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Q244

Inventorship of multinational inventions

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I. Current law and practice

1) Please describe your law defining inventorship and identify the statute, rule or other authority that establishes this law.

a) If person A, located outside your country, directs the efforts of person B, located in your country, for making an invention in your country, under what circumstances would person A and/or person B be considered an inventor under your law?

Section 15(1) of the Australian Patents Act 1990 (**Patents Act**) provides for who may be granted a patent:

"Subject to this Act, a patent[http://www5.austlii.edu.au/au/legis/cth/consol_act/pa1990109/s178.html#patent] for an invention may only be granted to a person who:

- (a) is the inventor; or
- (b) would, on the grant of a patent[http://www5.austlii.edu.au/au/legis/cth/consol_act/pa1990109/s178.html#patent] for the invention, be entitled to have the patent[http://www5.austlii.edu.au/au/legis/cth/consol_act/pa1990109/s178.html#patent] assigned to the person; or
- (c) derives title to the invention from the inventor or a person mentioned in paragraph (b); or
- (d) is the legal representative of a deceased person mentioned in paragraph (a), (b) or (c)."

As entitlement in each of the above instances requires title to be derived ultimately from the inventor, it is necessary to understand the meaning of inventor in this section. It is also worth noting that section 16(1) of the Patents Act deals with co-ownership of inventions.[1][#_ftn1]

In the leading case of *Polwood Pty Ltd v Foxworth Pty Ltd*[2][#_ftn2] (**Polwood**), the Full Federal Court of Australia adopted a 2 part test for inventorship which:

- (a) first requires an identification of the invention;
- (b) followed by a determination of who contributed to it and when.

Basically, it is a person's contribution to the conception of the invention that is material to the determination of inventorship rather than the verification and reduction to practice of that concept (unless the reduction to practice itself required inventive contribution.)[3][#_ftn3] [4][#_ftn4]

a. If person A, located outside your country, directs the efforts of person B, located in your country, for making an invention in your country, under what circumstances would person A and/or person B be considered an inventor under your law?

Person A will be considered an inventor if they have contributed to the inventive concept of the invention.

If person B merely reduced the inventive concept to practice then they are unlikely to be considered an inventor. If person B made a contribution to the inventive concept (or overcame a difficulty in reducing the invention to practice) then they would be considered to be an inventor.

It is a question of fact in each particular case. In *Polwood*, both *Polwood* and *Foxworth* claimed an inventive contribution to the invention. *Polwood* had originally conceived the invention but *Foxworth* subsequently designed and constructed prototypes and ultimately an apparatus to implement the concept without any material input from *Polwood*. The trial judge held that the parties were co-owners as there was joint ownership on the basis of *Polwood*'s entitlement to inventorship of the method claims and *Foxworth*'s entitlement to claims to the apparatus. In the latter respect, the judge found that the design and construction of the apparatus involved inventive merit and inventive skill.

[1][#_ftnref1] "Subject to any agreement to the contrary, where there are 2 or more patentees:

- (a) each of them is entitled to an equal undivided share in the patent; and
- (b) each of them is entitled to exercise the exclusive rights given by the patent for his or her own benefit without accounting to the others; and
- (c) none of them can grant a licence under the patent, or assign an interest in it, without the consent of the others".

[2][#_ftnref2] (2008) 165 FCR 527

[3][#_ftnref3] See Bodkin "Patent Law in Australia" (2nd ed) at paragraph [8040] and *Polwood* at paragraphs 33 to 54.

[4][#_ftnref4] See also Crennan J in *JMVB Enterprises Pty Ltd v Camoflag Pty Ltd* (2005) 67 IPR 68 at para 132-133: Eg "Rights in an invention are determined by objectively assessing contributions to the invention, rather than an assessment of the inventiveness of respective contributions."

b) Does your law defining inventorship rely on or look to a particular part of the patent application? For example, is inventorship under your law determined on a claim by claim basis, determined based on the content of the drawings or the examples, or determined on some other, and if so, what basis?

no

Please comment:

It is necessary to examine the complete specification as a whole (including the claims) to determine the inventive concept that is described or disclosed; it is generally not an analysis on a claim by claim basis.[1][#_ftn1]

The Full Court in Polwood in holding that Polwood and Foxworth were co-inventors did not consider it appropriate or necessary to refer the matter back to the trial judge to conduct a review of inventorship on a claim by claim basis.

