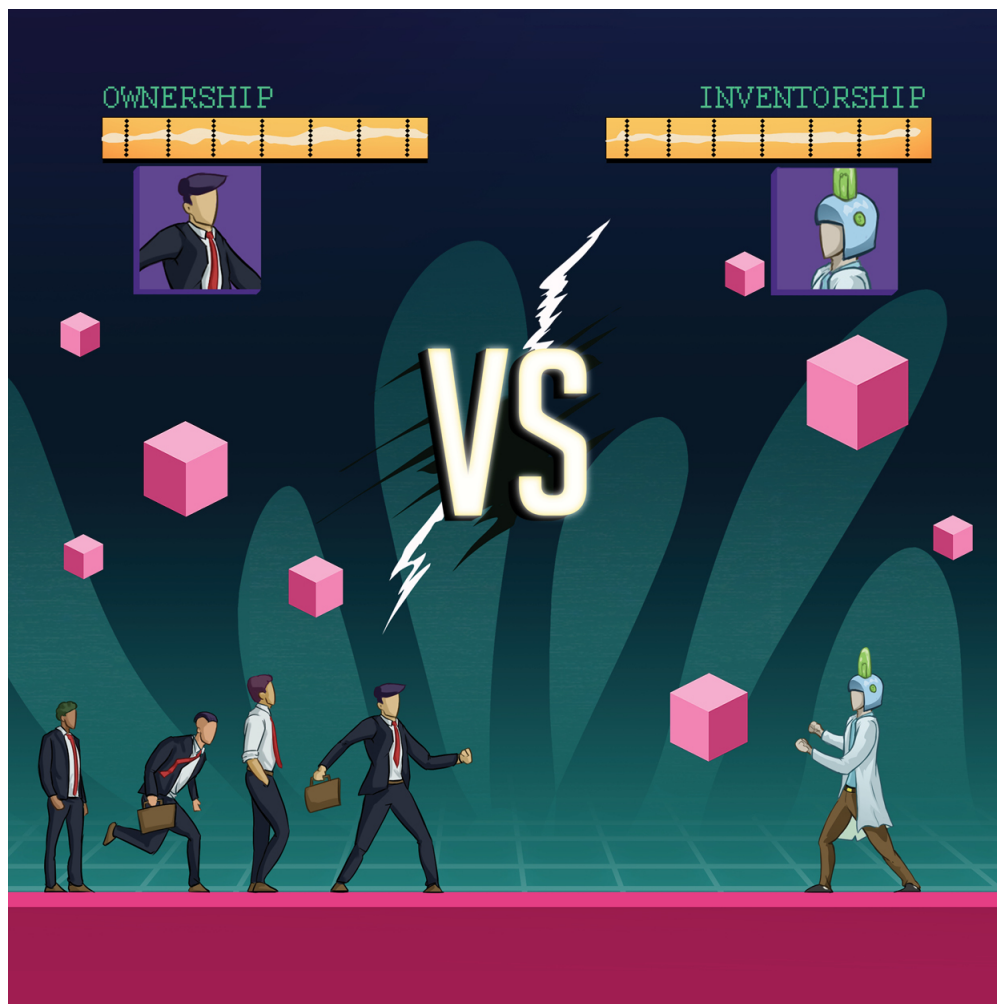


# Patents: inventorship vs ownership

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Inventorship and ownership of inventions are key legal principles in patent law and practice which are still however, misunderstood by many thereby leading to tensions between various parties (including colleagues at the same establishment) and sometimes legal disputes. In this article, we look at some basic but important questions about inventorship and ownership with a view to helping inventors and patent owners to better understand the importance of forward planning with regard to their rights and obligations.

## Is inventorship the same as ownership?

No, inventorship and ownership refer to different legal concepts and should not be confused. The exact definition of these legal principles may vary from one country to the next. Overall, inventorship generally relates to the individual(s) who have contributed to the creation of an invention, whereas ownership is associated with the parties (individuals or entities) who own the proprietary rights of the invention.

