

# **The Intersection of Intellectual Property and Bankruptcy Law**

*Peter J. Toren, JD*

*Peter J. Toren, JD, is a partner at Shulman, Rogers, Gandal, Pordy and Ecker in Potomac, Maryland.*

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As the worldwide economy expanded over the past decade, intellectual property assets have increased dramatically in value and become an ever-increasing share of a company's balance sheet. Now, as the economy contracts and many companies are facing bankruptcy, a key question concerns the status of the intellectual property that may have been assigned, transferred, sold, or licensed if one of the parties to the transaction declares bankruptcy. The answer may be critically important to any company that may lose rights to manufacture a licensed product because the licensor declared bankruptcy, as well as to any licensor who may be faced with a totally new competitive landscape because the debtor-licensee sold its rights to the licensor's primary competitor.