

Intellectual property clause (employment) Q&A: Germany

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Country Q&A | Law stated as at 31-Aug-2021 | Germany

Germany-specific information concerning the key legal and commercial issues to be considered when drafting an IP clause for use in the terms of employment between the employer and employee. See *Standard clause, Intellectual Property clause (employment): International*, with country-specific drafting notes and *Standard document, Terms of employment: International*.

IP clause

1. Is a clause such as *Standard clause, Intellectual property clause (employment): International* included in the terms of employment between employers and employees in your jurisdiction where the employer wants to protect any intellectual property (IP) created by an employee?

We recommend including such a clause regarding job-related intellectual property rights (IPR) in the employment contract. The applicable laws establish general rules concerning ownership of IP created by the employee. However, the parties to the employment contract can agree that other rules will apply.

Inventions

2. In the absence of a specific provision in the employee's terms of employment, who owns and can patent any invention that the employee creates during the course of their employment?

Owner of invention created by employee in the course of employment

Such an invention can be owned and patented either by the employer or by the employee, depending on whether the invention is a job-related invention or an independent one.

The employer may claim ownership of a job-related invention by giving the employee a notice to that effect (*section 6, Employee Invention Act (Arbeitnehmererfindungsgesetz (ArbnErfG))*). Job-related inventions are those created during the employment relationship and resulting from fulfilment of the duties and assignments of the employee's job with the employer, or based on the employer's experience or work, to a decisive extent (*section 4 paragraph 2, Employee Invention Act*).

The claim to an invention must be made in writing. The legal nature of the claim is that of an independent, unilateral, unconditional and structuring legal transaction.

However, when the invention concerned is independent (within the meaning of section 4 paragraph 3 of the Employee Invention Act), only the limitations of sections 18 and 19 of the Employee Invention Act will apply (see [Question 3](#)). The main limitation is that an employee who has made an invention must notify the employer of this. The employee must offer the employer at least one non-exclusive right to independent inventions made during the employment relationship. The invention must be within the scope of the company's operations at the time it is offered to the employer.

Who can patent the invention?

The inventor or the inventor's legal successor has the right to patent the invention (*section 6, Patent Law (Patentgesetz (PatG))*). However, in the case of a job-related invention, the employer can claim and patent the invention and the employee will be entitled to consideration in the form of remuneration. The compensation amount is determined on the basis of the potential to realise the invention on economically feasible terms, as well as the employee's duties and position and the employer's experience or work (*Article 9 II, Employee Invention Act*).

The employer may choose to release a job-related invention to the employee (*section 8, Employee Invention Act*). In this case, the employee can patent the invention.

3. Would your answer to [Question 2](#) above be different if the employee created the invention outside of working hours and/or using their own premises, resources and equipment?

An independent invention is understood to be an invention made by the employee for purposes other than to fulfil the duties and assignments of the employee's job or to discharge the inventor's contractual obligation (*section 4 paragraph 3, Employee Invention Act*).

In case of independent inventions, the employee's obligation to offer the invention to the employer must be observed (*section 19 paragraph 1, Employee Invention Act*). This obligation requires that, before the employee exploits an independent invention created during the employment relationship, as a minimum, a non-exclusive right to use must first be offered to the employer on reasonable terms if, at the time of the offer, the invention falls within an existing or prepared operational area of the employer.

4. Is there any wording that should be included to ensure that any statutory requirements are met for the employer to be the owner of an invention by their employee in your jurisdiction?

The employer should include a clause to the effect that the employer acquires all the rights to the employee's inventions made during the employment relationship and resulting from the fulfilment of the duties and assignments of the employee's job in the employer's company, or based on that company's experience or work, to a decisive extent.

5. In the event of a dispute over ownership of an invention, and in particular whether it was created during the course of employment, what would the courts look at to determine whether the employer is entitled to the invention?

