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IP Update

A Summary of the Supreme Court's *Stanford v. Roche Molecular Systems, Inc.* Decision

June 8, 2011

This week, the Supreme Court issued its decision in *Stanford v. Roche Molecular Systems, Inc.*, holding that the Bayh-Dole Act, which allows federal contractors to “elect to retain title” to patents developed with federal money, does not automatically vest contractors with patent rights to federally funded inventions or otherwise authorize contractors to unilaterally take title to such inventions. The Court stated that the premise that rights to an invention belong to the inventor holds here, as the language of the Act did not clearly intend to modify this background premise.

In this case, Stanford had been granted rights to the patents at issue by assignment, but those patents were subject to a side agreement an inventor had made with a third party research facility due to the lower court's interpretation of the contract provisions the inventor had signed with each. The Court noted that federal contractors generally obtain assignments from their employees, as do most employers, and that effective assignment practice would grant contractors such rights, as intended in the Act, without the need for disrupting basic patent law principles.

Stanford v. Roche Molecular Systems, Inc. Supreme Court Decision, 6.6.2011

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