

Licensing Law Update

Ed Cavazos | Partner
Pillsbury Winthrop Shaw Pittman LLP



I. Choice of Law and Venue



Choice of Law and Venue

Example Boilerplate:

Governing Law and Venue. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Texas as if without regard to its provisions with respect to conflicts of Laws. Any litigation between the parties relating to this Agreement shall take place in the federal courts of the Western District of Texas. The parties hereby consent to personal jurisdiction and venue in Texas.

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Choice of Law and Venue

- Drafting Considerations:

- While federal law exclusively governs patent and trademark law issues, state law governs contract interpretation of patent and copyright licenses
- Selecting state law can determine how various items in the contract affect the parties
 - *Example:*
 - present vs. future assignments governed by Fed Circuit precedent see *Omni MedSci, Inc. v. Apple Inc.*, 7 F. 4th 1148 - Court of Appeals, (Fed. Cir. Aug. 2, 2021) BUT state law interpretation handles questions of ambiguity or conflicting terms related to assignment
- Practitioners need to be aware of possible differences in state law contract rules

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Choice of Law and Venue

- Drafting Considerations – Forum and Venue Clauses
 - Choice of Venue or Forum Clause Could Prevent Parties from The Benefits of Alternative Venues
 - Patent Licenses:
 - Patent Owner could lose right to pursue protection at ITC
 - *Texas Instruments Inc. v. Tessera, Inc.*, 231 F.3d 1325, 1331-32 (Fed. Cir. 2000)). (“Because the governing law clause encompasses ITC section 337 proceedings, Tessera breached this provision of the license agreement by bringing an action against TI at the ITC (which is in Washington, D.C.), rather than in a court in California, as mandated by the agreement”)
 - Licensee could lose the right to file an IPR or other proceedings at the Patent Trial and Appeal Board to challenge the validity of the licensed patent
 - *Nippon Shinyaku Co., Ltd. v. Sarepta Therapeutics, Inc.*, 2022 WL 363858, *4-7 (Fed. Cir. Feb. 8, 2022).

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II.

Limitation of Liability

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