Patent Inventorship: Best Practices for Determination and Correction

Distinguishing Between Inventor and Contributor; Navigating Joint Inventorship, Disclosure of Ownership, Real Party in Interest

TUESDAY, FEBRUARY 27, 2018

1pm Eastern | 12pm Central | 11am Mountain | 10am Pacific

Today’s faculty features:

Jill K. MacAlpine, Ph.D., Partner,
Finnegan Henderson Farabow Garrett & Dunner, Washington, D.C.

Amanda K. Murphy, Ph.D., Partner,
Finnegan Henderson Farabow Garrett & Dunner, Washington, D.C.

The audio portion of the conference may be accessed via the telephone or by using your computer’s speakers. Please refer to the instructions emailed to registrants for additional information. If you have any questions, please contact Customer Service at 1-800-926-7926 ext. 1.
Tips for Optimal Quality

**Sound Quality**
If you are listening via your computer speakers, please note that the quality of your sound will vary depending on the speed and quality of your internet connection.

If the sound quality is not satisfactory, you may listen via the phone: dial 1-866-819-0113 and enter your PIN when prompted. Otherwise, please send us a chat or e-mail sound@straffordpub.com immediately so we can address the problem.

If you dialed in and have any difficulties during the call, press *0 for assistance.

**Viewing Quality**
To maximize your screen, press the F11 key on your keyboard. To exit full screen, press the F11 key again.
Continuing Education Credits

In order for us to process your continuing education credit, you must confirm your participation in this webinar by completing and submitting the Attendance Affirmation/Evaluation after the webinar.

A link to the Attendance Affirmation/Evaluation will be in the thank you email that you will receive immediately following the program.

For additional information about continuing education, call us at 1-800-926-7926 ext. 2.
Inventorship and Ownership: Best Practices

Amanda Murphy, Ph.D.
In the Beginning...

- Inventorship rooted in the concept that a person has a natural, exclusive right to his or her inventive ideas; no one can compel disclosure of those ideas
  — Robinson, Treatise on the Law of Patents (1890), vol. I at 37-38

- To encourage disclosure of inventions and thus promote human progress, the U.S. Constitution authorizes the U.S. Congress to pass laws that preserve an inventor’s exclusive right to his or her discovery
  — U.S. Const., Art. I, § 8
Supreme Court on Inventorship

• A person, to be entitled to the character of an inventor, within the meaning of the Act of Congress, must himself have conceived the idea embodied in his improvement. It must be the product of his own mind and genius, and not of another’s.

— Pitts v. Hall, 2 Blatch. 229, 231 (1851)
Mergenthaler v. Scudder (1897)

- The conception of the invention consists in the complete performance of the mental part of the inventive act. All that remains to be accomplished in order to perfect the act or instrument belongs to the department of construction, not invention. It is, therefore, the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention as it is thereafter to be applied in practice that constitutes an available conception within the meaning of the patent law.
Who is an Inventor?

• “The threshold question in determining inventorship is who conceived the invention.”

• “Formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention.”
  —*Hybritech v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1376, 231 USPQ 81, 87 (Fed. Cir. 1986)
What is Conception?

- Conception is the mental part of the inventive activity.
- Conception must be complete.
- Recognize the ultimate result desired and develop the means to accomplish it.
- Communicate a sufficiently completed thought that one of skill in the art can make the invention.
- Only inventors conceive, others can reduce to practice.
When Is Conception Completed?

• “Conception is complete only when the idea is so clearly defined in the inventor’s mind that only ordinary skill would be necessary to reduce the invention to practice, without extensive research or experimentation.”
  — Sewall v. Walters, 21 F.3d 411, 415 (Fed. Cir. 1994)
**Requirements Of Conception**

- Belief is key—there is no requirement for a “reasonable expectation” that invention will work.
  - *Burroughs Welcome Co. v. Barr Labs.*, 40 F.3rd 1223 (Fed. Cir. 1994)

- Not complete if subsequent experimental failures reveal uncertainty that undermines the “definite and permanent” requirement.
  - *Id.*

- But there is “no significance” to the fact that some compounds were “inoperative” [in a screen].”
Conception Should Be Corroborated

- Evidence showing that the inventor disclosed to others a completed thought is useful for proving inventorship.

- Define and document the invention, making sure it is properly recorded, dated, and witnessed by someone (other than a co-inventor) who understands the invention.
Sufficient Proof

• Symantec Corp. v. Computer Associates Intern., Inc., 522 F.3d 1279 (Fed. Cir. 2008)
  — Levin asserted that he was an omitted co-inventor.

  — To show co-inventorship, Levin submitted a declaration stating that he gave one of the named inventors the idea during a telephone call.

  — As corroboration, Levin submitted named inventor's day planner, which reflected notes confirming that the disputed call took place.

  — Levin also pointed to lack of evidence showing named inventor's conception as corroboration.
Symantec (con’t)

• DC: Rejected assertion of co-inventorship.
  ‒ Day planner entry was insufficient corroborating evidence.
  ‒ “at most shows only that [Levin and Gray] discussed the then-current state of the art”; it “fail[ed] to explicitly identify [Levin's] contribution.”
  ‒ Calling into question named inventor’s contribution irrelevant to whether Levin made contribution
    ‒ Different from facts in Ethicon, where we held that a sole inventor's lack of technical expertise corroborated another's claim of co-inventorship.

