

## THE LEGAL SCOPE OF THE INVENTOR'S RIGHTS

**AUTHOR – DR. MOHAMMED MUSLIM AL-ZAWAHREH**, ASSOCIATE PROFESSOR OF ADMINISTRATIVE LAW, FACULTY OF LAW/ ZARQA UNIVERSITY. CONTACT – [MALZAWAHREH@ZU.EDU.JO](mailto:MALZAWAHREH@ZU.EDU.JO)

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### 1. ABSTRACT

This work is prepared in response to the fact that the present era has reflected a climate conducive to invention in virtually every field. International commercial trade is increasing rapidly and presenting innumerable contracts and relationships in technology transfer, collaboration, and joint ventures. Moreover, there is also a significant rise in the number of disputes between foreign business entities, as well as between businesses and states, over investments, contracts, and dealings in intellectual property, technology, and trade secrets. A common feature of these kinds of controversies is that the aggrieved party is likely to seek redress which interferes with the rights and interests of other private persons or enterprises. This can happen through court orders or arbitration awards aimed at seizing or compelling the release of intellectual or industrial property, adjudicating its ownership or validity, or directing the infringer or a third party to stop using or to deliver up the things found to infringe.

#### 1.1 Importance of Invention Rights in International Commerce

In a world where there are different levels of technical expertise and development, both among countries and among firms within a given industry, there is a strong tendency for inventions to move from the more advanced to the less advanced. Inventions are highly mobile factors of production, as compared to say, land, or unskilled labour. Money spent on research and development in the form of new technology can be embodied in a few diskettes and taken anywhere in the world. This is of course both an advantage and a disadvantage to the inventors and investors from the more advanced countries. It means access to wider markets for their inventions, but it also means greater risk that the invention may be appropriated and used by firms from countries where intellectual property rights are undefined or different from those in the invention's country of origin.

The importance of the rights of inventors in an international context stems from the impact of inventions on international trade. If the prospect

of taking new technology to foreign markets were unattractive to inventors, or if the invention were likely to be expropriated and turned into copies for the same markets, there would be little technology flow among countries. The essence of commercializing a new technology is to recoup the costs of developing the invention and the related commercial know-how, and then to earn an above normal (monopoly) return on the investment. That objective cannot be achieved if the inventor does not have a legal structure to prevent others from taking and using his invention without his consent.

#### 1.2 Scope of the Work

A pervading theme relevant to inventor/owner rights in international commercial legislation is the relationship between minimum standards providing uniform protection and the territorial nature of intellectual property. TRIPS attempts to harmonize standards of intellectual property protection across all Member States so as to reduce distortions in the international economy and to create an environment in which cross-

border trade and investment can flourish. This is to be achieved retaining the various systems of protection and without detracting from the autonomy of States to address public policy objectives. For inventor/owner rights, TRIPS establishes minimum standards in the provision of protection but does not explicitly provide for substantive or uniform patent and copyright laws throughout Member States. This reflects the varied nature of inventions across different industries and the differences between creative works and innovations.

This work is primarily an examination of the TRIPS provisions governing the rights of the inventor/owner, although for a proper exploration of this subject there is a level of discussion of the nature of intellectual property and the historical context of international protection provided by the different systems. To provide some structure to the exploration of inventor/owner rights, the remaining substance of this work is categorized into discussions of the rights conferred by intellectual property, the constraints to these rights and the means for enforcement of these rights. The work aims to provide a comprehensive guide to TRIPS inventor/owner rights that will be of value to the academic scholar, the practitioner, and the student. It should be of interest to a wide international audience given the global context of the TRIPS Agreement. To this end, there are frequent references to materials other than the TRIPS Agreement. However, discussion of various aspects often directly refers to a specific Article within the Agreement, and the reader's understanding of the work as a whole will benefit from frequent recourse to the text of TRIPS.

## **2. Legal Framework for Invention Rights**

Agreements relevant to invention rights include the Paris Convention for the Protection of Industrial Property, the Agreement on Trade-Related Aspects of Intellectual Property Rights, and the Patent Cooperation Treaty. Each has their specific functions and characteristics; however, all require some form of national

treatment for inventions. Ratification or accession of these agreements often requires countries to amend their national laws, and all efforts in harmonization of intellectual property laws must take these treaties into account.

