

Intellectual property right licences Q&A: Mexico

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Country Q&A | [Law stated as at 31-Dec-2018](#) | Mexico

Key aspects of intellectual property licensing

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This Q&A provides country-specific commentary on the following standard documents:

Trade mark licence: Cross-border.

Copyright licence: Cross-border.

Patents and know-how licence: Cross-border.

Industrial design right licence (short form): Cross-border.

and forms part of *Cross-border intellectual property.*

Key aspects of intellectual property licensing

Degree of exclusivity

1. Describe what is understood by each of the below terms in your jurisdiction.

Exclusive licence

Only the licensee can use the licensed rights. The licensor cannot use the licensed rights or grant any further licences within the scope of the original grant, except if it is agreed that the licensor can continue using the rights.

Non-exclusive licence

The licensor grants to the licensee the right to use the IP rights on a non-exclusive basis. The licensor can still exploit the IP rights, and can license them to third parties.

Sole licence

Only the licensor and sole licensee can use the licensed rights. The licensor cannot grant any further licences of the IP rights.

This is an agreement that limits in scope to a licence, as opposed to a combination or a multipurpose agreement that allows the licensee to receive certain services or other consideration. As such it can be exclusive and non-exclusive.

2. Are exclusive licensees entitled to greater rights than sole or non-exclusive licensees? If yes, describe what those greater rights are for each type of IP right, and comment on whether they can be expressly excluded from the terms of an IP licence.

Exclusive licensees are entitled to greater rights than non-exclusive licensees.

Trade marks

Exclusivity is an increased right to exploit the trade mark, as only the licensee can exploit the trade mark. Exclusivity can be waived and the grant scope and territory modified or limited as agreed by the parties. Otherwise, exclusive licensees are not entitled to greater rights than sole or non-exclusive licensees.

Copyright

See above, [Trade marks](#).

Patents and know-how

See above, [Trade marks](#). Enforcement rights and patent infringement proceedings cannot be brought by exclusive licensees unless specifically agreed and authorised by the licensor.

Industrial design right

See above, [Trade marks](#).

Most-favoured-nation clause

3. Is it common for a non-exclusive licensee to seek to restrict the terms on which the licensor can grant licences to third parties to use the licensed IP right, either in or out of the licensed territory (in the UK this is referred to as a most-favoured-nation clause - see for example *Standard document, Trade mark licence: Cross-border: clause 2.2* and *Standard document, Patent and know-how licence: Cross-border: clause 2.3*)?

Yes, this is common, subject to the agreement of the parties. The most-favoured nation clause provided in *Standard document, Trade mark licence: Cross-border: clause 2.2* and *Standard document, Patent and know-how licence: Cross-border: clause 2.3* is not prohibited by Mexican law and is not contrary to public order, so is valid under Mexican law.

4. Do any particular competition law implications arise in your jurisdiction from the inclusion of a most-favoured-nation clause in an IP licence? If yes, briefly explain these and comment on whether any amendments are required to either of the clauses referred to in *Question 3* as a result.

There are no competition law implications from including a most-favoured-nation clause in an IP licence.

Payment

5. How is payment for a licence of IP rights most commonly structured in your jurisdiction?

Payment structures commonly include periodic royalty payments, fixed milestone payments and a lump sum.

Additional fees are also common if the licence includes certain services such as technical assistance.

6. Briefly explain the tax implications for either party of payment being made as

- periodic royalty payments;
- fixed milestone payments; and/or
- a lump sum.

There is no difference for tax purposes in Mexico between periodic royalty, fixed milestone and lump sum payments. The differences arise when there is a cross border licence.

In local licences, taxable income includes royalties for the licensor and value added tax (VAT) for the licensee.

In cross border structures withholding tax applies to foreign licensors, provided such licensors do not have a permanent establishment in Mexico. Withholding tax rates vary and depend on whether Mexico has an international tax treaty with the jurisdiction where the licensor/licensee is a resident. Mexico has valid international treaties to avoid double taxation with many countries including the US, Canada, and most Latin American, European and Asian countries.

