

## Recent Supreme Court Decision May Affect Federally Funded Research

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The U.S. Supreme Court recently considered an important issue under the Bayh-Dole Act in *Board of Trustees of Leland Stanford Junior University v. Roche Molecular Systems, Inc.* The Act, passed by Congress in 1980, is intended to "promote the utilization of inventions arising from federally sponsored research," to "promote collaboration between commercial concerns and non-profit organizations" and to "ensure that the Government obtains sufficient rights in federally funded" inventions. It specifically provides a framework for universities to retain title to such inventions, but, as the Court ruled to the disappointment of Stanford and other research institutions, the framework does not relate to acquiring title.

The Supreme Court case involved a Stanford employee who "agreed to assign" inventions to Stanford when the inventions resulted from employment there. The employee then signed an agreement with a collaborating company (later acquired by Roche). The agreement with the company provided that the employee "will assign and does assign" each idea, invention and improvement made as a consequence of access to information at the company. Stanford filed patents on the inventions based upon rights believed to have been acquired under the employee's agreement to assign and the Bayh-Dole Act. Stanford later sued Roche for patent infringement.

Rejecting arguments in *amicus* briefs filed by the United States and former Senator Birch Bayh, among others, the Court explained that "only when an invention belongs to a university does the Bayh-Dole Act come into play." Despite the agreement to assign, the company, and not Stanford, possessed rights in the invention, and thus Bayh-Dole did not apply. To avoid confusion over ownership issues and to ensure that valuable legal rights in inventions are properly defined, universities, professors, researchers and tech transfer spin-offs in the research community should seek the advice of competent patent counsel.

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