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ARTICLE

Inventorship Analysis in View of Federal Circuit Decision in Hip, Inc. v. Hormel Foods Corp.

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In HIP, Inc. v. Hormel Foods Corporation, No. 22-1996 (Fed. Cir. 2023), the U.S. Court of Appeals for the Federal Circuit addressed a claim of joint ownership and, in a unanimous precedential decision, reaffirmed the framework for determining the degree of contribution that an individual must make in order to qualify as an inventor.

To understand what makes an inventor, and why inventorship is important, one must first consider (1) what is inventorship, (2) what is the standard for joint ownership, (3) what rights does inventorship confer, and (4) what are the consequences of improper determination of inventorship. Only in the U.S. is the correct determination of inventorship of such great importance.

What is Inventorship

An invention is defined by the claims in a patent. The requirements for a patent are codified under 35 U.S.C. §§101, 102, 103, and 112, for patentable subject matter, novelty, non-obviousness, and enablement and written description.

An inventor is one who conceives and/or reduces to practice, not at the direction of another, the subject matter of any of the claims.

Both the Constitution and 35 USC §101 specify that a patent may only be obtained by the person who engages in the act of inventing…

> Joseph D. Matal, *A Guide to the Legislative History of the America Invents Act: Part I of II*, 21 Fed. Cir. B.J. 435 (2012).

The traditional test for whether a person has conceived of an invention is "[w]hether the inventor had an idea that was definite and permanent enough that one skilled in the art could understand the invention." Burroughs Wellcome Co. v. Barr Lab., Inc., 40 F.3d 1223, 1228, (Fed. Cir. 1994); see also Sewall v. Walters, 21 F.3d 411,415, (Fed. Cir. 1994) ("Conception is complete when one of ordinary skill in the art could construct the apparatus without unduly extensive research or experimentation."); Coleman v. Dines, 754 F.2d 353, 359, (Fed. Cir. 1985) (quoting Mergenthaler v. Scudder, 11App.D.C. 264,276 (App. D.C. 1897), which defined conception as "the complete performance of the mental part of the inventive act. It is … the formation, in the mind of the inventor of a definite and permanent idea of the complete and operative invention") (emphasis omitted).

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To claim inventorship is to claim at least some role in the final conception of that which is sought to be patented. Perhaps one need not be able to point to a specific component as one's sole idea, but one must be able to say that without his contribution to the final conception, it would have been less - less efficient, less simple, less economical, less something of benefit. Mueller Brass Co. v. Reading Indus., Inc., 352 F. Supp. 1357, (E.D. Pa. 1972) Afd. 487 F.2d 1395(3d Cir. 1973).

What Is the Standard for Joint Inventorship

An application may be filed by one or more inventors or an entity(ies) to whom an inventor(s) is obligated to assign.

35 U.S.C §116 states:

(a) Joint Inventions. When an invention is made by two or more persons jointly, they shall apply for patent jointly and each make the required oath, except as otherwise provided in this title. Inventors may apply for a patent jointly even though (1) they did not physically work together or at the same time, (2) each did not make the same type or amount of contribution, or (3) each did not make a contribution to the subject matter of every claim of the patent.

To be a joint inventor, one must:

(1) contribute in some significant manner to the conception or reduction to practice of the invention,

(2) make a contribution to the claimed invention that is not insignificant in quality, when that contribution is measured against the dimension of the full invention, and

(3) do more than merely explain to the real inventors well-known concepts and/or the current state of the art

Pannu v. Iolab Corp., 155 F.3d 1344, 1351 (Fed. Cir. 1998)

Conception is the touchstone of the joint inventorship inquiry, Sewall v. Walters, 21 F.3d 411, 415 (Fed. Cir. 1994), and conception is complete when an idea is definite and permanent enough that one of skill in the art could understand the invention, Burroughs Wellcome, 40 F.3d at 1228. An inventor need not know, however,

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that an invention will work for its intended purpose in order for conception to be complete, as verification that an invention actually works is part of its reduction to practice. Id. (citing Applegate v. Scherer, 332 F.2d 571, 573 (CCPA 1964) and Oka v. Youssefyeh, 849 F.2d 581, 584 n.1 (Fed. Cir. 1988)).

There is no "explicit lower limit on the quantum or quality of inventive contribution required for a person to qualify as a joint inventor." Eli Lilly & Co. v. Aradigm Corp., 376 F.3d 1352, 1358 (Fed. Cir. 2004) (quoting Fina Oil, 123 F.3d at 1473). "People may be joint inventors even though they do not physically work on the invention together or at the same time, and even though each does not make the same type or amount of contribution." Burroughs Wellcome, 40 F.3d at 1227 (citing pre-AIA 35 U.S.C. § 116).

With respect to one who solely assists in the reduction to practice of an invention, the Federal Circuit has stated that "assistance in reducing an invention to practice generally does not contribute to inventorship". *See*, Stone Eagle Services, Inc. v. Gillman, 746 F.3d 1059, 1063 (Fed. Cir. 2014).

What Rights Does Inventorship Confer

Inventorship Determines Ownership. Therefore, who is named as an inventor determines who owns the invention, or in the case of joint inventorship, *who owns a joint and undivided right to file, prosecute and enforce rights in a patent*. "Joint and undivided" means that each named inventor has an equal right in the patent - i.e., while one inventor may had made 90% of the conception or reduction to practice, and another only 10%, they each have an equal and joint ownership interest in the claimed subject matter. These rights may arise by virtue of being an inventor who has retained ownership or an obligation of an inventor to assign ownership to another entity, such as an employer, school, investor or as otherwise contractually provided. If there are multiple inventors, and the majority assign to one entity, and only a single inventor assigns to a second entity, the first and second entities have the same joint and undivided ownership interest, absent some contractual arrangement. This may have ramifications outside of the US, such as in Europe, where the consent of all owners is required to grant a license to a patent.

