Ownership of Inventions created by University Students

In the UK, the law relating to the ownership of patents is governed by the Patents Act 1977 ("the Act").

Section 39(1) of the Act states that an invention made by an employee shall be taken to belong to the employer if:

(a) it was made in the course of the normal duties of the employee, or specifically assigned duties, from which an invention might be reasonably expected to result; or
(b) it was made in the course of the employee's duties and because of the nature of the duties , a special obligation to further the employer's interests.

Where the invention belongs to the employer, the employer should normally apply for the grant of the patent in its own name, with the employee inventor having a right to be mentioned in any patent granted (s.13(1) of the Act). The inventor is defined at section 7(3) of the Act as 'the actual deviser of the invention'. This can be the person who conceived the initial ideas which defined the research which leads to the invention, the person who actually devised the experiments or materials which form the basis of the patent application, the person who carried out any experiments or other processes which are described in the patent application and which required that person to show initiative to complete, or the person who interpreted the data disclosed in the patent application, particularly if the data was unexpected or its implications were unclear. If the employee applies for the patent in his own name, he will hold it on trust for the employer and can be ordered to transfer the patent to the employer.

Where the invention is made by the employee which is taken to belong to the employer, under section 40(1) of the Act the employee can apply to the court or comptroller for compensation from their employer. Such compensation will only be payable where the employee can show that:

(a) the employee has made the invention belonging to the employer for which a patent has been granted;
(b) having regard to the size and nature of the employers undertaking, the invention is of outstanding benefit to the employer;
(c) it is just that the employee should be awarded compensation to be paid by the employer.

In most circumstances it is usually easy to establish whether a person falls within the meaning of an "employee". Section 130(1) of the Act defines an employee as 'a person who works or (where the employment has ceased) worked under a contract of employment'. Problems therefore often arise when considering whether the above applies to inventions created by academics and students during their time at University.

Students are not employees and as such they will be the proprietor of any inventions created by them during their studies (unless any sponsorship agreement covering them states otherwise). This said many Universities will have adopted an intellectual property policy which applies to all of its students during their period of study. This will often state that the University is the owner of any inventions which its students may create in the course of their studies. Some may even require the student to effect an assignment of any intellectual property that they may have created, however an assignment of patent rights in future inventions is not enforceable under section 42(2) of the Act.

In contrast, academics are employed by Universities to conduct research. There is an assumption that academics who pursue research from which invention is reasonably expected to result are employed to invent, as such section 39 of the Act would apply to them. Usually the contract of employment will expressly provide that any inventions arising as a result of research undertaken during the academic's employment will be owned by the University.