7. How is interest on overdue amounts usually calculated in your jurisdiction?

Interest payments are calculated by agreement of the parties. Overdue interest is generally structured by reference to a fixed or variable rate that is known or publicly available plus basis points. If no interest has been agreed, on enforcing a judgment the courts will apply what is known as legal interest, equal to 6% of the principal amount owed.

8. What index is used to measure inflation in your jurisdiction (see for example *Standard document, Patents and know-how licence: Cross-border: clause 1.1: Definition of Minimum Royalty*)?

The National Consumer Prices Index (INPC) is used to measure inflation in Mexico.

Tax considerations

9. What tax charges and tax considerations typically arise on a licence of IP rights? Do these vary depending upon:

- the type of IP right being licensed; and/or
- whether the licensor or licensee is an individual or corporation; and/or
- whether the licensor or licensee is tax-resident?

If yes, explain those variations.

Taxes that apply to a licence of IP rights are income tax and value added tax (VAT). The tax charges do not vary depending on the type of IP right being licensed.

The tax rates do depend on whether the parties are individuals or corporations.

Withholding tax applies to payments made to foreign licensors, if the licensor does not have a permanent establishment in Mexico. Withholding tax rates vary and depend on whether Mexico has an international tax treaty with the jurisdiction where the licensor is a resident. Mexico has international treaties to avoid double taxation with many countries including the US, Canada, and most Latin American, European and Asian countries.

10. Set out below any amendments necessary to the following standard documents to reflect tax charges and considerations arising in your jurisdiction:

- *Standard document, Trade mark licence: Cross-border.*
No amendments.
- *Standard document, Copyright licence: Cross-border.*
No amendments.
- *Standard document, Patents and know-how licence: Cross-border.*
No amendments.
- *Standard document, Industrial design right licence (short form): Cross-border.*

No amendments.

Maintenance of the registered IP right

11. Which party is usually responsible for maintaining the registration of a licensed IP right (if it is registrable), including paying renewal and other applicable fees? Does your answer vary depending on whether the licence is exclusive, non-exclusive or sole?

The IP right owner is usually responsible for maintaining the registration of a licensed IP right. This does not vary depending on whether the license is exclusive or non-exclusive.

12. What are the implications of non-payment of registry fees for a registered IP right in your jurisdiction?

Payment of registry fees is mandatory and lack of payment may result in cancellation of the right or non-registration.

Grace periods apply in certain cases and vary depending on the IP rights including the length of the latter. There is no penalty for making payment during a grace period just additional government fees. The applicant or titleholder can submit a request for late payment explaining the reasons for the omission. The request is left to the discretion of the governmental agency and it is very likely that the request will be denied.

Licence recordal/registration

13. Can an IP licence be recorded/registered at the IP registry in your jurisdiction? If yes:

- Is this optional or a statutory requirement?
- Is there a timeframe within which a licence must be recorded?
- What are the implications for either party if it is not recorded, within the timeframe or at all?

- Which party typically bears the associated costs?

Trade marks

Trade mark licence recordal is optional before the Institute of Industrial Property (www.impi.gob.mx). However, recordal is necessary to make the licence enforceable against third parties. Registered licences allow for the use by the registered licensee to inure to the benefit of the registered licensor. If there is no recordal, the licensor must prove use of the trade mark by other means, on renewal or on the threat of a cancellation action based on non-use.

There is no timeframe within which the licence must be recorded.

Either party can apply for registration and bear the associated costs, depending on what the parties agree. The licensor typically bears the costs and controls the process.

Under the North American Free Trade Agreement 1992 (NAFTA) and the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS), in a non-use cancellation action, use of a trade mark by a licensee in Mexico benefits a licensor residing in a jurisdiction that is also a party to these agreements even if the licence is not recorded before the Mexican Institute of Industrial Property, since these treaties have special provisions for these cases.

Copyright

Copyright licence recordal is not required, but if the licence is not recorded, it cannot be enforced against third parties.

Copyright can be registered at the Copyright Office (www.indautor.gob.mx).

