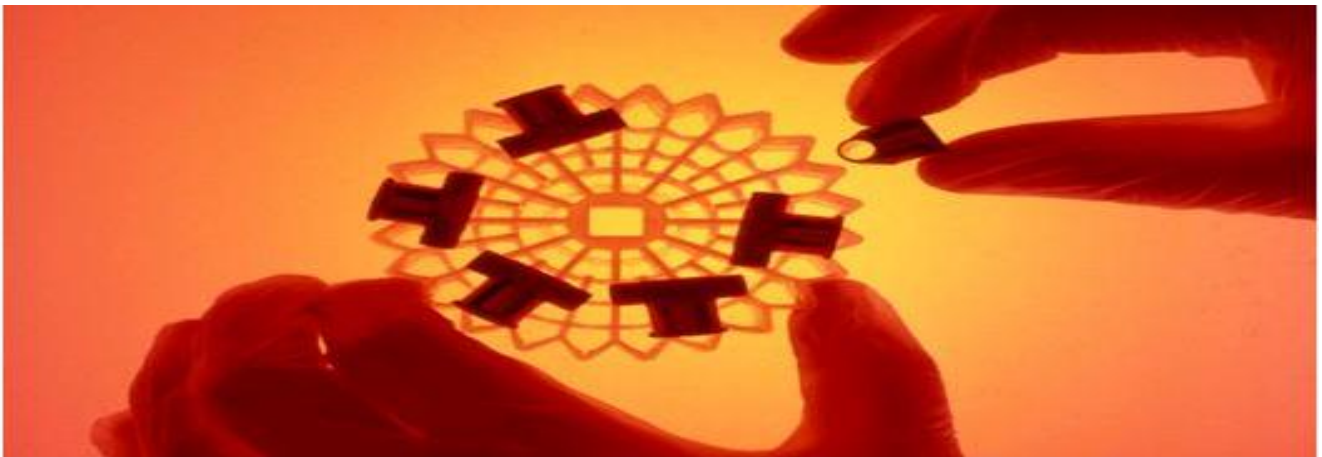


## Patent Law Series: Munich Court strengthens the position of employers by clarifying the requirements for invention reports made before 1 October 2009



In a recently published decision (of 8 July 2013, case no. 7 O 6031/12), the Regional Court of Munich addressed the question as to when invention reports made before 1 October 2009 do not have to be in writing. Following the Federal Supreme Court's decision in the *Haftetikett* case, it is hotly debated under which circumstances the filing of a patent application by the employer renders the provision of a written report dispensable. The Munich decision strengthens the position of employers by emphasising that *Haftetikett* only applies in exceptional cases. It further highlights the fact that despite the reform of the laws on employee inventions the "old" regime remains relevant for employers, in particular high technology companies.

## Background: Laws on employee inventions prior the 2009 reform and the *Haftetikett* decision

Prior to the 2009 reform, the German Act on Employee Inventions ("**ArbEG**") provided strict requirements in respect of invention reports and the claiming of service inventions. Under s. 5 ArbEG, the inventor was required to report service inventions to his employer in writing. Upon receipt of a "proper report" (i.e. a report in writing), the employer only had four months to claim the invention. Failure to do so resulted in the invention becoming free, meaning that the employer lost all rights to use it.

In the notorious *Haftetikett* decision of 2006 (case no. X ZR 155/03), the Federal Supreme Court held that in some instances, the four month period begins even though the employee has not provided his employer with a written report. The Court took the view that a written report was dispensable if the employer already had enough information to file a corresponding patent application. Given that the employer in question had failed to claim the invention in writing, the Court concluded that the employer never acquired the rights pertaining to it. The employee was entitled both to the invention and any corresponding applications or patents.

Given the adverse effects of *Haftetikett* on companies and their rights, this decision caused a big stir. And it remained relevant because even though the ArbEG was reformed, the "old" law still applies in respect of inventions reported before 1 October 2009.

## Decision of Munich Regional Court

After *Haftetikett*, various Regional Courts issued decisions relating to s. 5 ArbEG and the question when a written report is dispensable. The lower courts, obviously, tried to avoid any blatant conflicts with the *Haftetikett* judgment. However, the aim was to make sure that the interests of employers and inventor employees would be balanced fairly.

Notably, in a decision of April 2010 (case no. 4b O 277/08) the Regional Court of Düsseldorf emphasised that the filing of a patent application as such did not imply that the obligation to report the invention in writing no longer applied. In the underlying case, the claimant and co-inventor had failed to provide the employer with sufficient information on the invention and his contribution. Accordingly, the patent application documents did not refer to the claimant as a co-inventor. From this the court inferred that the employer was entitled to a proper report in terms of s. 5 ArbEG and that the co-inventor had failed to comply with its obligations.

The recently published decision of the Regional Court of Munich (case no. 7 O 6031/12) is in line with this approach. Referring to the *ratio legis* of s. 5 ArbEG the judges explained that the requirement to provide a report in writing served two purposes:

- Make sure that there will be no dispute as to when the four months period begins;
- Draw to the parties' attention that the submission of an invention report has legal consequences (namely the beginning of the period for claiming the invention).

With reference to the specific facts of the case, the judges further noted that the employer had not acted in bad faith by asking the co-inventor for an invention report in writing, despite having exchanged emails about the invention with him. This was because the information provided by the employee thus far had been incomplete and incorrect. Against that background, the Munich court held that the employer had a legitimate interest in receiving a "proper report" from the co-inventor. Accordingly, the filing of a patent application did not mark the beginning of the four months period for claiming the invention. That period only began when the employee furnished the employer with a complete invention report in writing.

## Key issues

- Invention reports made before 1 October 2009 must be in writing – e-mails are not sufficient
- The *Haftetikett* doctrine does not apply in every case where the employer files a patent application
- If the employer specifically asks for an invention report in writing, the four months period for claiming an invention only starts when the employee provides such a report

### Outlook

Following the reform of the laws on employee inventions, the risk of losing the rights to an employee invention is far smaller. This is because the employer no longer has to claim an invention within the four months period. Nonetheless, the "old" regime is still relevant, because it applies to all inventions reported before 1 October 2009. The case underlying the recent Munich decision proves that

employers and employee inventors will continue to fight about the rights to valuable inventions.

Accordingly, employers will welcome this decision because it underlines that *Haftetikett* only applies in exceptional circumstances and that the employer is entitled to a proper invention report. The decision is currently under appeal and it remains to be seen whether the Higher Regional Court of Munich takes a different view.

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