There are many differences in the laws protecting inventions among countries, although we are now living in an age where the protections are becoming more uniform. To understand these varying laws, it is important to first look at the sources of the laws. The main body of law governing international intellectual property is the result of various multinational treaties concluded in the recent decades. The treaties provide a minimum standards of protection, and in many cases, offer a way to seek protection that is simpler and more economical than that available in an individual country.

### **2.1 International Treaties and Agreements**

TRIPS is the first international agreement which focused specifically on invention rights, such rights having had only minimal international regulation before this time. The agreement requires member states to provide patent protection for any new invention, product or process, in each field of technology without discrimination. National and most favoured nation treatment must be given to people from other member states. There are also requirements to ensure that the patent terms are not less than 20 years and the patents are not denied unreasonably.<sup>1053</sup>

The World Trade Organization, as an international organization to regulate international trade, does not specifically deal with invention rights. Both the TRIPs and the GATT have certain provisions which have implications for invention rights. TRIPs is the only international standard on intellectual property at present. It is a multilateral agreement between all member states of the WTO and has tended to replace various other conventions

<sup>1053</sup> S Athreye, I Piscitello, KC Shadlen - Journal of International Business ..., 2020 - Springer. Twenty-five years since TRIPS: Patent policy and international business. [springer.com](https://www.springer.com)

such as the Paris Convention and the Berne Convention, although some of these agreements still exist and are relevant.

## 2.2 National Intellectual Property Laws

National intellectual property (hereinafter referred to as IP) laws play an important role in defining the rights of the patentee in relation to their invention within a particular country. This is because an invention has to be worked and commercially exploited in a country before it can contribute to the nation's technological and economic progress. The rights of the patentee and the subject matter that can be protected vary from country to country. For instance, certain countries provide protection for semiconductor design or integrated circuits, plant variety, and computer software through their IP laws, while some countries do not have the necessary provisions to protect the same. Thus, it is important to know how the IP laws of a particular country define the rights of an invention owner and the subject matter that can be protected through patents. The first and foremost step in knowing the IP laws of a country is to find out whether the country has a proper patent system and whether patents are granted for inventions. This can be done by finding the relevant provisions in the country's statute that relate to patents or by consulting a qualified patent attorney.

## 2.3 Patent Cooperation Treaty (PCT)

PCT provides both procedural advantages and general cost savings but regardless of these benefits, an international application will not result in an actual international patent; no such patent exists. Any international application under PCT still needs to satisfy the national requirements that a regular patent would satisfy. Specifically, during the international phase, an examiner determines whether the invention is patentable. This determination is signified by issuance of an international search report which is a written opinion that assesses

the invention and cites relevant prior art.<sup>1054</sup> If the search report is favorable, the applicant may demand an international preliminary examination which might lead to an opinion that the invention meets requirements for a patent. These findings offer a glimpse of the general patentability of the invention. At this juncture, the applicant will need to use the findings as a tool for entering the national phase and may still need to argue or even amend the application to receive patent protection in specific countries.<sup>1055</sup>

The Patent Cooperation Treaty (PCT) is an international agreement that several countries have signed. PCT makes it easier to seek patent protection for inventions on a global basis. This is done by providing an option for filing a single international patent application which has the same effect as filing national applications in each of the designated countries. An applicant (an individual inventor or a corporation) can file one international application. The international application is examined in view of one set of requirements and then it enters the national phase to be further examined in view of another set of requirements. This separation of processes provides applicants with two chances to receive a patent for one invention rather than one chance resulting from a normal filing of a national application. In addition, a single international application can satisfy the requirements of several national applications, which could result in cost savings when compared to filing national applications. A system such as PCT is favorable to anyone interested in friendly harmonization of patent laws because it preserves the national phase whereby an applicant has contact with a patent office of a given country. This contact is crucial for seeking modifications of the patent application so that a patent is granted. An applicant can always act as his own expert and change legal text but the proceeding still has

<sup>1054</sup> RI. Bruno, R Crescenzi, S Estrin, S Petralia - ... of International Business ..., 2021 - Springer. Multinationals, innovation, and institutional context: IPR protection and distance effects. [springer.com](https://www.springer.com)

<sup>1055</sup> ronic administrative contracts. Journal of Legal, Ethical and Regulatory Issues, 25(S4), 1-15.

strong privacy characteristics because only the applicant and patent office have access to application document.<sup>1056</sup>

