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INTRODUCTION


GUIDE TO GOING GLOBAL 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 Guide to Going Global 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 34 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.
AUSTRALIA

INTELLECTUAL PROPERTY FRAMEWORK

Intellectual property rights (other than trade secrets and common law trademark rights) are governed by the laws of the Commonwealth (i.e. at a federal level) and interpreted by court judgments (i.e. common law). There are no state or territory-based intellectual property laws.

COMMERCIAL CONTRACT FRAMEWORK

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

For consumer goods and services contracts (a consumer may include a business in certain circumstances), the Australian Consumer Law (ACL) (which is a schedule of the Competition and Consumer Act 2010 (CCA)) applies. This legislation covers purchases of goods or services worth less than $40,000.00, or when the goods or services are of a kind that a person would usually buy for their personal, domestic or household use or consumption. There are also state and territory consumer laws.

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

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT

Copyright can subsist in both works, which include original literary, dramatic, musical and artistic works, and subject-matter other than works, which include 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 (with the exception of 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
Copyrights are governed by the Copyright Act 1968 (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.

Australia is a party to the Berne Convention, the TRIPS Agreement, WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty and the Trans-Pacific Partnership Agreement.

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 from the date of broadcast and for printed editions, 20 years from the date of publication. For sound recordings and cinematograph film, copyright lasts 70 years from the date of publication.

OWNERSHIP/LICENSES
Co-ownership of an original work is recognized where the work has been produced by the collaboration of two 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. An owner can 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 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.

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/CIRCUIT LAYOUTS

#### 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 (CLA), if the following requirements are met:

(i) The circuit layout is a representation fixed in any material form of the three-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.

#### DURATION OF RIGHT
The duration of protection is ten 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 ten 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 can be assigned, licensed and devolved in a will.

#### REMEDIES FOR INFRINGEMENT
The 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 also be awarded on the same basis as additional damages for infringement of copyright under the Copyright Act 1968.
PATENTS

NATURE OF RIGHT
A patent must be applied for and a statutory right granted through registration. An owner of a registered 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; or
(iv) Keep the product for the purpose of doing any of the above.

An owner of a registered 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 two types of patents: standard patents and innovation patents.

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.

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 and the Trans-Pacific Partnership Agreement.

DURATION OF RIGHT
The duration of protection is 20 years from the effective date of filing for a standard patent, except for pharmaceutical standard patents which have a maximum of up to 25 years to allow for the regulatory approvals processes. The duration of protection for an innovation patent is eight years from the effective date of filing. Patent rights are based on a “first to file” system.

OWNERSHIP/LICENSES
A patent owner can grant a license to another party. The patent owner should register the license for it to be defensible against third 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 can assign their patent interest (or part of the interest) to another person. They must register the assignment for it to be defensible against third parties. However, failure to register does not affect the validity of the assignment.

Patents can be co-owned. Co-owners can exercise their exclusive rights without accounting to the other. Co-owners cannot grant a license or assign their interest without consent of the other co-owners.
REMEDIES FOR INFRINGEMENT
The 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 can 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 can be protected. A registered trademark is a sign used to distinguish the goods and services of one trader from those of another.

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

LEGAL FRAMEWORK
Australian trademark law is based on the Trade Marks Act 1995 (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 the Competition and Consumer Act 2010 (CCA), provides additional remedies to trademark owners of registered and unregistered trademarks.

Registered trademarks can be signified through use of the ® symbol.

Unregistered trademarks can be signified through use of the ™ symbol.

Australia became a party to the Trademark Law Treaty in 1998.

Australia became a party to the Madrid Protocol in 2001.

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 ten year registration period and the registration can be renewed indefinitely every ten years without the need to provide evidence of use. However, a trademark can be removed from the register if it has not been used for a period of three 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 can prevent others from using the mark or a deceptively similar mark in relation to the same or similar goods or services.
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 Australian Customs Service 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 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 can 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 proving 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 can be protected through a breach of confidence claim.

Such a claim can be brought if:

(i) The information can 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 common law 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 six-year limitation period will apply.

OWNERSHIP/LICENSES
Trade secrets cannot be assigned as they are not property. However, contractual rights to trade secrets can be assigned and licensed. An assignee or licensee can 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, equitable 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.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
Copyright – The Copyright Act provides that the employer will own 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.” Recent case law has clarified that it will not be 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, i.e., 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 a confidentiality provision or there is a standalone confidentiality agreement. 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 his 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 he 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 third 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 bona fide purchaser without notice.

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS
It is preferable to use consumer friendly English.
COUNTRY-SPECIFIC ISSUES FOR ONLINE CONTENT

The Copyright Act provides a ‘safe harbor’ regime for service providers (‘carriage service providers’ as defined in the Telecommunications Act 1997), which limits their liability for copyright infringement by their customers (i.e., 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.

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 accept the terms of the contract prior to purchase.

GOVERNING LAW

Governing law and choice of jurisdiction (venue for resolution) clauses will generally be upheld by state and Federal Courts in commercial contracts, provided such choice of law does not (and will not) avoid any mandatory law (e.g., 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.

Warranties against defects must be provided in addition to the consumer guarantees. 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 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.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY

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

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 to be 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 will generally be enforceable.

Caps on liability under indemnification clauses are generally enforceable but, in some circumstances, may be considered unfair 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 (e.g., 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.
AUSTRIA

INTELLECTUAL PROPERTY FRAMEWORK

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

(i) Copyright – the Copyright Act (Urheberrechtsgesetz)
(iii) Utility Models – the Utility Model Act (Gebrauchsmustergesetz)
(iv) Trademarks – the Trademark Act (Markenschutzgesetz)
(v) Semiconductor Protection Act (Halbleiterschutzgesetz)
(vi) Designs and utility patents – the Designs Act (Musterschutzgesetz)

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 certain amount of 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

The Austrian law contains extensive Federal legislation (both of dispositive and mandatory nature) on commercial contracts, both considering the general principles (such as interpretation) and the specific contract types. In business-to-consumer, the Consumer Protection Act (Konsumentenschutzgesetz) is 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.

The enforcement of the commercial contracts is subject to the general civil proceedings regulations (the Civil Proceedings Act (Zivilprozessordnung) and the Enforcement Act (Exekutionsordnung) and is conducted by the courts.
RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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 term contains the aspects of human creativity and originality/individuality; no specific quality of work is required. There is detailed case law in Austria dealing with the assessment whether a work is subject to copyright. The work does not have to be fixed in a tangible medium in order to be protected. There is no obligation to register.

The Copyright Act also provides protection for a number of ‘related rights’ (ancillary copyright — Leistungsschutzrecht) that are not copyright but are, in principle, subject to the same or similar regulations. These are the rights of performers and presenters, rights of producers of media and rights of broadcasters. Certain works, i.e., 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 the 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 right to be named as author).

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

Austria is also a party to a number of 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, 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;
Radio broadcasts, where the duration of the right is 50 years after the broadcast; and

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 his successor; a legal entity may only be a licensee. The right as such is not transferrable (except in case of universal succession i.e., inheritance), the author may license only one, more, or all exploitation rights (e.g., right to reproduce, right to distribute, right to make the work available, right to emit); personality rights (e.g., right to be named as author) are in principle not transferable or limitable.

Joint ownership of copyrights is recognized.

**REMEDIES FOR INFRINGEMENT**

Civil remedies for copyright 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; and

(v) Monetary relief (adequate consideration, damages and handover of profits).

Criminal remedies may include:

(i) Monetary fine; and

(ii) Imprisonment in case of professional infringement.

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

**MASK WORKS**

**NATURE OF RIGHT**

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

A “semiconductor product” is the final or an intermediate form of any product (i) consisting of a body of material which includes a layer of semiconducting material; and (ii) having one or more other layers composed of conducting, insulating or semiconducting material, the layers being arranged in accordance with a predetermined three-dimensional pattern; and (iii) intended to perform, exclusively or together with other functions, an electronic function.
The “topography” of a semiconductor product is a series of related images, however fixed or encoded representing the three-dimensional pattern of the layers of which a semiconductor product is composed and 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.

The owner of the semiconductor protection right may exclude any person in business traffic from reproducing the topography or its separately exploitable parts, producing images of and instructions for production of topography, as well as from offering, putting into circulation 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 ten years from registration (ends at end of tenth calendar year). There must be a registration within two years of first non-confidential commercial exploitation.

**OWNERSHIP/LICENSES**

Rights in semiconductor products and their topographies are freely transferrable. The perfection of the transfer is subject to the registration in the semiconductor’s 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; and

(v) Monetary relief (adequate consideration, damages and handover of profits).

Criminal remedies include:

(i) Monetary fine; and

(ii) Imprisonment in case of professional infringement.

**PATENTS**

**NATURE OF RIGHT**

Patents are granted on inventions which are novel, which, having regard to the state of the art, are not obvious to the person skilled in the art, and which can be applied in the industry.

The patent owner has an exclusive right to produce, put into circulation, offer for sale and use the claimed invention.
LEGAL FRAMEWORK

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

OWNERSHIP/LICENSES
The inventor or his 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 towards third parties only upon the 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; and
(v) Monetary relief.

Criminal remedies may include:

(i) Monetary fine; and
(ii) Imprisonment in case of professional infringement.

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 and sound marks are also protectable. Haptic or olfactory marks and national emblems are not protectable as trademarks in Austria.
LEGAL FRAMEWORK
Austrian Trademark Act (Markenschutzgesetz) protects registered marks. Non-registered marks, in Austria termed “signs,” may have protection according to Article 9 of the Austrian Law Against Unfair Competition.


DURATION OF RIGHT
Trademark registrations are in effect for ten years and are renewable repeatedly for ten-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:

(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; and
(v) Monetary relief.

Criminal remedies for infringement of trademarks include:

(i) Monetary fine; and
(ii) Imprisonment in case of professional infringement.

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

TRADE SECRETS

NATURE OF RIGHT
Trade secrets as such are not a recognized intellectual property asset in Austria. Protection of trade secrets is, however, partly ensured by a number of more general statutory acts.

LEGAL FRAMEWORK
Trade secrets are addressed in a variety of legislation. In particular, Sections 122-124 Criminal Code penalize the discovery, publication or exploitation of trade secrets in various ways.

Unfair use of other persons’ trade secrets is also subject to the Act on Unfair Competition.
A Proposal for a Directive 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 has been submitted. This proposal is a commitment to creating a single market for intellectual property and establishes additional measures, procedures and remedies that should be made available to the holder of a trade secret in case of unlawful acquisition, use or disclosure of that trade secret by a third party. Austria will have 24 months from adoption of the Directive to implement it. In particular, implementations regarding the enforcement and protection of confidential information in legal proceedings will be necessary.

**REMEDIES FOR INFRINGEMENT**

Civil remedies include:

(i) Cessation of infringement (preliminary or permanent injunction); and
(ii) Monetary relief.

Criminal remedies include:

(i) Monetary fine; and
(ii) Imprisonment in case of professional infringement.

Additional remedies are available under the Act on Unfair Competition.

**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 original owner of the copyright. Licensing of the exploitation rights is possible and in certain cases Austrian law recognizes the 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 (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 such license for computer programs.

Similar principles apply 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 contract.

In respect to 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 transferrable and can therefore also be made for hire for a legal entity.

**CONSULTANTS/CONTRACTORS**

Subject to the abovementioned exceptions, 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.
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 registry has to 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 the business-to-consumer contracts, and the clarity is in principle jeopardized if the consumer is not familiar with the language of the contract. In case of Austrian consumers, unless a contract is in German, it will be likely assumed that an Austrian consumer will not understand the contract.

COUNTRY-SPECIFIC ISSUES FOR ONLINE CONTENT
The E-Commerce Act also 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, Consumer Protection Act) are recognized and fully enforceable. In accordance with consumer protection laws, consumers are usually entitled to revocation of the contract. A notification regarding the revocation right and the respective template for revocation should be set forth in separate documents (not in the terms and conditions).

The enforceability of shrinkwrap terms is severely disputed under Austrian and EU law. This is due to the provisions of the 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 equilibrium between the parties (e.g., one-way arbitration clauses) should be carefully assessed in the 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

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, i.e., 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 are recommended.

INDEMNIFICATION

Express indemnities stated in contracts are, in general, permissible. Note, however, that the Austrian law does not possess a concept of indemnification comparable to US law, but an indemnification clause would rather be interpreted as an Austrian law construct (such as liability, warranty or guarantee). Therefore, it is likely that a court would apply the same Austrian law legal concepts to such limitations.

ELECTRONIC SIGNATURES

In Austria, the implementation of the European directive dated December 13, 1999 concerning electronic signatures has been effectuated by the federal law concerning electronic signatures.

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 Electronic Signature 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 signature is not acceptable. For example, surety agreements, notarial deeds and some other documents.
BELGIUM

INTELLECTUAL PROPERTY FRAMEWORK

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


(iv) Database rights – Title 7 (Databases) and Title 5 (Copyrights and Neighboring Rights) of Book XI “Intellectual Property” of the Code of Economic Law.


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, trade names, company names and domain names.

The new Commercial Code (the Code of Economic Law of 28 February 2013), which is referred to above, codifies and modernizes the present commercial and intellectual property legislation.

COMMERCIAL CONTRACT FRAMEWORK

The Belgian Civil Code, which provides the general principles of contract law, may apply to certain types of commercial contracts (such as exclusive distributorship and commercial agency) and may regulate contracts in specific sectors.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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 his 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” of the Code of Economic Law.

DURATION OF RIGHT
Generally, the duration of copyright in an author’s work is the author’s life, plus 70 years after his death. There are variations of this duration depending on the type of the protected work.

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 his name or the appearance of another sign that enables his 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 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 provisions of the Civil Code.
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**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” of the Code of Economic Law as well as under Book XVII (Specific legal procedures) of the Code of Economic Law. 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 judge and without prior warning, the premises of an alleged infringer or an intermediary third party in order to find evidence of and more information regarding infringements.

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 (i) 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, (ii) 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 third parties involved in the infringement, and (iii) the dissemination of the decision, including the displaying and publishing of the decision in full or in part.

**MASK WORKS**

**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, fulfills 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 the topography. The rights holder may, however, not assert this exclusive right in respect of (i) reproduction solely for the purposes of analysis, evaluation or teaching of the topography or the concepts, processes, systems or techniques embodied in the topography, and (ii) a topography resulting from the analysis and evaluation of another topography carried out in accordance with item (i), 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 (i) consisting of a body of material which includes a layer of semiconducting material, and (ii) having one or more other layers composed of conducting, insulating or semiconducting material, the layers being arranged in accordance with a predetermined three-dimensional pattern, and (iii) 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, (i) representing the three-dimensional pattern of the layers of which a semiconductor product is composed, and (ii) 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" of the Code of Economic Law.

**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 first time and shall expire ten 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 fifteen 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 his 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 are the same as those available for copyright infringement. See above remedies for Infringement section under Copyright.

**PATENTS**

**NATURE OF RIGHT**

A patent shall confer on its owner the right to prevent all third parties not having his consent: (i) 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; (ii) from using a process which is the subject matter of the patent or, when the third 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; and (iii) 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: (i) new; (ii) inventive; and (iii) 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 six months prior to the filing of the application and it is due directly or indirectly to (i) an obvious abuse in relation to the applicant or (ii) 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 his 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 third party.

LEGAL FRAMEWORK
Patents in Belgium are governed by Title I (Patents) of Book XI “Intellectual Property” of the Code of Economic Law.

There are several expected updates on EU level, including:

(i) 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;

(ii) 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;


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.

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 four years following the date of patent application or for a period of three 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 his successor in title.

Each co-owner has a personal right to exploit the invention. Rights granted to third 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 his share, the other co-patentees have a pre-emption right over it for a three-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 (esp. with regard to succession rights) is not applicable to patent co-ownership.
If a patent application is submitted only by one 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.

**REMEDIES FOR INFRINGEMENT**

The remedies for patent infringement are similar to those available for copyright infringement. See above remedies for Infringement section under Copyright.

**TRADEMARKS**

**NATURE OF RIGHT**

A registered trademark provides its owner with an exclusive right to prevent any third party, without its consent, from: (i) 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; (ii) 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; (iii) 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; and (iv) 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**


There are several expected updates on EU level, including:


DURATION OF RIGHT
The duration of trademark protection is ten years starting from the date of filing of the application and renewable for an unlimited number of consecutive ten-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 or 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 are similar to those available for copyright infringement. See above remedies for Infringement section under Copyright.

TRADE SECRETS

NATURE OF RIGHT
Trade secrets are not expressly mentioned as a property right under Belgian law. Once a trade secret is known publicly, it can be freely commercially exploited.

Belgian law does not provide a uniform definition of a trade secret. For a definition, reference should be made to Section 39(2) of the TRIPS Agreement, Section 1 (i) of the 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, Section 3.2.1 of the Communication from the Commission 2014/C 89/03 and national case law.

A distinction must 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 third 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 high bar to clear.

(ii) Section 17 of the Act of July 3, 1978 on Employment Agreements, which prohibits disclosure of trade secrets, as well as private or confidential matters, which were learned during the course of the employment.
The following legislation governs actions against other third parties:

(i) Civil liability law, namely Sections 1382-1383 of the Civil Code or (in case two undertakings are involved) Section VI.104 of Book VI “Market Practices and Consumer Protection” of the Code of Economic Law, in conjunction with Section 39(2) of the TRIPS Agreement and with Section 8 of the European Convention on Human Rights, if the third party illicitly obtains, misappropriates, discloses and uses a trade secret and thus causes or threatens to cause prejudice to a third party.

(ii) Contract law, if an agreement (such as a non-disclosure agreement) was concluded with the third party.

There is a proposal for a Directive 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 (COM/2013/0813).

**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.

**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.

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

**Patent:** Title I (Patents) provides that the right to a patent shall belong to the inventor or his 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, i.e. the invention that is made during an agreement and by an employee that is hired or instructed by his 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 his 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 on commission, the economic rights may be assigned to the commissioning party on the condition that such assignment is expressly agreed between the parties and that the activities of the commissioning party are in a non-cultural field or in advertising and that the work is intended for such activity.

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 his successors in title or in violation of a legal or contractual obligation, the injured party may, in his 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 (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 has to 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” of the Code of Economic Law 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
According to Belgian case law, two main conditions must be met to enforce general terms and conditions (including online or clickwrap terms). The party accepting the terms must have been aware and have consented to the content of the terms. In accordance with Book XII “Law of the Electronic Economy” of the Code of Economic Law for electronically concluded agreements, a written mention of the party accepting the terms can be given by any means which guarantees that the mention came from the party accepting the terms.

GOVERNING LAW
Subject to the case law of the European Union on the conclusion of cross border of online agreements, the Rome I and 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 two-year warranty period.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
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.

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 has been governed by the 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 had been 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 (Regulation) was adopted in July 2014, effective as of July 1, 2016. This Regulation aims to provide more predictable regulatory environment and will be directly applicable in all member states of the European Union without having to be transposed in national legislation.
The Regulation has a two-tier approach. This means that all electronic signatures, i.e. “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 signatures can be assimilated with a handwritten signature. The 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 certain types of contracts (such as real estate contracts, certain contracts of suretyship, contracts in the field of family law) cannot be concluded by electronic means.
BRAZIL

INTELLECTUAL PROPERTY FRAMEWORK

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

COMMERCIAL CONTRACT FRAMEWORK

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 (e.g., purchase and sale, donation, services agreement). Some particular contracts are also governed by special laws and regulations (e.g., franchising, leasing, sales representatives, 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 (e.g., contracts in Energy and Oil and Gas areas, contracts that involve concessions, public-private partnerships, electronic options and Special System for Public Purchases – RDC).

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGTHS (RIGHTS OF AUTHORSHIP)

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 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).
Brazil became signatory to Berne Convention in 1922.

**DURATION OF RIGHT**

In general, economic rights in copyrighted works remain valid for 70 years counted as 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 as 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 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/license will be five 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 five years.

**REMEDIES FOR INFRINGEMENT**

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

Civil remedies for copyright infringement include: 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**

Brazil provides protection for original mask works *(topografía 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 three-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.”

“Chip” *(circuito integrado)* is defined as a product, in final or intermediate form, with elements of which at least one is active and with some or all the interconnections completely formed over one piece of material or in its interior, and which purpose is to perform an electronic function.
Mask work registration owners have the exclusive right to exploit the mask work, and any third 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 work.

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

DURATION OF RIGHT
Mask works are protectable for ten years counted as 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. In the latter case, the percentage of rights assigned must be specified. Assignment documents must be signed by both parties and two 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 monetary fine.

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

PATENTS

NATURE OF RIGHT
Patent protection may be granted to:

(i) Inventions that present novelty, inventive activity and industrial use; and

(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 third 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 date of application, provided the term from grant is of no less than ten years.

For utility model patents, the duration of protection is 15 years from the date of application, provided the term from grant is of no less than seven years.

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.

In case there are royalty payments made from a Brazilian entity to another entity abroad, license agreements should always be recorded before the Instituto Nacional da Propriedade Industrial (INPI). In addition, local taxes deductibility is limited by 5% from the revenue from the licensed technology, in accordance with Resolution No. 436/58 from Ministerio da Fazenda (Resolution No. 436/58).

REMEDIES FOR INFRINGEMENT

Criminal remedies for patent infringement include: imprisonment, 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 cancelation of the patent before the Federal Court.

TRADEMARKS

NATURE OF RIGHT

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

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 not a signatory to the Madrid Protocol.

Brazil is not a party to the Trademark Law Treaty of 1994.
DURATION OF RIGHT
The duration of trademark protection is ten years from the date the registration is granted and renewable for successive ten-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, to assign the rights to 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.

License agreements should always be recorded before the INPI, in case there are royalty payments made from a Brazilian entity to another entity abroad. In addition, local tax deductibility will be limited by 1% as set forth by Resolution No. 436/58.

REMEDIES FOR INFRINGEMENT
Criminal remedies for trademark infringement can include: imprisonment, 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, damages. Interested parties may also file a court action requesting a cancelation 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).

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).

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
Copyrights: Employees own the copyrights to works they create (except for software as mentioned below). The concept of “work for hire” is recognized by the Law, as long as the employment agreement expressly sets forth that it includes the creation of copyright protected material.
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 his 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 his 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 his 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 provision.

CONSULTANTS/CONTRACTORS

Copyrights: Consultants/contractors own the copyrights to works they create (except for software as mentioned below). The concept of “work for hire” is not recognized by the Brazilian Law, as long as the service agreement expressly sets forth that it includes the creation of copyright protected material.

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: N/A.
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 third parties and, if applicable, in case of remittance of royalties from Brazil to abroad.

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS

In general, there is no issue in having contracts executed in another language (e.g., English); however, if the contract has to 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 in the website (e.g., 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 (e.g., to include a summary of the contract highlighting the clauses that may limit any right and to maintain an electronic consumer attendance service).

In 2015, Brazil enacted Federal Law No. 12.965 on Civil Rights Framework for the Internet (Marco Civil da Internet). This federal law stipulates the following: (i) Brazilian law and jurisdiction will be applicable if one of the parties engaged in the relation/service is located in Brazil; (ii) internet services providers shall be liable for third parties content, if such third party does not comply with Court’s orders (for instance, for removal of content); (iii) service/webpage may be shut down, by court order, if it does not comply with law; and (iv) collection of data must be strictly related with the purposes of the collection, and may not be shared or transferred to third parties unless prior consent of the individual on this regard.

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 (e.g., “check a box” separately) to confirm his acceptance. 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” (i.e., 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 (i.e., adhering party). Brazilian Courts may disregard a contractual provision if such provision is deemed abusive (e.g., 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 should always be applicable and local courts would always have jurisdiction in relation to such contract.

An exception to the above rule are the agreements with an arbitration clause. Federal Law 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.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
The validity of the limitation/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 (e.g., 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 (pay damages) and hold harmless. Indemnification is not limited to third-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 (e.g., 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. However, certain agreements and transactions still have to be in writing (i.e., real estate sales, collateral agreements and family law transactions) and registered within its specific registries.
CANADA

INTELLECTUAL PROPERTY FRAMEWORK
As a general matter intellectual property rights are governed by Federal statutes.

COMMERCIAL CONTRACT FRAMEWORK
Contracts are a matter of provincial, not Federal, law. 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. It is worth noting as well that Québec has a civil law system, while the balance of the Canadian provinces have a common law system.

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.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGTETS

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, performer’s 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 also 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, 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.

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 50 years from that year end.

Where the author of the work is unknown, copyright extends for the shorter of (i) the remainder of the calendar year of first publication, and an additional 50 years from that year end; or (ii) the remainder of the calendar year in which the work was made plus an additional 75 years from that year end.

Where there are two 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 50-year period.

For works that are not published until after the death of the author, copyright extends until the date of publication, performance in public or communication to the public, whichever happens first, the remainder of that calendar year plus an additional 50-year period.

OWNERSHIP/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.

Subject to certain exceptions, the author of a work, maker of a sound recording, performer of a performer’s performance, or broadcaster of a communication signal is the first owner of copyright. Exceptions include where the work is made in the course of employment, in which case the first 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.

REMEDIES FOR INFRINGEMENT
Registration is not required to seek and enforce remedies.

An owner may seek civil remedies, including 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 $500.00/work to $20,000/work for infringement for commercial gain, and $100.00/work to $5,000.00/work for infringement for non-commercial purposes.

It is possible to seek preventing importation of goods that are infringing.

Criminal penalties are also available.
INTEGRATED CIRCUIT TOPOGRAPHIES

NATURE OF RIGHT
Protection for integrated circuit topographies used in integrated circuit products gives exclusive right to reproduce, manufacture, import or commercially exploit the topography or any substantial part. Commercially exploit 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 (i) the interconnections, if any, and the elements for the making of an integrated circuit product, or (ii) 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
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 ten years from the filing date of the application for registration. Registration terminates at the end of the tenth calendar year after the earlier of the year in which the topography is first commercially exploited and the calendar year of the filing date of the application. A registration must be filed within two years of first 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 and the recovery of damages or profits, for punitive damages, and for 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 first 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
The duration of patent protection is 20 years from the filing date of the application.

OWNERSHIP/LICENSES
Joint ownership is permissible, but one 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.

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

INDUSTRIAL DESIGNS

NATURE OF RIGHT
Industrial designs grant the right to exclude others from making, importing for the purpose of trade or business, or selling, renting, or offering or exposing for sale or rent, any article in respect of which the design is registered or if done in relation to an article assembled from a kit.

Industrial design rights protect the features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye where the articles are made by hand, tool or machine.

LEGAL FRAMEWORK
The Industrial Design Act governs the protection of industrial designs.


DURATION OF RIGHT
Industrial designs have a duration of ten years from registration. Foreign priority right must be filed within six months from the earliest date on which the foreign application was filed.

OWNERSHIP/LICENSES
Designs, whether registered or unregistered, are assignable in law, either as to the whole interest or any undivided part.
Every proprietor of a design may grant and convey (i.e., license) an exclusive right to make, use and sell, and to grant to others the right to make, use and sell the design, within and throughout Canada or any part, for the unexpired term of its duration or any part.

