

TaylorWessing

Life Sciences Quarterly #2

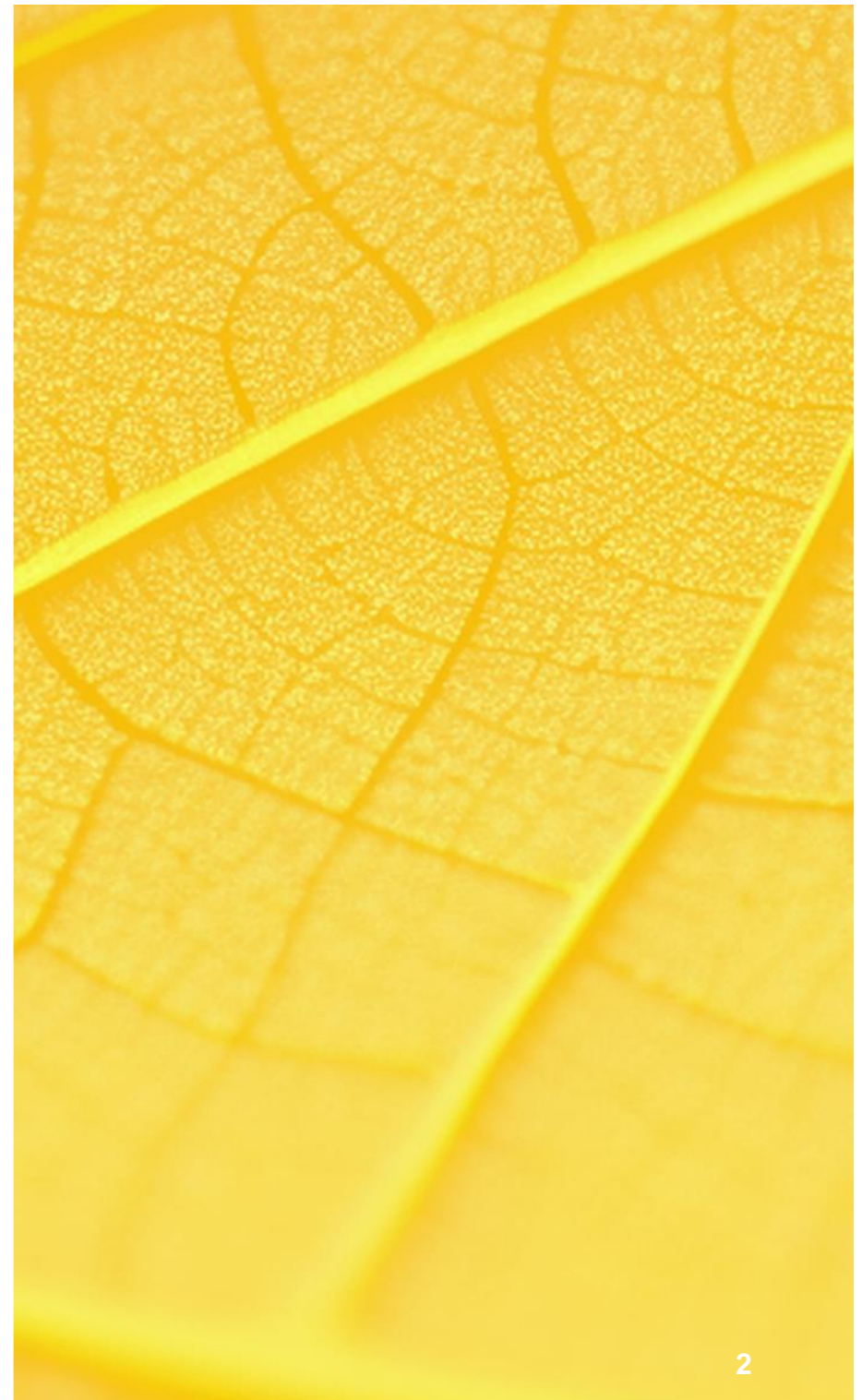
Claiming the clock: Mastering patent limitation periods and their impact on contract design

15 October 2024 | Dr. Anja Lunze and Dr. Aurel-Damian Roscher

Overview

1 Entitlement claim: Statute of limitation (legal framework)

2 Lessons learnt for contract design innovation agreements?





1 | Entitlement claim: Statute of limitation (legal framework)

Entitlement claim: Statute of limitation

What's the problem in Germany?

