

# Challenging Inventorship in Patent Litigation

Tom Morrow

**YetterColeman LLP**

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# What we'll cover

**Who's the inventor?** (Inventorship requirements)

**Why does it matter?** (Ownership, benefits, litig. defenses)

**Why should we believe that story?** (Corroboration)

**Creative challenges** (*Ethicon, Bushberger*)

# Who's the Inventor?

## 35 U.S.C. 116

### 35 U.S.C. 116 (“Inventors”)

- Joint inventorship permitted
- No requirement to:
  - Work together physically
  - Work together contemporaneously
  - Make same type / amount of contribution
  - Each contribute to every claim

# Who's the Inventor?

## Federal Circuit Caselaw

- **Joint inventors must:**
  - **Contribute “significantly” to conception**
  - **Compared to full invention, contribution must be “not insignificant in quality”**
  - **Do more than explain fundamentals to the true inventors**

*Isr. Bio-Eng'g Proj. v. Amgen* (Fed. Cir. 2007)

# Who's the Inventor?

## Federal Circuit Caselaw

### Conception is

- Definite and permanent idea, of
- Complete and operative invention

### Conception is not

- Assisting the inventor after conception
- Mere reduction to practice (even if best mode)

# Who's the Inventor?

## 35 U.S.C. 256

### 35 U.S.C. 256 (“Correction of Named Inventor”)

- **Permits district court action to correct inventorship**
- **Adding inventors, removing non-inventors**
- **Requires notice and hearing of all concerned**
- **Naming errors “shall not” invalidate the patent if errors can be corrected per 256**

# Who's the Inventor?

## *MCV, Inc. v. King-Seeley Thermos Co.*

Third party Simon (marketing rep.) provided idea

- “Drainless” water cooler
- Suggested specific configuration

Water cooler maker patented it

Company policy: only employees on patents

# Who's the Inventor?

## *MCV, Inc. v. King-Seeley Thermos Co.*

Third party Simon (the true inventor):

- Suggested he be named as inventor
- Rebuffed, accepted it
- “Exclusive marketing rights more imp. to me”

Patentee then took away excl. marketing rights

Simon's co. sued to correct inventorship (256)



# Who's the Inventor?

## *MCV, Inc. v. King-Seeley Thermos Co.*

### Result:

- Patentee wins SJ on equitable estoppel defense
- Simon's acquiescence
- Silence for four years during pendency at PTO
- "Marketing rights matter more to me anyway"
- Company "policy" makes Fed. Cir. shudder

# Why Does Inventorship Matter?

## Inventorship creates ownership rights

- Each joint inventor
- Owns pro rata undivided share in entire patent
- Regardless of scope of relative contributions
- Inventorship as to one claim is enough
- More on this point in *Ethicon, Bushberger*

# Why Does Inventorship Matter?

Financial benefits, even when ownership's lost

## *Chou v. Univ. of Chicago*

- Research assistant (a Ph.D.)
- Employment agr. assigned inventions to Univ.
- Developed inventions, suggested patenting
- Rebuffed by supervising prof.

# Why Does Inventorship Matter?

## Chou v. Univ. of Chicago

- **Chou's professor:**
  - Had co-authored articles in this field with Chou
  - Had his own, undisclosed, patent app pending
  - Distinguished articles with Chou ("it's all me")
- **Univ. policy:**
  - Inventors get 25% of royalties, licensing fees, start-up profits
- **Prof. suggests she resign; she sues under 256**

# Why Does Inventorship Matter?

## *Chou v. Univ. of Chicago*

- District court says no standing
- She's assigned her ownership away
- No concrete, particularized interest in correcting inventorship
  
- Federal Circuit reverses:
- Univ. policy (25% of royalties, etc.) suffices
- Muses about reputational standing in dicta

# Why Does Inventorship Matter?

## Larson v. Correct Craft, Inc.

- Ex-employee has no ownership interest
- No financial interest (unlike *Chou*)
- Sued to correct inventorship
- Dismissed for lack of standing
- Reputational standing argued on appeal...
- But not at trial...no facts in the record to support

# Why Does Inventorship Matter?

## *Shukh v. Seagate Tech.* (D. Minn.)

- Ex-employee is Seagate “Hall of Famer”
- No ownership, or financial, interest in patents
- Post-termination, sued to correct inventorship
- Trial court finds reputational standing
  - Being named on important patent enhances reputation
  - Not being named on important patent could increase difficulty in finding subsequent employment

