Ethical and Legal Pitfalls Hidden in Inventorship

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Introduction
In this article, I will be exploring ethical and legal pitfalls hidden in the representation of a client who invents a patentable invention. Though the issues in this article are related to patents, these pitfalls are in no way limited to the providing of patent representation. Rather, these pitfalls are common to a variety of legal representation. In fact, they may be more treacherous for non-patent legal practitioners because they may be less familiar with common patent issues such as inventorship and conception. These pitfalls may not occur frequently. However, the fact that injuries from lightning strikes are not common does not prevent them from being fairly painful.

The Situation
The situation could arise in a variety of ways for an attorney practicing in Nebraska (or other places). For example, perhaps an attorney is sitting in on a brainstorming session with a client concerning an industrial process or apparatus the client utilizes in the client’s business. The attorney has spent quite a bit of time preparing for this session by studying up on the industrial process or apparatus in order to be able to aid the client. Perhaps the attorney is counseling the client regarding environmental laws which the industrial process or apparatus must comply with. Perhaps the attorney is counseling the client regarding safety or labor laws which the industrial process or apparatus must comply with. Perhaps the attorney or the client became aware of patents relevant to the industrial process or apparatus and the attorney is counseling the client concerning possible infringement issues. Perhaps the client is seeking to patent the industrial process or apparatus and the attorney is counseling the client concerning the procedures of the patenting process, discussing the scope of the invention and potential embodiments.

During the hypothetical brainstorming session described above, the attorney offers a suggestion concerning the industrial process or apparatus. Perhaps the attorney suggested a change to the industrial process or apparatus to conform to...
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environmental or labor laws, or to avoid the infringement of a patent. Regardless of which of these hypothetical conditions occurred, the client then attempts to patent the industrial process or apparatus.

The Potential Problem

Regardless of how the above situation came about, might there be a problem for the attorney in this situation? It is a problem in itself if no potential problem occurred to the attorney. Ignorance may be bliss, but there is no way to avoid a problem without awareness of the problem. There is no guarantee simply that awareness of a problem will lead toward avoidance of a problem, but it is at least a first step. The potential problem in the hypothetical situation above (or, the one that this article discusses) is whether or not the attorney is a joint inventor of the client’s industrial process or apparatus. This situation is deliberately written broadly enough to not have a concrete answer. Inventorship is a murky area which is highly case by case specific. For our purposes it is sufficient that the attorney may be a joint inventor of the client's industrial process or apparatus.

Inventorship

How is an individual determined to be an inventor? An individual is an inventor if the individual contributes to the conception of the invention. In re Harder, 223 USPQ 1122, 1123 (Comm'r Pat. 1984). “Conception is the ‘formation in the mind of the inventor, of a definite and permanent idea of the complete and operative invention, as it is hereafter to be applied in practice.’” Hybritech, Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367, 1376, 231 USPQ 81, 87 (Fed. Cir. 1986) (quoting 1 Robinson on Patents 532 (1890)).

Joint Inventorship

“A patented invention may be the work of two or more joint inventors.” Ethicon Inc. v. United States Surgical Corp., 135 F.3d 1456, 1460-63, 45 USPQ2d 1545, 1548-1551 (Fed. Cir. 1998) (citing 35 U.S.C. § 116 (1994)). A joint inventor must contribute to the conception of the invention, but need only make a contribution to a single claim to be a joint inventor. Ethicon, 135 F.3d at 1460-63, 45 USPQ2d at 1548-1551. See also Ex parte Smernoff, 215 USPQ 545, 547 (Bd. App. 1982) (“one who suggests an idea of a result to be accomplished, rather than the means of accomplishing it is not a co-inventor”). Providing well-known principles or the state of the art without ever conceptualizing the claimed invention as a whole does not qualify one as a joint inventor. Ethicon, 135 F.3d at 1460, 45 USPQ2d at 1548 (citing Hess, 106 F.3d at 981 (citing O’Reilly v. Morse, 56 U.S. 62, 111 (1853))). Some form of collaboration is required, but joint inventors do not need to physically work together, work at the same time, or make the same contribution. 35 U.S.C. § 116 (2000).

