
Kluwer Patent Blog

University's Dispute with Inventor Highlights Importance of Establishing Ownership of IP

Adam Flint (EIP) · Thursday, January 14th, 2016

A recent [decision](#) at the UK Intellectual Property Office emphasises again how important it is to establish ownership of rights in inventions (particularly before the first patent application is filed) and to have documentary evidence to support this.

The case concerns a dispute between the University of Warwick and one of its employees over the ownership of an inventor's contribution to an invention described in a US patent application.

The Invention and Patent Applications

The invention related to an apparatus for inspecting an object using electromagnetic radiation of near infra-red wavelengths. The invention could be used for many applications including inspecting food samples for foreign bodies and detecting cysts and tumours in the body. It was not in dispute that Diamond developed the "lock-in" technology which used analogue electronics to analyse the received radiation. Diamond also specified a specific range of near infra-red wavelengths that were particularly suited for the purpose of inspection.

The US patent application in question was the national phase of a PCT application which claimed priority from a UK patent application. A company called G-Tronix (discussed in more detail below) licensed the technology from the University.

The Named Inventors

The three inventors named on the patent application were Dr Gan, Professor Hutchins and Dr Diamond. Dr Gan and Professor Hutchins had assigned any rights they may have owned to the University, but Dr Diamond had refused to do the same.

The University initiated proceedings against Diamond under Section 12 of the UK Patents Act 1977, claiming that it was entitled to the ownership of Diamond's contribution to the invention. Diamond claimed that the company G-Tronix owned the rights to his contribution to the invention. G-Tronix was set up by Dr Gan to exploit work he had been doing on ultrasonics. At the time, the model adopted by the University was to license the results of its research to spin-out companies which then develop the technology. Diamond and Hutchins had been made directors of G Tronix around February 2006.

Law

The relevant provision relating to employee inventions is section 39(1) of the UK Patents Act. Section 39(1)(a) specifies that “an invention made by an employee shall... belong to his employer... if it was made in the course of the normal duties of the employee or in the course of duties falling outside his normal duties, but specifically assigned to him, and the circumstances in either case were such that an invention might reasonably be expected to result from the carrying out of his duties.” The University only contended that the invention was made in the course of Diamond’s normal duties and not in the course of duties specifically assigned to him.

(Section 39(1)(b) relates to inventions made by employees who, because of the nature of their duties and the particular responsibilities arising from the nature of their duties, the employee has a special obligation to further the interests of the employer’s undertaking. Section 39(1)(b) is of relevance for example to directors of companies and was not relevant in this case.)

The Present Case

Before discussing the normal duties of Diamond as an employee of the University, it is important to note that, whilst somewhat different and contradictory arguments were put forward by Diamond at different times, in the end both Diamond and the University accepted that Diamond was employed by the University at the time the invention was made.

In order to determine whether Diamond’s contribution belonged to the University, the Hearing Officer considered in detail what the normal duties of Diamond were as an employee of the University and whether the invention was made in the course of those normal duties. It is noted that if it is found that an invention was not made in the course of those normal duties, then it would not be necessary to consider whether an invention would be reasonably expected to result from carrying out those normal duties.

The Normal Duties of Diamond as an Employee of the University

In determining the normal duties of Diamond, both the University and Diamond himself referred to the University Regulations. Those Regulations, in short, stated that an employee’s duties “will be specified by the Chair of Department, or his/her designated deputy”. In the case of Diamond, his duties were to be specified by Professor Hutchins. However because of illness neither party felt it possible to call upon Hutchins to provide evidence for the proceedings. The Hearing Officer noted that evidence regarding the duties Hutchins specified for Diamond would obviously have been useful.

Diamond argued that he was a relatively low-ranking, non-permanent assistant with a highly prescriptive set of tasks to perform within a short period of time. He argued that his normal duties as an employee of the University were to perform tasks that were set by Hutchins: he was not involved in designing experiments and was not employed to invent.