## **What legal rights does a patent offer?**

Patent rights related to an invention comprise both moral rights and economic rights. Moral rights are personal rights provided to the inventors, i.e. those who have contributed to the conception of the inventive concept of an invention.

Economic rights are proprietary rights provided to the owner(s) of the invention. The economic rights comprise the right to restrict others from exploiting the invention without authorisation including the right to make, use, offer for sale or import the patented invention inside the country where the patent has been granted.

## **Who can apply for a patent?**

A patent can only be applied for by the legal owner of the invention ('patent applicant'). The inventor is the legal owner of the invention unless this has been assigned to another party under a contract or by applicable law (see below).

## **What benefits do inventors get from moral rights?**

An inventor owns the moral rights related to the invention which include the right to have his or her name associated with the invention. This gives the inventor the right to be named as 'inventor' of the invention and to be mentioned on the patent certificate as such, regardless of whether the invention is owned or not by the inventor.

## **Can an inventor sell or transfer inventorship to another person?**

No, moral rights are personal rights and cannot be transferred or assigned to another. Therefore, any agreement between an inventor and another person selling or otherwise assigning their inventorship (to say that person Y is the inventor instead of person X) is illegal and any assignment void in most countries.

## **Can multiple persons be co-inventors?**

Yes, most inventions resulting from research activities in corporations and academia are the fruit of joint efforts between a number of individuals.

When two or more individuals contribute to the conception of an invention, they are considered to be co-inventors and they are all entitled to be cited as inventors on the patent.

## **What are the requirements for inventorship?**

The legal requirements may vary from one jurisdiction to another. Overall however, it is generally recognised that an inventor is a person who has contributed to at least one inventive concept of the invention as defined by at least one of the claims of the patent. Therefore, the claims of the patent generally define who should be named as the inventor(s). Generally, the contribution must be substantial at the conception stage (and not merely limited to testing, building the prototype or executing certain parts under the directions of others for example).

To determine who is an inventor in a group of individuals who have jointly worked on an invention, their respective contributions should be determined and assessed in view of the claimed inventive concepts as defined under the patent application.

## **What happens if an inventor is omitted from a patent application?**

All inventors of a patent application should be included at the time of filing a patent application. If the patent application mistakenly omits an inventor (who should have been listed) or includes an inventor (who should not have been included), rectification action can be taken in the attempt to correct the error. The requirements of such actions may vary depending on the country in question and respective patent office practices. Where a mistake is made (in the absence of bad faith), it is generally possible to rectify. In terms of requirements, it is generally easier to add a new inventor than remove an existing one.

## **What if the inventorship has been altered deliberately and in bad faith?**

Intentionally providing wrong information to the patent office concerning inventorship may have serious legal consequences depending on the jurisdiction. In general, such an action may be considered to be 'fraud' and may leave the patent vulnerable to cancellation or invalidation. In addition, penal or criminal repercussions such as fines or even imprisonment may apply in some countries. An inventor who may have been intentionally omitted from being included in a patent may not have any interest in having the patent invalidated (particularly if he or she is also the owner), but may require his or her name to be added as an inventor and, in case he or she is also an owner, pursue other legal remedies such as monetary damages in order to recover loss of profits depending on the case and the applicable laws.

## **Can an inventor become an owner?**

The general rule is that the inventor is the owner of the invention unless:

1. the inventor has assigned ownership to a third party under an assignment agreement before the conception of the invention; in this case, ownership passes to the assignee at the date of conception of the invention. This is common practice in work-for-hire relationships and employee-employer relationships;
2. the inventor assigns ownership of the invention after the conception of the invention; in this case,

- ownership passes to the assignee at the date of the assignment of the invention. This is common when the assignment is made in consideration of a financial sum;
3. the law provides that ownership of the invention shall be vested in another party (and not the inventor); the assignment, in this case, takes place according to the law at the time the invention was conceived. This is often the case in many countries in employee-employer relationships (where employers would own inventions rather than the employee inventors) and work-for-hire relationships (to a lesser extent).