There is no timeframe to record a copyright licence. Either party can apply for registration and bear the associated costs, so the parties must agree who will apply for registration and bear the associated costs.

Patents and know-how

See above, [Trade marks](#).

For pharmaceutical patents, a licence must be recorded when the pharmaceutical marketing authorisation application and titleholder is the licensee.

Industrial design rights

See above, [Trade marks](#).

Notices

14. Do any particular rules apply as to how a licensee must mark its licensed products to indicate the licensor's name and ownership of the relevant IP rights subsisting in it, or is this entirely at the licensor's discretion (see for example *Standard document, Patent and know-how licence: Cross-border: clause 5.3* and *Standard document, Industrial design right licence (short form): Cross-border: clause 3.3*)? State any relevant legislation.

Trade mark notices/markings

The goods must be marked with the phrase "marca registrada" (registered trade mark), the initials "M.R." or the symbol ®. The applicable legislation is the Industrial Property Law.

Copyright notices/markings

Published works of authorship must prominently bear the mark "Derechos Reservados" (Reserved Rights) or its abbreviation "D.R.", followed by the © symbol and the complete name and address of the copyright holder and the year of first publication. Failure to do this does not nullify protection but the licensee may be subject to penalties for copyright infringement (*section 231, V, Copyright Law*). The penalty ranges from 1,000 to 5,000 days of the minimum wage.

Patents and know-how notices/markings

There is no particular rule as to how a licensee must mark its licensed products or processes to indicate the licensor's name and ownership of the relevant IP rights. However, it can only be stated that there is a pending patent or a patent when this is actually the case. The applicable legislation is the Industrial Property Law.

Industrial design right notices/markings

There is no particular rule as to how licensee must mark its licensed designs to indicate the licensor's name and ownership of the relevant IP rights subsisting in it. However, it can only be stated that there is a pending design patent or a design patent when this is actually the case. The applicable legislation is the Industrial Property Law.

15. Comment on whether the formats shown below for trade mark and copyright notice respectively, taken from *Standard document, Trade mark licence: Cross-border* and *Standard document, Copyright licence: Cross-border*, reflect the formats used in your jurisdiction for those notices. If not, set out below any necessary amendments so that they do.

- *Standard document, Trade mark licence: Cross-border: clause 4.2.*

Made by [LICENSEE] in [PLACE] under licence from [LICENSOR]. [MARK] is the [registered] trade mark of [LICENSOR]

This reflects the formats used in Mexico for these notices.

- *Standard document, Copyright licence: Cross-border: clause 3.4.*

© Copyright [LICENSOR] [YEAR] manufactured by [LICENSEE]

Published works of authorship must prominently bear the mark "Derechos Reservados" (Reserved Rights in Spanish) or its abbreviation "D.R.", followed by the © symbol and the complete name and address of the copyright holder and the year of first publication.

16. Explain briefly how a failure by an IP right owner and/or its licensees to use markings or notices to indicate the licensor's name and ownership of the relevant IP rights impacts upon the owner's rights, if at all.

Failure to comply with marking may mislead the consumer and the general public.

The use of marking benefits IP right owners and authorised licensees as it supports unfair competition actions against unauthorised third parties, squatters and other misappropriation consequences.

Statutory rights of licensees

17. Do licensees have statutory rights if the licensed IP right is infringed by a third party? State any relevant legislation. If yes, do these rights vary depending on the level of exclusivity granted to the licensee and/or the type of IP right being licensed?

Mexican IP law expressly states that a licensee can enforce the rights derived from the patent, unless otherwise agreed by the parties. The applicable legislation is the Industrial Property Law and the Civil Code. The parties can agree on who will carry out infringement proceedings.

18. Can any of these rights be expressly excluded, varied or supplemented by the terms of the licence? If yes, is this usual in your jurisdiction?

Yes, these rights can be expressly excluded, varied or supplemented as agreed by the parties, which is common practice in Mexico.

