



Patent-related incentives and impediments to transfer of technology

Introduction

The IP Federation represents technology-intensive UK companies, all of whom are involved in technology transfer of various kinds, both licensing in and licensing out. A list of members is attached. Not only do our companies own considerable numbers of IP rights, both in Europe and internationally, but they are affected by the activities and IP rights of competitors. They may be either plaintiffs or defendants in IP related court actions.

Decision of the SCP

The Standing Committee on the Law of Patents (SCP) comprises all Member States of WIPO (World Intellectual Property Organization) and/or of the Paris Union, and, as observers, certain Member States of the UN non-members of WIPO and/or Paris Union, as well as a number of intergovernmental and non-governmental organizations.

At its Nineteenth Session held from 25 to 28 February 2013 in Geneva, the SCP decided that the Secretariat should revise the document on transfer of technology (document [SCP/18/8](#)) by adding further practical examples and experiences on patent-related incentives and impediments to transfer of technology on the basis of input received from members and observers of the SCP, taking into account the dimension of absorptive capacity in technology transfer. Thus the IP Federation has been invited in its capacity as observer to the SCP to submit practical examples and experiences on patent-related incentives and impediments to transfer of technology via [e-mail](#) to the International Bureau on or before **30 June 2013**.

IP Federation response

The practical examples set out in document [SCP/18/8](#) discussed in the Eighteenth Session relate to the experiences of individual inventors or inventors from Universities. This does not reflect the experiences of large multinational companies such as those which make up the membership of the IP Federation.

It should be noted that our members span a wide variety of technologies and businesses and so their practical experience of technology transfer varies widely. Moreover, many of these experiences are commercially sensitive and if recent are rarely able to be shared publically.

However, we can make some general observations. A number of our members are engineering companies where few products are protected by one

patent only, or only by patents - other forms of intellectual property are equally important. Technology transfer is rarely seen as the primary goal - it is a means to underpin a new business relationship with an existing or new partner. The technology transferred enables that partner (the recipient of the transferred technology) to develop a new market, either geographically or a field of use - instead of the technology owner developing that market themselves. This may be because the new partner can develop that market more quickly or more economically than the technology owner. In such cases a patent cannot be regarded as an impediment to the technology transfer - the patent helps to frame the scope of the technology transfer. However it is most usefully accompanied by confidential know-how. The effective transfer of the know-how helps to cement the technology relationship between the partners and ensures maximum absorptive capacity of the recipient. Often the technology transfer will be carried out in stages with the amount of technology transferred increasing as the parties grow to trust each other's abilities. The know-how transfer usually has to be accompanied by face-to-face training and secondments of staff.

This form of technology transfer is often carried out internally or to joint venture companies. When technology transfers within a group between group companies, the implementation of a formal technology transfer framework ensures that the group properly records and accounts for the sharing of technology and recognises internally the value of the sources of technology within a group. This helps to enhance the perceived value of research, development and resulting innovation within the group.

Final comment

Although the practical experience of technology transfer of our members varies widely, and many of these experiences are commercially sensitive, we hope that the general observations set out above are of help in the revision of document [SCP/18/8](#).

IP Federation
30 June 2013

IP Federation members 2013

The IP Federation represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below. Its Council also includes representatives of the CBI, and its meetings are attended by IP specialists from three leading law firms. It is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

AGCO Ltd
ARM Ltd
AstraZeneca plc
Babcock International Ltd
BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
BTG plc
Caterpillar U.K. Ltd
Delphi Corp.
Dyson Technology Ltd
Element Six Ltd
Eli Lilly & Co Ltd
ExxonMobil Chemical Europe Inc
Ford of Europe
Fujitsu Services Ltd
GE Healthcare
GKN plc
GlaxoSmithKline plc
Hewlett-Packard Ltd
IBM UK Ltd
Infineum UK Ltd
Johnson Matthey PLC
Merck Sharp & Dohme Ltd
Microsoft Limited
Nokia UK Ltd
Pfizer Ltd
Philips Electronics UK Ltd
Pilkington Group Ltd
Procter & Gamble Ltd
Renishaw plc
Rolls-Royce plc
Shell International Ltd
Smith & Nephew
Syngenta Ltd
The Linde Group
UCB Pharma plc
Unilever plc
Vectura Limited