

Patent Ownership: Why You Need to Get it Right the First Time

By Blair Hesp

When it comes to filing a patent application for a new invention there are a number of considerations to take into account because of the commercial nature of patents. One consideration is the inventorship/ownership issue. A recent situation in Australia has highlighted how important it is to have the particulars of inventorship for a patent application in order from the very beginning, starting with who is actually entitled to file and own the patent application/granted patent.

Patent Ownership

As a general rule, the true and first inventors are entitled to the invention in the absence of other constraints. However, if the invention has been created during the normal course of employment, or using the resources of an employer, then the employer will be the rightful owner of the invention and entitled to apply as the applicant. In turn, ownership can then be assigned to a third party, if the owner so desires. However, it is important to note that in the absence of an agreement in New Zealand, joint owners of patents cannot act unilaterally when it comes to assigning (or licensing) their share of a patent, but must do so with the consent of all other owners of the patent.

Why Do You Need To Get It Right?

Patent specifications are dynamic documents and are often modified to meet the requirements of each jurisdiction. For example, this may result in the deletion of method of medical treatment claims from a specification in New Zealand which would otherwise be valid in an application in the US. These modifications may result in one or more inventors no longer being entitled to an ownership stake in the patent because their contribution to the invention is no longer within the scope of the modified patent specification.

So what happens if the inventor/owner details are not recorded correctly? The Australian Federal Court recently decided that if any of the inventor and/or ownership details are incorrect then the patent should be revoked (see *Conor Medsystems, Inc vs The University of British Columbia and Angiotech Pharmaceuticals, Inc. (No2) [2006] FCA 32*). In this case, the University of British Columbia (UBC) claimed part ownership of a patent following two of the "original inventors" assigning their interest in the patent to UBC. It was later pointed out by a third party that the inventors who assigned their interest in the patent to UBC did not contribute to the development of the invention, as the specification stood in Australia, and were therefore not entitled to assign ownership of an interest in the patent application. Meanwhile, the true inventors assigned their interests in the patent to Angiotech Pharmaceuticals.

The issue here is that a patent may be invalidated or revoked in many jurisdictions, including New Zealand, if the patent applicant or inventor is not the true and first inventor. For example, if a person effectively *steals* someone else's idea the patent may be revoked, if challenged by a third party, because the applicant is not the true and first inventor. In this case, even though Angiotech was the assignee of the true and first inventors and entitled to apply for a patent, it was found that UBC was not entitled to apply because their interest had not been assigned to them by the true and first inventors. When challenged the granted Australian patent was revoked because UBC was not entitled to apply for the patent.

Because the patent had already been granted the Judge ruled that the application as a whole had been granted on false grounds. Angiotech was legally entitled to an interest in the patent by assignment from the true and first inventors but the Courts declined to validate Angiotech as sole owner of the patent on the grounds that the patent application was granted under false circumstances.

Therefore, because inventorship/ownership was not confirmed prior to filing a patent application in Australia both UBC and Angiotech came out as big losers. This case serves to remind us that it is important to have your house in order before filing a patent application because any discrepancies between the information declared in a patent application and the facts can be fatal during patent revocation or infringement proceedings.

A reminder: if you have any queries regarding patents, or indeed any form of intellectual property, please direct them to:

Patent Proze

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