Licensee indemnity

19. Is it usual for a licensor to seek an indemnity from a licensee in a licence of IP rights in your jurisdiction?

In certain cases. As it relates to a license of IP if there is a registered right issued by the appropriate governmental body, with the exception of copyright. As an example a trade mark registration once issued by the Mexican trademark Office IMPI constitutes a valid and existing right. It is not customary to give an indemnity as the trade mark registration was subject to statutory requirements prior to the granting of the right and is issued by the government. Registration of Copyright on the other hand is a declaration and does not constitute the copyright so it is more common to request indemnities and representations as to ownership and validity.

20. Set out below any amendments necessary to the following standard documents to reflect standard practice in your jurisdiction, in relation to indemnities:

- *Standard document, Trade mark licence: Cross-border: clause 10.2.*
No amendments.
- *Standard document, Copyright licence: Cross-border: clause 9.2.*
No amendments.
- *Standard document, Patents and know-how licence: Cross-border: clause 12.2.*
No amendments.
- *Standard document, Industrial design right licence (short form): Cross-border: clause 5.2.*
No amendments.

21. Does a licensor have a general obligation at law to mitigate any loss that it may suffer or incur due to an event that would give rise to a claim under an indemnity? State any relevant legislation.

A licensor does not have a general obligation at law to mitigate any loss that it may suffer or incur due to an event that would give rise to a claim under an indemnity.

The licensor will have a right to claim direct damages and must show evidence of the damage. This limits the licensor's claim under an indemnity to direct and not consequential damages.

Product liability

22. Could the presence of a licensor's name or trade mark on a product manufactured by the licensee put the licensor at risk of a product liability claim against it if the product becomes defective, even though the licensor has no contractual relationship with the end user of the product?

No. The licensee is directly liable for damage caused to the end user.

23. Comment on whether there is anything that a licensor can do (including whether any amendments should be made to any of the four cross-border IP licences referred to in this questionnaire), to lessen the risk of such a claim being made against it in your jurisdiction.

A licensor can implement disclaimers and provide and update policies and guidelines for the offer and sale of the relevant products, as well as for consumer guarantees, if any, to be given by the licensee.

Insurance

24. Is it usual for a licensor of IP rights to require a licensee to take out insurance in an amount adequate to cover its liabilities under the licence? If yes, comment on whether the following clauses reflect standard practice in your jurisdiction and, if not, set out below any necessary amendments so that they do:

This depends on the IP right and the amount of the investment.

- *Standard document, Trade mark licence: Cross-border: clause 10.6.*
No amendments.
- *Standard document, Copyright licence: Cross-border: clause 9.5.*
No amendments.
- *Standard document, Patents and know-how licence: Cross-border: clause 12.5.*
No amendments.
- *Standard document, Industrial design right licence (short form): Cross-border: clause 5.4.*
No amendments.

Warranties

25. Is it usual for a licensor to give certain express warranties to a licensee in an IP licence? If yes, briefly describe what those express warranties are, and which types of IP licences they apply to (if not all).

Trade marks, patents and industrial designs

There are no particular standard express warranties that a licensor will typically give to a licensee in an IP licence. Instead, any express warranties will depend on many factors including the IP rights being licensed and the bargaining position of the parties.

Copyright

The licensor usually gives express warranties that it owns the copyright and that the licensee will be able to sub-license the copyright protected work.

Know-how

The licensor usually gives express warranties that it owns the know-how and that the licensee will be able to sub-license the know-how.

26. Is it usual for certain warranties to be implied into the terms of an IP licence in your jurisdiction? If yes, briefly describe what those implied warranties are; which types of IP licences they apply to (if not all); and state any relevant legislation.

There are no implied warranties in Mexico.

27. Is it possible for a licensor to exclude the application of those implied warranties, for example as shown in *Standard document, Trade mark licence: Cross-border: clause 9.4* and *Standard document, Patent and know-how licence: Cross-border: clause 3.4, clause 4.2* and *clause 11.5*.

Not applicable. There are no implied warranties in Mexico.

Sub-licensing

28. Does the right to grant sub-licences of an IP right have to be expressly granted to a licensee in order to take effect, or are there certain circumstances in which it might be implied?