- Potential limitation periods:
 - Standard (3 years/max. 10 years)
 - vs.
 - Claim in rem (30 years)
- Potential starting points for limitation periods:
 - Parent application
 - Parent/divisional application
 - Grant of parent application
 - Grant of parent/divisional application



Entitlement claim: Statute of limitation

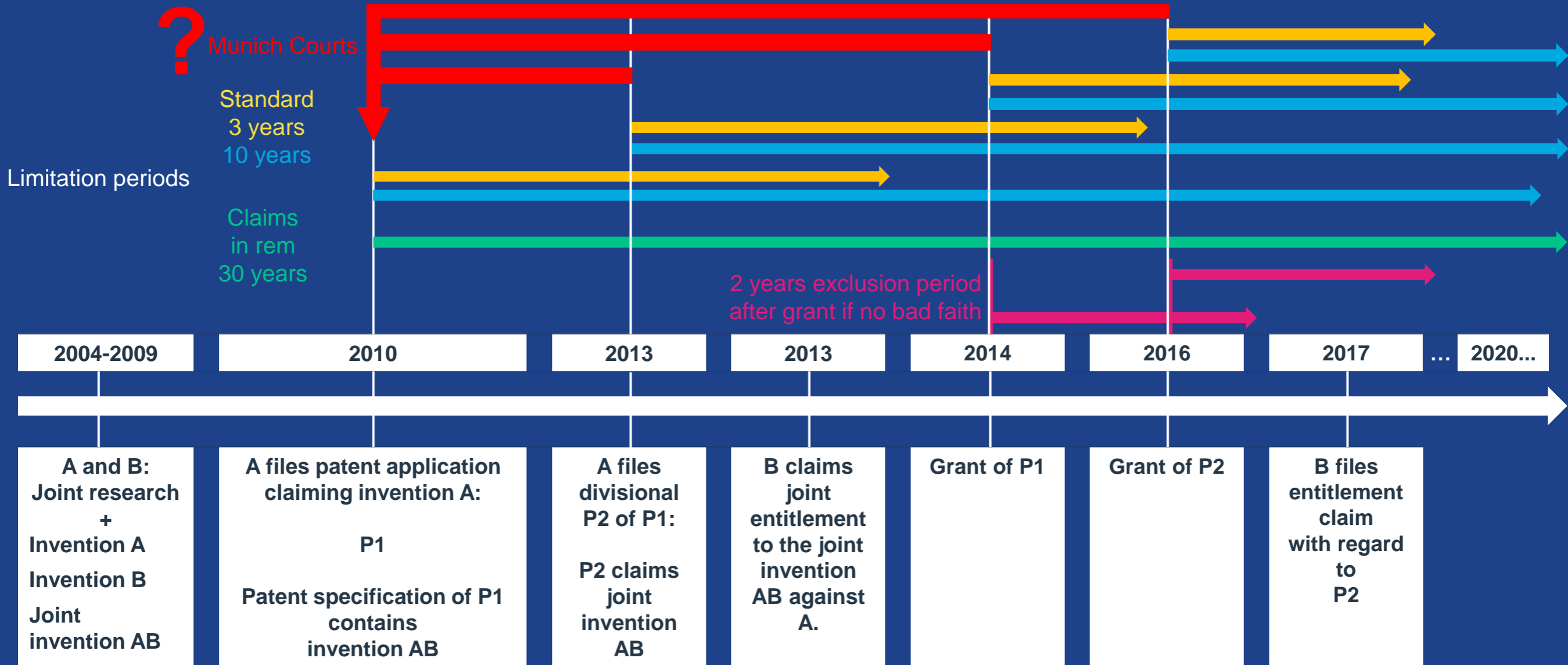
Legal Framework

	Until 31 Dec 2001		Since 1 Jan 2002						
Limitation period	Standard 30 years (Sec. 195 German Civil Code / o.V.)	Claims in rem 30 years (Sec. 197 German Civil Code)	Standard 3 years / 10 years (Sec. 195 German Civil Code)						
Starting with ...	establishment of the claim (Sec. 198 German Civil Code / o.V.)	establishment of the claim (Sec. 200 German Civil Code)	3 years: termination of the year of <ul style="list-style-type: none"> - the establishment of the claim - knowledge / grossly negligent lack of knowledge of the circumstances establishing the claim 10 years: establishment of the claim (without knowledge / grossly negligent lack of knowledge) (Sec. 199 German Civil Code)						
Case law ...	<p><i>Legal character of entitlement claim: "quasi in rem"</i> FCJ Biedermeiermanschetten GRUR 1979, 540</p> <p><i>Legal character of patent application: "equivalent to in rem ownership"</i> FCJ Pneumatische Einrichtung GRUR 1982, 95</p>	<p><i>Legal character of right to invention: "equivalent to in rem ownership"</i> FCJ Steuervorrichtung GRUR 2010, 817</p>	<p>Munich Courts 2018/2023 DC Munich Echtzeit-PCR-Gerät GRUR-RS 2018, 29526 HRC Munich Echtzeit-PCR-Gerät Munich GRUR 2023, 1096</p> <p>I. Legal character of entitlement claim: "not equivalent to in rem ownership"</p> <p>II. Statute of limitations of entitlement claim</p> <table border="0" style="width: 100%; text-align: center;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Parent application Establishment of claim by Parent application</p> </td> <td style="width: 10%; vertical-align: middle;"> <p>-----</p> </td> <td style="width: 40%; vertical-align: top;"> <p>Divisional application Establishment of claim by Parent application</p> </td> </tr> <tr> <td colspan="3" style="text-align: center; color: red;"> <p>Claim for damages/compensation established by parent application</p> </td> </tr> </table> <p>FCJ "Automated heat treatment" GRUR 2024, 836</p>	<p>Parent application Establishment of claim by Parent application</p>	<p>-----</p>	<p>Divisional application Establishment of claim by Parent application</p>	<p>Claim for damages/compensation established by parent application</p>		
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Entitlement claim: Statute of limitation

