Stanford v. Roche: Supreme Court Clarifies Intellectual Property Ownership

Kimberly Honeycutt, Ph.D.

Kimberly Honeycutt, Ph.D., is a patent attorney at Polsinelli Shughart PC in Kansas City, Missouri.

At the university level, properly securing ownership of inventions and patents is important. A university must not only protect its interest in inventions developed by employees or visitors using university resources, but may also have a duty to secure patent ownership under agreements with the federal government and outside parties.

In fact, a university's ownership of inventions must be proactively secured by having employees assign their ownership rights to the university.

Under U.S. patent law, patent applications must be filed in the name of the inventors, and ownership initially belongs to those inventors.[1] The inventors may assign their rights to another, such as their employer, contractor, or university.

Generally, employers require all employees to sign an employment agreement at the start of employment. Such employment agreements usually include an intellectual property assignment clause where the employee assigns or agrees to assign intellectual property rights, including patent rights, to any invention made while employed by the employer. The assignment of patent rights to an employer is justified by the employer providing the facilities and financial support necessary for the conception and development of an invention.

In the university setting, a majority of financial funding is provided by taxpayer dollars through federal funding. Prior to 1980, patents covering inventions made with federal funds were assigned by inventors to the federal funding source agency. Very few of these technologies were ever commercialized. In an attempt to get the technologies to the

public, Congress enacted the Bayh-Dole Act,[2] allowing universities, small businesses, or nonprofit institutions to retain ownership of inventions supported by federal funding. For 30 years, the Bayh-Dole Act has facilitated the commercialization of inventions and provided an influx of consumer products, medicines, university-private sector collaboration, and jobs.