So What?

If the attorney in the above hypothetical situation is a joint inventor of the industrial process or apparatus which the client has attempted to patent, what problems result?

Malpractice

To begin with, under United States law, patents must be filed in the name(s) of the inventor(s). 37 C.F.R. § 1.63. Patents in the names of anyone other than all of the actual inventors, whether someone who is not an inventor is named or someone who is an inventor is not named, are invalid. Jamesbury Corp. v. United States, 518 F.2d 1384, 1395 (Cr. Cl. 1975). However, the inventorship on a patent is presumed valid. Ethicon Inc. v. United States Surgical Corp., 135 F.3d 1456, 1460, 45 USPQ2d 1545, 1547 (Fed. Cir. 1998) (citing Hess v. Advanced Cardiovascular Sys., Inc., 106 F.3d 976, 980, 41 USPQ2d 1782, 1785-86 (Fed. Cir.), cert. denied, 117 S. Ct. 2459 (1997)). To challenge inventorship, allegations must be proved by clear and convincing evidence. Ethicon, 135 F.3d at 1461, 45 USPQ2d at 1548 (citing Hess, 106 F.3d at 980).

Inventorship can be corrected for a patent which is invalid for incorrect inventorship, but only if there was no deceptive intent in naming, or failing to name, the inventor(s). 35 U.S.C. § 256 (2000). However, even if the incorrect inventorship for the invalid patent can be corrected, the inventorship must be corrected before the patent can be enforced. Invalid patents are unenforceable.

An attorney may be liable for malpractice if an act, or failure to act, of the attorney results in the invalidation or unenforceability of a client’s patent. If the inventorship on the invalid patent cannot be corrected, the attorney may be liable for the money the client could have realized from the patent. This scale of money could very well exhaust the attorney’s malpractice coverage and destroy the attorney’s remaining financial life. Even if the inventorship on the invalid patent can be corrected, the attorney may be liable for the costs of correction and any other resulting costs.

Ethical

Becoming a joint inventor of a client’s patent may violate ethical rules. Every inventor listed on a patent, regardless of their contribution, is presumed to have an equal and undivided right to the rights of the patent. Ethicon Inc. v. United States Surgical Corp., 135 F.3d 1456, 1465, 45 USPQ2d 1545, 1552 (Fed. Cir. 1998). In Ethicon Inc. v. United States Surgical Corp., an omitted joint inventor who contributed to only 2 of the 55 claims of the disputed patent was able to license full rights of the patent to an infringer sued by the patentee. Ethicon, 135 F.3d at 1459, 1465-66, 45 USPQ2d at 1547, 1151-52. As a
joint inventor of a client’s patent, an attorney would have been presumed to acquire an equal and undivided ownership right adverse to the client. This may be a violation of Nebraska Rules of Professional Conduct § 1.8 (2005) (ABA Model Rule § 1.8). This problem becomes worse if the attorney is the one who files the patent for the client. Although there is no litigation at this point in the hypothetical example, the attorney may have an interest in the subject of the representation (if the representation is the patenting of the invention). This is a violation at least in spirit, if perhaps not of the exact words, of Nebraska Rules of Professional Conduct § 1.8(i) (2005) (ABA Model Rule § 1.8(i)). Additionally, the ownership interest of the attorney in the patent is in conflict with the interest of the client. This may be a violation of Nebraska Rules of Professional Conduct § 1.7 (2005) (ABA Model Rule § 1.7). Finally, if the client’s patent is invalidated or unenforceable because of the attorney’s acts or omissions, the attorney may have violated Nebraska Rules of Professional Conduct § 1.1 (2005) (ABA Model Rule § 1.1) by not providing competent representation.

Client Trust and Public Image of the Profession

Beyond malpractice and ethical violations, the above hypothetical situation is simply not conducive to the building of a successful legal practice. An attorney who provides representation that results in the invalidity or unenforceability of a client’s patent will dissuade future clients from seeking the services of that attorney. Future clients would likely seek more competent representation elsewhere.