Example

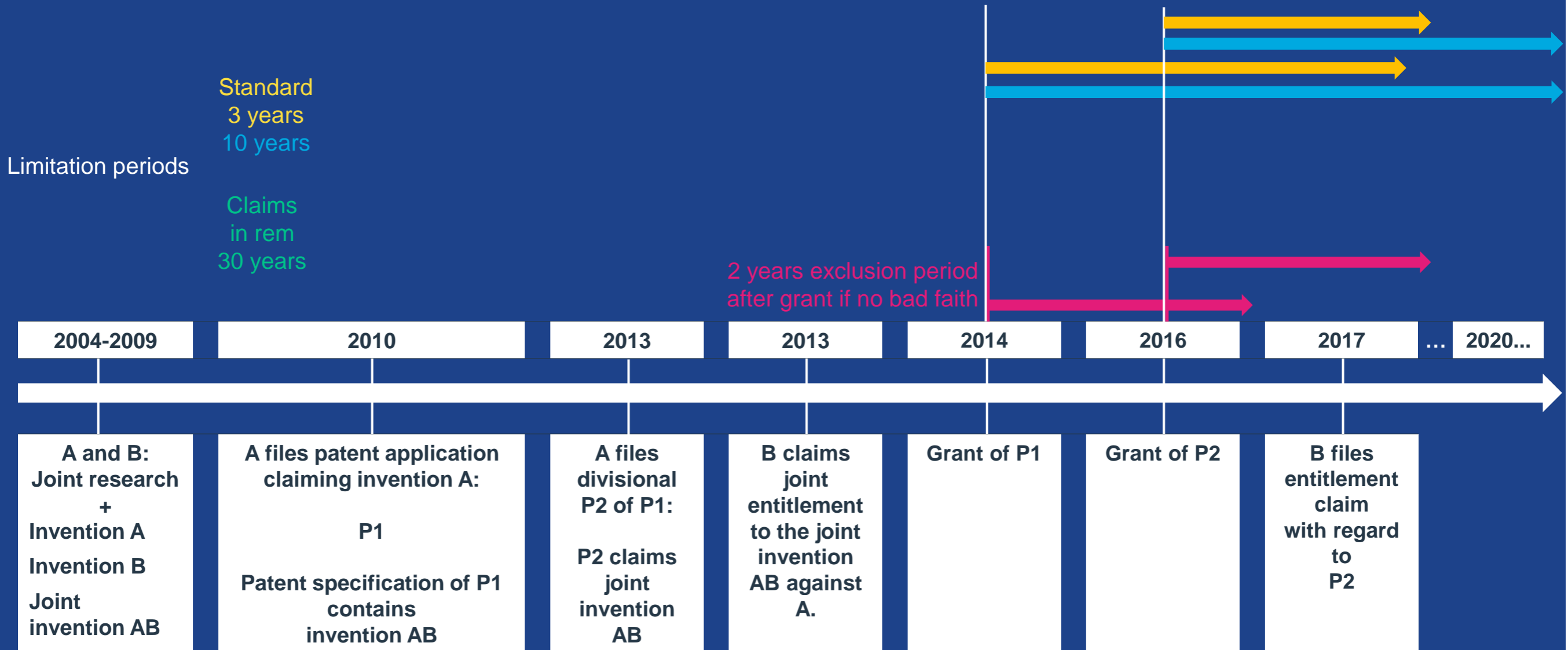



Entitlement claim: Statute of limitation

FCJ GRUR 2024, 836

FCJ GRUR 2024, 836				
Limitation period	<p>Standard 3 years / 10 years (Sec. 195 German Civil Code)</p>			
Starting from ...	<p>I. Legal character of entitlement claim: “not equivalent to in rem ownership”</p> <p>→ 3 years: upon termination of the year of</p> <ul style="list-style-type: none"> - the establishment of the claim - knowledge / grossly negligent lack of knowledge of the circumstances establishing the claim <p>10 years: upon establishment of the claim (without knowledge / grossly negligent lack of knowledge)</p> <p>(Sec. 199 German Civil Code)</p> <p><u>BUT:</u></p> <p>II. Statute of limitations of entitlement claim:</p> <table border="0" style="width: 100%; text-align: center;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Parent Application</u> Establishment of claim by grant of patent (parent application)</p> </td> <td style="width: 5%; border-left: 1px dashed black;"></td> <td style="width: 45%; vertical-align: top;"> <p><u>Divisional Application</u> Establishment of claim by grant of patent (divisional application)</p> </td> </tr> </table>	<p><u>Parent Application</u> Establishment of claim by grant of patent (parent application)</p>		<p><u>Divisional Application</u> Establishment of claim by grant of patent (divisional application)</p>
<p><u>Parent Application</u> Establishment of claim by grant of patent (parent application)</p>		<p><u>Divisional Application</u> Establishment of claim by grant of patent (divisional application)</p>		
Claims for damages/compensation ...	<p>Establishment of claim by infringing act: patent/divisional application, continuation of patent/divisional application etc.</p>			

Entitlement claim: Statute of limitation Example





3 | Lessons learnt for contract design innovation agreements?

Lessons for contract design

