

## HOW TO DETERMINE INVENTORS AND OWNERSHIP OF A PATENT: A PRACTICAL APPROACH

## By Bernabé Zea and Natividad Toledo

The ownership of a patent is ultimately defined by its inventors, who have the right to it, unless they have previously or subsequently decided to assign it to third parties.

Thus, in order to determine who is the owner of a patent, one must first assess who the inventors are, and then examine any commitments they may have made that involve an assignment of their rights.

It should not be forgotten that inventors always have the moral right to be named as such in patents. Therefore, it is not possible to cite only certain inventors in order to obtain the desired ownership in a patent, but the patent must be contractually shaped in the manner agreed between the different parties involved in the development of the invention.

Given the above, the first step in the process is to determine the actual inventors. The introduction of an erroneous inventor, or the omission of a real one, not only affects their moral rights, but can automatically have an effect on the ownership of the patent and, therefore, important economic consequences.

The identification of an inventor is basically a technical aspect, and the first thing to bear in mind is that the same rules do not apply as for the authorship of scientific articles. Not everyone who works on the development of an invention should be considered an inventor.

Inventors are only those who conceive the invention or develop non-obvious means of putting it into practice. Therefore, inventors are not those who simply do routine work or follow the instructions of others, let alone bosses who do not actively participate in the process of conception, nor those who can provide the means for it to be developed.

Once the inventors have been identified, if there are several, it is necessary to decide what participation each of them has had. It is this participation that will be used to determine the percentage of ownership if there is more than one owner.

It is obviously complex to determine who is an inventor and in what percentage. There are no fixed rules. In some cases, conception may be the main element because implementation may be simple, and in other cases, implementation may have a much larger contribution.

After determining the the inventors and the percentage of their participation, ownership of the invention is directly obtained. If the inventor has no obligation with a third party, he himself becomes the owner in the corresponding percentage. If there is a contract binding him to a third party, this must be taken into account.

In the professional world, it is most common for employees to have assigned their intellectual property rights to their employer. If this is the case, the inventor will be mentioned as such, but his or her percentage of ownership will pass to his or her employer. The same analysis should be done for each of the inventors.

Having given the basic rules for determining inventors and patentees, it is useful to give some illustrative examples of various situations.

Of course, a relatively simple situation is where several researchers in a single company make an invention. In this case, they will all be listed as inventors and the company will be the sole owner.

There can also be collaborations. So, to take another example, three researchers from three different universities may come up with an invention. All three would be listed as inventors and the three universities would be holders in the proportion that their inventors have contributed.

If a student had also participated in the above case, since they do not have an employment contract with the universities, they would appear as the inventor and also as the owner. Of course, the rightful owner of the patent rights can transfer them, if they so wish. In the above situation, the student could assign their rights to their university, or to a third party, in exchange for certain conditions.

Another common situation is when a company works with a contract research organization (CRO) for the development of an invention. If the CRO researcher has contributed more than routine work to the invention, they should be listed as the inventor. Since their rights will have passed directly to the CRO through their employment contract, it is the CRO that can enforce them. Quite possibly, in advance, when the collaboration agreement was made with the company that needed its services, the CRO assigned all IP rights to the company, which will legitimately be the sole owner of the patent.

As we have seen, an inventor can assign their rights, but this cannot be done by someone who does not have the right to the invention. The most typical example would be a researcher at a university or research centre. The researcher cannot assign their rights to a company with which they collaborate because they are not really their rights, but those of the institution for which they work. It is the institution that will have to reach a collaboration agreement with the company under the conditions that both parties consider appropriate.

One more thing to bear in mind is that inventorship and ownership is not determined by the time when the patent is applied for, but by the time when the invention was developed. Thus, a researcher who develops an invention in an institution will be bound by this fact. If he subsequently moves to a company and then applies for a patent, the patent must be owned by the institution, unless an assignment has been made to the company.

Ultimately, the determination of inventors and patentees must be carried out in steps. Firstly, the technical contribution that each person makes to the invention must be established so that the inventors are identified and, subsequently, their commitments must be examined in order to correctly determine the patentees. As mentioned above, this analysis should always be done at the time the invention was developed, not at the time of the patent application.

Experience shows that this process is not always carried out well, especially when public institutions and *start-ups* are involved. For this reason, this is one of the first aspects to be considered when conducting IP *due diligence*. On many more occasions than would be desirable, major problems affecting technology transfer procedures are encountered, especially in financing rounds.