

# **Inventions by non-employees: Awaited extension of the regime applicable to employees with respect to software and service inventions**

**Ordinance No. 2021-1658 of December 15, 2021 *relating to intellectual property rights in assets generated by software developers or inventors who are neither employees nor public agents and who have been hosted by a legal entity carrying out research (the “Ordinance”)* unifies French intellectual property law with respect to service inventions.**

The Ordinance introduced a new regime applicable to inventions made by non-salaried persons hosted by a private law or public law entity within the framework of an agreement. This regime is modelled on the pre-existing regime applicable to salaried persons.

As far as inventions are concerned, as a matter of principle “*the right to the industrial property title belongs to the inventor or his/her successor in title*”[\[1\]](#). The inventor is therefore the only one entitled to patent his/her invention.

As an exception, inventions developed by a salaried person in the performance of an employment contract comprising an inventive mission or in the performance of studies and research belong to the employer[\[2\]](#). This exception also extends to the agents of the State, public authorities and any other legal entity governed by public law[\[3\]](#).

As far as software is concerned, as a matter of principle, only the software developer can exploit his/her work[\[4\]](#).

By way of exception, the economic rights in software created by one or more employees in the performance of their duties or following the instructions given by their employer are vested in the employer who is solely entitled to exercise them[\[5\]](#). Similarly, the economic rights in software created by the agents of the State,

public authorities and public institutions are automatically vested in the public employer.

This resulted in a difference of treatment between employees and trainees (who were not explicitly mentioned until now).

In the absence of express exception provided for by law, until now French courts would simply preserve the right of trainees with respect to software. In particular, in a decision dated April 25, 2006<sup>[6]</sup>, the Commercial Chamber of the *Cour de Cassation* (French Supreme Court) held that the inventor who “*was neither an employee of the CNRS [National Scientific Research Council], nor a public agent, which meant that the ownership of his invention did not fall within the scope of any of the exceptions exhaustively provided for by law*” retained the rights attached to his/her invention. The claim for ownership of the patent filed by the trainee that had been brought by the host organization (the CNRS) was thus dismissed.

Articles L. 113-9-1 and L. 611-7-1 of the French Intellectual Property Code introduced by the Ordinance unify the rules applicable in this area.

With regard to software, Article L. 113-9-1 of the French Intellectual Property Code automatically vests the related economic rights in the host organization, to be understood as any “*public law or private law entity carrying out research*” and bound to the inventor by an “*agreement*”. The field of application seems relatively broad. The only restrictions are that the inventor must be placed under the authority of a person in charge at the host organization and be remunerated.

With regard to patentable inventions, Article L. 611-7-1 of the French Intellectual Property Code stipulates that those inventions developed by a non-employee are the property of the host organization only when the two are bound either by an agreement for an inventive mission or by a study and research agreement. The Report to the President of the Republic specifies that the Ordinance refers to inventions made “*in particular by trainees, foreign doctoral students and emeritus professors or directors*”. Under these conditions, the industrial property rights attached to these inventions are again automatically vested in the host organization. The inventor must nevertheless be informed beforehand of the filing of a patent application for his/her invention, and of the granting of the patent. This information will possibly allow the inventor to claim ownership of the invention if the requirements set out in Article L. 611-7-1 are not met (e.g., inventions developed outside the course of the inventor’s mission).

Article L. 611-7, 2° of the French Intellectual Property Code mirrors the specific case of inventions developed outside the course of mission but assignable to the employer, already addressed in the regime governing employees’ inventions. If the trainee develops an invention outside the course of his/her mission, but this invention is related to the company, the employer can still have such invention assigned to it, provided that it pays compensation to the trainee in return (either in a lump-sum payment or proportionally to the exploitation of the invention). The employer will have to demonstrate that this invention relates to the company, either because it falls within the company’s field of activity, or because it was developed by the trainee in the performance of his/her duties, or because of the technical means and knowledge made available to the trainee by the company.

The regime applicable to trainees is therefore now aligned with the one applicable to employees and public agents who develop inventions within the framework of their work relationship or their public service mission.

Finally, it should be noted that, apart from these exceptions strictly enumerated by the law, the exploitation rights belong in principle to the developer of the software, or to the inventor. As such, an order contract, signed with a non-employee, must necessarily provide for an assignment of the exploitation rights related to the ordered software or invention if the client wishes to have the economic rights in these works.

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[1] Article L. 611-6 of the French Intellectual Property Code

[2] Article L. 611-7 of the French Intellectual Property Code

[3] Article L. 611-7, 5 of the French Intellectual Property Code

[4] Article L. 111-1 of the French Intellectual Property Code

[5] Article L. 113-9 of the French Intellectual Property Code

[6] Commercial Chamber of the *Cour de Cassation*, April 25, 2006, No. 04-19.482

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