**REMEDIES FOR INFRINGEMENT**

Relief for infringement may include injunction and the recovery of damages or an accounting of profits, for punitive damages, and for the disposal of any infringing article or kit. Infringement actions must be commenced within three years after the date of the infringement.

**TRADEMARKS**

**NATURE OF RIGHT**

A trademark is any word, phrase, symbol, design or sound used to distinguish the goods or services manufactured or performed by a trader from the goods or services manufactured or performed by others. Protection is also afforded to the shape, container, wrapping or mode of packaging of goods in the form of a distinguishing guise.

The new Combating Counterfeit Products Act (once fully implemented) will do away with distinguishing guises and provide for a unified definition of a trademark as “a sign or combination of signs that is used by a person for the purpose of distinguishing their goods or services from those of others.”

**LEGAL FRAMEWORK**

The Canadian Trademarks Act codifies the common law tort of passing off and accords further rights to registered trademark owners. 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.

Registration of a trademark is available at the Federal level and grants the owner of the registered mark the exclusive right to use the mark throughout Canada in association with the goods and services in the registration.

Canadian law does not explicitly require the use of symbols to denote trademark usage. However, conventionally TM is used to signify that a mark, whether registered or unregistered, is a trademark, and ® symbolizes a registered trademark.

Canada is in the process of implementing the Madrid Protocol. Canada does not currently require the use of the International Schedule of Classes of Goods and Services but will in the future.

**DURATION OF RIGHT**

Trademark registrations are currently valid for a 15-year period, but that will be reduced to ten years once the pending changes to Canadian trademark law have been fully implemented. 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 possible loss of the mark. If trademark use is licensed, and public notice is given of the license and of the identity of the trademark owner, 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 injunction, an accounting of profits, delivery up (a remedy that requires that the infringing articles must be handed over to the trademark owner), destruction, exportation or other disposition of the infringing wares or general damages.

Registered trademark owners may seek 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 an advantage over others. A trade secret (or know-how) can be any type of information, whether commercial, technical or financial.

LEGAL FRAMEWORK
Trade secrets are protected under the common law cause of action for breach of confidence, or otherwise by contract. In Quebec, trade secrets are protected by statute by virtue of the Civil Code of Quebec.

Enforcement of rights and protection stems from the obligation of confidentiality or a fiduciary duty rather than treatment of trade secrets as property. The general rule is that a recipient of confidential information 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 third parties.

Joint ownership of trade secrets is recognized.

REMEDIES FOR INFRINGEMENT
A party can seek breach of contract, or breach of confidence at common law. The tort of intentional interference with economic relations may also be available.

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, criminal penalties for theft are not available with respect to the intangible information but may be available with respect to theft of a tangible object that contains confidential information.

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 employee 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.
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 copyright 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 is generally imprudent not to register because a subsequent purchaser for value without notice may acquire rights that limit or defeat the unregistered rights.

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS
Contract law is 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 some provinces, notably 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/shrinkwrap terms have been enforced applying general contract principles. However, it is important to note that several provinces, including Ontario, Québec and Alberta have legislation that limit the effect of arbitration clauses in consumer contracts, and permit a consumer to bring an action, including 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. The Sale of Goods Acts in most of the common law provinces distinguish between conditions (the breach of which entitles the party to reject the goods) and warranties that only entitle the party to claim damages. Fitness for purpose and merchantability are implied conditions, and many cases can be found where clauses purporting to disclaim warranties of fitness for purpose and merchantability have been ignored because the provision is a condition not a warranty. In consumer transactions, some provinces have legislation that limits the ability to disclaim certain statutory or otherwise common implied terms.
ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
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 limit the ability to effectively limit liability.

INDEMNIFICATION
Indemnity clauses, like other contractual clauses, will 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, a signature may consist of one or more letters, numbers or other characters.

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.
CHINA

INTELLECTUAL PROPERTY FRAMEWORK

In China, intellectual property rights are primarily protected under three major intellectual property laws, the Patent Law, the Trademark Law and the Copyright 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 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

The Contract Law of the People’s Republic of China (PRC) came into effect on October 1, 1999. The PRC Supreme People’s Court promulgated the judicial interpretations regarding the application of the Contract Law during the years. These interpretations are binding and shall be complied with as laws. The interpretations are about the application of the Contract Law, the application of the Contract Law in real estate deals, the application of the Contract Law with respect to construction contracts and the application of the Contract Law with respect to technology contracts.

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

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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, and 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.

For moral rights, such as the right of authorship, the right of revision and the right of integrity 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 put 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, a statutory damage up to ¥500,000 shall be awarded according to the circumstances of the case.

MASK WORKS

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 State Intellectual Property Office. 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.


DURATION OF RIGHT
The term of protection of the exclusive right of layout-design shall be ten 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, regardless of whether 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 Council to handle the matter. When the Intellectual Property Administration Department of the State Council 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 three categories: inventions, utility models and designs.

Patents grant the rights to exclude others, for commercial purposes, from: (i) manufacturing, using, offering to sell, selling or importing the patented goods, (ii) using the patented method, or using, offering to sell, selling or importing products made directly through use of the patented method, or (iii) manufacturing, offering to sell, selling or importing the goods covered by a design patent.

**LEGAL FRAMEWORK**


**DURATION OF RIGHT**

Invention patents are protectable for 20 years from the filing date. Utility models and design patents are protectable for ten years 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 third 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

**REMEDIES FOR INFRINGEMENT**

Damages can be calculated based on (i) lost profits; (ii) illegal gains by the infringer; or (iii) up to three times of 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 ¥1 million under the current Patent Law.

Injunctive relief is also a possible remedy.

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.”
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
China recently amended the Trademark Law, which became effective as of May 1, 2014.

The PRC Trademark Law 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.


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

OWNERSHIP/LICENSES
A trademark license agreement should be recorded with the Chinese Trademark Office. 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 ¥3 million shall be awarded according to the circumstances of the case.

Injunctive relief is available.
TRADE SECRETS

NATURE OF RIGHT
The PRC Anti-Unfair Competition Law defines “trade secrets” as technical information and operational information that are not known to the public, are capable of bringing economic benefits to the right holders, and have practical applicability 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.

LEGAL FRAMEWORK
Trade secrets are mainly protected under the PRC Anti-Unfair Competition Law. The State Administration for Industry and Commerce 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 ¥200,000. 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.

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 two years of the work’s completion, the author may not authorize a third person to use the work in the same manner in which his 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 registered or filed with the applicable competent authority, depending on the nature of the technology. Trademark and patent license agreements shall be registered with the Trademark Office and the Patent Office respectively. 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

N/A.

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS

Online/clickwrap/shrinkwrap agreements are generally enforceable.

GOVERNING LAW

Generally, governing law can be foreign law if a contract involves foreign related issues. But, if a party seeks intellectual property protection in China, the Chinese law must apply in respect of ownership and content of the intellectual property as well as the liability for infringement.
The dispute resolution can be resolved by foreign arbitration if the contract has foreign related issues. However, as it is almost impossible to enforce a judgment rendered by a foreign court in China, it is advisable not to choose a foreign court for dispute resolution if one of the contracting parties is a Chinese party.

**KEY COMMERCIAL CONTRACT TERMS**

**ENFORCEABILITY OF WARRANTY DISCLAIMERS**
A disclaimer for the following is not valid and not enforceable:

(i) Disclaimers for actions that caused personal injury;
(ii) Disclaimers for intentional actions that caused serious property damage or that caused by gross negligence; or
(iii) Disclaimers in violation of mandatory clauses in the law.

**ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY**
Limitation of liability is common in contracts. However, pursuant to the PRC Contract Law, if the gap between the actual loss and such limitation is too big, the court or arbitration institution is entitled to adjust the amount of compensation in its judgment or award.

**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.

China requires electronic signatures to satisfy certain requirements in order to be considered reliable and legally enforceable. In practice, the most common types of electronic signatures that have been held enforceable by the courts include: (i) bank card information & password; (ii) USB key to a bank account & password; and (iii) online platform username & password.
CZECH REPUBLIC

INTELLECTUAL PROPERTY FRAMEWORK

Czech law belongs to continental system of law (or civil law, as opposed to common law). Regulations of 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):

i. Act No. 121/2000 Coll. on Rights Related to Copyright (Copyright Act),

ii. Act No. 527/1990 Coll. on Inventions and Improvement Proposals (Patents Act),

iii. Act No. 441/2003 Coll. on Trademarks (Trademarks Act),


v. Act No. 207/2000 Coll. on Protection of Industrial Designs (Industrial Designs Act),

vi. Act No. 529/1991 Coll. on Protection of Topographies of Semiconductor Products (Topographies of Semiconductor Products Act),

vii. Act No. 206/2000 Coll. on Protection of Biotechnological Inventions,

viii. Act No. 408/2000 Coll. on Protection of Plant Variety Rights,

ix. Act No. 452/2001 Coll. Protection of Designations of Origin and Geographical Indications,

x. Act No. 221/2006 Coll. on Enforcement of Industrial Property Rights,

xi. 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

Commercial Contracts are governed by the Civil Code.

Other pieces of legislation may be relevant to certain commercial arrangements (e.g., antitrust laws, Act No. 143/2001, as amended, on Protection of Economic Competition) and there may be industry-specific regulations that may be applicable to contracts in particular industries.
RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
Available for original works of authorship in any objectively perceivable manner including 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 (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.

Possible to seek preventing importation of infringing.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.

MASK WORKS

NATURE OF RIGHT
Protection for original masks works fixed in semiconductor chip products.

Mask works are defined as series of related images, no matter in what manner fixed or encoded mutually connected images representing the three-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**
10 years from registration (ends at end of tenth calendar year) or from the first open commercial exploitation.

**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**
20 years from filing date of application.

**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.
Implied licenses are recognized.
Compulsory license may be imposed.

**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 capable of being represented graphically, particularly words, including personal names, colors, designs, letters, numerals, the shape of goods or their packaging, provided that such sign is capable of distinguishing goods or services of one undertaking from those of another undertaking.
LEGAL FRAMEWORK
Trademarks are governed by the Trademarks Act.

DURATION OF RIGHT
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.

INDUSTRIAL DESIGNS

NATURE OF RIGHT
Industrial design reflects the appearance of the whole or a part of a product, resulting particularly from the features of the lines, contours, colors, shapes, textures and/or materials of the product itself and/or its decoration.

Registration of the industrial design gives the owner an exclusive right to use the industrial design, prevent other persons from using the industrial design without the authorization of an owner, authorize other persons to use the industrial design or assign the right to an industrial design to them.

LEGAL FRAMEWORK
Industrial designs are governed by the Industrial Designs Act.

DURATION OF RIGHT
5 years from filing date of application and renewable on request of the owner for another 5 years. Maximum duration of the right is 25 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 significant from a perspective of competitiveness, identifiable, valuable and in relevant business circles generally unavailable facts that relate to the business and whose owner ensures in his or her own interest its secrecy in a corresponding way.

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. 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.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
Unless otherwise agreed, the author’s economic rights to a work created by the author in fulfilling his duties arising from the employment or civil service contract with the employer shall be exercised by the employer in his or her own name and on his or her own account (i.e. 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 third 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 third 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).

SPECIFIC ISSUES FOR ONLINE TERMS
Service providers (as defined in the Act on Certain Services of Information Society, transposing the relevant EU Directive) can shield themselves from liability for copyright infringement when merely transmitting, routing, providing connections to or hosting infringing content (no positive obligation to proactively monitor)

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS
Generally viewed as enforceable if (i) conspicuous and (ii) users have an opportunity to review and indicate affirmative assent (e.g., 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, i.e. consumer.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
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 (life, health, 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 (payment of damages) only. In contracts, also the other distinct obligations are often included, i.e. defense and holding harmless (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. 227/2000 Coll. On Electronic Signature (Electronic Signature Act), which implements the EU Directive No. 1999/93/EC. The Electronic Signature Act defines advanced electronic signature, which need to meet the following requirements:

i. it is uniquely linked to an individual signatory;

ii. it is capable of identifying the signatory in relation to a data message;

iii. it has been created and attached to a data message using means that the signatory can maintain under his sole control;

iv. it is linked to the data message to which it relates in such a manner that any subsequent change of the data is detectable.

Advanced electronic signature (or “qualified electronic signature”) is based on a qualified certificated issued by an accredited certification services provider. Advanced electronic signature must be accepted by public administration bodies in the Czech Republic as equivalent to a handwritten signature of a person.

A document (deed) in the electronic form that bears a qualified electronic signature is fully valid and enforceable and complies with all requirements imposed by 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 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.

Since 2009, Czech authorities have introduced a completely new tool for electronic communication between public authorities and individual users (basically, all Czech bodies corporate and all individuals licensed to operate a business activity). Data box is a specific electronic site (uniquely allocated to a respective public authority, individual or body corporate and password protected), which public authorities must use for delivery of all their communications addressed to those who have their own data box established, instead of using traditional mail delivery in paper form. Individuals are generally free to decide whether they would send their communications with public authorities using data boxes or by mail/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.

It is an information system for electronic delivery (data boxes), which allows for unambiguously identified and authenticated users to deliver a data message including attachments (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.
DENMARK

INTELLECTUAL PROPERTY FRAMEWORK

In general intellectual property rights are governed by EU regulations and directives as well as by Danish law.

COMMERCIAL CONTRACT FRAMEWORK

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 and the Credit Agreement Act, that govern transactions in goods (e.g., 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 (e.g., antitrust laws) and there may be industry specific regulations applicable to contracts in particular industries.

Mandatory provisions apply in a business-to-consumer transactions.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
Available for original works of authorship fixed in a tangible medium of expression. Registration is 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 the actual copyright rights, Danish law protects neighboring rights such as the right to a recording.

Moral rights are recognized.

LEGAL FRAMEWORK
Copyrights are governed by the Danish Act of Copyright (LBK 1144 23/10/2014).

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 can be transferred via license.

Ideal rights, the right to compensation in relation to commercial transfer of works and the right to compensation in relation to commercial rental of recordings of sound or video, cannot be transferred.

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

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 two 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 in other similar ways.

LEGAL FRAMEWORK
Semiconductor topographies are protected under the Protection of Topographies for Semiconductor Products Act (LBK 105 24/01/2012).

DURATION OF RIGHT
The right lasts for 10 years from the year following the registration.

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 infringement include equitable and reasonable compensation for the use and 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 initial step can 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 has to 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 can be considered as an alternative to protection of industrial rights.

LEGAL FRAMEWORK
Patents are governed by the Danish Patent Act (LBK 108 24/01/2012).


Denmark has also signed the Trade Related Aspects of Intellectual Property Rights (TRIPS), the Strasbourg Agreement and the Budapest Treaty.

Regulation (EU) No 1257/2012 on implementing enhanced cooperation in the area of unitary patent protection makes a type of European patent called the unitary patent possible. The unitary patent is expected to enter into force in 2016 or 2017.

DURATION OF RIGHT
20 years from filing date of application. Denmark has a “first to file” system.

OWNERSHIP/LICENSES
The inventor owns the patent. Joint ownership is permissible and 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.

Contractual license and compulsory license can 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. 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 can 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**
Any sign capable of being represented graphically, particularly words, phrases, letters, numbers, figures, illustrations, the shape of goods or of their equipment or packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

**LEGAL FRAMEWORK**
Trademarks are governed by:

i. the Trademark Act based on the EU Directive 2008/95/EC (Act). The Act allows a trademark right to be obtained through registration or use; and

ii. Council Regulation No 207/2009 on the Community trademark (Regulation). The Regulation only allows a trademark right to be obtained through registration.

Denmark signed the Paris Convention in 1894.

Denmark has also signed the Trade Related Aspects of Intellectual Property Rights (TRIPS), the Trademark Law Treaty, 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 filing of the 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 Community trademarks are in effect for 10 years from the date of application and are renewable indefinitely.

**OWNERSHIP/LICENSES**
Any natural or legal person can apply for and own a trademark or obtain a trademark through use.

Owners may grant an exclusive or non-exclusive license to a registered mark for some or all of the goods or services for which it is registered and for the whole part or part of the country.

Licenses may be registered in the Danish trademark registry or in the European trademark office OHIM’s register over Community trademarks. However, registration of licenses regarding Danish trademarks is not compulsory and does not affect their validity (registration is necessary in relation to EU-trademarks).
REMEDIES FOR INFRINGEMENT

An interim injunction can be granted.

An equitable remuneration for the use of the mark and further damages can 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 can be awarded.

A fine can be imposed in case of intent or gross negligence, and imprisonment can be sentenced in case of intent and special circumstances.

TRADE SECRETS

NATURE OF RIGHT

‘Trade secrets’ are not defined in the law. It is up to the company to determine what should be considered as a trade secret. Generally, definition of ‘trade secrets’ includes secrets regarding manufacturing and operation of the company including the construction and use of technical equipment, the contents of recipes and the use of catalysts. Definition of ‘trade secrets’ covers information regarding commercial conditions such as costumer lists and price calculations.

Trade secrets are not considered intellectual property rights in Danish law.

LEGAL FRAMEWORK

Trade secrets are governed by the Danish Criminal Code §§ 263-264 regarding industrial espionage and the Danish Marketing Act § 19.

DURATION OF RIGHT

As long as the trade secret is reasonably intact and of value for the company.

OWNERSHIP/LICENSES

The company owns its trade secrets.

REMEDIES FOR INFRINGEMENT

Liability for damages will occur for corporation espionage or unlawful dealing with a trade secret. The damages are intended to compensate for the injury.

Criminal penalties are possible.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
The employee owns the copyright to original works created in the course of employment, unless otherwise agreed. The right is transferred to the employer to the extent that it is considered necessary in relation to the employer’s usual work. However, the common rule is that the copyright is partly transferred to the employer.

Copyright to a computer program created by an employee during his work or according to instructions given by the employer, belongs to the employer, unless otherwise agreed.

In relation to patents, unless otherwise agreed the employee owns the right to the invention, but the employer can demand that the invention be transferred to him, if (i) the employee has made the invention as part of his work and (ii) the utilization of the invention is within the scope of the employer’s work area or if the invention was developed or used in connection with the assignment received from the employer. The employee is entitled to a reasonable compensation.

CONSULTANTS/CONTRACTORS
Consultants and contractors own the intellectual property developed by them, unless they have signed a written agreement saying 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 need to be registered.

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS
Commercial contracts in a business-to-business transaction are often in English, although Danish is the most common language.

In a business-to-consumer contract, Danish is preferable.

COUNTRY-SPECIFIC ISSUES FOR ONLINE TERMS
As a main rule, service providers will not be held liable for intellectual property right infringements due to their transmitting, routing or providing of connection to infringing content. However, certain requirements have to be fulfilled.

Service providers can be subject to interim injunctions if they are providing 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 and indicate affirmative assent.

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 of E-commerce (227 22/04/2002).

In business-to-consumer relations, specific rules apply.
GOVERNING LAW
The parties have contractual freedom in relation to choice of law. Governing law and venue for resolution of disputes specified in a commercial contract will generally be accepted and recognized by Danish courts.

In business-to-consumer relations, specific rules may apply.

District courts have jurisdiction over disputes unless an alternative dispute resolution procedure, such as arbitration, is specified in the contract. Arbitration is only enforceable in business-to-consumer relations if the consumer consents after the conflict has arisen.

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
Exclusions and limitations on liability are usually enforced unless they are unconscionable, unclear or not conspicuous. Exclusions of liability in cases of gross negligence and for contractual terms which inappropriately excludes or limits the legal rights in the event of total or partial non-performance are presumed to be unfair.

INDEMNIFICATION
Indemnification clauses of contracts are generally enforceable, unless they are unfair.

ELECTRONIC SIGNATURES
The Danish Electronic Signature Act governs the enforceability of electronic signatures. It is based on the EU directive 1999/93/EC on electronic signatures (EU Directive).

The EU Directive distinguishes between “electronic signatures” and “advanced electronic signatures”. The “electronic signature” is simply data in electronic form, which are logically associated with other electronic data and which serve as a method of authentication. According to the EU Directive, the electronic signature is advanced when it is (i) uniquely linked to the signatory, (ii) capable of identifying the signatory, (iii) created using means that signatories can maintain under their sole control, and (iv) linked to the electronic document making it possible to detect changes in the data.

The electronic signature is enforceable for the purpose of Danish law if it is (i) advanced, (ii) based on a qualified certificate, and (iii) created by a secure-signature-creation device.

However, Danish law does not directly address the enforceability of electronic signatures with respect to contracts between individuals.
FINLAND

INTELLECTUAL PROPERTY FRAMEWORK

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

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 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 business entities.

Consumer legislation sets certain mandatory limitations to contracting in a business-to-consumer environment. The parties cannot agree otherwise in a contract with consumers.

The contracts with dominant business entities may also be subject to EU competition law scrutiny.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGTHS

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 can 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


Finland has signed the Berne Copyright Convention.

As a member of the European Union, Finland has implemented the following copyright directives:

i. Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society
ii. Directive 96/9/EC on the legal protection of databases


**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 neighbouring rights of performing artists, producers, photographers, certain media organizations and databases. Neighbouring right protection also covers those literary or artistic works, which are not original enough to be covered by copyright (e.g., generic photographs). In most cases the protection term for neighbouring 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 can be freely transferred or licensed. Moral rights such as authorship cannot be transferred. Joint ownership of copyrights are recognized, and a partial transfer of rights is possible.

**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. Compensation for losses and further injuries caused by negligent or wilful misconduct may also be awarded. Reasonable legal costs can also be demanded from the infringing party.

Injunction can be granted by a court in infringement cases, as well as the destruction of infringing goods. Criminal penalties such as fines and even 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.

**TOPOGRAPHIES**

Finnish legislation includes a law on the topographies of integrated circuits, which is based on the Topography Directive.

Topographies can be registered for an exclusive term of 10 years, and they can be licensed or transferred.

In practice, very few circuit topographies have been registered in Finland.

**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).

For inventions that do not meet the full criteria of a patenting “petty patents” can 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 his rights. Patents can be freely transferred or licensed. 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. Compensation for losses and further injuries caused by negligent or wilful infringement may also be awarded. Reasonable legal costs can also be demanded from the infringing party. Injunction can be granted by a court in patent infringement cases, as well as the destruction of infringing goods. Criminal penalties are possible.

**TRADEMARKS**

**NATURE OF RIGHT**

A trademark can 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 colour. 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 can be considered widely known among the relevant consumer group at which it is directed.

The Finnish Penal Code governs also trademark infringement crimes.

The Council Regulation on the Community trademark governs the use and registration of 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 registrations are valid for a term of 10 years from the date of registration, after which they can be renewed indefinitely. Unregistered trademarks receive protection for as long as they can 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. Compensation for losses and further injuries caused by negligent or wilful misconduct may also be awarded. Reasonable legal costs can also be demanded from the infringing party. An injunction can be granted by a court in infringement cases, as well as the destruction of infringing goods. Criminal penalties such as fines and even imprisonment are possible.

**TRADE SECRETS**

**NATURE OF RIGHT**

In Finland, trade secrets are protected under the Unfair Business Practices 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 Section 4 of the Finnish Unfair Business Practices Act. 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 and is not generally known by the public, 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 unfair business practices 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 can be limited to public proceedings if it is required for the sake of ensuring secrecy.
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 to be 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, e.g. in case the employee has specifically been hired to create content for the company. Collective labour agreements may provide acquisition rights in the employee’s copyright.

In regard to 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 tasks. Employees are entitled to a mandatory, reasonable compensation for such transfer.

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 need not 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 business-to-business agreements are drafted in English or Finnish.

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS

In a business-to-business 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 need to be separately specified and informed to the other party.

In a business-to-consumer 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 a business-to-consumer 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**

Unless otherwise agreed, the product is expected to conform to the contract in respect to type, quantity, quality, other characteristics, delivery and packaging. A final product deviating in this respect is considered defective. Based on the Finnish Sale of Goods Act, which applies to the sale of goods unless otherwise agreed between the parties, the seller has the right and obligation to correct any defects. If the defect is not corrected, the buyer may reduce the purchase price. If the defect is material, the buyer may terminate the agreement. In all cases, the buyer may claim compensation for damages. Indirect damages are compensated only if the seller has been negligent.

Normally, the parties agree that indirect damages are not compensated unless there is gross negligence or wilful misconduct by the seller.

**ENFORCEABILITY OF WARRANTY DISCLAIMERS AND EXCLUSIONS AND LIMITATIONS OF LIABILITY**

In a business-to-business relationship warranty disclaimers may be enforced, but as such they do not serve as limitations of liability. It is therefore recommended that the limitations to the liability of a party are expressed precisely instead of relying on general no warranty disclaimers.

Special consumer legislation provisions apply in a business-to-consumer context.

**INDEMNIFICATION**

Indemnification clauses are usually enforceable and relatively common in business-to-business contracts.

**ELECTRONIC SIGNATURES**

Electronic signatures are generally considered enforceable and equal to traditional hand-written signatures, provided that they have been made using a sufficiently secure and verified generation device or qualified certificate as stated in 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 (e.g. bank identifiers, 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 do fulfill the requirements set forth by the applicable legislation.
FRANCE

INTELLECTUAL PROPERTY FRAMEWORK
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
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:

(i) French Civil Code, which contains most contract law provisions (contract formation, contract validity, statutory warranties, contract and tort liability provisions);

(ii) French Commercial Code, which contains some specific rules applicable in business to business agreements (payment terms, interest for late payment, general terms and conditions, commercial agent provisions);

(iii) French Intellectual Property Code, for contract terms relating to intellectual property rights;

(iv) French Consumer Code, which contains important rules by which professionals must abide when dealing with consumers but which may also need to be taken into account when contracting with another business when the end-user is a consumer.

This list is not exhaustive and specific provisions may be implicated by certain types of commercial contracts (Law on Subcontracting; Data Protection Law; Law on Confidence in the Digital Economy).

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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 two main conditions for copyright protection:

(i) The work must be fixed in a material form (i.e., on paper, in a computer program or in an electronic document);

(ii) The work must be original (i.e., it must be endowed with the personality of its author).
LEGAL FRAMEWORK

DURATION OF RIGHT
The economic rights of the author last for 70 years after his death. The author is deemed to have died on December 31 of the year of death. 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 perpetual, inalienable and not subject to statutes of limitations.

OWNERSHIP/LICENSES
There are no formal requirements for copyright protection, but a work can be filed (in an enveloppe soleau) at the French Intellectual Property Office (INPI) 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 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 (e.g., right of reproduction, right of representation and communication, adaptation or translation) together with their associated scope and span.

REMEDIES FOR INFRINGEMENT
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.

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.
MASK WORKS

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/reproduction.

There are two main conditions for the protection of a semiconductor product’s final or intermediary topography: (i) it must result from its creator’s own intellectual effort and (ii) 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 two years of the first commercial exploitation.

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 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: (i) the filing of the application or (ii) the first act of commercial exploitation. Protection is granted until the end of the tenth 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 as infringing the rights in the semiconductor product topography. However, if such person wants to continue to exploit commercially such semiconductor product, this person 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.

PATENTS

NATURE OF RIGHT
Patents are an industrial property title relating to an invention and granting to its owner an exclusive right of exploitation/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. 611-1 et seq. and R. 611-1 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).