[1][#_ftnref1] See Polwood at paragraph 60; see Bodkin at paragraph [8100].

2) Does your law of inventorship depend on the citizenship of the inventor(s)?

no

Please comment:

There is no requirement that a patent may only be granted to a person who is a citizen of Australia. Section 15(2) of the Patents Act provides that:

"A patent[http://www5.austlii.edu.au/au/legis/cth/consol_act/pa1990109/s178.html#patent] may be granted to a person whether or not he or she is an Australian citizen."

3) Does your law of inventorship depend on where the invention was made (e.g. on the residency of the inventor(s))?

no

Please comment:

The Australian law of inventorship does not depend on where an invention was made ie there is no requirement that the inventor be a resident of Australia. For example, the idea may be jointly-conceived by scientists working in Australia and the United States.

4) Can the inventorship of a patent application be corrected after the filing date in your country?

yes

If yes, what are the requirements and time limits for such correction?:

a. If yes, what are the requirements and time limits for such correction?[1][#_ftn1]

It is possible to file an application for leave to amend a patent request to correct the inventorship on a patent application at any time prior to the grant of a patent on the application.

It is necessary to file an application under section 104 of the Patents Act together with a Statement of Proposed Amendments, in this case amending the request to show the correct inventors. If a Notice of Entitlement has already been filed, it may be necessary to file a further Notice if, for example, the

Notice did not correctly reflect the applicant's entitlement.

If a patent has already been granted and the names of the incorrect inventors appear on the Register, it is possible to file an application with the Commissioner of Patents (from 15 April 2013) or with the Federal Court to rectify the Register.[2][#_ftn2]

[1][#_ftnref1] It is also relevant to note that under section 32(1) of the Patents Act: "If a dispute arises between any 2 or more joint applicants in relation to a patent[http://www5.austlii.edu.au/au/legis/cth/consol_act/pa1990109/s178.html#patent] application whether, or in what manner, the application should proceed, the Commissioner may, on a request made in accordance with the regulations by any of those applicants, make any determinations the Commissioner thinks fit for enabling the application to proceed in the name of one or more of the applicants alone, or for regulating the manner in which it is to proceed, or both, as the case requires."

[2][#_ftnref2] See sections 191A and 192 of the Patents Act

- 5) What are the possible consequences of an error in the stated inventorship on a patent application in your country? Can a patent issued from such an application be invalidated or rendered not enforceable on that basis? Does it matter whether the error was intentional or unintentional?

Errors in the stated inventorship on a patent application or a granted patent can be grounds for opposition or revocation respectively. In both the case of an opposition and a revocation proceeding, there is no requirement that the error was unintentional.[1][#_ftn1]

Opposition to a standard patent application

A standard patent application can be opposed on the ground that the nominated person is either:

- (a) not entitled to a grant of the patent for the invention; or
- (b) entitled to a grant of a patent for the invention but only in conjunction with some other person.[2][#_ftn2]

Provisions exist for the Commissioner of Patents to grant patents in the names of the eligible person (opponent) or in the joint names of the applicant and the opponent.[3][#_ftn3] It is also possible to seek a declaration that certain persons are eligible persons in relation to an application.[4][#_ftn4]

An error in the named inventors, where the applicant would still be entitled to the patent (eg through an employment relationship), is not a ground of opposition.

Revocation of a granted patent

The Court may by order revoke a patent either wholly or so far as it relates to a claim on the ground that the patentee is not entitled to the patent.[5][#_ftn5]

The effect of this provision has recently been ameliorated by the introduction of a section that provides that a patent is not invalid merely because[6][#_ftn6] :

- (a) the patent, or a share in the patent was granted to a person who was not entitled to it; or
- (b) the patent, or a share in the patent, was not granted to a person who was entitled to it.

