

COPYRIGHT LICENSING TIPS

Eric Goldman March 2004

- The interplay between the license grant and the payment provision is the most crucial aspect of any copyright license
 - the licensor wants to give only what it is being paid for
 - cannibalization of licensor's business
 - o licensee having to buy the same asset over and over again
 - o exclusivity and minimum payments
 - o define when the license can terminate, and what happens on termination?
- Carefully define the licensed work
- License grant should mirror the statutory language and should be explicit for each class of work being licensed
- There is no such thing as an oral exclusive license
- Derivative work rights require multiple license grants
- Every license is subject to the licensor's termination of transfer right—even if the contract says that it is perpetual and irrevocable
- The word "exclusive" is inherently ambiguous
- Define the licensee: assignments, sublicenses and changes of control
- Use thought when drafting licenses based on types of media or technology
- Use thought when drafting geographical limitations on a license
- UCC Article 2 can apply to many copyright licenses; also note the First Sale doctrine
- Watch out for unintended joint authorship situations
- Beware of copyright misuse (attempting to use a copyright monopoly to protect markets not covered by the copyright)
- Build systems to manage in-license compliance