

[Read this online](#)

Allen Matkins

*Intellectual Property Alert*



**Philip C. Schroeder**  
Orange County  
(949) 851-5413  
[pschroeder@allenmatkins.com](mailto:pschroeder@allenmatkins.com)

[Technology & Intellectual Property](#)

#### About Allen Matkins

Allen Matkins Leck Gamble Mallory & Natsis LLP is a California law firm with more than 220 attorneys practicing out of seven offices in Orange County, Los Angeles, Century City, San Diego, Del Mar Heights, San Francisco and Walnut Creek. The firm's broad-based areas of focus include intellectual property, real estate, construction, land use, environmental, corporate, finance, business litigation, tax, bankruptcy and creditors' rights, and labor and employment. [More...](#)

#### FOLLOW US



## Does Your Employee's Ex Own Your Key Patent?

**A recent Federal Circuit case may cause companies to reconsider their form of patent assignment agreements and give greater consideration to the effect of community property laws on patent rights.**

April 14, 2011

Patent rights initially vest in the individual inventor.<sup>[1]</sup> This general rule applies even if the inventor created the invention in the course of his employment. For this reason, companies whose business involves developing patentable technology often ask their employees to sign agreements assigning their patent rights to the company.

### Impact of Community Property Law on Patent Ownership

In a recent case decided by the Federal Circuit, [Enovsys LLC v. Nextel Communications, Inc.](#)<sup>[2]</sup>, Enovsys brought suit against Sprint Nextel Corporation, contending that Sprint Nextel had infringed two of Enovsys' patents. Sprint Nextel argued that Enovsys did not have standing to sue because Enovsys was not the sole owner of the patents and all of the patent owners were not made a party to the suit. Sprint Nextel argued that, under community property law, the ex-wife of one of the two inventors was part owner of the patents and should have been made a party to the suit. The court then analyzed whether the inventor's ex-wife had an ownership interest in the patents even though she, herself, was not an inventor.

The court noted that "[w]ho has legal title to a patent is a question of state law"<sup>[3]</sup> and "under California law, all property acquired by a married person during marriage is presumed to be community property."<sup>[4]</sup> This presumption applied to the two patents at issue in this case because the inventions were conceived, and the patent applications filed, while the inventor in question was married.<sup>[5]</sup> "Prior to the divorce, the patents were thus presumptively community property in which [the spouse of the inventor] had an undivided half-interest."<sup>[6]</sup>

After the inventor and spouse divorced, the inventor assigned his rights in the two patents to Enovsys; however, the spouse did not execute a similar assignment.<sup>[7]</sup>

Despite the presumption that a spouse has an undivided half-interest, the court ultimately found that Enovsys was the sole owner of the patents and had standing to sue Sprint Nextel because, during the course of their

divorce proceedings, the inventor and spouse both declared that they had no community assets or liabilities.[\[8\]](#)

**Recommendation**

Although Enovsys ultimately prevailed on the patent ownership issue in this case, the court's analysis raises important issues concerning the intersection between community property law and patent rights. Employers, or other parties, who obtain patent rights through an assignment from an inventor subject to community property laws should consider whether they need to have the inventor's spouse consent to the assignment.

---

[\[1\]](#) See 35 USC §§ 101, 111(a)  
[\[2\]](#) 614 F. 3d 1333 (2010)  
[\[3\]](#) Id., p. 1342  
[\[4\]](#) Id.  
[\[5\]](#) Id., pp. 1336 and 1342  
[\[6\]](#) Id., p. 1342  
[\[7\]](#) Id., p. 1337  
[\[8\]](#) Id., p. 1342

---

© 2011 Allen Matkins Leck Gamble Mallory & Natsis LLP. All rights reserved. This email is intended for general information purposes only and should not be construed as legal advice or legal opinions on any specific facts or circumstances. This email was sent by: Allen Matkins Leck Gamble Mallory & Natsis LLP, 515 S. Figueroa Street, 7th Floor, Los Angeles, California 90071. To stop receiving this publication, click on the "unsubscribe" button.