to the sale of devices which facilitate access to copyright infringing works.

Any artistic work which is applied to a product and industrially produced does not fall under the protection of the Copyright Act 2021 and instead falls under the Registered Designs Act 2000.

Duration of right

The duration of copyright varies according to the type of work concerned. Generally, copyright in a literary, dramatic, musical or artistic work shall be effective for 70 years from the end of the year in which the author died. Copyright in published editions of literary, dramatic, musical or artistic works shall be effective for 25 years from when the edition was first published. Copyright for sound recordings and films shall be effective for 70 years from the end of the year in which the sound recording or film was first published. Copyright for broadcastings and cable programs shall be effective for 50 years from the end of the year of making the broadcast or cable program. Copyright in performances shall be effective for 70 years from the end of the year of the performance.

Ownership / licenses

Under the Copyright Act 2021, the creator is the default copyright owner and owns all commissioned work with the exception of employee-created works, ie, if an employee creates a work according to the terms of their employment contract in the course of employment, the employer will own the copyright by default. However, the parties can vary this default ownership position by written agreement. In the case of a journalist working for a newspaper or magazine, the owner of the newspaper or magazine owns the copyright of the publication in any newspaper or magazine but the employee owns the remaining rights that make up the copyright bundle of exclusive rights.

Copyright owners may transfer their rights to other parties either partially or wholly. They may also license their copyrights either partially or wholly. Future copyrights for a work that has yet to be produced can also be licensed. The license can be exclusive or non-exclusive.

In Singapore, there are collective management organizations (CMOs) which manage the rights of rightsholders in their copyright works. Such entities negotiate, grant and administer licenses on behalf of the rightsholders and also collect and distribute royalties. Following public consultation from November 2022 to January 2023, the Ministry of Law and the IPOS published on October 31, 2023 the subsidiary legislation for a new CMO class licensing scheme, which will take effect from May 1, 2024. All CMOs will be automatically licensed under this CMO class licensing scheme and must comply with the class licence conditions pursuant to Part 9 of the Copyright Act 2021.

Remedies for infringement

Copyright infringement occurs when one of the copyright owner's exclusive rights are violated (i.e., when another party copies, distributes, performs, or displays all or part of a copyright work without the permission of the copyright owner). To establish copyright infringement, a copyright owner must establish ownership of copyright and that the person has copied the whole or substantial part of their work.

Infringement also occurs if a person imports infringing copies for sale or distribution, sells (including distributes for trade or any other purpose to an extent that affects prejudicially the copyright owner) or lets for hire infringing copies or offers infringing copies for sale or hire by way of trade.

The owner of a copyright may bring an action for an infringement of the copyright. The types of remedies available include injunction, a monetary award (eg, damages, an account of profits, statutory damages) or an order for delivery of and disposal of the infringing copies.

Manufacture of infringing copies for sale, sale of infringing copies, possession or importation of infringing copies for trade or any other purpose to such an extent as to affect the owner prejudicially and willful infringement of copyright for the purposes of commercial advantage and/or to an extent that is significant are criminal offences, subject to fines and/or imprisonment.

MASK WORKS / TOPOGRAPHIES

Nature of right

An original layout-design is one which is both the result of the creator's own academic effort and which is not commonplace among creators and manufacturers of integrated circuits at the time it is created.

It is not necessary to file an application to protect the layout-design or file the layout-design with the IPOS. A citizen or resident of Singapore, or of a country which is a member of the WTO or a country designated by the Singapore government as a qualifying country, who owns a layout-design, gains automatic protection for the layout-design if it qualifies for protection under Singapore law.

Legal framework

In Singapore, an original layout-design can be protected under the Layout-Designs of Integrated Circuits Act 1999.

Duration of right

Any integrated circuit which is created after February 15, 1999 will be protected for 10 years if it is first used commercially within 5 years of creation. In other cases, it will be protected for 15 years from the date of its creation.

Ownership / licenses

Unless otherwise agreed, the owner of a layout-design would be the creator or, if the design was created in the course of employment or under a commission, the owner would be the employer or person who commissioned the design.

The owner of a layout-design may copy and/or commercially exploit the layout-design, as well as authorize the copying and/or the exploitation of the layout-design. Rights in a protected layout-design may be assigned or licensed and it is possible to sign an agreement assigning future rights in a layout-design that is expected to come into existence.

Remedies for infringement

Under the Layout-Designs of Integrated Circuits Act, the owner has the right to prevent the copying and commercial exploitation of an original layout-design. The owner may take whatever proceedings and seek

whatever remedies are available for any other property rights. The usual remedies are damages, injunctions and an account of profits. In addition, the court may award additional damages depending on the circumstances of the case, including the flagrancy of the infringement and any benefit obtained by the defendant by reason of the infringement.

The court may make an order for delivery up to the owner of any infringing integrated circuit or any article used to make integrated circuits in which a protected layout-design is incorporated. An order for the disposal or destruction of the infringing articles may also be awarded.

PATENTS

Nature of right

A patent is a right granted to the owner of an invention that prevents others from making, using, importing or selling the invention without their permission. For an invention to be patentable, it must be new, involve an inventive step and be capable of industrial application.

Legal framework

The protection of patents in Singapore is regulated by the Patents Act 1994. Under the Patents Act 1994, an application may be made to the Registry of Patents for the grant of a patent. Singapore acceded to the Patent Cooperation Treaty on February 23, 1995 and the Paris Convention on November 23, 1994, which came into force in Singapore on February 23, 1995.

Duration of right

Once a patent is granted, the term of the patent is 20 years from the date of filing, subject to the payment of annual renewal fees.

Ownership / licenses

Patent owners may prevent others from exploiting their inventions, use the patents to raise funds for their businesses, license the patents to 3rd parties for commercial returns or sell the patented inventions.

Patent owners interested in licensing their patents to a 3rd party may endorse such patents with a license of right (LOR) after they are granted, by way of applying for an LOR entry to be made in the Patents Register. An LOR may help a patent owner attract licensees and reduce the amount of renewal fees that are payable after the LOR entry is made.

Remedies for infringement

The patent owner and their exclusive licensee are entitled to take legal action against an infringing party. Remedies available to the patent owner and their exclusive licensee include applying for an injunction to stop the infringing action, demanding for the profits gained by the infringing party or seeking damages for the loss suffered.

TRADEMARKS

Nature of right

A trade mark is a sign used by a trader to distinguish its goods or services from those of others. Registration of a trade mark gives the owner the exclusive right to use (and to authorize others to use) the mark for the goods or services for which the mark is registered.

Legal framework

Trade mark registration in Singapore is governed by the Trade Marks Act 1998. It is not compulsory to register a trade mark in Singapore. One may also rely on rights under the common law doctrine of "passing off" to protect a trade mark.

The Singapore Treaty on the Law of Trademarks was adopted on March 27, 2006 and came into force on March 16, 2009. Singapore acceded to the Madrid Protocol on July 31, 2000, and it came into force in Singapore on October 31, 2000. This means that an entity can file a single trademark application in Singapore and extend the trademark protection to multiple jurisdictions. Similarly, trademark owners in other Madrid Protocol member jurisdictions can extend their trademark protection to Singapore.

Applicants may file trademark registration across multiple goods and services. Prior to the passing of the Intellectual Property (Amendment) Act 2022, if the trademark examiner had objections to the application in respect of some of the goods or services, these objections may hold up the whole application. However, the Intellectual Property (Amendment) Act 2022 now allows the IPOS to partially accept an application, ie, to allow registration of trademark in respect of the goods and services that have not received any objections.

Duration of right

A trade mark can last indefinitely, but an owner must renew the registration every 10 years. Protection of a registered trade mark will take effect from the date the trade mark application is filed provided the trade mark application is granted.

Ownership / licenses

The owner of a trade mark may authorize others to use their trade mark by way of license or assignment. The licensing or assignment may be granted for all or only some of the goods or services covered by trade mark registration or application.

Remedies for infringement

Remedies available to the owner of a trade mark include injunction, a monetary award (damages, an account of profits and statutory damages) and an order for erasure of the offending sign or for disposal of the infringing goods.

TRADE SECRETS

Nature of right

A trade secret is information that is important to a business or company and is not known to the public. A trade secret can include a method or technique that would give a business or company an edge over its competitors.

Not all information will be considered a trade secret. The courts will look at various factors to determine if information constitutes a trade secret, such as if the information was confidential to the business, if the information has been revealed in breach of a promise of confidence and if the information has been used in an improper way that has resulted in financial damage to the business/company.

No registration procedures are required to protect a trade secret.

Legal framework

There is no statutory regime for protection of trade secrets in Singapore. Trade secrets and confidential information are generally protected by contractual obligation between the parties and by the law of confidence under common law, which protects ideas and information that are not in the public domain, including trade secrets.

Trade secrets may also be protected by other areas of Intellectual Property and Employment Law depending on the specific facts of the case. The Computer Misuse Act 1993 may also apply where cybersecurity has been breached by a person trying to obtain another's trade secrets.

Duration of right

There is no specified time limit within which the secret may be protected.

Ownership / licenses

Information shall be owned by the business and such information will be protected as a secret from everyone except certain key individuals within the business or company and can be divulged within parameters set by these key individuals on behalf of the company.

Trade secrets can be licensed or assigned. In a trade secret licence, the licensor permits a 3rd party to use the licensor's trade secret. The licensor remains the owner of the trade secret and will be able to receive royalties from the licensee's use of the trade secrets. The ownership of a trade secret may also be assigned to another party. Once the trade secret has been assigned, it will no longer belong to the assignor who usually owes the assignee strict duties to maintain confidentiality of the trade secret.

Remedies for infringement

When a trade secret is leaked, an action may be taken for breach of confidence as a leak of the secret may be unfair to the business and may have harmful consequences. Remedies for breach of contract will be available if appropriate.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

If a trade mark, work or a design is created by an employee in the course of his or her employment, the trade mark, work or design will, in accordance with the relevant statute, be owned by default by the employer rather than the employee unless there are agreements between the employer and employee to the contrary.

It is commonplace for employers to include confidentiality clauses in employment agreements in Singapore.

Consultants / contractors

If a piece of work is commissioned, the creator will generally be the owner of the copyright (subject to the information in the [copyright section – ownership/licenses](#)), unless otherwise agreed in writing.

It is commonplace for contractors and consultants to be subject to confidentiality clauses in Singapore.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no registration requirement for contracts in Singapore.

Recognized language of commercial agreements

Generally, English is the language used in commercial agreements.

Country-specific issues for online content

All Internet Content Providers are automatically granted class licenses under the Broadcasting (Class Licence) Notification (Notification) of the Broadcasting Act 1994. They are required to comply with the Class Licence Conditions set out under the Notification and the Internet Code of Practice issued by the Infocomm Media Development Authority (IMDA).

"Internet Content Provider" is defined in the Notification as, among other things, "any corporation or group of individuals (including any association, business, club, company, society, organization or partnership, whether registrable or incorporated under the laws of Singapore or not) who provides any program on the World Wide Web through the Internet."

The Internet Code of Practice requires Internet Service Providers and Internet Content Providers to, among other things, deny access to material considered by the IMDA to be prohibited material if required to do so by IMDA. "Prohibited material" is material that is objectionable on the grounds of public interest, public morality, public order, public security or national harmony, or is otherwise prohibited by applicable Singapore laws, which includes material that glorifies, incites or endorses ethnic, racial or religious hatred, strife or intolerance.

Enforceability of online/clickwrap/shrinkwrap terms

Online/clickwrap/shrinkwrap contracts are generally enforceable in Singapore. Online transactions are regulated by the Electronic Transactions Act 2010. This sets out the legislation surrounding the formation of contracts through online and electronic means and enforceability of these contracts.

To facilitate electronic transactions for businesses and citizens in Singapore, the Electronic Transactions Act has been amended by the Electronic Transactions (Amendment) Act 2021 which came into force on March 19, 2021 – please refer to the previous section on "Commercial Contract Framework" for more information.

Governing law

The governing law and venue for resolution of disputes specified in a commercial contract will generally be accepted and recognized by the courts. It should be noted that the use of Singapore law as governing law and the Singapore International Arbitration Centre as the forum for any disputes has become increasingly common.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

The Sale of Goods Act 1979 and the Supply of Goods Act 1982 imply a number of conditions and warranties into the agreement, including, for example, implied conditions as to the seller's title to the goods and that the goods supplied under the contract are of satisfactory quality.

While it is not uncommon for a seller to disclaim warranties as to goods, where the contract for sale of goods is entered into with a consumer, disclaimers of warranties are subject to the reasonableness test under the Unfair Contract Terms Act 1977 which restricts the extent to which a seller may limit their liability in respect of their implied undertakings as to conformity of goods with description or sample, or as to their quality or fitness for a particular purpose under the Sale of Goods Act 1979.

In addition, the Consumer Protection (Fair Trading) Act 2003 will apply to consumer contracts alongside the Sale of Goods Act 1979. If the goods do not conform to the applicable contract at the time of delivery, consumers have the right to require the seller to:

- repair the goods;
- replace the goods;
- reduce the amount paid for the goods by the consumer; or
- rescind the contract of sale.

Enforceability of exclusions/limitations of liability indemnification

Exclusions and limitations of liability are common and generally enforceable in Singapore.

However, this is subject to the Unfair Contract Terms Act 1977. For example, section 2(1) of the Unfair Contract Terms Act 1977 provides that a person cannot exclude or restrict their liability for death of personal injury from negligence and section 3(2)(a) further provides that in a contract where one party is a consumer or is subject to the other party's written standard terms of business, the other party cannot exclude or restrict their liability if the other party is in breach of the contract or relies on any term to render a different kind of service from that which was reasonably expected of them (or not render any service at all), except if such an exclusion or restriction satisfies the requirement of reasonableness.

Indemnification

Express indemnity clauses in contracts are common and enforceable in Singapore. However, this is subject to the reasonableness test under section 4(1) of the Unfair Contract Terms Act 1977, which clarifies that a contract cannot require a consumer to indemnify another person (whether a party to the contract or not) for liability that may be incurred by the other party for negligence or breach of contract, unless the contract term satisfies the requirement of reasonableness.

Electronic signatures

Electronic signatures are, in most circumstances, legally recognized and enforceable in Singapore. Save for excluded matters set out in the First Schedule of the Electronic Transactions Act 2010 (such as wills, and contracts relating to land), an electronic record or signature will not be denied its legal effect, validity or enforceability solely by virtue of the signature being electronic. Where a signature is required under law, that requirement is satisfied in relation to an electronic record if a method is used to identify that person and indicate his intention in respect of the information contained therein and the method used is either:

- reliable for the purpose of the electronic record, considering all the circumstances; or
- proven in fact to have identified the person and indicate his intention in respect of the information contained therein.

Under the Amendment Act, the use of electronic records and electronic signatures (subject to certain conditions being met) for negotiable instruments, bills of lading and other transferable documents is now permitted.

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SLOVAK REPUBLIC



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

There is no complex legislative act governing intellectual property rights as objects of legal protection in the Slovak Republic. Instead, intellectual property rights are subject to national law, law of the European Union and international law.

The national regulation is divided into various specific legal acts concerning the respective object of intellectual property.

These objects may be:

- Copyright and rights related to the copyright
- Industrial rights and rights similar to the industrial rights

In addition, there are several regulations of the European Union on intellectual property which apply in the territory of the Slovak Republic as a Member State of the European Union. In addition, the directives of the European Union on intellectual property have been implemented into the legal order of the Slovak Republic. The international treaties governing the intellectual property rights, applicable in the Slovak Republic, are additionally outlined in this guide.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Not applicable for this jurisdiction.

COPYRIGHTS

Nature of right

An object of copyright shall be a work in the field of literature, art or science, which is a unique result of the creative intellectual activity of the author. Such a work must be perceptible through senses, regardless of its form, content, quality, purpose, form of expression or phase of completion. The author of a work is a natural person who created the work. The copyright arises at the time when a work is objectively expressed in a form perceptible by senses.

Copyright includes exclusive personal rights and exclusive property rights.

The author has the exclusive personal rights to decide to publish or not to publish the work, to be identified as the author and to decide on the way of such identification. The author has the right to authorship of the work. The author's work shall be protected against any unauthorized alteration or other unauthorized interference. The author cannot waive these rights. These rights are not transferable, and they cease to exist upon the author's death.

In addition, the author has the exclusive property rights to use the work and to grant consent with the use of the work to somebody else. The author also has the right to remuneration for the use of work. The use of work includes processing of the work, reproduction of the work, public dissemination of the original of the work or the copy of the work by transfer of ownership or by borrowing or making the work available to the public. Use of the work also means making the work available for social, educational, scientific, cultural and official purposes as well as use by an online content sharing service provider. The author, as the licensor, grants such consent to the licensee in the license agreement. Author's property rights do not expire by granting consent with the use of the work. However, the author is obliged to tolerate the use of the work by licensee within the scope of the granted consent.

If 2 or more authors have created a single work in such a way that it is not possible to distinguish their individual creative contributions, they are considered co-authors. In such a case, the personal and property rights shall belong to all co-authors jointly and severally unless the co-authors have agreed otherwise in writing.

As regards the rights related to the copyright, these are:

- The rights of a performing artist (eg, a singer, musician, conductor, actor or dancer)
- The rights of a producer of a sound record
- The rights of a producer of an audiovisual record
- The rights of a broadcaster
- The rights of a periodical publisher

The rights of the author of the database and the contractor of the database.

The general provisions relating to the copyright shall apply accordingly to these specific authors of works.

Legal framework

The copyright is governed by Slovak Act No. 185/2015 Coll., the Copyright Act, as amended (Copyright Act). In addition to the Copyright Act, the Slovak Act No. 40/1964 Coll., the Civil Code, as amended (Civil Code) is

applicable as the general regulation. For criminal sanctions resulting from the infringement of the copyright, the Slovak Act No. 300/2005 Coll., the Criminal Code, as amended (Criminal Code) shall apply. Slovak Republic is signatory of several international agreements as well, including:

- Berne Convention for the Protection of Literary and Artistic Works
- WIPO Copyright Treaty, Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations
- Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms

Duration of right

The copyright exists from the moment the work is objectively expressed in a way perceptible by the senses. No registration is required. The duration of a copyright depends on the fact whether the exclusive personal rights or the exclusive property rights are concerned.

The exclusive personal rights are not transferable, and they cease to exist upon the author's death.

The property rights last from the moment of the creation of the work during the life of the author and 70 years after their death.

In the case of the co-author's work, the property rights last throughout the life of the co-author who lives the longest and 70 years after their death.

With respect to the rights related to the copyright, the duration of the property rights to the work is limited to 50 years.

Ownership / licenses

The author as licensor may grant to a licensee the permission to use the work upon the license agreement. The license agreement contains, in particular, the way of using the work, scope of the license, duration of the license and remuneration. However, the author may agree to grant a free license to a licensee.

Remedies for infringement

The Copyright Act does not specify the amount of damages which the author may claim towards the infringing party. With respect to damages of the author whose rights are unlawfully interfered with or threatened, the Copyright Act only determines that such an author may claim compensation of non-pecuniary damage (including financial compensation), damages and unjust enrichment towards such infringer.

However, pursuant to the Civil Code, in the case of a breach or threat of an intellectual property right which may be the object of a license agreement (such as copyright), the amount of damages shall be at least equal to the remuneration for a license granted at the time of unauthorized interference with the right.

The author may seek the prohibition of the threat to their copyright and the prohibition of the unauthorized interference with their copyright.

In addition, criminal sanctions pursuant to the Criminal Code shall apply.

MASK WORKS / TOPOGRAPHIES

Nature of right

Topography shall mean a series of fixed or coded mutually related images representing the 3-dimensional layers which the semiconductor product is composed of with each scheme representing the pattern or the part of the pattern of the surface of a semiconductor product in any stage of its production.

Semiconductor product shall mean a microelectronic product in the final form or in the intermediate form which is exclusively or in combination with other functions determined to fulfill an electronic function. It consists of a body containing a layer of semiconducting material and has 1 or more layers composed of conductive, insulating or semiconducting material in a predetermined 3-dimensional arrangement.

The right to protection of the topography belongs to its inventor unless otherwise specified. The inventor is the person who created the topography by their own creative intellectual activity.

Legal framework

The topography as the object of the legal protection is defined in the Slovak Act No. 146/2000 Coll. on Protection of Topographies of Semiconductor Products, as amended (Act on Topography). The Act on Topography provides protection to topography which is the result of the creative intellectual activity of the creator and which is not common in the semiconductor product industry. In order to obtain the protection of the owner of the topography, the creator shall submit the application for the registration of the topography to the Industrial Property Office.

In addition to Act on Topography, the Slovak Act No. 513/1991 Coll., the Commercial Code, as amended (Commercial Code) and the Civil Code shall apply as the general regulation.

Duration of right

The duration of protection of topography shall exist as of the date:

- The topography is commercially exploited, if the application for the registration has been filed no later than 2 years after such commercial exploitation
- The application for registration is filed

Protection of the topography shall expire after 10 years from the end of the calendar year in which the topography protection was granted.

However, the right to protection of the topography shall expire after 15 years as of the date of its 1st fixation or coding if the topography has not been exploited commercially or if an application for registration has not been submitted to the Industrial Property Office.

Ownership / licenses

The owner of the topography is considered the natural or legal person registered in the register of the Industrial Property Office. The joint ownership of a topography is allowed and governed by the Civil Code.

The owner may grant another person a license to their topography. A license shall have legal effects towards 3rd parties upon registration in the register of the Industrial Property Office.

Remedies for infringement

In the case of an unauthorized interference with the rights, the owner of a topography is entitled mainly to seek prohibition of unlawful interference of the rights or threats to the rights and removal of the consequences of such interference. If, due to such interference with the owner's rights, any damage has been caused, the owner shall have the right to damages including loss of profits. If non-pecuniary damage has occurred, the owner has the right to reasonable compensation, including financial compensation. Right to unjust enrichment is not affected.

Pursuant to the Civil Code, in the case of a breach or threat of an intellectual property right which may be the object of a license agreement (such as topography), the amount of damages shall be at least equal to the remuneration for a license granted at the time of unauthorized interference with the right.

In addition, criminal sanctions pursuant to the Criminal Code shall apply.

PATENTS

Nature of right

The owner of a patent has the exclusive right to use the invention, to grant consent to the use of the invention, to transfer the patent to another person or to pledge the patent as collateral.

Legal framework

Legal protection of patents is regulated by the Slovak Act No. 435/2001 Coll. on patents, as amended (Patent Act). Slovak Republic is signatory to several international agreements regarding patents:

- Patent Cooperation Treaty
- Paris Convention
- Strasbourg Agreement Concerning the International Patent Classification
- Patent Law Treaty

- European Patent Convention
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure

Duration of right

The patent is valid for 20 years from the date of filing the application.

Ownership / licenses

The owner of a patent is the natural or legal person registered in the register of the Industrial Property Office as the owner. The joint ownership of a patent is allowed. The Industrial Property Office will register a co-owner upon an application accompanied by a written agreement concluded between the owner or co-owners of a patent and the person who has the right to invention.

The owner may grant another person a license to their patent upon the conclusion of the license agreement. A license shall have legal effects towards 3rd parties upon registration in the register of the Industrial Property Office.

Under the Patent Act, if the employee creates the patent within the employment relationship, the employer has the right to register the patent with the Industrial Property Office.

Remedies for infringement

In the case of an unauthorized interference with the rights, the owner of a patent is entitled mainly to seek prohibition of unlawful interferences of the rights or threats to the rights and removal of the consequences of such interferences. If, due to such interference with the owner's rights, any damage has been caused, the owner shall have the right to damages including loss of profits. If non-pecuniary damage has occurred, the owner has the right to reasonable compensation, including financial compensation. Right to unjust enrichment is not affected.

The right to remuneration of damages as well as loss of profits shall become statute-barred 3 years after the date on which the owner of the patent becomes aware of the caused damage or non-pecuniary damage and who is responsible for it. Pursuant to the Civil Code, in the case of a breach or a threat of an intellectual property right which may be the object of a license agreement (such as a patent), the amount of damages shall be at least equal to the remuneration for a license granted at the time of unauthorized interference with the right.

In addition, criminal sanctions pursuant to the Criminal Code shall apply.

TRADEMARKS

Nature of right

A trademark may consist of any sign – in particular, words, including personal names, letters, figures, drawings, shape of goods or their packaging or sounds, if such designation is capable of distinguishing goods or services of

one person from goods or services of another person and of expressing in the Register of the Industrial Property Office in a way which enables the competent authorities and the public to clearly determine the subject matter of the protection.

Legal framework

The Slovak Act No. 506/2009 Coll. on trademarks, as amended (Act on Trademarks) governs the rights and obligations relating to the legal protection of national trademarks and trademark proceedings in front of the Industrial Property Office of the Slovak Republic (Industrial Property Office).

Slovakia, as a member of the European Union, implemented EU directives on the trademarks into the Act on Trademarks. Therefore, the registration of an EU trademark in the EU register has the same effect in the territory of the Slovak Republic as if the trademark was registered in the Slovak register of trademarks. The Slovak Republic is signatory of several international agreements as well, including:

- Paris Convention
- Madrid Agreement
- Nice Agreement
- Trademark Law Treaty

Duration of right

The registration of a trademark is valid for 10 years from the filing date of the application. On the basis of a request, the Industrial Property Office will renew the validity of the trademark registration for the next 10 years.

Pursuant to amended Act on Trademarks effective as of January 14, 2019, if, during a period of 5 years from the date of registration of the trademark, the owner has not actually commenced use of the trademark in connection with the goods or services for which it is registered or where such use has been interrupted for a continuous period of 5 years, the Industrial Property Office may, upon basis of the submission of a 3rd party, either cancel or declare the trademark invalid. However, this does not apply if the owner has had a legitimate reason for not using the trademark.

Ownership / licenses

The owner is a legal or natural person registered in the trademark register of the Industrial Property Office. The joint ownership of a trademark is allowed and governed by the Civil Code and the Act on Trademarks.

The trademark owner has the exclusive right to use the trademark in connection with the goods or services for which it is registered. The owner is entitled to use the sign ® together with the trademark. The owner may grant another person a license to their trademark. A license shall have legal effects towards 3rd parties upon registration in the register of the Industrial Property Office.

Remedies for infringement

In the case of an unauthorized interference with the rights, the owner of a trademark is entitled mainly to seek prohibition of unlawful interference of the rights or threats to the rights and removal of the consequences of such interference. If, due to such interference with the owner's rights, any damage has been caused, the owner shall have the right to damages including loss of profits. If non-pecuniary damage has occurred, the owner has the right to reasonable compensation, including financial compensation. Right to unjust enrichment is not affected.