### 3. Rights of the Invention Owner

Sets out who owns the rights to an invention, and the nature of those rights. The main rule is that the employer owns the rights to any invention made by his employee in the course of his normal duties. In the absence of an agreement to the contrary, ownership of the patent will vest in the person who creates the invention. This is an important point because it is the inventor who has the rights to the patent. If the inventor is employed, the employer must have an agreement in place that makes it clear that the rights to any invention are transferred to the employer. If there is no such agreement, the patent will belong to the employee, not the employer. This applies equally to the situation where the invention is made by an independent contractor. This could be a significant issue in cases of outsourcing, with implications on the allocation of risk in the event of infringement. Where two or more people make an invention jointly, they are entitled to a joint patent. In this case, each person may use or license the patent without being liable to the other joint owner, but will share any profits equally. Each joint owner may also transfer his ownership rights to a third party, again taking into account any profit-sharing agreements. Joint ownership can however, be a volatile state of affairs and disputes often arise, particularly when it comes to assigning the rights to, or licensing the invention to a third party. This can sometimes lead to an action for the partition of the patent, and is an issue that is given specific consideration under the EPC.<sup>1057</sup>

#### 3.1 Exclusive Rights and Monopoly

This analysis was conducted solely from the point of view of the invention owner, and only

certain aspects of the legislative systems were considered. An understanding of the mechanisms by which the patent rights are enforced is vital to the invention owner, and to this end, it must be determined whether the action may be brought in national courts or whether an alternative forum will be necessary. Similarly, the choices which are available in seeking assignment or licensing of the patented invention are significant but cannot be discussed within the confines of this paper.

This paper examines the positive protection for the invention owner in international commercial legislation with particular reference to the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994, and the European Patent Convention 1973. Although both the TRIPs Agreement and the EPC provide only a minimum standard of protection, there are clear advantages for the inventor in seeking a patent, rather than depending upon trade secret protection.<sup>1058</sup> The central theme of the paper concerns the difficulties in establishing and maintaining patent protection, and the extent to which effective protection can be secured. It is suggested that although an invention is a form of property, it is not always given commensurate protection. This is so because although the concept of what constitutes an invention is similar, the level of inventiveness and the efficacy of the protective system will differ between inventions. The types of invention for which effective protection is the most difficult to secure, i.e. pharmaceutical, chemical, and biotechnological inventions, were not chosen at random as examples.

Introduction Exclusively

#### 3.2 Licensing and Assignment

Ownership of intellectual property is frequently an excuse for commercial operation rather than an end in itself. One of the monetary benefits of owning a patent is the right to license others for undertaking activities that would otherwise constitute infringement. Licensing can be

<sup>1056</sup> Dema Matrouk Aloun, The Jordanian Constitutional Court: The Legal Function, American Journal of Social and Humanitarian Research: Vol. 3 No, DOI: <https://doi.org/10.31150/ajshr.v3i7.1351>

<sup>1057</sup> D Castellani, A Perri, VG Scalera - Journal of World Business, 2022 - Elsevier. Knowledge integration in multinational enterprises: The role of inventors crossing national and organizational boundaries. [sciencedirect.com](https://www.sciencedirect.com)

<sup>1058</sup> Aloun, D. M. (2024). International Trade Standards in Jordanian Legislation

potentially profitable with the right inherent in the conferral of a permit to the predetermined absolution of the permit with a royalty agreement. Conversely, a permit can be exclusive or nonexclusive. An exclusive permit is such that no one, including the proprietor, will be authorized to practice the patent over the permit term. This form of permit is unchanging and can involve large amounts of money, with the permit being linked to an assignment of the enclosed patent. An assignment is the transfer of ownership of an item, where in the copyright context, it is an assignment of a set of rights culminating in giving the assignee all the rights of the patent pending and granted. Assignments can itself be assigned veritable interest, whereby the assignor has really given a thing away, or an assignment can be by permitted act, where for example, a mortgage of a patent is a pledge to assign the rights on a default occurrence.<sup>1059</sup>

