



Licensing & Bankruptcy  
International agreements and complexities in case of bankruptcy

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Some examples from practice



# IP rights in bankruptcy

- Paardekooper case
  - International packaging company with many clients, Richard Le Grand trustee
  - Stock of third-party branded materials – millions of items
  - Risk of trademark and copyright infringement
  - Sell to brand owners or destroy. What about export?
- District Court The Hague 31-1-2024, *Container Centralen v trustee*: CC has an interest in maintaining control over the goods bearing its trademark, design rights and patent in its closed circulation system, sale allowed
- Standard essential patents case (Korea)
  - Fully paid-up licence, licensor goes bankrupt
  - Trustee threatens infringement action unless new licence is taken

Territoriality

A decorative graphic element consisting of a blue shape that curves from the top right towards the center, ending in a rounded, hook-like form.

# Territoriality & sovereignty

- Bankruptcy is territorial – it only works in the country where the court of that country has decided the insolvency
- Exception for the EU: Insolvency Regulation (EU) 2015/848
  - Court of Member State of debtor's main interest has EU-wide jurisdiction
  - Courts of other Member States only have jurisdiction for their country
- For countries outside the EU insolvency is territorial
  
- KPNQwest was declared bankrupt for France

## Telia Purchases French and Italian assets of KPNQwest

Financial information

Telia International Carrier (Telia IC) has strengthened its position in France and Italy by expanding its fully owned Viking Network through the purchase of assets of a French subsidiary of KPNQwest.

# IP rights & sovereignty

- CJEU 25-2-2025, C-339/22, *BSH Hausgeräte v Electrolux*
  - Case on exclusive jurisdiction for patent validity actions
    - Validity of a patent in EU Member States and in [Türkiye](#)
  - Judgment goes well beyond the issue at stake
    - “The rules and principles of **general international law are binding**, as such, upon the EU institutions and form part of the EU legal order.” (§69)
    - “In the exercise of its powers, **a State may grant, validate and register** intellectual property rights which, within that State, confer on their holder exclusive intellectual property rights, such as a patent.” (§72)  
“The grant of a national patent is **an exercise of national sovereignty**.” (§72)
    - “Only the courts of the third State in which a patent is granted or validated have jurisdiction to declare that patent invalid by a decision that may cause the **national register of that State to be amended as regards the existence or content of that patent**.” (§73)
  - The principle of sovereignty may affect all issues of registration of IP rights
    - It may determine **whether an IP right is affected by insolvency** and which court can decide licensing disputes during insolvency – but this is yet undecided

# Law governing consequences of bankruptcy

- **European patent applications:** Article 74 EPC - the European patent application as an object of property shall, in each designated Contracting State and with effect for such State, be subject to the law applicable in that State to national patent applications
- **Granted European Patents** are a bundle of national rights
- Unitary IP rights
  - **Unitary Patents:** Article 7 UPR – as an object of property treated as a national patent of place of business of the owner in the EU or as a **German** patent
  - **Union Trademarks:** Article 19 Regulation – as an object of property treated as a national right of country of establishment of the proprietor in the EU or as a **Spanish** right
  - **Union Design Rights:** Article 27 Regulation - as an object of property treated as a national right of country of establishment of the proprietor in the EU or as a **Spanish** right

Who is the right holder?

# Issues of ownership in bankruptcy (1)

- Registered IP rights
  - The register is indicative, but not decisive, registration is not a requirement for valid transfer of ownership
- Copyright – case study
  - Company A has granted a licence to Company B
  - Company A goes bankrupt, Company B negotiates with the trustee – since there are no costs for the estate, the licence should not be terminated
  - Suddenly Mr. C enters the stage: he is the actual maker of the work
  - Mr. C was self-employed, so no statutory transfer under employment law
  - Mr. C has **never transferred his copyright** to Company A – he can ask what he wants
    - Mr. C has the sympathy of the CJEU (6-3-2025, C-575/23, *Nationaal Orkest van België*)

# Issues of ownership in bankruptcy (2)



- Licensee: do your due diligence!
  - Does the licensor really own the IP rights?
    - Is the licensor himself a licensee and can the ultimate rights owner go bankrupt?
    - Have the people who did the R&D transferred their rights to the licensor?
    - If they are employees, what national law applies, the place where they normally did their work may be in another country than where the licensor is based?
    - And what about digital nomads?
    - So: better safe than sorry, check who contributed and demand transfer just in case

Protection against bankruptcy

# Licensor may go bankrupt

- Will the licence survive bankruptcy under the applicable national law?
  - Dutch law: licence will continue despite bankruptcy
  - Article 37 Dutch Bankruptcy Act: trustee may choose whether to perform under the agreement or not
  - Licensee (or in that case, licensor) may set a deadline
  - If refused, licensee/licensor has a claim against the estate, but without priority
  - If continued, licensee/licensor has an estate claim, also for claims prior to bankruptcy
  - If continuation causes costs for the estate, trustee may terminate?
  - If trustee for licensor, and no costs for estate: not allowed to terminate?
- Case study: *Bolliger & Mabillard v Vekoma*
  - Vekoma goes bankrupt during patent infringement litigation
  - I demanded the trustee not to sell the company without a licence requirement

# What kind of security can be applied?

- Will the licence survive bankruptcy under the applicable national law?
- What kind of security can be applied?
- Patents – case study
  - Licensor is a biotech company that has not yet made any profit – steady support from investors, but liquidation or bankruptcy cannot be excluded
  - The licence relates to patents, transgenic animals and a substance produced by those animals, **for a specific field**
  - A lien on the patents only provides a monetary claim, no continuity
  - Solution 1: **joint ownership** of patents, but licensor doesn't want that
  - Solution 2: specific securities per country
    - Netherlands & France: **usufruct**, but that excludes further licences
    - Some countries: licence will **always survive** bankruptcy
    - How far do you want to go to check national laws?



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