

SUBTITLE 4. WARRANTIES.

21-401. WARRANTY AND OBLIGATIONS CONCERNING NONINTERFERENCE AND NONINFRINGEMENT.

(A) A LICENSOR OF INFORMATION THAT IS A MERCHANT REGULARLY DEALING IN INFORMATION OF THE KIND WARRANTS THAT THE INFORMATION WILL BE DELIVERED FREE OF THE RIGHTFUL CLAIM OF ANY THIRD PERSON BY WAY OF INFRINGEMENT OR MISAPPROPRIATION, BUT A LICENSEE THAT FURNISHES DETAILED SPECIFICATIONS TO THE LICENSOR AND THE METHOD REQUIRED FOR MEETING THE SPECIFICATIONS HOLDS THE LICENSOR HARMLESS AGAINST ANY SUCH CLAIM THAT ARISES OUT OF COMPLIANCE WITH EITHER THE REQUIRED SPECIFICATION OR THE REQUIRED METHOD EXCEPT FOR A CLAIM THAT RESULTS FROM THE FAILURE OF THE LICENSOR TO ADOPT, OR NOTIFY THE LICENSEE OF, A NONINFRINGEMENT ALTERNATIVE OF WHICH THE LICENSOR HAD REASON TO KNOW.

(B) A LICENSOR WARRANTS:

(1) FOR THE DURATION OF THE LICENSE, THAT NO PERSON HOLDS A RIGHTFUL CLAIM TO, OR INTEREST IN, THE INFORMATION WHICH AROSE FROM AN ACT OR OMISSION OF THE LICENSOR, OTHER THAN A CLAIM BY WAY OF INFRINGEMENT OR MISAPPROPRIATION, WHICH WILL INTERFERE WITH THE LICENSEE'S ENJOYMENT OF ITS INTEREST; AND

(2) AS TO RIGHTS GRANTED EXCLUSIVELY TO THE LICENSEE, THAT WITHIN THE SCOPE OF THE LICENSE:

(A) TO THE KNOWLEDGE OF THE LICENSOR, ANY LICENSED PATENT RIGHTS ARE VALID AND EXCLUSIVE TO THE EXTENT EXCLUSIVITY AND VALIDITY ARE RECOGNIZED BY THE LAW UNDER WHICH THE PATENT RIGHTS WERE CREATED; AND

(B) IN ALL OTHER CASES, THE LICENSED INFORMATIONAL RIGHTS ARE VALID AND EXCLUSIVE FOR THE INFORMATION AS A WHOLE TO THE EXTENT EXCLUSIVITY AND VALIDITY ARE RECOGNIZED BY THE LAW APPLICABLE TO THE LICENSED RIGHTS IN A JURISDICTION TO WHICH THE LICENSE APPLIES.

(C) THE WARRANTIES IN THIS SECTION ARE SUBJECT TO THE FOLLOWING RULES:

(1) IF THE LICENSED INFORMATIONAL RIGHTS ARE SUBJECT TO A RIGHT OF PRIVILEGED USE, COLLECTIVE ADMINISTRATION, OR COMPULSORY LICENSING, THE WARRANTY IS NOT MADE WITH RESPECT TO THOSE RIGHTS.

(2) THE OBLIGATIONS UNDER SUBSECTIONS (A) AND (B)(2) OF THIS SECTION APPLY SOLELY TO INFORMATIONAL RIGHTS ARISING UNDER THE LAWS OF THE UNITED STATES OR A STATE, UNLESS THE CONTRACT EXPRESSLY PROVIDES THAT THE WARRANTY OBLIGATIONS EXTEND TO RIGHTS UNDER THE LAWS OF OTHER COUNTRIES. LANGUAGE IS SUFFICIENT FOR THIS PURPOSE IF IT STATES "THE LICENSOR WARRANTS 'EXCLUSIVITY', 'NONINFRINGEMENT', 'IN SPECIFIED COUNTRIES', 'WORLDWIDE'", OR WORDS OF SIMILAR IMPORT. IN THAT CASE, THE WARRANTY EXTENDS TO THE SPECIFIED COUNTRY OR, IN THE CASE OF A