Pursuant to the Civil Code, in the case of a breach or threat of an intellectual property right that may be the subject of a license agreement (such as a trademark), the amount of damages shall be at least equal to the remuneration for a license granted at the time of unauthorized interference with the right.

In addition, criminal sanctions pursuant to the Criminal Code shall apply.

TRADE SECRETS

Nature of right

One of the rights belonging to an enterprise involves a trade (ie, business) secret. A business secret comprises all the facts of a commercial, manufacturing and technical nature related to the enterprise that have actual or at least potential value, are not readily available in the respective business circles and are to be kept confidential upon the will of the owner of the business secret; the owner of the business secret shall provide for the adequate protection of the business secret.

Legal framework

Business secret is regulated by the Commercial Code.

Duration of right

The duration of the right to a business secret depends on the fulfillment of its defining criteria. Thus, as long as a piece of information fulfills the defining criteria for a business secret, it shall be protected as a business secret.

Ownership / licenses

The owner of a business secret is a natural or legal person who lawfully handles the business secret which is related to an enterprise undertaken by this person within their entrepreneurship. This person has, in general, the exclusive right to handle this business secret, especially to grant a permission to its use and set conditions for its use.

Remedies for infringement

The owner of a business secret is legally protected from any interference or threat to their rights related to business secrets.

OTHER KEY IP RIGHTS

Nature of right

Utility models

Utility models shall mean a protection of new technical solutions that have been created through inventive activity in any field of technology. A technical solution is capable of being protected as a utility model if it is new, if it is a result of inventive activity and if it is industrially usable. Certain objects are not capable of being protected as utility models, such as:

- Discoveries, scientific theories and mathematical methods
- Aesthetic creations
- Plans, rules and methods of performing intellectual activity, games or business activity
- Computer programs
- Pure statement of information

Designs

A design is an external layout of a product or its part that consists of elements which are, predominantly, lines, contours, colors, shapes, structures or materials of the particular product or its decoration. A product is any material thing made in an industrial or crafted way, together with a package, a layout, graphical symbols, topographical symbols or parts that are intended to be used for compilation of a composite product, apart from computer programs.

A design shall be capable of being protected if it is new and if it possesses a distinctive character.

Legal framework

Utility models

The utility models as the object of the legal protection are defined by the Slovak Act No. 517/2007 Coll. on utility models, as amended (Act on Utility Models). The application for utility model and its requirements is further regulated by the Decree of the Industrial Property Office of the Slovak Republic No. 1/2008 Coll., which implements the Act on Utility Models. In order for the Industrial Property Office to grant the protection to a utility model, it is necessary to submit a utility model application to the Industrial Property Office, which will register the utility model when the conditions for its registration are fulfilled.

Designs

Designs are regulated in the Slovak Act No. 444/2002 Coll. on designs, as amended (Act on Designs). The application for design and its requirements is further regulated by the Decree of the Industrial Property Office of the Slovak Republic No. 629/2002, which implements the Act on Designs.

Duration of right

Utility models

The protection of a utility model is valid for 4 years from the date of filing of the application. The protection may be extended upon request of the owner of the utility model up to 2 times, each time for 3 years.

Designs

The protection of a design is valid for 5 years from the date of filing of the application. The protection can be extended upon request of the owner of the design up to 4 times, each time for 5 years (the overall time of protection being a maximum of 25 years).

Ownership / licenses

Utility models

The owner of a utility model is the natural or legal person registered in the register of the Industrial Property Office as the owner. The joint ownership of a utility model is allowed. The Industrial Property Office will register a co-owner upon an application accompanied by a written agreement concluded between the owner or co-owners of a utility model and the person who has the right to solution.

The owner may grant another person a license to their utility model. A license shall have legal effects towards 3rd parties upon registration in the register of the Industrial Property Office.

Designs

The owner of a design is a natural or legal person registered in the register of the Industrial Property Office as the owner. The joint ownership of a design is allowed. The Industrial Property Office will register a co-owner upon an application accompanied by a written agreement concluded between the owner or co-owners of a design and the person who has the right to design.

The owner may grant another person a license to their design. The license shall have legal effects towards 3rd parties upon registration in the register of the Industrial Property Office.

Remedies for infringement

Utility models

In the case of an unauthorized interference with the rights, the owner of a utility model is entitled mainly to seek prohibition of unlawful interference of the rights or threats to the rights and removal of the consequences of such interference. If, due to such interference with the owner's rights, any damage has been caused, the owner shall have the right to damages including loss of profits. If non-pecuniary damage has occurred, the owner has the right to reasonable compensation, including financial compensation. Right to unjust enrichment is not affected. Pursuant to the Civil Code, in the case of a threat or a breach of an intellectual property right which may be the object of a license agreement (such as a utility model), the amount of damages shall be at least equal to the remuneration for a license granted at the time of the unauthorized interference with the right.

In addition, criminal sanctions pursuant to the Criminal Code shall apply.

Designs

In the case of an unauthorized interference with the rights, the owner of a design is entitled mainly to seek prohibition of unlawful interference of the rights or threats to the rights and removal of the consequences of such interference. If, due to such interference with the owner's rights, any damage has been caused, the owner shall have the right to damages including loss of profits. If non-pecuniary damage has occurred, the owner has the right to reasonable compensation, including financial compensation. Right to unjust enrichment is not affected.

Pursuant to the Civil Code, in the case of a threat or a breach of an intellectual property right which may be the object of a license agreement (such as design), the amount of damages shall be at least equal to the remuneration for a license granted at the time of the unauthorized interference with the right.

In addition, criminal sanctions pursuant to the Criminal Code shall apply.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Under the Copyright Act, works created for the fulfillment of duties under employment contracts or similar contracts are considered employee works. The same applies to works created by authors who are members of managing, controlling or supervisory bodies of a legal entity, or a statutory body or member of a statutory body of a legal entity. Property rights to employment works are exercised by employers, unless otherwise agreed. If property rights are exercised by employers, employees cannot license the works to a 3rd person; employees as authors shall not exercise property rights to the works themselves. Employers are entitled to license property rights to a 3rd person, unless otherwise agreed.

If property rights are exercised by employers, employees as authors automatically give their consent to publish the works; to use employers' label on the works; or to change, intervene with or finish the works.

Similarly, these provisions are applicable to computer programs, databases and cartographic works created on contract.

Under the Patent Act, inventions created within the fulfillment of employment contracts are considered employment inventions. The right belongs to employers, unless otherwise agreed. The right of the employee to be recognized as the inventor of the invention is not precluded. Employees as inventors shall inform employers about inventions in writing and deliver all the materials necessary for evaluation of the invention. Employers may exercise their rights to the invention within 3 months; otherwise, the rights are transferred to employees. If employers exercise their rights, employees are entitled to a remuneration.

Employment solutions under the Act on Utility Models are regulated in a similar manner as employment inventions under the Patent Act described above.

Employment designs under the Act on Designs are regulated in a similar manner as employment inventions under the Patent Act described above.

Under the Act on Topography, if topographies are created within the fulfillment of duties under the employment contract or other contract, the rights belong to employers or entitled contractual parties, unless otherwise agreed.

Consultants / contractors

Under the Copyright Act, contractual works are works created by authors based on contracts for work. If authors create contractual works, they grant their consent to use the works for the purpose arising from the contracts, unless otherwise agreed. Use for another purpose requires the consent of authors, unless otherwise stated in the Copyright Act. Authors are entitled to use the work by themselves as well as to license it, unless otherwise agreed and unless it is in conflict with customers' legitimate interests. These provisions are not applicable for audiovisual works.

Under the Act on Topography, if topographies are created within the fulfillment of duties under a contract, the rights belong to entitled contractual parties, unless otherwise agreed.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

The registration of license agreements related to an object of the industrial rights may be required by a specific regulation. For example, pursuant to the Patent Act, a license agreement shall have legal effects towards 3rd parties from the date of registration by the Industrial Property Office. However, even if the registration has not been conducted, the license agreement should still have legal effect between licensor and licensee.

Recognized language of commercial agreements

Slovak language is the official language in the Slovak Republic. However, in general, commercial agreements may be concluded in a foreign language.

Country-specific issues for online content

Not applicable for this jurisdiction.

Enforceability of online/clickwrap/shrinkwrap terms

Not applicable for this jurisdiction.

Governing law

Choice of governing law and choice of forum for resolution of disputes specified in a commercial contract are generally accepted and recognized by courts. In the absence of a specification in contract, rules under the Slovak Act No. 97/1963 Coll. on International Private and Procedural Law, as amended, Regulation No. 593/2008 (Rome I) and Regulation No. 1215/2012 (Brussels I) shall apply.

If specified by the parties in the contract, alternative dispute resolution procedure, such as mediation or arbitration, is also generally possible.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Not applicable for this jurisdiction.

Enforceability of exclusions/limitations of liability indemnification

Not applicable for this jurisdiction.

Indemnification

Not applicable for this jurisdiction.

Electronic signatures

Under Slovak Act No. 272/2016 Coll. on Trust Services for Electronic Transactions in the Internal Market (Trust Services Act), as amended, a qualified electronic signature is an advanced electronic signature that is created by a qualified electronic signature creation device and which is based on a qualified certificate for electronic signatures.

With a qualified electronic signature, it is possible to electronically carry out legal acts, which require a written form (ie, such electronic signature in this case replaces the written form of a handwritten signature). Due to this, its usage is necessary in some acts performed within the communication with public authorities and the commercial sector.

Qualified electronic signature of an electronic document secures:

- Authenticity (ie, the identity of the subject creating the signature may be unambiguously verified)
- Integrity (ie, it can be demonstrated that, after the signing the document, there was no intentional or unintentional change in the content of the document as it was at the time of signing the document)
- Indisputability (ie, the author cannot claim that they did not create the signature of the electronic document)

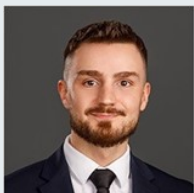
Slovak Act No. 305/2013 Coll. on the Electronic Form of Governance Conducted by Public Authorities (Act on e-Government), as amended, stipulates that, if a legal act is performed under the law in an electronic form or if a special regulation requires a handwritten signature, the person who is not a public authority shall carry out the authorization of such legal act by means of a qualified electronic signature.

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SOUTH KOREA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights are governed by various Korean intellectual property statutes, including the Patent Act (PA), the Copyright Act (CA), the Utility Model Act, the Trademark Act (TMA), the Design Protection Act, the Unfair Competition Prevention and Trade Secret Protection Act (UCPA) and the Semiconductor Chip Act (SCA).

COMMERCIAL CONTRACT FRAMEWORK

Overview

The Civil Code, the Commercial Code (KCC) and the Standard Terms Control Act (STCA) are the primary statutes that govern private and commercial contracts. The Monopoly Regulation and Fair Trade Act (FTA) is relevant to antitrust laws, and there are industry-specific regulations that may be applicable to contracts in particular industries.

Commercial contracts with national and local government agencies are subject to additional laws and governmental regulations, which can include, among other matters, specific bidding requirements as well as a grant of intellectual property rights to the government by default.

COPYRIGHTS

Nature of right

Copyright protection arises upon creation of an original copyright work without any formality.

Copyright registration is not a prerequisite for copyright protection or enforcement, although it provides certain statutory presumptions that give advantages in enforcement. Protection under the CA applies to any creative work that expresses ideas or sentiments of mankind.

The copyright holder who has the right to reproduce and distribute a work (initially, the author) may license or assign the right of publication to a person who intends to publish the work (whether in writing or drawing).

Legal framework

Copyrights are governed by the CA. Korea has also acceded to the Universal Copyright Conventions, the Berne Convention, the Rome Convention, the Geneva Phonograms Convention, the GATT, the TRIPS Agreement, the WIPO Copyright Treaty, and the WIPO Performances and Phonograms Treaty.

Duration of right

An individual author can enjoy copyright protection for 70 years after their death (an individual author of a cinematographic work can enjoy copyright protection for 70 years from the date of its publication), and the copyright protection term for a work made for hire is 70 years after the date of its publication.

Ownership / licenses

The CA recognizes an author's moral rights as well as economic rights. The moral rights are in principle inalienable. Joint ownership of copyrights is recognized. To exercise copyright in a jointly owned work, consent from all joint owners is required. Non-exclusive licenses are available. An exclusive right against 3rd parties is recognized only for the right of publication (including publication rights for computer programs).

Remedies for infringement

Remedies available for infringement are:

- Criminal action
- Preliminary injunction
- Permanent injunction
- Damages

Under the CA, infringement of a copyright is punishable by imprisonment of up to 5 years and/or a fine of up to KRW50 million (USD37,000), as determined based on the particulars of each case.

In addition, the CA also provides for imprisonment of up to 3 years or a fine of up to KRW30 million (USD22,000) if:

- A claimant uses the information on an infringer that has been received from an online service provider for purposes other than the intended purpose of pursuing a legal action against the infringer.
- A person manufactures or distributes equipment that descrambles or decodes encrypted broadcast signals.
- A person forges copyright labels to be attached to a work (eg, a DVD) or transacts labels beyond the permitted scope.

- A person emits signals to a 3rd party without legitimate authority before the work is broadcast.

In addition, a person who watches, listens to or transmits illegally descrambled broadcast signals or records or publicly transmits a cinematographic work on video tape without receiving proper permission from the copyright holder will also face up to 1 year imprisonment or a fine of up to KRW10 million (USD7,000).

The CA generally provides copyright holders with the ability to claim for damages and the right to demand restoration of reputation, depending on what may be appropriate given the nature of infringement.

The CA introduces a system of statutory damages, which takes into account the difficulty in assessing the amount of actual damages suffered as a result of copyright infringement. Under this system, a copyright holder may now claim up to KRW10 million (USD7,000) in statutory damages (or KRW50 million – or USD37,000 – for intentional copyright infringement for profit) for each copyrighted work.

Another alternative is to seek administrative remedies through the Ministry of Culture, Sports and Tourism, which grants to certain government officials the authority to confiscate and destroy any illegal or unauthorized reproduction of copyrighted works. The officials may also order the infringer to delete any illegal or unauthorized reproduction online.

MASK WORKS / TOPOGRAPHIES

Nature of right

The SCA defines a protectable layout-design as a plane or 3-dimensional design of circuit elements and wires connecting those elements such that the design could be used in manufacturing an integrated circuit topography. Registration is necessary for protection under the SCA. If the registered layout-design lacks creativity, it may be cancelled.

Legal framework

Circuit layout-design protection is governed by the SCA.

Duration of right

The term is 10 years from the date of registration. However, the term shall not exceed 10 years from the date when the registered layout was first used for commercial purposes or 15 years from the date when the registered design was created.

Ownership / licenses

Joint ownership of layout-design rights is recognized. Both exclusive and non-exclusive licenses are available.

Remedies for infringement

A person who infringes the layout-design right or exclusive license is subject to imprisonment for a term of up to 3 years and/or a fine of up to KRW30 million (USD22,000). This offense may be prosecuted only upon filing of a criminal complaint by the holder of a layout-design right.

A preliminary or permanent injunction may be sought against infringers of the layout-design right. Compensation for damages may also be sought in a civil action.

PATENTS

Nature of right

Patents are examined and granted by the Korean Intellectual Property Office (KIPO). A patent may be granted for a new and industrially applicable invention. The industrial applicability requirement is often discussed when an invention is directed to the treatment of humans or involve the human body as an indispensable element, such as surgical methods and methods of treatment of humans.

Inventions that are likely to injure public order, morality or public health are unpatentable in Korea.

Further, under the PA, technical information made public through the Internet may be also regarded as prior art.

Legal framework

The legislation governing registered patents is the PA.

Duration of right

Under the PA, the term of a patent is 20 years from the filing date of the application.

For a patent application filed on or after March 15, 2012, the term may be extended to compensate for unreasonable delays during the prosecution of the application, where the delay is caused by KIPO.

If the registration of a patent is delayed for more than 4 years from the filing date of the application or more than 3 years from the request for examination, whichever is later, the patent term can be extended for a period equal to the delay occurred. Any delays attributable to the applicant will not be included in the patent term adjustment period. The above patent term adjustment is not automatically granted by KIPO and may be awarded only upon a petition by the applicant within 3 months from the registration date of a patent.

Ownership / licenses

Joint ownership of patents is recognized. Both exclusive and non-exclusive licenses are available.

Remedies for infringement

The remedies available for infringement are:

- Criminal sanction (quite rare)
- Preliminary injunction
- Permanent injunction

- Damages

Under the amended PA which became effective on July 9, 2019, courts are authorized to award damages as a punitive measure of up to 3 times the amount of actual damages for intentional or willful acts of patent infringement.

TRADEMARKS

Nature of right

A trademark is broadly defined as any type of mark that functions to distinguish one's goods from others, regardless of its construction or its representation, including a symbol, character, sound, scent, 3-dimensional shape, hologram, motion, single color or any combination thereof.

A service mark is a mark that is used by a person who carries on a service business to distinguish such business from those of others. Except as otherwise expressly provided for under the TMA, the provisions under the TMA relating to trademarks shall apply to service marks as well.

Rights in a trademark based on prior use are only minimally protected, with the exception of "well-known" trademarks. The owner of a well-known, unregistered trademark may prevent others from using or registering a similar mark or may bring an invalidation action against such a registration.

As it may be difficult to establish the well-known status of a trademark, registration of trademarks is highly advisable to secure protection.

Trade dress of a service provider is now protected under the UCPA. Examples of such trade dress are as follows: the manner in which goods are offered for sale or services are provided and the overall appearance of the place where the service is provided, such as signboards, and external and interior design.

The amended UCPA which took effect on July 18, 2018 introduced a new provision prohibiting unfair competition in connection with "idea theft" – the unfair use of the ideas of another with economic value that has been obtained as part of a business negotiation or transaction.

Legal framework

Protection of trademarks is governed by the TMA and the UCPA.

Duration of right

The term of protection is 10 years from registration, renewable indefinitely as long as the prescribed fees are paid.

Ownership / licenses

Joint ownership of trademarks is recognized. Both exclusive and non-exclusive licenses are available.

Remedies for infringement

The remedies available for infringement are:

- Criminal sanction
- Preliminary injunction
- Permanent injunction
- Damages

Under the amended TMA which became effective on October 20, 2020, courts are authorized to award damages as a punitive measure of up to 3 times the amount of actual damages for intentional or willful acts of trademark infringement.

TRADE SECRETS

Nature of right

The UCPA defines "trade secret" to mean information of a technical or managerial nature that can be used in business activities (including production or marketing methods), is generally unknown to the public, possesses independent economic value, and the secrecy of which is managed. Under the amendment to the UCPA which took effect on July 9, 2019, the reasonable effort requirement was deleted and as long as secrecy is simply maintained, the secrecy requirement will be considered met without reference to the "effort" of maintenance at all.

The UCPA defines infringement of a trade secret to include the following:

- Acquiring a trade secret through larceny, embezzlement, coercion or other improper methods (ie, an illegal acquisition), or subsequently using or revealing an acquired trade secret (including the revelation of the trade secret to certain people while generally maintaining the confidentiality of the trade secret).
- Acquiring a trade secret knowing (or being grossly negligent in not knowing) that it was the subject of illegal acquisition, or subsequently using or revealing a trade secret so acquired.
- Using or revealing a trade secret having learned (or being grossly negligent in not learning) subsequent to the acquisition of the trade secret that it was the subject of an illegal acquisition.
- Using or revealing a trade secret in breach of a contractual or other obligation to maintain that trade secret for purposes of acquiring an improper benefit or harming the owner of the trade secret.
- Acquiring a trade secret knowing (or being grossly negligent in not knowing) that the trade secret had been revealed in the manner set out above, or that the trade secret had otherwise been the subject of such revelation, or subsequently using or revealing a trade secret so acquired.
- Using or revealing a trade secret having learned (or being grossly negligent in not learning) subsequent to the acquisition of the trade secret that the trade secret had been revealed in the manner set out above, or that the trade secret had otherwise been the subject of such revelation.

Under the amended UCPA which became effective on July 9, 2019, courts are authorized to award damages as a punitive measure of up to 3 times the amount of actual damages for intentional or willful acts of trade secret misappropriation.

Legal framework

Trade secrets are protected by the UCPA, the Act on Protection and Prevention of Disclosure of Industrial Technology (Industrial Technology Act), and the Act on Special Measures for Strengthening the Competitiveness of and Protecting National High-Tech Strategic Industries (National High-tech Strategic Industries Act) in Korea.

Duration of right

The term of protection is potentially perpetual as long as the prescribed definition is met.

Ownership / licenses

Joint ownership is possible. Trade secret (know-how) licenses are enforceable.

Remedies for infringement

Trade secret misappropriation in violation of the UCPA is punishable by up to 10 years of imprisonment or a fine of up to KRW500 million; provided, however, if 10 times the pecuniary amount gained from such acts exceeds KRW500 million, the fine will be at least 2 times (not to exceed 10 times) the gain. The penalty is aggravated in case the trade secret is used overseas or disclosed to a 3rd party knowing that such trade secret will be used overseas (maximum 15 years of imprisonment, the fine is up to KRW1.5 billion – or USD1.1 million – subject to the same proviso as above). In addition, the employer (ie, company or an individual) of an employee who committed acts in violation of the law is vicariously liable unless the employer can prove that they were not negligent in preventing such act.

Under the amended Industrial Technology Act which became effective on February 21, 2020, criminal sanctions regarding misappropriation of industrial technology became stronger. A person who commits illegal use or disclosure of industrial technology shall be punished by imprisonment of up to 10 years or by a fine of up to KRW1 billion (USD 700,000). However, in case any of the such acts are committed to "use the industrial technology overseas" or "with the purpose of using the industrial technology overseas," the penalty is increased to imprisonment of up to 15 years or by a fine of up to KRW1.5 billion (USD1.1 million); provided, however, if the industrial technology is a "national core technology," which is a technology having high technological and economical values in the Korean and overseas markets or high growth potential to its related industries and being feared to exert a significantly adverse effect on the national security and the development of the national economy in the event that it is divulged abroad, the penalty becomes more severe as imprisonment of 3 years or more with a fine up to KRW1.5 billion (USD1.1 million). As under the UCPA, the employer (ie, company or an individual) of an employee who committed acts in violation of the law is vicariously liable unless the employer can prove that they were not negligent in failing to prevent such act.

Korea also implemented the National High-Tech Strategic Industries Act to protect so-called "National High-Tech Strategic Technologies" on August 4, 2022. On June 2, 2023, Korea designated and announced specific types of National High-Tech Strategic Technologies that are eligible for the protection under the National High-Tech Strategic Industries Act. Under the National High-Tech Strategic Industries Act, criminal sanctions regarding

misappropriation of National High-Tech Strategic Technology became even stronger. A person who commits illegal acquisition, use or disclosure of National High-Tech Strategic Technology shall be punished by imprisonment of up to 15 years or by a fine of up to KRW1.5 billion (about USD1.1 million). However, in case any of such acts are committed to "use the National High-Tech Strategic Technology overseas" or "with the purpose of using the National High-Tech Strategic Technology overseas," the criminal penalty is increased to imprisonment for not less than 5 years with a fine of up to KRW2 billion (about USD1.5 million). Unlike the UCPA and Industrial Technology Act, the National High-Tech Strategic Industries Act does not have a vicarious liability provision.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

In Korea, the right to a patent belongs to the inventor or their successor in title. The right to a patent may be transferred by assignment, in whole or in part. An inventor has the right to be identified in a patent application. Conversely, the applicant for a patent application need not be the inventor, as the right to a patent may be transferred before the filing of the application, for example, by contract or inheritance.

The Invention Promotion Act (IPA) defines a "work for hire" invention as an invention that results from:

- Present or past duties of the employee
- Being within the scope of the employer's business

Unless otherwise stipulated, the ownership of a "work for hire" invention belongs to the inventor-employee. In the meantime, the employer is given a royalty-free and non-exclusive license (often called "shop right") to use the invention if the employee is a small or medium sized entity defined under the Small or Medium Sized Entity Framework Act (SME). In order for an employer that is not an SME to receive a non-exclusive license, the employer must have a contract or employment regulation where the employee agrees to assign the "work for hire" inventions to the employer in advance and which has to be executed or adopted after consultation with the employee.

In this regard, the employee must report the completion of the works made for hire to their employer (when 2 or more employee-inventors contributed to the invention, all of the employee-inventors must report together). The employer must notify in writing whether it plans to succeed the works made for hire or not within 4 months from the above invention completion report by the employee. The right to the invention is deemed to be transferred to the employer as soon as the timely written notice is provided to the inventor-employee. However, if the employer fails to make such notification in writing, the works made for hire are deemed as free inventions to the employer. The National Assembly of Korea passed a bill to revise the IPA on January 9, 2024, which will come into effect 6 months after the date of promulgation. Under the revised IPA, if the employer has a contract or employment regulation where the employee agrees to assign the "work for hire" invention to the employer in advance adopted after consultation with the employee, the ownership rights to the employee invention are automatically assigned to the employer at the time when the invention is completed. As an exception, the employer is required to notify the employee within 4 months from the receipt of the invention disclosure only when the employer decides not to acquire ownership to the "work for hire" invention.

The employee is entitled to "reasonable compensation" for any "work for hire" invention acquired by the employer. Further, the IPA provides several factors for determining "reasonableness" of the compensation:

- The employer is required to adopt an internal compensation rule and provide the employees with adequate details about the program in writing, including the type of compensation, criteria for determining the amount of compensation and the payment method.
- The employer is required to provide the inventor employee with adequate details in writing, regarding the compensation amount, including how the amount was derived based upon the above rules.
- The employer is required to consult with the employees regarding adoption or amendment of the above compensation rule; if an amendment is pursued that is less favorable to the employees, the employer is required to obtain consent from at least 50 percent of the relevant employees.
- In addition to the above requirements, the compensation must be determined in consideration of the profits that the employer gained or expects to gain from the in-service invention and the degree of contribution by the employer and the employee to the creation of the particular invention; and the IPA also stipulates that even if a patent application is not filed for a "work for hire" invention acquired by an employer, the employee is still entitled to reasonable compensation.