• FC: Affirmed
  ‒ Day planner entry only establishes that Gray and Levin spoke about the then-current state of anti-virus programs; it does not establish that Levin contributed to the idea.

- Corroboration of conception lower standard than corroboration of reduction to practice.

- Unwitnessed notebook page may show conception, even if it does not show that the experiment was actually performed.

- FC: District court erred in rejecting corroborative value of 2 pieces of documentary evidence of conception.
  - Award of priority to Brake vacated.
To Determine Inventorship, Focus On Claims

• Evaluate inventorship claim-by-claim.

• Claims construed first:
  – “. . . inventorship analysis, like an infringement or invalidity analysis, first requires the construction of each disputed claim to determine the subject matter encompassed thereby. The second step is a comparison of the alleged contributions of each asserted co-inventor with the subject matter of the correctly construed claim to determine whether the correct inventors were named.”
Correct Inventorship Turned On Claim Construction

- *Univ. of Pittsburgh v. Hedrick*, 573 F.3d 1290 (Fed. Cir. 2009)

  - Representative claim 1: An isolated *adipose-derived* stem cell that can differentiate into two or more of the group consisting of a bone cell, a cartilage cell, a nerve cell, or a muscle cell.

  - Named inventors on Pittsburgh patent:
    - Katz, Llull, Futrell, Hedrick, Benhaim, Lorenz, and Zhu

  - Pittsburgh filed action seeking removal of named “independent researchers” Futrell, Hedrick, Benhaim, Lorenz, and Zhu (“IR’s”)
IR’s argued that “adipose-derived” should be limited to a “species of stem cell distinct from the mesenchymal stem cell that is obtainable from bone marrow tissue”

This construction would mean that the independent researchers’ work proved that the inventive stem cells were in fact distinct from the prior art mesenchymal stem cells.

University researchers Katz and Llull argued for a plain meaning: cells “derived from fat tissue.”

DC: Agreed with plain meaning.
   – Katz and Llull “conceived the claimed invention as construed prior to Hedrick’s arrival at Pittsburgh,” request for removal granted.

FC: Affirmed.
But What About Provisionals?

- §1.45 - If multiple inventors are named in a provisional application, each named inventor must have made a contribution, individually or jointly, to the subject matter disclosed in the provisional application.

- Look at specification not just claims.

- Neither the rules nor the MPEP require correction of inventorship of a provisional application unless the correction is needed to establish an overlap of inventorship.
  
  — E.I. du Pont de Nemours & Co. v. MacDermid Printing Solutions, L.L.C., 525 F.3d 1353 (Fed. Cir. 2008)
What About Joint Inventors?

• Pre-1984

  – Joint inventors had to jointly conceive and contribute to the entire invention.

  – Joint inventorship: “one of the muddiest concepts in the muddy metaphysics of patent law.”

    – *Mueller Brass* (1972)
What About Joint Inventors?

• 1984 Amendment to 35 USC § 116.
  – The 1984 amendment “recognizes the realities of modern team research”

• Inventors may apply for a patent jointly even though
  – They did not physically work together or at the same time;
  – Each did not make the same type or amount of contribution; or
  – Each did not contribute to the subject matter of every claim.
Pre-AIA: Collaboration Required

- Joint inventorship requires some sort of collaboration, even if the inventors are not working together.

- Working under common direction.

- Building on another’s work.

- Joint inventors must at least be aware of each other.
Kimberly-Clark v. P&G (Fed. Cir. 1992)

• K-C inventor conceived of improvement to disposable diaper in 1982; patent issued November 1987.

• P&G employee, Lawson, conceived similar invention 1985; patent issued September 1987.

• Lawson unaware that other P&G employees made invention as early as 1979.

• Other P&G employees unaware of Lawson’s work.

• P&G moved to correct Lawson patent to add other P&G employees as inventors and gain earlier date of invention.

• FC: for joint inventorship under § 116, there must be some element of joint behavior. Individuals cannot be joint inventors if they are completely ignorant of what each other has done.
Pre-AIA: Some Quantum of Collaboration

  - Nu-Kote’s argument: “it is absurd to believe that it took sixteen people to invent a simple plastic container of ink.”
  - “Although the inventors were incapable of recalling each individual’s specific contribution, they all generally recalled collaborating together in a series of meetings to produce the patented invention”
  - Held: sufficient to satisfy standard for joint inventorship.
Independent research to determine certain genetic mutations.
- Drs. Rubin and Anderson at Fordham
- Drs. Slaugenhaupt and Gusella at MGH

Fordham drafted paper describing the mutations.

On Dec. 22, 2000, journal editors sent the Fordham paper to the MGH researchers for peer-review; MGH declined to review.

On Dec. 28, 2000, the MGH researchers submitted their own paper.

On Jan. 6, 2001, MGH filed a provisional application, which eventually results in two US patents.


Rubin (cont’d)

- Fordham declines to pursue an interference and instead sues MGH, asking to be substituted as inventors on the patents or added as joint inventors.