The courts will analyse the terms and conditions of the employment contract. They will also check whether the invention was actually made during the employment relationship and resulted from the fulfilment of the duties and assignments of the employee's job in the employer's company, or is actually based to a decisive degree on that company's experience or work.

Copyright

6. In the absence of a specific provision in the employee's terms of employment, who will own the copyright in anything that the employee produces during their employment?

The author is the creator of the work (*section 7, Copyright Law (Urheberrechtsgesetz (UrhG))*). An employer obtains the right to use IPR produced by its employees to fulfil the employment contract (*section 43, Copyright Law*) in accordance with the purpose transfer rule (*section 31 paragraph 5, Copyright Law*), but only to the extent the IPR is required for the employer's operational or business purposes. According to the purpose transfer rule, unless some specific uses have been set for the intellectual right, the intent of the contract is decisive for both parties in that respect. The same rule applies to decisions regarding the right to use the intellectual right concerned and as to whether that right will be common or exclusive.

If the IPR has been produced during work time and using the employer's resources or equipment, the employer generally acquires, by default, a simple right to use the IPR. If the IPR has been produced outside the employee's working time but it can be associated with the employee's work assignments (for example, through use of specialised knowledge), the employee may be obliged to offer the employer the rights to use the copyright in return for a reasonable fee.

7. Would your answer to [Question 6](#) above be different if the employee produced the copyright work outside of working hours and/or using their own premises, resources and equipment?

Section 43 of the Copyright Law does not apply to IPR produced outside the scope of the contract of employment. The same is true of IPRs produced before the beginning of the employment relationship. The author (the employee) holds all the rights to such IPR.

Case law acknowledges that the employment contract grants the employer far-reaching and exclusive rights of use that go beyond the employment relationship. For example, the Federal Court of Justice has held that, if an employee creates a deliverable intended to serve the employer's certain purposes, and only the transfer of rights enables the employer to use the deliverable in the way presumed by the contract, the employee is under an obligation to grant the employer these rights. The transfer of rights can generally be assumed where such an obligation is in place (*BGH (Bundesgerichtshof, Federal Court of Justice), 22.02.1974, I ZR 128/72 on "Hummel rights"*).

However, this only applies to IPR produced by the employee within the framework of the employment relationship and in fulfilment of the employee's duties and assignments (*section 43, Copyright Law*). If the IPR has been produced outside the employee's working time but it can be associated with the employee's work assignments (for example, through use of specialised knowledge), the employee may be obliged to offer the employer the rights to use the copyright in return for a reasonable fee.

Trade mark

8. In the absence of a specific provision in the employee's terms of employment, who is entitled to apply to register any trade mark that the employee creates during their employment?

The employer holds the exclusive right to trade marks created to fulfil the duties and assignments of the employee's job. The trade mark creator will only receive remuneration if that remuneration has been agreed in the underlying contract.

The owner of a registered and applied for (claimed) trade mark may be an individual (a natural person), a legal entity or a partnership with limited legal capacity (*section 7, Trade Mark Act (Markengesetz (MarkenG))*).

Definitions

9. Is the definition of "Employment IPRs" in *Standard clause, Intellectual property clause (employment): International* valid in your jurisdiction?

There is no evidence indicating that such a clause would be not compatible with German law.

10. Is it advisable in your jurisdiction to include in the definition of "Employment IPRs" the IPR that may not necessarily come into existence whilst the employee is carrying out their regular duties but nonetheless arises during their employment?

Although in most cases the employee is obliged to offer the employer the rights to use the IPR, it would be advisable to include such a clause.

11. Is the definition of "Intellectual Property Rights" in *Standard clause, Intellectual property clause (employment): International* valid in your jurisdiction?

The definition is valid in Germany.

12. Do all the rights listed in the definition of "Intellectual Property Rights" in *Standard clause, Intellectual property clause (employment): International* arise in your jurisdiction?

Germany does not recognise the rights in get-up/rights to goodwill as separate IP rights. Domain names are considered to be internet addresses rather than separate IP rights.

