

Danish court rules on requirements of notification of patent title transfer

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Anders Valentin (Bugge Valentin)

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On March 5th, 2021, the Danish Maritime and Commercial High Court ruled to acquit the Board of Appeal for Patents and Trademarks (the "Appeals Board") in a case regarding the notification of a transfer of a patent between two companies. The case, which included aspects of both company law, patent law and questions of civil procedure, highlights what is necessary to document the transfer of title in a patent between two companies.

The case concerned the patent DK 177031 for "An energy storage system", which was registered by JolTech ApS ("JolTech") in 2010. To further develop the invented technology the sole owner of JolTech decided to establish the company GODEvelopment with an associate. The owner of JolTech and the associate decided to transfer DK 177031 from JolTech to GODEvelopment on the condition that JolTech had the right to appoint the board members at GODEvelopment.

In 2018 GODEvelopment went bankrupt. The bankruptcy trustee sold DK 177031 to a third-party to obtain coverage for creditors. The owner of JolTech protested this, claiming that the patent had been transferred back to JolTech in 2016, and that the trustee therefore could not sell the patent.

JolTech then requested that the transfer of the Patent from GODEvelopment was entered in the Register of Patents by the Patent and Trademark Office, but was turned down. JolTech appealed this decision to the Appeals Board which upheld the original decision. It was these decisions to turn down that JolTech brought before the Danish Maritime and Commercial High Court.

Notification of patent transfer

According to section 44(1) of the Danish Patents Act the transfer of a patent can be entered in the Register of Patents:

"The transfer of a patent, the grant of a licence, the pledging of a patent, the levying of execution on the patent or the commencement of insolvency proceedings against the proprietor of the patent shall on request be entered in the Register of Patents."

This notification of transfer merely serves formal and orderly purposes. If the transfer were to be entered in the Register of Patents, the trustee's sale of the patent would not automatically be void. JolTech would still have to file a separate action against the third-party patent buyer. However, such a notification could be used as evidence of the transfer in a potential case between JolTech and the third-party patent buyer.

Notification of transfer according to section 44(1) of the Danish Patents Act requires proper documentation of the transfer. JolTech's alleged documentation was a transfer declaration for DK177031 signed by the board of GODEvelopment in 2016. The Board of Appeals had three main concerns regarding this declaration:

- 1) There was an ongoing dispute between the owners of GODEvelopment at the time the declaration was made. It was therefore deemed questionable whether the board had the right to transfer the patent at the time.
- 2) It was questionable whether the patent was owned by GODEvelopment in 2016, due to an ongoing arbitration case which did not end until 2018.
- 3) The transfer declaration was first brought forward in 2018 after the bankruptcy, even though the document supposedly was from 2016.

For these reasons, both the Patent and Trademark Office and the Board of Appeals concluded, that there was a reasonable doubt as to whether the transfer declaration could serve as proper documentation and so the request was denied. The Danish Maritime and Commercial High Court found no reasons to overturn the decision.