



SLW INSTITUTE

GLOBAL IP CONFERENCE

with Advanced PCT Training | 2018

Track I: Global IP Strategies

**Patent Assignment Considerations within the U.S.
and under the Patent Cooperation Treaty (PCT)**

Presenters



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Assignment Considerations within the U.S.

- *Stanford University v. Roche Molecular Systems, Inc.*
- *Advanced Video Technologies LLC v. HTC Corporation et. al.*

PCT-Unique Potential Problems

- *Competent Receiving Offices (RO)*
 - *RO Choice*
 - *Examples – Competent Offices*
- *Choice of RO*
- *Assignment Issues (somewhat) Unique to PCT*



Assignment Considerations within the U.S.

Stanford University v. Roche Molecular Systems, Inc.

(131 S.Ct. 2188 (2011))

- If using employment agreement, cannot be future interest (“obligated to assign”)
- Must include present interest (“obligated to assign and **hereby does assign**”)
- Are all employment contracts current under Stanford?
- If so, are employment contracts being properly redacted to avoid **privacy issues**?
- Will the employment contract even be considered valid in all 152 PCT contracting states??
- **Best to obtain signature of inventor(s) on assignment if possible**



Assignment Considerations within the U.S.
Advanced Video Technologies LLC v. HTC Corporation et. al.

- Patent Infringement Case (Decided 11 January 2018)
- Three Co-inventors (U.S. Patent No. 5,781,788)
- Two of Three Inventors Assigned Rights to AVT



Assignment Considerations within the US

- Third Inventor, Vivian Hsiun, had not assigned her rights
- Employment Agreement stated that Hsiun “will assign” all rights, title, and interest
- USPTO treated rights as belonging to AVT based on filed assignment



Assignment Considerations within the US

- SDNY found that employment agreement was only a promise to assign rights to the patent in the future, not an actual assignment of the invention (AVT could have used Hsiun to compel her to assign her rights, but did not)
- Federal Circuit Decision: AVT did not have standing to sue since they did not have all rights (therefore, no patent infringement suit)



PCT-Unique Potential Problems

- At least one applicant must be a national or resident of a PCT Contracting State (152 PCT Contracting States Currently)
- Generally filed in US RO



Competent Receiving Offices

- In order for a RO to be competent to accord an international filing date
 - at least one of the **applicants** must have the right to file with the RO for reasons of nationality or residence
 - the application must be in a language accepted by the RO

- Note that if:
 - at least one of the applicants is a resident or national of a PCT Contracting State but none of the applicants have the right to file with the RO for reasons of residence or nationality (Rules 18 and 19); then
 - the non-competent (not “incompetent”) Office will transmit the application to the Receiving Office of the International Bureau (RO/IB) for further processing (Rule 19.4); now the PCT Application must be handled by FA in country for which the Application could have been filed



PCT Applications and Assignment Issues - Example

- Example - you file a priority application (e.g., a PRV), and get a fully executed assignment for the priority application; the assignment including specific language that assigns the right to claim priority to the priority application in one or more subsequently filed applications.
- Good so far!
- Later you file a PCT application making a priority claim to the priority application, but the PCT application includes new subject matter not supported by nor included in the priority application

Any Problems?



PCT Applications and Assignment Issues - Example

New Matter in PCT Application

Must obtain new assignment specifically for the PCT application
(and for US Application if filed substantially in parallel)

This should not be news, because in effect you have filed the PCT application as a Continuation-In-Part type application, with all of its associated issues and problems.



Competent Receiving Offices – Example 1

Client – “A” (US)

- Inventor 1 (CN)
- Inventor 2 (CN)

Where can we file?
It Depends

Do we have a FULLY EXECUTED assignment document?



Competent Receiving Offices – Example 2

Client – “B” (US, Fully Assigned)

- Inventor 1 (DE)
- Inventor 2 (FR)
- Inventor 3 (IT)

Where can we file?

It Depends

Do we have foreign filing licenses?



Competent Receiving Offices – Example 3

Client – “C” (US, Fully Executed TW Assignment)

- Sole Inventor (TW)
- Priority Document first Filed in TW (Non-PCT Contracting State)

Where can we file?

WTO States can give Priority
Is there New Matter in PCT Application?



