

THE IMPORTANCE OF REGISTERING LICENSES ON PATENTS IN THE PATENT OFFICE

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Results of academic or industrial research programs are more and more often protected by way of patents. The technology stemming from those research efforts can be transferred in different ways, including by assignment of rights on patents or patent applications, or by granting exclusive and non-exclusive licenses on intellectual property.

If registration of assignments of patent rights, in the Canadian Patent Office, is a common practice, registration of exclusive and non-exclusive patent licenses is less prevalent. In fact, companies often neglect to register their license documents in the Canadian Patent Office. However, according to subsection 50(2) of the *Canadian Patent Act*,:

*Every assignment of a patent, and every grant and conveyance of any exclusive right to make and use and to grant to others the right to make and use the invention patented, within and throughout Canada or any part thereof, shall be **registered in the Patent Office** in the manner determined by the Commissioner. (Emphasis added)*

Moreover, it has been established by our Courts that, in order to be invocable against a third party, any assignment or license agreement document should be registered in the Canadian Patent Office.

In this connection, registration of rights acquired by assignment or license in the Canadian Patent Office protects the holder of the assignment or license from any subsequent acquiror of the same rights for the given technology. Our Courts have established that the first owner or licensee of a patent who registers his rights at the Patent Office acquires an opposable right. The Court of Appeals of

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Quebec has even decided that a subsequent acquiror of a patent, who knew very well that the patentee had previously granted a license on the patent, was not bound by the license terms and was free to act as if the license did not exist.

Registration is an efficient and inexpensive way to ensure that rights acquired by a license will not be lost. It is also a way to protect oneself in case the patentee goes bankrupt.

These considerations bear even more importance when the platform of a company's technology is based on both the company's own technology and on technology acquired from others by way of licenses and partial assignments.

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