Consultants / contractors

It is customary for consultants and contractors to sign written agreements. Absent a written assignment of developments, in principle, consultants and contractors will retain ownership of the intellectual property developed by them. However, depending on various factors such as price paid to consultants or contractors and degree of contribution in planning and developments, ownership in developments can be deemed assigned.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

In Korea, either non-exclusive or exclusive licenses may take effect contractually between the parties without registration. However, if the exclusive licensee wishes to create a right that can directly exercise its right to exclude a 3rd party from practicing the licensed patent, registration is necessary. Further, in either case of non-exclusive or exclusive licenses, a registered right of the licensee is honored in the event that the licensed patent is assigned to a 3rd party, but unregistered right of the licensee does not have such an effect.

Registration does not ensure that a licensor's bankruptcy administrator will not decline to perform obligations under a license agreement or revoke a license agreement under applicable law of bankruptcy. However, assuming that the administrator does not decline the license obligations or revoke the license agreement, registration will be beneficial if the licensed patents are transferred to a 3rd-party purchaser in connection with the licensor's bankruptcy. In other words, if the license is registered, the purchaser cannot acquire the patents free of the license.

A 3rd-party purchaser will acquire a patent free of any existing license unless the license is registered. In contrast, if the license is registered, the license is enforceable to a 3rd-party purchaser in the way that the 3rd-party purchaser acquires the patent subject to the pre-existing license.

The above applies to trademarks, utility models, designs and registered copyrights.

Recognized language of commercial agreements

Any language agreed between parties can be adopted as governing language of a contract. However, the STCA requires that standardized contract terms be provided in language and expression that can be easily understood by customers. Providing the standardized contract term in Korean can be a positive factor in meeting the requirement, but the positive effect is not so significant in case of large business entity customers.

Country-specific issues for online content

The CA sets out a detailed list of the requirements for exempting an online-service provider from liability for carrying infringing materials. Subject to these requirements, a service provider must confine itself to acting as a mere conduit, to caching, to hosting, and to searching information in order to escape liability and to avoid responsibility for monitoring or investigating for infringing acts. To some degree, these safe-harbor provisions resolve the uncertainty previously surrounding the liability of online-service providers for direct infringement by their users. However, they also make it easier to impose liability on online-service providers if the requirements are not met.

Enforceability of online/clickwrap/shrinkwrap terms

The Framework Act on Electronic Documents and Transactions stipulates that an electronic document shall not be denied its validity only because it takes an electronic form, unless otherwise provided in other laws.

Nor is there any law that restricts the effectiveness and enforceability of a contract in an online form.

For standardized contracts which we understand will be the case for most agreements executed via a web interface, the validity and effectiveness of such agreements will depend on meeting the requirements of the STCA. There is no black-letter law on what would be an acceptable form in an on-line setting to satisfy the foregoing requirements. However, it is widely accepted that a mere posting of the contract and its terms and conditions on a website would not be sufficient. Commonly used methods to meet this requirement include the posting of the online contract with an "I accept" button at the end (which can be clicked only if the counter-party had scrolled the screen to the bottom) or having a pop-up window show up with an explanation of the major terms and conditions and then having the other party click an "I understand" button.

Governing law

While the choice of law agreed by parties is generally respected by the Korean court and thus designating a foreign law for a contract would be valid, the Korean court may apply mandatory Korean laws and deny the application of the selected foreign law which violates Korean public order and good morals.

In general, the forum selection agreed between the parties is enforceable under Korean law. In order to select a foreign court as exclusive jurisdiction (and contractually preclude the jurisdiction of Korean courts), however, Korean courts require that:

- The case is not under the exclusive jurisdiction of the Korean courts under Korean law.
- The foreign court in question selected by the parties has valid jurisdiction under the laws of the foreign court.
- The case has reasonable connection with the foreign jurisdiction.
- The agreement on the exclusive jurisdiction is not grossly unreasonable or unfair.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Under the KCC, a seller is obligated under a statutory warranty to ensure that the product sold is not defective, unless the buyer was or should have been aware of the defect before it accepted the product. If defects are found in the product sold, the Korean law subjects the seller to the warranty liabilities vis-à-vis the purchaser.

Enforceability of exclusions/limitations of liability indemnification

Under Korean law, damage claims are made for compensation of:

- Ordinary damages
- Extraordinary damages

Ordinary damages are those that would normally be expected to result from a breach of contract or a particular tort. Extraordinary damages refer to all other damages than ordinary damages that arise from the special circumstances which the wrongdoer "knew" or "could have reasonably foreseen." Parties may validly agree to exclude indirect damages from compensation, limit indemnification for indirect damages, or exclude warranty liability. However, enforceability of such agreement may be restricted by:

- Public policy and general principles of equity under the Civil Code.
- The court invalidating a clause that exempts a breaching party from liability for intentional wrongdoing or gross negligence on the part of that party.

However, in practice, many companies provide for a damage cap despite the risk that such damage cap provision may be held unenforceable.

Indemnification

As a general rule under Korean civil law, if a contract obligates a putative indemnitor to defend any 3rd-party claim raised against an indemnitee, the indemnitor will have a contractual duty to assume the defense.

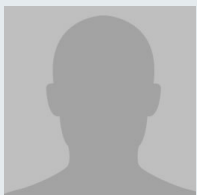
Electronic signatures

The Electronic Signature Act provides that an electronic signature chosen as agreed to between the parties or pursuant to an applicable law has the same effect as a handwritten signature. An electronic signature cannot be denied legal effect or enforceability as a signature simply because the signature is in an electronic form.

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SPAIN



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

The Spanish Constitution establishes in the Article 149.1.9 that intellectual property rights shall be governed by Spanish National Statutes only. Self-Governing Regions (the Spanish equivalent of US states or German *Länder*) are not entitled to issue laws in this field.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Although the Spanish Constitution establishes at Article 149.1.6 that commercial legislation is reserved to Spanish National Statutes, the powers of the Self-Governing Regions in the field of "trade" and "consumer protection" and the existence of regional limited Civil Codes cause interferences between different sources of legislation. In addition, Spanish National legislators have preferred over the last 5 decades to draft separate laws for each commercial contract/ commercial law issue, instead of merging them into the pre-existing Code of Commerce. As a result, commercial issues are considered under the light of the 2 old Codes but also of the new National laws (Agency Act, Unfair Competition Act, Franchising Royal Decree, Retail Trade Act, Consumer Protection Act, Mobile Property Pledge Act) and of the regional laws and regulations.

COPYRIGHTS

Nature of right

All original literary, artistic or scientific works are protected by copyright, in particular, books, music compositions, audiovisual works, projects, plans, graphics, and databases. Computer programs are also protected by copyright and with certain exceptions, are treated in the same way as literary works.

Registration is not required for valid copyright protection. However, works that qualify for copyright protection may be registered on the Copyright Register and/or filed with a Notary Public in order to serve as stronger evidence. Copyright protection is automatic and the rights arise at the time the work is created.

Copyright owners have the exclusive right to reproduce, distribute, prepare derivative works, publicly perform and publicly display their works of authorship.

Legal framework

In Spain, copyright is governed by Legislative Royal Decree 1/1996 on Intellectual Property. This law implements the EU Copyright Directives (Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society, Directive 2004/48/EC on the enforcement of intellectual property rights); Directive 96/9/EC on the legal protection of databases; and in particular, Council Directive of May 14, 1991 on the Legal Protection of Computer Programs (91/250/EEC). New EU Directive 2019/730 on copyright and related rights in the Digital Single Market has not yet been implemented into Spanish national law.

In addition, Spain is party to the Berne Convention.

Duration of right

Copyright protection is generally granted for 70 years from the death of the author where the author is a natural person. In those cases in which the author is a legal person, the term of protection is 70 years from January 1 of the year following that in which the work was lawfully published, or following the year of its creation, if the work was not published. It should be noted that copyright of works owned by authors who died before 1988 may benefit from longer protection terms. Some types of works/rights do benefit from shorter terms only.

Ownership / licenses

The Legislative Royal Decree 1/1996 on Intellectual Property provides that copyrights in a work belong to the author, who is the person or group of persons who creates the work.

Economic rights of copyright owners may be transferred to 3rd parties. All transfers must be formalized in writing. The transfer of rights is limited to the specific rights, use, term and geographic scope stated in the contract/license. Transfers of rights can be either exclusive or non-exclusive. Moral rights are protected and are not assignable.

Remedies for infringement

The owner of a copyright may bring civil and criminal actions against infringers before the corresponding courts.

Civil actions, governed by the Spanish Civil Procedure Law, should be exercised via an ordinary trial. The owner whose rights have been infringed may claim:

- The cessation of the infringing acts
- Damages
- Seizure of the infringing goods
- To be awarded the seized objects or their means of production
- All necessary steps to prevent the continuation of the infringement and

- Publication of the judgment against the infringer.

The Criminal Code also includes measures such as fines or penalties of prison depending on the seriousness of the harm. These measures have been modified and further strengthened, including prison sentences up to 6 years as set out in Articles 270 and 271.

According to the Royal Decree 1/1996 on Intellectual Property, a copyright holder may apply for precautionary measures against the unlawful activity of an infringer and claiming reparation for material and moral damages caused. They may also request the publication or dissemination, in part or in full, of the judicial resolution or arbitration award in the media at the infringer's expense. The copyright holder may likewise apply, on a prior basis, for the ordering of precautionary measures for immediate protection.

Administrative enforcement measures have been introduced over the last years to support right holders.

MASK WORKS / TOPOGRAPHIES

Nature of right

The topographies of semiconductor products, in other words the 3-dimensional design-layout and connections of integrated circuits, are protected by the grant of exclusive rights insofar as it is the result of its creator's own intellectual effort and is not commonplace in the semiconductor industry.

Legal framework

Protection of semiconductor topographies is governed by Spanish Law 11/1988 on the Legal Protection of Topographies of Semiconductor Products.

Duration of right

The exclusive rights shall expire 10 years from the earlier of the following 2 dates:

- The end of the calendar year in which the topography was first commercially exploited anywhere in the world or
- The end of the calendar year in which the application for registration was filed in due form.

However, any registration of a topography that has not been commercially exploited anywhere in the world within a period of 15 years from its first fixation or encoding shall lapse.

Ownership / licenses

The exclusive rights shall include the right to authorize or to prohibit any of the following acts:

- Reproduction of a topography with the exception of reproduction for private and non-profitmaking purposes or

- Commercial exploitation or importation for that purpose of a topography or of a semiconductor product manufactured by using the topography.

The exclusive rights may be the subject of compulsory licenses when the public interest dictates so.

Remedies for infringement

The owner of a topography may exercise its rights before the courts of ordinary jurisdiction.

Any person entitled to protection who can prove that another person has fraudulently reproduced or commercially exploited or imported for that purpose a topography created by them during the period between its first fixation or encoding and the coming into existence of the exclusive rights may exercise before the courts the appropriate action for unfair competition.

PATENTS

Nature of right

In Spain, both inventions and procedures are patentable. The 3 main requirements to obtain a patent are that the invention must:

- Be new (ie, novel)
- Involve an inventive step and
- Be capable of industrial application.

Scientific discoveries or theories, mathematical methods, literary, scientific, artistic works and any other aesthetic creations, among others, are not considered patentable. Neither is it possible to obtain a patent for an invention if it is a new animal or plant variety, a method of medical treatment or diagnosis, a software item or inventions whose commercial exploitation is contrary to public order or morality.

Legal framework

In Spain, the Spanish Patents and Trade Marks Office (*Oficina Española de Patentes y Marcas*) has the authority to grant patents and trademarks.

The new Spanish Patents Act 24/2015 (New Patents Act) entered into force on April 1, 2017. One of the most significant changes brought by the New Patents Act is related to the procedure for the granting of patents. The previous "à la carte" examination procedure - whereby applicants are free to choose whether or not their application should be submitted to substantive examination - was substituted by the granting procedure involving a prior examination of the merits of the patent. Another important change is in the field of patent litigation. In accordance with the New Patents Act, the patent holder will be able to limit the scope of their patents by amending the claims at any time during the life of the patent. Finally, among other changes of the New Patents Act are provisions relating to Supplementary Protection Certificates (SPCs), which introduces protective letters and patent specialist judges.

In addition to the national patent application system, regional registration systems are also available. Such systems allow the applicant to obtain protection for the invention in one or more countries; however each country determines whether or not to protect the patent in its territory pursuant to the applicable legislation. Since Spain's ratification of the European Patent Convention (EPC) in 1973, Spain may be designated in a European patent application. The EPC system allows the registration of a bundle of national patents enforceable in the countries designated by the applicant.

Additionally, there have been significant developments with regard to the creation of a unitary patent protection within the European Union. Such a unitary patent protection is expected to be available in 2020, although Spain has initially decided not to join these efforts due to linguistic issues.

Duration of right

Patents are granted for a period of 20 years from the date on which the application was filed. A maintenance fee, which is subject to a gradual annual increase, is due yearly. Once the 20-year period has lapsed, anyone may make, use, offer for sale, or sell or import the invention without permission of the patentee, provided that matter covered by other unexpired patents is not used.

Ownership / licenses

Both patent applications and patents shall be transferable and may be the subject of licenses. They may also be used as security for personal loans, which shall be governed by the relevant provisions, and such use shall be notified to the Security Rights section of the Registry of Movable Goods. To be valid, these acts shall be in writing when performed *inter vivos* (between the living).

Both patent applications and patents may be the subject of licenses covering the whole or part of the elements constituting the exclusive rights, for all or part of the Spanish territory. Licenses may be exclusive or non-exclusive. Unless otherwise agreed, a license shall not be deemed to be exclusive and the licensor may grant licenses to other persons and work the invention themselves.

Remedies for infringement

According to the Spanish Law 24/2015 on Patents, the owner of a patent may bring appropriate action of any type or nature before the ordinary courts against any person who infringes their rights and they may demand the necessary measures to safeguard those rights.

The owner whose patent rights have been infringed may, in particular, seek:

- Cessation of the acts that infringe their rights
- Compensation for the damages suffered
- Seizure of the objects produced or imported in infringement of their rights, as well as the means used for such production or for carrying out the patented process
- Whenever possible, attribution of the ownership of the objects and means seized. In such cases, the value of the goods concerned shall be deducted from the compensation for damages. Where that value exceeds that of the compensation granted, the owner of the patent shall pay the excess to the other party

- The adoption of the necessary measures to prevent continued infringement of the patent, in particular, the transformation of the objects or means seized, or their destruction when such is indispensable in order to prevent infringement of the patent and
- Publication of the judgment against the person infringing the patent, at their cost, by means of announcements and notification to the persons concerned.

Any person who, without the consent of the owner of the patent, manufactures or imports items protected by the patent or uses the patented process, shall be liable for the damages.

Compensation for damages due to the owner of the patent shall not only include the amount of the loss that they have suffered, but also the profits lost through infringement of their rights.

The owner of the patent may also require compensation for the damage suffered as a result of the loss of reputation of the patented invention caused by the person infringing their rights through defective manufacture or unsatisfactory presentation of the invention on the market.

TRADEMARKS

Nature of right

Words or combinations of words, names, figures, symbols and drawings, letters, numerals and combinations, 3-dimensional shapes, including wrappers, containers and the shape of goods or their packaging, colors, numbers, sounds and any combination of these elements, may constitute trademarks under Spanish law.

The procedures through which a registration having effect in Spain can be obtained are:

- National system
- International system and
- European Union Trademark.

Legal framework

In Spain, the main law regulating trademark protection is the Law 17/2001 on Trademarks, modified by Royal Decree-Law 23/2018 (changes effective from January 14, 2019). Spanish Patents and Trademarks Office (*Oficina Española de Patentes y Marcas*) has the authority to grant trademarks as well as patents.

The "International System" comprises the Madrid Agreement of 1891 and the Protocol to the Madrid Agreement of 1989 administered by the World Intellectual Property Organization (WIPO). Since it is not, strictly speaking, an international registration, the applicant must designate the countries in which they wish to obtain protection.

The European Union Trademark system provides a single registration which confers direct protection in all the Member countries of the European Union through a single application and a unitary procedure.

Duration of right

National trademark registration is valid for 10 years and can be renewed indefinitely for further 10-year periods subject to the payment of the appropriate fees. However, the registration may lapse or be revoked, among other reasons, if:

- The trademark is not renewed
- It is not effectively used during an uninterrupted 5-year period or
- It becomes generic or deceptive in connection with the goods or services it covers.

European Union Trademark registration is valid for 10 years. This period can be renewed for further 10-year terms subject to payment of the appropriate fees.

Ownership / licenses

The registration of a trademark confers on its owner the exclusive right to use it in economic transactions.

Both an application and a trademark may be licensed for all or some of the goods and services for which the trademark is registered and for all or part of Spanish territory. The licenses may be exclusive or non-exclusive.

Remedies for infringement

The owner of a registered trademark may, before the jurisdictional authorities, take appropriate civil, criminal or administrative actions against those infringing their right and request the measures necessary for protection of the trademark, without any prejudice to submission of the case to arbitration, where possible.

In particular, an owner whose right to a trademark is infringed may in a civil action claim:

- The cessation of the acts infringing their right
- The compensation for the damage suffered
- The adoption of the measures necessary to avoid the continuation of an infringement and in particular, the withdrawal from economic circulation of the goods, packaging, wrappers, advertising material, labels or other documents in which the infringement of a trademark has been manifested
- The destruction or transfer for humanitarian purposes, where possible, as chosen by the party concerned and always at the expense of the guilty party, of the goods unlawfully identified with the trademark which are in the possession of the infringing party, except where the nature of the good allows the distinctive sign to be removed without affecting the good itself, or where destruction of the good would do disproportionate harm to the infringing party or owner, according to the specific circumstances of each case as determined by the court and
- The publication of a decision at the expense of the guilty party by means of announcements and notifications to the parties concerned.

TRADE SECRETS

Nature of right

Trade secrets are protected by restricting any unauthorized use and access thereto, both through civil proceedings under the Trade Secrets Act 1/2019, the Unfair Competition Act as well as criminal proceedings under the Criminal Code.

Legal framework

Trade secrets are mainly protected in Spain under the Trade Secrets Act 1/2019, the Unfair Competition Act, the Criminal Code and TRIPS Agreement (Spain being signatory since 1995) contain also provisions specifically aimed at trade secrets.

There are also other laws which deal with trade secret protection, such as the employment laws establishing secrecy obligations of directors/employees or the Patents Act 24/2015.

Duration of right

No specific duration of trade secret right is set forth under Spanish law. They are protected as long as they are considered trade secrets and protected as such. Claims for infringement of Trade Secrets Act do elapse, however, after 3 years

Ownership / licenses

Trade secrets are, from March 2019, subject to specific property rights. Rules on joint ownership of trade secrets are provided by the Trade Secrets Act.

Remedies for infringement

There is also specific regulation for the license agreements on trade secrets. They can be exclusive and nonexclusive. Sublicensing requires the prior approval from the owner/s. Exclusive licenses prevents the owner from granting further licenses (and even to use the trade secrets licensed by the owner, except if the parties do allow it by means of an explicit agreement). By default, licenses should be deemed to be non-exclusive. The specific civil and criminal law measures are available for protection of trade secrets in Spain. A wide criminal framework is dedicated to trade secrets infringements, including against disclosure, misappropriation, use or other infringement. Criminal liability for trade secret violation under the Criminal Code, punishable by imprisonment of up to 7 years in most serious cases and fines of up to 24 months.

OTHER KEY IP RIGHTS

Nature of right

Not applicable.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Generally speaking, intellectual property rights (inventions, topographies of semiconductor products, industrial designs, copyright works and computer programs) created by employees within the scope of their employment relationship in principle belong to the employer.

In particular, Law 24/2015 on Patents sets forth that inventions made by an employee during the term of their contract, work or service with a company, and which are the result of research that is explicitly or implicitly the object of their contract, shall belong to the employer. The employee will have the right to an additional remuneration in case that their personal contribution to the invention and the relevance for the company exceeds the scope of the tasks regulated in their employment agreement. Furthermore, the employee shall have the right to a reasonable remuneration in relation to the use of the technical improvements developed by the employee which offer a competitive advantage to the employer.

If inventions do not fulfill the aforementioned conditions, they shall belong to the employee who is the author. Nonetheless, if the employee makes an invention "related" to their professional activity and the knowledge gained within the company has had a decisive influence thereon or they have used means provided by the company, the employer shall have the right to claim ownership of the invention or to reserve a right to its use. The employee has a month to give the communication to the employer, who will have 3 months to exercise its rights. In the event that the employer does not communicate to the employee its willingness to assume the ownership of the invention within the aforementioned 3 months period, its rights shall expire, enabling the employee to proceed to the solicitation of the patent for itself. If the employer, having communicated the employee its willingness to assume the ownership of the invention, does not claim in front of the authorities, within a reasonable and pre-agreed term, the industrial property rights, the employee shall claim those on behalf of the employer.

In the event that the employer assumes the ownership of the invention or reserves a right to its use, the employee shall have the rights to a fair (economic) compensation/remuneration proportional to the industrial and commercial importance of the invention as well as considering the value of the resources or know-how given by the employer and the contributions made by the employee. The aforementioned remuneration may consist of a share on the profits made by the employer from the exploitation of the rights over the invention.

Regarding copyright works, according to the Legislative Royal Decree 1/1996 on Intellectual Property, the transfer of the exploitation rights of a work created by virtue of employment relations to the employer is governed by the terms agreed upon in the contract in writing. In the absence of such an agreement in writing, it is presumed that the exploitation rights have been granted exclusively and with the scope necessary for exercising the usual activity of the employer at the time the work is delivered. Similarly, where a computer program is created by an employee in the course of their duties or following instructions given by their employer, the ownership of the exploitation rights on the computer program created, including both the source program and the object program, belong exclusively to the employer, unless otherwise agreed in writing.

Consultants / contractors

It is customary for consultants and contractors to sign written agreements. Absent a written assignment of developments, consultants and contractors will retain ownership of the intellectual property developed by them, even if contracted and paid for by another party.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial agreements.

Registration of licenses for patents, registered copyrights and trademarks is possible but not required (only to have effect in front of 3rd parties).

Recognized language of commercial agreements

Parties are in principle free to choose the language to govern their contract. In consumer-facing commercial agreements and terms, Spanish is mandatory (with a relevant role of regional languages).

Country-specific issues for online content

Directive 2000/31/EC on information society services was implemented in Spain by Law 34/2002 on information society services and electronic commerce (LSSI).

Service providers are required to fulfill certain legal requirements set forth by LSSI. In particular, they shall make available a number of items such as the name or corporate denomination, residence, domicile or address of a permanent establishment in Spain, e-mail details of registration in the Companies Register or any other Public Register.

Enforceability of online/clickwrap/shrinkwrap terms

Generally viewed as enforceable if conspicuous, users have an opportunity to review and indicate affirmative assent (eg, check a box).

The LSSI regulates electronic contracts, although the Spanish Civil Law must be also taken into account. The LSSI further obliges service providers to provide information in a clear, understandable and unambiguous way regarding the conclusion of the contract. Electronic contracts will have the same legal effects, provided that the consent and other legal requirements that is object and cause have been satisfied.

Governing law

Under Regulation No. 593/2008 of the European Parliament and of the Council of June 17, 2008 on the law applicable to contractual obligations (Rome I), directly applicable in Spain, the parties to a contract are allowed to choose the law governing the contracts, whether or not it is the law of a EU member state. If the contracting parties do not make a choice (or if the choice is invalid), the law of the country of habitual residence of the characteristic performer when the contract is concluded, or in the case of a company, of its central administration, in principle applies.

Alongside this general rule, the EU Rome I regulation on the law applicable to contractual obligations establishes certain guarantees as to the requirements for the parties to be able to determine the applicable law in certain cases (consumer contracts and individual employment contracts) and if no choice is made, specific forms of jurisdiction that take precedence over the presumptions referred to above. Spanish laws (eg, Consumers and Users Protection Act RDL 1/2007) also do establish certain limitations on the choice of law of the parties when dealing with certain specially protected groups, like consumers.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Disclaimers of warranties are usually enforceable in business to business deals unless they are unconscionable, unclear or not conspicuous. Disclaimers for gross negligence or willful behavior are void.

Warranty disclaimers against consumers are generally not allowed in most cases.

Enforceability of exclusions/limitations of liability indemnification

A cap on direct damages or aggregate liability is common.

Exclusions and limitation on liability are usually enforced unless they are unconscionable, unclear or not conspicuous. Exclusions of liability for fraud, personal injury, death, bad faith, gross negligence or willful behavior are not enforceable under Spanish law.

Exclusions and limitations of liability against consumers are generally not allowed.

Indemnification

Express indemnities stated in contracts are recognized and generally respected.

Indemnification provisions are generally enforceable unless they require indemnification of behavior that statutes or courts have held to be unenforceable (such as fraud, willful injury to person or property and other future unlawful acts).

Caps on liability under indemnification provisions can be enforceable.

Courts have the power to moderate indemnity payments agreed by the parties to a contract.

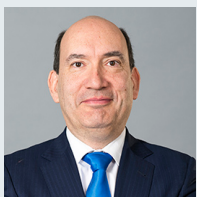
Electronic signatures

The use of electronic signatures is no longer governed by Electronic Signature Act 59/2003, which has been replaced by Law 6/2020 regulating some matters related to electronic trust services. EU Regulation (eIDAS) 910/2014 of the European Parliament and of the Council regulating e-signature matters applies within the EU territory from July 1, 2016.

There are different types of electronic signatures:

- Simple electronic signature (ie, data in electronic form which is attached to or associated with other electronic data and which serves as a method of authentication).
- Advanced electronic signature, which is:
 - Capable of identifying the signatory
 - Uniquely linked to the signatory
 - Linked to the data signed there with in such a way that any subsequent change in the data is detectable and
 - Created using electronic signature creation data that the signatory can use under their sole control.
- Qualified electronic signature (ie, an advanced electronic signature that is created by a qualified electronic signature creation device, and which is based on a qualified certificate for electronic signatures).
 - A qualified electronic signature has the equivalent legal effect of a handwritten signature.

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SWEDEN



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights in Sweden are protected by various laws. Swedish intellectual property legislation is based on various European Union (EU) directives and regulations. The protection of trade secrets is provided for by law.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Swedish contract law is based on the main principles of Roman law (*pacta sunt servanda*) and the freedom of contract. The content of the agreement is determined primarily by what has been agreed between the parties, but may be supplemented by rules and case law, trade practice or custom.