DURATION OF RIGHT
Patent protection is granted for 20 years from the filing of the patent application.

Duration of protection can 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.

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 will automatically apply.

Assignments and licenses must be recorded at the INPI for opposability purposes.
Right of preemption 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 (i.e., need not be aware of the patent at stake to qualify as infringers).

An injunction against the further manufacture, import, offer, sale, use or storage of the work can 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:

(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.

**TRADEMARKS**

**NATURE OF RIGHT**

Trademarks are any sign capable of graphic representation that serves to distinguish the goods or services of a natural or legal person. A word, a sound or a picture may 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:

(i) EC Directive 2008/95 to approximate the laws of the Member States relating to trademarks, dated October 22, 2008;
(ii) Law No. 64-1360 on Trademarks and Services Marks, dated December 31, 1964 and 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; and


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.

DURATION OF RIGHT
Protection is through registration only. Registration remains in effect for ten 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 third party.

Joint ownership is possible.

A trademark may be used as a security (e.g., 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 CTMs), 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 subject to 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 can be recovered (at the discretion of the judge).

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**
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; and

(iii) Has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.

Know-how (technical secrets) is better protected than commercial secrets.

**LEGAL FRAMEWORK**

Article 39 of the TRIPS Agreement.

Article 1 of EC Regulation No. 772/2004.

**DURATION OF RIGHT**
As long as secrecy is preserved.

**OWNERSHIP/LICENSES**
Ownership and licenses require appropriate identification of the trade secrets at stake.

**REMEDIES FOR INFRINGEMENT**
There are no specific legal provisions regarding remedies in case of unlawful reproduction or use of trade secrets.

The methods of assessing damages as well as the possibility and scope of court injunctions are controversial and not clearly or consistently set by French case law.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
There is no work for hire under French law, except for:

(i) copyright on software and related documentation; and

(ii) patents
to a certain extent and provided that certain conditions be met.

For a work made by an employee within the course of his 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
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/contractor.

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).

Also, 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 (i.e., 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.
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 (e.g., check a box).

GOVERNING LAW
Governing law and venue for resolution of disputes specified in a commercial contract will generally be 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 (e.g., 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.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
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 will 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 three distinct obligations: defend, indemnify (pay damages) and hold harmless (indemnifying 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 can be enforceable. Indemnification clauses are generally unenforceable against consumers.
ELECTRONIC SIGNATURES

Under French law, an electronic signature has the same status as the 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 three conditions of reliability: (i) a secure electronic signature, (ii) created by a secure signature creation device, and (iii) the signature verification shall be 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. This eIDAS Regulation creates a comprehensive legal framework for both electronic identification and authentication services. Most of it entered into force by July 1, 2016 and thereby repeal with effect the E-Signature Directive which has been the basis for the construction of the French law on electronic signature. Nonetheless, the eIDAS Regulation shall not substantially modify the French legislation in force.
GERMANY

INTELLECTUAL PROPERTY FRAMEWORK

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 the legislative power.

COMMERCIAL CONTRACT FRAMEWORK

The German Civil Code (Bürgerliches Gesetzbuch) and Commercial Code (Handelsgesetzbuch) contain the general provisions relating to contracts.

The specific laws relating to certain intellectual property rights (e.g., Copyright Act, Patent Act, Utility Model Act) contain further provisions on licensing agreements.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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, and the right to recognition of authorship, and exploitation rights, which include the right to reproduction, distribution, exhibition, broadcasting, recitation, performance and presentation, and 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, amongst other international treaties relating to copyright matters.

Germany has implemented Directive 92/100/EEC on rental rights and lending rights and on certain rights related to copyright in the field of intellectual property and Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society.

Copyright issues are governed by the German Copyright Act (Urheberrechtsgesetz) (Copyright Act).

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 with 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. An exploitation right may be granted as a non-exclusive right or as an exclusive right.

An exploitation right may be transferred only with the author’s consent. The author may not unreasonably refuse his 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. The compensation can 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.

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 (i.e., 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.

The injured party is obliged to request the infringing party to cease its infringing activity before initiating a lawsuit and give the chance to the infringing party to settle the dispute by means of a reasonable contractual penalty.

Any person who, other than in a manner allowed by law and without the right holder’s consent, reproduces, distributes or publicly communicates a work or an adaptation or transformation of a work shall be liable to imprisonment for up to three years or a fine. The attempt to commit such an offense is also punishable.
MASK WORKS

NATURE OF RIGHT
Three-dimensional structures of semiconductors (topographies) can 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 have a duration of ten years from application with the Patent Office or commercial use of the topography (two years grace period after such disclosure to the public). Protection ends at the end of the tenth 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, also 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, an infringer has to render 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 (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 two different aspects: (i) as a patent which is examined by the German Patent and Trademark Office before grant or (ii) as a utility model that is not specifically examined before registration.
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 regards 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 regards 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 (e.g., a product manufactured in an infringing production process).

**LEGAL FRAMEWORK**


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 (pharmaceuticals and pesticides), extensions to 25 years are possible via Supplementary Protection Certificate (SPC).

Utility models are protectable for a maximum of ten years after the filing date of application. There is a grace period of six 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 and 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. Also, 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, an infringer has to render accounts. No punitive damages are available.

Rights holders or exclusive licensees may make a claim for call-back and destruction of infringing products. Customs seizure to stop the import of infringing products is also available.

Statutory costs for legal prosecution (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 words, logos, graphics, acoustic signs, three 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 Community Trademarks exist in parallel. Community Trademarks must be registered with the Office for Harmonization in the Internal Market (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) for national trademarks and Community Trademark Regulation governs Community 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 ten years, but can be renewed for an additional ten years (by paying the renewal fee) indefinitely.

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, also to multiple parties. In joint ownership, licenses may only be granted with the consent of other rights holders. Licenses may be granted for a certain part of the registered goods or services or parts of the protected territory only. Licenses do not have to be registered.

REMEDIES FOR INFRINGEMENT
Different remedies are possible but the most commonly sought remedies are 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, infringer has to render accounts. No punitive damages available.

Besides that, rights holder or exclusive licensee may make a claim for call-back and destruction of infringing products. Customs seizure is available to stop import in German or European territory (based on type of trademark).

Statutory costs for legal prosecution (court costs and attorney fees) are recoverable up to a cap established by the German law.
TRADE SECRETS

NATURE OF RIGHT
The concept of trade secrets is not defined by law but the judicial practice worked out a definition as follows:

Information relating to a certain business that is not generally known or readily ascertainable but only known by a restricted number of persons, and which – based on the manifested will of the person in control of the information and the legal economic interests of the business – needs to be kept confidential. Disclosure of the trade secret must be suitable to cause economic damage to the business.

Trade secrets can include, for example, business plans, price calculations, investment plans and customer lists.

LEGAL FRAMEWORK
The general obligation to observe trade secrets results from the principle of the Civil Code to act in good faith.

Infringement of trade secrets is governed by the Unfair Competition Act (Gesetz gegen den unlauteren Wettbewerb) and the Criminal Code (Strafgesetzbuch). Infringement of trade secrets might constitute unfair commercial practice under the Unfair Competition Act.

DURATION OF RIGHT
Information is protectable as a trade secret as long as the information qualifies as trade secret.

OWNERSHIP/LICENSES
Joint ownership is possible.

Trade secrets are usually disclosed under a confidentiality agreement. Licenses relating to know-how are enforceable.

REMEDIES FOR INFRINGEMENT
In connection with infringement of trade secrets, the general compensation provisions of the Civil Code (Bürgerliches Gesetzbuch) apply. Accordingly, a person who intentionally or negligently, unlawfully injures the property or another right of another person, is liable to make compensation to the other party for the damage arising from this. The compensation must restore the position that would exist if the circumstance obliging the infringing party to pay damages had not occurred.

If the infringing behavior constitutes unfair commercial practice under the Unfair Competition Act, the remedies set out in the Unfair Competition Act apply (e.g., the injured party is entitled to claim ceasing of the injuring activity or compensation).

The Unfair Competition Act prescribes that disclosing or acquiring a trade secret for personal gain, for the benefit of a third party or with the intent of causing damage to the owner of the business or for the purposes of competition might incur criminal liability.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
As regards 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 (employee). However, jurisdiction and literature acknowledge that by virtue of the employment contract, the employer is granted sufficient and exclusive exploitation (i.e., an obligation to transfer the exploitation rights exists). Nevertheless, it is advisable to regulate the transfer of the exploitation rights to the employer in written form (typically in the employment contract).

As regards computer programs, the Copyright Act explicitly prescribes that if the employee creates a computer program in the execution of his duties or 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 patent made by employees. Employees shall notify their employer of such inventions and the employer is entitled to acquire the related intellectual property right from the employees. As a result of a reform in 2009, the Act on Inventions of Employees governs the relating procedure as follows:

Employees are required to immediately inform their employers of any inventions in writing. The employer is entitled to claim and exploit employee inventions. The employer can claim ownership of the invention within four months of the notification date. Until the recent amendments of 2009, the employer had to actively claim the invention. However, as a result of the reform, the employer is now deemed to claim the invention, unless it specifically releases the invention to the employee in writing within four months of the notification. If the employer claims ownership of a service 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.

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 in any language that both parties understand is sufficient.
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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, if it gained knowledge of the illegal content, has immediately removed or blocked the illegal content.

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS
Online and click-wrap general terms and conditions are enforceable. The enforceability of shrink-wrap terms is less clear.

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 relating legal provisions. Regulation 593/2008/EC on the law applicable to contractual obligations (Rome I Regulation) sets out the principles relating to law applicable in the absence of choice of law of the parties.

The choice of law of the parties is generally accepted, provided that the choice is made expressly or is clearly demonstrated by the terms of the contract or the circumstances of the case.

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.

KEY COMMERCIAL CONTRACT TERMS

ENFORCEABILITY OF WARRANTY DISCLAIMERS
As a general rule, warranty disclaimers are enforceable. But, the Civil Code contains restrictions on enforceability in some circumstances. In general, in terms and conditions, as well as in contracts involving consumers, the enforceability of disclaimers is even more limited.

The warranties usually disclaimed are the warranties of merchantability and fitness for a particular purpose.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
As a general rule, exclusions of liability for negligent conduct are enforceable.

It is common to apply a cap on damages resulting from negligent conduct and to exclude indirect damages resulting from negligent conduct. It is also common to stipulate liability only for gross negligence or damages resulting from a breach of a material contractual obligation.

Exclusions of liability for willful conduct are not enforceable.

Please note that different provisions apply to exclusion or limitation of liability in general terms and conditions or consumer contracts. For example, exclusion or limitation of liability for gross negligence in general terms and conditions is not enforceable.

Courts interpret the limitations of liability narrowly.

Possible claims based on the specific Product Liability Act (Produkthaftungsgesetz) cannot be excluded from liability. The Product Liability Act might be applicable to software.
INDEMNIFICATION

Indemnification clauses of contracts are generally enforceable. If the indemnification provision is provided in general terms and conditions, it might be subject to restrictions provided for in the Civil Code.

It is common to stipulate in contracts that the indemnifying party will indemnify and hold harmless the other party with respect to claims of third parties relating to the subject matter of the contract, except for claims resulting from willful or negligent conduct of the other party.

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. If written form is prescribed by law, the document must be signed by the issuer with his handwritten signature pursuant to the German Civil Code (Bürgerliches Gesetzbuch). The written form may be replaced by electronic form, unless the law explicitly requires the written form. This means that, in general, the German legislator recognizes the legal validity of electronic signatures as equivalent to handwritten signatures. If the written form shall be replaced by electronic form, the issuer must provide the electronic document with a qualified electronic signature (QES) in accordance with the German Electronic Signature Act (Signaturgesetz). The German Electronic Signature Act dated 2001 is designed to establish general conditions under which electronic signatures are to be deemed secure. Thus, the QES is a specific category of electronic signatures that have a specific legal effect in accordance with European electronic signature rules. For instance, such electronic signatures meet the requirements of Directive 1999/93/EC as “advanced electronic signatures which are based on a qualified certificate and which are created by a secure-signature-creation device”. Qualified certificates are issued by accredited certification providers stipulating that a particular signature validation key belongs to a certain person and confirming his or her identity. The signatory creates the QES by putting the validation key in a card reader and entering a PIN code. The QES are currently only used in regulatory filings and increasingly in e-commerce.

However, when German law does not impose the written form or any other specific form of signature, any type of signature can be used. Such agreements require only a simple electronic signature which is admissible as evidence in legal proceedings.
HONG KONG

INTELLECTUAL PROPERTY FRAMEWORK

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

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 contracts in particular industries.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT

The Copyright Ordinance 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 copyright work.

Copyright owners have the exclusive right to reproduce, distribute, prepare derivative works, publicly perform and publicly display their works of authorship.

LEGAL FRAMEWORK

Copyrights are mainly governed under the Copyright Ordinance (Cap.528). Hong Kong became signatory to Berne Convention in 1997.

The Copyright (Amendment) Bill 2014 is expected to introduce changes to the current legal framework. However, the Bill is still being considered by LegCo.

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 do certain acts otherwise prohibited under the Copyright Ordinance. The license can be exclusive or non-exclusive and does not have to be in writing.
**REMEDIES FOR INFRINGEMENT**
Available civil remedies include damages, covering both economic loss and non-economic loss, order for delivery up, an account of profits and injunctive relief. The court may award additional damages having regard to all of the 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.

Criminal sanctions including fines and imprisonment are possible.

**MASK WORKS**

**NATURE OF RIGHT**
An ‘integrated circuit’ is defined as a product, in its intermediate or final form, in which the elements, at least one 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 Ordinance (referred to below) protects a lay-out design (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 his protected layout-design (topography).

Subject to certain exceptions, the owner is able to take civil action to prohibit others from reproducing or distributing his layout-design (topography) without his 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 (Cap.445).

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 ten years after the end of the year in which it was first commercially exploited or 15 years following the end of the year in which it was created if not commercially exploited.

**OWNERSHIP/LICENSES**
Rights in layout-design (topography) can be freely assigned, licensed or inherited. Assignment and transmission may be in total or partial. Assignment has to 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 having regard to all of the 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 his 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

There are two types of patents, standard and short-term. The grant of a standard patent in Hong Kong is based on the registration of a patent granted by one of three designated patent offices including the United Kingdom Patent Office, the European Patent Office and the State Intellectual Property Office of China. The Hong Kong Intellectual Property Department does not conduct substantive examination of patent applications. The short-term patent application involves formality examination only.

DURATION OF RIGHT
The duration of protection is 20 years for a standard patent; and eight years for a short-term patent.

OWNERSHIP/LICENSES
Joint ownership is permissible. Subject to agreement to the contrary, each of the co-owners is entitled to an equal, undivided share in the patent and is entitled to exploit the invention for his own benefit. A license can only be granted with the written 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 Government ran a consultation process which ended in February 2015, to consider whether Hong Kong should join the Madrid Protocol. A decision has not yet been made.

**DURATION OF RIGHT**
The duration of protection is ten years from the date of registration and renewable for an additional ten-year period.

**OWNERSHIP/LICENSES**
Joint ownership is permissible. Subject to agreement in the contrary, each of the co-owners is entitled to an equal, undivided share in the trademark and is entitled to exploit the invention for his own benefit. A license can only be granted with the written consent of all co-owners unless they have agreed otherwise. 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, as an implementation of the TRIPS Agreement. 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 are protected by the common law of confidence. An obligation of confidence will arise whenever the information is communicated to or acquired by a person who knows or ought, as a reasonable person, to know that the other person wishes to keep that information confidential. An industry or trade custom or practice may also impose an obligation of confidence.

**LEGAL FRAMEWORK**
Common law of confidence is the legal basis for trade secrets protection.

**DURATION OF RIGHT**
Trade secrets can be protected as long as it is confidential, potentially perpetual.

**REMEDIES FOR INFRINGEMENT**
The remedies available for breach of confidence include injunctions, damages, an account of profits and delivery up of materials containing confidential information.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
The default position in Hong Kong is that an employer owns any intellectual property created 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 him or the invention might reasonably be expected to result from the carrying out of the employees' duties, or the employee has a special obligation to further the interests of the employer's undertaking 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 contrary written agreement, 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 employee's reasonable contemplation at the time of making the work in the course of employment.

CONSULTANTS/CONTRACTORS
It is customary for consultants and contractors to sign written agreements. The ownership of the work is determined by the express terms of the agreement. Absent an express term of written assignment of developments, consultants and contractors will generally retain ownership of the intellectual property developed by them, even if it is contracted and paid for by another party.

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, and 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 (English and Traditional Chinese).

COUNTRY-SPECIFIC ISSUES FOR ONLINE CONTENT
There is currently no “safe-harbor” for online service providers in respect of copyright infringement occurring on their service platforms. An amendment bill will introduce a set of “safe-harbor” provisions that will shield online service providers from liability provided that certain conditions, including appointment of designated copyright agents, are met. This has not yet been introduced. There will be a voluntary code of practice for online service providers to follow so as to comply with the notification and reporting system as set out in the ‘safe-harbor’ provisions.
**ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS**

Online terms are generally viewed as enforceable if conspicuous, users have an opportunity to review and indicate affirmative assent (e.g., 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 Hong Kong 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**

Disclaimers of warranty are subject to a test of reasonableness 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 that are provided in the Sale of Goods Ordinance (Cap.26), including implied warranties of merchantable quality and fitness for a particular purpose.

With respect to consumer contracts for the sale of goods, the liability for breach of the implied terms and conditions under the Sale of Goods Ordinance cannot be excluded or restricted by reference to disclaimers.

**ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY**

It is customary for sellers to exclude indirect damages (including consequential, incidental and special damages), but the exclusions/ limitations of liability for death or personal injury resulting from negligence are not enforceable in either business or consumer contracts.

A cap on direct damages or aggregate liability is also common.

The enforceability of exclusions and limitations on liability is subject to the test of reasonableness. 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.

Exclusions and limitations of liability for breach of the implied terms and conditions under the Sale of Goods Ordinance are not enforceable against consumers.

**INDEMNIFICATION**

Express indemnities stated in contracts are recognized and generally respected.

Implied indemnities may arise when one person does an act at a second person’s request as well as out of the relationship of principal and agent or employer and employee. Courts will not usually imply an indemnity obligation in a contract where an express indemnity is already stated.
An indemnification provision generally provides for indemnifying (pay damages) the other party and holding the other party harmless (indemnifying party responsible for any other liability arising out of the claim). Indemnification can cover claims between parties as well as third-party claims.

Caps on liability under indemnification provisions can generally be enforceable.

**ELECTRONIC SIGNATURES**

Electronic signatures are, in most circumstances, recognized and enforceable in Hong Kong. The Electronic Transactions Ordinance recognizes the validity of contracts which have been concluded electronically, with some exceptions (such as wills, 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 the parties agree to concluding the contract electronically, then a contract concluded electronically will have the same effect as a contract signed by hand. There are specific restrictions for contracts being entered into with government entities.
HUNGARY

INTELLECTUAL PROPERTY FRAMEWORK

Intellectual property rights are governed by individual state acts. In questions not specified by these acts, the Hungarian Civil Code (Act 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

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 (e.g. 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, (e.g. buying and selling), contracts for professional services (including research contracts), commission contracts, lease agreements, deposit contracts, distribution and franchise agreements, credit and account agreements, security (guarantee) agreements, 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.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT

All literary, scientific and artistic work 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 (e.g., reproduce, distribute, communicate to the public, broadcast, exhibit, perform, etc.) and to authorize others to use his 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 76 of 1999 on Copyright. Hungary became signatory to 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 (e.g., sound recordings) the term lasts for 70 years.

**OWNERSHIP/LICENSES**

According to the Hungarian Copyright Act, a work protected by copyright may have several authors. There are three categories for joint works: (i) joint works (when the parts of such work cannot be used independently), (ii) connected works (if the parts of a joint work can be used independently), and (iii) 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, e.g., 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 and also the tools and materials used for the infringement.

In regards 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 available.

**MASK WORKS**

**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 three dimensional combination in any form of the elements (of which at least one is active), and connections or parts thereof of a microelectronic semiconductor product, or such a three 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 below).

**LEGAL FRAMEWORK**


**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 below) 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 nonobvious 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 frame of this, the patent holder may prohibit, among others: (i) to manufacture, use, distribute, offer to distribute, store, or import the patented product, (ii) to use the patented method, or to offer it for use, and (iii) to manufacture, use, distribute, offer to distribute, store, 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.

OWNERSHIP/LICENSES
The right to a patent belongs to the inventor or his legal successor.

If two 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 two 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 two 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 his or her own share. In respect of the share of any co-owner the other co-owners shall have pre-emption right vis-a-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, e.g. 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, among others confiscating or destroying the products affected by the infringement and also the tools and materials used for the infringement.

In regards 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 can be represented graphically and is capable of distinguishing goods or services from goods or services of others can be registered as a trademark.

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 his consent, uses in its business operations:

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; or

iii. c) any sign identical or similar to the trademark in connection with goods or services that are not listed in the specification of goods for which the trademark is registered, 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


As a result of its membership of the European Union, the following laws apply in Hungary:

i. the Community Trademark Regulation (40/94);

ii. the Commission Regulation implementing the Community Trademark Regulation (2868/95);
iii. Commission Regulation on the fees payable to the Office for Harmonization in the Internal Market (2869/95);

iv. Commission Regulation laying down the rules of procedure of the Boards of Appeal of the Office for Harmonization in the Internal Market (216/96);

v. the Trademark Directive (89/104 and 2008/95); and

vi. Council Regulation providing for measures aimed at prohibiting the trade and export of infringing goods (3295/94).

**DURATION OF RIGHT**

10 years, 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, e.g. 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 and also the tools and materials used for the infringement.

In regards 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, the Hungarian Civil Code 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, including facts, information or data connected to economic activities, which are not publicly known or which are not easily accessible by others operating in the same economic field, and which, if obtained, used by or published, disclosed to unauthorized persons may jeopardize the rightful financial, economic or commercial interest of the owner shall be treated confidential.
LEGAL FRAMEWORK
Rights granted under the Hungarian Civil Code, which are fully in line with the TRIPS agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights).

Act 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.

The Civil Code also regulates trade secrets. Trade secrets fall under the protection of rights related to the personality, thus the breach thereof may be compensated according to the general rules of the Civil Code on compensation for damages.

A person whose trade secrets have been violated shall have the right to demand:

i. a court ruling establishing that there has been an infringement of rights;

ii. to have the infringement discontinued and the infringer restrained from further infringement;

iii. that the infringer make appropriate restitution and make an appropriate public disclosure for restitution at his own expense;

iv. the termination of the injurious situation and the restoration of the previous state, and to have the effects of the infringement nullified or deprived of their unlawful nature;

v. that the infringer or his successor surrender the financial advantage acquired by the infringement according to the principle of unjust enrichment.

Any person whose rights relating to personality had been violated also shall be entitled to restitution for any non-material violation suffered.

The Unfair Competition Act also prohibits to gain access to or use business secrets in an unfair manner, and to disclose such secrets to unauthorized parties or to publish them. It shall also qualify as gaining access to business secrets in an unfair manner where access to such business secrets has been obtained without the consent of the entitled person through a party in a confidential relationship or business relationship with such person at the time of or prior to gaining access to the secrets. Under the Unfair Competition Act remedies similar to those of stipulated in other intellectual property acts are available (e.g.: establishing the fact of infringement, cease and desist claim, amendment by the infringer, restitution of the former situation, compensation of damages, and claim for the restitution of economic gains).
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 (penalty) the breaching party has to pay in case of violation.

**INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT**

**EMPLOYEES**
All acts related to intellectual property (Patent Protection Act, Copyright Act etc.) regulate generally when a work is made in the frame 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 his/her employment, in the absence of any agreement to the contrary (“work for hire” doctrine).

The Patent Protection Act distinguishes the ‘service invention’ and ‘invention of employee’. ‘Service invention’ means any invention created by a person in the execution of his duties stemming from employment that includes to work out solutions within the domain of the invention. ‘Employee invention’ means any invention created by a person who is not required to do so under his contract of employment, however, the exploitation of such invention falls within the sphere of activities of his 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. 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. Please note that under Hungarian copyright laws - as a main rule (with software being an exception)- 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 be aware of 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 might be null and void.
COUNTRY-SPECIFIC ISSUES FOR ONLINE TERMS
There are special provisions on 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, users have an opportunity to review and indicate affirmative assent (e.g., 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 is 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 contracts, the licensor warrants according to the general rules that the subject matter of the license agreement is appropriate for the contractual use or exploitation.


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 one year term of statutory warranty can be reduced but not in the context of consumer contracts.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
Any contractual term limiting or excluding liability for deliberate non-performance of an obligation 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 three distinct obligations: defense, indemnify (pay damages) and hold harmless (indemnifying party responsible for any other liability arising out of the claim).

Caps on liability under indemnification provisions can be enforceable.
ELECTRONIC SIGNATURES

Act 35 of 2001 on Electronic Signature (hereinafter referred to as ‘Electronic Signature Act’)

Further procedural acts regulates the enforceability of electronic signatures, such as Act 3 of 1952 on Code of Civil Procedure.

Electronic documents shall be considered to be valid if an electric signature is placed on such document in accordance with the Electronic Signature Act. The electronic signature can be either (i) advanced secure electronic signature, or (ii) qualified electronic signature.

Advanced secure electronic signature shall mean an electronic signature that meets the following requirements:

i. it is capable of identifying the signatory;

ii. it is uniquely linked to the signatory;

iii. it is created using means that the signatory can maintain under his sole control; and

iv. it is linked to the document to which it relates in such a manner that any change to the data of the document made subsequent to the execution of the signature is detectable.

A qualified electronic signature shall mean an advanced electronic signature that has been created by the signatory with a secure-signature-creation device and is attested by a qualified certificate.

Under the Code of Civil Procedure the electronic documents signed by an advanced secure electronic signature shall mean that such document corresponds with the requirements of written form and shall be considered not forged. If a private electronic document is signed by a qualified electronic signature, such document shall be considered a private document providing full evidence.

An electronic document made on a public document in a specific form by an authorized body to draft public document within its sphere of authority and executed by a qualified electronic signature – if so prescribed by the relevant legislation – a time stamp shall have same probative force as the original paper-based public document.

If the electronic signature placed on the electronic document fulfills the above detailed requirements then it is valid and enforceable. In court it is equal whether the document is electronic or paper-based if the signature is made pursuant to the laws.
INDIA

INTELLECTUAL PROPERTY FRAMEWORK

As a general matter intellectual property rights are governed by Federal statutes. 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

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 relief that courts may grant under the SRA include specific performance of a contract, and permanent injunctions.

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 1872.

Electronic contracts are recognized under the Information Technology Act 2000 (IT Act).