The right to grant sub-licenses of an IP right must be expressly granted to a licensee.

29. Does a sub-licence have to comply with any particular formalities in order to be valid and enforceable? If yes, describe briefly what these are.

There are no specific formalities for a sub-licence. General principles of contract law apply, such as legal capacity and no defects in the consent to sub-licence granted by the licensor.

Sub-contracting

30. Does the right to grant sub-contracts for the manufacture of a product bearing or consisting of a licensed IP right have to be expressly granted to a licensee to take effect, or are there certain circumstances in which it might be implied?

The right to grant sub-contracts for the manufacture of a product bearing or consisting of a licensed IP right must be expressly granted to a licensee to take effect. The right to sub-contract cannot be implied.

Certain provisions apply that will make a party using a subcontractor remain liable for the subcontractor's actions, under the Civil and Commercial Codes.

31. Does a sub-contract have to comply with any particular formalities to be valid and enforceable? If yes, describe briefly what these are.

There are no specific formalities for a sub-licence. General principles of contract law apply, such as legal capacity and no defects in the consent to sub-licence granted by the licensor.

Termination

32. Comment on whether the following clauses reflect the grounds upon which a licensor is usually entitled to terminate an IP licence in your jurisdiction, and if not, set out below any necessary amendments so that they do:

The parties may agree on who will be entitled to terminate an IP licence.

- *Standard document, Trade mark licence: Cross-border: clause 13.3.*
No amendments.
- *Standard document, Copyright licence: Cross-border: clause 12.2.*
No amendments.
- *Standard document, Patents and know-how licence: Cross-border: clause 17.3.*
No amendments.
- *Standard document, Industrial design right licence: Cross-border: clause 8.2.*
No amendments.

Challenge to validity

33. Would a clause prohibiting the licensee from challenging the validity of a registered IP right breach competition law in your jurisdiction? If yes, comment on whether a permitted alternative is for the licensor to have the right to terminate if the licensee challenges the validity of its registered IP right (see *Standard document, Trade mark licence: Cross-border: clause 13.3(g)* and *Standard document, Patent and know-how licence: Cross-border: clause 17.3(h)*), or propose other appropriate wording.

A clause prohibiting the licensee from challenging the validity of a registered IP right will not breach competition law in Mexico.

Insolvency or bankruptcy of licensor

34. If a licensor becomes insolvent or, if an individual, bankrupt during the term of an IP licence, how would that affect the continuation of the licence, if at all?

This would not affect the continuation of the licence unless such insolvency or bankruptcy is an agreed cause for termination. It is customary to have bankruptcy as a termination cause.

35. Are there any additional provisions that could be included in the following standard documents to better protect a licensee in the event of a licensor insolvency or bankruptcy?

- *Standard document, Trade mark licence: Cross-border.*
- *Standard document, Copyright licence: Cross-border.*
- *Standard document, Patent and know-how licence: Cross-border.*
- *Standard document, Industrial design right licence (short form): Cross-border.*

A licensee should be given an express right to terminate the licence in case of insolvency, bankruptcy, suspension of payments (*suspension de pagos*), a creditor's claim and similar in relation to the licensor or a material part of its assets.

36. Are there any particular aspects of insolvency or bankruptcy law and practice that the parties would need to be mindful of when including any such additional provisions?

In case of bankruptcy a licensor company enters a process with creditors and eventually liquidation. There are statutory senior creditors that rank above commercial parties, such as social security and labour and tax claims.

Formalities for licensing

37. Does an IP licence have to comply with any formalities in order to be valid and enforceable in your jurisdiction (including in relation to format, language and execution)? If yes, describe briefly what these are for each type of IP right.

A licence agreement is valid and enforceable if it meets all of the following formalities:

- Consent of the parties with legal and sufficient authority to grant the licence, without any defect of consent.
- In writing and registered with the Institute of Industrial Property, if the IP right is registrable.
- The purpose of the agreement is legal (not unlawful).
- Performance is possible.
- The content of the agreement is certain and determinable at the moment it is being formalised, among other special formalities required for the specific contract under the Civil and Commercial codes and the Industrial Property Act.

