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Practice Areas

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Ask The Expert - Mass High Tech

Who owns the right to patent an invention created by a company employee during the course of his/her employment?

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Absent a written agreement to the contrary, the employee, not the company, is likely to own the right to patent an invention that the employee created, as a sole or joint inventor, within the scope of his/her employment. Except in special circumstances, without an appropriate agreement in place, the company only has a "shop right" with regard to those inventions. Such right allows the company to make, use and sell the invention within the normal scope of its business without having to pay a royalty to its employee. This right, however, is non-exclusive and cannot be sold to a third party. The employee, on the other hand, can sell or license the patent rights to a competing company.

To avoid problems, companies should have employees execute a written agreement upon hiring, whereby employees agree to timely disclose and assign all inventions to the company. The execution of such an agreement from the start should prevent the loss of valuable intellectual property rights by the company.