**PROPERTY RIGHTS AND EXPLOITATION**

**The right to grant a patent**

A patent can be granted to the following categories

The inventor

The co-inventor

The employer of the inventor when the invention is made during the course of employment

**EMPLOYEE INVENTIONS**

**THE RIGHT TOT GRANT EMPLOYEES**

“If people don't get paid for their inventions, that's not a good thing. In the case of many patents, there are people who aren't in a position to take them to the next level. If you don't enforce your rights, no one is going to enforce them for you.”-Nathan Myhrvold, former Chief Technology Officer at Microsoft, co-founder of Intellectual Ventures and the principal author of Modernist Cuisine.

Today all over the world a great number of Patent grant applications are by inventors who are employed in a given corporation or company. Most of the employees that is; persons who work or worked under contract of employment make these inventions while employed under a contract of employment.

The question has always been “who owns the right to acquire a patent? Employer or employee and if it is employer who owns the patent is there any level of protection afforded to the devisor of the patent to benefit from his/her ideas?

***Background (UK Patents Laws on Employee Inventors)***

The general rule is that an employee invention belongs to the employee unless; the employee signed an agreement assigning the invention rights or was specifically hired for his/her invention skills or to create invention. Under such circumstance then the employer owns the invention and in the absence of an agreement fitting within the above mentioned, other means have been used to determine ownership by the employer.

Under ***section 39 of U K's Patent’s Act of 1977*** an invention made by the employee shall be taken to belong to his/her employer. This situation nevertheless, might any case as already stated above be expressly covered by the contract of employment. Various scholars most notably Bainbridge in the book Intellectual Property, have labored to lay down the two main circumstances an employer may claim such an invention as of right and they are a follows

1) Where an invention has been made during the course of employees’ normal duties as an employee or in the course of duties specifically assigned to him/her provided that the invention can under reasonable circumstance be attributed to carrying out of those duties.

2) Where the employee at the time of the invention was such that he /she had a special obligation to further the interest of the employers undertaking.

It should be noted that ascertaining the meaning of “normal” course of duty of the employee has been narrowed by the court to avoid vague interpretation that may arise. In the case of ***LIFFE Administration and Management v Pavel Pinkava (2007) RPC 667***court stated that it was not acceptable to ascertain the meaning of “normal” by reference to some other standards such as “ordinary”, “day to day” or primary.

Where the invention cannot be deduced from the above two circumstances, it can then be said without fear of contradiction that the invention may as belong to the employee who reserves all the rights that accrues thereunder.

The above circumstances seem to have given more protection to the employee whose invention may by right be claimed by the employer under the guise that it was done during the normal course of the employee’s duties.

But the employer may still acquire a limited right to use the employees patent without paying. Courts have however, in various cases held that simply because an individual is employed does not necessarily grant the employer ownership of the patent. Each case presents different facts and must be judged basing on such as per Bainbridge.

This is because a patent is a form of personal property; it may be transferred, created or granted only in accordance with the law. The proprietor may offer to surrender it anytime to any person including his employer.

A Patent is always granted to the inventor or joint inventors, except where someone else has a better entitlement to it under the law. In most cases (especially in employment situations) the inventor may not be the proprietor/owner of a patent but in some the inventor would be the proprietor. It is trite law (under Section 39 of The Patents Act (UK), that the inventor will always be the deviser of the invention even without ownership or protection of any sort.

The law provides that the proprietor is the person to whom the patent has to be granted and where the proprietor is not the inventor, he/she has a right to be mentioned as being the inventor in any patent granted and in any published application. (Bainbridge)

Section 40 of the same Act above, provides for compensation of employees who are actual deviser, whose invention is of outstanding importance to the employer and the patent has been registered.

**Uganda’s Current Situation**

In Uganda invention made by an employee is enshrined in the Industrial Properties Act 2014 under section 19. It provides that in the absence of a contract to the contrary, the right to a patent for an invention made in execution of a contract of employment belongs to the employer. However, the Act under Section 19(2), further states that, where the invention is of exceptional importance the employee has a right to equitable remuneration taking into consideration his or her salary and the benefit derived by the employer from the invention.

It should be noted with concern that section 19(1) of the Industrial Properties Act grants patent rights to employer in absence of a contract to the contrary where a contract of employment does not require the employee to exercise any inventive activity but when the employee has made the invention by using data or means available to him or her during his or her employment (section 19(2).

And where such an invention has been of special importance then the employee as of right is entitled to remuneration taking into consideration his or her salary and the benefit derived by the employer from the invention (section 19(2) (4). This in plain terms despite being a right to an employee places the power to determine how special an invention is on the employee which may be detrimental to the employee in the long run despite court having a final say in the absence of an agreement (section 19(5)).