- DC: Granted MGH motion for summary judgment.
  - Inventorship could not be changed under § 256 because there was no “collaboration.”
  - Could not be added as joint inventors because they did not meet requirements of § 116.
  - Complete substitution of inventors is not a matter for § 256 but rather should be resolved in an interference.

- FC: Affirmed.
Public Information Is Not Collaboration

• *Univ. of Utah v. Max-Planck*, 851 F.3d 1317 (Fed. Cir. 2017)

• March 2000, Dr. Tuschl published article describing discoveries in field of RNAi.
• Dr. Bass of U. of Utah published mini-review summarizing state of RNAi research, including Tuschl article and her own hypotheses.
• Research leading to Tuschl II patents, including testing Bass hypothesis.
• Patent application filed, cited Bass review as prior art.
• U. of Utah sued for correction of ownership, with Bass named as sole or joint inventor because of review and conversations at academic conferences.

• DC granted SJ denying U. of Utah’s joint inventorship claim (sole inventorship claim had been withdrawn).
  – Review important, but was “in the public domain by the time the Tuschl inventors relied on it.”
  – Reliance on review could not support finding of collaboration. nor could one dinner conversation at a conference.

• FC: Affirmed.
But Secret Art May Be

- CardiAQ hired Neovasc to help with aspect of device.
- Neovasc secretly started own project and obtained ‘964 patent, not naming anyone from CardiAQ as co-inventor.
- DC: Clear and convincing evidence CardiAQ employees entitled to be named and jury found misappropriation of CardiAQ’s trade secrets by Neovasc.
- Neovasc argued it alone conceived of the only novel aspect of the device and that the CardiAQ contributions were present in the prior art.
  - ‘599 patent was prior art to the ‘964 patent even though it was secret at the time of the collaboration under repealed 35 U.S.C. § 102(e).
- FC: Affirmed.
  - The ’964 patent describes and claims a device with many of the same features as CardiAQ’s design.
  - “Neovasc has cited no case in which we have barred co-inventorship, as a matter of law, just because the contribution later appeared in the public domain, where the ideas contributed were not contemporaneously available to an ordinary skilled artisan and were otherwise significant in producing the inventive conception at the time it was completed.”
  - “Here, the presence of the CardiAQ-contributed features in then-secret prior art does not, as a matter of law, automatically disqualify the CardiAQ employees as inventors.”
**Pre-AIA: Contribute To At Least One Claim**

  - Surgical device with electronic sensor.
  - Doctor named on patent asked for help of electronics technician.
  - Technician added to patent based on contribution to one limitation of claims 33 and 47.
  - Accused infringer obtained license to patent from the technician.
  - **Holding:** Technician was a joint inventor.
Ethicon (cont’d)

- Why did court add inventor?
  - Doctor’s lack of expertise in electronics.
  - Technician was skilled in electronics.
  - Technician’s sketches of embodiment found in discovery and deemed reliable.
  - Sketches are similar to figures in the patent.
  - Sophistication of the sketches.
  - Named inventor’s documents had altered dates, thus unreliable.
  - Business relationship between doctor and technician.
Joint Inventorship

  - Vapor Point sued to have Nathan and Matheson joined as inventors on NanoVapor’s patents.
  - NanoVapor sued to have Moorhead joined as inventor on Vapor Point’s patents.
  - DC: corrected inventorship on NanoVapor’s patents and denied rest.
    - Nathan contributed to 3 key concepts of invention;
    - Matheson contributed to 2.
  - FC: Affirmed.
    - District court’s judgment supported by clear and convincing evidence.
    - “All inventors, even those who contribute to only one claim or one aspect of one claim of a patent, must be listed on that patent.”
Pre-AIA: NOT Merely Using the Services of Others


- Drs. Simpson and Robert were working on a balloon angioplasty catheter.

- Hess suggested material and seal for balloon.

- Doctors used recommended material and filed the patent application.

- **Holding:** Hess’s contribution were insufficient to make him co-inventor.
  - “An inventor may use the services, ideas and aid of others in the process of perfecting the invention without losing the right to a patent.”
  - Mr. Hess did no more than a skilled salesman would do in explaining how his employer’s product could be used to meet a customer’s requirements.”
Standard Reiterated

- *Nartron Corp. v. Schukra U.S.A. Inc.*, 558 F.3d 1352 (Fed. Cir. 2009)
  - DC: SJ of noninfringement because alleged co-inventor was necessary joint plaintiff.
  - FC: Reversed.
    - Feature asserted as proof of joint inventorship was one part of one claim, but feature was “insignificant” and already in the prior art.
    - “A dependent claim adding one claim limitation to a parent claim is still a claim to the invention of the parent claim ... not a claim to the added feature alone”
    - Analogous to facts in *Hess v. Advanced Cardiovascular Systems Inc.*, where person who did “nothing more than explain[ ] to the inventors what the then state of the art was and supply[ ] a product to them for use in their invention.”
    - “A person who merely suggests that something be accomplished is not a joint inventor”
Inventorship and Derivation


- Mylan asserted invalidity on, inter alia, “derivation of the claimed invention from someone at the FDA.”
  - Someone at FDA had the idea to remove EDTA from the prior art formulation.

- DC: Mylan did not show anyone at FDA conceived of the claimed invention prior to the named inventor (Leo Pavliv).

