

IP Licensee Protection Recognized in Chapter 15 Foreign Bankruptcy Proceeding

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In *Jaffé v. Samsung Electronics Company, Limited*,¹ a Court of Appeals protected the rights of crosslicensees of a German debtor's American patents by applying the U.S. Bankruptcy Code, instead of inconsistent German law. Specifically, in Chapter 15 U.S. bankruptcy proceedings ancillary to German insolvency proceedings, the administrator notified certain cross-licensees of the debtor's patents that their cross-licenses were not enforceable under German law. The cross-licensees argued that under U.S. law, they had the option to retain their rights under the cross-licenses. The Court concluded that the cross-licensees should be protected under U.S. law, relying on a balancing of the interests of the cross-licensees and the foreign debtor and U.S. public policy considerations.

Attorneys

- Joel H. Levitin
- Richard A. Stieglitz Jr.
- Maya Peleg