

**By: Thomas McKiernan and Michael Badagliacca**

**Corebrace, LLC. v. Star Seismic, L.L.C.**

**Decided May 22, 2009**

**License to Make, Use and Sell a Product Inherently Includes the Right to Have the Product Made By a Third-Party**

The Federal Circuit held that absent a clear disclaimer, it is acceptable for a patent licensee to use a third-party contractor to manufacture the licensed products for the use of the licensee.

The inventor of U.S. Patent 7,188,452 granted a license to Star Seismic, L.L.C. to “make, use, and sell” licensed products. The license did not explicitly provide the right to have the licensed product made by a third party. The license included a restriction that did not allow Star to “assign, sublicense or otherwise transfer” its rights, except to an affiliated company. Subsequently, the inventor assigned his interest to Corebrace. Star used a third party to manufacture the licensed products for Star’s own use, and Corebrace alleged that the use of third parties was a breach of the license.

The Federal Circuit ruled that Star did not breach the license. The Federal Circuit reasoned that the right to “make, use and sell” a product inherently includes the right to have it made. Exclusion of these “have made” rights requires a clear intent, shown in the contract.