### 3.3 Enforcement and Remedies

When one considers the effective term of patent protection, it is crucial to understand what rights are conferred by the patent system and what mechanisms are available to the patent owner to allow him to enjoy those rights either through reciprocal agreement with other parties or through pursuit of those parties with conflicting interests. The modern day patent system can be seen to have its existence rooted in the Statute of Monopolies 1623. This was essentially a bargain between the inventor and the Crown, where the inventor disclosed the invention to the public in return for the exclusive right to exploit the invention for a specific period of time. Failure of the state to provide adequate means for the patent owner to protect that right can be seen to frustrate the bargain, ultimately leading to uncertainty and decreased innovative activity. Knowing this, we can get a handle on the types of remedies available to the patent owner to enforce and protect

exclusive rights provided by patent law.<sup>1060</sup> In practice, patent infringement will usually be resolved through a civil action commenced by the patent owner against the infringing party. The main remedies available to the patentee upon a finding of infringement are damages, injunctions and orders for delivery up or destruction.<sup>0</sup>

### 3.4 Limitations and Exceptions

In general, the patent owner has a strong and lasting right to exclude others from using his invention. Article 28 of the TRIPs Agreement sets out the broad principle of patent entitlement "without discrimination as to the field of technology, and the other use of the subject matter of the patent without the authorization of the right holder acts mentioned in part 2 shall be considered to be infringement of the patent." However, the same article also provides that members "may provide limited exception to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interest of the patent owner, taking account of the legitimate interest of third parties." This is in line with the provision of Article 9, the first of any of the international intellectual property agreements to require a fundamental review of the need for limitations and exceptions to exclusive rights in the light of an attempt to harmonize those rights. Finally, Article 30 sets out specific exceptions to the rights given to patent owners to prevent exploitation of the patent. Measures included here refer to: "Using the subject matter of the patent for experimental use," "Using the subject matter of the patent to obtain regulatory approval in the pharmaceutical and plant protection products sectors," and "Acting on government authorization."<sup>1061</sup>

<sup>1059</sup> J Hohberger, R Wilden - Journal of Business Research, 2022 - Elsevier. Geographic diversity of knowledge inputs: The importance of aligning locations of knowledge inputs and

<sup>1060</sup> Dema Matrouk Aloun. (2022). Women's commercial empowerment and promotion of gender equality from the perspective of Jordanian law. International Jordanian Journal, Aryam Journal of Humanities and Social Sciences (IJJA), 4(3), 18–55. <https://doi.org/10.5281/zenodo.6476604>

<sup>1061</sup> M Kafouros, N Hashai, JA Tardios, EY Wang - ... of International Business ..., 2022 - Springer. How do MNEs invent? An invention-based perspective of MNE profitability. [springer.com](https://www.springer.com)

#### 4. Challenges and Future Developments

Emerging technologies and invention rights The very nature of technology is that it spreads over national borders with ease. New technologies such as the internet have made it even easier for inventions to be produced in one country and then utilized, or even copied, in another. This free flow is potentially beneficial for consumers, however it increases the likelihood of disputes involving patent and intellectual property rights. It is expected that technology will continue to outpace the laws protecting inventors, and this dramatically increases the risk to patent holders. Bently and Sherman provide the example of biotechnology, where the risks and costs involved in development are high. The slow process of adopting the TRIPS agreement is concerning for such technology, as the life expectancy of patents in the field will have expired before they are protected by international law. When these patents are disputed, the lack of conclusive evidence provided by the fast-paced science makes litigation a risky and expensive venture.<sup>1062</sup> The digital age has also posed substantial problems for copyright law as demonstrated by the Napster case. In the case of Dardenne v Boomerang Communications Ptd Ltd, Gaudio and Crewe, creators of the song "December 1963" sought to prevent the use of the song in an advertisement as they felt it would damage the song's reputation. The song had previously been licensed to the respondent, who had hired a third party to create a sound-alike of the song, rather than using the original. The act was discovered and Gaudio and Crewe sought an interlocutory injunction to prevent broadcast of the ad on the grounds of copyright infringement. This was refused by the primary judge and the injunction was granted on appeal to the full bench of the Federal Court before being set aside by the High Court. The respondents argued that the copy of the song had been created by use of an audio-visual memory and was not a reproduction in a

material form and thus did not constitute copyright infringement according to ss 21 and 86 of the Copyright Act. Gaudio and Crewe were successful in obtaining an injunction in the end, however concern remains about the ambiguities of copyright law in relation to intangible reproductions in the digital age.