The main source of Swedish contract law is the Contracts Act (1915:218) (Sw. *Avtalslagen*). The Contracts Act does not cover every aspect of contract law, but it sets forth the fundamental rules for Swedish contracts. Highly biased and unfair contractual provisions may be amended or declared null and void by a Swedish Court of law under the Contracts Act Section 36. For this to happen, the contract has to be highly unfair and detrimental to one party (*ie*, one-sided).

Mandatory provisions apply in business-to-consumer contracts, and several amendments to consumer legislation came into effect in 2022. These amendments are based on various EU directives.

COPYRIGHTS

Nature of right

Copyright protection is available for original works that are literary or artistic. The individual author or creator is entitled to copyright in the work. No registration or fixation is required; the right arises at the time of creation if the work is considered original according to Swedish and EU case law.

Copyright owners have the exclusive right to reproduce and distribute the work. Distribution includes transmission/communication to the public, public performance, public display and distribution of copies. Moral rights are recognized.

Legal framework

The Copyright Act (1960:729) (*lag om upphovsrätt till litterära och konstnärliga verk*) governs the protection of copyrights. Swedish copyrights are partly harmonized with EU copyright law through a series of EU directives, of which the latest is the implementation of the EU Digital Single Market (DSM) Directive into the Swedish Copyright Act of January 1, 2023. Sweden is a signatory to the Berne Convention.

Duration of right

Copyright protection lasts for the life of the creator plus an additional 70 years. If the work has several creators, the copyright lasts until the end of the 70th year after the last surviving creator's death. For an anonymous work, the copyright endures until the end of the 70th year after the work was made public.

The Copyrights Act also protects neighboring rights of performing artists, producers, photographers, radio and TV-organizations and databases. The neighboring rights (similar to the economic rights of copyright) generally last until 50 years after the right was made public but the term may vary depending on various factors.

The copyright protection for catalogues and databases (ie, a table or other work in which a large amount of information has been compiled or which is the result of a substantial investment) lasts for 15 years after the work is produced. However, if the work has been made available to the public within 15 years from the production, the copyright lasts 15 years from the year when the work was first made available to the public.

Ownership / licenses

Joint ownership of copyrights is recognized and the right can be transferred partly. Moral rights may not be transferred and can only be waived in specified circumstances. There are no formal requirements for licenses although explicit contractual provisions regarding the right to sub-transfer and/or sub-license copyright are recommended, especially in regard to copyright created within an employment relationship.

Remedies for infringement

Remedies for copyright infringement include equitable and reasonable compensation for the use, as well as compensation for losses and further injuries caused by negligent or willful infringement. Costs and reasonable attorneys' fees can also be recoverable. A limited additional compensation for reputational damage to moral rights is also an available remedy.

It is possible to obtain a court order for the destruction of infringing products and equipment used in the manufacture thereof, as well as to seek to prevent importation of goods that are infringing. In addition, injunctive relief may also be an available remedy, and criminal penalties are a possibility.

MASK WORKS / TOPOGRAPHIES

Nature of right

The right to topographies for semiconductor products under Swedish law requires that the topography is the result of a personal intellectual effort of the creator and that the circuit design is not commonplace in the semiconductor industry. Topographies made up of elements which are commonly used in the semiconductor industry are only protected if the combination of such elements fulfils the conditions for protection.

Owners are granted an exclusive right to reproduce, import and make topographies available to the public by sale, rent or lending, or other public distribution.

Legal framework

Semiconductor topographies are protected under the Act on the Protection of Topographies for Semiconductor Products (1992:1685) (*Lag om skydd för kretsmönster för halvledarprodukter*).

Duration of right

The right lasts for 10 years from the expiration of the year when the topography or semiconductor was first commercially exploited in any part of the world.

The right expires 15 years following the expiration of the year in which the topography or semiconductor was created, if the topography or semiconductor at that point has not yet been commercially exploited.

Ownership / licenses

The right is granted to the natural person who has created the topography provided that they are a citizen of the European Economic Area (EEA), or are domiciled in a country within the EEA.

The right to a topography created by an employee during employment belongs to the employer unless otherwise agreed, provided that the employer either is a natural person who is a citizen of or is domiciled in a country within the EEA or a juridical person which conducts business in such country.

In the event that a right to a topography does not exist pursuant to the provisions above, the right is granted to such natural or juridical person who fulfills the requirements regarding the affiliation with the EEA provided that such a person has been granted the exclusive right to exploit the topography commercially throughout the EEA and is the first to commercially exploit the topography in a country within the EEA.

The right is also granted to a person who has acquired the right from such person mentioned above.

Remedies for infringement

Remedies for infringement include equitable and reasonable compensation for the unlawful use of the topography as well as additional compensation for the further damage caused by negligent or willful infringement. When determining compensation, special consideration shall be given to loss of profit, profit made by the infringing person, damage to the product's repute, non-material damage and the right holder's interest of non-infringement.

It is possible to obtain a court order for destruction of infringing products and equipment used in the manufacture thereof.

Injunctive relief is also a possible remedy.

Criminal penalties are available such as fines or prison for up to 6 years. Prosecution can only take place if it is justified from a public perspective.

PATENTS

Nature of right

Upon registration, patent protection is available for inventions that are susceptible of industrial application, provided that the invention is new and significantly differs from what was known at the filing date of the patent application.

Patent right owners are granted the exclusive right to exploit the invention commercially.

Legal framework

Patents are regulated under the following legislative acts:

1. Patents Act (1967:837) (*Patentlag*) pertains to the protection of Swedish patents
2. The European Patent Convention (EPC) pertains to the protection of European patents
3. Act on Right to the Inventions of Employees (SFS 1949:345)
4. Defence Inventions Act (1971:1078)

Sweden became a party to the Patent Cooperation Treaty (PCT) in 1978. Sweden ratified the Patent Law Treaty (PLT) in 2007.

Sweden signed the Strasbourg Agreement Concerning the International Patent Classification in 1973. Sweden has also signed the Paris Convention, the TRIPS Agreement and the London Agreement.

Sweden ratified the Unified Patent Court Agreement on June 5, 2014. The Nordic-Baltic Regional Division of the Unitary Patent Court is located in Stockholm.

Duration of right

Patents can be maintained for a period of 20 years from the filing date of the application. If the patent relates to a medicinal or plant protection product, the term of the patent can in some cases be extended by 5 years, using supplementary protection. Sweden is a "first to file" system.

Ownership / licenses

Patent rights are granted to the inventor or the inventor's successor in title. In case of a jointly developed invention, joint ownership will be granted. It should be noted that the law does not provide specific details concerning joint ownership. Thus, to avoid disputes, joint owners should consider entering into an agreement concerning the use and management of the patent right in question.

Licenses may be registered. However, registration of licenses is not compulsory and does not affect their validity.

Remedies for infringement

Remedies for patent infringement include equitable and reasonable compensation for the use and compensation for losses and further injuries caused by negligent or willful infringement. Costs and reasonable attorneys' fees can also be recoverable.

It is possible to file customs actions applications to prevent importation of infringing goods, as well as to obtain a court order for destruction of infringing products and equipment used in the manufacture thereof.

Injunctive relief is also a possible remedy.

Criminal penalties are possible but rarely ordered.

TRADEMARKS

Nature of right

A trademark may consist of any signs capable of being represented clearly in the Swedish Patent and Registration Office's trademark registry, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Trademark owners are granted an exclusive right to use the trademark commercially and prevent 3rd parties from using identical and confusingly similar marks for identical or similar goods and services as those protected by the trademark.

Legal framework

The Swedish Trademark Act (2010:1877) (*Varumärkeslag*) pertains to the protection of unregistered and registered Swedish trademarks. An unregistered mark is protected if it becomes known as a trademark for the goods or services provided under the mark to a significant part of the relevant public.

Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark.

Sweden became member of the Madrid Protocol in 1995. Sweden became party to the Trademark Law Treaty in 1995.

Sweden acceded the Singapore Treaty on the Law of Trademarks in 2011.

Sweden has also signed the Paris Convention, the TRIPS Agreement and the Nice Agreement.

Duration of right

Registered Swedish trademarks are in effect for 10 years from the date of application and are renewable indefinitely.

Unregistered Swedish trademarks are in effect for as long as the trademark fulfills the requirements for unregistered protection.

Registered European Union trademarks are in effect for 10 years from the date of application; renewable indefinitely.

Ownership / licenses

Any natural or legal person can apply for and own a trademark.

The owner has the exclusive right to use or permit others to use the trademark.

Licenses may be registered in the Swedish trademark registry or in the European trademark office EUIPO's register over European Union trademarks. However, registration of licenses is not compulsory and does not affect their validity.

Remedies for infringement

The remedies for trademark infringement include reasonable compensation for the use and compensation for losses and damages caused by negligent or willful infringement. Costs and reasonable attorneys' fees can also be recoverable.

It is possible to file customs actions applications to prevent importation of infringing goods, and to obtain a court order for destruction or alteration of infringing products and equipment used in the manufacture thereof.

Injunctive relief is also a possible remedy. Criminal penalties are possible.

TRADE SECRETS

Nature of right

The right serves to protect information about business or operating conditions in a trader's business which the trader keeps secret and whose disclosure is likely to cause harm to the trader in terms of competition.

The law applies only to unauthorized attacks on trade secrets.

Legal framework

In 2018, a new Act on Trade Secrets (2018:558) (*Lag om företagshemligheter*) entered into force, replacing the older Act from 1990. The Act governs trade secret protection and the new Act is based upon an initiative from the European Union, which broadly strengthens the protection of trade secrets. The strengthened protection means, among other things, that more attacks on business secrets are considered unlawful and that the obligation to pay damages has been extended. However, for information to be classified as a trade secret, the new Act sets up a requirement that the holder of the information must take reasonable steps in order to keep the information secret (eg, by way of confidentiality agreements).

Under the new Act the definition of a "trade secret" has been slightly revised to exclude the experience and skills gained by employees in the normal course of their employment. As such, the employee shall be free to use the obtained knowledge in the course of a new employment.

However, there have been no changes regarding the provisions listed below.

Duration of right

As long as the secret has a commercial value and is not generally known by others outside the company the secret will be protected by law.

Ownership / licenses

The Act on Trade Secrets does not contain any rules on licensing but the Act is based on the assumption that know-how and trade secrets can be licensed. Licenses for know-how and trade secrets are common under the laws of Sweden. Joint ownership is possible.

Remedies for infringement

Liability for damages will occur for corporate espionage or unlawful dealing with a trade secret. The damages are intended to compensate for the injury.

Criminal penalties are possible.

OTHER KEY IP RIGHTS

Nature of right

Not applicable.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The Act on Copyright in Literary and Artistic Works (SFS 1960:729) (*lag om upphovsrätt till litterära och konstnärliga verk*) does not state any specific rules for work created in the scope of an employment other than copyright in computer programs. Unless otherwise agreed, computer programs (including source code, object code and preparatory design material) created by an employee as a part of his/her assignments, or by following the instructions of the employer, will be transferred to the employer.

Other copyright protected works created by an employee remains the property of the employee. However, a right of use is implied, and if not otherwise expressly agreed, the employer may use the employee's work within its field of business and for the employer's normal business activities for the purposes that could be anticipated when the work was created. It is customary and recommended that employees sign copyright assignment and confidentiality agreements, or that such provisions are included in the employment contracts. Some collective labor agreements, for example within the mass media sector, provide acquisition rights in the employee's copyright.

Under the Act on the Protection of Topographies for Semiconductor Products (1992:1685) (*Lag om skydd för kretsmönster för halvledarprodukter*), the right to a topography created in an employment relationship belongs to the employer, unless otherwise agreed.

Pursuant to the Act on Right to the Inventions of Employees (1949:345) (*Lagen om rätten till arbetstagares uppfinningar*), the employer has under certain circumstances the right to implement the invention in its business or the right to fully or partly acquire the invention created by an employee as part of his/her assignments. The employee has a mandatory right to reasonable compensation for the transfer of its invention to the employer. Right to remuneration may also follow from collective bargaining agreements.

Consultants / contractors

It is customary for consultants and contractors to sign written agreements. Absent any written agreement, the general principle under Swedish law is that the consultants/contractors retain the ownership of the intellectual property developed by them, even if contracted and paid for by another party.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial contracts.

As a general principle, commercial agreements regarding intellectual property need not be registered. Some contracts may require registration, such as patent or trademark pledge agreements.

Registration of licenses for patents, designs and trademarks is possible to put potential buyers of the patents, designs and trademarks on notice of the license. Such registration is not required.

Recognized language of commercial agreements

Commercial contracts in a business-to-business situation are often in English, although Swedish is the preferred language.

Though not expressly required under mandatory law, Swedish is recommended for contracts in a business-to-consumer situation to avoid any arguments by consumers that they are not to be bound by the agreement because they were not able to understand the content thereof. Furthermore, the Swedish Consumer Agency may in certain circumstances also impose on a company to use Swedish in its agreements with consumers (including general terms and conditions). If English is used however, "plain English" that is consumer-friendly is preferred.

In a business-to-consumer situation, user manuals and safety warnings, for example, should be provided in Swedish or with easily understood symbols. If not, the product may be deemed faulty.

Country-specific issues for online content

Generally, there is no requirement on the form of the contract (with a few exceptions, for example real property). Thus, the parties are free to enter into agreements online.

Companies need to adhere to the Act on E-Commerce (2002:562) (Sw. *Lag om elektronisk handel och andra informationssamhällets tjänster*), and in business to consumer relationships, the Off-Premises Contracts Act (2005:59) (Sw. *Lag om distansavtal och avtal utanför affärslokaler*) applies, which includes numerous obligations of the trader.

Enforceability of online/clickwrap/shrinkwrap terms

Online terms are generally viewed as enforceable if conspicuous and users have an opportunity to review and indicate affirmative assent (eg, check a box).

Companies offering services online need to make terms available in a way which makes it possible to save and retrieve them according to the Act on E-Commerce.

In a business-to-consumer situation, specific rules apply.

Governing law

The parties' contractual freedom applies to choice of law. Governing law and venue for resolution of disputes specified in a commercial contract will generally be accepted and recognized by Swedish Courts. However, even though parties may generally agree on the governing law and venue for disputes, certain mandatory local law provisions may still be applicable. For example, mandatory provisions on termination fees in agency agreements.

In a business-to-consumer situation, specific rules may apply. For example, the Swedish consumer protection legislation will apply and cannot be deviated from in business-to-consumer situations.

Dispute resolution is litigation in district courts unless an alternative dispute resolution procedure, such as mediation or arbitration, is specified in the contract. Arbitration is generally not enforceable in a business-to-consumer situation.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Disclaimers of warranty are usually enforced unless they are unconscionable, unclear or not conspicuous. Unless otherwise agreed, goods shall, according to the Sale of Goods Act (1990:931) (*Köplagen*) conform to the contract with respect to type, quantity, quality, other characteristics and packaging.

Unless otherwise specified in the contract, the goods shall:

- i. Be fit the purpose for which goods of a similar kind are generally used
- ii. Be fit for the particular purpose for which the goods are intended to be used provided that the seller, at the time of sale, must have realized that particular purpose and the buyer was reasonably entitled to rely upon the seller's expert knowledge and judgment
- iii. Possess the characteristics which the seller has referred to by providing samples or models
- iv. Be packaged in the customary or otherwise satisfactory manner, if packaging is required in order to preserve or protect the goods

According to the Sales of Goods Act if the goods deviate from the abovementioned provisions or in some other respect deviate from the buyer's reasonable expectations, the goods shall be deemed to be defective.

The Sale of Goods Act may be applicable to intellectual property by analogy.

Consumer legislation on sale of goods provides mandatory provisions on warranties.

Enforceability of exclusions/limitations of liability indemnification

Sellers generally exclude indirect damages in their contracts for the sale of goods. A cap on direct damages or aggregate liability is also common.

Exclusions and limitations on liability are usually enforced unless they are unconscionable, unclear or not conspicuous. Exclusions of liability for personal injury, death, intent and gross negligence are not enforceable.

In consumer situations, a provision which disclaims the seller's liability in cases of personal injury or death is presumed to be unfair. The same applies to a contractual provision which disclaims all liability in cases of gross negligence and for contractual provisions which inappropriately excludes or limits the legal rights in the event of total or partial non-performance or inadequate performance by the seller or supplier of any of the contractual obligations.

Indemnification

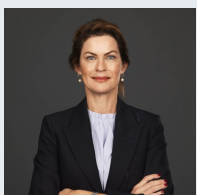
Unless highly biased and unfair, an indemnification clause (and similar clauses under Swedish contract law) may be enforceable under Swedish law. Indemnification clauses are not uncommon in intellectual property licensing agreements.

In a business-to-consumer situation, the general principle is that the consumer's legal rights may not be limited by a trader.

Electronic signatures

Swedish general contract law is based on the principle that all agreements are binding irrespective of the form they are entered into, unless mandatory laws specifically provide that a document must be signed in person. Hence, the use of electronic signatures is generally accepted. Certain specific requirements – for example, the requirement that the electronic signature shall meet the requirements of an advanced electronic signature in accordance with the EU eIDAS regulation – may apply.

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SWITZERLAND



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights are governed by Federal statutes and by international treaties.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial contracts are governed by the Swiss Civil Code and the Swiss Code of Obligations, which contain the general rules about the formation, enforceability and interpretation of contracts, as well as specific provisions on specific types of contracts.

COPYRIGHTS

Nature of right

Copyright protection is available for intellectual creations of literature or art that have an individual character. Since a recent revision of the Swiss Copyright Act, photographic depictions and depictions of 3-dimensional objects that were produced by a process similar to that of photography are likewise eligible to copyright protection even if they do not exhibit an individual character.

Registration is not required; the rights arise as soon as a work is created. It is not necessary to refer to the copyright in the work.

Copyright owners have the exclusive right to reproduce, translate, edit, distribute, sell, perform, broadcast or transfer the work.

Legal framework

The Federal Act and Federal Ordinance on Copyright and Related Rights govern copyrights. Switzerland became a signatory to the Berne Convention in 1886. In the course of a recent revision of Swiss copyright law, Switzerland has made comprehensive amendments and also incorporated new provisions to meet its obligations under the WIPO Beijing and Marrakesh Agreements for better access to published works for people with visual impairments and better protection for performers in audiovisual works, respectively.

Duration of right

Copyright protection lasts for the lifetime of the author plus an additional 70 years, with an exception for computer programs, for which protection ends 50 years after the death of the author. Another statutory exception is foreseen for photographic depictions and depictions of 3-dimensional objects that do not have an individual character but were produced by a process similar to that of photography. In that case, the copyright duration is set to 50 years after the depiction's creation.

Protection for related rights expires 70 years after the performance, publication or production of the work. The right of a performing artist to be named as the artist (a moral right) expires with the death of the artist, but in any event no earlier than 70 years after the performance. The protection of a broadcast starts with its transmission and ends 50 years after.

Ownership / licenses

Joint ownership of copyrights is legally recognized. Switzerland follows a system of legal licenses, which means that the law itself allows the private use of published works – with the exception of computer programs - under certain circumstances. A system of mandatory licenses also exists concerning the creation of phonograms. Furthermore, Switzerland has an extended model of collective licensing. While it is mandatory in some fields, authors of some types of work may instead opt-out from the collective rights management system by the approved collecting societies.

Remedies for infringement

Remedies for copyright infringement include declaratory actions, actions for performance, damages, confiscation and destruction.

Actual damages can be monetary loss suffered by the copyright owner or profits gained by the infringer.

Injunctive relief and publication of judgments are also possible remedies.

It is also possible to seek the prevention of importation of infringing goods.

Criminal penalties are also possible.

MASK WORKS / TOPOGRAPHIES

Nature of right

This right provides protection for original topographies of semiconductor products, regardless of their definition or coding. The object of protection is the design of the 3-dimensional structure of the connected layers on which the semiconductor product (integrated circuit) is based. The protection only concerns the external form of the topography and not the electronic function of the semiconductor product.

Protection in Switzerland is available if 1 of the following preconditions is fulfilled:

- Production by a Swiss manufacturer or a person whose normal place of residence or place of business is in Switzerland
- First publication in Switzerland
- Protection in Switzerland based on an international treaty

The manufacturer possesses the exclusive right to reproduce the topography, by whatever means or in whatever form, as well as to market, offer, sell, rent, lend or otherwise distribute the topography or reproduced versions of the topography, or to import or export for these purposes.

Legal framework

Semiconductor topographies are protected pursuant to the Federal Act and Federal Ordinance on the Protection of Topographies of Semiconductor Products.

Duration of right

The duration of protection is 10 years, starting on the day of the valid application for the registration of the topography or the day the topography was first distributed, whichever is earlier. If the topography is not registered, protection ends 2 years after the day it was first distributed. In any case, the right ends 15 years after the development of the topography at the latest.

Ownership / licenses

Co-ownership is permissible.

Remedies for infringement

Remedies are the same as for copyright infringement. They include declaratory actions, actions for performance, damages, or destruction. Also, actions for confiscation of unlawfully produced topographies can be sought, except for products acquired in good faith.

Injunctive relief and publication of judgments are also possible remedies.

It is also possible to seek the prevention of import or export of infringing goods. Criminal penalties are also possible.

PATENTS

Nature of right

Patents protect novel, non-obvious and industrially applicable technical inventions.

Patents grant the right to exclude others from using the invention commercially, in particular for manufacturing, storing, offering, placing on the market, importing, exporting and carrying in transit.

Legal framework

The Federal Patents Act and the Federal Ordinance on Patents govern patent rights. Switzerland is also a member of the European Patent Convention.

Duration of right

The duration of protection is 20 years from the filing date of the application.

Ownership / licenses

Co-ownership is permissible. With certain exceptions, no license can be granted without the consent of all co-owners. Each co-owner can dispose of his part and take action against infringement of the patent without the consent of the other owners.

Remedies for infringement

Available remedies for infringement include declaratory actions, actions for performance, damages, confiscation and destruction.

Actual damages can be monetary loss suffered by the patent owner, or profits gained by the infringer. Injunctive relief and publication of judgments are also possible remedies.

It is possible to seek the prevention of importation of infringing goods.

Criminal penalties are also possible.

TRADEMARKS

Nature of right

Words, letters, numerals, figurative representations, 3-dimensional shapes or combinations of such elements with each other or with colors which distinguish the goods or services of one business from another are eligible to trademark protection.

Trademark rights become effective upon their registration.

The trademark owner has an exclusive right to use the trademark to identify the goods or services for which it is claimed and to dispose of it. The owner also has the right to prohibit others from utilizing an identical or similar sign for the same or similar goods or services if a likelihood of confusion results.

Legal framework

Trademarks (and indications of source) are governed by the Federal Trademark Protection Act and Federal Ordinance on Trademarks. Switzerland is also a member of the Madrid Agreement and the Madrid Protocol.

Duration of right

Trademark registrations remain in effect for 10 years and are renewable indefinitely.

Ownership / licenses

Co-ownership as well as collective trademarks are possible (marks for collective associations). Licenses for collective marks must be registered.

Remedies for infringement

Remedies for trademark infringement include declaratory actions, actions for performance, damages, confiscation and destruction.

Actual damages can be monetary loss suffered by the trademark owner or profits gained by the infringer.

Injunctive relief and publication of judgments are also possible remedies.

It is possible to seek the prevention of importation of infringing goods and obtain customs' assistance. Criminal penalties are also possible.

TRADE SECRETS

Nature of right

Trade secrets do not constitute a category of property rights, but are rather protected to a certain extent by unfair competition law, contract law and criminal law.

Legal framework

Protection of trade secrets is addressed by the Federal Unfair Competition Act, Code of Obligations and Criminal Code.

Duration of right

There is no specific time limitation for protection. Trade secrets are protected by law as long as they remain secret and are covered by a subjective and objective interest to be kept secret.

Ownership / licenses

Protection may apply to several individuals if they all work on the creation of the trade secret and their individual input cannot be separated. There are certain contractual constellations (eg, employment contracts) for which

particular provisions are available that separately govern the ownership and party obligations with regard to trade secrets.

It is possible to assign and/or license rights on legally protected trade secrets and know-how.

Remedies for infringement

Declaratory actions, actions for performance, damages and an account of profits are available remedies. There is an exception for cases where trade secrets are obtained in good faith, through independent discovery or based on a statutory exemption.

Injunctive relief and publication of judgment are also available remedies in certain circumstances. Criminal penalties are possible in some cases.

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Inventions and designs created by the employee in his or her function as an employee and in fulfillment of his or her contractual duties belong to the employer. The same applies to software-related copyrights but not to other copyrighted works. Further, certain inventor's or creator's rights, including moral rights in copyright, are not automatically transferred from the employee to the employer. Therefore, it is advisable to include contractual clauses dealing with the transfer of intellectual property rights from employees to employers in employment agreements.

It is to be noted that under Swiss law an employee is legally obliged for the duration of an employment relationship to keep confidential information, such as manufacturing or trade secrets, obtained while in the employer's service secret. The employee remains bound by such duty of confidentiality even after the end of the employment relationship to the extent required to safeguard the employer's legitimate interests.

Consultants / contractors

It is customary for consultants and contractors to sign written agreements. Absent a written assignment, third-party consultants and contractors will retain ownership of IP rights on inventions and creations developed by them.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement for commercial contracts.

Registration of licenses with the Swiss Federal Institute of Intellectual Property is possible for registry rights such as patents, designs and trademarks in order to have a license effective as to 3rd parties.

Recognized language of commercial agreements

The English language is recognized in both business and consumer-related contracts. However, it is recommended that for consumer contracts one of the official Swiss languages (German, French or Italian) is used.

Country-specific issues for online content

Based on Swiss practice, in general terms and conditions, consumers should generally be addressed in all 3 official Swiss languages, if a good or service is offered online or throughout Switzerland.

It is to be noted that Switzerland is not a member state of the European Union, which is why different rules may apply in particular with regard to data protection, unfair competition, intellectual property and general terms and conditions.

Enforceability of online/clickwrap/shrinkwrap terms

All contractual terms applicable must be made available to the contracting party and/or consumer before conclusion of the agreement. To this extent, shrinkwrap terms may only apply if visible and recognizable before the contract has been concluded (ie, before opening the package).

Online and clickwrap terms are likewise enforceable if they have been made available and recognizable before conclusion of the agreement. They also have to be clearly phrased.

Governing law

Subject to consumer contracts, governing law and forum specified in a commercial contract will generally be accepted and recognized by state courts.

Dispute resolution takes place through litigation in state courts, unless an alternative dispute resolution procedure such as mediation or arbitration is specified in the contract.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Disclaimers for implied warranties are generally enforceable unless defects have been concealed in bad faith by the disclaiming party. If express warranties are made for certain specifications, liability may not be validly excluded for these specifications, since this would constitute contradictory behavior.