Copyright

A copyright licence must be in writing.

Patents

Patent licences must comply with the following requirements:

- Signed by an authorised representative of the licensor and licensee.
- The right being licensed must be expressly stated in the licence or set out in a schedule and must be in force (including the patent/industrial design number).
- The full name of the applicant for a registered patent/industrial design as it appears on the letters patent must be included.
- The original licence must be recorded.
- The term of the licence cannot exceed the term of life of the patent/industrial design.

It is common to file redacted licences for recordal. The Regulations of the IP Law expressly contemplate that any or all confidential information can be left out of an agreement filed with the Institute of Industrial Property. Redacted terms include the consideration, payment terms, and negative covenants. The Trade Mark and Patent Registry is available to the public.

Compliance with local law and practice

38. Are any of the terms in the following standard documents invalid, unenforceable or contrary to standard practice in your jurisdiction? If yes, set out below any necessary amendments to make those terms are valid, enforceable and reflective of standard practice.

- *Standard document, Trade mark licence: Cross-border.*
No amendments.
- *Standard document, Copyright licence: Cross-border.*
No amendments.
- *Standard document, Patents and know-how licence: Cross-border.*
No amendments.
- *Standard document, Industrial design right licence: Cross-border.*
No amendments.

Competition law

39. What competition law considerations must be taken into account by parties entering into an IP licence in your jurisdiction? State the relevant legislation.

No specific competition law considerations apply. The main applicable legal framework is the Economic Competition Federal Law (*Ley Federal de Competencia Economica*) (Competition Law). The Competition Law regulates anti-trust conduct, in particular to prevent monopolies. The Constitution prohibits monopolies with certain exceptions, including IP rights.

40. Do these considerations vary depending upon the level of exclusivity granted to the licensee and/or the type of IP right being licensed? If yes please describe briefly how they vary.

No.

41. Could any clauses in the following standard documents create any particular competition law concerns in your jurisdiction? If yes, set out below any necessary amendments for those clauses to comply with your national competition law:

- *Standard document, Trade mark licence: Cross-border.*
No amendments.
- *Standard document, Copyright licence: Cross-border.*
No amendments.
- *Standard document, Patents and know-how licence: Cross-border.*
No amendments.
- *Standard document, Industrial design right licence: Cross-border.*
No amendments.

Brexit

42. Are any amendments required to the following standard documents to reflect the fact that the UK is preparing to leave the EU; and/or will have left the EU after March 2019? If yes, set those amendments out below and, if necessary, briefly explain them (and where no amendments are necessary, insert "no amendments").

- *Standard document, Trade mark licence: Cross-border.*
No amendments.
- *Standard document, Copyright licence: Cross-border.*
No amendments.
- *Standard document, Patents and know-how licence: Cross-border.*
No amendments.
- *Standard document, Industrial design right licence: Cross-border.*
No amendments.

Specific aspects of trade mark licences

Non-use of a registered trade mark

43.If a registered trade mark is not used by its owner or licensee in your jurisdiction, can it be challenged by third parties and/or removed from the register? If yes, briefly explain and state the relevant legislation. What is the period of time within which a registered trade mark must be used in your jurisdiction before it can be challenged?

If a registered trade mark is not used by its owner or licensee in Mexico, within three consecutive years on the goods or services for which it is registered, it can be challenged by third parties and removed from the register by filing a non-use cancellation action, unless either:

- The owner or a registered licensee used it during the three consecutive years before the filing of the application for cancellation.
- Circumstances arise beyond the control of the trade mark holder that are an obstacle to its use, such as import restrictions or other government requirements applicable to the goods or services to which the trade mark is applied.

(Article 130, IP Law.)

The Regulations of the IP Law recognise as trade mark use when the goods or services have been placed in commerce or are available in the market in Mexico under that mark, in the quantity and way corresponding to the uses and customs in the trade. It is also understood that the trade mark is in use when applied to products for export.

