
Intellectual Property

Mandatory Recordation of Intellectual Property License Agreement

The Indonesian government has issued Government Regulation No. 36 of 2018 regarding the Recordation of Intellectual Property License Agreement (“**GR No. 36/2018**”). GR No. 36/2018 is the implementing regulation of Law No. 30 of 2000 regarding Trade Secrets, Law No. 31 of 2000 regarding Industrial Design, Law No. 32 of 2000 regarding Layout Designs of Integrated Circuits, Law No. 28 of 2014 regarding Copyright, Law No.13 of 2016 regarding Patent, and Law No. 20 of 2016 regarding Trademark and Geographical Indication.

GR No. 36/2018, which comes into effect on 27 July 2018, contains provisions for the procedure of recordation of intellectual property (“**IP**”) license agreement at the Directorate General of Intellectual Property (“**DGIP**”).

Below are the key points of GR No. 36/2018:

1. Scope of Licensing

A holder of IP right/licensor cannot grant a license to a licensee if (i) the protection period of the licensed IP right is expired; or (ii) the registration/recordation of licensed IP right is deleted, cancelled and/or revoked, whether due to voluntary application, the appeal commission’s decision, or a court decision.

The license arrangement should be in the form of a written agreement and if it is in a foreign language, it must be translated into the Indonesian language.

A license agreement should not contain any provisions that may:

- a. be detrimental to the Indonesian economy;
- b. limit Indonesians’ ability in the transfer, control, and development of technology;
- c. cause an unfair competition;
- d. contradict with the prevailing laws and regulations, beliefs, morality, and public order.

2. Recordation of License Agreement

All IP license agreement must be recorded with the DGIP. Failure to do so, the relevant IP license agreement will not have any legal effect towards a third party.

Either the licensor or the licensee may file for the recordation of the IP license agreement with the DGIP. An IP license agreement should at least consist of:

- a. Date, month, year, and location where such license agreement is signed;
- b. Name and address of the licensor and licensee;

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- c. Object of the license agreement;
- d. Provision on whether the license is exclusive or non-exclusive, including sub-licensing;
- e. Term of the license agreement;
- f. Territorial scope of the license agreement;
- g. The party who will make annuity payment, in the case of patent.

In the event that the licensor or licensee is domiciled outside the territory of the Republic of Indonesia or is a foreigner, then the application for recordation of the IP license agreement should be filed through a local registered IP Consultant.

The application for recordation of an IP license agreement can be filed, either manually or electronically, by attaching the following required documents:

- a. A copy of the license agreement;
- b. Official excerpts of the relevant IP certificate, or proof of ownership of copyright or related rights;
- c. Power of attorney, if such application is filed through a proxy;
- d. Payment receipt of the official fee (for example, the official fee for recordation of trademark license agreement is approximately USD 35 and for patent license agreement is approximately USD 70)

Within 5 working days after the application is deemed complete, each application for recordation of IP license agreement will be examined on its conformity with the required documents. Within 2 working days after the documents are deemed complete and in conformity with the requirements, the DGIP will issue a notice of IP license agreement recordation. The DGIP will thereafter record the IP license agreement in the relevant General Registrar and announce such recordation in the relevant Official Gazette.

The term of recordation will be identical to the term of the relevant IP license agreement.

3. Amendment and Revocation to the Recordation of IP License Agreement

Any recorded IP license agreement can be amended at any time. If the amendment to the license agreement is related to the licensor's or licensee's name or the license's object, then the relevant licensor or licensee must file a new application to record the amended license agreement. However, if the amendment is for other matters, then the licensee can amend the license agreement by submitting a notification of the amendment to the DGIP and pay any relevant official fees.

A recordation of IP license agreement may be revoked by:

- a. An agreement between the licensor and licensee;
- b. A court's decision;
- c. Other causes that are justified in accordance with prevailing laws and regulations.

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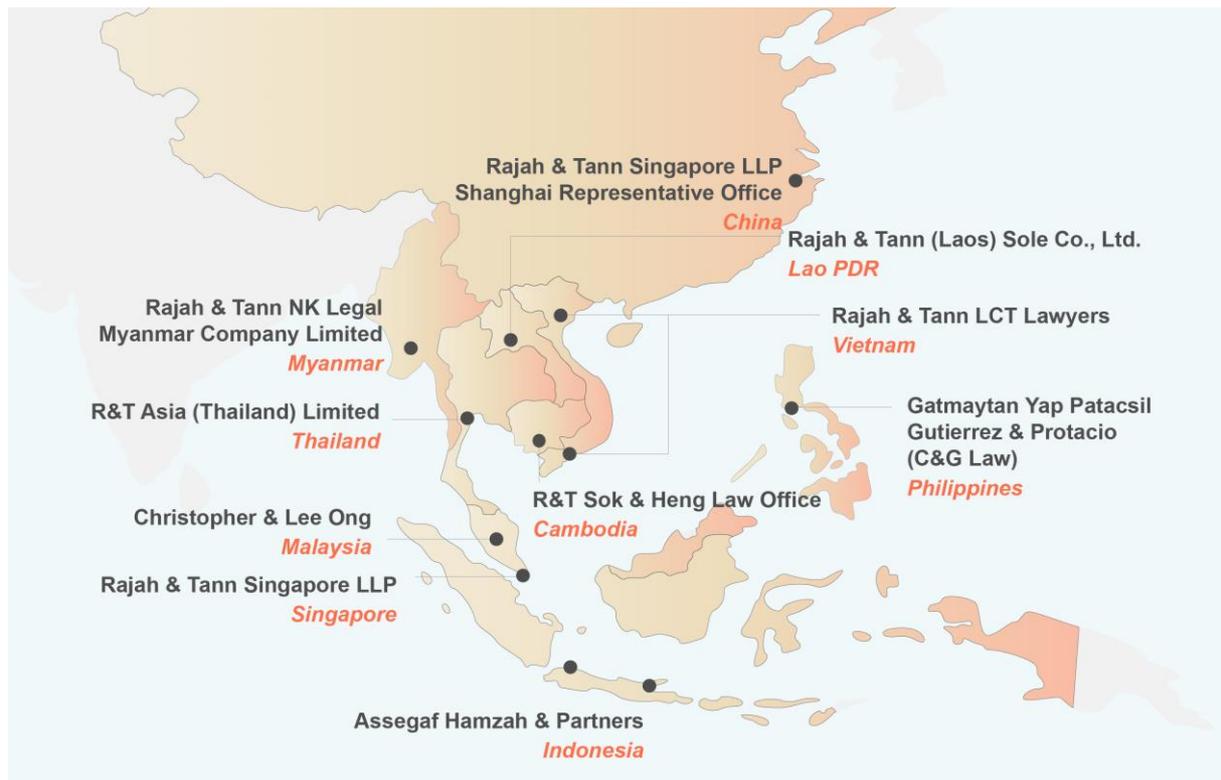
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