Patent rights also cover the rights to utility models.

13. Is it permissible to include rights that will subsist in the future in the definition of "Intellectual Property Rights"?

This definition is permissible in Germany with regard to future rights. In Germany, the right to register a patent is transferable before the patent right emerges. The right to register a patent only emerges after the invention has been created and exists until the patent is registered.

The parties to an employment relationship may agree that the employer may apply for a patent for any future invention made by their employee.

14. Are there any other rights in your jurisdiction that should be included in the definition of "Intellectual Property Rights" in *Standard clause, Intellectual property clause (employment): International*?

Rights to utility models should be included in the definition of "Intellectual Property Rights" in *Standard clause, Intellectual property clause (employment): International*.

Assignment of IPR

15. In your jurisdiction, can the IP rights, inventions and materials set out in *Standard clause, Intellectual property clause (employment): International: clause 1.2* be stated to automatically belong to the employer, without any further steps being taken by either party?

With this clause in place between the employer and the employees, there is no need to take any further steps to ensure that the IP rights, inventions and materials automatically belong to the employer.

16. Can the employer create an effective assignment of the Employment IPR in its terms of employment with its employees as set out in *Standard clause, Intellectual property clause (employment): International: clause 1.3(a)*?

A general assignment that would cover any and all IPR is not possible under German law, as one must specify the exact IPR being assigned.

The provision in *Standard clause, Intellectual property clause (employment): International: clause 1.3(a)* would not be included and does not grant any additional benefits to the employer. It is better to use *Standard clause, Intellectual property clause (employment): International: clause 1.2*.

17. Is the language used at *Standard clause, Intellectual property clause (employment): International: clause 1.3(a)* sufficient to constitute an assignment from the employee to the employer of all Employment IPRs, present and future? If not, how does this need to be amended in order to be valid and enforceable in your jurisdiction?

In Germany, the provision in *Standard clause, Intellectual property clause (employment): International: clause 1.3(a)* makes no sense and does not grant any additional benefits to the employer on top of *Standard clause, Intellectual property clause (employment): International: clause 1.2*.

18. Is the concept of the employee holding any IP rights, inventions or materials "on trust" for the employer, if they do not automatically vest in the employer as set out in *Standard clause, Intellectual property clause (employment): International: clause 1.3(b)*, recognised in your jurisdiction?

This concept is not recognised by German courts.

19. If holding "on trust" is not recognised in your jurisdiction, is there any equivalent wording or concept that could be used in *Standard clause, Intellectual property clause (employment): International: clause 1.3(b)* to increase the protection available to the employer in respect of the IP

rights, inventions and materials that have not automatically vested in the employer and that are yet to be assigned to them?

In Germany, the provision in *Standard clause, Intellectual property clause (employment): International: clause 1.3(a)* makes no sense and does not grant any additional benefits to the employer on top of *Standard clause, Intellectual property clause (employment): International: clause 1.2*.

Obligations on employees

20. Are the obligations on the employee as set out in *Standard clause, Intellectual property clause (employment): International: clause 1.4* valid and enforceable in your jurisdiction?

The obligations set out in *Standard clause, Intellectual property clause (employment): International: clause 1.4(a), (c) and (d)* have been codified by German law and are valid in Germany (*sections 5, 13 and 24, Employee Invention Act*). Although the obligation set out in *Standard clause, Intellectual property clause (employment): International: clause 1.4(b)* has not been codified, it is valid and enforceable.

21. Is the specific confidentiality obligation as set out in *Standard clause, Intellectual property clause (employment): International: clause 1.4(d)* recommended in your jurisdiction so as to maintain the ability for an invention to be patentable?

In Germany, the novelty element (innovative step) is essential to patenting inventions; a technical solution may not be patented without an innovative step (*section 3, Patent Law*).

The confidentiality obligation in *Standard clause, Intellectual property clause (employment): International: International: clause 1.4(d)* is valid, and its breach could make the technical solution unpatentable.