- FC: Affirmed.
  - Standard of conception in derivation analysis same as for inventorship.
  - “Mylan argues that the request for data to support the inclusion of EDTA required Cumberland to undertake research that would have inevitably led it to the invention. That is not enough for derivation. We have held that derivation is not proved by showing conception and communication of an idea different from the claimed invention even where that idea would make the claimed idea obvious. .... The kind of general research suggestion at issue here, whatever its role in an obviousness analysis, does not establish the conception required for derivation.”
Inventorship Under the AIA

- 35 U.S.C. 115(a) was not amended.

  An application for patent that is filed under [35 U.S.C.] 111(a) or commences the national stage under [35 U.S.C.] 371 shall include, or be amended to include, the name of the inventor for any invention claimed in the application.
Inventorship Under the AIA

- AIA did not amend 35 USC § 116:
  - When an invention is made by two or more persons jointly, they shall apply for patent jointly and each make the required oath, except as otherwise provided in this title.
  - Inventors may apply for a patent jointly even though
    - (1) they did not physically work together or at the same time,
    - (2) each did not make the same type or amount of contribution, or
    - (3) each did not make a contribution to the subject matter of every claim of the patent.
Inventorship Under the AIA

- AIA adds new definitions to 35 USC § 100, which took effect March 16, 2013:
  
  - (f) The term ‘inventor’ means the individual or, if a joint invention, the individuals collectively who invented or discovered the subject matter of the invention.

  - (g) The terms ‘joint inventor’ and ‘coinventor’ mean any 1 of the individuals who invented or discovered the subject matter of a joint invention.
Joint Inventorship Under the AIA

- *Nothing* in the statutory wording that in any way suggests or implies even *some quantum* of collaboration.

- However, 35 USC § 116 was not amended….
  - And no change in underlying substantive law upon which inventorship determinations, sole or joint, are made.

- AIA provides certain advantages to joint inventors.
AIA: “Joint Inventor” Status to Avoid Prior Art

• The statute permits avoidance of prior art under 35 USC § 102(a)(1) if the inventor of related subject matter is named as a “joint inventor”

• Possible strategy:
  • After initial filing without “joint inventor” continuation-in-part can be filed to combine full disclosures of both applications and claims of both applications and with inventor nomination of both.
  • Independent of ownership.
AIA: “Common Ownership” Status to Avoid Prior Art

• § 102(b)(2)(C) Exception

—Eliminates patents and applications as prior art, for purposes of novelty and obviousness, where the disclosed subject matter and claimed inventions were commonly owned or subjected to common assignment by the time of the effective filing date.
AIA: “Collaborative” Status to Avoid Prior Art

• § 102(c) COMMON OWNERSHIP UNDER JOINT RESEARCH AGREEMENTS.—
  — Subject matter disclosed and a claimed invention shall be deemed to have been owned by the same person or subject to an obligation of assignment to the same person in applying the provisions of subsection (b)(2)(C) if—
    — 1) the subject matter disclosed was developed and the claimed invention was made by, or on behalf of, 1 or more parties to a joint research agreement that was in effect on or before the effective filing date of the claimed invention;
    — 2) the claimed invention was made as a result of activities undertaken within the scope of the joint research agreement; and
    — 3) the application for patent for the claimed invention discloses or is amended to disclose the names of the parties to the joint research agreement.
AIA: Interference Practice

• Sec. 3(n)(2)
  – The provisions of sections 102(g), 135, and 291 of title 35, United States Code, as in effect on [March 15, 2013], shall apply to each claim of an application for patent, and any patent issued thereon, for which the amendments made by this section also apply, if such application or patent contains or contained at any time—
    – (A) a claim to an invention having an effective filing date as defined in section 100(i) of title 35, United States Code, that occurs before [March 16, 2013]; or
    – (B) a specific reference under section 120, 121, or 365(c) of title 35, United States Code, to any patent or application that contains or contained at any time such a claim.
Patent Ownership

• 35 U.S.C. § 262

— In the absence of any agreement to the contrary, . . . each of the joint owners of a patent may make, use, offer to sell, or sell the patented invention within the United States, or import the patented invention into the United States, . . . without the consent of and without accounting to the other owners.
Ownership

- 35 U.S.C. § 261:
  
  - Subject to the provisions of this title, patents shall have the attributes of personal property.
  
  - Applications for patent, patents, or any interest therein, shall be assignable in law by an instrument in writing. The applicant, patentee, or his assigns or legal representatives may in like manner grant and convey an exclusive right under his application for patent, or patents, to the whole or any specified part of the United States.
What is an Assignment?

• Assignment means a transfer by a party of all of its right, title and interest in a patent, patent application, registered mark or a mark for which an application to register has been filed.

• Most commonly from inventor to employer.
  – Inventor presumed to be owner unless assignment.
  – Without assignment employer may not have rights in application, patent, or invention.
Preparing Assignments


- Must be in writing.


- Oral assignments are enforceable against the assignor.
  - If A orally assigns application to B, B has all the rights of ownership as against A (but no one else) as he would have if the assignment was written.
Preparing Assignments

- Identify patent or patent application.
- Identify Assignors.
- Identify Assignee.

- Contain language evidencing an unambiguous intention to transfer all rights in the application or patent.

