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Blockchain and Smart Contracts for Real-World Application

The „Blockchain"-technology is on everyone's lips. But capturing the topic concretely and making it useful for the real world still causes problems.

Blockchain may be understood as a digital journal that records every transaction in a forgery-proof protocol. Each transaction is provided with a timestamp and connected with the previous one, leading to a continuous "chain" of all transactions executed.

The new technology offers new opportunities especially when handling confidential know-how and working with (licence-) partners and consultants:

1) For the sharing of know-how and intellectual (IP-) property assets with e.g. external partners often NDAs (non-disclosure-agreements) and licence agreements are concluded. Especially NDAs suffer from the fact that, on the one hand, the disclosed object shall not be described too precisely (too early), but on the other hand cannot remain undefined. Further, it is hard to produce convincing evidence against potential infringers. **The Blockchain-technology makes it possible to clearly define and update the object of a disclosure through assignment of a so called (neutral) hash-code to every contract matter and to every confidential, intellectual asset.** Implementation of an access register can also allow the disclosing party to grant and supervise access rights only for those employees of the receiving party that effectively require access to the disclosed object.

2) **Another interesting example of use can be seen around logistics and supply chains. The** Blockchain-technology may be applied to produce a digital delivery slip which contains information about the delivered goods, quantities, customers, etc. Accordingly, any delivery routes can easily be tracked. Further, contractual events (e.g. "delivery obligation fulfilled") may be linked to results and consequences (e.g. "payment becomes due"). The popular buzzword in this context is "Smart Contract". By this, in cases of defective deliveries or default potential claimants may be identified faster and easier.

3) Many companies continuously develop and create new ideas, which require effective legal protection. IP-law differentiates between registrable and non-registrable rights.

While registrable rights gain extensive protection through registration in a public register, the use of Blockchain offers new opportunities, especially for designs and works protected under

copyright: in many countries, including the European Economic Area, protection is granted for a certain period of time without registration, provided the right owner can proof its priority right. This can be reached with the use of a Blockchain-based time stamp, which is easy to create and reliable, leading to significant time savings, cost reductions and accelerated sharing of new developments.

Further, also non-registrable assets like e.g. trade secrets, know-how, customer lists and sales channels can be protected more effectively. Instead of being surrendered to problems of proof in case of violation and infringement, the rights holder may now produce evidence easier by using Blockchain.

If you are interested in the topic „Blockchain" or have legal questions, we are happy to support. Further information letters and events are envisaged.

Best regards

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