



Registering licences under your patent

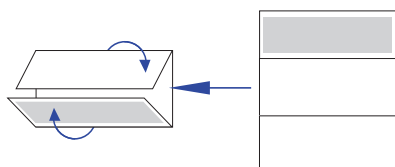
This leaflet is one of a series outlining procedural requirements and other matters about patents. It is not intended to be a comprehensive guide, and many details which may be relevant in particular circumstances have been omitted. It is, therefore, advisable to seek independent professional advice about any matters covered by the leaflet, and not to rely on this leaflet alone.

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The Government Standard



INVESTOR IN PEOPLE



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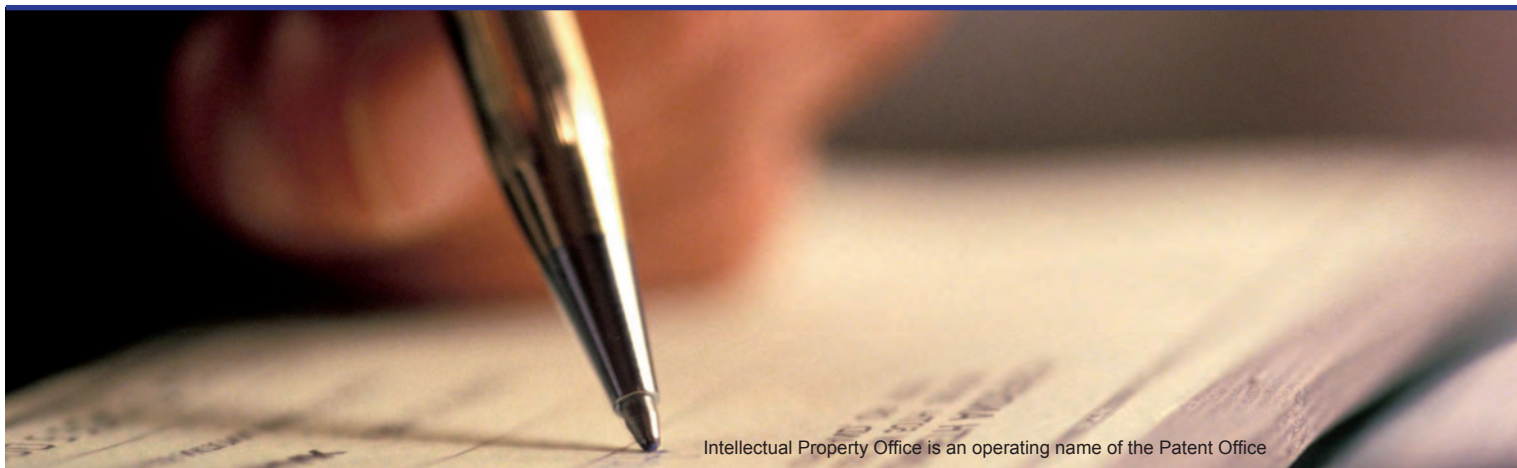
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Can someone else use my invention if it is protected by a patent?

Only with your permission. You can give your permission by granting a licence. This gives another person or company the right to manufacture, use or sell the invention which is protected by your patent. This is usually done in return for payment, called “royalties”. A licence is a legal document. Before you enter into a licence agreement we advise you to get professional help, such as from a registered patent attorney or solicitor who knows about patents.

Who decides what the royalties should be?

For an ordinary licence, it is between you and the person to whom you grant the licence to agree the royalties they pay you under the licence.

In the special case of a dispute about the royalties the Comptroller can be asked to settle the terms.

Do I have to tell the Intellectual Property Office if I grant a licence?

No, but if the licence is not registered on the Intellectual Property Office Register the person you grant the licence to may lose some rights.

This person usually registers the licence, but it can be done by either party.

How do I tell the Intellectual Property Office?

You must file a properly completed Patents Form 21 stating the kind of licence. If the licensor signs the form, no proof of the terms of the written licence agreement will be needed.

If the Form 21 does not have the required signature, evidence will be required to establish:-

- (i) the date of the agreement (ie, when signed by the licensor),
- (ii) the names and addresses of the parties involved,
- (iii) the patent number,

You may send the document itself if you wish. Please note that any documents filed as evidence of the licence will be destroyed in due course. Original documents are not required as we will accept photocopies of the evidence you file.

A “non-exclusive” licence allows both you and the licensee to use the patent. It also allows you to agree licences with more than one person.

An “exclusive” licence allows only one person to use the patent (i.e. it means that you no longer have the right to use it yourself). You would still expect to collect royalties on the use of the patent.

How quickly should I tell the Intellectual Property Office?

To ensure maximum protection under the Patents Act, you should register as quickly as possible, in any event within six months of the date of execution of the licence.

Can anyone inspect the licence agreement?

As a rule anyone can inspect a document once it has been filed at the Intellectual Property Office. However, if your licence contains business information which you would prefer not to be open to public inspection you may be able to keep that part of the licence confidential.

When you send the documents you must tell us what part you want kept confidential and explain the reasons why.

What is a Licence of Right?

You can apply to the Intellectual Property Office and ask us to enter in the Register of Patents that licences under your patent are available as “of right”. This means you cannot refuse to license the invention. If you cannot agree terms, the Comptroller can be asked to settle the terms of the Licence of Right.

What is the advantage to me?

If we enter in the Register that your patent has been endorsed “Licence of Right”, then any renewal fees after the endorsement are at half the normal rate. So you can keep your costs down while you try to benefit from your patent.

How do I apply for a Licence of Right endorsement?

You must file a Patents Form 28, which you can get from the Intellectual Property Office.

If you want your next renewal fee to be at half the normal rate, your application should reach us at least 10 working days before the fee is due, in order to give us enough time to process it.

Can I cancel a Licence of Right endorsement?

Yes. Any time after the endorsement you can apply to cancel the entry in the Register by sending a Patents Form 30 to us. You must then pay the rest of the renewal fees which you would have paid if you had not asked us to make the entry.

How can I find people to grant licences to?

We are not allowed to offer this service. A licensing agent (or specialist solicitor) may be able to help locate interested companies.