

**JurisDiction.com**

**Chapter 12**  
**Assignments and Security Interests**

© 1997-2007, Donald M. Cameron  
Ogilvy Renault LLP



**TABLE OF CONTENTS**

Assignments..... 1

Security Interests ..... 2

          Canada ..... 2

          United States ..... 2



## Assignments

Patent applications can be assigned or bequeathed, in whole or in part.<sup>1</sup> Once assigned, the application cannot be withdrawn without the permission of the assignee.<sup>2</sup>

Patents can be assigned in law, in whole or in part, by a written document.<sup>3</sup> The co-owner of a patent cannot divide his part ownership into two or more parts without the concurrence of all owners of the patent.<sup>4</sup>

Every assignment, of a patent<sup>5</sup> or patent application<sup>6</sup>, must have an affidavit of a subscribing witness or other proof that the assignment was executed by the assignor and everyone else who signed it.<sup>7</sup>

The inventor can assign the invention, but for the assignment to have any effect on a patent application or patent, the assignment must be filed in the Patent Office.<sup>8</sup>

There is something like a "first-to-file" system for assignments. If the rights to a patent are assigned (or if an exclusive licence is granted - something analogous to an assignment), the assignment (or exclusive licence) must be filed in the Patent Office.<sup>9</sup> If there are two assignments affecting a patent, it is the first assignment to be filed in the Patent Office that governs.<sup>10</sup>

In the United States, where the Applicant is always the inventor(s), if the rights to the invention have been assigned to someone else, the patent will issue to the assignee.

The Federal Court of Canada has jurisdiction to change the records of the Patent Office respecting title to a patent to vary or expunge an entry.<sup>11</sup>

---

<sup>1</sup> *Patent Act*, [s. 49\(1\)](#) & [s. 49\(2\)](#)

<sup>2</sup> *Patent Act*, [s. 49\(2\)](#)

<sup>3</sup> *Patent Act*, [s. 50\(1\)](#)

<sup>4</sup> *Forget v. Specialty Tools of Canada Inc.* (1995), 62 C.P.R. (3d) 537 (B.C.C. of A.)

<sup>5</sup> *Patent Act*, [s. 50\(1\)](#)

<sup>6</sup> *Patent Act*, [s. 49\(3\)](#)

<sup>7</sup> *Patent Act*, [s. 49\(3\)](#) & [50\(3\)](#)

<sup>8</sup> *Patent Act*, [s. 50\(2\)](#) & [51](#)

<sup>9</sup> *Patent Act*, [s. 50\(2\)](#)

<sup>10</sup> *Patent Act*, [s. 51](#)

<sup>11</sup> *Patent Act*, [s. 52](#)

## Security Interests

### Canada

Howard Knopf; "[Security Interests in Intellectual Property: An International Comparative Approach](#)"; Law Commission of Canada; August 1, 2001.

### United States

A security interest in a patent is perfected by recording it under the Uniform Commercial Code ("UCC") in the appropriate state office.<sup>12</sup>

The Security interest should also be recorded in the United States Patent and Trademark Office ("USPTO") to prevent a borrower from selling the patent to a bona fide purchaser without the patent being subject to the lien.<sup>13</sup>

---

<sup>12</sup> *In re Cybernetic Services Inc.*, 239 B.R. 917, 199 Bankr. LEXIS 1313 (B.A.P. 9th Cir., No. CC-98-1690-PKRi, 9/29/99).

<sup>13</sup> *Waterman v. MacKenzie*, 138 U.S. 252, 11 S.Ct. 334, 34 L. Ed. 923 (1891).