If disclaimers are included in general terms and conditions, they are enforceable unless the provisions are unusual. Unusual provisions are only regarded as valid if the party proposing them has expressly drawn the attention of the other party to the special element.

The Federal Unfair Competition Act prohibits general terms and conditions that provide, contrary to good faith, for an unfair allocation of rights and obligations to the detriment of consumers.

Enforceability of exclusions/limitations of liability indemnification

Under Swiss mandatory law, it is not possible to validly exclude or limit the liability of a party for gross negligence or intentional breach of contract. In particular, the limitation of a party's liability to a certain cap and the exclusion of certain categories of damages (such as indirect or consequential losses and loss of profits) would not be valid in the event of gross negligence or intentional breach of contract. As a result, liability may only be validly excluded or limited for damages caused by a party with slight or medium negligence.

Liability for auxiliary persons may be waived entirely.

Indemnification

Indemnification provisions are often used and are generally enforceable.

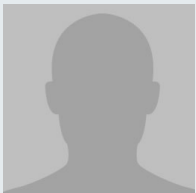
Electronic signatures

Because most contracts under Swiss contract law do not require a specific form, generally the parties may validly execute contracts by exchanging consensual expressions of will in an electronic form, provided that the parties and the contents of their respective expressions are determinable. This also applies in relation to choice-of-law provisions or jurisdiction and arbitration clauses, as far as the latter are based on electronic communication that can be evidenced in text form.

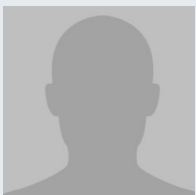
In addition, Swiss law provides for and recognizes a technical procedure which makes it possible to guarantee the authenticity of a document or an electronic message and to ensure the identity of the sender (so-called electronic signature). The procedure is based on a certification infrastructure managed by 3rd party providers.

If such 3rd-party provider is further approved by an appointed authority, the issued so-called qualified electronic signatures are treated as equal to wet-ink signatures. Thus, the procedure may be used for contracts that by law require a handwritten form.

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TAIWAN, CHINA



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property is regulated and protected in Taiwan under various laws, such as the Copyright Act for original works of authorship; Trademark Act for trademarks; Patent Act for invention, utility model and design; and the Integrated Circuit Layout Protection Act for integrated circuit layouts. The Civil Code is the basic law for any other intangible property right.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial contracts in Taiwan are basically governed by the Civil Code. Certain contracts with a special nature (such as agreements in relation to copyrights or patent) are governed by various special laws or regulations, such as the Copyright Act and Patent Act, among others.

COPYRIGHTS

Nature of right

The Copyright Act defines copyright as a property right, comprising economic rights and moral rights. Registration is not required for copyright protection. The rights arise automatically upon creation of the relevant authorship work.

Legal framework

The Copyright Act was promulgated on May 14, 1928. Taiwan is a member of the WTO and follows the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Duration of right

The duration for the economic rights of a copyright is:

- The life of the author plus 50 years after the author's death
- 10 years from the first public release, if a work is first publicly released between the 40th and 50th year after the author's death

In case of a joint authorship work, the duration is 50 years after the death of the last surviving author. In case of pseudonymous authorship work or an anonymous authorship work, it is 50 years from the time of public release. In case of authorship works created by a juristic person, it is 50 years after the public release or 50 years after the completion of such creation if not publicly released within 50 years after completion of such creation. In addition, the duration for authorship in relation to photographic, audiovisual, sound recordings or performances is 50 years after the public release of such authorship work or 50 years after the completion of such creation if not publicly released within 50 years after completion of such creation.

Moral rights are perpetual and cannot be assigned or inherited.

Ownership / licenses

The economic rights of a copyright can be freely assigned, licensed, pledged or inherited in whole or in part. Joint authorship of a copyright is permissible, provided that any assignment, grant of license or creation of pledge can only be made with the unanimous consent of all joint owners.

Remedies for infringement

- Claim for damages
- Request to stop or prevent infringement
- Request for destruction of the infringing articles, or articles used in infringement
- Request for publication of all or part of the court judgment in a newspaper or magazine
- Apply to the Customs authorities for tentatively seizing the imported or exported goods that infringe the copyrights
- Request for restoration of impaired reputation

MASK WORKS / TOPOGRAPHIES

Nature of right

Integrated circuit layouts are protected by the Integrated Circuit Layout Protection Act, which defines:

- "Integrated circuit" as a finished or intermediate product having electronic circuitry functions and with transistors, capacitors, resistors or other electronic components and their interconnections integrated onto or within a semiconducting material

- "Circuit layout" as a 2-dimensional or 3-dimensional design of electronic components and interconnecting leads on an integrated circuit

Subject to certain exceptions set forth in the Integrated Circuit Layout Protection Act, an owner of circuit layout rights shall have the exclusive rights to preclude others from reproducing the circuit layout in whole or in part or importing or distributing for commercial purpose the circuit layout or an article containing the circuit layout.

Legal framework

The Integrated Circuit Layout Protection Act was promulgated on August 11, 1995. The grant of a circuit layout right is based on registration with the Taiwan Intellectual Property Office, Ministry of Economic Affairs. No application for registration of a circuit layout will be accepted after 2 years from the date of the first commercial exploitation.

Duration of right

The duration of a circuit layout right is 10 years commencing from the earlier of:

- The filing date of the circuit layout registration application or
- The date of the first commercial exploitation

Ownership / licenses

A circuit layout right can be freely assigned, licensed, pledged or inherited in whole or in part. Joint ownership of a circuit layout right is permissible, provided that any assignment, grant of license or creation of pledge of a

Jointly owned circuit layout right can only be made with the unanimous consent of all joint owners. If a joint owner of circuit layout rights abandons their share, the abandoned share shall be allocated to the other joint owners according to the percentage of their respective shares in such joint ownership.

Remedies for infringement

- Claim for damages
- Request to stop or prevent infringement
- Request for destruction of the articles containing the infringing circuit layouts
- Request for publication of all or part of the court judgment in a newspaper

PATENTS

Nature of right

A patentee has an exclusive right to prevent others from exploiting the patent without the patentee's consent. Exploiting means the acts of manufacturing, offering for sale, selling, using or importing the products or services containing the patent.

Legal framework

The Patent Act was promulgated on May 29, 1944, which classifies patent into 3 types: invention patent, utility model patent and design patent (including derivative design patent).

The grant of a patent right is based on the registration of a patent with the Intellectual Property Office, Ministry of Economic Affairs.

Duration of right

The term of an invention patent is 20 years, the term of a utility model patent is 10 years and the term of a design patent is 15 years, all starting from the filing date of the application. A derivative design patent shall expire simultaneously with the original design patent.

Ownership / licenses

A patent can be assigned, licensed, pledged or inherited. In case of joint ownership of a patent, any single owner is not entitled to assign, license or pledge their own share of such patent without the unanimous consent of all joint owners. If a joint owner of the patent abandons their share, the abandoned share shall be allocated to the other joint owners according to the percentage of their respective shares within the joint ownership.

Remedies for infringement

- Claim for damages and, in the case of willful infringement, damages up to 3 times proven damages
- Request to stop or prevent infringement
- Request for destruction of the infringing articles, materials and implements used in the infringing act
- Apply to the Customs authorities for tentatively seizing the imported or exported articles that are suspected of infringing the patent right(s)
- Request for restoration of the impaired reputation

TRADEMARKS

Nature of right

A trademark is defined as a sign with distinctiveness which is capable of being recognized by relevant consumers as an indication of the source of goods or services and distinguishing goods or services of one from others. A trademark may consist of words, devices, symbols, colors, 3-dimensional shapes, motions, holograms, sounds or any combination thereof.

Legal framework

The Trademark Act was promulgated on May 6, 1930. Taiwan is a member of WTO and follows the TRIPS. However, Taiwan is not a member of the Madrid Protocol.

The grant of a trademark is based on the registration of a trademark with the Intellectual Property Office, Ministry of Economic Affairs.

Duration of right

The duration of trademark right is 10 years from the date of registration and is renewable. The duration of each renewal period is also 10 years.

Ownership / licenses

License may be granted by the trademark owner for all or some of the designated goods or services or for a particular territory.

In case of joint ownership of a trademark, any single owner is not entitled to assign, license or pledge their own share of such trademark without the unanimous consent of all joint owners. If a joint owner of the trademark abandons their share, the abandoned share shall be allocated to the other joint owners according to the percentage of their respective shares within the joint ownership.

Remedies for infringement

- Claim for damages
- Request to stop or prevent infringement
- Request for destruction of infringing articles, materials and implements used in infringing the trademark
- Apply to the Customs authorities for tentatively seizing the imported or exported goods that infringe the trademark rights

TRADE SECRETS

Nature of right

According to the Trade Secrets Act, a trade secret shall mean any method, technique, process, formula, program, design or other information used in the course of production, sales, or operations that meets all of the following requirements:

- It is not generally known to persons in the relevant industry
- It has economic value, actual or potential, due to its secretive nature

- Its owner has taken reasonable measures to maintain its secrecy

Legal framework

The Trade Secret Act was promulgated on January 17, 1996.

Duration of right

Trade secret can be protected as long as it is confidential.

Ownership / licenses

A trade secret can be freely assigned, licensed, pledged or inherited in whole or in part, but shall not be pledged or subject to compulsory execution. In case of joint ownership, no single owner of a trade secret shall assign or grant a license to another for the use of the jointly-owned trade secret without the unanimous consent of all joint owners, provided that such consent shall not be unreasonably withheld.

Remedies for infringement

Available remedies:

- Claim for damages
- Request to stop or prevent infringement
- Request for destruction of products generated from the infringement or articles used exclusively in the infringement

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

According to the Copyright Act, the moral rights and economic rights of an authorship work completed by an employee in the course of performing their duties is vested in the employee unless otherwise provided for in an agreement between the employer and employee to the contrary. Even in the absence of such agreement, the economic rights to authorship work shall be vested in the employer. The term "employee" referred to in this context includes a civil servant.

According to the Patent Act, where an invention, a utility model or a design is made by an employee in the course of performing their duties, unless otherwise provided for in an agreement between the employee and employer to the contrary, the right to apply for a patent and the resulting patent shall be vested in the employer on the condition that the employer shall pay the employee reasonable remuneration. Where the right to apply for a patent and the resulting patent are vested in the employer, the employee as the inventor, utility model creator or designer concerned shall be entitled to a right of attribution.

Where an invention, utility model or design made by an employee has no connection with their job duties, the right to apply for a patent along with the resulting patent shall be vested in the employee. However, if such invention, utility model or design is made through the utilization of the employer's resources or experiences, even though the right to apply for a patent and the resulting patent are vested in the employee, the employer may, after paying the employee a reasonable remuneration, exploit the invention, utility model or design. Any agreement concluded between an employer and an employee precluding such employee from enjoying the abovementioned rights and interests shall be null and void.

The Integrated Circuit Layout Protection Act provides that, if a circuit layout is created by an employee in the course of performing their duties, the right to apply for registration and the rights attached to such circuit layout shall be vested in the employer unless otherwise provided for in an agreement between the employer and employees to the contrary. However, the employee shall be entitled to the right of attribution based on the facts of the creation.

Consultants / contractors

It is customary for the party who engages a consultant or contractor to sign an agreement with such consultant or contractor setting forth which party will retain ownership of the work completed by the consultant or contractor. In the absence of an agreement:

- The consultant or contractor shall be deemed the author of the work, and the economic rights to such work shall be vested in the consultant or contractor
- The right to apply for a patent and the resulting patent shall be vested in the consultant or contractor, provided, however, that the party who retains the consultant or contractor shall be entitled to exploit such invention, utility model or design

- The right to apply for registration of the circuit layout shall be vested in the party who retains the consultant or contractor

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no law requiring registration of commercial agreements. However, if a commercial agreement will result in the transfer, pledge or license of any trademark, patent or circuit layout, it shall be recorded with the competent authorities. Failure to register will render such transfer, pledge or license unenforceable against any bona fide third party.

Recognized language of commercial agreements

The law is silent on the recognized language of commercial agreements. Chinese is the usual language for commercial agreements between local persons, and English is the usual language for the agreements between local people and foreigners.

Country-specific issues for online content

As a general rule, a host service provider is not liable for copyright infringing content provided by others, provided that it does not have actual knowledge of the infringing content or, if it gained knowledge of the infringing content, has immediately removed or blocked the infringing content, and that it does not gain economic benefits from the infringing content provided by others.

Enforceability of online/clickwrap/shrinkwrap terms

Online, clickwrap and shrinkwrap agreements are generally enforceable if material terms and conditions are conspicuous and users have an opportunity to review and indicate affirmative assent (eg, check a box), provided that, among other obligations under the Consumer Protection Act, sellers shall allow consumers to return the products within 7 days without any cause at the expense of sellers.

Governing law

Governing law and jurisdiction for resolution of disputes specified in a commercial contract will generally be accepted and recognized by Taiwan courts. The parties are free to opt for litigation or alternative dispute resolution such as arbitration and mediation.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Except for fundamental warranties, such as a warranty of normal functions of a product conformity or a quiet title warranty which cannot be disclaimed, disclaimers of other warranties (eg, fitness for a particular purpose or

merchantability) are generally enforceable in Taiwan, provided that the Civil Code contains restrictions on enforceability under certain circumstances (eg, damages caused intentionally). Further and quite extensive limitations apply to contracts involving consumers.

Enforceability of exclusions/limitations of liability indemnification

Exclusions or limitations of liability are enforceable in Taiwan, provided that liabilities arising from willful misconduct or gross negligence shall not be released in advance and in certain situations; if the exclusions or limitations of liability are obviously unfair, the aggrieved party may apply to the court for equitable adjustment of liability. Exclusions or limitations of liability toward consumers are generally unenforceable under Taiwan law.

Indemnification

Express indemnities stated in contracts are recognized and generally respected. A cap on liability under indemnification provisions is generally enforceable, provided that liabilities arising from willful misconduct or gross negligence shall not be released in advance.

Electronic signatures

Except as otherwise specifically provided for under Taiwan law, electronic signatures are generally recognized and enforceable in Taiwan as long as the parties concerned agree to conclude the contract electronically; the content of the contract can be presented in its integrity and remains accessible for subsequent reference; and the electronic methods used to conclude the contract meet the requirements of the Electronic Signatures Act.

KEY CONTACTS

UKRAINE



Last modified 14 June 2024

INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights in Ukraine are mainly regulated by civil and commercial codes as well as specific laws pertaining to separate intellectual property objects. In addition, Ukraine has ratified a majority of international treaties pertaining to intellectual property rights protection.

Following Ukraine's ratification of the EU Association Agreement, Ukraine is in the process of bringing its intellectual property legislation in line with EU standards.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial contracts in Ukraine are governed by the Civil Code of Ukraine dated January 16, 2003, as well as the Commercial Code of Ukraine dated January 16, 2003, which contain general rules about contract formation, enforceability and termination, as well as specific provisions applicable to certain types of contracts. In addition, certain provisions pertaining to contracts may be found in other laws regulating particular spheres such as e-commerce and technology transfer, among others.

COPYRIGHTS

Nature of right

In Ukraine, copyright protection is granted to original works of authorship fixed in any objective form. Copyright arises from the moment of creation of work and does not require registration or fulfillment of any other formalities to enjoy protection. Registration of copyright is possible in Ukraine on a voluntary basis and does not affect the validity of rights. Copyright protection is granted to both published and unpublished works, complete and incomplete, irrespective of their designation, genre, volume or way of expression. In addition, a part of a work that may be used independently, including its original name and original character in a work, if it is used separately from the work as part of which it was created, is treated as a work that can enjoy copyright protection.

Copyright owners have an exclusive right to reproduce, distribute, publicly perform and publicly display their works of authorship. In addition, copyright owners have moral rights, such as the right to claim authorship by way of indicating the author's name on the work and the right to prohibit mentioning their name during any display of work or to choose pseudonym, the right to protect integrity of their work, the right to title work or leave it untitled, as well as the right to determine on dedication of work to person(s), event or date. Moral rights cannot be assigned or transferred to 3rd parties.

Legal framework

Main legislative acts regulating copyright protection in Ukraine are the Law of Ukraine "On Copyright and Related Rights" dated December 1, 2022 and Civil Code of Ukraine dated January 16, 2003. In addition, Ukraine is a signatory to the Berne Convention for the Protection of Literary and Artistic Works.

Duration of right

Copyright protection lasts for 70 years after the death of an author or the death of the last co-author. Copyright to anonymous or pseudonymous works shall continue for 70 years after the work is lawfully made available to the public.

Moral rights of the author exist perpetually.

Ownership / licenses

Under Ukrainian law, the author of a work is the initial copyright holder. Unless proven to the contrary, the person indicated as an author of the original or a specimen of a work is deemed to be the author of such work. Only natural persons may be recognized as authors in Ukraine.

Persons who created a work jointly are considered co-authors under Ukrainian law. Copyright with respect to a work created in co-authorship is vested with all co-authors irrespective of whether the work represents inseparable item or is composed of parts that each have independent significance. Relations between co-authors may be regulated by an agreement between them. Tangible intellectual property rights are owned jointly by all co-authors and are exercised by agreement between them. If a work created in co-authorship is composed of parts that each can be used independently from other parts of work, each co-author has a right to exercise tangible rights in relation to the part of the work created by such author, provided that such actions do not harm the normal use of such work and do not unreasonably restrict the legitimate interests of the respective copyright holders..

Copyright owners may grant the right to use or assign their rights to other parties either partially or wholly through a license or an assignment agreement. Licensing of a copyright to works which have not been created yet (ie, future works) is prohibited. Any licensing arrangements shall be executed in written (electronic) form. The rights which are not specifically listed as licensed or assigned in the agreement are regarded as not licensed or assigned respectively.

The relations on collective management of rights have been regulated in the Law of Ukraine "On the Effective Management by the Tangible Rights of Rightsholders in the Sphere of Copyright and (or) Related Rights" as of May 15, 2018, which is aimed to make the system of collective management more effective and transparent in Ukraine.

Remedies for infringement

A copyright owner may seek the following remedies under Ukrainian law in case of infringement of its rights:

- Recognition and restoration of rights
- Restoration of the status that existed before the violation
- Cessation of infringing acts or acts that pose a threat of violation
- Reimbursement of moral or monetary damages
- Recovery of revenue received as a result of the infringement
- Payment of compensation (a lump sum) in an amount at the discretion of the aggrieved party – up to 200 subsistence minimums or in the amount of double (or, in case of intentional violation, triple) the amount of remuneration or commissions that would have been paid if the infringer would have applied for permission to use the disputed copyright object
- Seizure of infringing goods
- Prohibition of import
- Publication in mass media, at the infringer's expense, of data on copyright infringements and court decisions on such infringements
- Termination and prohibition of publication of physical copies of the copyright or pirated copies of such objects and equipment and materials intended for their manufacture and reproduction.

The court may also impose on the infringer a fine up to 10 percent of the amount awarded in favor of the plaintiff. The fine shall be paid into the state budget.

In addition, under the Criminal Code of Ukraine dated April 5, 2001, criminal penalties for copyright infringements are available.

MASK WORKS / TOPOGRAPHIES

Nature of right

Ukrainian law ensures protection of topographies if they are original. A topography is considered to be original if it is not created by direct reproduction (ie, copying) of another topography and had not been known in the field of microelectronics before the date of filing of an application to the Ukrainian IP Office or before the date of its first use.

Intellectual property rights to topographies are subject to registration with the Ukrainian IP Office.

An owner of a registered topography enjoys exclusive rights to use the topography, prohibit its commercial use or import by 3rd parties without respective consent of the owner and assign or license the right to topography. Use shall mean the reproduction of topography, manufacture of semiconductor products produced with use of such topography, manufacture of any goods that contain such semiconductor products, import, offering for sale (including via internet), sale and storage of the semiconductor products produced with the use of such topography or goods that contain such semiconductor products.

Legal framework

Rights to topographies are protected under the Law of Ukraine "On the Protection of Rights to Topographies of Semiconductor Products" dated November 5, 1997, which was substantially amended in 2019 in order to approximate topographies' legal framework to EU regulation.

Duration of right

The duration of protection is 10 years from any of the following dates, whichever is earlier:

- The end of calendar year during which the topography was first commercially used anywhere in the world or
- The end of calendar year during which proper application was filed.

Registration must be filed within 2 years upon the first use of the topography.

Ownership / licenses

Under Ukrainian law, the author of a topography is the initial intellectual property rights holder.

The persons who created a topography jointly are considered co-authors under Ukrainian law. The exclusive rights with respect to a topography created in co-authorship are vested with all co-authors. Relations between co-authors are regulated by an agreement between them.

The rights holders may grant the right to use or assign their rights to other parties through license or assignment agreement, which should be in writing.

The assignment of exclusive rights to a topography is subject to mandatory registration with the Ukrainian IP Office.

Remedies for infringement

The owner of exclusive rights to a topography or the authorized person (eg, licensee) may seek the following remedies under Ukrainian law:

- Termination of the infringement
- Cancellation of the infringing certificate for topography

- Reimbursement of damages, including loss of profit or payment of compensation. The amount of compensation shall be determined by the court, taking into account the extent of the infringement, the fault of the infringer and other relevant circumstances. The amount of compensation shall not be less than the amount that would have been paid for granting permission to use the rights to the certificate in dispute. If the infringement of the rights was unintentional and without negligence, the amount of compensation shall be equal to the amount of remuneration that would have been paid for granting such permission.
- Recognition of a right and
- Publication of the court decision on the case concerning IP rights infringement.

In addition, the Criminal Code of Ukraine dated April 5, 2001 provides for criminal liability for infringements of intellectual property right with regard to topographies.

PATENTS

Nature of right

Patents in Ukraine protect exclusive rights to inventions and utility models. Products (eg, devices, substances, strains of microorganism, cell cultures of plants and animals) and/or processes may obtain protection as inventions. The devices and/or processes may obtain protection as utility models.

Ukrainian laws stipulate the following patentability requirements for objects eligible for patenting:

- Inventions – including novelty, inventive step and industrial applicability, and
- Utility models – including novelty and industrial applicability.

The rights to inventions and utility models are subject to registration with the Ukrainian IP Office in order to be protected in Ukraine.

The owner of the patent to invention or utility model has the exclusive right to prohibit 3rd parties from producing, using, selling or importing the product or applying the methods that are protected with the patent.

Legal framework

The legal framework with regard to patents for inventions and utility models in Ukraine includes the Civil Code of Ukraine dated January 16, 2003 and the Law of Ukraine "On Protection of the Rights to Inventions and Utility Models" dated December 23, 1993. In addition, Ukraine is a member to the Paris Convention for the Protection of Industrial Property, Patent Law Treaty and Patent Cooperation Treaty as well as the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.

Duration of right

Patents to inventions are granted for 20 years from the date of application. The owner of a patent to an invention may obtain supplementary protection for up to five more years, provided that the object of such invention is an

active pharmaceutical ingredient of a medicinal product, the process of obtaining or the use of a medicinal product, an animal/plant protection product. Obtainment of supplementary protection is confirmed by supplementary protection certificate. The patents to utility models are granted for 10 years from the date of application.

Ownership / licenses

Under Ukrainian law, the inventor is the initial intellectual property rights holder.

The persons who created an invention or utility model jointly are considered as co-authors under Ukrainian law. The exclusive rights with respect to an invention or utility model created in co-authorship are vested with all co-authors. Relations between co-authors are regulated by an agreement between them.

The right holders may grant the right to use or assign their rights to other parties through a license or assignment agreement, which should be made in writing. The assignment of patent rights is subject to mandatory registration with the Ukrainian IP Office. Ukrainian law prescribes that compulsory license to inventions or utility models may be imposed in certain cases.

Remedies for infringement

The patent owner or an authorized person (eg, licensee) may seek the following remedies under Ukrainian law:

- Termination of the infringement.
- Cancellation of the infringing patent.
- Reimbursement of damages, including loss of profit or payment of compensation. The amount of compensation shall be determined by the court, taking into account the extent of the infringement, the fault of the infringer and other relevant circumstances. The amount of compensation shall not be less than the amount that would have been paid for granting permission to use the rights to the patent in dispute. If the infringement of the rights was unintentional and without negligence, the amount of compensation shall be equal to the amount of remuneration that would have been paid for granting such permission.
- Recognition of a right
- Seizure of infringing goods
- Prohibition of import and
- Publication of the court decision on the case concerning IP rights infringement.

In addition, the Criminal Code of Ukraine dated April 5, 2001 provides for criminal liability for infringements of intellectual property right with regard to inventions and utility models.

TRADEMARKS

Nature of right

In general, Ukraine is a first-to-file jurisdiction, which means that trademark rights arise out of registration of the trademark with the Ukrainian IP Office. However, well-known trademarks are protected regardless of registration in Ukraine based on the decision whereby they are recognized or well known by the Ukrainian IP Office or the court.

A trademark under Ukrainian law is a designation that distinguishes the goods or services of an entity from the goods or services of others.

The following designations may be protected as trademarks: any words (including proper names), letters, numerals, figurative elements, colors, configurations of goods or their packaging, sounds, provided that such designations allow as follows:

- i. distinguishing goods or services of one entity from the goods or services of the others,
- ii. displaying in the Ukrainian Trademark Register in a way as to determine a clear and precise scope of legal protection, provided to such designations.

A trademark holder has the exclusive right to prohibit the 3rd parties from offering, marketing, using, importing, exporting and labeling their products with an identical or similar trademark for identical or similar goods or use the trademark in business documents or on the internet.

Legal framework

The trademark rights in Ukraine are regulated by the Civil Code of Ukraine dated January 16, 2003 along with the Law of Ukraine "On the Protection of Rights to Marks for Goods and Services" dated December 15, 1993. In addition, Ukraine is a member to the Paris Convention for the Protection of Industrial Property, Trademark Law Treaty, the Singapore Treaty on the Law of Trademarks and the Madrid Agreement Concerning the International Registration of Marks and Madrid Protocol.

Duration of right

Trademark registration is valid for 10 years from the date of filing an application with the Ukrainian IP Office and may be extended each time for another 10 years upon the request of the registration holder, provided a renewal fee is paid.

Ownership / licenses

The exclusive rights with respect to a trademark may be subject to joint ownership. Relations between co-owners are regulated by an agreement between them. When there is no such agreement, each co-owner may use the trademark at its own discretion, however, all co-owners must consent to the grant of the license to the co-owned trademark.