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT

Copyright protection is available for original works of authorship expressed in a tangible form. Registration 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, as amended by the Copyright Act (Amendment) Act 2012 (Copyright Act). Like the Berne Convention, which has been adopted by India, Section 57 of the Copyright Act also expressly protects the moral rights of authors. It permits an author or their legal representative to (i) claim authorship of the work and (ii) 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 his honor or reputation.
DURATION OF RIGHT
Copyright in any literary, dramatic, musical or artistic work 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, sound recordings and photographs 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 two or more authors and where the contribution of one 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 license be granted in writing, by the owner of the copyrighted work or his 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 five 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 six months to three years, and with fine not less than \( \text{Rs} 50,000 \) and can be up to \( \text{Rs} 200,000 \). The Copyright Act also provides for enhanced penalties in case of second or subsequent convictions. It states that where a person is convicted of an offense for the second, or for every subsequent time, he will be punishable with imprisonment for a term not less than one year, extendable to three years, and with a fine of not less than \( \text{Rs} 100,000 \), extendable up to \( \text{Rs} 200,000 \).

MASK WORKS

NATURE OF RIGHT
The Semiconductor Integrated Circuits Layout-Design Act 2000 (SICLD) protects the intellectual property of the author 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 will give 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 the same is not yet enforced in India.
DURATION OF RIGHT
The registration of a layout-design continues for a period of ten 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 good will of a business. Such assignment must be in writing and 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 third 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 three years or a fine not less than ₹50,000 and up to ₹10 million or both. Further, where a person is convicted of an offense of infringement, the court convicting him 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:

(i) Product Patents – the exclusive right to prevent third parties from the act of making, using, offering for sale, selling or importing for those purposes that product in India, without the consent of the patentee; and

(ii) Process Patents – the exclusive right to prevent third 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 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 twenty 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 himself, to the rights conferred on an individual patent owner for his 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 his 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.

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 one 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 some 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 ten 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 can include imprisonment for a term not less than six months and up to three years, and fine not less than ₹50,000, and up to ₹200,000.

**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. However, 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) (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 need to be contractually protected.

**DURATION OF RIGHT**
Trade secrets can be protected as long as contractually agreed between the concerned parties. However, any trade secret that is (i) known by a receiving party prior to receiving the trade secret from the disclosing party; (ii) becomes rightfully known to the receiving party from a third-party source, through no fault of the receiving party; (iii) or becomes publicly available through no fault of or failure to act by the receiving party in breach of this Agreement; (iv) required to be disclosed in a judicial or administrative proceeding, or is otherwise requested or required to be disclosed by law or regulation; or (v) or 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 would amount to breach of contractual obligations. A party may obtain an injunction, compensation and return or destruction of all confidential and proprietary information.

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' finds its way 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 his 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/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.

Also, stamp duty is required to be paid under Federal as well as 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

While intermediaries (websites, Internet service providers) can shield themselves from liability arising due to third-party content, by taking certain statutory actions as required under the IT Act, this exemption from liability does not apply to copyright and patent infringement claims.

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 (e.g., 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, 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 is attained 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/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 negative (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.
ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY

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 he would have been, if he had not sustained the loss or damage for which he is getting damages.

Section 73 of the Contract Act prescribes that damages for breach of contract should either be such: (i) as may fairly and reasonably be considered as arising naturally, according to the usual course of things, from such breach itself or (ii) as may reasonably be 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. Also, 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 one party promises to save the other from loss caused to him by the conduct of the promisor himself, 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 his authority, is entitled to recover from the promisor:

(i) all damages which he may be compelled to pay in any suit in respect of any matter to which the promise to indemnify applies;

(ii) all costs which he may be compelled to pay in any such suit; and

(iii) all sums which he may have paid under the terms of any compromise of any such suit.
ELECTRONIC SIGNATURES

The Information Technology Act, 2000 (IT Act) and the Indian Evidence Act, 1872 (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:

(i) It is unique to the signatory;
(ii) It can identify the signatory;
(iii) It is created in a manner or using a means that is under the exclusive control of the signatory;
(iv) 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;
(v) The information or matter to which it relates is rendered or made available in an electronic form; and
(vi) The information or matter should be 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 in 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.

However, there are certain categories of contracts or documents that cannot be attested electronically. In accordance with the IT Act, the following contracts cannot be signed electronically:

(i) A negotiable instrument (other than a cheque);
(ii) A power-of-attorney;
(iii) A trust deed;
(iv) A will or other testamentary documents;
(v) Any contract for the sale, conveyance or interest of an immovable property.
INDONESIA

INTELLECTUAL PROPERTY FRAMEWORK

The intellectual property framework consists of the following key laws: Law Number 19 of 2002 on Copyright; Law Number 14 of 2001 on Patents; Law Number 15 of 2001 on Trademarks; Law Number 30 of 2000 on Trade Secret; Law Number 31 of 2000 on Industrial Design; Law Number 32 of 2000 on Layout-Design of Integrated Circuits; and Law Number 29 of 2000 on Plant Variety Protection. The new degree No. 8 of 2016 regarding recording of intellectual property licenses in the Directorate General of Intellectual Property was issued on February 24, 2016.

The government body responsible 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.

COMMERCIAL CONTRACT FRAMEWORK

Most of the law on contracts is contained in Book III of the Indonesian Civil Code.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
The creator or a copyright owner has the exclusive right to publish or reproduce the work subject to the copyright, and to grant permission for third parties to publish or reproduce that work.

LEGAL FRAMEWORK
Copyrights are governed by Law Number 28 of 2014 on Copyright. Indonesia became signatory to the Berne Convention in 1997.

DURATION OF RIGHT
The copyright on written works, choreographic works, forms of art, music and architecture, performances, spoken addresses, educational and scientific visual aids and maps are valid for the life of the author plus 70 years after the author’s death.

The copyright on computer programs, cinematic and photographic works, databases, adaptations and translations are valid for 50 years after the date of first publication.

The copyright on broadcasts is valid for 20 years after the work is first broadcasted.

OWNERSHIP/LICENSES
A copyright owner has the right to give a license to a third party based on a licensing agreement to publish or reproduce the work subject to the copyright, and to grant permission for third parties to publish or reproduce that work.
On 24 February 2016, the Ministry of Law and Human Rights of the Republic of Indonesia issued a new Regulation No. 8 of 2016 regarding the Conditions and Guideline for Recordal Application for the Intellectual Property Rights License Agreement (Regulation 8). Copyright license agreement can now be duly recorded and the application for recordal can be made electronically or in paper format. Recordal is valid for a duration of 5 years and can be renewed.

Regulation 8 requires that copy of the copyright license agreement, copy of the copyright registration certificate, 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 injure or cause any losses to the national economy, 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 two may be ordered by the Commercial Court as remedies for infringement. Criminal sanctions may also apply for intentional breach of copyright.

**MASK WORKS**
Indonesian law does not recognize mask works. Similar protection may be found in Law Number 32 of 2000 on Layout-Designs of Integrated Circuits.

**PATENTS**

**NATURE OF RIGHT**
A patent is a government license that confers on an inventor the sole right to exclude others from exploiting an invention. Patents may be granted for inventions that are new, involve inventive steps and can be applied to industry. An inventor may be conferred either a patent (Patent) or a simple patent (Paten Sederhana) depending on the nature of the invention.

**LEGAL FRAMEWORK**
Law Number 14 of 2001 on Patents 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 ten years from the date of filing and cannot be extended.

**OWNERSHIP/LICENSES**
A patent holder may grant a license to a third party to use the owner’s patent under a license agreement.

On 24 February 2016, the Ministry of Law and Human Rights of the Republic of Indonesia issued Regulation 8. Patent license agreement can now be duly recorded and the application for recordal can be made electronically or in paper format. Recordal is valid for a duration of 5 years and can be renewed.

Regulation 8 requires that copy of the patent license agreement, copy of the patent registration certificate, 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 injure or cause any losses to the national economy, 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 two may be ordered by the Commercial Court as remedies for infringement.

TRADEMARKS

NATURE OF RIGHT
A trademark is a government license that confers on the owner the exclusive right to use a certain registered sign that distinguishes traded goods or services from other goods or services. Indonesia adopts the “first to file” system.

LEGAL FRAMEWORK
Law Number 15 of 2001 on Trademarks is the governing statute on trademarks. Indonesia became a signatory to the Trademark Law Treaty in 1997.

DURATION OF RIGHT
Trademark registrations remain in effect for ten years and can be renewed every ten years for another ten-year term.

OWNERSHIP/LICENSES
The owner of the trademark may grant a license permitting a third party to use the mark under a license agreement. The law stipulates that all licenses granted by the owner of the trademark must be recorded in the General Register of Marks and published in the Official Gazette of Marks.

On 24 February 2016, the Ministry of Law and Human Rights of the Republic of Indonesia issued Regulation 8 Trademark license agreement can now be duly recorded and the application for recordal can be made electronically or in paper format. Recordal is valid for a duration of 5 years and can be renewed.

Regulation 8 requires that copy of the trademark license agreement, copy of the trademark registration certificate, 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 injure or cause any losses to the national economy, 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 two may be ordered by the Commercial Court as remedies for infringement.

TRADE SECRET

NATURE OF RIGHT
The owner of a trade secret is entitled to the exclusive use of the trade secret and may prohibit third parties from using or disclosing the trade secret for commercial purposes. A trade secret is information that is (i) unknown to the public; (ii) is in the field of technology or business; (iii) has economic value due to its role in commerce; and (iv) is kept confidential by the owner.

LEGAL FRAMEWORK
Law Number 30 of 2000 on Trade Secret is the governing statute for trade secrets in Indonesia.
DURATION OF RIGHT
Information qualifies as a trade secret as long as (i) the information remains confidential; (ii) the information has economic value; and (iii) the owner takes necessary and appropriate efforts to maintain the information’s confidentiality.

OWNERSHIP/LICENSES
The owner of the trade secret may grant a license permitting another to use the trade secret and prohibit third parties from using or disclosing the trade secret for commercial purposes under a license agreement.

On 24 February 2016, the Ministry of Law and Human Rights of the Republic of Indonesia issued Regulation 8. Trade Secret license agreement can now be duly recorded and the application for recordal can be made electronically or in paper format. Recordal is valid for a duration of 5 years and can be renewed.

Regulation 8 requires that copy of the trade secret license agreement, copy of the trade secret registration certificate, 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 injure or cause any losses to the national economy, 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 two may be ordered by the Commercial Court as remedies for infringement.

INDUSTRIAL DESIGN

NATURE OF RIGHT
The owner of an industrial design has the exclusive right to exploit the industrial design and to grant permission for third parties to exploit the industrial design.

LEGAL FRAMEWORK
Law Number 31 of 2000 on Industrial Design is the governing statute.

DURATION OF RIGHT
A right to an industrial design is valid for ten years from the date of filing.

OWNERSHIP/LICENSES
The owner of an industrial design may grant a license permitting a third party to exploit the industrial design, and to grant permission for third parties to exploit the industrial design under a license agreement.

On 24 February 2016, the Ministry of Law and Human Rights of the Republic of Indonesia issued Regulation 8. Industrial design license agreement can now be duly recorded and the application for recordal can be made electronically or in paper format. Recordal is valid for a duration of 5 years and can be renewed.
Regulation 8 requires that 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. Applicant is also required to provide a statement letter stating that the object of the license agreement is still valid, shall not injure or cause any losses to the national economy, 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 two may be ordered by the Commercial Court as remedies for infringement.

LAYOUT DESIGN OF INTEGRATED CIRCUITS

NATURE OF RIGHT
A right to layout-design of integrated circuits is a government license that confers on a designer the sole right to exploit, and exclude others from exploiting, a layout-design integrated circuit.

LEGAL FRAMEWORK
Law Number 32 of 2000 on Layout-Design of Integrated Circuits is the governing statute.

DURATION OF RIGHT
A right to layout-design of integrated circuits is valid for ten 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 give a license to a third party based on a licensing agreement to exploit, and exclude others from exploiting, a layout-design integrated circuit under a license agreement.

On 24 February 2016, the Ministry of Law and Human Rights of the Republic of Indonesia issued Regulation 8. Layout-design of integrated circuits license agreement can now be duly recorded and the application for recordal can be made electronically or in paper format. Recordal is valid for a duration of 5 years and can be renewed.

Regulation 8 requires that copy of the layout-design of integrated circuits license agreement, copy of the layout-design of integrated circuits registration certificate, 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 injure or cause any losses to the national economy, 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 two may be ordered by the Commercial Court as remedies for infringement.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
Law No 19 of 2002 on Copyright provides that the creator of a creation shall be the creator and copyright holder, for creations created under a employment relationship or based on an order.

Law No 14 of 2001 on Patents provide a different approach in that the party who is entitled to the patent of an invention being created in an employment relationship is the party who has given the work, unless agreed otherwise.

Therefore, in order to overcome this situation it is common practice 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 he has created during the tenure of his employment to the employer.

CONSULTANTS/CONTRACTORS
Law No 19 of 2002 on Copyright provides that if a creation is created based on an order, then the party that created such creation shall be deemed as the creator and copyright holder unless agreed otherwise between the parties.

Law No 14 of 2001 on Patents provides that the party entitled to a patent is the inventor or a party who 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/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 (i.e. the party instructing the work).

If the copyright or patent or other intellectual property right is intended to pass to the party instructing the work then 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 consultant 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 Law Number 24 of 2009 regarding Flag, Language, State Emblem and National Anthem, any contract entered with an Indonesian government institution, Indonesian private entity or Indonesian citizen must be drafted in Indonesian language in addition to any other foreign language versions
COUNTRY-SPECIFIC ISSUES FOR ONLINE CONTENT
A comprehensive cyber law is yet to be developed in Indonesia.

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.”

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 court judgment to be enforced in Indonesia.

If the parties intend to apply foreign law as the governing law of the contract, then the alternative is to use such foreign law but then elect foreign arbitration as the dispute resolution mechanism. Indonesia has ratified the New York Convention of 1958 and foreign arbitration may be enforced in Indonesia subject to certain conditions and for its enforcement in Indonesia, an execution order from the Central Jakarta District Court must be obtained.

District Court decisions may be appealed to the High Court and then finally to the Supreme Court, which results in litigation proceedings in Indonesia being costly and time consuming. Alternative dispute resolution procedures, such as mediation or arbitration, that are expressly agreed to in the contract are accepted and recognized by the Indonesian Courts.

KEY COMMERCIAL CONTRACT TERMS

ENFORCEABILITY OF WARRANTY DISCLAIMERS
Express warranty disclaimers are recognized and generally respected.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
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 provision is governed under Law No. 11 of 2008 on Electronic Information and Transaction and further regulated by Government Regulation Number 82 of 2012 on the Implementation of Electronic Systems and Transactions.

An electronic signature is defined 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. The function of electronic signatures is to authenticate and verify (i) identity of the signatory and (ii) the completeness and authenticity of the electronic information.
Electronic signatures in Indonesia will have legal force and legal effect to the extent satisfying the following requirements: (i) the electronic signature formation data shall be associated only with the signatories; (ii) the electronic signature formation data at the time of signing shall only be under the authority of the signatory; (iii) any alterations to the electronic signature occurring after the signing can be known; (iv) any alterations to the electronic information related to the electronic signature occurring after the signing can be known; (v) there are certain methods adopted to verify the identity of the signatory; and (vi) there are certain methods to demonstrate that signatory has granted its consent to the associated electronic information.

There are two types of electronic signature recognized in Indonesia: (i) the certificated electronic signature (made by using electronic certification service provider and can be proven with electronic certificate) and (ii) the non-certificated electronic signature (made without using electronic certification service provider).

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; signatory registers with the operator or supporting service of the electronic signature; and if necessary, the electronic signature operator may discreetly transfer the identity of the signatory to the other operators or supporting service of the electronic signature with signator’s consent.
IRELAND

INTELLECTUAL PROPERTY FRAMEWORK

For the most part, intellectual property rights are governed by statutes, with the exception of the protection of trade secrets (referred to as confidential information in Ireland), which is governed by contract and common law.

COMMERCIAL CONTRACT FRAMEWORK

There is no statute in Ireland that governs B2B commercial contracts generally, although there may be statutes that are relevant to certain commercial arrangements. There may also be industry-specific regulations which may be applicable to contracts in particular industries. There is unfair terms legislation that applies to B2C contracts.

The interpretation and enforceability of commercial contracts is governed by the laws of the state.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT

Copyright protects original works of authorship fixed in a tangible medium of expression. There are no registration requirements or formalities in Ireland in order to obtain copyright protection. The rights arise at the time that the original work of authorship is fixed in a tangible medium of expression.

Copyright owners have an exclusive right to reproduce, distribute, prepare derivative works, publicly perform and publicly display their works of authorship.

In order for a work to be protected under the Copyright and Related Rights Act 2000, it must be literary, dramatic, musical or artistic, an original database, a sound recording, film, broadcast, or cable program, or the typographical arrangement of a published edition.

Ireland’s copyright law, like those of many other EU countries, also protect performer’s rights, rental and lending rights, database rights and moral rights. Irish law also specifically protects copyright in computer software as a literary work.

The concept of moral rights in copyright works was introduced into Irish law by the Copyright and Related Rights Act 2000. These 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 not to have a work falsely attributed to you); and the right to privacy in photographs and film.
LEGAL FRAMEWORK
The Copyright and Related Rights Act 2000 (as amended) governs copyrights. Ireland became signatory to the Berne Convention in 1927.

DURATION OF RIGHT
Generally, the statutory period of protection for copyrighted work lasts until the expiration of 70 years after death of the author. However, the period of protection varies according to the category of work in question.

Copyright in a literary, dramatic, musical and artistic work or an original database expires 70 years after the death of the author (or in the case of a film, 70 years after the last of the following people dies: the director, author of the screenplay or dialogue, or author of the music specifically composed for use in the film).

Copyright in a sound recording expires 50 years after it is made or is made available to the public (although in certain circumstances this may extend to 70 years).

Copyright in a work that is computer generated expires 70 years after the work is first lawfully made available to the public.

OWNERSHIP/LICENSES
Joint ownership of copyrights is recognized. Licenses, including implied licenses, are also permitted and recognized.

REMEDIES FOR INFRINGEMENT
The following civil remedies are available for copyright infringement: (i) injunctive relief; (ii) damages; (iii) an account of profits; and (iv) order for delivery up (a remedy that requires that the infringing articles must be handed over to the intellectual property owner).

Criminal penalties may also be available for copyright infringement, which include: (i) fine and imprisonment; (ii) seizure of the infringing material; and (iii) order for destruction of the infringing copy, article or device.

There is also a provision under Irish law for the prevention of importation of the infringing copies.

MASK WORKS

NATURE OF RIGHT
Mask works protect the physical mask of semiconductor chip products along with the information that goes into creating the circuit by means of digital plot. The European Communities (Protection of Topographies of Semiconductor Products) Regulations 1988 affords protection to the design and the layout of the elements composing a semiconductor product.

LEGAL FRAMEWORK
DURATION OF RIGHT
The right commences at the time of creation and comes to an end ten 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 its first fixation or encoding.

OWNERSHIP/LICENSES
Licenses are permitted. Joint ownership is recognized.

REMEDIES FOR INFRINGEMENT
Remedies for infringement include damages, an account of profits and injunction.

PATENTS

NATURE OF RIGHT

LEGAL FRAMEWORK

DURATION OF RIGHT
Patent protection in Ireland will (i) in the case of a full-term patent, last for a period of 20 years from date of filing; and (ii) in the case of a short-term patent, last for a period of ten years from date of filing. This is subject to the payment of renewal fees. To maintain a patent in force, annual renewal fees must be paid each year from the third year.

OWNERSHIP/LICENSES
Joint ownership is permissible. Licenses are permitted and recognized.

REMEDIES FOR INFRINGEMENT
Remedies for patent infringement can include injunctive relief, an order requiring the defendant to deliver up and destroy any product related to the alleged infringement, damages, an account of profits, a declaration that the patent is valid and has been infringed by the defendant, and a declaration of non-infringement.

TRADEMARKS

NATURE OF RIGHT
Trademarks can be a word, phrase, symbol, design, numeral, shape or a combination, which identifies and distinguishes the origin of the goods or services of one party from the goods or services of another.
LEGAL FRAMEWORK
The Trade Marks Act 1996 governs trademarks. Ireland ratified the Madrid protocol in 2001 and became a signatory to the Trademark Law Treaty in 1999. The goodwill in unregistered marks and logos can also be protected by way of the common law tort of passing off.

DURATION OF RIGHT
Registration of a trademark lasts for a period ten years. It can be renewed for further ten-year periods provided that the renewal fee is paid.

OWNERSHIP/LICENSES
Joint ownership is permitted. Licenses are permitted, both exclusive and non-exclusive.

REMEDIES FOR INFRINGEMENT
Remedies for trademark infringement can include injunctive relief, damages, an account of profits, an order for the erasure, removal or obliteration of the offending sign from the infringing goods, materials or articles in question and an order for the delivery up of the infringing goods, materials or articles.

TRADE SECRETS

NATURE OF RIGHT
The protection of trade secrets is not governed by statute, but rather trade secrets (or confidential information, as it is referred to in Ireland) are effectively protected by the common law duty of confidence and contract law.

LEGAL FRAMEWORK
Except for the indirect protection afforded by data protection legislation, there is no statutory regulation regarding the disclosure of confidential information in Ireland.

In November 2013, the EU Commission proposed a draft directive that will align existing laws against the misappropriation of trade secrets across the EU. This directive aims to protect trade secrets from unlawful acquisition, use and disclosure. On December 15, 2015 the negotiating teams of the European Parliament and the Council reached a preliminary agreement on the text of the Directive. The agreement will need to be formalized by the European Parliament and the Council and then there will need to be a period of time allowed for implementation in member states.

DURATION OF RIGHT
As previously stated, there is no statute dealing with trade secrets. As such, the limitation period for suing under contract law is six years. In the case of equitable relief, cases should be brought as soon as possible and without delay as the court may exercise its discretion not to grant equitable injunctive relief in circumstances where it perceives an undue delay on the part of the plaintiff.

OWNERSHIP/LICENSES
Licenses, express or implied, are also permitted and recognized.

Joint ownership of confidential information is possible and may be recognized.

REMEDIES FOR INFRINGEMENT
Remedies for trade secret misappropriation can include an action for breach of contract, as well as an action for breach of confidence (common law).
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
When an employee makes a discovery or creates something of value in the course of his employment, the fruits of that employment will generally be the property of the employer and not the employee unless it can be said that the discovery or product did not involve the use of the employer’s time, information (confidential or otherwise), and did not overlap with the contractual obligations or job description of the employed person.

An employer, in an effort to avoid confusion in relation to ownership, will usually seek to bolster rights contractually by seeking intellectual property assignments and waivers in the employment contracts with its employees as appropriate.

CONSULTANTS/CONTRACTORS
Intellectual property created by a contractor/consultant does not vest automatically in the entity that commissioned the work. As such, express provisions concerning ownership and assignment and waiver of rights, as necessary, should be set out in the contract for services.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

REGISTRATION OF COMMERCIAL AGREEMENTS
There is no registration requirement in Ireland.

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS
Commercial contracts are typically in English, and preferably “plain English” that is consumer-friendly. This is particularly important in consumer-facing commercial agreements and terms.

COUNTRY-SPECIFIC ISSUES FOR ONLINE CONTENT
Internet service providers are afforded some degree of protection in relation to copyright infringement under Directive 2001/29/EC on the harmonization of certain aspects of copyright and related rights in the information society.

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS
Online terms are generally viewed as enforceable and will be upheld provided that they comply with normal principles of contract law and are placed in a reasonably conspicuous place on the website.

GOVERNING LAW
Governing law and venue for resolution of disputes specified in a commercial contract will generally be accepted and recognized by the Irish Courts. Specific rules will apply in this respect to consumer contracts.
KEY COMMERCIAL CONTRACT TERMS

ENFORCEABILITY OF WARRANTY DISCLAIMERS
Disclaimers of warranty are usually enforced unless they are unconscionable, unclear or not conspicuous, though it is not possible to exclude an implied condition such as a title in a contract of sale. Enforceability of disclaimers against consumers may differ from jurisdiction to jurisdiction. In Ireland, a seller is not permitted to contract out of the provisions of the Sale of Goods Act 1893 (as amended by the Sale of Goods and Supply of Services Act 1980) when dealing with consumers and unfair terms are not enforceable against a consumer. Certain cancellation rights need to be set out in certain types of consumer contracts under the European Union (Consumer Information, Cancellation and Other Rights) Regulations 2013.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
Liability can be limited by contract. Those entering a contract often include a clause in the contract which seeks to exclude indirect or consequential loss. It is advisable that the parties, to the greatest extent possible, agree upon and expressly list the liabilities to be included or excluded. This should be inserted into the contract. There is case law that indicates that it may not be possible to exclude liability for a fundamental breach, though it is not settled as to whether a court would definitely come to the same conclusion if this was to be decided again.

Exclusions of liability for death or personal injury are not enforceable in a consumer contract.

Ireland, like most jurisdictions, precludes recovery of punitive (exemplary) damages for contract breaches without a separate and independent tort claim.

INDEMNIFICATION
Express indemnities stated in contracts are generally respected and recognized. In certain circumstances, implied indemnities may also be incorporated into a contract by the courts.

Indemnification provisions are generally enforceable unless they require indemnification of behavior that statutes or the courts have held to be unenforceable (such as fraud, willful injury to persons or property and any other future unlawful acts). Indemnification for past unlawful acts is enforceable.

Indemnification provisions generally have three distinct obligations: defense, indemnify (pay damages) and hold harmless (indemnifying party responsible for any other liability arising out of the claim). Indemnification is not limited to third-party claims.

Indemnity clauses in contracts fall into two categories:

(i) clauses where one party agrees to indemnify the other against liability which that other may have towards him; and

(ii) clauses in which one party to the contract agrees to indemnify the other party against liability that the other party may incur towards third parties. (In order for (ii) to be enforced, clear and unambiguous language must be used.)

A limitation on liability under indemnification provisions can be enforceable.
**ELECTRONIC SIGNATURES**

An electronic signature may be used provided two conditions are met:

(i) Where the recipient is a public body, any information technology or procedural requirements imposed by that body must be complied with; and

(ii) The person or body to whom the signature is addressed must consent to the use of the electronic signature.

Where these conditions are met, electronic signatures are recognized as the functional equivalent of handwritten signatures and, therefore, may have legal effect and are admissible as evidence in legal proceedings (except in certain cases prescribed by statute where the position is not completely clear).

However, if 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, one of which is that an advanced electronic signature must be used in such a case.
ISRAEL

INTELLECTUAL PROPERTY FRAMEWORK

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

In general, contractual engagements are regulated under the Contracts Law (General Part), 5733-1973 (the Contracts Law). 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.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
Copyright protects authors’ economic and moral rights. According to Section 4(a) of the Copyright Act 2007 (the Copyright Act), 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 his 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 his death.

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.

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 civil wrong. 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, two main routes are available: (i) actual damages and recovery of profits gained by the infringer and (ii) 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 ₪100,000 (approximately $25,000)).

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

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: (i) its elements, at least one 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 and (ii) the product is intended to perform an electronic function.

