

GNP 11 Inventors and Patent Ownership

Establishing the inventor and the owner of a patent are two different tasks, albeit they are closely linked. This guidance note will provide information about determining these individuals and common situations that can arise as a result.

Inventors and Patent Ownership

Introduction

Anyone can file and apply for a patent, however, that does not mean they are necessarily entitled to the grant of the patent and the associated rights of ownership. Determining inventorship is an important first step in realising the patent owner.

It should be noted that a patent is a negative right and therefore does not give the patent owner the right to commercialise the subject matter of the patent, as is discussed in more detail in another guidance note. Instead, ownership of a UK patent gives the patent owner the right to exclude others from making, using, offering for sale, selling, keeping or importing into the UK the invention claimed in the patent.

Ownership and related assignment issues are relatively straightforward to reveal during IP due diligence when fund raising and it is important that any loose ends are tidied before this stage.

Inventorship

An inventor is anyone who provides a contribution to the inventive concept of an invention described and claimed in the patent. It is essential therefore to examine the subject matter of the claims in the patent when assessing inventorship.

An invention may have more than one inventor and all of them would be entitled to be named as inventors. It is common in the life sciences field to have more than one inventor named on a patent, as often teams of scientists will be working together on research and collaborations between chemists and biologists, particularly in pharmaceutical research, are common. Unlike authors on scientific journal papers, there is no significance to the order of named inventors.

An inventor will be entitled to ownership rights of the patent, unless these rights are instead owned by their employer or are subject to a contract which is effective to transfer rights.

Note that it is not possible to do anything other than agree to assign rights in an invention before a patent is filed: a formal assignment of all legal rights is still required, irrespective of what the contract says. In other words, if the inventor is not an employee then an assignment is required to perfect ownership.

Employee Inventions

In the UK, if in the course of employment there is a reasonable expectation that an invention will arise from an employee's work, or they have been specifically assigned a task whereby there is a reasonable expectation that an invention will arise, the ownership rights are automatically passed onto the employer. Similarly, the duties required of directors will mean that ownership rights are automatically passed onto the employer, even when it may not be within the course of their normal duties to invent. No assignment of these rights from an employee is required.

A contract of employment will usually help to determine if the rights of the invention will be automatically passed onto the employer or not. Outside of an employment contract though it is best practice to ensure the ownership is agreed and understood by everyone involved from the outset to avoid costly and unnecessary conflicts or issues later down the line.

An example of employment whereby one would expect the ownership rights of an invention to transfer to the employer includes a laboratory researcher who has been instructed to research new compounds for medicinal purposes. On the other hand, in the course of a laboratory janitor's normal duties, which are to clean and tidy laboratories, one would not expect a patentable invention to arise; therefore if an invention was created by the janitor, then it would not normally transfer to the employer. The existence of an employment contract which says otherwise does not override legal statute in this respect and the relevant terms of the employment contract may not be enforceable against the employee.

Although under UK law an employer is the first owner of an invention created by an employee, this does not apply in every country in the world. In particular, the USPTO requires the named inventors to sign formal assignment documents before a US patent application can be granted in the name of the employer. Since these documents may be required several years after filing the first patent application, it is important to obtain inventors' acknowledgements or formal assignments from the outset so that if there is any dispute with an inventor who refuses to sign the documents, or perhaps who is untraceable or dies, the employer can ensure the patent is granted in their name. An uncooperative inventor can cause a serious headache in the US.

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Joint Ownership

Often R&D collaborations occur during research in the life sciences field. As such, the rights to joint ownership of patents can occur unless there is an agreement to the contrary. In this scenario, it is important to ensure you have an agreement in place which describes how the intellectual property is managed and the rights each party has. If this is not done, then the default position taken by the EPO and UKIPO is that the first named party on the application is responsible for the prosecution of the application and any correspondence issued by the patent offices will be sent to that first named party only (or their representative). Each party would still have the right to enforce a granted patent against infringing third parties, but the co-owners would not be able to grant a licence to a third party without the permission of other co-owners.

Entitlement Proceedings

Entitlement proceedings concerning a patent or patent application's ownership can be raised and disputed at the UKIPO and the UK courts, but not the EPO. The EPO has no jurisdiction to deal with entitlement issues, so any disputes over European applications also have to be raised in the UK, or the country who has jurisdiction. Prosecution of European applications may be stayed if evidence is provided to the EPO that the application is the subject of entitlement proceedings.

Once the outcome of the entitlement proceedings has been determined by the patent office or courts, there are several different consequences that may then occur. If the named applicant or proprietor has won the proceedings and should remain the named owner, then no change will occur to the ownership of the patent/application and the owner may continue as usual. However, if a European application has been stayed, they must provide evidence to the EPO that the proceedings are finished and in their favour in order to continue prosecuting the application. On the other hand, if the challenger has won the proceedings and is entitled to the patent or application, then the ownership rights can be transferred to them. If the proceedings were regarding a pending European application, then they may continue prosecuting the application, or choose to re-file the application, maintaining the original filing date, and prosecute it on their own terms. Alternatively, they may also withdraw the application if desired.

Transfers and Assignments

Patent ownership can be transferred from one party to another party, for example, in the course of a sale or as a result of entitlement proceedings. However, in order to prove and record the transfer, an assignment must be signed and filed at the relevant patent office. At the UKIPO and the EPO, the assignment is very straight forward and simply requires the assignor to sign the document.

For further information and IP advice please contact [Ross Cummings](mailto:ross.cummings@gje.com) via ross.cummings@gje.com or [Fiona Stevens](mailto:fiona.stevens@gje.com) via fiona.stevens@gje.com.

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