ARE Patent Litigation Alert:
U.S. Supreme Court find Bayh-Dole Act Does Not Override Employees' Rights to Unassigned Inventions

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Author(s): Charles R. Macedo

On June 6, 2011, the U.S. Supreme Court issued its decision in *Board of Trustees of the Leland Stanford Junior University v. Roche Molecular Systems, Inc.*, 563 U.S. __ (2011), a case related to the rights of inventors in federally-funded research programs. In *Stanford*, the Court rejected Stanford's position that when an invention is conceived or first reduced to practice with the support of federal funds, the Bayh-Dole Act vests title to those inventions in the inventor's employer--the federal contractor. The Court confirmed that "rights in an invention belong to the inventor" and that "an inventor can assign his rights in an invention to a third party." (Slip op. at 1, 7.) "Thus, although others may acquire an interest in an invention, any such interest--as a general rule--must trace back to the inventor." (Slip op. at 7.)

The Court summarized its holdings as follows:

In accordance with these principles, we have recognized that unless there is an agreement to the contrary, an employer does not have rights in an invention "which is the original conception of the employee alone." Such an invention "remains the property of him who conceived it." In most circumstances, an inventor must expressly grant his rights in an invention to his employer if the employer is to obtain those rights.

(Slip op. at 7-8 (internal citation omitted).)

Chief Justice Roberts wrote the opinion of the Court for a seven-justice majority. Justice Breyer filed a dissenting opinion which Justice Ginsberg joined, and Justice Sotomayor filed a concurring opinion which joined the majority but agreed with Justice Breyer's criticism of certain precedent of the Federal Circuit.

Justice Breyer, in his dissent, took issue with the portion of the decision of the Federal Circuit which drew a distinction between contractual language which states an inventor "agrees to assign" and contractual language which states an inventor "hereby assigns."

Justice Breyer explained "[g]iven what seem only slight linguistic differences in the contractual language, this reasoning seems to make too much of too little." (Slip op. at 7, Breyer, J., dissenting.) Justice Ginsberg joined Justice Breyer's dissent, and Justice Sotomayor, while concurring with the majority since the arguments were waived below, nonetheless shared

Justice Breyer's concerns with this line of authority by the Federal Circuit.

For more information on how this recent development may affect your organization, please contact one of our attorneys.

*Charles R. Macedo is a partner at Amster, Rothstein & Ebenstein LLP. His practice specializes in intellectual property issues including litigating patent, trademark and other intellectual property disputes. The author may be reached at cmacedo@arelaw.com.

Mr. Macedo is also the author of *The Corporate Insider's Guide to U.S. Patent Practice*, published by Oxford University Press in 2009.