The rights holders may grant or assign their rights to other parties through a license or an assignment agreement, which should be in writing.

The assignment of patent rights is subject to a mandatory registration with the Ukrainian IP Office.

Remedies for infringement

The trademark holder or authorized person (eg, licensee) may seek the following remedies under Ukrainian law:

- Termination of the infringement
- Cancellation of the infringing trademark certificate
- Reimbursement of damages, including loss of profit or payment of compensation. The amount of compensation shall be determined by the court, taking into account the extent of the infringement, the fault of the infringer and other relevant circumstances. The amount of compensation shall not be less than the amount that would have been paid for granting permission to use the rights to the trademark in dispute. If the infringement of the rights was unintentional and without negligence, the amount of compensation shall be equal to the amount of remuneration that would have been paid for granting such permission.
- Recognition of a right
- Seizure of infringing goods
- Prohibition of import and
- Publication of the court decision on the case concerning IP rights infringement.

In addition, the Criminal Code of Ukraine dated April 5, 2001 contains criminal liability for infringements of intellectual property right with regard to trademarks.

TRADE SECRETS

Nature of right

The Ukrainian law provides that a trade secret is information that is secret in the sense that it is not, as a whole or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question, has commercial value because it is secret and has been subject to reasonable steps under the circumstances by the person lawfully in control of the information to keep it secret.

Certain information which includes, *inter alia*, the information on charter documents and tax payments shall be not protected as commercial secret in Ukraine by virtue of law.

A trade secret is in the exclusive ownership of the person that classified such information as a trade secret.

The owner of the trade secret has the exclusive right to use the trade secret as well as prohibit the 3rd parties from such use.

Legal framework

The legal landscape for trade secret protection in Ukraine includes the Civil Code of Ukraine dated January 16, 2003 and Commercial Code of Ukraine dated January 16, 2003. In addition, the rules of the Agreement on Trade-Related Aspects of Intellectual Property Rights are applied in Ukraine.

Duration of right

As long as reasonable efforts are taken by the owner of the information to maintain the information as a secret, it will qualify as a trade secret.

Ownership / licenses

Joint ownership is possible. Trade secret, or know-how, licenses are enforceable.

Remedies for infringement

The trade secret owner may seek the following remedies under Ukrainian law:

- Termination of the infringement
- Reimbursement of damages, including loss of profit
- Seizure of infringing goods or payment of a lump sum (at the defendant's request), provided that the defendant has infringed the IP right unintentionally and without negligence. The amount of the lump sum payment shall be determined by the court as the amount of remuneration that would be paid for the plaintiff's granting permission to use the disputed IP right and shall be reasonably satisfactory to the plaintiff; and
- Publication of the court decision on the case concerning IP rights infringement.

In addition, the Criminal Code of Ukraine dated April 5, 2001 provides for criminal liability for infringements of intellectual property right with regard to a trade secret.

OTHER KEY IP RIGHTS

Nature of right

Industrial designs

Industrial design is a result of creative activity of an individual in the area of industrial designing. The industrial design may be the appearance of the product or part thereof, which is determined, in particular, by lines, contours, color, shape, texture and/or material of the product, and/or its finishing. For industrial designs, Ukrainian laws contain the protectability requirements of novelty and individual nature.

The industrial design may receive legal protection as:

- Registered industrial design (upon its registration with the Ukrainian IP office and receipt of certificate);

- Unregistered industrial design, provided that such design has been disclosed, meaning that such design has been published, exhibited, used in trade or otherwise made available to the public in a way that, within the normal course of business, such measures may, for objective reasons, become known in circles which specialize in the relevant field and carry out their activities in Ukraine.

The owner of a registered industrial design has the exclusive right to prohibit 3rd parties from using the industrial design (ie, manufacture of a product using the industrial design, use of such product, offer for sale, including via the Internet, sale, import, export and other introduction into civil circulation or storage of such product for these purposes). The owner of the unregistered industrial design that was disclosed has the right to prohibit its copying and use (as described above), provided that such use is a consequence of copying an unregistered industrial design.

Legal framework

Industrial designs

The landscape for industrial designs in Ukraine includes the Civil Code of Ukraine dated January 16, 2003 and the Law of Ukraine "On Protection of the Rights to Industrial Designs" dated December 15, 1993. In addition, Ukraine is a member to the Paris Convention for the Protection of Industrial Property, Patent Law Treaty and Hague Agreement Concerning the International Registration of Industrial Designs.

Duration of right

Industrial designs

Certificates for industrial designs are granted for 5 years from the date of application, which may be extended for another 5 years, however, the total validity term of rights to a registered industrial design may not exceed 25 years from the application date.

Unregistered industrial designs are protected within 3 years upon bringing them to the public notice in the territory of Ukraine.

Ownership / licenses

Industrial designs

Under Ukrainian law the design author is the initial intellectual property rights holder.

The persons who created a design jointly are considered co-authors under Ukrainian law. The exclusive rights with respect to a design created in co-authorship are vested with all co-authors. Relations between co-authors are regulated by an agreement between them.

The right holders of registered industrial designs may grant or assign their rights to other parties through license or assignment agreement, which should be in writing. The assignment of the rights to registered industrial designs is subject to mandatory registration with the Ukrainian IP Office.

Remedies for infringement

Industrial designs

The owner of rights to industrial designs or authorized person (eg, licensee) may seek the following remedies under Ukrainian law:

- Termination of infringement
- Cancellation of infringing patent to industrial design
- Reimbursement of damages, including loss of profit or payment of compensation. The amount of compensation shall be determined by the court, taking into account the extent of the infringement, the fault of the infringer and other relevant circumstances. The amount of compensation shall not be less than the amount that would have been paid for granting permission to use the rights to the trademark in dispute. If the infringement of the rights was unintentional and without negligence, the amount of compensation shall be equal to the amount of remuneration that would have been paid for granting such permission.
- Recognition of a right
- Seizure of infringing goods
- Prohibition of import and
- Publication of the court decision on the case concerning IP rights infringement.

In addition, the Criminal Code of Ukraine dated April 5, 2001 provides for criminal liability for infringements of intellectual property right with regard to industrial designs.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

Ukrainian law generally recognizes a work-for-hire doctrine in which an employer owns works of authorship created by an employee within the scope of employment. At the same time, the transfer of IP rights on work-for-hire objects from employee to employer must be formalized in writing. Otherwise, arguably by virtue of Ukrainian law, IP rights on created objects may not be recognized as transferred from the employee to the employer.

Separately, IP rights to copyrighted works created in connection with the performance of employment agreement are transferred to the employer from the moment the employee creates the work in full scope, unless otherwise provided by agreement.

Another, more complicated procedure is provided by the Ukrainian laws with respect to patent rights to inventions, utility models and the rights under certificates for industrial designs. Unless otherwise is provided under employment agreement, an employee must notify an employer in writing about the fact of creation, including the detailed description of the creation. Within 4 months from the date of receipt of the notification, an employer should either file an application for the patent/certificate (for inventions, utility models and industrial designs), or transfer such right to a 3rd party or decide to keep creation as confidential information (for inventions and utility models).

Within 4 months from the date of receipt of notification, an employer shall conclude an agreement with an employee that formalizes the transfer of rights from employee and payment of remuneration to the employee.

Failure to do the above actions allows an employee to file the application for the patent/certificate.

Consultants / contractors

The work-for-hire doctrine applies to relations with individuals acting as consultants or contractors. Similarly, as in employment relations, transfer of IP rights from consultants or contractors to work-for-hire objects must be formalized in writing. Otherwise, if no IP transfer provisions are included in the contract, by virtue of Ukrainian law, the IP rights to created objects would be deemed owned by the parties jointly.

Separately for copyrighted works, tangible IP rights to copyrighted works created by consultant or contractor are transferred to the customer from the moment of creation of the work in full scope, unless otherwise provided in the agreement.

Under Ukrainian law, the work-for-hire doctrine does not work in relations between legal entities. Therefore, no automatic transfer of IP rights between legal entities is possible under Ukrainian laws, and a specific mechanism of transfer of IP rights to deliverables following their creation must be provided in the agreement between such legal entities. Normally, transfer of IP rights to deliverables created under a respective agreement between legal entities shall be effected on the basis of an act of acceptance of services resulting in the creation of respective IP rights objects. In such a case, the IP rights will be transferred under such agreement from the moment of signature of respective act of acceptance. The act of acceptance shall provide for a sufficient description of deliverables to which the IP rights are assigned. The other mechanism of transfer of IP rights allowing sufficient identification of the deliverables to which the IP rights are assigned may be established by an agreement.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

Generally, there are no registration requirements applicable to commercial contracts.

Assignment agreements in relation to registered IP objects (eg, trademarks, inventions, utility models and industrial designs) are subject to obligatory registration with the National Intellectual Property Authority – the State Organization “Ukrainian National Office of Intellectual Property and Innovations”. The rights to these objects are transferred to the assignee from the moment of registration of the assignment agreement.

License agreements for use of registered IP objects (eg, trademarks, inventions, utility models and industrial designs) are subject to voluntary registration with the State Organization “Ukrainian National Office of Intellectual Property and Innovations”, which does not affect validity/enforceability of such agreements.

In addition, under Ukrainian law agreements of transfer of title to real estate (eg, sale and purchase agreement, exchange or donation) are subject to mandatory notarization. The acquired title to real estate is subject to mandatory state registration in the State Register of Proprietary Rights to Real Estate as, under Ukrainian law, a title to real estate arises on the date of its state registration.

If the lease term amounts to or exceeds 3 years, the lease agreement is subject to notarization, and the lease title is subject to mandatory state registration.

Recognized language of commercial agreements

It is highly recommended for a commercial contract with a Ukrainian party to be written in Ukrainian or be bilingual (ie., in Ukrainian and language of the other party).

According to the E-Commerce Law dated September 3, 2015, an offer to conclude an e-contract, text of such e-contract and electronic communication regarding such e-contract shall be made in Ukrainian. At the buyer's request, the electronic agreement may be concluded in another language upon the parties' consent.

Country-specific issues for online content

The E-Commerce Law dated September 3, 2015 is the key law on online transactions. It sets forth an obligation of sellers to provide customers with certain mandatory information. In addition, it establishes a procedure for concluding an online agreement as well as confirmation of the received order.

Considering that online transactions are performed with the use of telecommunication services, which are rendered by diverse intermediary service providers (eg, providers of hosting or caching services), their role in the transaction may be qualified as pure provision of services or as a party to the transaction. If service providers are not involved into the transaction (ie, they do not initiate the transfer of information, do not choose its recipient and are not able to amend its content), they cannot be liable for infringements related to e-commerce transactions. However, if copyright or related rights are violated, the intermediary service providers cannot take advantage of the safe harbor. In such cases, the intermediary service providers are obliged to take necessary actions for protection of the right holder (eg, considering the takedown notices, blocking the illegal content or deleting it when appropriate). Since April 2017, Ukraine has had a notice and takedown procedure in relation to online copyright infringements.

Enforceability of online/clickwrap/shrinkwrap terms

Ukrainian legislation does not distinguish such forms of agreements as online, clickwrap or shrinkwrap agreements (or terms). Formally, the agreements concluded according to the requirements of the E-Commerce Law – presumably, online or clickwrap agreements – are deemed enforceable. Additionally, the law established that the validity of an electronic document cannot be denied solely due to the electronic form of the document. However, in practice, such forms of agreements may be rejected by controlling authorities. For example, state authorities require that the software licenses must be provided in a written form to duly confirm the rights of the Ukrainian legal entities to use relevant software.

Governing law

Under Ukrainian legislation, parties to the agreement may choose the governing law provided that a foreign element is present in respective contractual relations. In particular, a foreign element is considered to be present in the following cases:

- One of contracting parties is a foreign legal entity

- An object of legal relationship is located on the territory of the foreign state or
- Legal fact in result of which legal relations arise, which changes or terminates the legal relationship, takes place in the territory of the foreign state.

At the same time, it should be noted that Ukrainian legislation envisages certain exceptions when governing law regulated by agreement shall not apply and Ukrainian law shall be found applicable.

Namely, the governing law of the agreement will not apply if its application causes consequences that are incompatible with the public order of Ukraine. In addition, the imperative norms of the Ukrainian legislation will still apply. At this point, we note that Ukrainian law does not define which provisions are imperative (presumably, these are provisions of public nature – for instance, payment of taxes or antimonopoly issues, but it should be decided in each particular case based on complex analysis of Ukrainian law whether certain provisions of Ukrainian law should be treated as imperative).

Furthermore, please note that, according to Ukrainian law, the law applicable to legal relations in the area of protection of intellectual property rights shall be the law of the country where the protection is sought. In the event there is any dispute between the parties to the agreement in connection with the protection of intellectual property rights within the territory of Ukraine, the laws of Ukraine will apply.

Ukrainian laws also provide that, if it turns out that application of the chosen law is not possible in determining the order of fulfillment of the agreement or measures to be applied in the event of non-fulfillment or improper fulfillment of such agreement, the law of the country of performance of the agreement shall be applied. Therefore, theoretically, Ukrainian law may be found applicable to the agreement in regard to the order of its fulfillment and the measures to be applied in the event of its non-fulfillment or improper fulfillment.

In relation to the choice of jurisdiction, the parties to the contractual relations with foreign element (eg, foreign entities) are free to choose foreign jurisdiction. However, it should be noted that Ukrainian courts would still have exclusive jurisdiction over certain kinds of disputes with a foreign element – in particular, in disputes regarding intellectual property rights which are subject to patenting or obtaining a certificate in Ukraine, as well as disputes regarding real estate located within the territory of Ukraine, among others.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Ukrainian law requires the guarantee to be granted by the producer – or its representative – of goods sold in Ukraine. Therefore, excluding guarantees, including the consumer guarantees, is not allowed. In case of commercial contracts, parties are generally free to define the scope of the guarantee. Thus, the wording of the guarantee provisions may contain, in fact, a limited guarantee.

Enforceability of exclusions/limitations of liability indemnification

Ukrainian legislation generally provides a possibility for the parties to an agreement to limit the amount of damages (real damages or loss of profits) to be reimbursed under the agreement. However, in certain cases, Ukrainian legislation directly prohibits contractual limitations of liability. In particular, parties cannot contractually limit the liability of the producer (seller or service provider) in case of death or injury caused to the consumer by

the action or omission of such producer (seller or service provider) or liability for damages caused to consumers by the defective product. Contractual limitations of liability for deliberate breach of obligations are not allowed.

Indemnification

Under Ukrainian laws, the damages shall be reimbursed in full unless otherwise prescribed by the agreement and, in certain instances, by law. Pursuant to Ukrainian laws the damages include:

- Actual damages – losses caused to the party in result of destruction or damaging of property, as well as expenses made, or need to be made, by the party for restoring of its violated right and
- Loss of profit.

In addition, under Ukrainian law, parties to an agreement may establish the amount of penalties (eg, fine and penalty interest) to be paid in case of failure of the parties to perform certain obligations under the agreement. The amount of penalties in the agreement can be determined as a percentage of the value of unfulfilled obligations, as a fixed monetary amount, as a percentage of the value of obligations irrespective of the stage of their fulfillment or as the multiple amount to the value of goods (ie, works, services).

However, for the breach of certain types of obligations (eg, monetary obligations), the level of penalties may not exceed a statutory determined limit. Ukrainian legislation stipulates that parties may define the amount of interest for the late payment of debts under the agreement; nevertheless, the amount of penalty interest shall be calculated based on the sum of overdue debt and shall not exceed the double discount rate of the National Bank of Ukraine (NBU) effective during the period for which the penalty interest is paid. Current discount rate of the NBU is equal to 15 percent per annum (ie, double discount rate is 30 percent).

Electronic signatures

Electronic signatures are regulated by the Law of Ukraine “On Electronic Trust Services” dated October 5, 2017, which came into force on November 7, 2018. The law is aimed at harmonization of Ukrainian legislation with EU regulations on this subject.

Effective Ukrainian legislation distinguishes simple, advanced and qualified electronic signatures. Only qualified electronic signatures have the same legal standing as handwritten signatures.

The qualified electronic signature is a type of the electronic signature generated in result of cryptographic transformation of a set of electronic data to which this electronic signature relates, using the personal key uniquely associated with the signer, and which enables the electronic identification of the signer and detection of a violation of the integrity of the electronic data associated with the electronic signature; a qualified electronic signature is based on a qualified public key certificate that is issued by a qualified trust service provider.

The law provides terms for recognition of qualified electronic signatures provided by foreign suppliers of electronic trust services in Ukraine. Namely, the foreign qualified trust service provider must meet the requirements of Ukrainian legislation, which must be confirmed by the Ministry of Digital Transformation of Ukraine, or the foreign qualified trust service provider must be included in the trust list of the country with which Ukraine has concluded a relevant international treaty. That being said, no such international treaty has been

concluded so far. However, as of January 1, 2023, as a matter of an exception and temporarily (until mutual recognition between Ukraine and the European Union of electronic trust services), the following shall be recognized in Ukraine:

- The results of the provision of qualified electronic trust services provided by European qualified trust service providers (qualified providers of electronic trust services included in the trust list of the Member State of the European Union or a state that is a Member State of the European Free Trade Association).
- The status of European qualified trust services providers which shall be equivalent to the status of qualified electronic trust service providers under the laws of Ukraine.
- The status of qualified electronic signature or seal devices used by European qualified trust service providers and included in the list of certified devices for creating qualified electronic signatures maintained by the European Commission (equivalent to the status of qualified electronic signature or seal under the laws of Ukraine).
- The list of trust lists of European Union Member States, information on which is published by the European Commission.

The use of a simple electronic signature (ie, graphic reproduction of the personal handwritten signature) is permitted only if the parties have agreed in writing about such form of execution of the documents and if they attach the examples of such signatures to the agreement, or the parties have otherwise agreed on the procedure for the use of a simple electronic signature. In other cases, the use of the simple electronic signature may be unenforceable.

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UNITED ARAB EMIRATES



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

In the United Arab Emirates (UAE), intellectual property rights are governed by the following Federal Laws:

- i. Federal Law No. 15 of 1980 (Printed Matter and Publishing Law)
- ii. Federal Law No. 7 of 2002 (Copyright Law)
- iii. Federal Law No. 17 of 2002 (Patent Law)
- iv. Federal Law No. 37 of 1992 as amended by Federal Law No. 8 of 2002 (Trademark Law)
- v. Federal Law No. 19 of 2016 on Combatting Commercial Fraud (Anti Commercial Fraud Law)

In addition, the UAE is a civil law jurisdiction, so the laws and regulations are codified. Court judgments are not routinely published. Moreover, UAE courts are not bound to follow the prior decisions of superior courts, although they are treated as persuasive. On this basis, it is difficult to predict with a degree of certainty how the law will be applied by the court.

COMMERCIAL CONTRACT FRAMEWORK

Overview

Commercial contracts are generally governed by:

- i. Federal Law No. 2 of 2015 (Commercial Companies Law)
- ii. Federal Law No. 18 of 1993 (Commercial Transactions Law)
- iii. Federal Law No. 5 of 1985 as amended (Civil Code)

Commercial contracts which are concluded electronically will be subject to additional requirements under Federal Law No. 5 of 2012 (Cyber Crime Law) and Federal Law No. 1 of 2006 (Electronic Transactions Law).

Commercial contracts with government entities are subject to additional requirements under Federal procurement regulations including Ministerial Decision (20) of 2000 on Departmental Contracts Regulation.

Some commercial contracts will also be subject to additional requirements in Federal Law No. 24 of 2006 (Consumer Protection Law).

Exclusive distribution agreements and agency agreements (including franchise agreements) that have been registered with the Ministry of Economy as a commercial agency will be exclusively governed by Federal Law No. 18 of 1981 (as amended) (Agency Law).

COPYRIGHTS

Nature of right

A "work" is defined under the Copyright Law as "any creative work in the field of literature or the arts or sciences of whatever kind or manner of expression or whatever its importance or its purpose." The work must be original, but the threshold for originality is low - essentially the work must not be copied from another work.

The general principle is that copyright exists automatically without the need for registration. Copyright material may be registered in the UAE but this is essentially a process of depositing the work at the Ministry of Economy. However, registration is likely to be a prerequisite for a successful enforcement action in the UAE courts.

Legal framework

Copyrights are governed by the Federal Law No. 15 of 1980 (Printed Matter and Publishing Law) and Federal Law No. 7 of 2002 in respect of Author Copyrights and Parallel Rights (Copyright Law).

In addition to the Berne Convention, the UAE has acceded to the WIPO Copyright Treaty, the Rome Convention and the WIPO Performances and Phonograms Treaty.

Duration of right

For most categories of works, rights protected under the Copyright Law are protected for the entire lifetime of the author, and then for 50 years following the death of the author. Where the author is a corporate person, the right shall be protected for 50 years from the first day of the year following the year of first publication.

Ownership / licenses

Assignments and licenses are both described under the Copyright Law as "transfers." For a transfer to be valid, it must be in writing and while there is no requirement for the transfer to be notarized and legalized, in practice, government authorities in the UAE may not accept a document that has not been formalized in this way. Similarly, the document should be in Arabic and if it is not, it should have an official Arabic translation. The right that is the

subject of the transfer must be specified together with the purpose of the transfer. There is a requirement for the period of exploitation to be identified for all licenses, together with the geographical area in which the right will subsist.

Remedies for infringement

The court may grant remedies in the event of a successful claim for copyright infringement. These include:

- i. Orders to gather evidence
- ii. Orders to seize works copies and the means of infringement
- iii. Orders to stop certain acts
- iv. Orders to assess profits made as a result of the infringement

No provision is made under the Copyright Law for the payment of damages. Instead, the rights holder must resort to other laws (such as the Commercial Transactions Law) to claim compensation.

Copyright infringement is also a criminal offense, and on conviction, the court may order the detention of the infringer for no less than two months as well as order him/her to pay a fine of no less than AED 10,000 (approx. USD 2,700). The court may order confiscation and destruction of seized copies and equipment and the publication of the judgment in the newspapers. The court also has the right to close the business that committed the infringement for up to six months.

MASK WORKS / TOPOGRAPHIES

Nature of right

Mask works do not benefit from specific protection under the law in the UAE.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

PATENTS

Nature of right

When it comes to product patent, the right to exploitation includes the manufacture, sale and use of the product or its import for the purpose of manufacture, sale or use.

In the case of industrial process or method patent, the right to exploitation include the use of the process or method itself as well as the rights to use or sell the product obtained directly by means of the process or method.

In the case of a process or method patent the right to exploitation includes the right to:

- i. Use the process or method
- ii. Use the product that is obtained directly by means of the process or method
- iii. Offer for sale the product that is obtained directly by means of the process or method
- iv. Sell the product that is obtained directly by means of the process or method
- v. Import for any of these purposes the product that is obtained directly by means of the process or method

Rights of prevention do not extend to acts done for non-commercial or non-industrial purposes and do not limit what can be done with a product after it has been sold.

Legal framework

Federal Law No. 17 of 2002 on Patents (as amended) (Patent Law) governs patents. Patents may also be protected in the UAE through a Gulf Co-operation Council (GCC) Patent (administered by the GCC Patent Office in Saudi Arabia, and governed by the GCC Patent Law).

The UAE is a member of the Patent Cooperation Treaty 1970 (PCT) and WIPO Paris Convention for the Protection of Industrial Property 1883 (Paris Convention).

Duration of right

Patents are valid for 20 years from the filing date.

Ownership / licenses

Both patent applications and granted patents can be assigned. Assignments must be executed in accordance with the Patent Law and recorded in the register. Both assignments of applications and granted patents are subject to the vetting procedure of the Department of Industrial Property and may be rejected on a wide range of grounds.

The owner may license the use or exploitation of "the right [which is] the subject of the protection" (Patent Law Article 54). The licensor should be able to license the various rights separately, for example, he should be able to give the right to produce the product (in the case of a product patent) to one person and the rights to offer it for sale and sell it to another, subject to approval from the Department of Industrial Property.

Article 54 of the Patent Law provides that the license term may not exceed the term of protection given by the law so no license can grant rights that exceed the term of patent protection. If no term is expressly stated in the license the term of the license is deemed to be the entire term of the patent.

All licenses are deemed to be non-exclusive unless they are expressed to be otherwise, similarly all licenses are deemed to be for "all the lands of the state" unless stated otherwise (Patent Law Article 57(1)). This means that the licensee is permitted to exercise its rights under the license anywhere in the UAE unless the license expressly states otherwise.

The licensee has the right to prevent infringement or threat of damage to the patent, however, the licensee may only instigate legal and judicial proceedings and demand compensation after the licensee has informed the patentee by registered letter and the patentee does not undertake the "necessary procedures" within 30 days of notice (Patent Law Article 57 (2)).

Remedies for infringement

The Patent Law sets out four criminal acts relating to infringement:

- i. Producing false documents to obtain a patent, utility certificate, know how or an industrial design or drawing registration
- ii. Declaring false information to obtain a patent, utility certificate or know how or an industrial design or drawing registration
- iii. Copying an invention, a process, an element of know how or an industrial design or drawing
- iv. Intentionally infringing any right protected by the Patent Law

A right holder or a licensee may apply for a precautionary attachment order ex parte to the urgent matters judge. The Patent Law gives the court the right to confiscate attached items but does not give the right to grant prohibitory injunctions (either on an interim or a final basis), which would order the defendant to stop the infringing acts. The claimant also has a right to claim damages in respect of the infringement.

TRADEMARKS

Nature of right

Registration of trademarks in the UAE is voluntary, but in practice, is highly advisable because the rights attaching to unregistered trademarks are limited (especially for marks which are not well-known internationally).

Registration provides the proprietor with the exclusive right to the use of the mark in connection with the goods or services for which it is registered (Article 7 Trademark Law). The UAE has adopted the 10th edition of the Nice Classification.

The owner of a registered trademark is considered the exclusive owner of the mark in the UAE.

Legal framework

Trademarks are governed by Federal Law No. 37 of 1992 as amended by Federal Law No. 8 of 2002 as amended (Trademark Law).

The UAE is party to the Paris Convention and the TRIPS Agreement. The UAE is not party to the Madrid Protocol.

Duration of right

Registrations are valid for ten years from the date of the filing of the application, and can be renewed for successive ten-year periods.

Ownership / licenses

The UAE operates a mono-class system which means that a separate application must be filed for each trademark in each class of goods or services. The UAE follows the 10th Edition of the Nice Classification of Goods and Services. Applications for Class 33 are not accepted.

