

Aligning Language in Intellectual Property Documents
by Mohammad S. Rahman

Consistency in legal documents is important to ensure the terms of the documents are understood, interpreted in accordance with the parties' intent, and that performance under the documents occur without divergent views. Often, intellectual property rights are described in several overlapping documents. There are many types of documents that include IP-related issues. However, the focus here is on non-disclosure agreements (NDAs), patent applications, and assignments. NDAs may describe duties to protect would-be rights in an invention. Patent applications may describe the details of an invention with the patent claims describing the legal boundaries of protection. Assignments may describe the ownership rights associated with a particular patent application.

As an example, a client has an invention and is in the process of discussing it with a manufacturer, marketer, or a financier. NDAs can be used to identify and limit the dissemination of information by the parties to the agreement. Preferably, the NDA describes general aspects of the invention without unnecessarily detailing invention specifics. U.S. patent law permits a one-year window to file a patent application after a public disclosure or offer for sale. The client may justifiably feel that the NDA would not trigger the one-year clock from starting. However, this assumes that the NDA will not be breached; even by accident. Scant details of the functionality and operability of the invention are typically provided in the NDA. Rather, general terms that describe the invention or overall project are used. Furthermore, NDAs often include language that no transfer of ownership is created between the disclosing party and receiving party simply by the exchange of information. However, some NDAs may include language signaling the automatic transfer of ownership of IP rights associated with new inventions developed during the course of the exchange of ideas.

Next, the client may wish to pursue a patent application to protect the invention. Some clients may proactively file a patent application (provisional or otherwise) prior to engaging discussions through a NDA to prevent an unintended public disclosure bar to patentability. The patent application must include sufficient details describing the invention to permit someone skilled in the art to make or use the invention without undue experimentation simply by reviewing the patent specification and drawings. Consistency between the NDA and patent application can be important here. For example, the NDA may have described the invention as an overall project without specifying details of the invention. However, if the NDA describes specifics of the invention, and the patent application includes conflicting language describing the invention, then there is inconsistency between the two documents, which could affect how the NDA is interpreted, whether a breach occurs, and perhaps even determine validity of the patent.

Commonly, patent assignments are executed contemporaneously with the filing of a patent application, and typically from the inventor to a business entity (typically the company employing the inventor). However, multiple assignments can be later drawn to transfer ownership of the patent rights from one entity to another or to multiple entities. For consistency, patent assignments should identify the subject of the intellectual property transfer by patent serial number or patent number, the title of the invention, or some other identifier that is clearly aligned with the associated patent or patent application. Moreover, assignments may also include

language pertaining to improvements of the invention in the form of child patent applications (i.e., continuation-in-part applications, etc.). Accordingly, the NDA should also include language pertaining to any improvements made during the discussion between the disclosing and receiving parties, which would be the subject of future inventions and applications.

The title of the invention being used to describe the invention may actually be inconsistent amongst the NDA, patent, and assignment. For example, the NDA may describe the invention in terms of an overall project, whereas the title of the invention in the patent may be attributed to a system or method of some kind. Possibly, the patent assignment that is contemporaneously executed at the time of filing the patent application contains the same invention title as provided by the patent application. However, it is possible that during prosecution of the patent application with the USPTO, the title of the invention changes, thereby creating inconsistency amongst all three documents. Again, assignments should include some other identifying moniker of the invention, even by reference to an attorney docket number. As titles change in prosecution, this may provide the only link that aligns the assignment and patent application.

Identifying ownership rights, the IP itself, as well as the terms used to describe the IP should all be consistently used among the various documents to ensure each document is properly asserted. Attorneys should be cognizant of changes that occur in some IP documents (e.g., in patent prosecution, licensing, technology transfer, etc.), which may affect the interpretation of other IP documents discussing the same IP. Accordingly, aligning IP documents is a continuing and feedback-driven process.

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