In addition, for proceedings filed after 13 April 2013, the Patents Act further provides in section 138(4) that:

"A Court must not make a revocation order on the ground that the patentee is not entitled to the patent unless the court is satisfied that, in all of the circumstances, it is just and equitable to do so."

Also, in addition, under section 34, if the Court is satisfied that either:

- (a) one or more persons are eligible persons in relation to an invention so far as claimed in any claim of the patent but that the patentee is not an eligible person; or
- (b) that the patentee and another person(s) are eligible persons,

if a complete application is made for the grant of a standard patent by one or more of the declared persons, the Commissioner may grant a patent for the invention, so far as claimed in the original claim to those declared persons jointly. The term of any patent granted under these provisions is limited to the term of the original patent^[7].

^[1] Although an intentional error may affect whether a Court would consider such conduct as unjust and inequitable in exercising its discretion to not make a revocation order (see section 138(4) of the Patents Act). It may also give rise to a further ground of revocation eg false suggestion or misrepresentation.

^[2] See section 59(a) of the Patents Act

^[3] See section 33 of the Patents Act

^[4] See section 36 of the Patents Act

^[5] Section 138(3)(a). See *Conor Medsystems Inc v University of British Columbia (No. 2)* (2006) 68 IPR 217; *University of British Columbia v Conor Medsystems Inc* (2006) 155 FCR 391; *Stack v Brisbane City Council* (1999) 47 IPR 525; Upheld on appeal in *Davies Shepherd Pty Ltd v Stack* (2001) 108 FCR 422

^[6] Section 22A of the Patents Act

^[7] Section 35 deals with the situation where a patent is revoked under section 137. If the Commissioner is satisfied they may on an application order than another person or persons should be accepted as patentee or patentees and grant a grant a patent with the same priority date as the surrendered patent.

6) Does your law require that an application for a patent claiming an invention made in your country, whether in only one technical area or in all technical areas, be filed first in your country?

no

If no please comment:

No, there is no such law in Australia. Applicants may choose to file first in the country of their choice.

a) Is the law requiring first filing in your country limited to a specific area of technology or otherwise limited such that it does not apply to all inventions made in your country? If yes, please explain.

7) Does your law require that a patent application claiming an invention made, at least in part, in your country undergo a secrecy review or similar process before it can be filed in another country?

no

If no please comment:

There are in force laws relating to various areas of technology under which dissemination of information may be an offence, in relation to national security, and in relation to nuclear technology (for example relating to nuclear weapons or enrichment of fissile material). In that sense, international filing of patent applications disclosing such material may be an offence.

However, the provisions of s. 152 and s.173 of the Patents Act which deal with such matters assume that there is a patent application which has been filed in Australia, and provide for a review by the patent office after filing. There are no provisions which specifically require a security review before filing in another country.

There are of course other laws that might interfere with the ability to eg supply overseas a military item via intangible means. It is a criminal offence^[1] under the *Defence Trade Controls Act 2012* (Cth) to supply overseas, publish^[2], and/or broker between two overseas countries a military or a dual-use item listed in the Defence and Strategic Goods List via intangible means, if it does not fall within one of the exemptions or the necessary permits or approvals have not been obtained. For example, technology required for the "minimum necessary information for patent applications" is exempt.

[1] Punishable by imprisonment for 10 years or 2,500 penalty units or both.

[2] Does not include pre-publication: see section 10(3A).

II. Policy considerations and proposals for improvements of the current law

8) If your law defines inventorship, is this definition sufficient to provide patent applicants with clear guidance as to who should be named as the inventor(s) of a patent application? Are there aspects of this definition that could be improved?

In our view the definition of inventorship will always require some flexibility and adaptation to the specific circumstances of any given invention. The case law sufficiently defines the parties who should be named as inventors.

9) If you have laws requiring first filing of patent applications directed to inventions made in your country, are there aspects of these laws that could be improved to address multinational inventions?

We have no such laws.

10) If you have laws requiring a secrecy review of patent applications directed to some or all types of inventions made in your country, are there aspects of these laws that could be improved to address multinational inventions?

We have no such laws prior to foreign filing.

11) Are there other aspects of your law that could be improved to facilitate filing of patent applications having multinational inventorship? If yes, please explain.