- Or intention to transfer all rights “to the invention”
  - In case application does not issue, assignee still has rights to the invention.
  - Can seek foreign rights, trade secret protection.
Preparing Assignments

- Be in the English language.

- The Office will accept and record non-English language documents only if accompanied by an English translation signed by the individual making the translation.
Implications of Assignments

• Record promptly.

• “An assignment, grant, or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent and Trademark Office within three months of its date or prior to the date of such subsequent purchase or mortgage.”

  —35 U.S.C. § 261
Agreement to Assign

• Entire right to patent rights may be transferred by means other than written assignment.

• Must have provision presently transferring title and all rights to such future inventions.
  — “agrees to and does hereby grant and assign” all rights in future inventions falling within the scope of the employment agreement.
    — What falls within the scope of employment?
    — Depends on state law.
“Assignment” by Operation of Law

- Ownership of patent rights may pass by operation of law.

- Does not have to be in writing to effect transfer of rights.
  - Probate
    - Will may serve as “writing”
  - Intestate: depends on the jurisdiction
**Implied Assignment**

- Employee who was “hired to invent.”

- Implied assignment - employee occupies special position of trust within company.

- **Factors:**
  - Inventor assigned previous patents to employer.
  - Company custom or policy for similarly situated employees to assign patents to company.
  - Employee policy handbook may refer to ownership of patents.
“Shop Right”

- Implied assignment not found and inventor utilized employer’s resources to develop invention.
- A non-exclusive, royalty-free right granted in equity to employer to practice invention.
- Employer may not sell or transfer its shop right.
- Title and all other patent rights remain with inventor even though employer has shop right.
Ownership (cont’d)

• If no assignment and no shop right, then inventor(s) own patent outright.
Stanford v. Roche

• Facts:
  – 1988: Dr. Holodniy joins Stanford lab and signs patent agreement in which he “agrees to assign” patent rights.
  – 1989: Dr. Holodniy signs Cetus Visitor Confidentiality Agreement that “hereby assigns” patents developed as consequence of visit.
  – 1991: Roche acquires Cetus PCR assets.
  – 1995: Dr. Holodniy executes assignment to Stanford.
  – 2000: Stanford offers Roche exclusive license, but none executed.
  – 2005: Stanford files claim against Roche for patent infringement.

• District Court upholds Stanford’s ownership of patents.

• Federal Circuit reverses (2009).

• Supreme Court affirms (2011).
Stanford v. Roche (cont’d)

• Dr. Holodniy’s agreements:

    – “agree to assign” rights to future inventions

    – “do hereby assign” inventions devised “as a consequence of” work at Cetus

“Agree to assign” is not immediate transfer of expectant interests, so Stanford only received equitable rights against Dr. Holodniy.

“Do hereby assign” effects a present assignment, so Cetus immediately gained equitable title to Dr. Holodniy’s inventions as soon as made.

At latest, once patent application filed, legal title vests based on “hereby assigns.”

Therefore, Cetus’s equitable title converted to legal title upon 1992 parent application.

Dr. Holodniy had nothing to assign in 1995.
GOOD LUCK!

Amanda K. Murphy
202.408.4114
amanda.murphy@finnegang.com
Patent Inventorship: Applicants and Correcting or Changing Inventorship

by

Jill MacAlpine, Ph.D.

FINNEGAN
II. Applicants for Patent
New Rules Under AIA

- For applications filed **on or after September 16, 2012**, WHO can be an applicant has changed.
§118. Filing by other than inventor.

Whenever an inventor refuses to execute an application for patent, or cannot be found or reached after diligent effort, a person to whom the inventor has assigned or agreed in writing to assign the invention or who otherwise shows sufficient proprietary interest in the matter justifying such action, may make application for patent on behalf of and as agent for the inventor on proof of the pertinent facts and a showing that such action is necessary to preserve the rights of the parties or to prevent irreparable damage; and the Director may grant a patent to such inventor upon such notice to him as the Director deems sufficient, and on compliance with such regulations as he prescribes.

§118. Filing by other than inventor.

A person to whom the inventor has assigned or is under an obligation to assign the invention may make an application for patent. A person who otherwise shows sufficient proprietary interest in the matter may make an application for patent on behalf of and as agent for the inventor on proof of the pertinent facts and a showing that such action is appropriate to preserve the rights of the parties. If the Director grants a patent on an application filed under this section by a person other than the inventor, the patent shall be granted to the real party in interest and upon such notice to the inventor as the Director considers to be sufficient.

Still need to name inventor and provide §115 inventor documentation (oath & decln).

Non-Inventor Applicants

- AIA allows for **three types of non-inventor applicants**:

  (1) assignee;

  (2) the party to which the inventor(s) has an **obligation** to assign;

  (3) a party that shows a **sufficient proprietary interest**.
Non-Inventor Applicants

- Organizational entity must be represented by a registered practitioner.

- Can only be designated through proper use of an Application Data Sheet (ADS).

- Is the assignee always the applicant? No, the assignee can choose to not be the applicant.

- So for some cases, the applicant will be the inventor or all of the joint inventors. (37 CFR 1.42)

- The applicant can also include, at least in part, a legal representative of the inventor if the inventor is deceased or under legal incapacity. (37 CFR 1.43).
If ADS Names the “Applicant”

- Then Applicant must **perfect rights to act** before payment of issue fee.
- Assignee must provide “documentary evidence.”
- Record assignment.
If application is being prosecuted by “Applicant,” then Applicant should execute the power of attorney.

