

# Intellectual Property employment agreement is key to invention ownership

*In this Jan. 30, 2019 [Oklahoman newspaper article](#), Oklahoma City Patent Attorney [Cody J. Cooper](#) discusses the intellectual property rights inventors have when inventing under the employment of someone else.*

**By [Cody J. Cooper](#)**



Phillips      Murrah  
Director Cody Cooper

**Q: When an employee invents something during the course of his or her employment, who owns the invention?**

**A:** The employee owns the invention. Inventors' exclusive right to their inventions is specifically written into the United States Constitution and, as such, courts have generally interpreted ownership of inventions to favor individuals, except in very narrow circumstances.

**Q: How can an employer assure ownership when an employee conceives of an invention on the job?**

**A:** The employer must have employees sign an intellectual

property (IP) assignment agreement. Because the general rule is that an inventor owns the rights, courts strictly interpret IP assignment agreements. Recent case law has instructed employers that how you draft the assignment agreement is equally as important as having an agreement in the first place. In fact, the Federal Circuit recently determined, in [Advance Video Technologies LLC v. HTC Corporation Inc.](#), that an IP assignment must include language saying the employee “assigns” – present tense, not future tense – their employer all IP rights. The small difference in language had a tremendous impact on the employer’s ability to sue another company for patent infringement.

**Q: Should IP assignment agreements only be used by businesses in manufacturing, research or product development?**

**A:** No. I would suggest any company consider having its employees sign an IP assignment agreement if the company expects employees to create work or inventions to which the company would expect to have rights and expects to protect it through application for apply for a [trademark, patent, copyright](#) or other appropriate protection to keep others from using it without permission.

**Q: What are some other employer considerations regarding IP assignment agreements?**

**A:** Make sure that your employees sign intellectual property assignments before they begin working for you, and make sure that you consult an attorney on the drafting of the IP assignment to ensure that it complies with current law and effectively assigns the IP rights you are seeking to protect.

**Q: What if an employer has employees who’ve already created inventions that the employer presumed the company owned but doesn’t have an IP assignment in place? Can the company enter into an IP assignment agreement retroactively?**

**A:** If this is the case, the invention is owned by the

employee, and the employer likely has no rights to the invention. Nevertheless, the employer and employee can still enter into an intellectual property assignment agreement, but there must be some sort of consideration (exchange in value) passed between the parties. The law makes clear that it is not enough for the employer to say that the consideration the employee is receiving is that they get to keep their job – there must be something more passing to the employee for their assignment of their invention (i.e. money, stock, etc.).