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Partners Karen Artz Ash and Jan Tamulewicz Comment on Licensing Agreements in Law360

June 3, 2014

Karen Artz Ash, national co-head of Katten's Intellectual Property practice and co-head of the Trademarks and Trademark Litigation practice, and partner Jan Tamulewicz spoke with Law360 regarding potential pitfalls for retailers operating abroad. While a franchisee or licensing agreement is a good way for a retailer to enter a foreign market, it may want to take over foreign operations at a later date. Karen therefore recommends that such a licensing agreement with a third party include a reservation of rights for the brand holder along with finite terms on the duration of the agreement. Accordingly, she and Jan said they advise clients against signing agreements that include automatic renewal provisions.

Karen added that a licensing agreement should also include an option that would allow the brand holder to buy back any products at the expiration of the deal. If possible depending on the jurisdiction, the agreement should additionally include a provision that allows the retailer to step into the shoes of the licensee if it chooses, in order to take over any leases or other property at the termination of the deal. ("Four Legal Woes for Retailers Expanding Abroad," June 2, 2014)

CONTACTS

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