The provisions of the Integrated Circuits (Protection) Law 1999, apply to an original layout-design (topography) in respect of which one of the following applies: (i) its creator, on the date of creation, is a citizen or a resident of Israel; or (ii) its creator is a person or corporation with an active factory for the creation of layout-designs (topographies) or for the manufacture of integrated circuits in Israel on the date of creation. A layout-design (topography) is defined as the three-dimensional disposition of an integrated circuit or such three-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: (i) the end of ten years from the date on which the layout-design or an integrated circuit in which the layout-design is incorporated were first lawfully sold or distributed commercially in Israel or outside of Israel; or (ii) at 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 his employment by his 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 (topography) or for the grant of a license to use exclusive rights in a layout-design (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 this law.

PATENTS

NATURE OF RIGHT
Protection of patents owners for the duration of the right including the following rights:

(i) in respect of an invention that is a product – any act that is one of the following: production, use, offer for sale, sale, or import for purposes of one of the aforesaid acts; and

(ii) in respect of an invention that is a process – use of the process.

A patent holder is entitled to prevent any third party from exploiting the invention for which the patent has been granted without his permission, either in the manner defined in the claims or in a similar manner.

LEGAL FRAMEWORK

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 the employee of some other person, the employer is the owner of the invention created by the employee in the course of and during the period of his service (Service Invention), although the employee may be entitled to royalties from the commercialization of any such Service Invention.

In order for a license to be binding upon third parties, it must be recorded with the Israeli Patent Office.

REMEDIES FOR INFRINGEMENT
As with copyrights, injunctive and monetary relief are available, although the likelihood of possible double recovery is low. It should be noted that no statutory damages are available for patent infringement.
TRADEMARKS

NATURE OF RIGHT
There is protection for registered trademarks and unregistered well-known trademarks. A trademark may be comprised of letters, numerals, words, devices or other signs, or combinations thereof, whether two-dimensional or three-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.

DURATION OF RIGHT
A trademark has an unlimited term of protection as long as the trademark registration is maintained or an unregistered well-known mark remains well-known.

OWNERSHIP/LICENSES
The ownership 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 recognized by 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 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 his competitors, provided that its owner takes reasonable steps to protect its confidentiality.

LEGAL FRAMEWORK

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 ₪100,000 (approximately $25,000) without having to prove that damages were caused.
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 and layout-designs under the Integrated Circuits (Protection) Law. There are no legal provisions regarding this issue in connection with trademarks and 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.

With respect to the employee’s entitlement to royalties for “Service Inventions” (inventions created during an employee’s employment with the employer), the Patent Law provides that “if there is no agreement that prescribes whether, to what extent, and on what conditions, the employee is entitled to remuneration for a service invention, then the matter shall be decided by the Compensation and Royalties Committee established under Chapter Six.”

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 he may have, to the employer (expressly including any Service Inventions).

It should be noted that a series 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, Committee for Compensation and Royalties (Committee) established in its 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). The High Court of Justice stated that the Committee’s determination that the right to royalties on Service Inventions is not a protective labor law right and may thus be overridden by contract seems to be appropriate. The High Court of Justice recommended regulating the matter of royalties for Service Inventions (whether by way of legislation or through a voluntary arrangement in the relevant industries).

CONSULTANTS/CONTRACTORS
When a work is created pursuant to a commission, the author is the first owner of the copyright in the work, in whole or in part, unless the parties agree to the contrary, either expressly or implicitly.

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 his service.

Therefore, in agreements with consultants/contractors, one should include a covenant in which the consultant/contractor assigns all intellectual property rights that he may have to the company, as otherwise, such rights will vest with the consultant/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 (for example, real estate, security documents) may require filing in order to be perfected or binding vis-à-vis the relevant authorities or third 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 as 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 he understands its contents; however, such presumption, of course, can be rebutted.

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 two or more parties).

However, online terms may be deemed to be a standard contract under Israeli Standard Contracts Law (i.e., 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.

Examples for such prejudicial terms include: (i) a condition denying or limiting a right or remedy available to the customer under law; (ii) a condition imposing the burden of proof on a person who would not have to bear it but for that condition; (iii) 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; or (iv) 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.

In addition, it should be noted that in a recent amendment to the Standard Contracts Law (which will come into effect on December 17, 2015), it was determined that a condition which requires a 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”) to confirm that he/she has committed any act, or to approve the customer’s knowledge concerning a certain matter or fact, shall be considered as a prejudicial term and thus may be deleted from the contract by the court.
ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS

Online terms are generally viewed as enforceable under Israeli law, subject to aspects involving there being 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 his 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.

GOVERNING LAW

In general, governing law provisions, including foreign governing law provision, specified in a commercial contract will be accepted and recognized by Israeli Courts. However, in certain circumstances, the Israeli Courts might 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).

In two recent decisions (not a binding case law, but guidance for lower courts), it has been ruled that with respect to standard contracts entered into between multi-national 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.

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, such warranty cannot be stipulated except where such stipulation was made for the benefit of the consumer.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY

Under Israeli law, parties are free to enter into an agreement which sets out 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 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, 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 types of documents that cannot be electronically signed. The Electronic Signature Law, 5761-2001 (Law) differentiates between two types of electronic signatures: (i) secure and (ii) certified. The Law and the regulations promulgated thereunder specifically exclude certain documents, which will still have to be signed manually, e.g. wills, affidavits, most corporate documents and powers of attorney.

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.

Secure Electronic Signature should comply with the following requirements:

(i) It is unique to the owner of the signing device (i.e., 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.

An electronic message signed with a secure electronic signature is admissible in any legal proceedings as prima facie evidence that (a) the signature is that of the owner of the signing device and (b) that the electronic message is the one that was signed by the owner of the signing devices.

From an evidentiary perspective, a printout or any other output of an electronic message signed with a secure electronic signature is granted the status of an original of the electronic message, rather than that of a copy, for the purpose of any legal proceedings except for those documents specifically excluded under the Law.

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 two certification authorities in Israel: (i) Personal ID Ltd. (www.personalid.co.il); and (ii) Comsign Ltd. (www.comsign.co.il).

It should be noted that pursuant to the Law, where the signature on the document in question is required by law, this requirement can only be satisfied by means of the certified electronic signature (the secure electronic signature will not suffice). The category of documents which are required to be signed by law includes the following:

(i) The first articles of association of a company;

(ii) Every document or notice submitted to the registrar of companies (e.g. annual reports, notices regarding transfer of shares, notices regarding changes in the composition of the board of directors etc.);

(iii) Written resolutions of the board of directors of a company.

(iv) Financial statements.
In addition, from a practical point of view the use of electronic signatures is impossible or inadvisable in the following instances:

(i) Some companies and organizations, such as insurance companies, express a strong preference for manual signatures and may not accept electronic signatures. This would be determined by the internal policy of the specific entity in question.

(ii) If the other party to the contract to be signed is known to be problematic for some reason (for instance, is known to 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 advisable to obtain a manual signature despite the fact that electronic signatures are acceptable, to prevent disputes as to whether or not the document had been properly signed.
ITALY

INTELLECTUAL PROPERTY FRAMEWORK

As a general matter, intellectual property rights are governed by the Italian Civil Code, the Legislative Decree No. 30/2005 (the Industrial Property Code) and ad hoc legislation.

COMMERCIAL CONTRACT FRAMEWORK

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. 205/2006 (the Consumer Code) is also applicable.

The Consumer Code provides for detailed provisions on E-Commerce, which were recently amended by the Legislative Decree No. 21/2014 (implementing the EU Directive 2011/24/EU). With regard to E-Commerce, Legislative Decree No. 70/2003 (implementing the EU Directive 2000/31/EU) should also be taken into account.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT

Copyright protection is available to works having a creative character and pertaining to literature, music, graphic arts, architecture, theatre and cinematography, whatever their mode or form of expression.

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 his work and in case of an anonymous work, the right to reveal his identity, to object to any distortion, mutilation or any other modification of his work that could be prejudicial to his 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 governing copyrights.

Also applicable is the AGCOM (Autorità per le garanzie nelle comunicazioni, the Italian Communication Authority) Regulation on Copyright Protection on Electronic Communication Networks (Resolution No. 680/13/CONS dated December 12, 2013).

Italy is also 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, WIPO Performances and Phonograms Treaty, and WIPO Copyright Treaty.
DURATION OF RIGHT
Copyright protection is automatic and comes into effect at 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 case of joint works\(^2\) and in case of dramatic-musical and choreographic works and pantomimes, the duration of the economic rights is determined in relation to the life of the last-surviving co-author. In case of cinematographic works, the term is calculated 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 his identity prior to expiration of such term.

In case of collective works\(^3\), where the various parts of the work are published at different times, the duration of economic rights for each part occurs from the time of its publication.

With regards 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 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, though the Italian Copyright Law provides for some specific provisions in relation to this type of works.

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 rules on copyright. Should the database lack such characteristics, the creator of the database would be granted a sui generis right lasting 15 years from the first January of the year subsequent to its completion or publication.

Moral rights 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.

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\(^2\) 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 contribution of different persons.

\(^3\) 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 example encyclopedias, dictionaries, anthologies, newspapers and magazines)
OWNERSHIP/LICENSES
Joint ownership of copyright is recognized with regards to joint works and collective works.

Transfer of the ownership is allowed and must be in writing. In general, the transfer of one or more copies of a copyrighted work does not imply 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.

REMEDIES FOR INFRINGEMENT
Any person having reason to fear for the infringement of rights belonging to him 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 his 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 copyright owner to collect evidence of the infringement through a raid in 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 penalties may also apply under certain circumstances.

MASK WORKS

NATURE OF RIGHT
The topography of a semiconductor product is a series of fixed or encoded correlated designs, representing the three-dimensional pattern of the layers that a semiconductor product is made up of 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 one or more layers of conductor, insulating or semiconductor material arranged in a particular three-dimensional pattern and intended to perform, whether exclusively or not, electronic circuitry functions.

A mask work owner has 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 import a topography or a semiconductor product in which the topography is fixed.

LEGAL FRAMEWORK
Sections 87 to 96 of the Industrial Property Code govern semiconductor topography protection.

DURATION OF RIGHT
The protection is granted for ten years starting either from the filing date of the application or 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 having reason to fear for the infringement of rights belonging to him, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that his 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 that are deemed to be new, not obvious and suitable for industrial application.

From the filing date 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).

LEGAL FRAMEWORK
The Industrial Property Code is the statute governing patents in Italy.

Italy is also party to the main international patent treaties and conventions.

DURATION OF RIGHT
Patent protection lasts for 20 years for inventions and ten years for industrial designs, starting from the publication of the patent application, based on a “first to file” principle.

OWNERSHIP/LICENSES
Ownership of a patent may be transferred to third 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 having reason to fear for the infringement of rights belonging to him under the Italian Patent Law, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that his 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 patent owner to collect evidence of the infringement through a raid in 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 patent.

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 (including personal names), drawings, letters, numbers, sounds, forms of the product or its packaging, the combinations or shades of color.

The trademark owner has the right to forbid third parties from: (i) using a sign identical to the trademark filed for products or services identical to those for which the mark was registered, (ii) 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 in a risk of association between the signs, and (iii) 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.

The unregistered trademark enjoys a less extensive juridical protection. In fact, in order to get protection on a national basis, the trademark shall be used in a way which creates the notoriety of the same on a general basis. If the mark is known only locally it may co-exist with a following registration.

LEGAL FRAMEWORK
Sections 2569 to 2574 of the Italian Civil Code and the Industrial Property Code govern the protection of trademarks.

Italy is also party of the main community and international trademark treaties and conventions, such as the Paris Convention, Madrid Agreement and Protocol, Nice Agreement, the TRIPS Agreement and Regulation No. 207/2009/UE.

DURATION OF RIGHT
Trademark registration lasts ten years from the filing date (unless waived by the owner) and it can be renewed, within the date of expiration, an unlimited number of times.

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 five years from the date of registration can cause the trademark to be invalidated, however the lapse of time must be proven by the interested party).

The trademark can be transferred without the company or without a branch thereof, provided that no deception is caused to the consumer or 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 having reason to fear for the infringement of rights belonging to him, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that his 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.
A popular means of protection is the so-called “search order”, which allows the patent owner to collect evidence of the infringement through a raid in 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 patent.

Criminal penalties may also apply under certain circumstances.

TRADE SECRETS

NATURE OF RIGHT
Trade secrets are defined as company information and technical-industrial experiences subject to the legitimate control of the owner provided that said information:

(i) 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 those skilled in the arts);

(ii) has an economic value due to its secrecy; and

(iii) is subject to reasonable measures to maintain its secrecy.

In addition to the above data relating to experiments or other secret data may also be protected if processing them would entail a considerable work and the disclosure of the data is subject to an authorization for marketing chemical, pharmaceutical or agricultural products with new chemical substances.

The disclosure or unlawful use of trade secrets or confidential information is 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.

DURATION OF RIGHT
The duration of protection is potentially perpetual as long as the information is secret.

OWNERSHIP/LICENSES
The holder of the trade secret is the entity that developed such secret (joint ownership is possible).

REMEDIES FOR INFRINGEMENT
Any person having reason to fear for the infringement of rights belonging to him, or who seeks to prevent the continuation or repetition of an infringement which has already occurred, may commence legal proceedings to ensure that his 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 penalties may also 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 third parties or created by an employee in the performance of his 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.

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 his or her tasks or upon the instructions of the employer. With regard to industrial designs, the economic rights would be held by the employer in case the work has been done by the employee in the performance of his or her 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 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, providing 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 made in the field of activities of the entity where the inventor is employed, the employer retains the right of pre-emption with regard to the use or purchase of the invention.

Different principles apply to inventions of university and researchers.

CONSULTANTS/CONTRACTORS

Case by case approach, as per the consulting agreement.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

REGISTRATION OF COMMERCIAL AGREEMENTS

Generally, there is no registration requirement with regard to commercial agreements. However, the registration of some contracts (e.g. trademark and patent licenses) is 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, Italian language is mandatory. Moreover, should one of the parties not be familiar with a foreign language, said party may claim the invalidity of some clauses of the contract.
COUNTRY-SPECIFIC ISSUES FOR ONLINE TERMS
With regard to B2C contracts, the Consumer Code, as amended by Legislative Decree No. 21/2014 (Code), provides for some specific obligations in relation to pre-contractual information to be communicated to consumers, such as the ones on the vendor, the specific object of the contract and the right of withdrawal.

With regard to the right of withdrawal, such right may be unilaterally exercised by the consumer within 14 days, even without any reason and with no expenses except for those connected to the decrease of the goods’ value in case the returned goods are damaged. If the vendor has not properly informed the consumer on the withdrawal term, the right of withdrawal will be extended to 12 months.

Furthermore, the Code provides that the delivery of goods shall take place at the latest within 30 days from the date of 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.

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 one party, some provisions 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 though the so called “double signature”. In particular, the Italian Civil Code identifies as restrictive clauses the provisions which (i) limit the liability of the party who prepared the terms and conditions, (ii) give said party the right to withdraw from the contract or to suspend the execution thereof, (iii) 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, and (iv) 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 determine a consistent imbalance for the consumer shall be considered “restrictive clause” 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 (i) 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; (ii) 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; (iii) result in the acceptance of clauses that the consumer could not examine before the conclusion of the contract.

GOVERNING LAW
With regard to B2B contracts, governing law can be freely specified by the parties.

With regard to B2C contracts 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 one year.

In B2C sale contracts, the vendor shall ensure consumers against any lack of conformity for a period of two 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.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
Provisions containing limitations of liability are generally enforceable, except in the event of willful misconduct and gross negligence.

In case of standard contracts drafted only by one 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-fulfilment or delay in the performance of the contractual obligation (Section 1223 of the Italian Civil Code) can be claimed by the parties.

ELECTRONIC SIGNATURES
The electronic signature has the same legal validity of an handwritten signature when it involves two different cryptographic and asymmetric keys and is certified by an entity accredited by the Italian authorities.
JAPAN

INTELLECTUAL PROPERTY FRAMEWORK

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

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.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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 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 or adapt the work.

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.

DURATION OF RIGHT

Copyright protection lasts for the life of the author plus an additional 50 years. Some special calculations are applicable for copyrightable works made during the Second World War.

For an anonymous work or a pseudonymous work, the copyright lasts for a term of 50 years from its first publication, or a term of 50 years from the death of the author if the author is known, whichever expires first.
For a work owned by an entity (e.g., work made for hire), the copyright lasts for a term of 50 years from the work’s first publication. If it is not made public within the 50 year term, the copyright lasts for 50 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.

**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 (e.g., 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**

**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.

Owners 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.
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**Japan**

**DURATION OF RIGHT**
The duration of protection is ten years from registration and no renewal or extension of duration is provided. The layout-design must be registered within two years of first commercial exploitation.

**OWNERSHIP/LICENSES**
If two 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, sell, lease, offer for sale or lease, 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**


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 five years extension, subject to certain requirements.

For utility model patents, the duration of protection is ten years from application. No extension is available.

For design patents, the duration of protection is 20 years from registration. 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 (e.g., 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), three-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 Trademark Law Treaty in 1997.

DURATION OF RIGHT
The duration of protection is ten years from registration and renewable every ten 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 (e.g., 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 three-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 three-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.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
Most employment contracts provide language for intellectual property assignment from the employee to the employer. For patent assignments, employees must be reasonably compensated by an employer for the assignment and 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.

Even if an employer did not provide assignment of intellectual property 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.

The “work for hire” doctrine is applicable to copyrights and mask works. For copyrights, a work must be made public under the name of an employer except for computer program related copyrights.

CONSULTANTS/CONTRACTORS
In practice, consultants and contractors are often required to sign written agreements to assign all intellectual property related to his 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 (i.e., 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 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.

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 guidelines on E-Commerce promulgated by the Ministry of Economy, Trade and Industry, changes of terms of service or use should be appropriately disclosed in a way that users can easily be aware of the changes.
The Electronic Contract Act (Act No. 95 of 2001) allows a consumer who had erroneous operation of a computer (e.g., accidental click) to cancel the contract if the company does not take appropriate measures (e.g., 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
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. In 2014, there were approximately 300,000 electronic signatures used by individuals in Japan.
INTELLECTUAL PROPERTY FRAMEWORK

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


(vii) Professor’s Privilege/Ownership of publicly funded research – Special laws on the public funding of research results.

COMMERCIAL CONTRACT FRAMEWORK

There are a number of laws that 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.


RECOGNIZED INTELLECTUAL PROPERTY RIGHTS COPYRIGHTS

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 to be 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

DURATION OF RIGHT
The duration of an author’s right is the author’s life, plus 70 years after his death.

OWNERSHIP/LICENSES
Only natural persons (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 Act 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 to 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 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, his moral rights to the extent that it does not wound his honor or reputation.

REMEDIES FOR INFRINGEMENT
Given the implementation of the Directive 2004/48/EC of the European Parliament and of the Council of April 29, 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:
(i) Cessation of infringement;
(ii) Publication and posting of judgment; and
(iii) Monetary fine (2059-2066 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 third party in order to find evidence of and more information regarding infringements.

Criminal remedies are:

(i) Monetary fine;

(ii) Confiscation or destructions of infringing goods or goods that directly served the purpose of committing the infringements at hand;

(iii) In case of a bad-faith/fraudulent infringement:

(a) Imprisonment;

(b) Monetary fine; and

(c) Confiscation and possible destruction of infringing goods.

(iv) Heavier sanctions in case of repeated infringement:

(a) Possible combination of imprisonment and monetary fine;

(b) Permanent or temporary closure of the establishment ran by the condemned party for a maximum period of 5 years; and

(c) Publication and posting of judgment.

MASK WORKS

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 (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 December 29, 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 (i) the date on which the topography was first commercially exploited anywhere in the world or (ii) the date on which the application for registration was filed in due form. This exclusive right expires after ten 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 two 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 his employment, the employer shall be deemed to be 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 to be 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 below “Patents – Remedies for Infringement”).

PATENTS

NATURE OF RIGHT
An invention is eligible for patent protection if it satisfies three conditions: (a) it is new, (b) inventive and (c) susceptible to industrial application.

(i) 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 six 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 showed at an exhibition organized by the public authorities or an official international exhibition. In the latter case, the applicant shall declare, when submitting his application, that the invention was actually disclosed during an exhibition and furnish a relevant certificate.

(ii) It is inventive if, in regard to the state of the art, is not obvious to a person skilled in the art.

(iii) 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.

Such priority right provides that the date of priority shall be the date of filing the application.

(ii) 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 third party.

The patent shall confer on its owner the right to prevent all third parties not having his consent:
(a) 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; (b) 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 third 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; (c) from offering, putting on the market, using, or importing or stocking for those purposes the product obtained directly by a process that is the subject matter of the patent; (d) 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 third party knows, or it is obvious from the circumstances, that such means are suited and intended for putting the invention into effect.

LEGAL FRAMEWORK

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 four years following the date of patent application or for a period of three years following the grant of the patent, a compulsory license may be granted following a request to the court.

OWNERSHIP/LICENSES
The Patents Act provides that the patent rights are owned by the inventor or his 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 he has to notify the other co-owners thereof. In the latter event that one of the co-owners wishes to assign his share, the other co-owners have a pre-emption right.
over the proposed assignment for a three-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 one 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 “Infringement” 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 prejudice caused; and

(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 (i) 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; and (ii) and 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 three months from notification of the order to the person or to his 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 are able to be represented graphically and to 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 shall be declared as lapsed.
A registered trademark shall give its owner an exclusive right to prevent any third party, without its consent, from: (a) 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; (b) 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; (c) 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; and (d) 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

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

OWNERSHIP/LICENSES
The exclusive rights encompassed by a trademark are obtained by registration. An application for registration can be filed by anyone (private persons, public authorities, 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 February 25, 2005 as approved by the Law of May 16, 2006:

(i) Compensation of material and non-material damages, which consists of:

(a) 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; and

(b) loss of profits.

(ii) The handing over of the materials and instruments that were mainly used for the production of the infringing goods.
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
Trade secrets are not expressly mentioned as a property right under Luxembourg law.

Luxembourg law does not provide for a uniform definition of trade secrets. For a definition, reference should be made to:

(i) Section 39(2) of the TRIPS Agreement: “Natural and legal persons shall have the possibility of preventing information: lawfully, within their control, from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices so long as such information: (a) is secret in the sense that it is not, as a body 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) has commercial value because it is secret; and (c) has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret.”

(ii) Section 1 (i) of the 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, Section 3.2.1 of the Communication from the Commission 2014/C 89/03: “know-how” means a package of practical information, resulting from experience and testing which is (a) secret, that is to say, not generally known or easily accessible; (b) substantial, that is to say, significant and useful for the production of the contract products; and (c) identified, that is to say, 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
Luxembourg law does not have specific provisions on trade secrets in its labor laws or in its Civil Code.

Protection is offered by means of:

(i) Tort Law;

(ii) Unfair Competition Law;

(iii) Criminal Law, the offender must act with the intent to reach a competitive advantage or to cause harm to the owner; violations of trade secrets may constitute theft.

(iv) Contract Law, if an agreement (such as a non-disclosure agreement) was concluded.

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 hard-core restrictions listed in Section 4 of aforementioned Regulation are not exempted.

REMEDIES FOR INFRINGEMENT

Civil remedies for misappropriation of trade secrets include:

(i) Injunction (cease and desist order; ordinary action and interim relief);

(ii) Publication of judgment;

(iii) Damages (for both losses suffered and loss of profits); and

(iv) Restraint measures, such as a penalty for future breach of the Court’s order, ordinary action and interim relief.

Criminal remedies include:

(i) Monetary fines;

(ii) Imprisonment (natural persons);

(iii) Confiscation of goods used to commit the offence;

(iv) Exclusion of public procurement markets (companies); and

(v) Dissolution of company (companies).

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES

Copyright: In case of a work commissioned by third parties or works created by an employee in the performance of his 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 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:

(i) When an industrial invention is made during the performance or fulfillment of the employment contract, whereby the inventive activity is deemed to be the objective and the employee is paid to invent and make researches; and
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 his employment, the employer shall, unless specified otherwise, be regarded as the creator.

**CONSULTANTS/CONTRACTORS**
Please see the “Employees” section above.

**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 and will entitle the license 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 has to prove that the counterparty consented to the terms, which includes understanding the language. For consumers, this evidentiary burden of proof will be 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 one party and the other party merely has the opportunity to accept it (i.e. 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 check box 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 Law of April 8, 2011 introducing a Consumer Code in Luxembourg in respect of the sale of consumer goods, as lastly amended by the Law of April 2, 2014, which provides a two-year warranty period.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
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) can be claimed by the parties.

ELECTRONIC SIGNATURES
Until mid-2016, the use of electronic signatures in the European Union has been governed by the 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 had been implemented by the Act of August 14, 2000 on electronic commerce.

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 (Regulation) was adopted in July 2014, effective as of July 1, 2016. This Regulation aims to provide more predictable regulatory environment and will be directly applicable in all member states of the European Union without having to be transposed in national legislation.

The Regulation has a two-tier approach. This means that all electronic signatures, i.e. “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 signatures can be assimilated with a handwritten signature. The 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.
MEXICO

INTELLECTUAL PROPERTY FRAMEWORK

Two Federal laws provide the core legal basis for protection of intellectual property rights in Mexico (i) the Industrial Property Law (Ley de la Propiedad Industrial), and (ii) the Federal Copyright Law (Ley Federal del Derecho de Autor).

COMMERCIAL CONTRACT FRAMEWORK

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 (i.e., bank credit agreements, insurance, pledge, trusts, among others).

Additional commercial contract provisions may be found in other Federal laws (i.e., antitrust, consumers’ protection), regulations and official standards.

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 can include among other matters, specific auditing and recordkeeping requirements.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
Copyright can apply to a variety of works, including musical, literary, broadcasting, photography, works of art (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 third 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.
**OWNERSHIP/LICENSES**  
In order to perfect ownership of a copyright, the author must register his 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 third parties, as well as, transfer his 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 the payment of damages and losses, which shall be determined by a court of law based on actual damage and loss.

Criminal penalties may be imposed.

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**MASK WORKS**

**NATURE OF RIGHT**  
Mask Works protect the titleholder of any reproduction (total or partial), as well as from the import, sell or distribution for commercial purposes.

**LEGAL FRAMEWORK**  
Fifth-Bis Title of the Industrial Property Law (Ley de la Propiedad Industrial) governs mask works.

**DURATION OF RIGHT**  
The duration of mask work protection is ten 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 perfect the ownership in 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 the payment of damages and losses, which shall be determined by a court of law based on actual damage and loss.

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
Second Title of the Industrial Property Law (Ley de la Propiedad Industrial).

DURATION OF RIGHT
The duration of a patent is 20 years from the filing requesting the patent; the duration for utility models is ten years from the filing requesting the registration; and the duration for industrial designs is 15 years as of the filing requesting the registration.

OWNERSHIP/LICENSES
In order to perfect the 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 the payment of damages and losses, which shall be determined by a court of law based on actual damage and loss. Criminal penalties may be imposed.

TRADEMARKS

NATURE OF RIGHT
Trademarks can be visible names and figures 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; three-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 Industrial Property Law (Ley de la Propiedad Industrial).

DURATION OF RIGHT
Trademarks have a duration of ten years as of the filing requesting the trademark registration.
OWNERSHIP/LICENSES
In order to perfect 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 the encumbrance, transmission or license.

