

No. _____

**In The
Supreme Court of the United States**

ALEXANDER M. SHUKH,

Petitioner,

v.

SEAGATE TECHNOLOGY, LLC, a Delaware Limited
Liability Company, SEAGATE TECHNOLOGY, INC.,
a Delaware corporation, SEAGATE TECHNOLOGY,
a holding company of the Cayman Islands, UNKNOWN
OWNERS AND ASSIGNEES, and SEAGATE
TECHNOLOGY PLC, an Irish public limited company,

Respondents.

**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Federal Circuit**

**PETITION FOR WRIT OF CERTIORARI
REDACTED**

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QUESTION PRESENTED

In *FilmTec Corp. v. Allied-Signal, Inc.*, 939 F.2d 1568 (Fed. Cir. 1991), the Federal Circuit ruled without explanation that an agreement for the assignment of inventions that uses the words “hereby assign” automatically effects a present assignment of future inventions even though those inventions have not been conceived and do not exist at the time the agreement is signed. The unexplained rationale, contrary to ancient rules of patent law and equity, was that such an assignment surrenders all concrete interests in an invention, thus depriving inventors of standing under 35 U.S.C. § 256 to correct inventorship of patents for those inventions from which they have wrongfully been omitted, and preventing the inventors from regaining their default ownership of the inventions and patents.

The question presented is whether *FilmTec*’s “automatic assignment” rule should be overruled because it extinguishes inventors’ constitutional and statutory rights to inventorship and ownership, especially in view of criticisms expressed by three Justices of this Court in *Bd. of Trs. of the Leland Stanford Jr. University v. Roche Molecular Sys., Inc.*, 131 S. Ct. 2188, 2199 & 2203 (2011) (*Stanford*), and the reservation of that issue by the Court. *Id.* at 2194, n.2.

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OPINIONS BELOW

The Federal Circuit's October 2, 2015 panel Opinion is reported at 803 F.3d 659. (App. 1a.)¹

The Federal Circuit twice denied en banc consideration: on December 17, 2015, after the panel decision and as its last order in the appeal (App. 200a), and on September 25, 2014, before briefing on the merits. (App. 19a.) Both denials are unreported.

The District Court's unreported March 30, 2011 Memorandum Opinion and Order regarding the issue raised in this Petition appears at 2011 U.S. Dist. LEXIS 33924. (App. 159a.)

Four other relevant District Court rulings are:

(1) its unreported July 18, 2011 Order Denying Leave to File a Motion for Reconsideration that appears at 2011 U.S. Dist. LEXIS 77898. (App. 155a);

(2) its unreported October 18, 2011 Memorandum Opinion and Order Denying Motion to Certify Interlocutory Appeal that appears at 2011 U.S. Dist. LEXIS 120219 (App. 146a);

(3) its unreported March 25, 2013 Memorandum Opinion and Order Granting Defendant's Motion for Summary Judgment on Plaintiff's Fraud Claim and Correction of Inventorship Claim that appears at 2013 U.S. Dist. LEXIS 41262 (App. 96a); and

(4) its March 31, 2014 Memorandum Opinion and Order Granting Defendants' Motion for Summary Judgment that appears at 2014 U.S. Dist. LEXIS

¹ "App." refers to the separately printed Appendix to this Petition. "A __" refers to the sealed Joint Appendix in the Federal Circuit.

42909, the final ruling disposing of Dr. Shukh's discrimination and retaliation claims. (App. 23a.)

JURISDICTION

The district court had jurisdiction under 28 U.S.C. § 1338(a). It entered Final Judgment on April 1, 2014. (App. 21a.)

The Federal Circuit had jurisdiction over Dr. Shukh's appeal under 28 U.S.C. § 1295(a)(1). On October 2, 2015, a panel of that Court reversed in part and affirmed in part with an opinion. (App. 1a.) On December 17, 2015, the full Court of Appeals denied his Petition for Rehearing en banc. (App. 200a.)

This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS AT ISSUE

Article I, Section 8 of the United States Constitution provides in pertinent part that

The Congress shall have Power...

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries....

