

# Kluwer Patent Blog

## Finland: Proposed new act on university inventions increases freedom of contract but may still fall short of the expectations

Jan Lindberg (Attorneys-at-Law TRUST) · Monday, August 6th, 2018

The Finnish act on the right in inventions made at higher education institutions is in the process of being amended. The reason behind the underlying revision is to enhance the commercialisation of inventions at higher education institutions. Statistics on patents granted from 2013 to 2016 show that Finnish universities in general produced high-quality research and a wealth of excellent research results but, unfortunately, a large portion of these results will be left unexploited. But will the amended act solve this issue and enhance commercialisation?

In the act, research is divided into collaborative research and open research. Collaborative research involves external parties. All other research is defined as an open study. In collaborative research, an institution of higher education is entitled to the rights in the invention. In an open study, the inventor is granted the rights and the transfer of rights further to the university requires the explicit consent of the researcher. In each category, the inventor is obliged to file an invention notice with the university. If the invention rights are transferred to the university, the inventor is legally entitled to a fair compensation.

The draft government proposal proposes that Article 6 of the act be amended so that in an open study, the transfer of invention rights would primarily be agreed between the university and the researcher. In the alternative, if there is no agreement, the article would apply according to the current content, i.e., the transfer of rights to the university would be voluntary from the researcher's point of view. The amended clause would, however, allow for an agreement in advance while, in the present model, acquiring the researcher's consent to the transfer of invention rights becomes topical only after the invention has been created, in a situation where concrete plans already exist to exploit the rights. Prior to this stage in both the current and the reformed model, the researcher themselves have identified their invention, received information on the invention disclosure process and reasonable compensation for the inventor and ultimately made an inventory announcement to make the university aware of the invention.

In international comparison the main model seems to be that invention rights belong to the institutions of higher education, although in the six OECD member states they belong to the inventor. There are also mixed models, such as the Finnish model. In Germany and in the Nordic countries, in addition to the applicable employee inventions acts, specific legislation applies to university inventions.

It is possible to argue that the main reason for the under-utilisation of inventions in the Finnish

universities is, however, not due to the unclarity in the old act now to be amended. In many cases university researchers operate in different roles and it is difficult to ascertain which role the invention is made in. As an example from one of the investments transactions in which a foreign fund considered an equity-based investment in a Finnish biotech firm, the firm's Chief Technology Officer operated in various roles in addition to his position in the firm, one being a professor at a university and another one being a head of a research institute. In all these cases he was pretty much focusing on the same research questions. Therefore it is conceivable to state that whatever the main model for ownership allocation is, there are always difficulties to clarify ownership aspects due to the fact that there are various overlapping roles, responsibilities and employment relationships in university world which create uncertainty in which role the invention was actually made.

Alongside the law change, the working group has put forward recommendations for streamlining current practices so that knowledge and innovation become more commercialised, regardless of the primary ownership of inventions. Unfortunately it also must be stated that one practical issue that also affects the commercialisation of inventions in the Finnish universities, which, however, is not linked to the current Act to be amended, is that in many of the Finnish universities there are no services available to commercialise research results. I would personally recommend more focus and emphasis on the identification processes, i.e., market studies and processes how to find the most valuable inventions, patenting processes in general and also services to facilitate technology transfers either to private sectors or spin-offs. The proposed entry into force of the act is 1 January 2019 and we will continue to follow whether this will be implemented in the current form after the consultation process.

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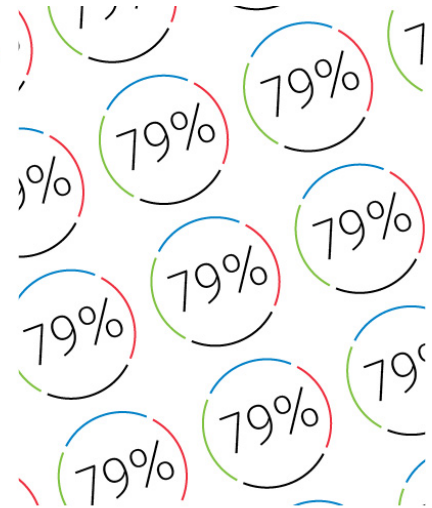
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