No requirement to satisfy § 3.71 or § 3.73 for Applicant who is initially named in ADS.

PTO will accept the signature of a practitioner of record on a §3.73(c) statement on behalf of the assignee without requiring further evidence of the practitioner’s authority to act on behalf of the assignee.
III. Correcting Inventorship
Correcting Inventorship Under AIA
-- Simpler!
Incorrect Inventorship

All persons who conceived of claimed subject matter must be named as inventors.

If inventorship incorrect, the patent is invalid unless inventorship is remedied.

Good news: inventorship can be corrected and is easier under the AIA.

Bad news: omitted inventor needs to fulfill duty of disclosure and best mode requirements, opponents might try to prove deceptive intent, and/or opponents might try to find the omitted inventor and obtain a license from her or him.
Changes to: 37 CFR 1.9, 1.12, 1.14, 1.17(g), 1.27, 1.32, **1.33**, 1.36, **1.41**, 1.42, 1.43, 1.45, 1.46, 1.53(f) and (h), 1.55, 1.56, **1.63**, **1.64**, 1.66, 1.67, 1.76, 1.78, 1.81, 1.105, 1.131, 1.153, 1.162, 1.172, 1.175, 1.211, 1.215, 1.321, 1.421, 1.422, 1.424, 1.431, 1.491, 1.495(a), (c) and (h), 1.497, 3.31, 3.71, **3.73**, and 41.9 apply to **1.111(a)** applications filed on or after September 16, 2012.

Other changes do not depend on the application filing date.
Correcting Inventorship Under AIA of Provisional Application

37 CFR 1.48 (d) Provisional application. Once a cover sheet as prescribed by § 1.51(c)(1) is filed in a provisional application, any request to correct or change the inventorship must include:

(1) A request, signed by a party set forth in § 1.33(b), to correct the inventorship that identifies each inventor by his or her legal name; and

(2) The processing fee set forth in § 1.17(q).
Correcting Inventorship Under AIA of Non-Provisional Application

Requirements:

• An **ADS** listing correct inventors;

• A processing **fee** (1.17(i));

• **Oath or declaration** (or substitute statement) for any newly added inventor(s), **IF** there is any;

• An **additional fee** (1.17(d)) **IF** an Office Action on merits, **OR** a statement that inventorship change is due solely to cancellation of claims.

37 CFR 1.48(a)-(c), (f)
Correcting Nonprovisional Applications

37 CFR 1.48 (a) Nonprovisional application: Any request to correct or change the inventorship once the inventorship has been established under § 1.41 must include:

(1) An application data sheet in accordance with § 1.76 that identifies each inventor by his or her legal name; and

(2) The processing fee set forth in § 1.17(i).

For §371 national stage entry, can correct inventorship by filing Application Data Sheet with application. If no Application Data Sheet, then national stage inventors will be those on the PCT.
Second and Subsequent ADSs

• An ADS filed after the 1\textsuperscript{st} ADS should contain:
  
  – \textit{Only} the information that is being changed in the bibliographic data and not the information that is unchanged.
    
    – Section headings are no longer required.
  
  – \textit{Must} include the application number.

  – The changes should be \textit{shown with “strikethrough”} for deleting information and \textit{“underscore”} for adding information.
(b) *Inventor’s oath or declaration for added inventor:*

An oath or declaration as required by § 1.63, or a substitute statement in compliance with § 1.64, will be required for any actual inventor who has not yet executed such an oath or declaration.
(c) Any request to correct or change the inventorship under paragraph (a) of this section filed after the Office action on the merits has been given or mailed in the application must also be accompanied by the fee set forth in § 1.17(d), unless the request is accompanied by a statement that the request to correct or change the inventorship is due solely to the cancelation of claims in the application.
Example - Correcting Nonprovisional Applications

- Executed oath/declaration is filed with the application naming A as an inventor.

- A signed ADS is filed a week later naming A and B as the inventors.

- Inventorship was set by the executed declaration (i.e., A) → request under § 1.48 is required to correct inventorship to A and B.

- Same result if an executed declaration naming B as an inventor was filed a week after application was filed with oath naming A.
Effect of Erroneous Inventorship Under AIA

35 U.S.C. § 116 (as amended by AIA)

(...) CORRECTION OF ERRORS IN APPLICATION.—Whenever through error a person is named in an application for patent as the inventor, or through error an inventor is not named in an application, and such error arose without any deceptive intention on his part, the Director may permit the application to be amended accordingly, under such terms as he prescribes.

35 U.S.C. § 256 (as amended by AIA)

(a) CORRECTION.—Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent and such error arose without any deceptive intention on his part, the Director may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate correcting such error.

(...)
Effect of AIA on Erroneous Inventorship

• Pre-AIA - misjoinder and nonjoinder;
  – nonjoinder → error could not be corrected if there was deceptive intent on part of the unnamed inventor.

