

# Training Module for Chapter 3 of the MPEP

*(Revised August 16, 2018)*

## Summary

### **Chapter 3: Ownership and Assignment**

#### Section 301 – Ownership of Patents and Applications

- Applications and patents have the attribute of personal property and may be assignable in law by an instrument in writing.
- Ownership of a patent gives its owners the right to exclude others from making, using, selling, or importing into the U.S. the invention that is claimed in the patent.
- However, a second patent could “dominate” over the first, so that the above rights are not absolute.
- Ownership of a patent initially vests with the inventors who can make assignments at any time.
- Written employee agreements which require an employee to assign all of his rights to any inventions are generally enforceable.
- An assignment is a transfer of all rights of ownership – while a license transfers a bundle of rights less than total ownership that may be limited in time, geographically, or field of use.
- A patent license is, in effect, a contractual agreement that the patent owner will not sue the licensee for infringement if he complies with the agreement.
- All parties having any ownership interest in a patent or patent application must act together as a composite entity in all matters

before the USPTO.

- There are 2 ways to make an assignment of a patent in the USPTO:
  - (1) an assignment can be recorded in the public Assignment Records of the Patent Office, or
  - (2) the assignment can be made of record in the file of a patent application, patent, or other patent proceeding. This second approach has a lower profile because it is not in the public records.

### Section 307 – Issue to Non-Applicant Assignee

- Normally, for a patent to issue to an assignee, a request for issuance of the application in the name of the assignee must have been previously recorded before the issue fee is paid. Any such request for assignment must indicate that the assignment had been previously recorded at the USPTO.
- Unless an assignee's name and address are identified in the Issue Fee(s) Transmittal form, the patent will issue to the applicant (inventor).

### Sections 324 & 325 – Establishing Right of Assignee to Take Action in Application

An owner or assignee has certain rights in the prosecution of a patent application and can take over the prosecution if they are the sole owner or assignee. However, these rights have changed somewhat after September 16, 2012 (AIA). Section 324 relates to pre-AIA, while Section 325 covers post-AIA. A major difference is that post-AIA, an owner or assignee that is a juristic entity (e.g. an organizational assignee not an individual) must be represented by a patent practitioner.

## Selected Questions and Answers for Chapter 3

### Question 3-1 (Oct03pm-38a)

A registered practitioner properly recorded an assignment document for application A identifying XYZ Company as the assignee. The document assigns to XYZ Company the “subject matter claimed in Application A.” A proper restriction requirement was made by a primary examiner in application A between two distinct inventions, and the practitioner elected to prosecute one of the inventions. Application A was prosecuted, and later became abandoned. Before the abandonment date of application A, the practitioner filed a complete application B as a proper divisional application of application A. Application B claimed the nonelected invention of Application A, and was published as a U.S. application publication. XYZ Company remains the assignee of application A. What must the practitioner do in accordance with the patent laws, rules and procedures as related in the MPEP to ensure that XYZ Company is listed as the assignee on the face of any patent issuing from application B?

- (A) File a proper assignment document in application B identifying XYZ Company as the assignee.
- (B) File a proper assignment document in application B identifying XYZ Company as the assignee, and confirm that USPTO’s bibliographic data for application B identifies XYZ Company as the assignee by checking the filing receipt for application B, the U.S. application publication of application B, or the USPTO’s Patent Application Information Retrieval (PAIR) system data for application B, depending on when the practitioner filed the assignment document in application B.
- (C) Confirm that XYZ Company is identified as the assignee on the U.S. application publication of application B.
- (D) File a proper assignment document in application B identifying XYZ Company as the assignee, and confirm that XYZ Company is identified as the assignee on the U.S. application publication of application B.
- (E) Upon allowance of application B, the practitioner must identify XYZ Company as the assignee in the appropriate space on the Issue Fee Transmittal form for specifying the assignee for application B.

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ANSWER: (E) is the most correct answer. MPEP §§ 306 and 307. MPEP § 306 states, “In the case of a division or continuation application, a prior assignment recorded against the original application is applied to the division or continuation application because the assignment recorded against the original application gives the assignee rights to the subject matter common to both applications.” MPEP § 307 states, “Irrespective of whether the assignee participates in the prosecution of the application, the patent issues to the assignee if so indicated on the Issue Fee Transmittal form PTOL-85B. Unless an assignee’s name and address are identified in item 3 of the Issue Fee Transmittal form PTOL-85B, the patent will issue to the applicant. Assignment data printed on the patent will be based solely on the information so supplied.” A new assignment document need

not be recorded for a divisional or continuation application where the assignment recorded in the parent application remains the same. Accordingly, (A), (B) and (D) are incorrect. In addition, (A), (B) and (D) are incorrect because unless an assignee's name and address are identified in item 3 of PTOL-85B, the patent will issued to the applicant and the assignee information, even if recorded, will not appear on the patent. (C) is incorrect for the same reason. (B) is also incorrect. Assignment data is reflected on the filing receipt, PAIR, or a patent application publication when applicant includes assignment information for purposes of publication of the application on the transmittal letter. Assignment data printed on the patent will be based solely on the information supplied on the Issue Fee Transmittal Form PTOL-85B. See MPEP §§ 1309 and 1481. Accordingly, (E) is correct and (C) is incorrect.

### **In-Depth Review of Chapter 3**

Chapter 3 from the MPEP, in its entirety, is on the selection bar at the top of this page. You are encouraged to familiarize yourself with the general format and structure of the MPEP. However, it is recommended that you quickly scan through most of the chapter - while reading only those sections that are **highlighted in yellow**.

[Chapter 3 MPEP](#)