

Entitlement

The importance of getting it right



Lack of entitlement to an invention is available as a ground of pre-grant opposition under Section 59(a) and post-grant as a ground of revocation under Section 138(3)(a) of the *Australian Patents Act (1990)*. A recent decision in the Federal Court has highlighted the importance of correctly establishing the chain of entitlement to an invention from the outset, or at the very least, prior to acceptance of the patent application. Incorrect identification of the inventor(s), or incorrectly establishing a chain of entitlement from the inventor(s) to the patentee(s), can result in a patent application being refused, or leave a granted patent vulnerable to revocation.

Who may be granted a patent?

According to Section 15 of the *Australian Patents Act (1990)* a patent for an invention may only be granted to a person who: is the inventor; would, on the grant of a patent for the invention, be entitled to have the patent assigned to the person; derives title to the invention from the inventor or an entitled person; or is the legal representative of a deceased entitled person.

Thus, each patentee named on a patent must be able to demonstrate entitlement to the invention through one or more of the actual inventor(s).

Conor Medsystems Inc. v The University of British Columbia

In *Conor Medsystems Inc. v The University of British Columbia* (No. 2) [2006] FCA 32 the question arose as to whether a patent granted to joint patentees should be revoked if it could be shown that two of the named inventors, from whom one of the patentees claimed to have derived entitlement to the invention, were not in fact inventors. In that case, it was held that the entire patent should be revoked since one of the patentees was not properly entitled to the invention, even though the second patentee did have entitlement from the remaining inventors.

Finkelstein J concluded that the court does have the power to revoke an Australian patent where a patent issues but (i) not all of the inventors are named; (ii) only one of the inventors is named; or (iii) one or more of the inventors named are not in fact inventors.

The decision in *Conor Medsystems* serves as a timely reminder of the importance of correctly identifying all of the inventors at the time of filing a patent application and ensuring that

each applicant/patentee can clearly demonstrate entitlement through at least one of the actual inventors. This decision also foreshadows the advisability of reviewing inventorship and ownership prior to the grant of a patent, particularly where there has been substantial amendment of the claims during prosecution, or when a divisional application is being filed. For avoidance of doubt, it is a useful practice to have a specific assignment in place transferring title from the inventor(s) to the applicant(s) at the time of filing a patent application.

Rectification of the Patent Register

An ancillary issue that arises from *Conor Medsystems* is what, if any, mechanisms are available to a patentee to revise the details of inventorship after a patent has granted in order to correct a defect in the chain of entitlement from the inventor(s) to the patentee(s).

There are provisions in the *Patents Act 1990 (Cth)* which may be invoked in cases of inadvertent or unintentional mistakes, for example, in the naming of inventors or in the establishment of entitlement to the grant of a patent. For example, Section 192 allows for rectification of the Patent Register to correct an omission, error, or defect in an entry in the Register. However, applications under Section 192 must be made to a Court and the onus is on the person seeking the rectification to demonstrate that the mistake was inadvertent and/or unintentional. As such, there is no certainty that any defect in the chain of entitlement or inventorship can be corrected after a patent has granted.

Summary

- » Care should be taken to ensure that all inventors are correctly identified and named at the time of filing a patent application. In particular, consideration should be given to whether the invention was conceived by the inventor(s) in the course of, or outside of, their employment.
- » Each applicant/patentee must have a clear chain of entitlement through at least one of the named inventors.
- » It may be prudent to review inventorship and entitlement prior to the grant of a patent, especially if there have been substantial changes to the scope of the claims.
- » If an error in entitlement is identified while a patent application is still pending, appropriate steps should be taken to correct the inventorship and/or ownership prior to grant of the patent. This may involve filing a new Patent Request form and/or amending the Notice of Entitlement.
- » Once a patent has been granted the opportunity to correct any defects in entitlement is limited and may leave a patent vulnerable to revocation.



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