Our laws allow for multinational first filings well as they stand, as we do not require the first filing to be in Australia.

III. Proposals for harmonisation

12) Is harmonisation in this area desirable?

yes

Please comment.:

Yes. Given the proliferation of inventions which are worked on in many countries at once, and the encouragement of collaboration internationally as a key factor in technical innovation, it is not rational to have widely disparate rules on inventorship, or national requirements for first filing in the case of international co-inventorship.

More specifically, in a modern, Internet connected world where an invention may be readily developed by an international team, laws that possibly made sense in a paper and mail based world have become irrelevant to the dissemination of information. An international team means that the information has already left the control of a single nation. It is important that the invention and filing regimes in each country adapt to the reality of international collaborative teams.

If yes, please respond to the following questions without regard to your national or regional laws. Even if no, please address the following questions to the extent you consider your national or regional laws could be improved.

13) Please provide a definition of inventorship that you believe would be an appropriate international standard.

It is necessary to consider a claim, not an invention in the abstract. Different claims may have different inventors. The addition of features in dependant claims may require additional inventors to be added.

As to the test itself, we have discussed this issue extensively within our group. While we are supportive in principle of a clear, simple and objective test, in our view this is not possible.

The concept of inventorship is inextricably bound to the concept of invention. There are many different types of invention. For example, in some instances a team may work together on a technical problem, pursuing various experiments and arriving at a solution. In this case, it is reasonable to treat the whole team as inventors.

In another instance, the invention may rely on a recognition of an underlying problem. In this case, there is likely to be a single genuine inventor, and implementation may be routine. In other cases, there may be a gradual recognition of an unexpected outcome, for example a second medical indication. In this case it may be an individual or a team who can properly be described as the inventors. There are many different ways to arrive at an invention, and the ways inventors contribute depends in part upon the way the invention was developed.

In our view, there can really be no better test than "did the alleged inventor contribute to the invention?". This in turn imports concepts of what is inventive, which is in our view inevitable and

desirable. Considering inventorship without regard to the nature and background of the invention is likely to lead to error in identification of the inventors.

- 14) Please propose a standard for correction of inventorship after a patent application is filed, together with any requirements necessary to invoke this standard (e.g. intentional versus unintentional error) and any timing requirements (e.g. during pendency of the application).

We consider that the standard should be whether the error in naming the inventors was unintentional. This should be available before or after grant. However, after grant, the amendment should be allowable only on a discretionary basis, considering whether this would be just in all the circumstances, including any undue delay in requesting correction by the patentee.

- 15) If you believe such a requirement is appropriate, please propose an international standard for first filing requirements that would take into account multinational inventions.

In our view, first filing requirements are unnecessary. If the interests of national security are required to be protected, then to simply require first filing is rather ineffective to protect such interests, as no other communication is prevented (see also 7(c) and 12 above). We note that in the case of a multinational invention, the information will already not be contained in any specific country.

As a compromise, the specific areas of technology which require a foreign filing license should be prescribed by each country, and no license should be required for other technologies. The latter will in practice include a large majority of inventions. This will also assist the efficiency of issuing such licenses in the infrequent cases where they are required.

- 16) If you believe such a requirement is appropriate, please propose an international standard for secrecy review requirements that would take into account multinational inventions.

See the response to question 15.

- 17) If you believe such a requirement is appropriate, please propose an international standard for obtaining a foreign filing license.

See the response to question 15.

- 18) Please propose an international standard for an ability to cure or repair an inadvertent failure to comply with a first filing requirement or a security review requirement.

Given our responses above, no such ability is required.

- 19) Please propose any other standards relating to multinational inventions (excluding those related to inventor remuneration or ownership of the invention) that you feel would be appropriate.

We do not have any other suggestion.

Summary

No restrictions exist on the country of first filing under Australian law, nor is there a requirement for security review or a foreign filing licence.

It is the view of the Australian group that such measures serve no useful purpose and should be abolished. We are supportive of an international standard for determining inventorship, based on the contribution to the claimed invention by the possible inventors.

Please comment on any additional issues concerning the multinational inventions you consider relevant to this Working Question.

AIPPI