As a contracting party of the Paris Convention, the UAE is bound to follow the minimum standards that it sets. As such, in the UAE, a trademark owner has the right to claim priority from an earlier filed application. The priority period is six months from the filing date of the first application.

Article 17 Trademark Law grants trademark owners a higher level of protection of their rights when the following conditions have been satisfied:

- i. The owner has used the mark continuously for no less than five years from the date of registration
- ii. No decision has been issued in which it is decided that the registered owner is not the owner of the mark

The protection that is granted is that no dispute may be raised against the ownership of the mark.

The court can make an order for the cancellation of a mark for non-use. The party/ies must prove that the mark has not been used for five consecutive years. Use of the trademark by a licensee is deemed to be “use” for the purposes of disproving a non-use claim.

Trademarks may be licensed in the UAE and any user of the trademark should be recorded as such at the Ministry of Economy. For recordal purposes, licenses must be made pursuant to a written and legalized contract. This means that the contract must be witnessed by a notary public. If the contract is made in the UAE it must be witnessed by a UAE notary. Licenses exercised outside of the UAE must be legalized up to the UAE embassy in that country and then stamped by the Ministry of Foreign Affairs in the UAE. If the license is not in Arabic it must be translated either by a UAE licensed translator or a foreign translator and legalized up to the UAE embassy before it can be used for official purpose in the UAE.

The term of the license must not exceed the term of the registration. All licenses are non-exclusive unless expressed to be otherwise.

Remedies for infringement

In the UAE, trademark infringement is a criminal offense. Article 37 of the Trademark Law deals with the various offenses which range from the counterfeit and imitation of trademarks to the use and sale of products bearing an imitation of a trademark.

A trademark owner can petition the judge of urgent matters on an ex parte basis for a Precautionary Measures Order on the grounds that one or more of the crimes set out in the Trademark Law is being committed. However, civil proceedings must be commenced very quickly afterwards which limits the effectiveness of this type of Order.

Involvement in counterfeiting is punishable under the Anti Commercial Fraud Law. Penalties include imprisonment and fines up to AED (one) million (approx. USD 270,000) for pharmaceutical and food products and AED 250,000 (approx. USD 68,000) for other products. Penalties can be doubled in case of repeat violations.

UAE law does not explicitly provide trademark owners with the right to apply for an injunction. In practice, the UAE Courts have granted "stop" orders to successful applicants.

The court may order the destruction of goods bearing unlawful marks and/or the publication of the judgment in the Trademark Journal and in any one of the Arabic newspapers published in the UAE at the expense of the defendant.

TRADE SECRETS

Nature of right

Article 905 of the Civil Code provides that employees must not disclose industrial or trade secrets of their employer, even after the expiration of their employment contract, in accordance with custom or the timeframe specified in their employment contract.

Under Article 379 of the Penal Code, an employee who is entrusted with a secret by virtue of their trade, position, profession or art and who discloses that secret, or uses that secret for personal gain, is liable and may be ordered to pay penalties (see below).

Article 120 of the Labor Law also allows an employer to dismiss an employee without notice if they reveal any secrets of the establishment in which they have been working.

Article 127 of the Labor Law indirectly protects intangible assets in the form of confidential information (eg , clients and business secrets) by permitting an employer to include a restrictive covenant in the contract of employment. Employees can be subject to a ban on working for a competitor within a specified location, business and period although great care should be taken in drafting to ensure that the terms are reasonable. Such clauses are usually enforced by an action in damages and as such, liquidated damages clauses are often coupled to the restrictive covenant. The Civil Code states that liquidated damages clauses attached to restrictive covenants must not be "exorbitant" and this is usually linked to both the realistic losses but also the ability of the employee to pay any award.

Legal framework

Trade secrets are addressed by Federal Law No. 3 of 1987 (Penal Code), Federal Law No. 5 of 1985 as amended (Civil Code), and

Federal Law No. 8 of 1980 as amended by Federal Law No. 8 of 2007 (Labor Law).

Duration of right

No time limits are placed on the confidentiality of the trade secret, and so this right will exist for as long as the information remains a trade secret.

Ownership / licenses

A trade secret will be owned by the entity to which the secret pertains.

Remedies for infringement

Penalties under the Penal Code include imprisonment for not less than one year and a fine of not less than AED 20,000 (approx. USD 5,450).

OTHER KEY IP RIGHTS

Nature of right

Not applicable.

Legal framework

Not applicable.

Duration of right

Not applicable.

Ownership / licenses

Not applicable.

Remedies for infringement

Not applicable.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

The Copyright Law restricts the right to assign copyright in future works. Specifically, future copyright may only be assigned in up to five future works. In practice, this requires that after an author has created five works, he will continue to own copyright from the sixth work onwards. Standard language in employment contracts often vests ownership of all works created by the employee in the employer. Employers that usually rely on future copyright assignments need to ensure they also have the right to require the employee to enter into additional assignments of copyright subsisting in additional future works and requiring retroactive assignments after they have been created. Ideally, they should also insist on a license covering the period between creation and assignment, because those rights will not automatically vest in the employer.

Consultants / contractors

Please see [point above](#) in relation to employees. The same framework applies to all types of employment contracts including those with consultants and contractors.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no requirement to register a commercial agreement in the UAE. However, "agency" agreements that are exclusive and concluded with either an Emirati individual or a company which is 100% Emirati can be registered with the Ministry of Economy as a commercial agency under the Agency Law. In this context, "agency" has a broad meaning and will include any contract for the offer, sale or distribution of goods or services (eg, franchise and distribution agreements and trademark licenses).

If an agreement is registered as a commercial agency, the UAE Courts will have exclusive jurisdiction in the event of a dispute and will apply UAE law notwithstanding any choice of law or jurisdiction agreed in the contract (Article 6 Agency Law).

If an agreement is registered, the local agent will be able to benefit from statutory rights which cannot be waived by contract. The most pertinent of these statutory rights are:

- i. Their entitlement to territorial exclusivity
- ii. Their presumptive extra-contractual right to compensation in the event of termination
- iii. Their entitlement to receive commissions on sales of the products in their designated territory irrespective of whether such sales are made by or through them
- iv. Their ability to prevent the import of products into the UAE where they are not the consignee

For as long as the agreement is registered, the Agency Law will allow the local agent to:

- i. Stop the imports of any products which are the subject of their distribution agreements and where they are not the consignee
- ii. Prevent the sale of any of these products by third parties to retailers

- iii. Issue criminal proceedings against the principal, its affiliates and any newly appointed agents in the UAE who are engaged in the activities covered by the registered agency (Article 22 imposes a fine of AED 5,000 (approx. USD 1,360) on any person (this can include the principal) engaged in the activities covered by a registered agency with a party other than the registered agent)
- iv. Issue civil proceedings against the principal for breach of contract and breach of the Agency Law to:
 - Claim compensation
 - Claim the commissions made by such agents on any sales of the products made in their territories

Where the agreement is registered, unless a principal has a legitimate material reason to terminate or refuse to renew an agreement which has been registered as a commercial agency, it can only be terminated by the mutual agreement of the parties.

The approach of the UAE Courts tends to be to protect an "agent" (understood to mean a distributor, licensee or franchisee, which meets the criteria for registration) at the expense of a non-UAE principal. As such, even where agreements are not registered, there is a risk that the UAE Courts will award compensation to the "agent" on termination. When drafting an agreement with a UAE entity, steps should be taken to avoid the risk of being treated as a registered agreement and of the UAE Court accepting jurisdiction.

Recognized language of commercial agreements

Contracting parties are free to choose the governing language of their agreements but, if an agreement is to be submitted to any official body or is subject to consideration in a local court in the UAE, it must be translated into Arabic.

Country-specific issues for online content

Not applicable.

Enforceability of online/clickwrap/shrinkwrap terms

Article 12 of the Copyright Law provides that the assignment of rights to commercial exploitation pertaining to computer software, its applications or databases, shall be subject to the licensing agreement associated or attached to the program, whether appearing on the supporting bar or upon downloading or saving the program. The buyer or user of the program shall be bound to abide by the terms set out in the said agreement.

Governing law

While parties are free to choose a foreign law to govern an agreement, the UAE Courts may as a matter of practice set aside such a provision and apply UAE law. Issues may arise as to the enforceability of a foreign law decision on disputes which relate to the infringement of intellectual property rights where there is a nexus with the UAE, eg, where one or more of the infringers reside in the UAE. This is because such infringements are considered to be criminal in nature, which allows UAE Courts to assume exclusive jurisdiction and apply UAE laws.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

In the UAE, suppliers of products (goods and services) are required to warrant that the products supplied conform to safety standards, are of good workmanship and are suitable for use in relation to their intended purposes. Suppliers are also required to warrant that the products are free from any defects and to undertake the repair or replacement of defective products. Generally, suppliers cannot contract out of these requirements. The local courts may therefore construe a warranty disclaimer accordingly.

Enforceability of exclusions/limitations of liability indemnification

Under UAE law, absolute exclusions of liability in contracts are null and void. Restrictions on the ability of one contracting party to recover losses arising from fault by the other contracting party are not generally enforceable in the UAE, unless this fault is the result of fraud or gross misconduct. Moreover, the UAE Courts would be reluctant to award damages for economic reasons, other than those which the claimant can prove were actually suffered as a direct result of the defendant's fault.

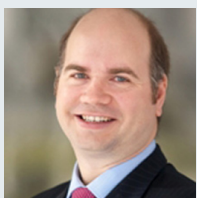
Indemnification

In the UAE, a contracting party is only permitted to indemnify another contracting party for losses which are proven to have been or will be actually incurred by the other party. Successful litigants usually only recover a nominal amount in respect of their legal costs of litigation which have little bearing on their actual legal costs.

Electronic signatures

Consent and acceptance to enter into a contract may be expressed electronically. Article 17(1) bis. Federal Law No. 10 of 1992 the Law of Evidence in Civil and Commercial Transactions as amended (Law of Evidence) provides that an electronic signature shall be "any electronic signature, any letters, figures, codes, signs, images or sounds having a unique character allowing for identifying the signatory and distinguishing him from others." Article 17(3) provides that electronic signatures may be afforded the same evidential weight as physical signatures if they comply with the provisions prescribed in the Electronic Transactions Law.

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UNITED KINGDOM



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

Intellectual property rights are governed by a variety of statutes and common law. The substantive provisions are generally equally applicable throughout the United Kingdom (comprising England, Wales, Scotland and Northern Ireland).

COMMERCIAL CONTRACT FRAMEWORK

Overview

The UK has 3 distinct legal systems:

- i. English law applicable in England and Wales
- ii. Northern Irish law applicable in Northern Ireland
- iii. Scots law applicable in Scotland

This overview relates only to English law, which is the predominant jurisdiction used for purposes of commercial contracts in the United Kingdom.

Commercial contracts are governed by domestic legislation, case law and international treaties in certain circumstances. There are specific rules that may apply to certain types of commercial contracts. There are often more stringent rules for consumer contracts (*ie*, contracts made between a business and a consumer to address the often unequal balance between the parties). Generally, business-to-business contracts are free to contract on terms that they agree, subject to each of the parties acting reasonably (*ie*, not taking an unfair advantage and abusing their positions of power). That said, the English courts do not like to imply terms, and a distinction is drawn between a bad bargain and unreasonableness.

The interpretation and enforceability of commercial contracts is generally a matter for the courts, and a number of common-law principles have evolved through case law. Each contract and clause will, however, be determined on an individual basis depending upon the facts of the case in question and some well-established interpretive rules.

In addition, there are a number of statutes which are likely to require contractual protections drafted into the majority of contracts. For example, the Bribery Act 2010, which has extraterritorial effect and potential criminal sanctions for non-compliance; the Transfer of Undertakings (Protection of Employment) Regulations 2006, which provide that in certain circumstances employees of one contracting party may transfer to the other contracting party; and contracts with public sector authorities are generally subject to a more rigorous statutory framework.

For the latest on legal developments related to Brexit, please see our Brexit information page found [here](#).

COPYRIGHTS

Nature of right

Copyright protection is available for works covered by the categories protected by the Copyright Act, which include artistic, literary (including software), dramatic, musical, sound recording, film, broadcasts and typographical arrangements. Literary, dramatic, musical or artistic works must be original to qualify for protection.

Copyright owners have the exclusive right to prevent others copying the work, issuing copies of the work to the public, renting, lending, performing, showing, communicating works to the public or making an adaptation of the work.

Knowingly dealing with infringing copies is also prohibited as "secondary infringement."

There is no requirement for a copyright to be registered and no copyright registration system.

Legal framework

The UK became a signatory to the Berne Convention in 1887.

Copyright Designs and Patents Act 1988, as (extensively) amended (**Copyright Act**) governs copyrights.

Copyright and Rights in Databases Regulations 1997 provides separate sui generis rights in relation to databases in which an investment has been made in obtaining, verifying or presenting their contents.

Duration of right

Provided the work qualifies for protection, protection arises automatically on creation of the work.

For literary, dramatic, musical and artistic works, duration is the author's life plus 70 years after the author's death, unless it is computer generated, in which case copyright subsists for 50 years from the end of the calendar year in which it was made. Film copyright expires 70 years after the last death of the director, author and composer. Copyright in broadcasts expires 50 years from the end of the year of the broadcast. Copyright in typographical arrangements of published editions expires 25 years from the end of the year of first publication.

Ownership / licenses

Joint ownership of copyright is recognized and arises automatically where a work has more than 1 author. Joint ownership can create limitations on the ability of a joint owner to independently exploit the relevant work.

Remedies for infringement

Principal remedies are injunctions (or interdicts in Scotland), damages or an account of profits, delivery up, seizure or destruction of infringing goods. No statutory damages are available. The starting point for the damages calculation is generally a reasonable license fee. Aggravated damages for flagrancy are possible.

It is also possible to prevent the import and export of infringing copies. Criminal penalties are additionally possible for certain infringements.

MASK WORKS / TOPOGRAPHIES

Nature of right

The equivalent to a "mask work" right is a semiconductor topography right. However, this is rarely used. Integrated circuit layouts are protected through use of other intellectual property rights (eg, copyright).

The right protects a UK unregistered design (within the meaning of the Copyright Act) which is:

- i. A pattern fixed or intended to be fixed in or upon:
 - A layer of semiconductor product
 - A layer of material in the course of and purpose of the manufacture of a semiconductor product
- ii. The arrangement of patterns fixed, or intended to be fixed, in or upon layers of a semiconductor product in relation to one another.

A semiconductor product is defined as an article consisting of at least 2 layers, at least 1 composed of semiconducting material, and in or upon 1 or more of which a pattern is fixed. The article must have as a purpose the performance of an electronic function.

The right is infringed by reproducing the design, either by making articles based on the design or by creating design documents for the purpose of making such articles.

Legal framework

Design Right (Semiconductor Topographies) Regulations 1989 (as amended) govern semiconductor topographies.

Duration of right

Provided the design qualifies for protection, protection arises automatically on creation of the design.

Protection expires 15 years from when the design was first recorded or an article made to it or, if the design or an article made to the design is made available anywhere in the world during that 15-year period, 10 years from the end of the calendar year in which the design or an article made to the design was first made available anywhere in the world.

Ownership / licenses

The designer is the first owner of any semiconductor topography right if the design is not created under commission or in the course of employment.

For commission, the commissioner is the first owner of any semiconductor topography right, subject to agreement to the contrary. If created in the course of employment, the employer is the first owner of the right, subject to any agreement to the contrary between the parties.

Remedies for infringement

Injunctions (or interdicts in Scotland), damages, or an account of profits, delivery up, seizure or destruction of infringing products.

PATENTS

Nature of right

Patents are a registered right which may be obtained to protect inventions (which may include, for example, chemical compounds, products, systems, processes and methods). Designs are protected by means of design rights, not by design patents. To be patentable, an invention must:

- Be novel
- Involve an inventive step over the prior art
- Be capable of industrial application (which will be satisfied in almost all cases)
- Not solely consist of excluded subject matter (such as discoveries, scientific theories, mathematical methods, aesthetic creations, business methods and computer programs)

Therefore, business methods and computer programs are patentable provided the invention makes a technical contribution to the art over and above the fact it is a business method or computer program.

It is possible to apply for a patent within the UK through the national route, the Patent Cooperation Treaty or under the European Patent Convention (a centralized process administered by the European Patent Office).

A patent owner may prevent third parties performing certain specified activities in relation to products or processes embodying the invention, or products derived from a patented process, including manufacturing, offering for sale and using a product or using or offering for use a process knowing that such use is an infringement in the UK.

It is also an infringement to supply, or offer to supply in the UK, means relating to an essential element of the invention for putting the patented invention into effect in the UK where the supplier knows that the means are suitable for and are intended for that purpose.

Legal framework

The United Kingdom became party to the Patent Cooperation Treaty in 1978 and the Paris Convention in 1884. The Patents Act 1977 governs patent law in the UK and brings into effect much of the European Patent Convention in national law, such that patent law has been largely harmonized across Europe.

Duration of right

Patents have a duration of 20 years from the filing date, subject to payment of renewal fees and so long as the patent is not invalidated. For patents protecting pharmaceutical products and plant protection products, supplementary protection certificates are available to extend duration up to the lesser of 5 years after expiry of the patent or 15 years from first marketing authorization.

Ownership / licenses

The UK has a first-to-file system. Subject to an employee's responsibilities and duties, ownership of employee-inventions will normally vest in the employer, though it is best to expressly provide for this in the employment contract.

Co-owners are considered to have an equal undivided share in a patent subject to agreement to the contrary and consequently cannot assign or license their share without consent of the other unless otherwise agreed, which may pose challenges for co-owners in exploiting their inventions

There are certain advantages to be obtained from registering assignments (or assignations in Scotland) and licenses (eg, binding 3rd-party acquirers), but there is no strict requirement to do so.

When granting licenses, it is generally advisable to include quality control and use provisions and controls on sublicensing.

Remedies for infringement

The patent proprietor or an exclusive licensee can sue for infringement of a patent. Remedies for infringement can include injunctions (or interdicts in Scotland), damages or an account of profits, an order for delivery up, seizure or destruction, as well as a declaration of validity and/ or infringement. No statutory damages are available. Damages are compensatory only. Where the patentee has licensed their patent, the starting point for the damages calculation is generally a reasonable royalty fee, though, where the patentee exploits the patent, they may claim in respect of lost profits. It is additionally possible to prevent the import of infringing products.

Patent proprietors should be aware that the Patents Act provides an actionable right against those who make unjustified threats of patent infringement proceedings.

TRADEMARKS

Nature of right

A registered right which may be obtained to protect a distinctive, non-descriptive sign consisting of words, slogans, designs, letters, numbers, domains, shapes, smells, sounds, colors, gestures or moving images that can be represented graphically and can be used to distinguish goods and services of one undertaking from those of another, subject to various grounds for refusal including conflicts with prior rights.

A trademark is infringed by use of an identical sign for identical goods or services for which the mark is registered, or by use of an identical/similar sign for identical/similar goods or services for which the mark is registered where there exists a likelihood of confusion on the part of the public. Additional protection is given for well-known marks.

Legal framework

The United Kingdom became member of the Madrid Protocol in 1995.

The United Kingdom became party to the Trademark Law Treaty in 1996.

Trademarks are governed by the Trade Marks Act 1994, as amended.

Duration of right

Trademarks are perpetual (subject to renewal every 10 years and as long as the trademark is not revoked).

Ownership / licenses

The UK registry (UKIPO) has a first-to-file system, though the registration may be refused or revoked if it conflicts with prior rights including unregistered rights.

There are certain advantages to be obtained from registering assignments (or assignations in Scotland) and licenses (eg, binding 3rd-party acquirers of the mark), but there is no strict requirement to do so.

When granting licenses, it is generally advisable to include quality control provisions to preserve the mark's reputation and distinctiveness, and controls on sublicensing.

Remedies for infringement

Remedies for infringement include injunctions (or interdicts in Scotland), damages or an account of profits, orders for erasure, removal or obliteration of offending sign, orders for delivery up or destruction. There is also a customs seizure regime.

There is an actionable right in the UK against those who make unjustified threats of trademark infringement. Companies should take care when writing to a 3rd party alleging infringement or use of a similar mark.

TRADE SECRETS

Nature of right

The status of trade secrets as an item of property is not clear; the more generally accepted view is that trade secrets are not property. However, trade secrets may be protected either through a breach of contract action, where a non-disclosure agreement exists or can be implied, another obligation of confidentiality, a common-law action for breach of confidence, or by a statutory trade secrets action.

A common-law action for breach of confidence is based on the principle that, for information received in confidence, a person cannot take unfair advantage of that information or prejudice the person giving the information. The same principle applies both in Scotland and in England.

To qualify, information must have the "necessary quality of confidence" and must be "disclosed in circumstances importing an obligation of confidence" (eg, imposed by contract), implied by the circumstances of disclosure, or implied due to the relationship between the parties, such as employer/employee. However, in employer/employee relationships in particular, there are limits as to how far information can be protected after termination of the relationship (ie, information must be confidential to a sufficiently high degree, with highly confidential trade secrets possibly being protected indefinitely).

In addition, trade secrets are protected under the Trade Secrets (Enforcement, etc.) Regulations 2018.

These regulations define a trade secret as information that:

- Is secret (ie, is not generally known or readily accessible to persons within circles that deal with such information)
- Has commercial value as it is secret and
- Has been subjected to reasonable steps by the person in control to keep it a secret.

The meaning of "reasonable steps" will be developed as the courts apply this law. Labeling something a trade secret is unlikely to be enough of itself.

The regulations prevent unlawful acquisition, use or disclosure of trade secrets (including unauthorized access). "Unlawful" requires the act to be unauthorized, or contrary to honest commercial practices.

Legal framework

Trade secrets are governed by the Trade Secrets (Enforcement, etc.) Regulations 2018 and case law.

Duration of right

Trade secret protection has a potentially indefinite term.

However, information can lose the necessary quality of confidence and hence no longer be protectable, for example, if it enters the public domain, becomes out of date or loses its commercial value. In addition, where the obligation of confidentiality arises under a contract, the duty of confidentiality will only apply for the duration specified in the contract.

Ownership / licenses

Trade secrets are protected by the common-law tort action of breach of confidence and the 2018 Regulations. They do not give rise to property rights or "ownership" in the conventional sense. They may be exercised by anyone who is able to establish the necessary conditions (described above). Contractual licenses to use trade secrets may be granted; while there is no legal requirement for these to be in writing or signed by either party, it is generally desirable for them to be signed and in writing, for certainty and evidential purposes.

Remedies for infringement

Injunctions (or interdicts in Scotland), damages or an account of profits, and delivery up or destruction of records of confidential information illegitimately retained are possible remedies for misappropriation.

OTHER KEY IP RIGHTS

Nature of right

Passing off

The tort (or delict in Scotland) of passing off relates to misrepresentations made by one trader that damages or may damage the goodwill of another. It can be used to protect unregistered business and product names, logos and "get-up."

The "classic form" of passing off is generally defined by reference to 3 requirements:

Goodwill in the UK attached to goods or services

- A misrepresentation by the defendant to the public (intentional or not) leading the public, or likely to lead the public, to believe its goods or services are those of (or connected with) the plaintiff

The plaintiff suffers or is likely to suffer damage due to that misrepresentation.

However, the misrepresentation may be as to other matters, such as:

- That the plaintiff's goods are those of the defendant (*ie*, reverse passing off)
- Misrepresentations as to quality
- False endorsement

The misrepresentation must be one which confuses or deceives the public or is likely to do so. Goodwill has been described as the "benefit and advantage of a good name or reputation..." or the "attractive force that brings in customers." Goodwill can be limited to certain areas or geographic locations.

An extended form of passing off requires:

- A misrepresentation made by a trader in the course of trade to prospective customers or ultimate consumers, which is calculated to injure the business or goodwill of another (*ie*, such injury must be reasonably foreseeable)

- Which causes actual damage to a business or goodwill

Designs

There are 2 main types of design rights in the UK: registered designs and unregistered design right.

A registered design is a monopoly right and can protect the whole or part of a product resulting from features of lines, contours, colors, shape, texture or materials of a product or its ornamentation. This can include, for example, packaging, get up, graphics and typefaces parts of products, icons, maps or web design.

Registered designs must be new (ie, not previously disclosed or available to the public anywhere in the world) and have individual character (ie, creating a different overall impression on the "informed user" taking into account design freedom). There are exceptions to this, and features dictated by function ("must fit" and "must match" exceptions) cannot be protected. To obtain a registered design, it is necessary to register with the UK Intellectual Property Office (UKIPO). The UK is a first-to-file system, although a registration may be refused or revoked if it conflicts with prior rights.

Unregistered design right arises automatically when a design is recorded in a design drawing or an article has been made to the design. Unregistered design right subsists in the shape or configuration of the whole or part of an article that is original and not commonplace and has been recorded in a design document or an article made to the design and that has been created by a qualifying person. Unregistered design right protects the appearance of functional products and does not protect any surface decoration, nor does it protect methods or principles of construction, which should (if eligible) be protected with patents. Unregistered design right is not a monopoly right, as it only prevents copying.

Legal framework

Passing off

Case law governs actions for passing off. Such actions are not the subject of legislation, although it is possible to rely on passing off to oppose trademark applications by 3rd parties under trademark law.

Designs

The Registered Designs Act 1949 (as amended) governs registered designs. The Copyright Designs and Patents Act 1988 (as amended) governs unregistered designs.

Duration of right

Passing off

There is no fixed duration; however, goodwill must subsist. It is possible that a business may have residual goodwill for a period after it has stopped trading under the relevant name, logo or "get-up".

Designs

Registered designs are protected for up to 25 years, subject to payment of renewal fees (every 5 years), unless the registration is subsequently challenged and invalidated.

Unregistered design protection lasts for the lesser of 15 years from when the design was first recorded or an article made to it, or 10 years from the end of the calendar year when the design or an article made to the design is made available for sale or hire anywhere in the world.

Ownership / licenses

Passing off

Goodwill can be jointly owned and is considered to be a form of property right that can be transferred like any other property right.

As a general rule, goodwill accrues to the business that has generated the relevant goodwill, and not to individual employees.

Designs

The UK has a first-to-file system in respect of registered designs. Registered designs may be assigned or licensed.

For unregistered design right, the designer will generally be the first owner of the right, though if the design has been created in the course of employment the employer is likely to be the first owner.

