



Inventors and Ownership of US Patents

Jim Baunach

Seed Intellectual Property Law Group, LLP

701 Fifth Avenue, Suite 5400

Seattle, WA 98104

(206) 650-0985

www.SeedIP.com

jimb@seedip.com



Overview

- Who should be listed as an inventor on a patent?
- What rights does the inventor have?
- Example Scenario



Who should be listed as an inventor on the patent?

- An inventor is a person who contributed to conception of the invention defined in at least one **claim** in the patent.
- Incorrectly listing inventors is grounds for rejecting a patent application and invalidating a patent.
- The **claims** are the enumerated sentences at the end of a patent that legally define exactly what the invention is (may be multiple claims in one patent).



Example Patent Claim (of OfferUp Inc.)

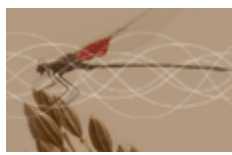
What is claimed is...

23. A method for validating a computer-based local transaction using a first user device and a second user device, the method comprising:

receiving localization information from one or more of the first user device or the second user device;

processing the localization information so as to determine whether the first and second user devices are in proximity to each other; and

allowing the first and second user devices to conduct the local transaction if the first and second user devices are determined to be in proximity to each other.



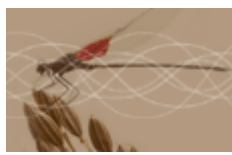
Who should be listed as an inventor on the patent?

- Not one who merely assists in reduction to practice of the invention (e.g., writes the code implementing the invention according to specific direction and supervision)
- Not one who merely suggests a desired result rather than means of accomplishing it (e.g., just says “wouldn’t it be nice to have a teleportation machine?”)



Who should be listed as an inventor on the patent?

- Job title, contractor/vendor status, position in company ***is irrelevant*** (project manager, group lead, technical lead, founder, CTO, CEO, etc.).
- Co-inventors may exist on a patent even where one inventor contributed a majority of the work (must be some quantum of collaboration or connection between co-inventors).



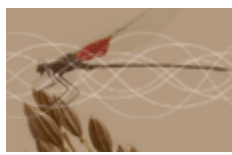
Who should be listed as an inventor on the patent?

- Can change during the prosecution of a patent application as claims are deleted or amended
- Patent office and courts usually presume the named inventors are the inventors so long as there is no disagreement.



What rights does the inventor have?

- Without a license or assignment of rights from the inventor(s), ***the inventor(s) own all the rights*** in the patent application and resulting patent.
- Each co-inventor owns an ***equal and undivided*** interest in the ***entire*** patent



What rights does the inventor have?

- Each co-inventor may freely grant licenses to third parties to exploit the patented invention ***all without the consent of and without accounting to the other co-inventors***
 - Granting of exclusive license not possible unless all co-inventors agree not to grant any other licenses and to not work the invention themselves.
 - One co-inventor has the right to impede the other co-inventor's ability to sue infringers by refusing to voluntarily join in such lawsuit



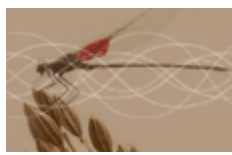
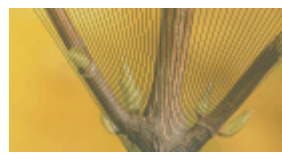
What rights does the inventor have?

- Patent right is a right to ***exclude others*** from making, using and selling the invention claimed in the patent
 - In some cases, may not include right to make, use and sell invention when another (broader) blocking patent exists
 - Simple Example: Inventor of new type of airplane wing may not have right to use that wing in an airplane if there exists a broad patent covering the invention of the airplane



What rights does the inventor have?

- Inventor(s) can assign or license their patent rights to others (e.g., company employees often assign patent rights to employer in the employment agreement).
- Joint ownership (as with ownership rights of co-inventors) applies to entire patent and can't be split up according to individual claims in the patent.
- Where community property laws apply, there may be joint ownership of an invention made during the marriage.



Example Ownership Scenario

1. While working at Company A, Annie comes up with a new idea for an AI system that predicts economic market trends based on global political occurrences.
2. Annie leaves Company A and starts Company B with co-founder Barney.
3. Annie and Barney hire Cathy who sets up the AI models, gathers training data and codes the new system to implement the invention under direction from Annie and Barney.
4. Company B pays for and files for a patent application for the AI invention naming Annie as sole inventor.
5. Who own's the patent rights in the AI invention?



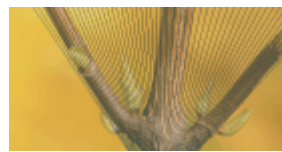
Example Ownership Scenario

- Does scope of any previous assignment of patent rights from Annie to Company A matter?
- Does it matter for patent ownership that Company B paid for patent application to be filed?
- Does it matter for patent ownership that Barney is a co-founder of Company B?
- Does it matter for patent ownership that Cathy set up the AI model, gathered training data and coded the new system to implement the invention?



Take-Aways

- Sort out IP ownership rights as early as possible between co-founders, co-inventors, employees, contractors and collaborators.
- Look into previous employment and potential previous IP assignments and licenses, NDAs and existing IP obligations of all parties involved.
- File patent application(s) as early as possible in names of actual inventors to stake claim in that IP.
- Make sure co-founders, co-inventors, employees, contractors and collaborators have written obligations to assign or license their IP rights as agreed.



Seed^{IP}

Thank You

Seed IP Law Group, LLP
701 Fifth Avenue, Suite 5400
Seattle, WA 98104
(206) 622-4900
www.SeedIP.com
jimb@seedip.com