- **ALWAYS** conclude cooperation/R&D agreements!
- A foresighted contractual design of **any cooperation** is key!
- A **globally standardized regulation** is only possible **by contract**
- Necessary content:
 - **Foreground IP** incl. transfer of priority rights
 - **Choice of law** and appropriate **place of jurisdiction** (think of mandatory rules on applicable law in the **UPC!**)
 - **Arbitration agreement**, especially with regard to trade secrets
 - Foresighted **regulation of the co-ownership community**
 - **Publication rights**
 - **Statute of limitations**
 - **Contractual penalties** in the event of parallel applications, uncoordinated publications, etc.
 - Ensure compliance with **competition/antitrust law**

Lessons for internal organisation (1)

- **Documentation:** during the entire collaboration, document as precisely as possible who contributed what (also 'unofficially'), in particular
 - Collecting & Archiving
 - all e-mail and chat (!) correspondence
 - agendas for meetings
 - meeting notes, meeting minutes
 - all handouts, slides and attendance lists (with place and date)
 - lab books and minutes (attention: legibility of handwriting)
 - Documenting
 - what was already known or what was already state of the art but unknown to the cooperation partner, in particular what was previously developed internally in the research area



Lessons for internal organisation (2)

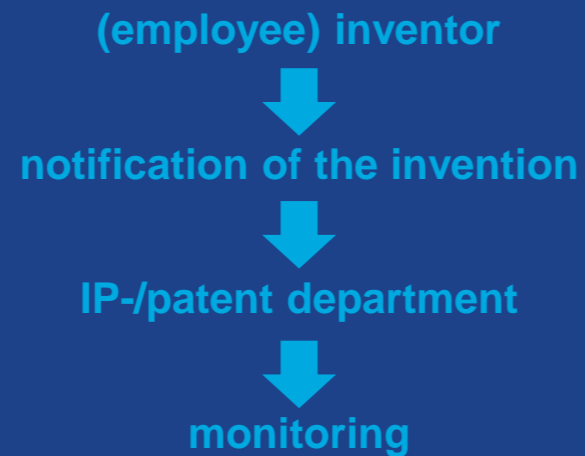
Sensitising

- of own researchers and employees inhouse
- confidentiality
- data/knowledge/material exchange 'among colleagues'



Lessons for internal organisation (3)

- Regular **monitoring of new applications**
- Prerequisite: **Flow of information in your company:**



- Future (?): **Research AI tool** for automatic synchronisation



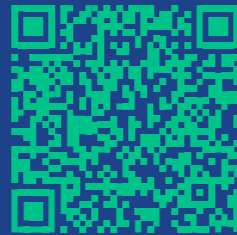
Questions & Discussion



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