• AIA - treats misjoinder and nonjoinder similarly;
  – removes requirement to prove absence of deceptive intent on part the unnamed inventor.
Effect of Erroneous Inventorship Under AIA

• AIA removes “deceptive intent” from 35 U.S.C. 116 and 256 but, if the mis-naming of inventors (including failing to name collaborating joint inventors) is an **intentional misrepresentation**, it may result in a finding of unenforceability due to inequitable conduct.

• Inventorship meets the **materiality** prong of the inequitable conduct analysis, even under the post-**Therasense** “but for” materiality standard.
Effect of Erroneous Inventorship Under AIA

- **Section 20(l) EFFECTIVE DATE of changes to § 256 → Sept. 16, 2012**

- The amendments made by this section shall take effect upon the expiration of the 1-year period beginning on the date of the enactment of this Act [Sept. 16, 2012] and shall apply to *proceedings commenced on or after* [Sept. 16, 2012]
Validity - Implications of AIA Change to § 256

- For proceedings commenced on or after Sept. 16, 2012, a patentee **need not prove absence of deceptive intent on the part of an unnamed inventor**.

- Easier for Patentee to correct inventorship.

- Applies to actions where complaint was mailed on or after Sept. 16, 2012.
Correcting Issued Patent

- May use Certificate of Correction (COC) or Reissue


Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent, the Director may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issued a certificate correcting such error.
(b) Any request to correct inventorship of a patent pursuant to paragraph (a) of this section must be accompanied by:

(1) A statement from each person who is being added as an inventor and each person who is currently named as an inventor either agreeing to the change of inventorship or stating that he or she has no disagreement in regard to the requested change;

(2) A statement from all assignees of the parties submitting a statement under paragraph (b)(1) of this section agreeing to the change of inventorship in the patent, which statement must comply with the requirements of § 3.73(c) of this chapter; and

(3) The fee set forth in § 1.20(b).
Correcting Issued Patent

• Use COC if:
  – All involved parties are available and agree to the change,
  – Only correcting inventorship.

• Use reissue if provisions of 35 U.S.C. §256 and 37 C.F.R. §1.324 do not apply.

• Failure to name correct inventive entity is an error correctable by reissue under 35 U.S.C. §251.
Potential Effects of Incorrect Inventorship
The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred if it can be corrected as provided in this section....

Thus, absent fraud or deceptive intent, the correction of inventorship does not affect the validity or enforceability of the patent for the period before the correction.
Risk Of Naming Wrong Inventors

• **Intentional failure** to name collaborating joint inventors may result in a finding of **unenforceability due to inequitable conduct** against the named inventors.


  – *Frank's Casing Crew & Rental Tools v. Pmr Techs.*, 292 F.3d 1363 (Fed. Cir. 2002)

Inventorship and Inequitable Conduct

PerSeptive Biosystems, Inc. v. Pharmacia Biotech, Inc., 225 F.3d 1315 (Fed. Cir. 2000)

• Failure to name individuals from collaborating company.
• Failure to name lab technician who participated in experiments.

Chromatography beads supplied by company collaborating with named inventors
PerSeptive (cont’d)

• 5 Factors listed by the Court:

  – Statement that named inventors “directed” or “initiated” the work.

  – Statement that named inventors “alone” discovered unique properties of materials used in method.

  – Collaboration with other company not disclosed to PTO.

  – Exchange of data with collaborating company - individuals in collaborating company discussed with named inventors whether they should file patents together.

  – Suggestion to PTO that collaborating company was merely a source of raw material.
Another Example

  
  - Relationship between named inventors and un-named collaborator Weiner disintegrates.
  
  - Weiner asks for money and stock owed to him by the company.
  
  - Patent filed without naming Weiner.
  
  - Patent attorneys not told about Weiner.
  
  - Patent also names inventor Shaunfield, but Shaunfield had no knowledge of patent filing and never signed an oath or declaration of inventorship.
One bad apple spoils the bunch!

If inequitable conduct renders patent unenforceable, innocent co-inventors also lose rights.

What did I do wrong???

Innocent Inventor
“Savings Clause”

1) IN GENERAL. - Any person making a statement required under this section may withdraw, replace, or otherwise correct the statement at any time. If a change is made in the naming of the inventor requiring the filing of 1 or more additional statements under this section, the Director shall establish regulations under which additional statements may be filed.

2) ...

3) SAVINGS CLAUSE. - A patent shall not be invalid or unenforceable based upon the failure to comply with the requirement under this section if the failure is remedied as provided under paragraph (1).
But Filing Under §115(h)
By Itself Not Enough To Correct Inventorship—
Need To Comply With Rules

• 37 C.F.R. 1.48, 1.63-1.67, and for reissue 1.175, and for issued patents 1.324.


• At 48,790: “This is a reminder that the mere submission of an oath or declaration pursuant to 35 U.S.C. 115(h)(1) will not operate to correct inventorship in compliance with §1.48...and 1.324[.]”
Additional Potential Effects of Correcting Inventorship

Adding an inventor could:

(1) complicate patent ownership;

(2) impact the duty of disclosure to the PTO;

(3) require adding information to the U.S. application to comply with the best mode requirement of § 112.
Inventorship determines ownership.

Each inventor enjoys presumption of ownership in entire patent.