REMEDIES FOR INFRINGEMENT
Violation may lead to the payment of damages and losses, which shall be determined by a court of law based on actual damage and loss.

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 to the means or forms of distribution or commercialization of the products or rendering of services.

All trade secrets shall be evidenced in documents, electronic or magnetic media, microfilms or similar.

LEGAL FRAMEWORK
Third Title of the Industrial Property Law (Ley de 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 third party. A third party shall have the obligation to not disclose the trade secret.

REMEDIES FOR INFRINGEMENT
Violation may lead to the payment of damages and losses, which shall be determined by a court of law based on actual damage and loss.

Criminal penalties may be imposed.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
The Mexican Labor Act provides that an employee-inventor has the right to be named as author of his 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 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
No general registration requirement though as described in this section, all intellectual property related agreements shall be registered before the relevant governmental authority to be effective against third 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/CCLICKWRAP/SHRINKWRAP TERMS
Online terms are generally viewed as enforceable if conspicuous, users have an opportunity to review and indicate affirmative assent (e.g., 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
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 the 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 (i) identify the signatory in connection with the data message and (ii) 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 the 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 by placing the 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.

Furthermore, an electronic signature may be considered advanced (i) when the signature is exclusively in control of the signatory person and (ii) when any modification to the original data message or electronic signature may be identified (i.e. the password protected identification form, digital fingerprint, etc.), pursuant to the opinion issued by a Certification Agent in E-Commerce Matters.
NETHERLANDS

INTELLECTUAL PROPERTY FRAMEWORK

In the Netherlands, the intellectual property rights are governed by the following Federal statutory laws:

(i) Copyright – Copyright Act of 1912.

(ii) 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 May 14, 1991 on the Legal Protection of Computer Programs (91/250/EEG).


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

Depending on the circumstances, such as the type of contract and sector, the Dutch Civil Code and other Dutch laws apply to commercial contracts.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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 his creativity in an original manner 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 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 the first of January of the year following the year of the death of the author. The duration of the copyright belonging jointly to two or more persons in their capacity as co-authors of a work shall be calculated from the first of January 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 the first of January 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 his company name or the appearance of another sign that enables his 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 deed. The assignment or license shall comprise only such rights as are recorded in the 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 (natural person) who grants a license is entitled to a fair remuneration. If the work is exploited in a mode which was unknown the moment the license was granted the author (natural person) is entitled to an additional remuneration. These rights can be invoked against third parties – such as third-party assignees.

Authorization given by the designer of a work protected by copyright to a third party to file a design in which that work is incorporated shall imply the assignment of the copyright attached to that work insofar as it is incorporated in the design. The party filing a design shall be presumed also to be the owner of the copyright relating thereto; this presumption shall not, however, apply in respect of the actual author of the copyrighted work or his beneficiary. The assignment of the copyright relating to a design shall result in the assignment of the right in the design and vice versa.

REMEDIES FOR INFRINGEMENT

Monetary relief entails the possibility to claim damages as a lump sum or a payment of unfair profits made, in case of a bad faith infringement. A number of supplementary, injunctive measures are available, such as (i) 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; (ii) the right of information, ordering that the infringer tolerate the disclosure of information about the origin of the infringing goods or services, the distribution channels and the identity of any third parties involved in the infringement; and (iii) the publication 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 if a specimen (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 his assignees within the community, then the bringing of that specimen (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 winning party.

DESIGNS

NATURE OF RIGHT

A registered or unregistered design can be protected to the extent that it is new and has individual character. The appearance of the whole or a part of a product can be regarded as a design. The appearance of a product is derived from, in particular, the features of the lines, contours, colors, shape, texture and materials of the product itself and its ornamentation. Those features of appearance of a product which are solely dictated by its technical function, are excluded from protection.

A design shall be considered new if no identical design has been made available to the public before the date of filing of the application or the date of priority. Designs shall be deemed to be identical if their features differ only in immaterial details.

A design shall be considered to have individual character if the overall impression it produces on the informed user differs from the overall impression produced on such a user by any design that has been made available to the public before the date of filing or the date of priority. In assessing individual character, the degree of freedom of the designer in developing the design shall be taken into consideration.

In order to assess novelty and individual character, a design shall be deemed to have been disclosed to the public if the design has been published following registration or otherwise, or exhibited, used in trade or made public in any other way, unless such events could not in the normal practice of business reasonably be known to specialists within the sector concerned operating within the European Community or the European Economic Area prior to the filing or priority date. The design shall not, however, be deemed to have been made available to the public for the sole reason that it has been disclosed to a third person under explicit or implicit conditions of confidentiality.

The novelty of a design is not jeopardized if the design was disclosed to the public within twelve months prior to the filing of the application and it is due directly or disclosure has been made following improper conduct with regard to the creator or his beneficiary.
In order to benefit from the priority right, connected registrations must be filed within a period of six months from the filing date of the application. In addition, the applicant must make a “statement of priority” when applying.

A right of prior use is recognized for third parties who, prior to the filing date for a design or to the priority date, manufactured on Benelux territory products that are identical in appearance to the design filed or that do not produce a different overall impression on an informed user.

LEGAL FRAMEWORK

DURATION OF RIGHTS
Benelux filings shall be registered for a term of five years from the date of filing. The registration may be renewed for four successive periods of five years up to a maximum of 25 years.

OWNERSHIP/LICENSES
In principle, the exclusive rights conferred by a Benelux design are acquired by virtue of registration to the holder. However, there is an unregistered form: the unregistered Community design. An unregistered Community design shall, however, confer on its holder the exclusive right to use it and to prevent any third party not having his consent from using it only if the contested use results from copying the protected design.

The contested use shall not be deemed to result from copying the protected design if it results from an independent work of creation by a designer who may be reasonably thought not to be familiar with the design made available to the public by the holder.

There are no specific provisions in the laws of the Netherlands with respect to co-ownership of designs. However, it is generally understood that the exercise of the right of co-ownership of designs is governed by the rules regarding community (which is regulated in the Dutch Civil Code).

A design may also be the subject of a license. Entry of a license in the register may be cancelled only at the joint request of the holder of the design right and the licensee.

If a license has been recorded, registration of the design may be surrendered only at the joint request of the holder of the design and the licensee.

The assignment or other transfer of the license shall be valid as to third parties only after filing of an extract from the document establishing the assignment or transfer or a corresponding declaration signed by the parties involved has been registered in the manner specified by the implementing regulations and following payment of the fees due.

REMEDIES FOR INFRINGEMENT
In respect of designs, the possible remedies are set out in Chapter Three of the Benelux Convention on Intellectual Property, which also warrant both (interim and final) injunctive and monetary relief.

Monetary relief includes the possibility to claim damages as a lump sum as well as payment of unfair profits made in case of a bad faith infringement. A number of supplementary, injunctive sanctions may be applied for, such as (i) 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; (ii) 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; and (iii) 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 rights conferred by a design shall not extend to acts relating to a product in which a design included within the scope of protection of the design is incorporated or to which it is applied, when the product has been put on the market in the community by the holder of the design or with their consent.

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.

MASK WORKS

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 (i) reproduction solely for the purposes of analysis, evaluation or teaching of the topography or the concepts, processes, systems or techniques embodied in the topography and (ii) a topography resulting from the analysis and evaluation of another topography carried out in accordance with item (i), 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 ten 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, i.e. 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 third parties after the registration of the topography with the respective authority (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 unfair profits made in case of a bad faith infringement. A number of supplementary, injunctive sanctions may be applied for, such as (i) 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, (ii) 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 and (iii) 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 as 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.

**PATENTS**

**NATURE OF RIGHT**

Subject to the provisions of Articles 53 to 60 of the Dutch Patents Act of 1995, a patent shall confer on its owner the exclusive right: (i) to make, use, put on the market or resell, hire out or deliver the patented product, or otherwise deal with or for his business, or to offer, import or stock it for any of those purposes; (ii) to use the patented process in or for his 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 with or for his business, or to offer, import or stock it for any of those purposes.

An invention is eligible for patent protection if it satisfies three conditions: (i) it is new ("novel"); (ii) inventive; and (iii) susceptible of industrial application. An invention is new ("novel") if it does not fall within the relevant state of the art. It is inventive if it would not be obvious to a skilled person. Finally, the term industrial application must be understood very broadly and can include agriculture.

The novelty of an invention is not jeopardized if the invention was disclosed to the public within six months prior to the filing of the application and it is due directly or indirectly to (i) an obvious abuse in relation to the applicant or (ii) the invention has been 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 (priority date).
Any person who, in the Netherlands or Netherlands Antilles or, in the case of a European patent, in the Netherlands, has already manufactured or applied or commenced implementation of his intention to manufacture or apply, in or for his business, the subject matter of a patent application filed by another on the filing date thereof or, if the applicant has a right of priority under Article 9(1) or Article 87 of the European Patent Convention, on the filing date of the priority application, shall, notwithstanding the patent, continue to have the exploitation right(s) (as mentioned in the Dutch Patent Act), this right being based on prior use, unless his knowledge was obtained from matter already made or applied by the applicant or from the applicant's descriptions, drawings or models.

**LEGAL FRAMEWORK**

Patents Act 1995 governs patents.

**DURATION OF RIGHT**

Patents have a duration of 20 years from the date of filing 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 his successor in title.

If the public interest so requires, the competent Minister can grant a compulsory license.

The patent owner must grant a license required for the working of a patent 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 his 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.

**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 his actions entailed a patent infringement. A number of supplementary, injunctive sanctions may be applied for, such as (i) 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; (ii) 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; and (iii) 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 if a particular patented product, or product that has been directly obtained through the patented process, has been brought into circulation by means of transfer of ownership for the first time with the consent of the patent holder within the Community, 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. However, the judge has the authority to decide that these costs will be partly compensated by the winning party.

**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 are able to be represented graphically and to 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.

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.

On the basis of a registered Benelux trademark its owner has the exclusive right to prevent any third party, who does not have the consent thereto from the trademark owner, from: (i) 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; (ii) 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; (iii) using in business 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 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; and (iv) 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**

DURATION OF RIGHT
Trademarks have a duration of ten years starting from the date of filing of the application and is renewable for an unlimited number of consecutive ten-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 third party of a similar sign for similar goods or services, he can annul 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 third parties, the license will need to 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 Articles 2.20, 2.21 and 2.22 of the Benelux Convention on Intellectual Property, 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 (i) 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; (ii) 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; and (iii) 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 Community under that trademark by the trademark owner or with his 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 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.
TRADE SECRETS

NATURE OF RIGHT
Trade secrets are not expressly mentioned as a property right under Dutch law.

However, the essence of the prohibition as mentioned in Section 39(2) of the TRIPS Agreement has been interpreted in Dutch case law to be incorporated Article 6:162 of the Dutch Civil Code (unlawful act).

LEGAL FRAMEWORK

Civil law:
(i) Article 6:162 of 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. Also, when a third party takes advantage of the breach of someone else’s non-disclosure obligation, this can be unlawful.

(ii) Contract law, if an agreement (such as a non-disclosure agreement) was concluded with the third party.

(iii) Article 7:678 sub I of the Dutch Civil Code, provides that an employee who discloses information about the company of his employer, which information should have been kept a secret can be dismissed with immediate effect.

Criminal law:
(i) Articles 272 and 273 of the Dutch Criminal Code stipulate the criminal protection of trade secrets.

EUROPEAN DEVELOPMENTS:
In November 2013, the European Commission proposed a draft directive that will align existing laws against the misappropriation of trade secrets across the EU.

The proposal 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 rights. Without establishing criminal sanctions, the proposal harmonizes the civil means through which victims of trade secret misappropriation can seek protection.


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.
EMPLOYEES

Copyright: The Dutch Copyright Act stipulates that where labor carried out by an employee consists in 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 he also retains 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 Patents Act provides that the right to a patent shall belong to the inventor or his 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.

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/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 two 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/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 about the company of his employer, which information he should have kept a secret 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 7:611 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 third-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.

ENFORCEABILITY OF ONLINE/CCLICKWRAP/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 has to afford the other party a reasonable opportunity to review and accept the standard terms. The user has afforded the other party this opportunity when he has 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 his own data carrier (e.g. hard drive, USB stick, etc.), since 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.

Clickwrap/Shrinkwrap terms are generally believed not to be enforceable.

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
The concept of a disclaimer for express and implied warranties as such does not exist under Dutch law. 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 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
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, this
would be unreasonably unacceptable according to standards of reasonableness and fairness. 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, property law and law of evidence in so far as they need to be sufficiently reliable.

Generally, commercial agreements can be concluded by means of a simple electronic signature (without authentication). However, Dutch law requires a notary deed (e.g. real estate transactions) or a certified electronic signature (e.g. insurance policies) for a limited number of agreements.
PORTUGAL

INTELLECTUAL PROPERTY FRAMEWORK
The fundamental intellectual property framework in Portugal is provided in two main acts: the Code of Copyright and Related Rights and the Industrial Property Code.

COMMERCIAL CONTRACT FRAMEWORK
Portuguese law lays down a general principle of contractual freedom, which means that parties are entitled to enter into contracts provided for in the law but also into 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. Commercial contracts may be subject to the provisions of the Civil Code, of the Commercial Code, of the Code of Copyright and Related Rights, of the Industrial Property Code, or of various particular legislation.

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

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
Copyright covers original literary, scientific and artistic works. Registration is not required for the acquisition or maintenance of copyright rights.

In Portugal, copyright comprises economic rights and moral rights.

In the exercise 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 grant the author the right to claim authorship of the work, as well as the right to guarantee 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 as well as to the WIPO Copyright Treaty in 2010.

DURATION OF RIGHT
Copyright protection expires 70 years after the death of the author of the work. In joint works, copyright expires 70 years after the death of the last surviving author.

If initially assigned to a legal person, copyright expires 70 years from the date of the first publication.
OWNERSHIP/LICENSES
Moral rights are inalienable.

The copyright owner may authorize the use of the work by third parties or assign his economic rights, wholly or partially.

The simple granting of 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, and is presumed to be onerous and non-exclusive.

The total and final transmission of the copyright economic rights shall only be acceptable by public deed.

REMEDIES FOR INFRINGEMENT
If copyright infringement is intentional or the result of recklessness, compensation can be claimed by the injured party.

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 with the protection of copyright rights.

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 three years or a fine.

MASK WORKS

NATURE OF RIGHT
The topography of a semiconductor product is a set of related fixed or encoded images that represent the three-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 enjoys the exclusive right to use this topography, provided that he 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, wholly or partially, whether or not for financial reward.

The topography of a semiconductor product may also be licensed, 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 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 a topography of a semiconductor product, the court may, if the interested party so requests, order the appropriate measures to impede any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights of another person with intent or recklessness may be sentenced 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 shall also be taken into consideration, as well as personal injury.

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 with imprisonment up to three years or a fine.
PATENTS

NATURE OF RIGHT
Patent rights cover 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 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.

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

LEGAL FRAMEWORK
Patents are governed by:

i. Title II, Chapter I, Subchapter I of the Industrial Property Code (Articles 51 to 116);


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, wholly or partially, whether or not for financial reward. Patents may also be licensed, 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 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, if the interested party so requests, order the appropriate measures to impede any imminent violation or to prohibit continuation of the violation.
Whoever illegally violates the industrial property rights of another person with intent or recklessness may be sentenced 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 shall also be taken in consideration, as well as personal injury.

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 with imprisonment up to three years or a fine.

**TRADEMARKS**

**NATURE OF RIGHT**

A trademark is a sign (or a combination of signs) capable of being represented graphically (e.g. words, drawings, letters, numbers, sounds, the shape of goods or of their packaging) provided that such signs are capable of distinguishing the goods or services of one company from those of other companies.

The registered trademark confers on the proprietor the right to prevent third parties not having his consent from using in the course of trade any sign which is identical or similar with the trademark in relation to goods or services which are identical or similar with those for which the trademark is registered and where, because of its identity with or similarity to, there exists 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 222 to 270);


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 in effect for 10 years starting from the date of the concession and may be indefinitely renewed for equal periods.
OWNERHIPS/LICENSES
Trademarks can be transferred, wholly or partially, whether or not for financial reward. Trademarks may also be licensed, 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 Portuguese 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, if the interested party so requests, order the appropriate measures to impede any imminent violation or to prohibit continuation of the violation.

Whoever illegally violates the industrial property rights of another person with intent or recklessness may be sentenced 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 shall also be taken in consideration, as well as personal injury.

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 with imprisonment up to three years or a fine.

The sale of counterfeit products is punishable with imprisonment up to one year 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. Article 318 of the Industrial Property Code;

ii. Articles 195 and 196 of the Criminal Code.
DURATION OF RIGHT
Information is protected as secret as 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
The acquisition or use of trade secrets of a competitor is punishable under unlawful competition provisions, with a fine between Euro 3000 and Euro 30000 if the infringer is a legal person, and from Euro 750 up to Euro 7500 if the infringer is a natural person.

Trade secret violation or undue use may also be criminally punished with imprisonment up to one year or a fine.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
The right to patent shall belong to the inventor or his 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.

Computer programs that are developed by a company are presumably owned by the company. If a computer program was created by an employee in the exercise of his functions or according to the instructions provided by the employer, the employer shall be the owner of the rights over the programs, except when otherwise stated or implied in the purposes of the contract.

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.

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS
There are no general requirements under Portuguese law that provide that contracts must be written in Portuguese.

COUNTRY-SPECIFIC ISSUES FOR ONLINE TERMS

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS
Online terms are, in principle, enforceable, if 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 otherwise provided for by law.

KEY COMMERCIAL CONTRACT TERMS

ENFORCEABILITY OF WARRANTY DISCLAIMERS
Warranty disclaimers are enforceable as a general rule. Notwithstanding, the law may provide some restrictions on the enforceability of warranty disclaimers, e.g., for reasons of consumer protection.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
Enforceability of exclusions or limitation of liability is limited by the provisions of the Civil Code.

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 with 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.
RUSSIA

INTELLECTUAL PROPERTY FRAMEWORK
As a general matter, intellectual property rights are governed by Part IV of the Russian Civil Code.

COMMERCIAL CONTRACT FRAMEWORK
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).

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
Copyright protection is available to works having a creative character and pertaining 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 his work, the right to indicate or not indicate his 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 of the main international copyright treaties and conventions such as 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 one 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 the monetary compensation in the amount from 10,000 to 5,000,000 Russian Rubles, or in double amount of cost of originals of the work or imputed license fee; and

(iv) demand seizure of media bearing infringing objects.

Criminal penalties may also apply under certain circumstances.

**MASK WORKS**

**NATURE OF RIGHT**

The topography of a semiconductor product is a series of fixed or encoded correlated designs, representing the three-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 ten 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 year 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 licensed, 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 three-dimensional marks, sounds etc. 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 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 ten years from the filing date (unless the registration is waived by the owner) and it can be renewed, within the date of expiration, for 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:

(i) demand to stop infringement;

(ii) demand to redress damages in full;

(iii) as an alternative to claiming damages, to demand the monetary compensation in the amount from 10,000 to 5,000,000 Russian Rubles, or in double amount of cost of counterfeit originals or imputed license fee; and

(iv) 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; and

(iii) is subject to 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 should the owner be able to 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.

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 above 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, 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 some 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.” Also, Russian counterparties may request a Russian translation for administrative purposes (such as tax inspections).

COUNTRY-SPECIFIC ISSUES FOR ONLINE TERMS
In relation 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/enforceability of online terms. In most cases, however, such online terms should be deemed binding if accepted by the addressee (e.g., 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 (e.g., registration of contract, currency control regulations, consumer laws etc.).

KEY COMMERCIAL CONTRACT TERMS

ENFORCEABILITY OF WARRANTY DISCLAIMERS
Warranty disclaimers may be recognized as not valid 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
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, and this concept is still very new and untested.
ELECTRONIC SIGNATURES

The requirements for electronic signature (ES) in Russia are regulated by Federal Law “On the electronic signature” dated April 6, 2011 (ES Law). Under 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 two types of the electronic signatures: (i) simple electronic signature and (ii) 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 by the use of 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 signature, 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:

(i) the parties have expressly agreed to use electronic signature when exchanging messages through the relevant electronic messaging system;

(ii) rules established in the relevant electronic messaging system for use of electronic signatures are complied with; and

(iii) the electronic message contains information regarding the person on behalf of whom the electronic message was generated and/or sent.

The parties’ agreement on exchanging messages through an electronic messaging system must at least also contain provisions related to:

(i) identification of a person signing electronic messages based on its simple electronic signature; and

(ii) the parties’ obligation to keep the means for generating the simple electronic signature (e.g., codes, passwords) confidential.

An enhanced electronic signature is produced by certification centers (accredited certified centers in case of qualified electronic signature) and shall be used in documents which require a seal. The enhanced electronic signature is more 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 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 Ministry of Telecom and Mass Communications of the Russian Federation. The Ministry keeps a register of qualified electronic signature that can be accessed to verify such electronic signature.
SAUDI ARABIA

INTELLECTUAL PROPERTY FRAMEWORK

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

Unlike a number of the Gulf Cooperation Council (GCC) jurisdictions, the KSA does not have a unified Civil Code or Commercial Code that governs commercial transactions. The principles of Shari’a, which are not codified, apply to the interpretation of contracts in the KSA.

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 contracts with government entities caught by the Government Tenders and Procurement Law (enacted by Royal Decree No. M/58, dated 4 Ramadan 1427H (corresponding to 27 September 2006)) and its implementing regulations. There are also specific electronic transactions regulations which govern the use of electronic signatures. The Saudi Arabian Monetary Authority (SAMA) oversees, amongst other things, banking activities in the KSA.

As a civil law jurisdiction, there is no concept of judicial precedent, 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 would view a particular matter.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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
Copyright is governed by 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).


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
The following remedies can be applied in the event of violation of the Copyright Law:

(i) A warning to the violator;

(ii) A fine not exceeding SAR 250,000 (the penalty may be doubled for a repeat offender);
(iii) Financial compensation for the copyright owner and a separate cause of action for defamation where considered appropriate;

(iv) A temporary injunction;

(v) A temporary shutdown of the violating establishment for a maximum of two months (the penalty may be doubled for a repeat offender);

(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 two years;

(vii) Confiscation of violating goods/copies of the work and the materials used or intended for use in copyright infringement; and

(viii) A jail term of up to six months (the penalty may be doubled for a repeat offender).

MASK WORKS

NATURE OF RIGHT
Mask works do not benefit from specific protection under the law in the KSA.

PATENTS

NATURE OF RIGHT
Patents are available for inventions, layout-designs of integrated circuits, plant varieties and industrial designs.

Patent applications are made to the General Directorate of Patents at King Abdulaziz City for Science and Technology (Directorate).

LEGAL FRAMEWORK

DURATION OF RIGHT
KSA Patent protection is valid for a period of 20 years from the date of filing the application.

Layout-design certificate protection is valid for 10 years from the date of filing the application for the same or 10 years from the start of its commercial exploitation (but in any case no longer than 15 years).

Plant patent protection is valid for 20 years from the date of filing the application. However, the protection period for trees is 25 years.

An industrial design certificate protection is valid for a period of 10 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 six GCC countries. Subject to the continued payment of maintenance fees, the term of a GCC patent application is 20 years from filing date.
OWNERSHIP/LICENSES
The general position is that the employer is the owner of the protected document unless an employment contract specifies otherwise. Any assignment of the patent or patent application must be in writing, signed by all parties and approved by an authority acceptable to the Directorate.

There are certain circumstances where compulsory licenses may be granted to third parties to exploit an invention covered by patents.

REMEDIES FOR INFRINGEMENT
Remedies under the Patents Law can include:

(i) An injunction;
(ii) A fine of up to SAR 100,000 (which may be doubled for a repeat offender);
(iii) A possible jail term;
(iv) Naming and shaming in two daily newspapers and the Official Gazette (the cost of which is borne by the party in breach); and
(v) Further liability arising from other laws.

TRADEMARKS

NATURE OF RIGHT
Under the Trademarks Law, trademarks include names, distinct shapes, signatures, words, letters, numbers, drawings, symbols, stamps and protruding inscriptions or any other sign or combination thereof which can be recognized by sight and suitable to distinguish industrial, commercial, vocational or agricultural products or a project to exploit forests or natural resources or to indicate that the object upon which the trademark is put belongs to the owner of the trademark on grounds of manufacture, selection, invention thereof, or trading therewith, or to indicate the rendering of a certain service.

An application for trademark registration is submitted to the trademark register at the Ministry of Commerce and Industry. 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
Trademarks are governed by the Law of Trademarks (promulgated by Royal Decree No. M/21 of 28 Jumada I 1423 (corresponding to 7 August 2002)), and its implementing regulations (Trademarks Law).

DURATION OF RIGHT
The period of protection for a trademark is 10 years (subject to rights of renewal).

OWNERSHIP/LICENSES
Joint ownership of a trademark is recognized in certain circumstances. A trademark may be sold, pledged or licensed to a third party by the registered owner.
REMEDIES FOR INFRINGEMENT
A wronged party can seek damages/compensation for infringement of its rights and harm suffered. In addition, the Trademarks Law stipulates certain penalties for trademark infringement depending upon the nature of the offense. For example, it is an offense to, amongst others, commit a forgery of a registered trademark or to imitate it in a way that is considered to mislead the public, or to use in bad faith an imitated or forged trademark on products or services. These offenses carry a jail sentence of up to one year and a fine between SAR 50,000 and SAR 1 million. These penalties may be doubled for repeat offenders. Additional penalties include potential closure of the place of business for between 15 days to six 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 five 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.
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 patent protection document (subject to certain exceptions, for example, the work contract stipulating otherwise). That said, there are provisions in the Patents Law that provide for an employee’s right to receive a special award (either agreed between the parties or a committee formed with members nominated by the President of the King Abdulaziz City for Science and Technology).

CONSULTANTS/CONTRACTORS
Please see our comments above 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 (except agency, distribution and franchise agreements which generally require registration, subject to the satisfaction of certain requirements under the law).

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS
The preferred language for commercial agreements is Arabic. The KSA courts will consider all documents in Arabic.

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
Generally, in the KSA, even if you state the law of a foreign jurisdiction as the governing law of the contract, if it is considered that there is sufficient nexus (e.g., one of the contracting parties is Saudi, or the dispute involves property or an obligation originating from the KSA), the courts may accept jurisdiction and hear any dispute. The KSA courts generally apply KSA law to disputes falling under its jurisdiction, regardless of the parties’ agreement.
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
Limitations of liability are rarely enforced in the KSA courts even if the parties to a commercial contract agree to such limitation. If a party can demonstrate to a KSA court that it has suffered actual and direct losses as a result of the fault of the other party, the party at fault may be held liable for such losses, notwithstanding exclusion/limitation wording.

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. 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).

The extent to which the KSA courts would accept electronic signatures is somewhat uncertain, as there is no system of precedent and cases are not published as a matter of course. It may therefore be prudent to have contracts/documents also physically signed on paper.
SINGAPORE

DLA Piper Singapore is not permitted to practice Singapore law pursuant to local regulation. If you require further details, please contact Scott Thiel (scott.thiel@dlapiper.com) and we will assist with the obtaining of any specific Singapore legal advice.