Moral rights

22. Does your jurisdiction recognise moral rights? If not, is there an equivalent personal right that accrues in your jurisdiction to the author of a copyright work?

German courts recognise moral rights.

23. If the answer to the question above is "yes":

- How are these rights defined?
- What do they comprise?
- If copyright is registrable in your jurisdiction, can these rights be registered or recorded against the copyright work?

How are moral rights (or equivalent) defined?

In Germany, these rights are covered by the term "personal copyright". There is no official definition of this term, only a list of these rights.

What do moral rights (or equivalent) comprise of?

The author has the right to make their work public and to describe their work in public, the right to be recognised as the author of their work, and the right to prohibit any impairment of their work (*sections 12-14, Copyright Law*).

Moral rights (or equivalent) registered or recorded against copyright of work

Copyright and moral rights are not registered in the German jurisdiction.

24. In your jurisdiction, do moral rights (or equivalent) arise automatically upon creation of the copyright work, or must the author assert them in order for them to take effect?

In Germany, moral rights arise automatically on creation of any work subject to copyright. There is no need to assert moral rights for them to take effect.

25. Can present moral rights (or the equivalent) be waived in your jurisdiction as set out in *Standard clause, Intellectual property clause (employment): International: clause 1.5*?

Moral rights may not be waived. Moral rights may only be transferred in fulfilment of an injunction on the rightsholder's death, or to co-heirs by way of an inheritance settlement (*section 29, Copyright Law*).

26. Can future moral rights (or the equivalent) be waived in your jurisdiction as set out *Standard clause, Intellectual property clause (employment): International: clause 1.5*?

Moral rights may not be waived. Moral rights may only be transferred in fulfilment of an injunction on the rightsholder's death, or to co-heirs by way of an inheritance settlement (*section 29, Copyright Law*).

27. Who can waive moral rights (or the equivalent) in your jurisdiction?

Moral rights may not be waived. Moral rights may only be transferred in fulfilment of an injunction on the rightsholder's death, or to co-heirs by way of an inheritance settlement (*section 29, Copyright Law*).

28. In your jurisdiction, if the copyright owner can waive moral rights (or the equivalent), do they need to:

- Obtain the author's consent, or
- Give the author prior notice, before doing so?

Moral rights may not be waived.

29. Can moral rights (or the equivalent) be licensed or assigned in your jurisdiction?

Licensing of moral rights

Moral rights can be licensed. An author may agree in a licence agreement that their work may be published, or to refrain from being named as its author.

Assignment of moral rights

It is not possible to assign moral rights.

30. If moral rights (or the equivalent in your jurisdiction) can be licensed or assigned:

- Is the author the only party entitled to license or assign them or (if not the same person) is the copyright owner also entitled to?
- If the copyright owner is also entitled, do they need to obtain the author's consent, or give them prior notice, before granting the licence or making the assignment?
- Are any terms or conditions typically placed upon the third party receiving the benefit of any such licence or assignment?

In Germany, the author and the copyright owner are always the same person, because moral rights may not be waived.

No, there are no typical terms or conditions for such situations because moral rights may not be waived.

Compensation

31. In your jurisdiction, is the employee entitled to any compensation from the employer if the employer registers or exploits (by licensing or assigning to third parties, or granting security over) any IP that has been created by the employee during their employment?

The author of a work is entitled to compensation (*sections 32, 32a and 43, Copyright Law*).

As with the use of copyrights, an employee is entitled to equivalent (proportionate) remuneration if the employer uses an employee's invention (*section 9 paragraph 1, Employee Invention Act*).

32. If so, what and how much compensation is the employee entitled to in your jurisdiction?

The amount of compensation may be stated in the agreement between the parties. If no agreement has been made, an appropriate compensation amount will be deemed to have been agreed (*section 32 I 2, Copyright Law*).

