

## Heir's Patent Right Not A Question Of Federal Law

*Wednesday, May 14, 2008* --- The U.S. Court of Appeals for the Federal Circuit distinguishing its recent announcement that federal law controls standing determinations in patent cases (see IP Update, Vol. 11, No. 3) held that Japanese intestacy law controlled the issue of whether title to a U.S. patent had transferred to an heir. *Akira Akazawa v. Link New Technology International, Inc.*, Case No. 07-1184 (Fed. Cir., March 31, 2008) (Archer, J.).

The only named inventor of the patent in question, Yasumasa Akazawa, passed away in Japan without preparing a will. Yasumasa was survived by his wife and two daughters. Yasumasa's wife received the daughters' interests in the patent via an "Inheritance Agreement." Yasumasa's wife then executed an assignment transferring all rights in the patent to Akira Akazawa (Akira).

Akira later filed suit against Link alleging infringement of Akazawa's patent. Link moved for and was granted summary judgment on standing on the basis that Akira did not have standing to file the infringement suit.

The district court, focusing on the language of 35 U.S.C. § 261 requiring a writing in order to assign ownership of a patent, concluded that "when Yasumasa died, title to the ... patent was held by his estate until properly assigned in writing by the legal representative of the estate." Thus, without a written assignment from the estate, there could be no valid subsequent transfer. Akira appealed.

Link maintained its position that 35 U.S.C. § 261 requires a writing in order for there to be a proper assignment between two entities, even upon death of the inventor, intestate succession notwithstanding. In Link's view, Akira does not own the patent because there was never a writing transferring the patent from the estate of Yasumasa to his family.

Akira argued that under Japanese intestacy law, any property owned by Yasumasa transferred immediately to his heirs. In other words, the "estate" never possessed title to the patent because the transfer to Yasumasa's family occurred automatically at the time of his passing.

The Federal Circuit concluded that the district court's focus solely on § 261 was erroneous. The Court stated that there is nothing in 35 U.S.C. that limits the transfer of patents to assignments. As a result, although all assignments must be in writing, a writing may not always be required to transfer title.

Also of interest is the Court's statement that it was established precedent that state law, not federal law, typically governs patent ownership. The Court saw

---

no reason that Japanese law should not control ownership of the patent in this case. The Court remanded and instructed the district court to determine whether the patent was transferred to Yasumasa's estate or immediately to his heirs.

In terms of conflicts of laws, the Federal Circuit appears to view a transfer by intestacy differently from a transfer by assignment in an employment agreement. Just last month, in *DDB Technologies v. MLB Advanced Media*, the Court announced that federal law preempts state law for employment contracts that include rights to patents.

In *DDB Technologies*, the Court stated that “[a]lthough state law governs the interpretation of contracts generally, the question of whether a patent assignment clause creates an automatic assignment or merely an obligation to assign is intimately bound up with the question of standing in patent cases” and therefore is “a matter of federal law.”

In light of these developments, the age-old adage remains true: Get it in writing.

– By Leigh J. Martinson, McDermott, Will & Emery LLP

*Leigh J. Martinson is an associate in McDermott's Boston office.*