INTELLECTUAL PROPERTY FRAMEWORK

Intellectual property rights are governed by a body of local legislation in Singapore such as the Intellectual Property Office of Singapore Act (Cap. 140), Patents Act (Cap. 221), Copyright Act (Cap. 63), Registered Designs Act (Cap. 266) and Trademarks Act (Cap. 332) among others. The Intellectual Property Office of Singapore oversees and advises on the application of this legislation.

COMMERCIAL CONTRACT FRAMEWORK

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 third parties under contracts (Contracts (Rights of Third Parties) Act (Cap. 53B)), unfair contract terms (Unfair Contract Terms Act (Cap. 396)) and restitution in frustrated contracts (Frustrated Contracts Act (Cap. 115)).

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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 a writing or a recording.

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 framework for the protection of copyright in Singapore is found in the Copyright Act (Cap 63). Singapore also acceded to the Berne Convention on September 21, 1998 which came into force in Singapore on December 21, 1998. Any artistic work which is applied to a product and industrially produced will no longer fall under the protection of the Copyright Act and instead the Registered Designs Act (Cap. 266) will apply.
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
Generally, the creator owns the copyright. However, if an employee creates a work according to the terms of his employment contract, the employer will own the copyright and 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. If a portrait/photograph/ engraving work is commissioned, the person who has commissioned the work will own the copyright. If any other sort of work is commissioned the commissioned party shall hold the copyright unless agreed otherwise in writing. Copyright owners may transfer their rights to other parties either partially or wholly.

REMEDIES FOR INFRINGEMENT
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 (e.g., damages, an account of profits, statutory damages) or an order for delivery of and disposal of the infringing copies.

MASK WORKS
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. A citizen or resident of Singapore, or 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 (Cap. 159A).

DURATION OF RIGHT
Any integrated circuit which is created after February 15, 1999 will be protected for ten years if it is first used commercially within five 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.

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 that 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 his 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 (Cap 221). Under the Patents Act an application may be made to the Registry of Patents for the grant of a patent.


DURATION OF RIGHT
Once it is granted, the term of a patent is 20 years from the date of filing, subject to the payment of annual renewal fees.

OWNERSHIP/LICENSES
Patent owners may license their patents to a third party.

REMEDIES FOR INFRINGEMENT
The patent owner and his exclusive licensee are entitled to take legal action against an infringing party. Remedies available to the patent owner and his 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 trademark is a sign that one can use to distinguish its goods or services from those of others.

Registration of a trademark 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
Trademark registration in Singapore is governed by the Trade Marks Act (Cap. 332). It is not compulsory to register a trademark in Singapore; one may also rely on rights under the common law doctrine of “passing off” to protect a trademark.


DURATION OF RIGHT
A trademark can last indefinitely but an owner must renew the registration every ten years.

OWNERSHIP/LICENSES
The owner of a trademark may authorize others to use their trademark by way of license or assignment.

REMEDIES FOR INFRINGEMENT
Remedies available to the owner of a trademark 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
The law on the protection of confidential information protects ideas and information not in the public domain, including trade secrets. This law is not codified in Singapore and is generally contractually controlled.
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 perimeters set by these key individuals on behalf of the company.

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.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
It is commonplace for employers to include confidentiality clauses in employment agreements in Singapore.

If a trademark, work or a design is created by an employee in the course of his employment, the trademark, work or design will be owned by the employer rather than the employee.

CONSULTANTS/CONTRACTORS
It is commonplace for contractors and consultants to be subject to confidentiality clauses in Singapore.

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 detailed above), unless otherwise agreed in writing.

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.

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS
Online/Clickwrap/Shrinkwrap contracts are generally enforceable in Singapore. Online transactions are regulated by the Electronic Transactions Act (Cap. 88). This sets out the regulations surrounding the formation of contracts through online and electronic means and enforceability of these contracts.

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
Warranty disclaimers are widely used in Singapore and are generally enforceable.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
Exclusions and limitations of liability are common and generally enforceable in Singapore. However, this is subject to Section 3(2)(a) of the Singapore Unfair Contract Terms Act (Cap. 396). 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 his liability if the other party is in breach of the contract, except if such an exclusion or restriction satisfies the requirement of reasonableness.

INDEMNIFICATION
Express indemnities stated in contracts are common and enforceable and generally respected in Singapore. However, this is subject to Section 4(1) of the Singapore Unfair Contract Terms Act (Cap. 396), 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, except in so far as the contract term satisfies the requirement of reasonableness.

ELECTRONIC SIGNATURES
Electronic signatures are, in most circumstances, recognized and enforceable in Singapore. Save for excluded matters set out in the First Schedule of the Electronic Transactions Act 2010 (such as wills, negotiable instruments and contracts relating to land), an electronic record or signature will not be denied effect 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) a method is used to identify that person and indicate his intention in respect of the information contained therein; and (b) the method used is either (i) reliable for the purpose of the electronic record, considering all the circumstances; or (ii) proven in fact to have identified the person and indicate his intention in respect of the information contained therein.
SOUTH KOREA

INTELLECTUAL PROPERTY FRAMEWORK
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).

COMMERICAL CONTRACT FRAMEWORK
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.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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 his death (an individual author of a cinematographic work or a computer program 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
Joint ownership of copyrights is recognized. To exercise copyrights is a jointly owned work, consent from all joint owners are required. Non-exclusive licenses are available. An exclusive right against third parties is recognized only for the right of publication (including publication rights for computer programs).

REMEDIES FOR INFRINGEMENT
Remedies available for infringement are:

(i) criminal action;
(ii) preliminary injunction;
(iii) permanent injunction; and
(iv) damages.

Under the CA, infringement of a copyright is punishable by imprisonment of up to five years or a fine of up to ₩50 million ($50,000), as determined based on the particulars of each case.

In addition, the CA also provides for imprisonment of up to three years or a fine of up to ₩30 million ($30,000), if:

(i) 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 pursing a legal action against the infringer;

(ii) if a person manufactures or distributes equipment that descrambles or decodes encrypted broadcast signals;

(iii) if a person forges copyright labels to be attached to a work (e.g., a DVD), or transacts labels beyond the permitted scope; or

(iv) if a person emits signals to a third party without legitimate authority before the work is broadcast.

Also, 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 one year imprisonment or a fine of up to ₩10 million ($10,000).

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 ₩10 million ($10,000) in statutory damages (or ₩50 million ($50,000) 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**

**NATURE OF RIGHT**
The SCA defines a protectable layout-design as a plane or three 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 ten years from the date of registration. However, the term shall not exceed ten 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 three years or a fine of up to ₩50 million ($50,000). 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.

As 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 four years from the filing date of the application or more than three 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 three 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:

(i) criminal sanction (quite rare);
(ii) preliminary injunction;
(iii) permanent injunction; and
(iv) damages.

TRADEMARKS

NATURE OF RIGHT
A trademark is defined as any of the following, which is used on goods related to the business of a person who carries on business activities, such as producing, processing, certifying or selling such goods, to distinguish them from the goods of others:

(i) a sign, character, figure, three-dimensional shape, color, hologram, motion or any combination; and

(ii) any other visually recognizable characteristics.

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.

LEGAL FRAMEWORK
Protection of trademarks is governed by the TMA and the UCPA.
DURATION OF RIGHT
The term of protection is ten 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:

(i) criminal sanction;
(ii) preliminary injunction;
(iii) permanent injunction; and
(iv) damages.

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 maintained through substantial effort.

The UCPA defines infringement of a trade secret to include the following:

(i) Acquiring a trade secret through larceny, embezzlement, coercion or other improper methods (i.e., 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);

(ii) 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;

(iii) 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;

(iv) 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;

(v) Acquiring a trade secret knowing (or being grossly negligent in not knowing) that the trade secret had been revealed in the manner set out in item (iv) above, or that the trade secret had otherwise been the subject of such revelation, or subsequently using or revealing a trade secret so acquired; and
(vi) 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 in item (iv) above, or that the trade secret had otherwise been the subject of such revelation.

LEGAL FRAMEWORK
Trade secrets are protected by the UCPA and the Act on Protection and Prevention of Disclosure of Industrial Technology (Industrial Technology 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 five years of imprisonment or a fine of at least twice (not to exceed ten times) the pecuniary amount gained from such acts. The penalty is aggravated in case the trade secret is used overseas or disclosed to a third party knowing that such trade secret will be used overseas (maximum ten years of imprisonment, the fine is the same as above). In addition, the employer (company or an individual) of an employee who committed acts in violation of the law is vicariously liable unless the employer can prove that it was not negligent in preventing such act.

A person who commits illegal use or disclosure of Industrial Technology shall be punished by imprisonment of up to five years or by a fine of up to ₩500 million ($500,000). 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 ten years or by a fine of up to ₩1 billion ($1 million). Similar to the UCPA, the employer (company or an individual) of an employee who committed acts in violation of the law is vicariously liable unless the employer can prove that it was not negligent in preventing such act.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
In Korea, the right to a patent belongs to the inventor or his 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, e.g., by contract or inheritance.

The Invention Promotion Act (IPA) defines a “work for hire” invention as an invention that results from: (i) present or past duties of the employee and (ii) 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 who
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 his employer (when two 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 four months from the above invention completion report by the 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 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:

(i) 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;

(ii) 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;

(iii) 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% of the employees;

(iv) 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 exclude a third 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 third 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 third-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 third-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 third-party purchaser in the way that the third 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 Electronic Transactions Basic Law (ETBL) 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 contact 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 (i) the case is not under exclusive jurisdiction of Korean Court under Korean law; (ii) the foreign court in question selected by the parties has valid jurisdiction under the laws of the foreign court; (iii) the case has reasonable connection with the foreign jurisdiction; and (iv) 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
Under Korean law, damage claims are made for compensation of (i) ordinary damages and (ii) 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 (i) public policy and general principles of equity under the KCC and (ii) 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 third-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 has the same effect as a signature as agreed to between the parties. Therefore, such electronic document executed by an electronic signature will be valid and enforceable. In addition, under the Electronic Signature Act, if a certified electronic signature (i.e. electronic signature that is based upon an authorized certificate) is affixed on an electronic document, it is presumed that such electronic signature is the signature of the relevant signatory and that there has been no alteration in the contents of such electronic documents after it was signed. However, such presumption does not apply to non-certified electronic signatures.

With respect to the signature, there is always a potential issue with verification of the authenticity of such signature. Also, under the same Act, if a certain document is required to be signed pursuant to certain legislation, then the electronic signature is deemed to meet the legal requirement when certified as such.
Spain

Intellectual Property Framework

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

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 five 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 two 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.

Recognized Intellectual Property Rights

It is important to point out that under Spanish Law there is a strong culturally-based divide inside the international category of “intellectual property.” Copyright and rights of authorship are branded as “intellectual property” while rights regarding patents and trademarks, are branded as “industrial property.” Contractual definitions should take this into account to avoid undesired outcomes.

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

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 third 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 (i) the cessation of the infringing acts; (ii) damages; (iii) seizure of the infringing goods; (iv) to be awarded the seized objects or their means of production; (v) all necessary steps to prevent the continuation of the infringement; and (vi) 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 recently modified and further strengthened, including prison sentences up to six 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. He 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. He 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**

**NATURE OF RIGHT**
The topographies of semiconductor products, in other words the three-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**

**DURATION OF RIGHT**
The exclusive rights shall expire ten years from the earlier of the following two dates: (i) the end of the calendar year in which the topography was first commercially exploited anywhere in the world or (ii) 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: (i) reproduction of a topography with the exception of reproduction for private and non-profitmaking purposes and (ii) 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. Under such circumstances, the relevant Sections of Law 11/1986 on Patents would apply.

**REMEDIES FOR INFRINGEMENT**
The owner of a topography may exercise its rights before the courts of ordinary jurisdiction the civil actions and measures provided for in Law 11/1986 on Patents, as discussed below.

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 him 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 three main requirements to obtain a patent are that the invention must (i) be new, i.e., novel; (ii) involve an inventive step; and (iii) 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 main law regulating patent protection is the Law 11/1986 on Patents. 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) will enter 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) will be 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 the coming years, 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 himself.

**REMEDIES FOR INFRINGEMENT**

According to the Spanish Law 11/1986 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 his rights and he may demand the necessary measures to safeguard those rights.
The owner whose patent rights have been infringed may, in particular, seek: (i) cessation of the acts that infringe his rights; (ii) compensation for the damages suffered; (iii) seizure of the objects produced or imported in infringement of his rights, as well as the means used for such production or for carrying out the patented process; (iv) 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; (v) 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 (vi) publication of the judgment against the person infringing the patent, at his 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 he has suffered, but also the profits lost through infringement of his 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 his rights through defective manufacture or unsatisfactory presentation of the invention on the market.

**TRADEMARKS**

**NATURE OF RIGHT**

Words or combinations of words, figures, symbols and drawings, letters, numerals and combinations, three-dimensional shapes, including wrappers, containers and the shape of goods or their packaging, 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: (i) national system; (ii) international system; and (iii) Community trademark.

**LEGAL FRAMEWORK**

In Spain, the main law regulating trademark protection is the Law 17/2001 on Trademarks. 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 he wishes to obtain protection.

The Community 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 ten years and can be renewed indefinitely for further ten-year periods subject to the payment of the appropriate fees. However, the registration may lapse or be revoked if (i) the trademark is not renewed; (ii) it is not effectively used during an uninterrupted five-year period; or (iii) it becomes generic or deceptive in connection with the goods or services it covers.

Community trademark registration is valid for ten years. This period can be renewed for further ten-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 his 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: (i) the cessation of the acts infringing his right; (ii) the compensation for the damage suffered; (iii) 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; (iv) 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 (v) 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 Unfair Competition Act as well as criminal proceedings under the Criminal Code.

LEGAL FRAMEWORK

Trade secrets are mainly protected in Spain under the Unfair Competition Act, the Criminal Code and TRIPS Agreement (Spain being signatory since 1995) containing 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.
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.

OWNERSHIP/LICENSES
Trade secrets are not subject to a specific property right, and the protection is achieved indirectly by declaring that someone is unlawfully using trade secrets and then acting against that unauthorized access and exploitation. It is, however, accepted that they are intangible assets which may be subject of economic transactions. The assignment and licensing of know-how are clear examples.

There is no specific regulation for the license agreements on trade secrets or, the know-how license agreements. They are subject to the general rules for legal agreements, and in some cases and by analogy, to those of patent license agreements.

REMEDIES FOR INFRINGEMENT
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 seven years in most serious cases and fines of up to 24 months.

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 11/1986 on Patents sets forth that inventions made by an employee during the term of his contract, work or service with a company, and which are the result of research that is explicitly or implicitly the object of his contract, shall belong to the employer. The employee will have the right to an additional remuneration in case that his personal contribution to the invention and the relevance for the company exceeds the scope of the tasks regulated in his employment agreement.

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 his professional activity and the knowledge gained within the company has had a decisive influence thereon or he has 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.

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 his duties or following instructions given by his 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 third 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, e.g., check 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.
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
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 governed by Electronic Signature Act 59/2003. Regulation (eu) 910/2014 of the European Parliament and of the Council shall apply within the EU territory from July 1, 2016 (except for a number of provisions that are already in force or that will enter into force at a later date).

There are different types of electronic signatures:

(i) simple electronic signature, i.e. data in electronic form which is attached to or associated with other electronic data and which serves as a method of authentication;

(ii) advanced electronic signature, which is (a) capable of identifying the signatory, (b) uniquely linked to the signatory, (c) linked to the data signed therewith in such a way that any subsequent change in the data is detectable, and (d) created using electronic signature creation data that the signatory can use under his sole control; and

(iii) qualified (“recognized”) electronic signature, i.e. 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.
SWEDEN

INTELLECTUAL PROPERTY FRAMEWORK

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

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) ("Avtalslagen") (Contracts Act). 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 (one-sided).

Mandatory provisions apply in a business-to-consumer situation.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
Copyrights protection is available for original works that are literary or artistic. The individual creator is entitled to copyright to the work. No registration or fixation is required; the right arises at the time of creation.

Copyright owners have the exclusive right to reproduce and distribute the work. Distribution includes transmission to the public, public performance, public display and distribution of copies.

Moral rights are recognized.

LEGAL FRAMEWORK
The Copyrights Act ("Lag om upphovsrätt till litterära och konstnärliga verk (SFS 1960:729)") governs copyrights.

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, catalogues 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.

**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. No formal requirements for licenses.

**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.

It is possible to obtain a court order for destruction of infringing products and equipment used in the manufacture thereof, as well as to seek to prevent importation of goods that are infringing.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.

**Mask Works (Topographies)**

**Nature of Right**
The right to topographies 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 parts which are commonly used in the semiconductor industry are only protected if the combination of the parts meets 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 in other similar ways.

**Legal Framework**

**Duration of Right**
The right lasts for ten years from the year when the topographies or semiconductor was first used commercially in any part of the world.

If the topography or semiconductor has yet to be used commercially, the right expires fifteen years after the year on which the topographies or semiconductor was created.

**Ownership/Licenses**
The right is granted to the individual person who has invented the topographies provided that he is a citizen of the European Economic Area (EEA), or is domiciled in a country part of the EEA.
The right to topographies created by an employee during the course of an employment is granted to the employer provided that nothing else has been agreed and the employer is an individual who is a citizen of or is domiciled in a country part of the EEA or a legal person which conducts business in such country.

In the event that the right to the topographies does not follow from the sections above, the right is granted to such natural or legal person who fulfills the requirements regarding the connection to the European Economic Area provided that such a person has been granted the exclusive rights to exploit the topographies commercially in the entire economic area and first uses the topographies commercially in a country which is part of such area.

The right is also granted to the person who has assumed the right from those mentioned above.

**REMEDIES FOR INFRINGEMENT**

Remedies for 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 obtain court order for destruction of infringing products and equipment used in the manufacture thereof, as well as to seek preventing importation of goods that are infringing.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.

**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:

(i) Patents Act (1967:837) *(Patentlagen)* pertains to the protection of Swedish patents; and

(ii) The European Patent Convention (EPC) pertains to the protection of European patents.

Sweden became a party to the Patent Cooperation Treaty (PCT) in 1978.


Sweden has also signed the Paris Convention, the TRIPS Agreement and the London Agreement.
DURATION OF RIGHT
Patents have a duration of 20 years from the filing date of the application. 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 seek preventing importation of goods that are infringing 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.

TRADEMARKS

NATURE OF RIGHT
A trademark may consist of any signs capable of being represented graphically, 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 third parties from using the same or similar marks commercially for identical or similar goods and services as those protected by the trademark.

LEGAL FRAMEWORK
The Swedish Trademark Act (Varumärkeslagen (2010:1877)) 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 consumers at which it is directed.


Sweden became member of the Madrid Protocol in 1995.

Sweden became party to the Trademark Law Treaty in 1995.


Sweden has also signed the Paris Convention, the TRIPS Agreement and the Nice Agreement.
DURATION OF RIGHT
Registered Swedish trademarks are in effect for ten years from the date of registration and are renewable indefinitely.

Unregistered Swedish trademarks are in effect for as long as the trademark fulfills the requirements for unregistered protection.

Registered Community trademarks are in effect for ten 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 OHIM’s register over Community trademarks. However, registration of licenses is not compulsory and does not affect their validity.

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. Costs and reasonable attorneys’ fees can also be recoverable.

It is possible to seek preventing importation of goods that are infringing 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

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.
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.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
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 his tasks or by following instructions of the employer will be transferred to the employer. Other works made by an employee remains the property of the employee, unless otherwise agreed. Some collective labor agreements, for example within the mass media sector, provides acquisition rights in the employee’s copyright.

A copyright transfer may be implied, and if not otherwise expressly agreed, the employer may under certain circumstances be entitled to use the employee’s work to the extent necessary for running its business. It is customary for employees to sign copyright assignment and confidentiality agreements.

The right to a semiconductor product topographies created in an employment relationship belongs to the employer, unless otherwise agreed.

Pursuant to the Act of an Employee’s Inventions (Lagen om rätten till arbetstagares upptäckningar SFS 1949:345), 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 made by an employee as part of his tasks. Employees have a mandatory right to reasonable compensation for such transfer.

CONSULTANTS/CONTRACTORS
It is customary for consultants and contractors to sign written agreements. Absent such a written agreement, the consultant/contractor retains the ownership of the intellectual property developed by them, even if contracted and paid for by another party, as a general principle.

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 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 legally required, Swedish is recommended for contracts in a business-to-consumer situation to avoid any arguments by customers that he is not to be bound by the agreement because he was not able to understand the content thereof. If English is used however, ‘plain English’ that is consumer-friendly is preferred.

**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 (e.g. 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 (*Lagen om elektronisk handel*).

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.

In a business-to-consumer situation, specific rules may apply.

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 (*Köplagen (1990:931)*) 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; and

(iv) be packaged in the customary or otherwise satisfactory manner, if packaging is required in order to preserve or protect the goods.

If the goods deviate from the provisions of the first or second paragraphs or in some other respect deviate from the buyer’s reasonable expectations, the goods shall be deemed to be defective.

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
Sellers in their contracts for the sale of goods customarily exclude indirect 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 personal injury, death, intent and gross negligence are not enforceable.

In consumer situations, a term which disclaims the provider’s liability in cases of personal injury or death is presumed to be unfair. The same applies to a contractual term which disclaims all liability in cases of gross negligence and for contractual terms 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.

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.
SWITZERLAND

INTELLECTUAL PROPERTY FRAMEWORK

Intellectual property rights are governed by Federal statutes and by international treaties.

COMMERCIAL CONTRACT FRAMEWORK

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.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT
Copyright protection is available for intellectual creations of literature or art that have a distinct character. Copyright protection also applies to computer programs and related rights that include the rights of performing artists, of producers of phonograms and videograms and the rights of broadcasters to their products.

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
Federal Act and Federal Ordinance on Copyright and Neighboring Rights governs copyrights. Switzerland became a signatory to the Berne Convention in 1956.

The Swiss Federal Government has recently initiated a revision of the Copyright Act. It is expected to be passed within few years.

DURATION OF RIGHT
Copyright protection lasts for the life of the author plus an additional 70 years, with an exception for computer programs, for which the protection ends 50 years after the death of the author.

Protection for related rights expires 50 years after the performance, publication or production of the work. The right of a performing artist to be named as the artist (moral rights) expires with the death of the artist, but in any event no earlier than 50 years after the performance.
OWNERSHIP/LICENSES
Joint ownership of copyrights is recognized. Switzerland follows a system of Legal Licenses, which means that the law itself authorizes the private use of published works under certain circumstances. A system of Mandatory Licenses also exists concerning the creation of phonograms.

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.

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 three-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 one of the following preconditions is fulfilled: (i) production by a Swiss manufacturer or a person whose normal place of residence or place of business is in Switzerland; (ii) first publication in Switzerland; or (iii) protection in Switzerland based on an international treaty.

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 ten 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 two 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
Declaratory actions, actions for performance and actions for damages are available remedies for infringement. Also, actions can be sought for confiscation of unlawfully produced topographies, except for products acquired in good faith.
Injunctive relief and publication of judgments are also possible remedies.

It is possible to seek preventing importation of infringing goods.

Criminal penalties are also possible.

**PATENTS**

**NATURE OF RIGHT**

Patents protect 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 patents.

**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**

A word, a combination of letters, numericals, graphic images, three-dimensional forms, slogans, a series of tones, or any combination of these elements which distinguish the products or services of one business from another can be protectable as a trademark.

Trademark rights become effective upon their registration.

**LEGAL FRAMEWORK**

Trademarks are governed by the Federal Trade Mark Protection Act and Federal Ordinance on Trademarks.
DURATION OF RIGHT
Trademark registrations remain in effect for ten 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 preventing importation of infringing goods.
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

DURATION OF RIGHT
There is no specific time limitation for protection. Trade secrets are protected by law as long as they remain 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, or if secrecy is contractually agreed upon between employer and employee.

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.
Injunctive relief and publication of judgment are also available remedies in certain circumstances.
Criminal penalties are possible in some cases.
INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
Inventions and designs created by the employee in his function as an employee and in fulfillment of his contractual duties belong to the employer. The same applies to software copyrights but not to all other copyrights. Therefore, it is advisable to include contractual clauses dealing with the transfer of copyrights from employees to employers in employment agreements.

Non-technical trade secrets are not transferred to the employer.

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.

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 in order to have a license effective as to third parties.

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS
English language is recognized and enforced in both business and consumer-facing contracts. However, it is recommended that one of the official Swiss languages is used for contracts with consumers.

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS
Shrinkwrap terms are not valid. The terms of the license must be made available to the consumer before the opening of the package.

Online and Clickwrap terms are enforceable if they are visible, easily available and phrased clearly.

GOVERNING LAW
Governing law and forum specified in a commercial contract will generally be accepted and recognized by state courts.

Dispute resolution is 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
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 if a party caused the damage with slight or medium negligence.

Liability for auxiliary persons, such as employees, may be waived entirely.

INDEMNIFICATION
Indemnification provisions are often used and are generally enforceable.

ELECTRONIC SIGNATURES
As most contracts under Swiss contract law do not require a specific form, generally the parties may validly execute contracts by exchanging electronic messages, provided that the parties and the contents of their respective messages are identifiable. 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 by a text.

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. The procedure is based on a certification infrastructure managed by third party providers. If such third party provider is further approved by an appointed authority, its issued electronic signatures are being treated equal to handwritten signatures. Thus, the procedure may be used for contracts that require a handwritten form. Nevertheless, this procedure is used very rarely in practice.
TURKEY

INTELLECTUAL PROPERTY FRAMEWORK

In general, industrial property rights are governed by Decree Laws. Currently, there are draft laws to update and replace the Decree Laws. Copyrights are governed by a separate law. However, most of the international intellectual property conventions have been ratified by Turkey and as a result the framework governed intellectual property are generally harmonized with the international standards.

COMMERCIAL CONTRACT FRAMEWORK

Commercial contracts are governed by the Turkish Code of Obligations and Turkish Commercial Code, among other laws.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT

Copyrights are available for science, literary, artistic, music and cinematographic works that have originality. Additionally, neighboring rights are recognized for original interpretation, promotion, execution of existing works, first-recorder phonogram makers and radio-television organizations. Also, related rights cover the above-stated neighboring right owners and the first-recorders of films.

LEGAL FRAMEWORK

Copyrights are governed by the Law on Intellectual and Artistic Works dated 1951. Turkey became signatory to the Berne Convention in 1995.

DURATION OF RIGHT

The protection period is the lifetime of the owner and 70 years after his death.

OWNERSHIP/LICENSES

There is no need for registration to establish ownership. There are special arbitrary registries to facilitate proof of rights. There are punishments in case of false registries, i.e., registering material and moral rights that do not exist.

The same arbitrary registration principle prevails for license agreements as well.

REMEDIES FOR INFRINGEMENT

There are legal and criminal punishments for infringement of copyrights.

