

German law on inventions made by employees

Remuneration



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Basic principle: Inventor is entitled to compensation for inventions

The rights to and from an invention made in the field of work of the employee can be claimed by the employer.

In return, the employee is entitled to receive a compensation which shall reflect the financial benefit which the employer has because of the invention.

Two different approaches

Two ways of determining the compensation:

- 1) According to the guidelines of the law
- 2) According to a contract between inventor and employer

Approach 1: Remuneration according to guidelines of law

$$V = A \times E \times M$$

wherein

V = amount of remuneration,

A = share factor,

E = value of the invention, and

M = percentage of each inventor's share (only applicable if multiple inventors are provided).

Share factor

Share factor depends on three sub-factors:

- 1) Contribution of employer to defining the problem: high contribution results in less money for inventor
- 2) Contribution of employer to making the invention: high contribution results in less money for inventor
- 3) Position of inventor: high educational background results in less money for inventor

Typical values: 10 % to 18 % for engineers