



## IP LAW ADVISORY

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### London Calling – Protecting Your Right to Priority Abroad

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In a recent decision<sup>1</sup>, the UK High Court ruled that under the Paris Convention, a person who files a patent application for an invention is afforded the privilege of claiming priority only if he himself filed the earlier application to which priority is claimed, or if he is the successor in title to the person who filed that earlier application. This decision affects how and when we advise clients about transfers of patent rights including assignments, employee agreements, employee handbooks and the like. Some suggestions follow the discussion of the case, below.

Under the facts of this decision, the priority application was a US provisional application filed in the names of three inventors, and the later-filed application was a PCT application filed in the name of a company. Only one of the inventors was employed by the company and was under a contractual obligation to assign his rights in the provisional application to the company. The other two inventors eventually assigned their rights to the company, but those assignments were not executed until after the filing of the PCT application.

Because the applicant of the later-filed PCT application (i.e., the company) was different than the applicant of the priority application (i.e., the three individual inventors jointly), the UK High Court held that the PCT application (and thus the UK patent that was based thereon) was **not**

<sup>1</sup> *Edwards Lifesciences AG v Cook Biotech Incorporated* [2009] EWHC 1304 (Pat)

entitled to the priority filing date of the earlier-filed provisional application. Although this decision applied only to the UK patent at issue, we believe that other courts of the world (especially those in Europe) would apply a similar analysis, and reach a similar conclusion under these same facts.

This recent UK decision affects applicants that file their priority application in the United States more than other countries because US patent laws require that US patent applications be filed in the names of inventors, and not in the name of the company that employs those inventors. As a result of this difference, many later-filed foreign and/or PCT applications are often filed in the name of an applicant (i.e., the company) that is different than the applicant of the prior US patent application (provisional or non-provisional) to which priority is claimed.

Based upon discussions with our foreign associates, there is little that can or should be done for any previously filed foreign and/or PCT applications where the applicant that filed the foreign and/or PCT application is different than the applicant of the priority application. Our understanding is that the courts in other countries will enforce the right to claim priority in accordance with any agreement between the inventors and the company that was in effect at the time the later-filed foreign or PCT application(s) was filed.

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Thus, for those applications where there **was** a positive legal obligation on the inventors (by contract, by employee agreement, by virtue of the employee's position within the company, or otherwise) to assign their rights to the company, then the various courts of the world will likely find the company **is** entitled to claim priority to the earlier-filed application in the name of the inventors, irrespective of whether there is an actual assignment, or when that assignment was executed. Alternatively, for those applications where there **was not** a positive legal obligation on the inventors to assign their rights to the company, then the various courts of the world will likely find the company is **not** entitled to claim priority to the earlier-filed application in the name of the inventors.

With respect to future foreign and/or PCT applications, there are a number of safeguards that companies should take to ensure that they are entitled to the claim of priority to an earlier-filed application that is filed in the name of the inventors.

First, whenever a US patent application (provisional or non-provisional) is filed that may become the basis of a claim to priority in a later-filed application, the company should obtain an assignment that is executed by each of the named inventors as early as possible, and prior to the filing of any later-filed applications that claim priority thereto. The assignment(s) should be recorded, even if it is a provisional application. If the priority application is a provisional application, care should be taken to ensure that all inventors of the subject matter **disclosed** in that application are identified, and assignments obtained from each.

If it is not possible to obtain an executed assignment prior to the filing of the later applications, then the company needs to be certain they understand whether there is a positive legal obligation imposed on each inventor of the priority application to assign

their rights to the company. If there is such a positive legal obligation, then the later-filed foreign and/or PCT applications may be filed in the name of the company, rather than that of the inventors. Provided the positive legal obligation was in existence prior to the filing of the later-filed applications, most courts should find the later-filed applications are entitled to claim the right of priority to the earlier-filed priority application, despite the differences in the name of the applicant.

If the company is at all uncertain as to whether there is a positive legal obligation to assign all rights to the company, or if the company knows there is not a positive legal obligation with respect to any inventor, then the later foreign or PCT application should be filed in the name of the inventors (i.e., the same applicants as those of the application to which priority is claimed) to ensure the claim of priority is upheld. This is particularly important where the invention is the result of a joint development program between different companies, a development program involving outside contractors, or any other collaborative effort where any one or more of the inventors are not employees of the company that is the applicant of the later-filed application. Once assignments are obtained from each inventor, steps may be taken in any of the later-filed foreign and/or PCT applications to change the name of the applicant, and the company, as the legal successor in interest to the inventors, will be entitled to the claim of priority.

Second, companies should consider having an authorized officer of the company execute the assignment on behalf of the assignee to ensure the assignment is executed by the assignor(s) as well as the assignee. While not part of the recent UK decision discussed above, many foreign countries require that

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assignments be executed by both the assignor(s) and the assignee to be enforceable, recordable, or both.

Third, companies should review their employee agreements or handbooks to confirm whether the assignment of rights from employee inventors to the company occurs at conception of the invention, or upon execution of a written assignment. Courts have uniformly held that employee agreements that refer to an “obligation to assign” (e.g., “employee shall assign any and all rights in their invention to the company”) are generally ineffective at transferring rights until the assignment is executed.

Accordingly, companies should understand or clarify whether such agreements ensure the assignment of rights to the company upon

conception, where the execution of a written assignment will simply document that transfer of rights, or whether an executed assignment is required to transfer rights to the company.

Finally, companies should review their own assignment forms to ensure that they address all the rights that are to be assigned. In particular, the right to claim priority to an earlier application and the right to sue for past infringement are two rights that need to be specifically assigned to be considered as part of the transfer of rights.

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