Legal remedies include prevention of infringement (for possible future infringements), enjoining infringement (for currently present infringements) and compensation. In case of infringement of material rights, the right owner is entitled to demand treble of the contract or market value if such a license contract would have been concluded with the infringer. The right owner is also entitled to demand all other rights that could infer from such a contract. Additionally, the infringing copies that are placed on market or are about to be placed on the market could be collected by the right owner.
Criminal punishments of one to five years are possible for those who copy, distribute, change original works; two to five years for those who hold themselves out as the owner of the work; six months to two years for plagiarism; six months for those who reveal content of an unpublished work; three months to one year for those who publish works under a renowned person’s name; six months for deceiving/false sources. These penalties can be decreased if the accused cooperates with authorities. Finally, it is established that the unauthorized persons and content providers who continue to provide infringing content could be punished with a penalty of a minimum of three months and up to a maximum of two years. Some penalties for infringement include only imprisonment and some include legal monetary fines and imprisonment.

INTEGRATED CIRCUIT TOPOGRAPHIES

NATURE OF RIGHT
Integrated circuit topographies are defined as the fixed sequence of images that demonstrate three-dimensional layers forming the integrated circuit for production of such topography.

LEGAL FRAMEWORK
Law on Protection of Integrated Circuit Topographies no. 5147 governs the protection of integrated circuit topographies. This is the only industrial right that is regulated with a law. There is also a Regulation on Protection of Integrated Circuit Topographies.

There are two methods for challenging the validity of the integrated circuit topography rights: the administrative and legal methods. The administrative methods include oppositions and appeals before the Turkish Patent Institute until the integrated circuit application is registered. After registry, these rights can be challenged for invalidation before the specialized intellectual property courts. Additionally, third-party infringement claims are decided by the courts.

DURATION OF RIGHT
The duration of protection is ten years from application for registration. If not registered or commercially exploited within 15 years, the right cannot be registered.

OWNERSHIP/LICENSES
There are two types of licenses: contractual and compulsory. The contractual one can be exclusive or non-exclusive.

As for the compulsory license, related rules are stipulated in the law. Accordingly, the Council of Ministers can decide for compulsory licensing in case of public interest, welfare, security reasons or the right owner’s use of right to prevent competition. In such cases, the relevant public institution or third party shall apply to the Turkish Patent Institute to get its opinion and submit its compulsory license request to the Council of Ministers.

REMEDIES FOR INFRINGEMENT
In principle, infringement actions can be filed after publication of the integrated circuit topography application. However, if bad faith can be proven, infringement can even be claimed before publication.

Legal remedies for infringement include determination of infringement, enjoining infringement, material and moral compensation, right to ask for takeover of the infringing product and loss of profit. Loss of profit can be determined according to the fictional value if the infringer and the right owner concluded a contract, or the right owner’s possible value in the absence of any competition of
the infringer or the income of the infringer due to conducting the infringement. Additionally, any third party who has a legal interest can file a lawsuit for determination of lacking of infringement. attorneys’ fees and court expenditure can be recoverable.

As an administrative remedy, the infringing products can be held at customs pursuant to the provision of the Customs Law no. 4458.

Criminal remedies include one to two years of imprisonment and legal monetary fines based on a daily amount for 500 to 1,000 days. The acts that are subject to punishment are stipulated in detail in the law. These are offenses prosecuted upon complaint of the right owner or any other beneficiary/stakeholder.

PATENTS

NATURE OF RIGHT
Patents are exclusive industrial rights that grant proprietary rights on inventions.

LEGAL FRAMEWORK

DURATION OF RIGHT
Patents granted upon examination are valid for 20 years, patents granted without examination are valid for seven years and utility models are valid for ten years from the date of application.

OWNERSHIP/LICENSES
There are two types of licenses: contractual and compulsory. The contractual license can be exclusive or non-exclusive.

On the other hand, compulsory license can be granted in case of non-use, dependency of patent subjects or public interest.

Joint ownership is permissible.

REMEDIES FOR INFRINGEMENT
Legal remedies for infringement include determination of infringement, enjoining infringement, material and moral compensation, the right to ask for takeover of the infringing product and lost profits. Additionally, any third party who has a legal interest can file a lawsuit for determination of non-infringement. Attorneys’ fees and court expenditure can be recoverable.

Injunctive relief is possible. This includes holding the infringing products at customs.

No criminal punishment is provided for in the current legislation. The criminal provisions have been annulled and the new ones are yet to be enacted.
TRADEMARKS

NATURE OF RIGHT
Trademarks are exclusive industrial rights which grant proprietary rights on the mark that identifies and distinguishes the source of goods or services of the owner from those of others. This mark can consist of words, designs, letters and has to be capable of being drawn, published and duplicated.

LEGAL FRAMEWORK

DURATION OF RIGHT
Trademarks have a duration of ten years from the date of application. The right is renewable indefinitely.

OWNERSHIP/LICENSES
Licenses can be exclusive or non-exclusive. Unless the license is registered before the Turkish Patent Institute, the rights conferred by the trademark right cannot be asserted against the infringing third parties.

Joint ownership is permissible.

REMEDIES FOR INFRINGEMENT
Legal remedies for infringement include determination of infringement, enjoining infringement, material and moral compensation, right to ask for takeover of the infringing product and lost profits. Additionally, any third party who has a legal interest can file a lawsuit for determination of lacking of infringement. Attorneys’ fees and court expenditure can be recoverable.

As an administrative remedy and injunctive relief, the infringing products can be held at customs. If such is done prior filing the infringement lawsuit, the lawsuit must be filed in ten days.

No criminal punishment is provided for in the current legislation. The criminal provisions have been annulled and the new ones are yet to be enacted.

TRADE SECRETS

NATURE OF RIGHT
Commercial secrets can be protectable as trade secrets.

LEGAL FRAMEWORK
There is no specific regulation governing trade secrets. Main applicable provision is the Turkish Commercial Code Article 55(b)3. Solicitation of another’s employees, representatives or other persons to disclose or gain that person’s manufacturing and business secrets constitutes unfair competition.

Also trade secrets might be protected according to general good faith and honesty principles.
REMEDIES FOR INFRINGEMENT
Remedies can include unfair competition remedies, for example compensation and injunction. Claims must be filed within one year of learning of the unfair act and within three years of the occurrence of the act, unless a longer criminal prescription is foreseen.

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
In principle, the right to use the copyrights that are formed during the employment relationship belongs to the employer. The right to use the industrial rights that are formed or invented during the employment relationship also belongs to the employer in principle. But the employer has to inform the employee of its intention to use or not to use the right. Nevertheless, if the employee does not use the skills he learned from his job, then the invention will be deemed as an independent invention and belong to the employee as a rule. However, if the invention relates to the field in which the employee is working, the employee has to offer the right to use the invention to the employer.

CONSULTANTS/CONTRACTORS
In practice, clauses for intellectual property are included in contracts stating who will retain ownership of the rights. If not explicitly stated in contracts, then the rules for employees can be applied by analogy for those who work as consultants and contractors.

KEY COMMERCIAL CONTRACT CONSIDERATIONS

REGISTRATION OF COMMERCIAL AGREEMENTS
There is no general registration requirement for commercial contracts in principle. However, the intellectual property license agreements can be registered before the Turkish Patent Institute as a public record and be used to claim rights against third parties.

RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS
If the agreement is concluded between two Turkish parties, the agreement will not be valid unless concluded in Turkish. If at least one party is not Turkish, then the agreement can be concluded in another language.

COUNTRY-SPECIFIC ISSUES FOR ONLINE CONTENT
Pursuant to the Law on Regulation of Internet Publications and Combat Against Crimes Conducted Via These Publications, hosting service providers can defend themselves against liability for infringing contents. This depends on fulfillment of the rules expressed in the law and relying on the right defenses.

ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS
Enforceability of online terms is unclear. However, it is a customary practice for vendors to include check boxes as a way for customers to provide assent to their terms and indicate that they have been read.

GOVERNING LAW
Although it depends on the commercial contract, even if another law is chosen by the parties, the courts tend to apply Turkish law by invalidating law selection clauses based on consumer protection legislation.
KEY COMMERCIAL CONTRACT TERMS

ENFORCEABILITY OF WARRANTY DISCLAIMER
Warranty disclaimers are encouraged to be included in agreements. They are quite common in customary practice as well. Nevertheless, the law sets minimum thresholds for warranty. For instance, electronic devices have to provide a warranty period for a minimum of two years.

ENFORCEABILITY OF EXCLUSIONS/LIMITATIONS OF LIABILITY
Exclusions/Limitations of liability clauses are generally incorporated in commercial agreements if customers have seen, understood and accepted such clauses. However, there is a strong practice regarding consumer protection that would result in invalidity of such clauses. Therefore, in drafting these types of exclusions and limitations, the relevant rules have to be taken into consideration to craft an equitable clause.

INDEMNIFICATION
Fixed clauses for liquidated damages could be enforced if stated expressly in the contracts. However, the actual damages will also be taken into consideration. If the indemnification clause results in too high a damage claim, it could be decreased to a reasonable level, i.e., lower level, by the courts.

ELECTRONIC SIGNATURES
Electronic signatures are regulated by Electronic Signature Law No. 5070 (Electronic Signature Law) and the Regulation on Procedures and Principles regarding Application of Electronic Signature Law (Regulation) which were enacted on January 15, 2004. The Electronic Signature Law is in line with the European Union E-Signature Directive No. 99/93. The Electronic Signature Law defines the electronic signature as data in electronic form which is attached to or logically associated with other electronic data and which serves as a method of authentication. While the Electronic Signature Law sets forth a general frame for electronic signature, the Regulation is focused on the process of acquisition of electronic signatures and liabilities of the Electronic Certificate Service Providers (Service Providers). Electronic signature in Turkey are mainly regulated in accordance with the European Union Regulations and Directives. An electronic signature has the same effect with handwritten signatures.

From an administrative and judicial stand-point regarding the safety of the electronic signatures, the Service Providers are inspected by Telecommunication Institution. As per the Electronic Signature Law, a person who obtains, delivers, copies or recreates the signature creation device or data in order to create electronic signatures without the consent of the certificate holder shall be sentenced from one year to three years and subject to a punitive fine of no less than 50 days.
UNITED ARAB EMIRATES

INTELLECTUAL PROPERTY FRAMEWORK

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)
(iv) Federal Law No. 37 of 1992 as amended by Federal Law No. 8 of 2002 (Trademark 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

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).

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4 This overview relates to the Federal Laws of the UAE only. It does not cover the separate jurisdictions of any free zones in the UAE (including the Dubai International Financial Centre).
RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

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 taking 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 date of publication of the protected work.

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; and
(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. 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

NATURE OF RIGHT
Mask works do not benefit from specific protection under the law in the UAE.

PATENTS

NATURE OF RIGHT
In relation to a product patent, the right to exploitation includes the right to:

(i) Manufacture the product;
(ii) Use the product;
(iii) Offer the product for sale;
(iv) Sell the product; and
(v) Import the product for any of the above purposes.

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; and
(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) Filing a false or forged document to obtain a patent, utility certificate, know-how or industrial drawing or design registration;

(ii) Declaring information that is false to obtain a patent, utility certificate, know-how or industrial drawing or design registration;

(iii) Copying an invention or method of manufacture or element of know-how; and

(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 9th 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; and

(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.

The Trademark Law provides for a fine of not less than 5,000 إ.د. and imprisonment as the punishment for counterfeiting cases. Other penalties include the destruction of unlawful goods and a publication of the judgment at the expense of the defendant. There is also a right to claim compensation for damage resulting from the commission of any of the criminal acts under the Trademark Law. A claim must be made in the civil court to seek “compensation commensurate with the damage suffered” (Article 40 Trademark Law).

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 (e.g. 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 20,000 إ.د.

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 (e.g. 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; and
(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 5,000 إ.د. 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); and
(iv) Issue civil proceedings against the principal for breach of contract and breach of the Agency Law to (i) claim compensation and (ii) 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.

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, e.g., 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
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. 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.
UNITED KINGDOM

INTELLECTUAL PROPERTY FRAMEWORK

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). As the UK is part of the European Union (EU), some of its intellectual property law derives from EU legislation.

COMMERCIAL CONTRACT FRAMEWORK

The UK has three distinct legal systems:

(i) English law applicable in England and Wales;
(ii) Northern Irish law applicable in Northern Ireland; and
(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 and Scotland.

Commercial contracts are governed by domestic legislation, case law, the operation of EU 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, i.e., made between a business and a consumer to address the often unequal balance between the parties.

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 extra-territorial 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.

This summary was prepared prior to the Brexit vote and as such does not reflect any changes that may result from Brexit. For the latest on legal developments related to Brexit, please see our Brexit information page found at https://www.dlapiper.com/en/uk/focus/brexit-legal-impact/overview/
RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHT

NATURE OF RIGHT
Copyright protection is available for works covered by the categories protected by the Copyright Act, which includes 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 govern separate sui generis rights in relation to databases in which an investment has been made in obtaining/verifying/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 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 one 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 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 also possible for secondary infringement.

**MASK WORKS**

**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, e.g., 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. A layer of semiconductor product; or
   b. A layer of material in the course of and purpose of the manufacture of a semiconductor product; or

(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 two layers, at least one composed of semiconducting material, and in or upon one 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) governs semiconductor topographies.

**DURATION OF RIGHT**

The duration of protection is ten 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 or, if not made available, 15 years from when the design was first recorded or an article made to it.

**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, an account of profits, delivery up, seizure or destruction of infringing products.
**PATS**

**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 (i) be novel; (ii) involve an inventive step over the prior art; (iii) be capable of industrial application (which will be satisfied in almost all cases); and (iv) not solely consist of excluded subject matter (such as discoveries, scientific theories, mathematical methods, aesthetic creations, business methods and computer programs). Hence 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.

Knowingly offering, for supply, an essential feature of the invention for putting the patented invention into effect in the UK is also prohibited.

**LEGAL FRAMEWORK**

The United Kingdom became party to the Patent Cooperation Treaty in 1978 and the Paris Convention in 1884.

Patents Act 1977 governs patents.

**DURATION OF RIGHT**

Patents have a duration of 20 years from the filing date, subject to payment of renewal fees and as long as the patent is not invalidated.

**OWNERSHIP/LICENSES**

The UK has a “first to file” system. Subject to an employee’s responsibilities and duties, ownership will normally vest in the employer.

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.

There are certain advantages to be obtained from registering assignments or assignations and licenses, e.g., binding third-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 prohibitions on sublicensing.
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REMEDIES FOR INFRINGEMENT
Remedies for infringement can include injunctions (or interdicts in Scotland), damages, an account of profits, an order for delivery up, seizure or destruction, as well as a declaration of validity and/or infringement.

The Patents Act provides an actionable right against those who make unjustified threats of patent infringement.

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.

It is possible to register a sign as a national UK trademark or as a Community Trade Mark (CTM) that applies to the UK and all other EU member states.

A trademark is infringed 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. Infringement of a CTM potentially gives a trademark owner EU-wide relief.

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 (UK marks) and the Community Trade Mark Regulation 207/2009 for CTMs (expected to be replaced by a new Regulation in 2014).

DURATION OF RIGHT
Trademarks are perpetual (subject to renewal every ten years and as long as the trademark is not revoked).

OWNERSHIP/LICENSES
Both the UK registry and CTM registry Office of Harmonization for the Internal Market (OHIM) have a “first to file” system, though the registration may be refused or revoked if it conflicts with prior rights.

There are certain advantages to be obtained from registering assignments or assignments and licenses, e.g., binding third-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 prohibitions on sublicensing.
REMEDIES FOR INFRINGEMENT
Remedies for infringement include injunctions (or interdicts in Scotland), damages, 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.

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, or a common law action for breach of confidence.

A common law action for breach of confidence is 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," e.g., 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 (information must be confidential to a sufficiently high degree, with highly confidential trade secrets possibly being protected indefinitely).

LEGAL FRAMEWORK
Case law governs trade secrets and is not the subject of legislation.

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. Also, where the obligation of confidentiality arises under a contract, the duty of confidentiality will only apply for the duration specified in the contract.

REMEDIES FOR INFRINGEMENT
Injunctions (or interdicts in Scotland), damages, an account of profits, and delivery up or destruction of records of confidential information illegitimately retained are possible remedies for misappropriation.
PASSING OFF

NATURE OF RIGHT
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-ups.”

The “classic form” of passing off is generally defined by reference to three requirements: (i) goodwill in the UK attached to the goods or services; (ii) a misrepresentation by the defendant to the public (intentional or not) leading the public to believe goods or services are those of (or connected with) the plaintiff; and (iii) the plaintiff suffers or likely to suffer damage due to that misrepresentation.

However, the misrepresentation may be as to other matters, such as:

(i) that the plaintiffs goods are those of the defendant (reverse passing off);

(ii) misrepresentations as to quality; and

(iii) false endorsement.

The misrepresentation must be one which confuses or deceives the public or is likely to. 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/geographic locations.

The extended form of passing off requires (i) a misrepresentation; (ii) made by a trader in the course of trade; (iii) to prospective customers or ultimate consumers; (iv) which is calculated to injure the business or goodwill of another, i.e., such injury must be reasonably foreseeable; and (v) which causes actual damage to a business or goodwill.

LEGAL FRAMEWORK
Case law governs actions for passing off and they are not the subject of legislation.

DURATION OF RIGHT
There is no duration; however, goodwill must still subsist. It is possible that a business may have residual goodwill, even if no longer trading.

OWNERSHIP/LICENSES
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 and not to individual employees.

REMEDIES FOR INFRINGEMENT
Available remedies include injunctions (or interdicts in Scotland), damages, an account of profits and delivery up, seizure or destruction or modification of packaging, products, marketing materials and similar.
DESIGNS

NATURE OF RIGHT
There are four types of design rights in the UK: registered and unregistered UK design rights, and registered and unregistered European Community design rights.

A registered design and a Community unregistered design can be 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 packaging, get up, graphics and typefaces.

Registered designs and Community unregistered designs must be new (not previously disclosed or available to the public anywhere in the world) and have individual character (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 registered design right protection, it is necessary to register either with the UK Intellectual Property Office (UKIPO) or OHIM (for a Community registration). The UK is a “first to file” system, although a registration may be refused or revoked if it conflicts with prior rights. Unregistered design rights arise automatically.

The proprietor of the 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). To infringe unregistered Community design right the defendant must have copied the design. Copying is not a requirement to infringe registered design rights.

The regime for subsistence and infringement of UK unregistered design right is different. The right subsists in the shape of the whole or part of an article that is original and not commonplace, recorded in a design document or the subject of an article made to the design and created by a qualifying person. A key difference is that UK unregistered design right does not protect surface decoration.

LEGAL FRAMEWORK
The Registered Designs Act 1949 (as amended) governs UK registered designs, the Copyright Designs and Patents Act 1988 (as amended) governs UK unregistered designs, and the Community Designs Regulation (6/2002/EC) governs Community registered and unregistered designs.

DURATION OF RIGHT
Registered designs subsist for 25 years, subject to payment of renewal fees (every five years) for both UK and Community registrations and as long as the registration is not revoked.

UK unregistered designs are protected for ten years from the first marketing of articles made to the design or 15 years from creation of the relevant design document.

Unregistered Community design protection lasts for three years from the date that the design is made available to the public.

OWNERSHIP/LICENSES
Both the UK and CTM registry (OHIM) have a “first to file” system, though the registration may be revoked if it conflicts with prior rights.

Generally, a designer will be the owner of the right. Employers generally own a design if it is created in the course of employment.
In the last five years of a UK 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**
Available remedies include injunctions (or interdicts in Scotland), damages, an account of profits, delivery up, seizure or destruction of goods.

There is an actionable right in the UK against those who make unjustified threats of design right infringement.

**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 his 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.

There is a distinction in English law between two main forms of contract – those executed under hand (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.

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.

ENFORCEABILITY OF ONLINE/CCLICKWRAP/SHRINKWRAP TERMS
The legal enforceability of shrinkwrap terms has historically been somewhat debated by academics (though common commercial practice). The Consumer Rights Act 2015 now 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 now 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 Electronic Commerce (EC Directive) Regulations 2002 and Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 set out details of the information that must be provided by the trader.

Certain information regarding the new European Online Dispute Resolution platform must now also be provided by online traders on their website and in their terms, if that trader is statutorily obliged to use this alternative dispute resolution procedure.

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 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 / fitness but expressly include terms agreeing that the goods will conform with the bespoke specification.

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**

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:

(i) certain implied warranties;

(ii) death or personal injury caused by their, or their employees, negligence; or

(iii) fraudulent misrepresentation.

Other provisions seeking to exclude or limit liability (be they 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 above).

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/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).

Due to the fact that 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:

(i) by typing the signatory’s name in an electronic document or email;
(ii) by scanning a written signature;
(iii) by clicking on a button on a website; or
(iv) by 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.”
UNITED STATES

INTELLECTUAL PROPERTY FRAMEWORK

As a general matter, intellectual property rights are governed by Federal statutes with certain exceptions, including trade secrets, which are governed by state law.

COMMERCIAL CONTRACT FRAMEWORK

There are no Federal statutes that govern commercial contracts generally, though there may be Federal statutes that are relevant to certain commercial arrangements, e.g., antitrust laws, and there may be industry-specific regulations at the Federal level that may be applicable to contracts in particular industries. There may also be state regulations applicable to specific industries that are 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 and was drafted by private organizations as a recommendation on harmonizing the laws applicable to commercial transactions. Each state has adopted its own version of the UCC and so laws may differ slightly from state to state. The UCC governs transactions in goods, e.g., buying and selling, security interests, letters of credit and other commercial transactions.

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 never adopted by more than just a few states (Virginia and Maryland).

The interpretation and enforceability of commercial contracts is generally a state law matter that is governed by the laws of the state that is specified in the contract. Case law precedent interpreting and enforcing UCC provisions can differ from state to state.

Commercial contracts with Federal and state government agencies are subject to separate governmental regulations, which can include among other matters, specific auditing and recordkeeping requirements as well as intellectual property rights that can be granted to the government by default.

RECOGNIZED INTELLECTUAL PROPERTY RIGHTS

COPYRIGHTS

NATURE OF RIGHT

Copyrights are 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.
LEGAL FRAMEWORK
Title 17 of the US Code governs copyrights. The United States became signatory to Berne Convention in 1988. However, moral rights are not recognized in the US Copyright Act even though the Berne Convention grants authors moral rights. Under US law, moral rights can 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. Renewal of 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 copyright can be terminated within a five-year period beginning 35 years after grant or if rights granted include right to publish then 35 years after publication or 40 years after grant of publication right, whichever is first.

OWNERSHIP/LICENSES
Joint ownership of copyrights recognized; duty to account can be waived by contract. Implied licenses are 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 $750/work – $30,000/work; innocent infringement can be as low as $200/work; willful infringement can be as high as $150,000/work.

Actual damages can be actual monetary loss suffered by the copyright owner and profits gained by infringer.

Attorneys’ fees of the copyright holder in a copyright infringement suit are available only if the work is registered.

It is possible to seek preventing importation of goods that are infringing.

Injunctive relief is also a possible remedy.

Criminal penalties are possible.
MASK WORKS

NATURE OF RIGHT
The right protects original mask works fixed in semiconductor chip products.

Mask works are defined as a series of related images, however fixed or encoded, (i) having or representing the predetermined three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product, and (ii) in which series the relation of the images to one another is that 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 (i) having two 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 and (ii) 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, administered by Copyright Office which is different from copyright protection.

DURATION OF RIGHT
The duration of protection is ten years from registration (ends at the end of the tenth calendar year). There must be a registration within two years of first commercial exploitation.

OWNERSHIP/LICENSES
Joint ownership of mask works is recognized; duty to account can be waived by contract

REMEDIES FOR INFRINGEMENT
Statutory damages can be up to $250,000 for each work.

Actual damages can be actual monetary loss suffered by the mask work owner and profits gained by infringer.

Attorneys’ fees and costs can be recoverable.

It is possible to seek preventing importation of goods that are infringing.

Injunctive relief is also a possible remedy.

Criminal penalties are possible under certain circumstances.

PATENTS

NATURE OF RIGHT
Patents are a statutory right granted consistent with mandate in US Constitution.

Patents grant the right to exclude others from making, using, selling, offering for sale and importing the claimed invention.
LEGAL FRAMEWORK

DURATION OF RIGHT
Patents have a duration of 20 years from the filing date of the application. The US is a “first to file” system as of March 16, 2013.

OWNERSHIP/LICENSES
Joint ownership is permissible and parties can contractually agree to waive the duty to account to other joint owners. A license can be granted by one 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 three 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.

TRADEMARKS

NATURE OF RIGHT
A word, phrase, symbol or 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
Federal Lanham Act protects unregistered and registered marks; registered marks signified by ®; Federal registration requires use in interstate commerce.
Common law marks are enforced by state law; signified by ™.
State registrations are available for marks used in individual states.
The US became a member of the Madrid Protocol in 2003.
The US became a party to the Trademark Law Treaty in 2009

DURATION OF RIGHT
Federal registrations are in effect for ten years; renewable indefinitely so long as the mark’s use in interstate commerce continues.
State registrations differ (for example, in California it is five years and in New York it is ten years).
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 can include actual damages or lost profits resulting from the infringement.

Treble damages are possible for willful infringement.

Injunctive relief is also an available remedy.

Registered marks can be filed with US Customs to prevent importation of goods that contain infringing marks.

Costs and reasonable attorneys’ fees can be recoverable for willful infringement.

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 have been protected only at the state level, with most states (other than New York and Massachusetts) 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 trade secret is not required for liability, though additional damages can accrue.

UTSA defines trade secrets under a two-prong test:

(i) “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;” and

(ii) 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 preempt, state laws.

UTSA adopted by 48 states, the District of Columbia and the US Virgin Islands; some states have slightly broader or narrower definitions of trade secrets than others. Remaining states (New York and Massachusetts) have 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 can include actual loss and unjust enrichment caused by misappropriation.
Treble damages for willful and malicious misappropriation can be awarded.
Statutory attorneys’ fees can also be awarded for willful and malicious misappropriation.
Actual or threatened misappropriation can be enjoined; imposition of reasonable royalties instead of 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.”

INTELLECTUAL PROPERTY IN EMPLOYMENT CONTEXT

EMPLOYEES
It is customary for employees to sign inventions assignment and confidentiality agreements. Some states (such as 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 his 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 (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 (i.e., 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 will 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.

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. Such registration is not required.

**RECOGNIZED LANGUAGE OF COMMERCIAL AGREEMENTS**

English, and “plain English” that is consumer-friendly is preferred, particularly in consumer-facing commercial agreements and terms.

**US-SPECIFIC ISSUES FOR ONLINE TERMS**

Service providers (as defined in the Digital Millennium Copyright Act) can shield themselves from liability for copyright infringement due to transmitting, routing or providing connections to infringing content if copyright agent is designated and certain other statutory requirements are fulfilled.

**ENFORCEABILITY OF ONLINE/CLICKWRAP/SHRINKWRAP TERMS**

Generally viewed as enforceable if conspicuous, users have an opportunity to review and indicate affirmative assent, e.g., 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 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, 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
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 (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, i.e., comparative fault of the parties. Courts will 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 three distinct obligations: defense, indemnify (pay damages) and hold harmless (indemnifying 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 can 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 U.S. 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.
## COUNTRY CONTACTS

<table>
<thead>
<tr>
<th>Country</th>
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