It was concluded that there was little documentary evidence summarising the duties of Diamond. It was in the end held that Diamond’s duties were broader than he suggested, and he was employed to undertake research directed by Hutchins. Within his duties he was also expected to exercise ingenuity and explore different ways of doing things. It was therefore his duty to innovate.

Was the Invention Made in the Course of Diamond’s Normal Duties?

The University failed to put forward any primary evidence to show that the invention was made in

the course of Diamond's normal duties. Instead they sought to demonstrate via secondary evidence that the only reasonable conclusion was that the invention was made in the course of Diamond's duties.

The University argued that one particular research grant that Diamond was working under was broad enough to cover the scope of the invention. However Diamond maintained that the invention was devised during the evenings and weekends while working for G-Tronix, and was therefore outside of his normal duties to the University. Diamond also submitted in evidence an email that was sent from Hutchins to a Research Contracts Officer working at the University. The email mentioned that the subject matter of the PCT application was not developed under a research grant, but instead it was developed "from cold", which the Hearing Officer said made clear that Hutchins was saying that this invention was not developed under any research contract.

The University also argued that at no point did any of the inventors question whether the invention might not belong to the University. Furthermore they asked why G-Tronix entered into licence agreements with the University to access the invention if, as Dr Diamond claims, the invention was already owned by G-Tronix. The Hearing Officer stated that while evidence did show that Diamond behaved as though the invention belonged to the University, the Hearing Officer very much doubted that at the time Diamond had even considered section 39 of the Patents Act or understood what it might mean.

Conclusions

The Hearing Officer concluded that the evidence from both parties was not particularly strong. Diamond did not make his contribution in the course of his University duties insofar as those duties were directed to working on specific grants. However, Diamond's duties did extend beyond just working on specific grants: his duties included assisting Hutchins more broadly in his research. However, there was no evidence to show what Hutchins was doing. Crucially there was nothing to show how Hutchins and Gan moved from working with ultrasonics to working in infra-red. This was particularly important because it was Diamond who specified the set of near infra-red wavelengths.

Because of the lack of evidence provided by both parties, the Hearing Officer found it difficult to make a finding of fact. It is generally the position that the party bringing the case (here, the University) has the onus on it to make its case. Neither side had presented any reliable or useful evidence as to how Dr Diamond came to make his contribution to the invention and whether that was in the course of his normal duties as a Research Fellow of the University. The onus was on the University to do this, yet it was unable to do so and therefore failed with its claim: it was found that the University had not shown that the invention was made in the course of Diamond's normal duties. Diamond therefore had the right to continue to be named as an applicant on the US patent application.

Practice Points

As stated above, this case highlights the importance of determining ownership of an invention at an early stage, and documenting that and ideally obtaining the inventors' approval and confirmation of this in writing. Ideally, this should all be dealt with prior to filing the first patent application for the invention. Furthermore, where possible and when necessary, signed assignment documents should be prepared and executed by all inventors and the patent applicant, and the employer of the

inventors if not the actual patent applicant. Any other parties who may have been involved with the invention, whether during the development of the invention or more broadly for other commercial reasons say, should also be at least referred to in such documents or even made parties to the agreement.

By Adam Flint and Carl Bryers, EIP

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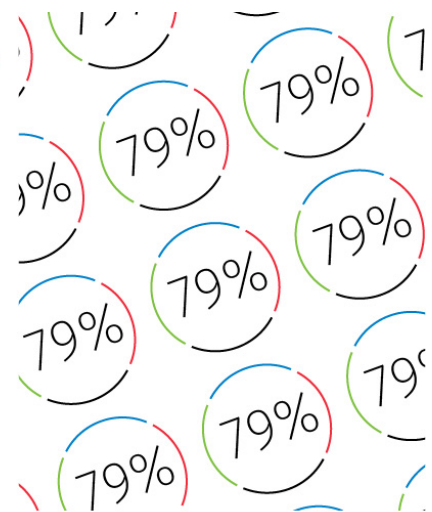
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