

## IP Licences

As an IP owner you may want to permit someone else to use your IP, possibly in return for payment or some other form of remuneration. Alternatively, you may wish to use some else's IP (without infringing their rights). Permission to use IP is granted under an IP Licence.

The most common IP Licence that most businesses will encounter are software licences, ranging from the "take-it-or-leave-it" pro-forma Microsoft Office type licences, to licences of highly configurable software made specifically for your business or business type.

Whilst the principle behind an IP Licence is simple – to give permission to use IP - the detail is far from simple. Thought needs to be given to whether the licence of the IP is to be exclusive (thus preventing the owner of the IP using the IP), sole (allowing both the IP owner and licensee to use the IP, but preventing any other licences being granted) or non-exclusive (allowing the IP owner and any other number of licensees to use the IP).

In addition, the use of the IP under a licence may be limited to a specific purpose or field of use. A simple example would be the exclusive licence of the copyright in a book, such as Harry Potter to make a film out of the book. Although exclusive, this still leaves it to the IP owner to licence the copyright for a stage or theatre productions.

Most licences of IP are paid for by way of a royalty. How the royalty is to be calculated is also a matter that the parties must decide on. For instance, is it per unit of product sold, gross profit per unit or some other method. In this regard, there is rarely an "industry standard".

It can also be useful to put IP Licences in place in the context of a group of companies. It is not unusual to see company structures having a company whose sole purpose is to own the IP of the group. Such IP can then be licensed for an appropriate royalty to other companies within the group, which can assist companies in moving money around a corporate group. Also, where the IP right is a trade mark, putting such licences in place will enable use by other companies in the group to count as use by the registered owner which may assist in preserving the trade mark registration against non-use attacks.

### Contact us today for assistance with YOUR IP LICENCE

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### IPProfessionals