In the absence of an agreement to the contrary, each co-owner of a United States patent is free to make, use, offer to sell, and sell the patented invention without regard to the wishes of any other co-owner. ... Each co-owner's ownership rights carry with them the right to license others, a right that also does not require the consent of any other co-owner. 35 U.S.C. §262
Duty of Disclosure

- 37 C.F.R. § 1.56: Each individual associated with the filing and prosecution of a patent application has a duty of candor and good faith in dealing with the Office, which includes a duty to disclose to the Office all information known to that individual to be material to patentability[.]

→ Includes all inventors!!
Duty of Disclosure

- Newly added inventor(s) may have material information regarding:
  - prior art, including the inventor’s own work;
  - public disclosures of the invention;
  - sales or offers to sell the invention; and
  - material inconsistent with statements in application.
Best Mode

- Each inventor’s subjective preferred method of practicing the invention must be disclosed in the U.S. application. 35 U.S.C. § 112, ¶ 1; see, e.g., Bayer AG v. Schein Pharmaceuticals, Inc., 301 F.3d 1306 (Fed. Cir. 2002).
  - Includes an inventor’s subjective beliefs about which mode is best and any aspect of making or using the invention that materially affects the properties of the claimed invention. Bayer, 301 F.3d at 1320.
- Judged as of effective filing date.
- If have to correct inventorship, may have to file new application if added inventor’s best mode different.
Attacking Patents Based on Inventorship
An unnamed inventor has the following choices*

- File own application (provoke interference)
- File a protest against other’s application under Rule 291 alleging fraud or incorrect inventorship
- File § 256 action in district court to correct inventorship

Patent Litigation - Allegations Of Misjoinder Or Nonjoinder

• **Standard** - Clear and convincing evidence.

• Evidence must be **corroborated**.

• **Stakes are high**: each inventor enjoys a presumption of ownership of entire patent.

• If burden of proof is satisfied, patentee should be given opportunity to correct inventorship under § 256.

• If relief under § 256 is not sought, patent invalid for failure to comply with § 102(f).
**Unnamed Inventors - § 256 Action**

- *Yeda Research and Development Co. Ltd. v. ImClone Sys., Inc.*, 443 F.Supp.2d 570 (S.D.N.Y. 2006)

  - 35 U.S.C. § 256 to correct inventorship to replace named inventors with 3 scientists from different company.

  - Two monoclonal antibodies created by named inventors.

  - Subsequently, named inventors discussed and offered samples of antibodies to nonjoined scientists.

  - Nonjoined scientists then performed experiments with the antibodies for the next 14 months, and discovered a synergistic effect when mixed with chemotherapy drugs.
    - Testified that they ran experiment based on independent judgment.
    - Nonjoined scientists merely tested viability of idea wholly conceived of by named inventors.

- DC: motion for SJ to dismiss denied.
  - sufficient evidence to create a genuine issue of material fact over the inventorship of the subject matter.
  - Ordered PTO to issue Certificate of Correction changing inventors.
**Laches - § 256 Action**

*Hor v. Chu*, 699 F.3d 1331 (Fed. Cir. 2012)

- **HELD:** “A § 256 claim for correction of inventorship does not accrue until the patent issues” because "that is what the language of the provision requires."
  - An individual who believes himself or herself to be an omitted inventor has 6 years from the date that the patent issues to attempt to correct the inventorship of that patent, or else the presumption of laches will apply.
  - This is true even if the individual knows of the inventorship problem before the patent issues.
  - Omitted inventor's failure to seek correction under 35 U.S.C. § 116 or 135 does not prevent the inventor from challenging inventorship under § 256.
Hor v. Chu, 643 Fed.Appx. 990 (Fed. Cir. April 5, 2016)

- Chu is sole named inventor on two patents.
- Chu worked with Hor and Meng at Univ. of Houston.
  - Hor was Chu’s graduate student.
  - Meng was independent materials scientist.
- Hor and Meng sought correction of inventorship.

- DC: Denied claims.
  - Meng’s testimony did not show contribution greater than ordinary skill in the art.
  - Hor insufficient corroborating evidence and other evidence not clear and convincing.
- FC: Affirmed.
  - Hor did not meet burden to show conception.
“Reputational Interest” May Be Sufficient for Standing

- **Shukh v. Seagate Technology, LLC, 803 F.3d 659 (Fed. Cir. 2015), cert. denied, 136 S.Ct. 2512 (U.S. 2016)**
  - Dr. Shukh sued for correction of inventorship under §256.
    - Wrongfully omitted from inventorship of 6 patents and 4 pending patent applications.
    - Interest in patents: ownership, financial, and reputational.
  - DC: Dismissed for lack of standing.
    - No ownership or financial interest because automatically assigned inventions to Seagate in Employment Agreement.
    - Granted sj to Seagate: no genuine dispute of material fact of suffering reputational harm.
  - FC: Vacate and remand.
    - “concrete and particularized reputational injury can give rise to Article III standing.”
    - there is a question of material fact as to whether Dr. Shukh’s omission as a named inventor on the disputed patents caused him reputational injury.
      - harmed his reputation as an inventor in the field of semiconductor physics,
      - contributed to his reputation for poor teamwork, and
      - negative economic consequences—unable to find employment.
Thank You!

Jill K. MacAlpine
202-408-4105
jill.macalpine@finnegan.com