



Does the Inventor always own the Patent?

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Once an invention has been conceived the rights to a patent on that invention belong to the person who invented it. Thus, as a starting point a patent simply belongs to the inventor. However, even if the starting point is very simple there are many challenges in assuring correct ownership of a patent. First of all, in order to establish the ownership of a patent it is very important to identify who the inventor in fact is.

Inventorship

The person(s) who have conceived the invention in a manner so it can be applied in practice is the inventor. That implies that it is the person who intellectually arrived at the invention that is the inventor and has the right to the invention – hence the term intellectual property right. It also implies that a person who has reduced the idea to practice, i.e. by demonstrating the applicability of the invention in a laboratory or by building a pilot plant or model, is not an inventor. Of particular relevance in university settings is the fact that there is no immediate concordance between authorship and inventorship. Understanding the importance of inventorship is vital for the future commercialization of the invention as will be clear from the below.

Ownership

Many inventors are contractually obliged to assign their rights to any invention they make. For example, in many countries employees at universities are obliged to assign their rights to the university, provided that the university wishes to take on the patent process. Also many private employees are obliged to assign their patent rights to their employer. This is usually regulated through their employment contract or in some countries by law. Thus, even though the inventor in principle is the owner of the patent, then frequently the employer of the inventor is in fact the owner of the patent.

Nowadays most inventions are conceived by a team, and thus as a starting point the invention belongs jointly to the persons of that team. If all inventors are employed by the same company, and they are obliged to assign the rights to their inventions to their employer, then the patent belongs to that company. If the inventors however are employed by different companies, then the patent will be co-owned by several entities. Also, in the case that the inventors are not obliged to assign their rights to the patent to a company or university, the patent will be jointly owned between the individuals themselves.

The Challenges of Joint Ownership in Europe and the US

The joint ownership creates challenges that preferably are addressed up front. In Denmark and most other European countries co-owners must act jointly, which effectively gives each co-owner a veto right with regard to licensing or selling a patent. In contrast in the United States each co-owner can act independently. Thus, it is recommendable to ensure clear agreements regulating the right of each co-owner.

If no contracts regulate the joint ownership, then in the United States one owner can license out the patent, without the consent of the other owners. This can result in reduced license fees, since there will be an internal competition between co-owners. Also, it will not be possible for any of the co-owners to grant an exclusive license without an agreement. In Europe one owner can block a license, which the other owner(s) wishes to grant. Therefore a good contract, signed and sealed early in the patent process, is essential.

Accordingly, prior to embarking on a joint development program, it is highly advisable that the involved firms regulate the rights to any ensuing

patents contractually. This is also true for collaborations with sub-contractors. Even if the research leading to an invention is paid for by an ordering firm, then the rights to a patent does not automatically belong to that firm. The rights to a patent belong to the inventor or possibly the inventor's employer. Thus, for the ordering firm it is crucial to ensure that a sub-contractor's employees are obliged to assign patents to the sub-contractor and that the sub-contractor is contractually bound to assign the patent rights.

Conclusion

In conclusion, in order for a company to control ownership of future patents, it is important to understand who will be possible future inventors, and to have all the right contracts in place that allow the company to take over the ownership from the inventors or their employers.

If you have any questions in relation to rightful ownership or inventorship of your patent you are very welcome to contact your patent attorney at HØIBERG A/S



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