The associations of copyright holders agree with associations of users or with individual users of intellectual rights (works) on common rules regarding the appropriateness of compensation. The common compensation rules should take into account the regulatory environment concerned as well as the structure and size of such users.

The amount of remuneration for the use of an employee's invention by the employer may be determined by agreement between them (*section 12 paragraph 1, Employee Invention Act*). If the parties fail to reach an agreement within a reasonable period of time, the employer will decide on the amount of remuneration and notify the employee in writing with justification (*section 12 paragraph 3, Employee Invention Act*).

Within two months the employee is entitled to make a written objection to the amount of the remuneration set by the employer (*section 12 paragraph 4, Employee Invention Act*). The economic value of the invention, the functions and position of the employee in the organisation, the role of the organisation in the process of creating the invention are taken into account to determine the amount of compensation (*section 9 paragraph 2, Employee Invention Act*).

33. In your jurisdiction, can a clause such as *Standard clause, Intellectual property clause (employment): International: clause 1.6* be included in the terms of employment to establish that no compensation other than that contained in the agreement will be payable to the employee in respect of any IP rights?

Standard clause, Intellectual property clause (employment): International: clause 1.6 may be included in the terms of employment (employment contract). However, the creator of the work can demand the contracting counterparty's consent to amend the contract if the contractual compensation provided for is not adequate (*section 32 I 2, Copyright*

Law). In appointing the remuneration for the invention the circumstances set out in section 9 paragraph 2 of the Employee Invention Act must be taken into account.

Further assurance

34. Is the undertaking given in *Standard clause, Intellectual property clause (employment): International: clause 1.7* valid and enforceable in your jurisdiction, that is, an undertaking to execute all documents and do anything to assist in vesting the IP rights in the employer?

Standard clause, Intellectual property clause (employment): International: clause 1.7 is valid, except for the provision concerning the waiver of moral rights, which is impossible in German law.

35. Is it permissible in your jurisdiction for future assignments to be included in such an undertaking as set out in *Standard clause, Intellectual property clause (employment): International: clause 1.7*?

Standard clause, Intellectual property clause (employment): International: clause 1.7 is valid, except for the provision concerning the waiver of moral rights, which is impossible in German law.

36. Is it usual in your jurisdiction for the employer to agree to reimburse the employee for expenses incurred in complying with this undertaking as set out in *Standard clause, Intellectual property clause (employment): International: clause 1.7*?

This situation is not common practice, but it is possible.

37. Is the term "best endeavours" as set out in *Standard clause, Intellectual property clause (employment): International: clause 1.7* understood in your jurisdiction? If not, is there an alternative or equivalent concept?

The term "best endeavours" is understood, and it can be found in contracts and agreements.

Assistance with infringement claims

38. Is *Standard clause, Intellectual property clause (employment): International: clause 1.8* permitted and commonly included in terms of employment with employees in your jurisdiction to try to ensure that the employee gives valuable witness evidence as required by the employer in any IP litigation that arises around the world, even after their employment with the employer has come to an end?

Standard clause, Intellectual property clause (employment): International: clause 1.8 is permitted by German law. We recommend including this clause in the terms of employment, even though some parts of this clause are difficult to enforce (for example, after the end of the employee's employment period).

39. What are the main defences to copyright and design right infringement claims in your jurisdiction?

These lawsuits are generally heard in ordinary courts of justice. However, a claim of this type will be considered in the labour courts if the employment contract states the compensation amount (*section 104 I, Copyright Law*).

The main strategy for defence against a copyright and design right infringement claim is to use multiple objections in court, for example that:

- The IPR and the claimant's IPR is not the same, so there is no infringement.
- The IPR was created separately and without using the claimant's IPR.
- The IPR was created before the opponent's IPR was created.
- The defendant will challenge the claimant's IPR, unless the claimant withdraws its claim.
- The defendant challenges the opponent's IPR (for example, due to it lacking a novelty step).

- The defendant claims that the limitation period has expired (three years in case of copyright infringements).

