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Protecting Innovation: Are you sure you invented that?

What Business Lawyers and Entrepreneurs Need to Know About Protecting the Intellectual Property at the Core of their Business

By Susan Gorman, Ph.D., Esq.

Most technology-based businesses are concerned about protecting the Intellectual Property at the core of the business. But for new entrepreneurs seeking patent protection for their inventions, figuring out what needs to be done and how to do it can be daunting.

One of the biggest misconceptions: Presuming you are the inventor when you may not be.

Who is an inventor?

Oftentimes new entrepreneurs assume that if they have been involved in inventing something or have been named as an author on a scientific publication, they are an inventor and own at least part of the invention. But authorship, inventorship and ownership are separate and distinct concepts in patent law. Just because someone is an author does not mean that person is also an inventor. Frequently authors have optimized some of the experiments presented or have essentially carried out experiments devised by a primary investigator. However, this does not meet the standard for inventorship.

In order to qualify as an inventor, the courts have stated, "The threshold question in determining inventorship is who conceived the invention. Unless a person contributes to the conception of the invention, he is not an inventor."[1] One definition of conception is the "formation in the mind of the inventor, of a definite and permanent idea of the complete and operative invention, as it is hereafter to be applied in practice."[2] This is quite different from whether someone is named as an author on a scientific publication.

Inventors do not need to invent without consulting anyone else. The courts have ruled that the inventor may consider and adopt ideas and materials derived from many sources to arrive at conception. These can include a suggestion - or a material - from an employee or from a hired consultant, even if that suggestion or material turns out to be the key to the problem being addressed by the invention.

The critical aspect is that the inventor maintains "intellectual domination" over the work; from its initial stages, to selecting and rejecting intermediates, to either the successful testing of the invention or the filing of a patent application.[3]

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How do I know if I am an inventor or a worker?

It is possible, however, to have more than one inventor for a single invention, but each member of the team must make a substantial contribution to the conception of the invention. For example, if person A says, "I have an idea for a three-legged stool and here are the plans," and person B cuts the wood and puts it together, only person A is an inventor. Person B is regarded as "a pair of hands" and has not contributed to conception of the invention.

Similarly, if person A says, "I have an idea for a three-legged stool," and person C says, "It would be more symmetrical if you placed each leg at a 60° angle from the other two legs," and then person A alters the plans as person C suggested before giving them to person B to cut the wood and construct it, person A is still the only inventor.

On the other hand, consider that once again person A says, "I have an idea for a three-legged stool and here are the plans," and gives them to person B. After looking at the plans, person B says, "You know, if we add another leg it will be far more stable." Persons A and B discuss how stability and comfort are the goals and in the course of the discussion decide that a back support would make the device more comfortable. Here, person B has made a substantial contribution to the conception of a chair. If the patent application contains claims to both a stool and a chair, person A is the inventor of the stool and persons A and B are joint inventors of the chair.

One does not need to reduce the invention to practice (making and testing the invention to see if it works) in order to be an inventor, but it is also not sufficient to have only an idea of a result to be accomplished; the means of accomplishing it is also required.[4] Turning again to our three-legged stool example, if person C says "It would be great to have a three-legged stool that would be stable on uneven ground" and person A develops plans for a three-legged stool with independently adjustable legs, only person A is the inventor.

Of course, these are very simplistic examples. In real life inventorship is generally far more difficult to determine. For example, in the biotech/pharma industry determining the correct inventorship can be particularly complex, especially when a team is working closely on a new project and when new genes, chemical compounds or drugs are involved. That is because when isolating or constructing a new gene, conception cannot be accomplished only by defining the gene by its principal biological property; the detailed structure as well as a method for obtaining it must be envisioned.[5] Consequently, it can be a challenge to determine who contributed to conception and who was merely following instructions or standard procedures. Similarly, the conception of a chemical requires both the idea of the structure of the chemical and possession of an operative method of making it.[6] So oftentimes determining inventorship of a new drug can involve figuring out who conceived of each operative part of the new compound.

Yet correctly determining who is an inventor is critical because a patent can be invalidated for incorrect inventorship. Furthermore, only inventors control the ownership of the invention, although ownership can be impacted by the actions of co-inventors or by employment agreements.

Protecting Innovation

Intellectual property is the single most valuable asset of any business. It is a source of revenue, a key to accessing new markets, and a way to improve upon existing product lines. To protect the innovation at the core of your business, make sure you conduct a comprehensive assessment of all your intellectual property early and often. By analyzing your IP from both a legal and business perspective, companies can transform their existing intellectual property into a powerful competitive tool and better position themselves to take advantage of ongoing innovation.

Dr. Susan Gorman, Ph.D., Esq., is principal of Gorman IP Law, a law firm focused on helping companies leverage intellectual property assets to maintain a competitive advantage, enhance market share, plan for growth and better manage resources and expenses. Through a proprietary process, Gorman IP Law helps businesses build a formal IP strategic plan that defines your business goals, establishes benchmarks and allows you to better project costs. Dr. Gorman can be reached at susan.gorman@gormaniplaw.com.

[1] *In re Hardee*, 223 USPQ 1122, 1123 (Comm'r Pat. 1984).

[2] *Hybritech Inc. v. Monoclonal Antibodies Inc.*, 802 F. 2d 1367, 1376, 231 USPQ 81, 87 (Fed. Cir. 1986)

[3] *Morse v.Porter*, 155 USPQ 280, 283 (Bd. Pat. Inter. 1965).

[4] *In re DeBaun*, 687 F.2d 459, 463, 214 USPQ 933, 936 (CCPA 1982)

[5] *Amgen v. ChugaiPharmaceutical Co.,* 927 F.2d 1200, 1206, 18 USPQ2d 1016, 1021 (Fed. Cir. 1991)

[6] *Oka v. Youssefyeh*, 849 F.2d 581, 7 USPQ2d 1169 (Fed. Cir. 1988)