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Under 35 U.S.C. §118, "a person to whom the inventor has assigned or is under an obligation to assign the invention may make an application for patent. A person who otherwise shows sufficient proprietary interest in the matter may make an application for patent on behalf of and as agent for the inventor on proof of the pertinent facts and a showing that such action is appropriate to preserve the rights of the parties."

What Are The Consequences Of Improper Determination Of Inventorship

Failing to name an inventor can render a patent invalid and unenforceable. However, a patent may be corrected to name a previously unnamed person as an inventor, thereby rendering the patent valid. 35 U.S.C. § 256. When the inventorship of a patent is corrected to name an inventor who does not have an obligation to assign to the previous owner/assignee of the patent, the added inventor can transfer their rights in the patent to a third party, thereby making the third party immune to a claim for patent infringement.

Failure to properly name the inventors is grounds for invalidity. See Egenera, Inc. v. Cisco Systems, Inc., Appeal Nos. 2019-2015, 2019-2387 (Fed. Cir., Aug. 28, 2020), an appeal of District Court decision of invalidity of a patent for not naming an inventor and refusing to allow correction. The Federal Circuit stated that the patent owner could correct the inventorship, restoring the patent.

This occurred in Ethicon, Inc. v. United States Surgical Corp., 135 F.3d 1456(Fed. Cir.1998). U.S. Surgical Corp. had been sued for patent infringement by Ethicon. However, U.S. Surgical Corp demonstrated in litigation that another person should have been included as an inventor and this person was not required to assign to Ethicon. U.S. Surgical Corp was able to get a license to the unnamed inventor's rights in the invention. In the absence of adding the additional inventor, even of only a single dependent claim, the patent would have been invalid. The court permitted correction of inventorship, thus supporting patent validity; however, because the previously unlisted inventor had granted a license to U.S. Surgical, Ethicon could not sue U.S. Surgical for infringement, making the patent "practically invalid" with respect to U.S. Surgical.

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The issue of joint inventorship of a US patent was recently reviewed by the United States Court of Appeals for the Federal Circuit in HIP, Inc. v. Hormell Foods Corporation (Fed. Cir. May 2023).

U.S. Patent 9,980,498 ("the '498 patent") directed to a Hybrid Bacon Cooking System is owned by Hormel and relates to methods of precooking bacon and other pieces of meat. HIP asserted that the patent was invalid and should have named an employee of HIP as a co-inventor of independent claim 5 of the '498 patent, as follows:

> "A method of making precooked meat pieces using a hybrid cooking system, comprising:
>
> preheating meat pieces in a first cooking compartment using a preheating method selected from the group consisting of a microwave oven, an infrared oven, and hot air to a temperature of at least 140° F[] to create preheated meat pieces, the preheating forming a barrier with melted fat around the preheated meat pieces and reducing an amount of condensation that forms on the preheated meat pieces when transferred to a second cooking compartment … [; and]
>
> transferring the preheated meat pieces to the second cooking compartment, the second cooking compartment heated with an external heating source, the external heating source being external to the second cooking compartment, …"

Before filing the application that led to the '498 patent, Hormel consulted with David Howard of Unitherm (now HIP). During the consultation, Howard allegedly disclosed to Hormel the concept of infrared preheating (slip op. at 5). Hormel then filed the patent application that became the '498 patent, but Howard was not named on that patent application.

HIP sued Hormel in federal district court, arguing that Howard was either the sole inventor or a join inventor and alleged among other arguments that Howard contributed to the step of using infrared and/or hot air preheating in claim 5(slip op. at 6). The district court agreed with HIP and determined that Howard was a joint inventor on the basis of his contribution of the infrared preheating. Hormel then appealed, and the Federal Circuit reversed the district court's decision.

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In its decision, the Federal Circuit applied the three-part test described in *Pannu*, 155 F.3d at 1351 and discussed above.

The Federal Circuit found that Howard's alleged contribution of infrared heating did not meet the second Pannu factor and was "insignificant in quality" to the claimed invention because (1) infrared preheating was "mentioned only once in the '498 patent specification as an alternative heating method to a microwave oven" (slip op. at 10); (2) "the alleged contribution is recited only once in a single claim of the '498 patent, in a Markush group reciting a microwave oven, an infrared oven" (slip op. at 10); and (3) as contrasted with infrared preheating, "preheating with microwave ovens, and microwave ovens themselves, feature prominently throughout the specification, claims, and figures" (slip op. at 10) (emphasis added). Thus, the Federal Circuit determined that the inventorship listed in the '498 patent is correct.

The *HIP, Inc. v. Hormell Foods Corporation* decision reinforces the following important requirements for inventorship:

(1) Merely because an individual contributed to one part of one claim does not also mean that the individual qualifies as an inventor. One must determine that the potential inventor's contribution was "significant in quality" when compared to the overall invention.

(2) If challenged, a patent owner accused of failing to include a particular individual as an inventor on a patent can defend against the allegation by establishing that the individual's alleged contribution was insignificant when measured against the overall invention and/or that the individual's contribution was already known in the art.

