Revisiting blockchain and Intellectual Property

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Previously we have discussed the rise of blockchain technology and how Intellectual Property (IP) could benefit from it. This article further looks at recent blockchain

projects which have developed some interesting technologies that are attractive for IP.

A smart contract is a blockchain programme that automatically executes whenever pre-programmed terms and conditions are met as required by a specific transaction. Such technology could find application in the purchase and assignment of IP, which includes patents, trade marks, designs and copyright.

For example, party A intends to purchase a patent from party B. By utilising a smart contract, the patent will only be transferred to party A when the transaction is finalised in terms of predetermined conditions such as a real-time payment transaction. In short, the smart contract will reflect an assignment transaction on the blockchain where payment has been finalised.

Furthermore, inventors that have entered into a licence agreement in respect of their patented technology could utilise smart contracts in order to derive royalties in real-time. The smart contract will automatically trigger a royalty payment where the licensee trades with the licensed technology. A digital marketplace governed by smart contracts could also be utilised as a platform whereby technologies can be sold or licensed.

Ownership disputes are an age-old problem where it is often difficult to ascertain who has the requisite rights to an invention. A simple blockchain programme could generate a digital certificate when a user submits information pertaining to his or her invention. While the user could elect that the information remains secure and in digital storage, the generated digital certificate could provide valuable proof of ownership and a further timestamp related thereto.

Many businesses suffer significant damages when counterfeit goods are released on the market. Blockchain technology offers a simple solution using a dedicated blockchain which will generate a unique key to be displayed on a product. Each distribution facility or the like would be enabled to scan these keys to establish the authenticity of the products.

Alternatively, authorities and anti-counterfeit units could utilise handheld devices to scan these keys, where the handheld devices have access to the dedicated blockchain of each product in order to establish authenticity.

Ownership transparency could also be simplified through the use of blockchain technologies. Upon the grant of an IP right, the same will be reflected on the

blockchain against the name of the proprietor and/or inventor. Where a transfer of ownership has occurred, the transaction should be captured on blockchain to immediately reflect the change. This system could be utilised by the Patent Offices of countries across the world in order to accurately reflect changes to licensing and ownership of technology.

The above applications speak to blockchain technology utilisation on a large scale. However, this does not exclude simpler applications wherein blockchain technology can be utilised in everyday inventions. For example, user data can be stored, analysed and transformed on a blockchain, while ensuring that the privacy of the user data is secured.

A common headache for many IP rights holders is the issue of failing to renew their IP rights, resulting in the lapsing of the said rights. Renewals can easily be managed by a smart contract whereby renewal fee transactions are automatically triggered as they become due.

Additionally, venture capitalists can utilise smart contracts to release funding to small businesses. Typically, a funding scheme can only release funding when certain objectives are met. Smart contracts can simplify this by releasing funding in real-time when the necessary information and/or results pertaining to predetermined objectives are submitted on the blockchain.

The worldwide adoption of blockchain technology has seen various businesses acknowledge the benefit of utilising its many advantages. With adoption comes innovation, and there is no doubt that blockchain technology will continue to find new applications in the IP field.

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