44. Can a licensor compel a licensee to use its trade mark, under the terms of a licence?

A licensor can compel a licensee to use its trade mark, under the terms of a licence.

Goodwill

45. Does goodwill derived from use by a licensee of a licensed trade mark automatically accrue to the licensor, or must this be expressly stated in the terms of the licence (see [Standard document, Trade mark licence: Cross-border: clause 4.3](#))?

Goodwill has no implied benefit for the licensee. Any rights derived from the use of the trade mark inure to the benefit of the licensor. If otherwise agreed there needs to be an express provision to that effect.

Under the Trade Marks Act, a registered trade mark can be licensed with or without goodwill, as expressly agreed in the licence.

A trade mark application or a registration are commonly transferred with any and all rights inherent to the application or registration that include actual prior use. Goodwill is an intangible that is not specifically regulated.

46. Is it common for licensors to request confirmatory assignments of goodwill from licensees in your jurisdiction?

No. All the terms by means of which the goodwill is being transferred must be expressly stated in the licence.

Specific aspects of patent and know-how licences

Know-how

47. Does information have to meet certain criteria in order to be considered "know-how" in your jurisdiction? If yes, describe that criteria and state any relevant legislation.

In Mexico there is no definition of know-how, but it is understood as expertise and practical knowledge or skill regarding a technical subject.

Field of use

48. Are there any field of use restrictions that would give rise to competition law concerns in your jurisdiction (see *Standard document, Patent and know-how licence: Cross-border: clause 2* and *Drafting note: Field of use*)? If yes, explain what those restrictions are, and state any relevant legislation.

No.

Limitation of liability arising from technical assistance

49. Comment on whether the limitation on the licensor's liability at *Standard document, Patent and know-how licence: Cross-border: clause 4.1(d)* is valid and enforceable, and reflects standard practice in your jurisdiction. If not, set out below any necessary amendments to make it so.

The licensor has the obligations stipulated in the licence and the limitation on the licensor's liability at *Standard document, Patent and know-how licence: Cross-border: clause 4.1(d)* is valid and enforceable in Mexico.

Marketing

50. Do the obligations set out in *Standard document, Patent and know-how licence: Cross-border: clause 6* reflect obligations typically placed on a patent licensee in relation to marketing? If your answer depends on the exclusivity granted to the licensee by the licence, briefly explain.

Yes. It depends on the type of licence and scope of exclusivity granted to the licensee. The marketing policies are determined based on the product or service sold.

Improvements

51. Is it common for parties to a patent licence to be obliged to disclose and grant licences to one another of improvements in the licensed technology (see [Standard document, Patent and know-how licence: Cross-border: clause 7.1](#))? If yes, do any particular competition law issues arise from including such an obligation? Explain what these are and state any related legislation.

Yes, it is common for all improvements to be disclosed and notified. Typically, the parties agree that all improvements to the licensed technology will be disclosed to the other party, in the best interest of the parties, to distribute and commercialise the improvements at their convenience. No particular competition law issues arise from including such an obligation.

52. Comment on whether any amendments need to be made to [Standard document, Patent and know-how licence: Cross-border: clause 7.1](#) due to these competition law issues.

No amendments are necessary.

53. Comment on whether the market position of the licensor in the particular technology market, and/or the amount of consideration the licensee receives in exchange for its improvements impact on the extent to which these competition law issues apply.

Not applicable (see [Question 51](#)).

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Areas of practice: Intellectual Property, Copyright, Corporate and Commercial Law.

END OF DOCUMENT

Related Content

Standard Documents

[Trade mark licence: Cross-border](#) • [Maintained](#)

[Copyright licence: Cross border](#) • [Maintained](#)

[Patent and know-how licence: Cross-border](#) • [Maintained](#)

[Industrial design right licence \(short form\): Cross-border](#) • [Maintained](#)

Checklists

[Trade mark licensing: Cross-border](#) • [Maintained](#)

[Copyright licensing: Cross-border](#) • [Maintained](#)

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