Even if the attorney realizes that the attorney is a joint inventor and must be listed on the patent, preventing the patent from being invalid or unenforceable, the client may lose trust in the attorney and the legal profession at large. A client who is told that their attorney’s name should be added onto their patent may feel they are being fleeced, contributing to the negative public image of the profession. Regardless of how appropriate adding the attorney’s name may have been, the client may be left with the feeling that something inappropriate occurred. The public image of the profession may be tarnished, keeping alive the stereotype of the greedy, overreaching lawyer.

Dealing With the Problem

It is one thing to recognize a potential problem. It is another to do something about the problem. Once a problem is recognized, what can be done?

Avoid the Problem

The best solution to any problem is to never let it arise to begin with. Becoming aware of the danger in becoming a joint inventor of a client’s patent goes a long way toward making sure an attorney never has to deal with this issue. When representing clients, an attorney should keep in mind the line between counseling and contributing to conception and be careful not to cross it.

Act to Protect the Client

It is not always possible to avoid problems. No matter how conscientious an attorney is to avoid crossing that line, the line may be crossed. It may have been accidental and only realized later. It may not have been accidental. The client may have requested services that knowingly included a contribution of the attorney to the conception of the client’s invention. Even more important than avoiding crossing the line is protecting the client if the line is crossed.

If an attorney suspects that he or she may have contributed to the conception of the invention, he or she must inform the client. A determination must be made as to whether the attorney in fact contributed to the conception of the invention. Advice of patent counsel may need to be sought if the attorney is not qualified to determine whether the attorney is a joint inventor. If the attorney is a joint inventor of the patent, the attorney must be named as an inventor on the patent. This is a situation an attorney should never have to be in. However, this situation is preferable to a client’s patent being rendered invalid or unenforceable.

In addition to making sure that the client’s patent lists the correct inventor(s), the attorney should immediately execute an assignment transferring all rights in the patent to the client. If the attorney no longer has an interest in the patent, then the attorney no longer has an interest adverse to the client. Unassigned rights are loose ends which no attorney should leave behind. If the attorney fails to assign the attorney’s rights in the client’s patent, whether the attorney is unaware of those rights or simply decides not to assert those rights, the attorney leaves the client open to the uncertainty of whatever problems the attorney may acquire. Creditors of the attorney could discover and attach rights which the attorney had in the client’s patent but was unaware of or did not intend to assert.

Consider if Withdrawal is Necessary

Further, a patent attorney or patent agent (legal professionals who are not patent attorneys or agents cannot file patent applications) who is preparing a patent application and is discovered to be a joint inventor should take time to consider whether they should withdraw from the representation. Perhaps an attorney who is not a joint inventor should be retained to write the patent application, even if an assignment is executed.

Do Not Ignore the Problem

There will likely be an instinct, either on the part of the attorney or on the part of the client (or both), to simply ignore
the fact that the attorney should be listed as a joint inventor. Such an instinct would likely be based on the feeling that no one would ever know if the client and attorney remained quiet. However, there will always be the possibility that the situation could come to light. Further, the attorney would know. A patent attorney or agent cannot knowingly file a patent application with incorrect inventorship. Worse, if an attorney is suspected to be a joint inventor and a decision is made to omit the attorney’s name on the patent application (perhaps in hopes either no one will ever know, or if no one asks any questions the attorney will not have to be listed) a court could find deceptive intent in the failure to name the attorney as an inventor. This would result in a potentially correctable unenforceable patent being transformed into an invalid patent.

Conclusion

This article discusses the ethical and legal pitfalls inherent in the situation where an attorney becomes a joint inventor of a client’s patent. This situation can arise in a variety of circumstances for practitioners across the spectrum of the legal profession. Attorneys should be aware of this potential problem to avoid committing malpractice as well as violations of the Nebraska Rules of Professional Conduct. If an attorney is unable to avoid the potential problem, the attorney should immediately take all possible steps to ensure that the client is protected.