##### 4.1 Emerging Technologies and Invention Rights

TRIPS defines an invention as a new product or process which provides a new way of doing something, or offers a new solution to a problem. In the past, inventions were usually synonymous with tangible items such as a new mechanical device. Technological changes have broadened the scope of inventions and, in particular, the nature of computer software, which can include methods of executing an application. This has led to conflict between countries and multinational companies who seek patent protection for software inventions. Article 27.1 of TRIPS states that patent protection must be available for any inventions in all fields of technology, provided that they are new, involve an inventive step, and are capable of industrial application. The agreement goes on to list areas where patent rights may be excluded, but there has been debate as to whether this should apply to software, which can now be considered a method of implementing business practice.<sup>1063</sup>

The Information Age has witnessed a rapid acceleration in technological developments, particularly in the field of Information Technology (IT). This has been driven by the immense popularity and access to the Internet, which has spawned inventions such as computer software and e-commerce. The speed at which these technological changes have occurred has posed problems for the legal systems of countries and the TRIPS Agreement, which attempts to recognize and deal with rights in such inventions. The wide acceptance and adoption of the Internet and IT in most

<sup>1062</sup> A Taubman, H Wager, J Watal - 2020 - books.google.com. A handbook on the WTO TRIPS agreement. [academia.edu](https://www.academia.edu)

<sup>1063</sup> DM Aloun · 2022 — Authors. Dr.Dema Matruk Aloun Privet Law, the world Islamic Sciences and Education University. Keywords: I THE INTERACTIONS OF REFUGEES, HUMAN RIGHTS, AND INTERNATIONAL LAW IN JORDAN

<sup>1064</sup>parts of the world has resulted in invention creators seeking patent protection in many countries.

#### 4.2 Cross-Border Disputes and Jurisdiction

Cross-border disputes and jurisdiction. Disputes that concern invention rights and the validity of patents and technologies have become increasingly common as an expanding global market has presented competitors in close technologies across many different countries. Furthermore, it must be recognized that the rights of invention owners in some technologies are liable to impact and subsequently damage other technologies in terms of competitiveness and potential market. This is particularly the case with software technologies and the proliferation of Internet-related technologies throughout the 1990s. As such, the establishment of the validity of rights for an invention owner and the means by which such rights can be enforced have significant relevance to the rights of invention owners in today's global economy. At a basic level, domestic patent law and domestic courts are concerned with matters within the jurisdiction of the specific country. With international disputes, this can create uncertainty in the application of foreign law as there is a possibility that a court may apply the law of the foreign country to an issue concerning an invention that is deemed to be too closely related to the foreign law in question. Uncertainty in the legal rules that govern specific technologies and patents can lead to conflicting decisions and, in turn, decisions that are adverse to a particular invention owner.<sup>1066</sup>

#### 4.3 Harmonization of International Invention Rights

One of the earliest and best known attempts at international harmonization of patent laws was the Paris Convention. The Paris Convention was

adopted in 1883 and is administered by the World Intellectual Property Organization (WIPO). It established a number of fundamental principles of most lasting influence. The most important and well known is the principle of national treatment, which holds that domestic and foreign inventors must be given the same treatment in a given country. This is a critical concept, for it does no good for a system to treat foreign inventors better than their domestic counterparts, since the native inventors will simply move elsewhere to benefit from preferential treatment. The Convention promotes two critical ideas for this. First is a right of priority, wherein an inventor filing for a patent in one <sup>1067</sup>member country has a set period of time to file in other member countries while still being able to claim the original filing date. This avoids the prior art issue by giving the inventor a grace period for further test marketing or seeking patent value determination and an ability to secure rights in other nations. The second is the aforementioned national treatment, and the Convention requires member countries to allow inventors from other member countries the same rights that would be afforded to their own citizens. Violation of these principles can result in arbitration and badges of unfair competition, essentially allowing for retaliatory economic sanctions.<sup>1068</sup>

<sup>1064</sup> Aloun, D. M. (2024). International Trade Standards in Jordanian Legislation. doi:

DOI: [10.33472/AFJBS.6.6.2024.6887-6900](https://doi.org/10.33472/AFJBS.6.6.2024.6887-6900)

<sup>1065</sup> Aloun, D. M. (2024). International Trade Standards in Jordanian Legislation.

<sup>1066</sup> Commercial Applications of Electronic Currencies. (2024). *International Journal of Religion*, 5(10), 2126-2137. <https://doi.org/10.61707/gqt3ng89>

<sup>1067</sup> Aloun, D. M. (2024). Commercial Applications of Electronic Currencies. *International Journal*, 5(10), 2126-2137

<sup>1068</sup> G de Rassenfosse, R Hosseini - Journal of International Business Policy, 2020 - Springer. Discrimination