- *Edward Life Science AG v. Cook Biotech Incorporated*
(Decided 12 June 2009)
- U.S. Provisional Application filed, three inventors
- “Partial Assignee” Cook (an Indiana Corp.)
 - Rights in the U.S. Application from one of three inventors at the time PCT Application Filed
 - Claimed priority to the U.S. Application
 - Cook listed as “Applicant” (outside US)
- Cook later obtained an assignment from the remaining inventors **AFTER** the PCT Application was filed



Original PCT Request Form

Cook is Applicant for OUS

Box No. II APPLICANT

Name and address: (Family name followed by given name; for a legal entity, full official designation. The address must include postal code and name of country. The country of the address indicated in this Box is the applicant's State (that is, country) of residence if no State of residence is indicated below.)

COOK BIOTECH INCORPORATED
3055 Kent Avenue
West Lafayette, Indiana 47906 US

This person is also inventor.

Box No. III FURTHER APPLICANT(S) AND/OR (FURTHER) INVENTOR(S)

Name and address: (Family name followed by given name; for a legal entity, full official designation. The address must include postal code and name of country. The country of the address indicated in this Box is the applicant's State (that is, country) of residence if no State of residence is indicated below.)

OBERMILLER, Joseph F.
3109 Courthouse Drive, Apt 2A
West Lafayette, Indiana 47906 US

This person is:
 applicant only
 applicant and inventor

Continuation of Box No. III FURTHER APPLICANT(S) AND/OR (FURTHER) INVENTOR(S)

If none of the following sub-boxes is used, this sheet should not be included in the request.

Name and address: (Family name followed by given name; for a legal entity, full official designation. The address must include postal code and name of country. The country of the address indicated in this Box is the applicant's State (that is, country) of residence if no State of residence is indicated below.)

OSSE, Francisco Jose
Rua Ferreira de Araujo, 496
Apartment 52
Sao Paulo - S.P. BR 05428001

This person is:
 applicant only
 applicant and inventor

Name and address: (Family name followed by given name; for a legal entity, full official designation. The address must include postal code and name of country. The country of the address indicated in this Box is the applicant's State (that is, country) of residence if no State of residence is indicated below.)

THORPE, Patricia E.
10009 Fieldcrest Drive
Omaha, Nebraska 68114 US

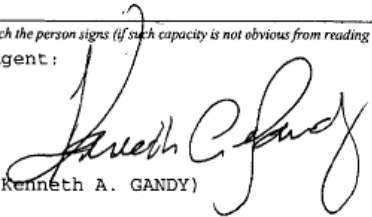
This person is:
 applicant only
 applicant and inventor
 inventor only (if this check-box is marked, do not fill in below.)

Obermiller
Osse
Thorpe } Applicant for US only.

Box No. IX SIGNATURE OF APPLICANT OR AGENT

Next to each signature, indicate the name of the person signing and the capacity in which the person signs (if such capacity is not obvious from reading the request).

Applicant(s):
COOK BIOTECH INCORPORATED
OBERMILLER, Joseph F.
OSSE, Francisco Jose
THORPE, Patricia E.

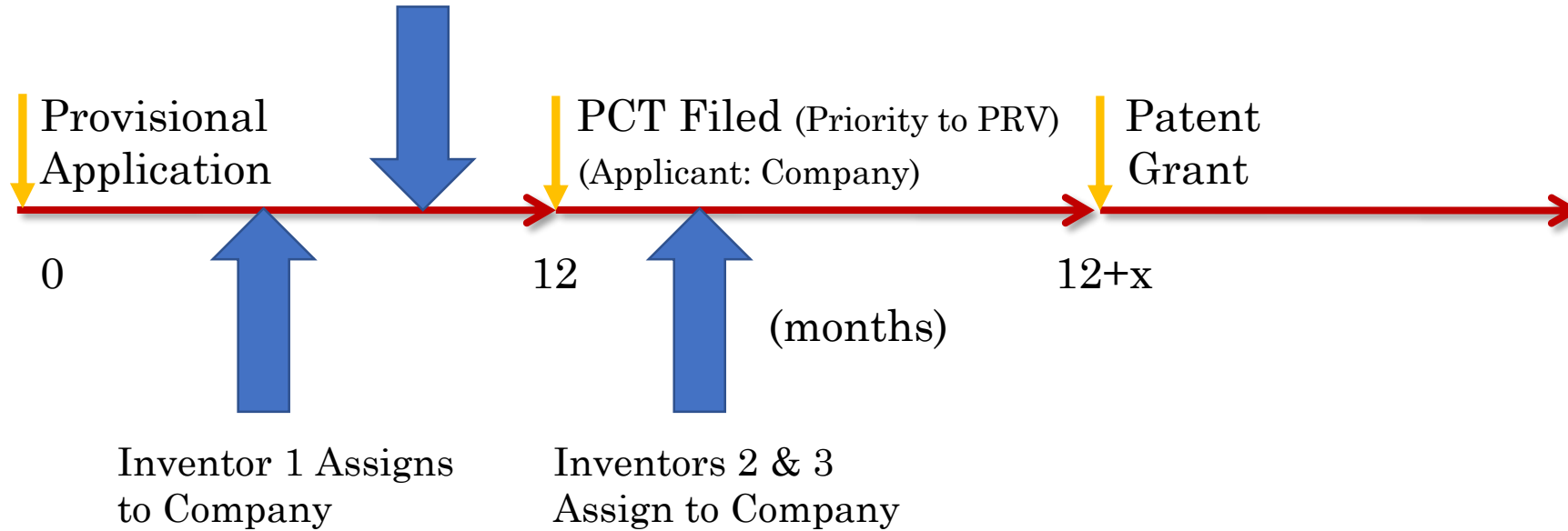
Agent:

(Kenneth A. GANDY)



- During Litigation on later issued patents nationalized from the PCT application, the United Kingdom Patent Court ruled:
 - Cook did not have the “entire right and interest” at the time of filing of the PCT application
 - Cook was nonetheless listed on the PCT application as “Applicant” and therefore made a priority claim
 - Cook’s priority claim to the U.S. application was incurably invalid
- Novelty destroying **intervening prior art** dated in the time period before the PCT application filing date, but after the filing date of the priority application
- Result – without the priority claim, the patentee lost the patent due to the intervening prior art



Killer Prior Art



Any Problem?

Invalid Patent!



Possible Solutions:

- (1) File PCT (priority-claiming application) in Name of All Three Inventors *only* as Applicant and Inventor – later execute an assignment to “Company” to convey all rights; or**
- (2) Obtain Fully-Executed Assignment from All Three Inventors to “Company” prior to PCT filing**



Separately Assignable Right

Right to Claim Priority

- the opportunity to exercise this right expires in 12-months
- after properly exercised, the benefit is effective for the life of the patent



Equitable & Legal Title

- **Equitable title**

- aka 'beneficial'
- enough right to sue;
- Example: employment agreement or 'visitor' agreement

- **Legal title**

- substantial rights
- Example: executed assignment (properly executed)



Assignment

- Recordation rules provide notice to 3rd parties
- Requires a writing
- Conveyance is construed under state law in US



Manner of Assignment

Inventor A (employed by X) and Inventor B (employed by Y).

I. A → X

B → Y

II. “A + B” → “X + Y”

III. A → “X + Y”

B → “X + Y”

Assuming our client is company X, How do we rank these different scenarios?



MPEP 300

Each individual inventor may only assign the interest he or she holds; thus, assignment by one joint inventor renders the assignee a partial assignee. A partial assignee likewise may only assign the interest it holds; thus, assignment by a partial assignee renders a subsequent assignee a partial assignee. **All parties having any portion of the ownership in the patent property must act together as a composite entity in patent matters before the Office.**

EPO Decision T788/05

in the case of joint applicants, “... the priority right belongs simultaneously and jointly to the two applicants, who thus constitute a **legal unity** unless one of them decides to transfer his right to the other applicant, who then becomes his successor in title ...”



Example: Priority Application

	Applicant	Inventor
A	✓	✓
B	✓	✓
C	✓	✓

Thereafter, A assigns to Company X



Later-Filed Priority-Claiming Application

	Applicant	Inventor
A		✓
B	✓	✓
C	✓	✓
X	✓	

OR?

	Applicant	Inventor
A	✓	✓
B	✓	✓
C	✓	✓
X	-	-



Softening of this Approach?

■ EPO Board of Appeals:

look to the national law for interpretation

consider the legal transfer of the priority right

consider the equitable transfer of the priority right.

Bottom Line

- Identity of applicants in the priority-claiming document is important.
- It appears that an assignment conveying the rights in the priority document and executed shortly after filing is best bet.

Questions?



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