

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP AND OTHER TRENDS



Irene B. Eckert – St. Jude Medical

Jeffery J. Hoenhshell – Medtronic

Gregory L. Koeller – American Medical Systems

Barbara A. Wrigley - Moderator

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



- Overview of situations leading to co-ownership of intellectual property
  - Joint Development
  - Assignment by one co-inventor
- Default rules of co-ownership
  - Ethicon v. United States Surgical Corp.
  - Iron Ore Co. of Canada v. Dow Chemical Co.

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



- In U.S. in absence of an agreement, a single joint inventor may license, convey or use without consent of or accounting to other joint inventor
- All co-owners must join as plaintiffs in an infringement suit and consent to join
- Special rules when Gov't is the co-owner

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



- Co-Ownership Outside of U.S.
  - General Rules – no written agreement
    - Canada – One co-owner may exploit without consent; cannot license without consent but may assign
    - France – One co-owner may exploit without consent but cannot license without consent and consent required to assign
    - Germany - One co-owner may exploit without consent but cannot license without consent and consent required to assign

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



- Recent Developments
  - Edwards LifeSciences AG v. Cook Biotech
  - Cook Biotech v. Edwards LifeSciences (appellate)
  - KCI Licensing Inc. v. Smith & Nephew

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



- Edwards v. Cook and Cook v. Edwards - UK
  - One inventor obligated to assign to Cook
  - Two inventors (doctor w/no obligation to assign)
  - US Provisional filed naming all 3 as inventors
    - No assignment filed
  - Intervening prior art publication
  - PCT filed by Cook, names all 3 inventors (still no assignment from non-Cook inventors)
- Prior to grant, Cook obtains and files an assignment from non-Cook inventors
- Patent grants

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



- *Edwards LifeSciences AG v. Cook Biotech Inc.*, [2009] EWHC 1304 (Pat)(High Court of Justice (Patents Court) 2009)(Kitchin, J.), “the Paris Convention priority right held to be available to one other than the inventor only “if he is the successor in title to the person who filed th[e] earlier application. If he is neither the person who filed the earlier application nor his successor in title then he is denied the privilege. Moreover, his position is not improved if he subsequently acquires title to the invention.”

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



- The Physician as Inventor
  - Company Policies
  - Acquisition of IP
  - Written Submissions
    - Provisional Applications
    - To Mingle or not mingle
  - Consulting and Other Agreements with Physician Inventors
  - Specific Restrictions on Agreements with Physician
    - Reimbursement
    - Collaboration with a surgeon/inventor and considerations of fraud and anti-kickback laws

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



- The Physician as Inventor (con't)
  - Anti-kickback
  - False Claims
  - Stark
  - HIPAA
  - Civil Money Penalty
  - Conspiracy
  - Wire Fraud

# PITFALLS OF CO-INVENTORSHIP AND CO-OWNERSHIP



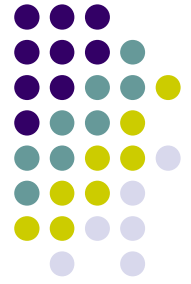
- Potential Adversaries
  - Department of Health and Human Services (HHS)
  - HHS Office of Inspector General (HHS OIG)
  - State Attorney Generals (AGs)
  - Department of Justice (DOJ)
  - Congress
  - Food and Drug Administration (FDA)

# Trends in Confidentiality Agreements and Clinical Research Agreements



- Recent Trend: If patentable subject matter results from the disclosure of confidential information then patentable subject matter is owned by Recipient of CI

# Trends in Confidentiality Agreements and Clinical Research Agreements



- University IP policies
  - IP is superseded by policies of University unless Company uses own resources
  - Professors, Graduate Students, etc.
  - Signed writing not always required
- Research Grants
  - Other ownership constraints
- Graduates/Students working in industry

# Trends in Confidentiality Agreements and Clinical Research Agreements



- IP Law
  - Patent prosecutors
  - Patent litigators
- Corporate Law
  - M&As
  - Off-shore IP Holding
  - Patent Applications are confidential until published
  - Tax
- Employment Law
  - U.S.
  - O.U.S. (Which foreign law applies?)

# Trends in Confidentiality Agreements and Clinical Research Agreements



- Consider derivatives of contributed IP
  - Modification of old subject matter vs. “new” invention
  - Improvements
  - Can contributor of IP continue to use it (as modified) without restriction?

# Marking Trends



- What does in-house counsel advise?
  - Mark/not mark
  - Position regarding existing inventory
  - Licensees that are required by Licensor to mark