



LICENSING EXECUTIVES SOCIETY
INTERNATIONAL

Joint Ownership of Patents under Australian Law

Life Sciences Committee Webinar
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Advancing the Business of Intellectual Property Globally



Default Co-Ownership Rules

Ownership follows inventorship

Inventorship is based on contribution to the inventive concept

Co-ownership of a patent arises on a claim by claim basis, when 2 or more inventors make a contribution to the inventive concept of the claimed invention



Statutory Position

- Patents Act 1990 §16(1):
Subject to any agreement to the contrary, where there are 2 or more patentees: (a) each of them is entitled to an equal undivided share in the patent; and (b) each of them is entitled to exercise the exclusive rights given by the patent for his or her own benefit without accounting to the others; and (c) none of them can grant a licence under the patent, or assign an interest in it, without the consent of the others.



“Equal Undivided Share”

“Percentage” ownership is commonly written into contracts, but this concept does not exist in AU law

If the deal is that the '60%' owner makes the licensing decisions but must share net proceeds with the '40%' owner, say so expressly; it isn't implied



“Entitled to Exercise”

Each co-owner can exercise all rights of a patentee, short of licensing or assignment

Having products made by a contract manufacturer is (probably) not licensing, if sold by the patentee

There is no obligation to account to the other co-owner(s)



Licensing and Assignment

Consent of all other co-owner(s) is required for licensing or assignment

Only consent is required; the co-owner(s) do not have to be signatories to the contract, co-grantors of the licence or co-assignors

One co-owner can only grant a non-exclusive licence, and cannot grant more than its own joint interest



Enforcement

Ideally, all co-owners will join as plaintiffs to enforce

One co-owner may file suit to enforce the patent, by joining the other co-owner(s) as defendants



Inventor Assignment Agreements

Inventions by employees made in the course of employment are owned by the employer

(Some questions have arisen with university-employed inventors)

No need for an express assignment under AU law (but still desirable)



“Subject to Any Agreement”

These default rules are often varied by employment, consulting and service agreements

Co-ownership agreements are often captioned as:

- Joint-ownership Agreement
- Intellectual Property Management Agreement
- Inter-institutional Agreement

May be executed prior to invention or after



Questions may be sent to:

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