In the last 5 years of an unregistered design right, any person is entitled to a license. If parties cannot agree on the terms, the Comptroller General of Patents, Designs and Trademarks will settle the terms; this can be a lengthy process, but an infringer can manufacture products pending settlement of the terms.

Remedies for infringement

Passing off

Available remedies include injunctions (or interdicts in Scotland), damages or an account of profits, and delivery up, seizure or destruction or modification of packaging, products, marketing materials and similar.

Designs

The proprietor of a registered design may prevent any use of the design or any design which does not produce a different overall impression on the informed user (taking into account design freedom). The registered proprietor or exclusive licensee of a registered design have the right to sue for infringement. Available remedies include injunctions (or interdicts in Scotland), damages or an account of profits, and delivery up, seizure or destruction of goods.

Unregistered design right is not a monopoly right and only gives the proprietor the right to prevent copying. However, if infringement is found, the same remedies are available as for registered designs.

There is an actionable right in the UK against those who make unjustified threats of design right infringement proceedings. Companies should therefore take care when writing to a 3rd party alleging infringement or use of a similar design.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

With respect to copyright and design rights (including semiconductor topography designs), where an employee (as distinct from independent contractors) makes a work in the course of employment, the employer will be first owner of the copyright in the work, subject to agreement to the contrary.

Inventions belong to the employer if the invention was made in the normal duties of the employee or specifically assigned duties.

Consultants / contractors

For copyright in commissioned works, the contractor will own the copyright subject to a written agreement to the contrary. The preferred approach is for a commissioner to take an assignment of all existing and future copyright in the works and any associated materials or documents and obtain a waiver from the contractor of their moral rights in the same.

Without express written provisions to the contrary, legal title in an invention will vest in the contractor unless a court implies a term into the contract granting ownership to the commissioner.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There are no general registration requirements for commercial agreements, save for certain real estate and finance documents.

There is a distinction in English law between 2 main forms of contract – those executed under hand (ie, simple contracts) and those executed as a deed. A contract made under a deed requires additional formalities to be satisfied but does not require consideration to pass between the parties in order to be binding. Simple contracts must include consideration to be valid.

Documents governed by Scots law are not executed by way of a deed. Statute sets out formalities which can be followed in order to ensure documents are self-proving.

Some commercial agreements may need to be disclosed in certain circumstances, for example, in relation to public companies and contracts with public sector authorities.

Recognized language of commercial agreements

There is no general requirement that contracts be in English language in order to have legal effect. In relation to consumer contracts and notices, however, a trader must ensure that the written terms of the consumer contract and written consumer notices are in plain and intelligible language. The courts may strike down limitations or similarly onerous provisions in consumer facing contracts which are not worded sufficiently clearly or with sufficient prominence.

Country-specific issues for online content

Not applicable.

Enforceability of online/clickwrap/shrinkwrap terms

The legal enforceability of shrinkwrap terms has historically been somewhat debated by academics (though common commercial practice). The Consumer Rights Act 2015 sets out a consumer's rights and obligations under business-to-consumer supply contracts for digital content (business-to-business being out of scope).

Consumers have statutory rights against the business supplier regarding the quality and title of digital content supplied, whether that be downloaded online or supplied as part of physical goods such as DVDs and CDs.

There are a number of requirements which relate to online terms which govern transactions entered into or services provided over the internet. For example, the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 set out details of the information that must be provided by the trader as well as how they must treat any cancellations and returns.

Governing law

Parties are free under Scots and English law to choose the governing law and jurisdiction of a contract as well as any arbitration institution they may see fit. Generally, both the Scottish and English Courts uphold an express choice of law. However, such freedom of choice is unlikely in the case of a consumer contract. Moreover, in some circumstances, an express choice of law may be challenged and the applicable law modified (eg, if a different law has been chosen solely to avoid the application of the UK's "unfair contract terms" legislation). In the event that there is no express choice of law in the contract, then, for contracts created on or after December 17, 2009, the provisions of Rome I Regulation apply. For contracts created before December 17, 2009, the provisions of the Rome Convention apply.

Arbitration is often used by parties to resolve commercial disputes. It is private and confidential and governed by the Arbitration Act 1996 and, in Scotland, Arbitration (Scotland) Act 2010. There are also a number of alternative dispute resolution procedures. These include mediation, early neutral evaluation and adjudication. Traders other than health service providers now have access to alternative dispute resolution (ADR) providers in their sectors should they choose to resort to the ADR to resolve any disputes with consumers concerning contractual obligations arising from a sales or service contract.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

In a contract for the sale of goods, the Sale of Goods Act 1979 (SGA) implies a number of terms into an agreement. It is possible, to a certain extent, to disclaim some but not all of these implied terms. The terms implied by the SGA include a condition that the seller has the right to sell the goods (Section 12), that the goods conform to their description (Section 13), that the goods are of satisfactory quality (Section 14) and a condition that the goods supplied will be reasonably fit for purpose (Section 14).

Where there is a supply of goods, terms are also implied (but similarly, may to an extent be disclaimed) by the Supply of Goods and Services Act 1982 (SGSA) relating to the description (Sections 3 and 11C) and the quality (Sections 4 and 11D) of the goods transferred. In a Supply of Services, terms are implied relating to the care and

skill with which the work is performed (Section 13), requiring the work to be carried out within a reasonable time (Section 14) and that, where consideration is not expressed in the contract, the party contracting the supplier will pay a reasonable charge. Sections 13 and 14 are covered by common law rather than statute in Scotland.

The extent to which terms implied by the SGA and the SGSA may be excluded is largely controlled by the Unfair Contract Terms Act 1977 (UCTA). In a commercial contract, some of the implied terms, such as those relating to quality or fitness for purpose, can be disclaimed (commonly referred to as “excluded”) but only insofar as this is “reasonable.” A typical approach is to expressly exclude an implied term, replacing it in the commercial contract with a more specific expressed term to cover the same issue. For example, the contract might exclude implied terms as to quality or fitness but expressly include terms agreeing that the goods will conform with the bespoke specification.

The restrictions in UCTA do not apply to international supply contracts (where contracting parties have places of business in different countries and the goods either cross from one country to another or where offer and acceptance take place in different countries).

The rules set out above in this section do not apply to consumer contracts. The Consumer Rights Act 2015 sets out a consumer's statutory rights over the quality of the goods, services and digital content that are supplied and the consumer's statutory remedies for the trader's breach of the supply contract. For example, the same quality requirements of the SGA and the SGSA referred to above are treated as the terms of the consumer supply contract for goods and services while similar, but different, rules apply to digital content. There are a number of terms in consumer contracts which cannot be excluded. The terms of consumer contracts and notices may also be considered unfair and not binding on consumers.

Enforceability of exclusions/limitations of liability indemnification

With some notable and important exceptions, commercial entities are largely free to agree between themselves how to apportion this risk and to limit their respective liability to each other. These can take varied forms from the complete exclusion of liability for specific types of loss to requiring claims to be made within a specific time frame.

Parties cannot, however, exclude or limit liability for:

- Certain implied warranties
- Death or personal injury caused by their, or their employees', negligence
- Fraudulent misrepresentation

Other provisions seeking to exclude or limit liability (eg, certain types of actions, such as negligence, or certain losses or claims, such as wasted management time) commonly may need to pass the “reasonableness” test set out under UCTA for them to be valid and enforceable; this will, however, depend on a range of factors, including whether a supplier is contracting on its standard terms and the balance of bargaining power between the parties (in addition, please see the comments as to international supply contracts included in [enforceability of warranty disclaimers](#)).

English and Scottish contract provisions are construed *Contra Proferentum* (against the party that drafted them); therefore, care should be taken to ensure clarity and accurate drafting of liability clauses. Equally, where there is any ambiguity in an exclusion of liability clause, this will be interpreted against the party seeking to limit or exclude its liability, so care should be taken when drafting to avoid ambiguous terms.

Liability will continue throughout the contract and may not cease after the contract has been fulfilled, terminated or expired, subject to statute and any warranties and indemnities set out in the contract.

It is common practice for the parties to agree on the total amount which can be claimed in the event that a contract is breached and to expressly state this cap in the contract. As explained above, such a cap on liability may be subject to the reasonableness test depending on the circumstances.

Indemnification

Indemnities are generally enforceable as a promise to be responsible for another's loss on a pound-for-pound basis. In addition, depending on the drafting, indemnities may not be subject to a duty of mitigation on the party making such indemnity claim (albeit that case law is not consistent on this point).

Because indemnities are primary obligations, they can remain valid even if the underlying transaction is set aside for any reason. This is different to the provision of a guarantee, which, as a secondary obligation, is dependent on the primary obligation existing.

An indemnity remains subject to the usual contractual principles of offer, acceptance, intention to create legal relations and consideration just like any other contractual terms.

Electronic signatures

The making of electronic contracts online is commonly accepted, and there is no general prohibition at law to using electronic signatures to execute contracts. However, using electronic signatures can be difficult where there is a legislated set of formalities for executing contracts, such as in transactions involving the sale of real property or in the execution of deeds (including a deed of guarantee), and it is still commonplace for these agreements to be executed manually.

An electronic signature is widely defined under the Electronic Communications Act 2000 and can be anything that is incorporated into or associated with any electronic communication or electronic data for establishing the authenticity and/or integrity of that communication or data. Electronic signatures can be in a variety of forms, such as by:

- Typing the signatory's name in an electronic document or email
- Scanning a written signature
- Clicking a button on a website or
- Using a signature made on a screen or entering some other form of digital signature that is unique to the signatory.

Regardless of its form, it must be clear that the electronic signature is authentic and that the signatory intended to be bound by that communication or data.

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UNITED STATES



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INTELLECTUAL PROPERTY FRAMEWORK

Overview

As a general matter, intellectual property rights are governed by federal statutes with certain exceptions, such as trade secrets, that are also governed by state law.

COMMERCIAL CONTRACT FRAMEWORK

Overview

There are no federal statutes that govern commercial contracts generally. There are federal statutes that may be relevant to certain commercial arrangements (eg, antitrust laws), and there are industry-specific regulations at the federal level that may be applicable to contracts in particular industries. There are also state regulations applicable to specific industries that may be relevant to commercial contracts.

With respect to commercial contracts, a version of the Uniform Commercial Code (UCC) has been adopted by each of the 50 states in the United States. The UCC is a uniform act that was drafted by private organizations as a recommendation on harmonizing the laws applicable to commercial transactions. The UCC governs transactions in goods (eg, buying and selling, security interests, letters of credit and other commercial transactions). Because each state has adopted its own version of the UCC, laws may differ slightly from state to state.

The Uniform Computer Information Transactions Act (UCITA) was an attempt to provide guidelines on licensing of intellectual property and software, which Article 2 of the UCC (the article dealing with "goods," which has been interpreted to include software) did not expressly address. UCITA was controversial because of the potential liability it imposed on software vendors and therefore was not adopted by more than just a few states (Virginia and Maryland).

The interpretation and enforceability of commercial contracts is generally a state law matter, governed by the laws of the state specified in the contract. Case law precedent interpreting and enforcing UCC provisions may differ from state to state.

Commercial contracts with federal and state government agencies are subject to separate governmental regulations, which may include, among other matters, specific auditing and recordkeeping requirements, as well as intellectual property rights that may be granted to the government by default.

COPYRIGHTS

Nature of right

Copyrights are available for original works of authorship fixed in a tangible medium of expression. The rights arise at the time the original work of authorship is fixed in a tangible medium of expression, and registration is not required to validate the copyright. Registered copyrights are denoted by the symbol ©.

Copyright owners have the exclusive right to reproduce, distribute, prepare derivative works, publicly perform and publicly display their works of authorship.

Legal framework

Title 17 of the US Code governs copyrights. The United States became signatory to the Berne Convention in 1988. However, though the Berne Convention grants authors moral rights, moral rights are not recognized in the US Copyright Act. Under US law, moral rights may receive protection through judicial interpretation of several copyright, trademark, privacy and defamation statutes and, for authors of a work of visual art, through 17 U.S.C. §106A, known as the Visual Artists Rights Act of 1990 (VARA).

Duration of right

For works created after January 1, 1978, copyright protection lasts for the life of the author plus an additional 70 years. For an anonymous work, a pseudonymous work or a work made for hire, the copyright endures for a term of 95 years from the year of its first publication or a term of 120 years from the year of its creation, whichever expires first. For works first published prior to 1978, the term will vary depending on several factors.

No renewal is required for works created on or after January 1, 1978. For works published or registered prior to January 1, 1978, renewal registration is optional after 28 years but does provide certain legal advantages.

If a copyrightable work is not a work for hire, an assignment of the copyright may be terminated within a 5-year period beginning 35 years after the initial grant. If the rights granted include the right to publish, then the assignment may be terminated 35 years after publication or 40 years after grant of publication right, whichever is first.

Ownership / licenses

Joint ownership of copyrights is recognized, with each owner holding an independent right to use or license the use of the copyright in the work without the need to obtain the consent of the other co-owners. Each co-owner of a copyright has an obligation to account to the other co-owner(s), but the duty to account may be waived by contract. Implied licenses are also recognized.

Remedies for infringement

Copyright registration is required to claim statutory damages for infringement. Absent registration, only actual damages may be claimed.

Statutory damages range from USD750 to USD30,000 per work, at the discretion of the court. In cases where the plaintiff can prove willful infringement, damages can be as high as USD150,000 per work; conversely, in cases where the defendant can prove the infringement was innocent, the court may reduce the damages award to a sum of not less than USD200 per work.

Actual damages can be actual monetary loss suffered by the copyright owner and profits gained by the infringer.

Attorneys' fees of the copyright holder in a copyright infringement suit are available only if the work is registered. Injunctive relief is also a possible remedy, including the ability to enjoin importation of infringing goods.

Criminal penalties are additionally possible.

MASK WORKS / TOPOGRAPHIES

Nature of right

The Copyright Act provides legal protection for original mask works fixed in semiconductor chip products.

Mask works are defined as a series of related images, however fixed or encoded:

- Having or representing the predetermined 3-dimensional pattern of metallic, insulating or semiconductor material present or removed from the layers of a semiconductor chip product
- In which each image has the pattern of the surface of one form of the semiconductor chip product

Semiconductor chip products are defined as the final or intermediate form of any product:

- Having 2 or more layers of metallic, insulating or semiconductor material, deposited or otherwise placed on, or etched away or otherwise removed from, a piece of semiconductor material in accordance with a predetermined pattern
- Intended to perform electronic circuitry functions

Mask work owners have the exclusive right to reproduce the mask work by optical, electronic or other means; import or distribute the semiconductor chip product in which the mask work is embodied; and induce or knowingly cause another person to do any of the foregoing acts.

Legal framework

Mask works are protected under the US Semiconductor Chip Protection Act, which is administered by the Copyright Office but is different from copyright protection.

Duration of right

The duration of protection is 10 years from registration, terminating at the end of the 10th calendar year. Registration must be filed within 2 years of first commercial exploitation.

Ownership / licenses

Joint ownership of mask works is recognized, with each owner holding an independent right to use or license the use of the mask work without the need to obtain the consent of the other co-owners. Each co-owner of a mask work has an obligation to account to the other co-owner(s), but the duty to account may be waived by contract.

Remedies for infringement

Statutory damages may be up to USD250,000 for each work. Actual damages may be actual monetary loss suffered by the mask work owner and profits gained by the infringer. Attorneys' fees and costs may be recoverable.

Injunctive relief is also a possible remedy, including the ability to enjoin importation of infringing goods.

Criminal penalties are possible under certain circumstances.

PATENTS

Nature of right

Patents are a statutory right, granted consistent with a mandate in the US Constitution. Patents grant the right to exclude others from making, using, selling, offering for sale and importing the claimed invention.

Legal framework

Patents are governed by Title 35 of the US Code. The US became party to the Patent Cooperation Treaty in 1970 and the Paris Convention in 1887.

Duration of right

Patents filed on or after June 8, 1995 have a term of 20 years from the earliest filing date of the application on which the patent was granted. For patents filed prior to June 8, 1995, the term of the patent is either 20 years from the earliest filing date or 17 years from the issue date, whichever is longer. The US uses a first-to-file system as of March 16, 2013.

For design patents, applications filed on or after May 13, 2015 have a term of 15 years from the issue date. Design applications filed before May 13, 2015 have a term of 14 years from the issue date.

Ownership / licenses

Joint ownership is permissible, and parties may contractually agree to waive the duty to account to other joint owners. A license can be granted by 1 joint owner without consent of the other joint owner. Implied licenses are recognized.

Remedies for infringement

The patent statute permits an award of damages in an amount adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention by the infringer, together with interest and costs. Some awards may be a combination of lost profits and a reasonable royalty.

Treble damages up to 3 times actual damages are possible if the infringement is willful.

Failing to include appropriate patent marking may preclude recovery of damages for past infringement.

Injunctive relief is also a possible remedy.

TRADEMARKS

Nature of right

A word, phrase, symbol, design or a combination of words, phrases, symbols or designs that identifies and distinguishes the source of the goods of one party from those of others are protectable as trademarks.

Legal framework

The Lanham Act provides federal protection for unregistered and registered marks. Registered marks are signified by the symbol ®. Federal registration requires use in interstate commerce.

Common law marks are enforced by state law and are signified by the symbol ™.

State registrations are available for marks used in individual states.

The US became a member of the Madrid Protocol in 2003 and to the Trademark Law Treaty in 2009.

Duration of right

Federal trademark registrations are in effect for 10 years and are renewable indefinitely so long as the mark's use in interstate commerce continues.

State registrations differ (eg, 5 years in California and 10 years in New York).

Ownership / licenses

Owners granting licenses to trademarks must include appropriate quality control language in order to preserve and avoid dilution – or loss – of the mark.

Remedies for infringement

Damages may include actual damages or lost profits resulting from the infringement.

Treble damages are possible for willful infringement. Costs and reasonable attorneys' fees may be recoverable for willful infringement.

Injunctive relief is also an available remedy. Registered marks can be filed with US Customs to prevent importation of goods using infringing marks.

TRADE SECRETS

Nature of right

On May 11, 2016, the Federal government enacted the Defend Trade Secret Acts (DTSA). The DTSA provides a federal claim for misappropriation of trade secrets. Until then, trade secrets had been protected only at the state level with all states, other than New York, adopting their own version of the Uniform Trade Secrets Act (UTSA).

States adopting the Uniform Trade Secret Act (UTSA) impose liability for improper acquisition of trade secrets; use or disclosure of a trade secret is not required for liability, though additional damages may accrue.

The UTSA defines trade secrets under a 2-prong test:

- "Information, including a formula, pattern, compilation, program, device, method, technique or process, that derives actual or potential economic value from not being known and not being readily ascertainable by proper means by others"
- Such information is subject to "reasonable efforts by the owner to maintain its secrecy"

The Restatement of Torts (Section 757) defines a trade secret as follows: "a trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it." States adopting the Restatement of Torts approach require unauthorized use or disclosure for liability to accrue.

Legal framework

The DTSA creates a trade secret action under federal law that is intended to supplement, rather than pre-empt, state laws.

The UTSA has been adopted by 49 states, the District of Columbia, Puerto Rico and the US Virgin Islands, though some states have slightly broader or narrower definitions of trade secrets than others. The remaining state, New York, has adopted the approach taken by Section 757 of the Restatement of Torts.

Duration of right

As long as reasonable efforts are taken by the owner of the information to maintain the information as a trade secret, the duration of protection is potentially perpetual.

Ownership / licenses

Joint ownership is possible. Trade secret – or know-how – licenses are enforceable.

Remedies for infringement

Damages may include actual loss and unjust enrichment caused by misappropriation. Treble damages for willful and malicious misappropriation may be awarded.

Statutory attorneys' fees may also be awarded for willful and malicious misappropriation.

Actual or threatened misappropriation may be enjoined. The imposition of reasonable royalties instead of an injunction is permitted under exceptional circumstances.

Criminal penalties are possible under certain circumstances.

Similar remedies are also available under the DTSA, as well as a process by which plaintiffs may ask courts to order the seizure of property "necessary to prevent the propagation or dissemination of the trade secret."

OTHER KEY IP RIGHTS

Nature of right

Not applicable for this jurisdiction.

Legal framework

Not applicable for this jurisdiction.

Duration of right

Not applicable for this jurisdiction.

Ownership / licenses

Not applicable for this jurisdiction.

Remedies for infringement

Not applicable for this jurisdiction.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

Employees

It is customary for employees to sign inventions assignment and confidentiality agreements. However, some states (eg, California and Washington) have statutory prohibitions on employers requiring employees to assign inventions that the employees have developed entirely on their own time without use of employer resources and that are unrelated to the employer's business.

US copyright law recognizes a "work for hire" doctrine in which an employer owns works of authorship created by an employee within the scope of employment.

The "work for hire" doctrine does not apply to inventions or patents. Employee inventors own their inventions and the resulting patents absent an assignment by the inventor to their employer.

US patent law recognizes a "shop right," which is an implied license for an employer to use an invention of an employee who developed the invention within the scope of their employment using the employer's resources (ie, equipment or funding). The implied license is not transferable except in the sale of a business.

The DTSA requires that employee inventions agreements that are executed or updated (ie, amendments or modifications to existing agreements) beginning on May 12, 2016 include notice of certain immunities provided under the law. The law gives an employee immunity from civil and criminal liability under state and federal law for disclosing a trade secret if the disclosure was made to report or investigate an alleged violation of law, and the new law requires that companies include notice of such immunity in any agreement with an employee that governs the use of trade secret or confidential information. Failure to provide this notice would result in the company not being able to recover exemplary damages or attorneys' fees from the employee if the company were to sue the employee for misappropriation of trade secrets.

Consultants / contractors

It is customary for consultants and contractors to sign written agreements. Absent a written present assignment of developments, consultants and contractors retain ownership of the intellectual property developed by them, even if contracted and paid for by another party.

Contractor agreements with individuals – not contractors or consultants that are entities – must include the same notice described above under the DTSA for [employee agreements](#) in order for an employer of an individual contractor or consultant to preserve its right to recover exemplary damages or attorneys' fees in a claim for misappropriation of trade secrets under the DTSA.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

Registration of commercial agreements

There is no general registration requirement, though some government contracts may require filing. Material contracts of publicly traded companies may require disclosure.

It is possible to register licenses for patents, registered copyrights and trademarks to put potential buyers of the patents, registered copyrights and trademarks on notice of the license, but such registration is not required.

Recognized language of commercial agreements

English – specifically plain English that is consumer-friendly – is preferred, particularly in consumer-facing commercial agreements and terms.

Country-specific issues for online content

The Digital Millennium Copyright Act (DMCA) is a US copyright law that implements two 1996 treaties of the World Intellectual Property Organization (WIPO). The DMCA instituted criminal penalties for the production and distribution of technology, devices or services intended to bypass technological means for controlling access to copyrighted works.

The DMCA features a safe-harbor provision for internet service providers and other intermediaries to avoid liability for copyright infringement claims arising from transmitting, routing or providing connections to infringing content, provided that the service provider registers a designated agent with the Copyright Office. Designated agent registrations must be made electronically, timely updated and renewed every 3 years.

Enforceability of online/clickwrap/shrinkwrap terms

Online, clickwrap and shrinkwrap agreements are generally viewed as enforceable if they are conspicuous and users have an opportunity to review and indicate affirmative assent (eg, check a box).

Governing law

Governing law and venue for resolution of disputes specified in a commercial contract are generally accepted and recognized by state and federal courts.

Dispute resolution is litigation in state and federal courts unless an alternative dispute resolution procedure, such as mediation or arbitration, is specified in the contract. Waivers of class action arbitrations require special attention to be enforceable against consumers.

KEY COMMERCIAL CONTRACT TERMS

Enforceability of warranty disclaimers

Sellers, in their contracts for the sale of goods under Article 2 of the UCC, customarily disclaim or exclude implied warranties that are provided in the UCC for the benefit of buyers. The implied warranties that are disclaimed are usually the implied warranties of merchantability, fitness for a particular purpose and sometimes non-infringement and warranties arising from usage of trade and course of performance.

Disclaimers of warranty are usually enforced unless they are unconscionable, unclear or not conspicuous. Enforceability of disclaimers against consumers may differ from jurisdiction to jurisdiction.

Enforceability of exclusions/limitations of liability indemnification

Sellers, in their contracts for the sale of goods under Article 2 of the UCC, customarily exclude indirect damages (including consequential, incidental and special damages).

A cap on direct damages or aggregate liability is also common.

Exclusions and limitations on liability are usually enforced unless they are unconscionable, unclear or not conspicuous. Exclusions of liability for fraud, personal injury, death and, in some states, bad faith, willful injury or unlawful conduct are not enforceable. Some states allow exclusions of liability for gross negligence if "gross negligence" is specified in the contract.

Enforceability of exclusions and limitations of liability against consumers may differ from jurisdiction to jurisdiction.

Most jurisdictions preclude recovery of punitive (ie, exemplary) damages for contract breaches without a separate and independent tort claim.

Contracts with federal and state government agencies may have statutory limits on their liability.

Indemnification

Express indemnities stated in contracts are recognized and generally respected.

Implied indemnities are based on theories of comparative indemnity or partial indemnity or comparative equitable indemnity (ie, comparative fault of the parties). Courts do not usually imply an indemnity obligation in a contract where an express indemnity is already stated.

Express indemnities based on comparative fault are enforceable.

Indemnification provisions are generally enforceable unless they require indemnification of behavior that statutes or courts have held to be unenforceable, such as fraud, willful injury to a person or property and other future unlawful acts; indemnification for past unlawful acts is enforceable.

Indemnification provisions generally have 3 distinct obligations: defense, indemnify (ie, pay damages) and hold harmless (ie, indemnify party responsible for any other liability arising out of the claim). Indemnification is not limited to third-party claims.

Caps on liability under indemnification provisions may be enforceable.

Electronic signatures

The Federal ESIGN Act grants electronic signatures the same legal standing as pen-and-paper signatures in transactions affecting interstate and foreign commerce. Certain exceptions under the ESIGN Act include the creation and execution of wills, codicils or testamentary trusts and transactions governed by the Uniform Commercial Code.

At the state level, the Uniform Electronic Transactions Act (UETA) governs business, commercial, consumer and governmental transactions in 47 of 50 states (except Illinois, New York and Washington), as well as the District of Columbia, Puerto Rico and the US Virgin Islands. The UETA contains exceptions similar to those under the ESIGN Act. The states that have not adopted UETA have nonetheless adopted rules that validate and govern electronically signed contracts.

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