40. Is the defence that the allegedly infringing work was independently created, and that it is a mere coincidence that it resembles closely the claimant's copyright work or design, available in your jurisdiction (see *Standard clause, Intellectual property clause (employment): International: clause 1.8*)?

In a claim for infringement of a copyright or design right, the claimant must prove that the defendant's work was not created independently. The defendant may be obliged to provide additional relevant information if the situation concerned has occurred in its sphere.

41. In practice, how difficult would *Standard clause, Intellectual property clause (employment): International: clause 1.8* be to enforce in your jurisdiction?

Standard clause, Intellectual property clause (employment): International: clause 1.8 would be difficult to enforce, due to the lack of any effective legal measures to be taken to obtain the required evidence or documents from the employee. It would be better to obtain all the relevant documents and materials from the employee immediately after the IP right is created.

Powers of attorney

42. Can the employee appoint their employer as their attorney in *Standard clause, Intellectual Property clause (employment): International* for the purpose of executing any documents that might be required in relation to the IPR under this clause?

The employee can appoint their employer as their attorney for the purpose of executing any documents that might be required in relation to the IPR. However, the counterparty to the document may not be appointed as an attorney (*section 181, German Civil Code*). Consequently, if a document is to be signed between the employee and their employer, the employee may not appoint their employer as their attorney for this purpose.

43. Are there any formalities that must be adhered to in relation to the creation or execution of such a power of attorney to ensure that it is valid and enforceable in your jurisdiction?

No formal requirements apply to the creation of a power of attorney, even if the contract to be executed requires a certain form (*section 167 point 2, German Civil Code*). However, there are certain unwritten exceptions to this rule (for example, if the contract to be executed contains a legal guarantee).

Creation of power of attorney

A power of attorney is created by means of a statement made to the attorney or to a third party (*section 167 point 1, German Civil Code*).

Execution of power of attorney

A power of attorney can be executed by the attorney without any further formalities. However, the counterparty may reject a legal transaction if it is a unilateral legal transaction and the attorney is not able to confirm their power of attorney by means of a written document (*section 174, German Civil Code*).

Execution and other formalities

44. Do the terms of employment/contract into which *Standard clause, Intellectual Property clause (employment): International* is inserted need to be executed in any particular manner in order for the assignment set out in this standard clause to be valid and enforceable in your jurisdiction?

When a standard clause is inserted in an employment contract, the clause is subject to the general terms and conditions under sections 305 et seq. of the German Civil Code. Therefore, the employee must be informed about the standard clause. There are no special regulations for IP clauses.

45. If *Standard clause, Intellectual Property clause (employment): International* is included in the employee's terms of employment/contract in your jurisdiction, are there any other specific execution

or registration formalities or other requirements that would be necessary for this clause to be valid and enforceable?

If a standard clause is inserted in an employment contract, it will be subject to the general terms and conditions according to sections 305 et seq. of the German Civil Code. Therefore, the employee must be informed about the standard clause. It is necessary to obtain the employee's signature to acknowledge the employee's awareness of the standard clause. There are no special regulations for IP clauses.

General

46. Are any of the clauses set out in *Standard clause, Intellectual property clause (employment): International* not legally valid and enforceable or not standard practice in your jurisdiction?

Standard clause, Intellectual property clause (employment): International: clause 1.3 is not standard practice in Germany, since its provisions are difficult to execute and enforce. There is a risk that the clause would be found to be invalid. *Standard clause, Intellectual property clause (employment): International: clause 1.2* is more common.

Standard clause, Intellectual property clause (employment): International: clause 1.5, about the waiver of moral rights (present or future), has no power in Germany and is therefore invalid.

The other clauses are valid, but some of them are declarative in nature and difficult to enforce or to execute in real life.

47. Are there any other IP clauses that would be usual to see in such standard IP clauses and/or that are standard practice to include in your jurisdiction?

No.

Contributor details

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