

RECORDAL OF PATENT AND TRADEMARK ASSIGNMENTS AND LICENCES

Recent case law, and steady increases in the numbers of corporate transactions involving transfers of intellectual property rights, have prompted us to write highlighting the importance of recording assignments, licences and other recordable transactions involving UK patents and trademarks as soon as is practicable after completion.

A person acquiring a right in or under a patent or trademark cannot exercise that right (i.e. issue proceedings for infringement) until the acquisition is recorded on the UK Patent or Trade Mark Register.

The UK Patents Act 1977 and Trade Marks Act 1994 include two specific provisions that can penalise a person acquiring a right in or under a patent or trademark if recordal of the transaction is delayed.

The first of these provisions takes effect when there are two conflicting transactions concerning the same patent or trademark. This provision can effectively result in the person who benefits from the earlier transaction losing the acquired right if, at the time of the later transaction:

- i) the earlier transaction was not recorded; and
- ii) the person benefiting from the later transaction had no knowledge of the earlier transaction.

The second provision relates to the remedies available during infringement proceedings following completion of a transaction.

In this regard the UK Patents and Trade Mark Acts specify that a person acquiring the right to bring infringement proceedings under a patent or a trademark will not be entitled to an award of damages or an account of profits for infringing acts occurring before the relevant transaction was recorded unless:

- i) the transaction was recorded within six months after the date of the transaction, instrument or event; or
- ii) the Court is satisfied that it was not practicable to record the transaction before the end of that period, and it was recorded as soon as was practicable thereafter.

In view of these provisions, we recommend that any recordable transactions, instruments or events, whereby a person acquires a right in or under a UK patent or trademark, are recorded within six months after execution.

Please contact Caroline Marshall for further information.

The information in this Newsletter was correct at the date of release. More up to date information is available by contacting Eric Potter Clarkson. All comments contained here are of a general nature and full professional advice should be sought on any specific problem.

Please note that all our Newsletters can be found on our website at www.eric-potter.com.

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N:0112/cld/cm/lc

16 December 2005

Park View House · 58 The Ropewalk · Nottingham · NG1 5DD · UK

Tel: +44 (0)115 955 2211

Fax: +44 (0)115 955 2201

E-mail: epc@eric-potter.com

Website: www.eric-potter.com