



Beaumont Watson

# BRAND LICENSING LEGAL CHECKLIST

## Parties

- Full details of the company/individual that owns the IP to be licensed (the Licensor)
- Full details of the company/individual that will take the licence of the IP (the Licensee)

## What is being licensed?

- Define the key IP and any ancillary rights that are being licensed – registered or unregistered trade marks, designs, copyright, patents, know-how/confidential material
- If trade marks, consider whether they have been registered in the relevant class of goods/services in which the licensed products fall and in all countries covered by the licence
- Does the Licensor own all the rights or will it be sub-licensing some to the Licensee?

## Rights granted

- On which products may the Licensee apply the brand?
- Is the licence exclusive (Licensor will not be able to use the IP), non-exclusive (Licensee can use the IP but Licensor may also grant licences to others and use the IP itself) or sole (Licensor and Licensee may both use the IP but the Licensor will not grant licences to others)?
- Is the Licensee permitted to grant sub-licences? Are there any restrictions/conditions?
- What activities are covered by the licence – manufacture/sell/promote?
- Are the Licensee's activities under the licence restricted to a specific territory?
- For how long may the Licensee use the IP? Does the licence have a limited duration or does it continue until notice to terminate is served? Is there a right to renew the licence and, if so, what are the conditions?
- Are there any competition law considerations which may affect the terms of the licence?

## Licence fees

- Does the licence stand alone or is it part of a larger transaction?
- Is there a one-off licence fee or will there be ongoing payments/royalties?
- How will the fee/royalty be calculated?
- Will there be a minimum licence fee/royalty?
- How and when are payments to be made? Is VAT included? What currency will payments be made in?
- Will the Licensor have a right to audit the Licensee's records? If so, how often and who will bear the cost?
- Are there any other tax considerations? Who will be liable for such taxes?

## Protecting the brand

- Is there a brand manual or other document which sets out how the Licensee may use the brand on product or promotional materials/advertising?



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- What information is to be kept confidential and for how long?
- Who is responsible for renewing the IP registrations?
- Is the licence to be recorded against the registration? If so, who will bear the cost?
- Which party will manage the bringing or defending of infringement actions and will it require the co-operation/consent of the other? Who will bear the costs of any infringement action?
- Will the Licensee be required to meet any specific criteria in terms of ethical trading/corporate behaviours such as compliance with anti-bribery laws, modern slavery laws, environmental standards and industry codes?
- Can the Licensee enter similar arrangements with competitors of the Licensor during the term of the licence?
- What approval or quality control procedures will be put in place in relation to the products and advertising materials?
- Will the products need to carry a notice that they are produced/sold under licence?

### Warranties and liabilities

- Will the Licensor give any warranties as to its ownership of the IP which is subject to the licence and that the IP will not infringe third party rights?
- Will the Licensee give any warranties in relation to the quality and safety of the products to which the brand is being applied?
- Will the Licensee warrant that it has obtained all permits and consents necessary to produce and sell the products in question?
- Are any of the warranties backed by an indemnity?
- Will either party's liability be limited in any way?

### Other issues to consider

- Is the Licensee required to carry product liability insurance?
- Can either party assign the licence? If so, in what circumstances?
- What happens when the licence ends – does it depend upon whether it expires or is terminated for breach?
- Where will formal notices be sent, how and addressed to whom?
- Will the parties conduct any formal review meetings?
- How will any disputes be managed? Which laws will govern the licence agreement?
- Who has authority to sign the agreement for each party?

### Beaumont Watson can help with your Brand Licence

We have vast experience of drafting brand licences and would be happy to provide legal support to your brand licensing project. For more information or a fee estimate please contact Shelley Watson by email to [shelley@beaumont-watson.com](mailto:shelley@beaumont-watson.com) or call 07879688579.