Patent-related incentives and impediments to transfer of technology

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 organisations.

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 was invited, in its capacity as observer to the SCP, to submit such examples to the International Bureau on or before 30 June 2013.

IP Federation response

The IP Federation responded on the closing date, 30 June 2013 – see policy paper PP9/13. 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 by 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 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 that 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, it is hoped that the general observations set out above are of help in the revision of document SCP/18/8.

The twentieth session of the Standing Committee on the Law of Patents has been postponed slightly and is due to be held at the headquarters of WIPO in Geneva, from 27 to 31 January 2014.

David England, 13 November 2013