

Inventions Made under Employment Contracts under Myanmar Patent Law 2019: An Overview and Implications for Patent Dispute Resolution

In Myanmar, as in many other countries, the ownership of inventions created during the course of employment can lead to complex legal questions. When employees develop new innovations related to their employer's work or using the employer's resources, the determination of patent ownership becomes crucial for fostering innovation, protecting intellectual property rights, and maintaining a fair balance between employers and employees.

Patent ownership rights in employee inventions under employment contracts

Myanmar Patent Law, under Section 17 (a), provides for patent ownership rights in employee inventions under employment contracts. As a general rule, when an employee creates an invention while working under the terms of an employment contract, the default ownership of the invention and the right to apply for a patent usually belong to the employer. This means that if the invention falls within the scope of the employee's work duties or was made using the employer's resources or facilities, the employer typically has the right to claim ownership of the invention and proceed with the patent application.

However, there is room for exceptions to this general rule. If the employment contract contains specific clauses or provisions that state otherwise, the employee may retain the right to apply for the patent despite creating the invention during their employment. This exception acknowledges that certain employment contracts may explicitly grant the employee ownership or co-ownership rights over their inventions, especially if they were developed outside the scope of their regular duties or using personal resources.

Employee's right to apply for patent if employer fails to act within specified time

Section 17 (b) addresses the scenario where an employer fails to apply for the patent within six months after being informed in writing by the employee that the invention is completed. In such a case, the employer forfeits the right to patent registration, and the employee gains the right to apply for the patent.

The process for establishing patent rights under this provision involves several key steps. Initially, the right to apply for the patent belongs to the employer, as the employee created the invention during the course of their employment. However, the provision grants the employee an opportunity to assert their right to the patent by formally notifying the employer in writing about the completion of the invention. Upon receiving the written notice, the employer has a specific 6-month window to decide whether they will apply for the patent. If the employer fails to act within this time frame, the employee becomes eligible to apply for the patent, and the ownership and application rights shift from the employer to the employee.

An illustrative example could involve a software developer, Sarah, employed by TechCo. She invents a new software algorithm within the scope of her work. On January 1, 2023, Sarah informs TechCo in writing about the completed invention. TechCo has until June 30, 2023, to decide whether they want to pursue the patent. If TechCo fails to initiate the patent application process within the specified time frame, Sarah gains the right to apply for the patent on July 1, 2023.

Ownership of an invention made by an employee after the expiration of their employment contract

Section 17 (c) addresses the ownership of an invention made by an employee within one year after the expiration of their employment contract. If the invention is related to the field of their former employer, it is considered as if it was made under the terms of the expired employment contract, granting the employer the right to apply for the patent initially.

However, the provision outlines conditions under which the employee becomes eligible to apply for the patent. These conditions include having an agreement in the employment contract that grants the employee the right to apply for the patent, providing evidence that the former employer did not apply for the patent, or the employer's failure to apply for the patent within a specified time.

An example involving a chemist, John, who worked for a pharmaceutical company, PharmaMed, can illustrate this provision. John's employment contract with PharmaMed ended on January 1, 2023. On December 31, 2023, John invents a new chemical compound related to PharmaMed's field of expertise. Since the invention falls within PharmaMed's field, the employer initially has the right to apply for the patent. However, John's employment contract contained a clause giving him the right to apply for patents for inventions made within one year of his employment ending. He informs PharmaMed in writing about the completed invention on

January 1, 2024. As PharmaMed fails to initiate the patent application within the specified time, John gains the right to apply for the patent.

Employee's right to patent for unassigned inventions related to employer's work

Section 17 (d) addresses the employee's right to patent for unassigned inventions related to the employer's work. If an employee creates an invention that is related to the employer's work but not specifically assigned by the employer, using the employer's equipment, data, or technology, the employee is eligible to apply for the patent by default.

However, as with the previous provisions, the employment contract may contain clauses that alter this default ownership. If the contract explicitly assigns ownership of such inventions to the employer, then the employer may have the right to apply for the patent.

An example involving a software engineer, Sarah, working at TechCo can illustrate this provision. While working on her regular projects, Sarah creates a new algorithm that has the potential to improve TechCo's existing product line. Though it is related to TechCo's work, Sarah developed the algorithm on her own initiative without any specific assignment. Since she used TechCo's equipment and data for some testing, the default ownership of the invention and the right to apply for the patent belong to Sarah.

Final thoughts

Myanmar Patent Law provides a comprehensive framework for determining patent ownership in the context of employee inventions. The provisions outlined in Section 17 seek to strike a balance between employer interests and the recognition of employee contributions to innovation. By defining the rights of individual inventors, employees, and employers, the law fosters an environment conducive to technological advancements and respects the interests of all parties involved.

The clarity in patent ownership helps employers protect their investments in research and development, while employees are incentivized to disclose their inventions and benefit from potential rewards. The provision on employee's right to apply for patents if the employer fails to act within the specified time provides an efficient dispute resolution mechanism, streamlining the process and reducing legal uncertainties.

Furthermore, the recognition of employee inventions made outside the scope of employment contracts acknowledges the value of individual creativity and encourages collaborative innovation while ensuring employees have the opportunity to protect their intellectual property rights.

As Myanmar continues its journey towards technological progress and economic growth, the provisions governing inventions made under employment contracts will play a pivotal role in fostering innovation and promoting a conducive environment for technological advancements in the country. By upholding a fair and balanced approach to patent rights, Myanmar can continue to attract foreign investments, promote research and development, and establish itself as a hub for innovation in the region.

Patent Ownership Rights in Employee Inventions under Myanmar Patent Law

1. Default Ownership under Employment Contract (Section 17(a))

- Inventions created by an employee under the employment contract.
- Default ownership and patent application rights usually belong to the employer if:
 - ✓ Invention falls within employee's work duties.
 - ✓ Invention was created using employer's resources or facilities.

2. Exceptions to Default Ownership:

If employment contract contains clauses stating otherwise:

- ✓ Employee retains right to apply for patent.
- ✓ Especially for inventions outside regular duties or using personal resources.

3. Employee's Right to Apply for Patent if Employer Fails to Act (Section 17(b))

- Employee informs employer in writing upon completion of the invention.
- Employer has 6 months to apply for patent.
- If employer doesn't apply within 6 months, employee gains right to apply for patent.

4. Inventions Made After Employment Contract Expiration (Section 17(c))

- Invention within 1 year after contract expiration in the same field.
- Initially, patent rights belong to the employer as if under the contract.
- Employee eligible if:
 - ✓ Agreement in contract granting right to apply.
 - ✓ Employer doesn't apply for patent.
 - ✓ Employer's failure to apply within specified time.

5. Employee's Right to Patent Unassigned Inventions (Section 17(d))

- Invention related to employer's work but not explicitly assigned.
- Using employer's equipment, data, or technology.
- Employee eligible to apply for patent by default.
- Employment contract clauses may alter ownership (employer's right to apply).

By Nguyen Vu QUAN
Partner & IP Attorney

Contact

KENFOX IP & Law Office

Building No. 6, Lane 12/93, Chinh Kinh Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi, Vietnam

Tel: +84 24 3724 5656

Email: info@kenfoxlaw.com / kenfox@kenfoxlaw.com