

## **GERMANY COMMENTS (SCP/21)**

### 1. Exceptions and limitations to patent rights

Regarding Germany, the compilation of exceptions and limitations to patent rights on your webpage (<http://www.wipo.int/scp/en/exceptions/>) needs to be updated as follows in order to reflect the recent modification of Sec. 2a(1) no. 1 Patent Act:

Section I paragraph 1 eleventh bullet point: “ – Plant and animal varieties as well as essentially biological processes for the production of plants or animals **and plants and animals exclusively produced by such processes** (Sec. 2a(1) no. 1 Patent Act).”

### 2. Transfer of technology

Unfortunately, the DPMA cannot currently provide any practical examples of transfer of technology since such transfers usually result from the grant of a licence by the patent owner to a third party. The corresponding licensing agreement is a contract under private law between the contracting parties and the DPMA is not party to such a contract.

In general, it should be mentioned that it is true that, under patent law, the patent owner is given a positive right to use a certain invention, the technical teaching contained therein and hence also the inherent technical knowledge while generally excluding any third party but, in the outcome, the form of patent law very much promotes the transfer of technology, despite this exclusive effect.

#### a) Transfer of technological knowledge to the general public through publication of the patent application and the patent specification

By publishing the patent applications and the patent specifications the technological knowledge contained in the inventions is edited and disclosed to the general public. The patent applications and specifications can be inspected after publication and the technological knowledge contained therein can be used by anybody – within the scope of the applicable restrictions during the period of patent protection and after expiry of protection without limitations. Furthermore, even before the expiry of patent protection, anybody may inspect the patent specification and develop their own new invention based on the existing invention.

If no patents were granted and the inventor had no exclusive right vis-à-vis third parties, there would be no incentive for him to disclose the individual elements of his invention and to share with the general public the knowledge embodied in the technical teaching.

The publication of the inventions and of the technological knowledge contained therein constitutes, by itself, a transfer of technology from the patent owner to the general public.

Moreover, due to the patent grant by a government agency, the inventions made are recorded, collected and documented in standardised registers. This is indispensable, because even if the individual inventors disclosed their knowledge without being required to do so by the patent system, it would not be possible to ensure in a similar way that the associated knowledge could be located.

The patent application and the patent specification must also be available in the language of the country granting the patent. Consequently, the advantage resulting from patenting an

invention is that the technical knowledge from foreign countries is made available to the nationals of that country in the language of that country.

The patent system also assures the quality of the inventions made and of the technological knowledge embodied therein. In most countries, industrial applicability and the achievement of a certain level of inventiveness in addition to novelty are requirements for the patentability of an invention. This obliges the inventors to continuously develop the existing knowledge further. A potential licensee can rely on the fact that an acquired technical teaching protected by a patent is really new and capable of being used in industry.

#### b) Incentive for transfer of technological knowledge

A transfer of technology means the imparting of knowledge that means the transfer of intangible goods.

The patent system confers a concrete legal position which it assigns to a certain person. This allows a regulated knowledge transfer. The patent owner does not have to fear that a potential contracting partner who has become acquainted with the technical teaching during contract negotiations will use or exploit this technical knowledge for his industrial purposes although no contract has been concluded. Since the granted patent protects the patent owner or applicant from such risks, the patent system stimulates contract negotiations between contracting parties and hence also the willingness to transfer the knowledge contained in the invention.

The patent system does not only enable a patent owner to exclusively use the technical teaching embodied in the invention himself but also facilitates the concrete exploitation by another person by granting rights to the use of the invention. By means of licensing fees for that use the patent owner still has a share in the value of the invention whereby the technological knowledge is capitalised.

It is by the patent system only that modern technologies are converted into marketable goods and transferable objects in legal transactions because patent protection alone will confer a tangible legal position to the technical teaching and assign a commercial value to the invention. Thus another incentive is created for any person to become active in the field of invention and to disclose and transfer the knowledge gained.

Furthermore, the possibility to commercially exploit products by granting licences constitutes an incentive for the development of new technologies, particularly for such companies and research institutions that have no intention or are not able to market their inventions themselves subsequently. In such cases, the transfer of technology is the intended aim of research right from the beginning. Without the possibility to commercially exploit the knowledge gained, there would be no initial incentive to engage in research that goes beyond one's own needs.

The possibility to license or sell their patent will also provide an incentive to those companies that, although they have developed their own product only wish to market it in a certain region, and will encourage them to transfer the technology to those countries where they have no marketing intention in order to gain an additional source of income.

In the end, only an adequately reliable and calculable commercial profit will initially prompt the inventor to bear the high development and investment cost usually arising from finding new technologies. However, this profit can only be ensured if the transfer of technological knowledge too is regulated in an attractive and reliable form in the patent system.

#### c) Promotion of the exploitation of patents

Germany holds the view that national patent law can promote the transfer of technology by creating an incentive for patent owners to exploit the inventions:

For example, Section 23 of the German Patent Act provides for an option to make a so-called declaration of willingness to license vis-à-vis the DPMA. This declaration constitutes a binding offer to grant a licence on reasonable conditions to anyone which has the effect that, by making that declaration, the patent owner/applicant waives his right to the exclusive use of the invention. If a declaration of willingness to license is made, the annual fees falling due after receipt of the declaration will be reduced to one half of the amount of the fees.

There is also the option to issue a declaration of being interested in licensing. By making a declaration of being interested in licensing, the patent owners show that they are interested in licensing the invention. The declaration of being interested in licensing will be recorded in the register of patents and published in the Patent Gazette (*Patentblatt*). The declaration can be withdrawn any time and has no effect on the annual fee. The declaration of being interested in licensing under German law is comparable to the indication of availability of licensing purposes in the PCT/IB/382 form of WIPO.

By making a declaration of willingness to grant a licence or a declaration of being interested in licensing, patent owners who are interested in the exploitation of their inventions and in the transfer of the knowledge contained therein can signal that they are willing to transfer technology.

### 3. Certain aspects of national/regional patent laws

Regarding Germany, the compilation of certain aspects of national/regional patent laws on your webpage ([http://www.wipo.int/scp/en/annex\\_ii.html](http://www.wipo.int/scp/en/annex_ii.html)) needs to be updated as follows in order to reflect the recent modification of Sec. 2a(1) no. 1 Patent Act:

Exclusions from Patentable Subject Matter, Germany, number 11: "Plant and animal varieties as well as essentially biological processes for the production of plants or animals **and plants and animals exclusively produced by such processes.**"

### 4. National/regional laws and practices relating to the confidentiality of communications between patent advisors and their clients

Germany's position regarding the confidentiality of communications between patent advisors and their clients is already known to WIPO. There is no new information on this issue.