In the case of multiple inventors, ownership must be separately assessed for each inventor. If all the inventors are also owners, then the general rule is that they are joint owners to an equal share in the invention unless agreed otherwise. This is also subject to local laws.

## **What is the employee or employer situation in the UAE?**

Article 9 of the UAE Patent Law essentially provides for three scenarios (which will be briefly discussed below):

### **1. *Invention falls within the employee's scope of employment***

In this case, the invention shall be vested in the employer. The core question is to determine whether the invention's conception falls within the employee's 'scope of employment'. This is subject to some complex factual and legal considerations. There are several precautionary measures both employees and employers can take to avoid grey areas;

### **2. *Invention falls outside the employee's scope of employment and the invention does not relate to the employer's domain***

Where the invention falls outside the employee's scope of employment, the invention clearly belongs to the employee.

### **3. *Invention relates to the employer's domain and has been achieved using the employer's resources***

In this scenario the law provides that in the event an employee conceives of an invention, he or she must notify the employer (in writing) and give the employer the opportunity to acquire the invention. Generally, there is a sophisticated process involved however, the key question is to determine whether the invention's conception falls outside the 'scope of employment' and relates to the employer's business. This can often be subject to some complex factual and legal considerations.

According to Article 9(6) of the UAE Patent Law, any agreement giving the employee benefits less than those stated in the provisions of Article 9 (stated above as default rules) is deemed to be invalid.

# Can a machine be considered to be an inventor?

Artificial Intelligence ('AI') and blockchain are the most observed and rapidly growing areas of technology with a limitless range of applications. Companies in the future will continue filing patent applications relating to these technologies in order to protect their investments. It is inevitable that technology and software will continue to be at the future's core.

However, there is currently a legal grey area for any new inventions created by an AI System. The primary question is 'should an AI System have the legal right to be a patent owner?' The current (and dominant) view on this topic is that AI Systems are merely tools to achieve an invention and may not be considered to be inventors. This is in addition to the fact that systems do not have the legal capacity to which individuals or legal entities are entitled (and capable). We agree with this school of thought however, many others believe that AI is more than merely a tool and is the ultimate creator of the invention.

The most relevant update on this issue is the European Patent Office ('EPO') recent decision on AI which could impact the future of patent law as a whole. The decision related to the AI - DABUS system ('Device for the Autonomous Bootstrapping of Unified Sentience') created by Dr Stephen Thaler, a Doctor in Physics.

This decision supersedes the rejection of two patent applications (EP 18275163 and EP 18275174) by the EPO, which designated the inventor as a non human entity. EP 18275163 deals with a fractal beverage container and EP182751 74 deals with fractal light signals to attract attention during search and rescue operations.

The decision by the EPO, released at the end of 2019, justifies the rejection of the two patent applications on the basis of the fact the inventor was not a human being. The EPO recently released the reasoning behind its decision. Firstly, the EPO concluded that the inventor of a patent must be a 'natural person' (and that the notion of a 'natural person' is internationally applicable). Secondly, the EPO argued that designating a machine inventor with a name 'does not satisfy the requirements of the European Patent Convention'.

Equivalent patents were filed in the USA and UK however, rejected by both patent offices. Equivalent patent applications have also been filed in Germany, Taiwan and some other countries.

This is a rapidly developing area of the law which we will be following closely and on which we will be updating our clients in due course.

## Conclusion

Inventorship and ownership of inventions are very important legal principles which need to be understood by all parties involved in the sphere of innovations, including universities, businesses, researchers and other individual creators. At the outset of innovation related projects, in order to minimise potential future tensions or disputes which may lead to serious legal consequences and high costs, it is advisable to take the necessary precautionary measures by protecting an invention. Corrective measures can also be taken to rectify innocent mistakes. Legal action can also be taken in certain cases in order to remediate infringements such as a bad faith, alteration to inventorship, or a dispute over inventorship or ownership. However, such reactive measures may lead to protracted and expensive processes and are best avoided.

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