

Who Owns My Invention?

September 18, 2012

Legal Update

In a July 12, 2012 order, Suffolk Superior Court Justice Lauriat dismissed a lawsuit by urologist Dr. Grocela, asserting that his employer's Intellectual Property (IP) policy as applied to him was an unfair restraint on trade since his employer, Massachusetts General Hospital (MGH), claimed ownership of an invention that was not related to urology. (The order, *Grocela v. General Hospital Corp.* also dismissed a complaint that MGH had breached Grocela's right to privacy in violation of M.G.L.A. c. 214 §1B, which is not discussed.) The Court found that, as the IP policy was reasonably limited and Dr. Grocela had voluntarily chosen to avail himself of staff privileges, he must be bound by the terms of the policy.

Dr. Grocela signed the hospital's IP policy as a condition of employment. This policy included privileges, benefits, and opportunities related to his appointment to the staff (*i.e.*, "benefit of the clinical resources, office space, access to doctor-patient relationships and professional prestige"). The policy defined ownership of inventions, stating that MGH shall own all staff inventions "that arise out of or relate to the clinical, research, educational or other activities of the Inventor at [MGH]," and sets forth procedures for disclosure. Over the years, Dr. Grocela had disclosed a number of inventions to the hospital, most in the area of urology. Some of these inventions had been assigned back to him in exchange for a royalty-free license and a right to receive a royalty from any related sales. In 2012, Dr. Grocela conceived of an invention directed to a voice box outside of the hospital, during his own time and at his own expense. However, Dr. Grocela acknowledged that this invention, "utiliz[ed] or incorporat[ed] knowledge that [he] generated or acquired in the course of his clinical, research, educational, or other activities as a member of the professional staff at MGH." *Order*, p. 5, citing *SOF*, ¶61.

Regarding the IP policy, the Court found that Dr. Grocela agreed to the policy and must be bound by its terms. The policy was found to be limited and reasonable because Dr. Grocela obtained staff privileges as an appropriate *quid pro quo* for agreeing to the policy and because the policy does not cover inventions that are unrelated to activities at MGH.

This decision makes it clear that, in Massachusetts, an IP policy that is generally signed as a prerequisite to employment may define a broad but reasonable class of subject matter as owned by the employer. This subject matter does not have to be limited to inventions that arise out of or are related to the clinical, research, educational, and other activities of employment but can include inventions made with the benefit of, for example, "professional prestige" and relationships related to employment. Thus, it is important for employees to know the breadth of an IP policy that applies to them and to make sure that such information is known by both employers and employees to avoid misunderstandings as to who owns employee inventions.

This advisory was prepared by Nutter's Intellectual Property practice. For more information, please contact your Nutter attorney at 617.439.2000.

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Practice Areas

Intellectual Property