The law however provides that an invention made without any relation to an employment or contract of service and without the use of the employer’s resources, data, means, materials, installations or equipment belongs solely to the employee or the person commissioned as seen in ***Electrolux V Hudson and Others (1977).***

***General Considerations on ownership of Employee patent***

Issues of ownership rarely arise where the employee signed employment agreement or a pre-invention assignment or where one is employed to invent. If a person’s employment agreement contains a pre invention assignment, then any invention made by the employee does not belong to him or her.

Also under the doctrine of employed to invent courts have held that “any one employed to make inventions, who succeeds during his term of service, in accomplishing that task is bound to assign to his employer any patent obtained.” These situations are not governed by ***Section 19*** of ***Industrial Properties Act*** which is only concerned with situations where there are no agreements.

The protection accorded to employee under ***Industrial Property Act*** as already seen earlier is very minimal despite the rights of patent belonging to the inventor under ***Section 17*** and ***Section 38*** of the ***Industrial Properties Act 2014,*** which outlines the rights of the patent owner to be exclusive of others and free from interference.

In some cases, this protection may mainly be offered to the lower level workers and not the directors as illustrated in the case ***Christopher S. French v Paul J Mason (1999) FSR 597*** where court held that directors of a company may not have any right to protection or entitlement to patent. This is because they are high level employees whose nature of work is not clearly defined since they generally manage all the affairs of the company.

It has also been argued that in the absence of a term or a condition in the contract does not prevent an employer being able to claim a patent for an invention devised by an employee. Courts will carefully consider the duties of the employee irrespective of the place where the invention took place. This was the case in ***Re Harris’s Patent 1(1985)*** where it was stated that it is necessary to decide what constitutes inventing. Normal duties or alternatively what duties lying outside that category that were ‘specifically assigned to him is also important in determining who owns the patent.

Despite minimal protection under the Act, protection and ownership of patents or inventions by employees is afforded under ***section 19(6)*** *which states that an invention made without any relation to an employment or contract of service and without the use of the employer’s resources, data, means, materials, installations or equipment belongs solely to the employee or the person commissioned.*

This is also the same under ***section 37 of the 1977 Patent Act on UK***, cases and common law, the mere fact that the invention was made in the employer’s time, using employer’s resources, where the employer is knowledgeable about it is necessarily conclusive that patent will be granted to the employer.

In ***Mellor v Beardmore (1927),*** the court held that the mere existence of a contract of service in no way disqualifies a servant from taking out a patent in his own name and entirely for his own benefit – and that notwithstanding the fact that he has used his employer’s time and materials to aid him in completing his invention, either express or implied, to communicate the benefits of his invention to those who employ him.

An employee may in some special circumstances, with or without express or implied conditions use the resources of the employer to invent and own a patent. It does not matter whether the invention is related to his or her duties as long the relevant authorities are satisfied that the description of his or her duties does not involve invention or solving a given problem or is wide.

***Section 37 of UK’s Patent Act*** was referred to while determining the right to a patent after grant in ***Greater Glasgow Health Board’s Application 31*** to see whether an employed hospital doctor was entitled to be the proprietor of a patent for the invention of a spacing device for an ophthalmoscope. The doctor, a registrar, had a very wide job description which referred to research facilities of which the doctor was encouraged to avail himself for basic clinical research.

The contract did not, however, express this as a duty and the court held that his duty to treat patients did not extend to devising new ways of diagnosing and treating patients. The doctor was entitled to be the proprietor of the patent. He had made the invention in his own time, during a period when he was working over 80 hours a week (quoted by Bainbridge, Intellectual Property, 8th Ed.)

***Compensation***

Where an employee successfully invents under a contract of employment and he/she is not a proprietor then the employee has a right to equitable remuneration taking into account his or her salary, the importance of the invention and any benefit derived from the invention by the employer under ***section 19(4) of the Industrial Properties Act 2014.***

It is fair and just that where an employee does not own a patent he /she receive a fair share of the employers’ benefit as seen in ***Kelly V GE Health Care (2009) EWHC 181.*** This is intended to compensate the employee for the ideas of the mind that contributed towards the invention that has proved so important to the employer. Although Cases of compensation are not common however, the first reported case in which an application for employee compensation succeeded is ***Kelly v GE Health care (2009) EWHC 181.***

In the same case Floyd J laid down the principles to follow while granting compensation among them being that the employee must be the actual deviser, the invention must be patented by the employer and it must be of an outstanding importance to the employer

Basically, with the new legislation in place for Patents and limited jurisprudence in Uganda on protection of employee patent protection, the examination of the such in comparison with the UK, it is important to establish the extent of protection accorded to employee inventors.

The Industrial Properties Act 0f 2014 to a great extent grants substantial rights to employers over employee inventors in owning a patent. Employees are mainly protected in term of remunerations in form of compensation which can only be granted where the invention is of outstanding importance to the employer. This may be quite unfair where the employer is deriving benefits from the invention and courts construe less important. The law is therefore lacking in that aspect.