# Why Does Inventorship Matter?

## *Perseptive BioSys. v. Pharmacia*

- Patentee failed to name three individuals as inventors
- They were with another company
- Trial court found inequitable conduct (not naming inventors, mischaracterizing inventors)
- Federal Circuit affirms 2-1; strong dissent

## *O.M.S. v. Dormont Mfg. (W.D. Pa.)* (invalid; buddies)



## **Why Should We Believe That Story?**

**Putative, unnamed co-inventor must corroborate**

**Inventor testimony alone not enough**

**Inventor testimony & lab notebook typ. not enough**

# Why Should We Believe That Story?

## *Eli Lilly v. Aradigm* (Fed. Cir.)

- Lilly (insulin experts) sought to collaborate with Aradigm (aerosol experts)
- Four meetings between companies
- Aradigm then patented aerosolized delivery of insulin analog (lispro)
- Claim requires specific benefit—twice the bioavailability of inhaling regular insulin
- Lilly sued under 256 to add two Lilly scientists to Aradigm patent

# Why Should We Believe That Story?

## *Eli Lilly v. Aradigm* (Fed. Cir.)

Lilly's proof at trial:

- Four meetings between companies
- Lilly's Dr. DiMarchi testified:
  - I always talk about Lispro whenever I talk about insulin
  - At that meeting with Aradigm, I talked about insulin
- A Lilly colleague confirmed DiMarchi had identified lispro at the meeting as possible drug candidate
- Post-meeting emails, letters showed Aradigm's interest in lispro
- Seven months later, Aradigm's patent shows they'd mastered it.

# Why Should We Believe That Story?

## *Eli Lilly v. Aradigm* (Fed. Cir.)

Jury finds for Lilly

Clear and convincing evidence that Dr. DiMarchi is a co-inventor

Federal Circuit vacates, reverses

- No direct evidence of communication of specific claim limitation (twice the bioavailability...)
- DiMarchi never testified he'd communicated this
- Other circumstantial evidence insufficient

## Why Should We Believe That Story?

### *Ethicon v. U.S. Surgical* (Fed. Cir.)

- Named inventor is surgeon (Yoon)
- Holds patents on tools for endoscopic surg.
- Putative co-inventor is non-degreed electronics tech (Choi)
- Choi: Here are sketches of my tool design
- Yoon: You drew what I told you to draw

# Why Should We Believe That Story?

## *Ethicon v. U.S. Surgical* (Fed. Cir.)

- **Named inventor (Yoon) has some problems:**
  - Found to have backdated documents
  - Contradicted depo testimony as to when he met Choi
  - Passed off as his own a Figure from another patent
- **Choi's corroborating evidence suffices**
  - Yoon had no electronics experience; Choi did
  - They worked together for 18 months; no pay for Choi
  - Choi's sketches closely resembled patent's Figures
  - Expert testimony: Choi's sketches required elec backgrd.

# Creative Challenges to Inventorship

## Ethicon:

- Defendant U.S. Surgical found Choi
- Discussed patent with him; got his story
- Paid \$300 k for past, and future license
- Moved to add Choi under 256, and dismiss case
  - Premise: all patent owners generally must consent and be joined in any enforcement proceeding
  - If he's an inventor, he's an owner, and he's licensed D's
- Trial court deems Choi co-inventor of 2 claims
- Dismisses suit

## **Creative Challenges to Inventorship**

### ***Bushberger v. ProtectoWrap* (E.D. Wisc.):**

- The parties had collaborated on a product
- Bushberger patented it, sued ProtectoWrap
- By agreement, the parties:
  - deferred PWC's answer date
  - participated in discovery (inventor depo.)
- Inventor testified at depo that PWC's CEO was co-inventor of one dependent claim
- PWC moved to dismiss under 12(b)(1), and won.



# Take-Aways

## Section 256 actions not involving infringement:

- Must act quickly, consistently: *King-Seeley*
- Assignment of ownership may not bar: *Chou*

## Corroboration required:

- Sufficient (*Ethicon*) vs insufficient (*Eli Lilly*)

## Use of inventorship challenges in infringement suits:

- Ownership based: *Ethicon, Bushberger*
- Invalidity (if uncorrectable by 256): *O.M.S.*
- Inequitable conduct: *Perseptive BioSys.*

Tom Morrow  
YetterColeman LLP  
909 Fannin, Suite 3600  
Houston, TX 77010

713.632.8070  
[tmorrow@yettercoleman.com](mailto:tmorrow@yettercoleman.com)