35 U.S.C. § 256. Correction of named inventor.

(a) Correction.—

Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent, the Director may, on application of all the

parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate correcting such error.

(b) Patent Valid if Error Corrected.—
The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred if it can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Director shall issue a certificate accordingly.

35 U.S.C. § 261. Ownership; assignment.

Subject to the provisions of this title, patents shall have the attributes of personal property...

Applications for patent, patents, or any interest therein, shall be assignable in law by an instrument in writing....

STATEMENT

I. Introduction.

This case involves several U.S. Patents for computer hard-drive technology co-invented by Petitioner during his employment at Seagate Technology LLC and its affiliates, a computer hard-

drive technology company.² The Patents are described below. (*Infra* at pp. 10-13.)

The short version of Dr. Shukh's predicament is that Seagate fraudulently omitted him as a co-inventor in its patent applications to the U.S. Patent Office (PTO) for his inventions and falsely told him it had abandoned patenting even though it had given him invention awards, promised to seek patenting on his behalf in combination with other inventions by other engineers, and did file applications which named those others but not him as an inventor.

The result of this wrongdoing was to deny Dr. Shukh inventorship for his inventions, thus violating the constitutional and statutory requirements that only true inventors can apply for and be granted a patent. It also wrongly divested him ownership of all but the one invention that he had never assigned to Seagate.

Dr. Shukh fought for years for proper credit for his inventions, but his efforts brought him only intense criticism as a difficult employee and not a team player, destroying his esteemed stature at Seagate. In 2006 and 2007, after conclusively discovering that he had been omitted from the patents at issue, he started up the chain of command to remedy the wrongdoing informally, first inside

² Because this Petition seeks a review of the dismissal of claims, the well-pleaded detailed factual allegations of the Amended Complaint are assumed to be true, and form the basis of this Statement, supplemented by relevant uncontested documents. *Matrixx Initiatives, Inc. v. Siracusano*, 563 U.S. 27, 47 (2011); *Ashcroft v. Iqbal*, 556 U.S. 662, 679 (2009).

Seagate, and then again after he was fired in early 2009.

Entirely unsuccessful, he brought this lawsuit in 2010 to correct inventorship and to regain ownership of his stolen inventions and patents.³

The legal problem presented involves the phrase in his Employment Agreement—signed when he first arrived at Seagate long before he conceived of the inventions—that he “hereby assigned” his future, then non-existent inventions to Seagate.

Applying the rule of *FilmTec Corp. v. Allied-Signal, Inc.*, 939 F.2d 1568 (Fed. Cir. 1991), the District Court held that the “hereby assign” phrase transferred to Seagate his future non-existent inventions, and, once they came into existence, he no longer had any concrete interest in them, and thus had no “standing” to seek correction of inventorship or assert any ownership rights. This is nothing less than the extinguishment of an inventor’s constitutional and statutory rights of inventorship and ownership.

In *Bd. of Trustees of the Leland Stanford Jr. University v. Roche Molecular Sys., Inc.*, Justices Breyer, Ginsburg and Sotomayor criticized *FilmTec* in dissent and concurrence. 131 S. Ct. 2188 at 2199 &

³ Many of the filings in the courts below, including the Amended Complaint, were under seal because attorney-client communications and confidential technical information are involved, and they are still subject to a Protective Order in the District Court. (Ai-Ax, A10925-29.)

Therefore, to maintain the confidentiality of the few parts of the sealed record that are presented here, Petitioner has moved this Court for leave to file both a public version of this Petition with a few redactions, and another under seal, unredacted but otherwise identical.

2203. The Chief Justice's Opinion expressly noted that the Court was not passing on the interpretation of the assignment agreements therein because that issue was not included in the certiorari grant. *Id.* at 2294 n.2. Thus, Justices Breyer and Sotomayor suggested it could properly be presented to this Court in a future case.

This is that case.

II. Petitioner Alexander M. Shukh, Ph.D.

Dr. Shukh, a native of Belarus in the former Soviet Union, is one of the world's leading scientists and engineers in the area of hard disk drive technology, an area of enormous economic importance and engineering complexity. He holds a Ph.D. in Condensed Matter Physics and a B.S. and an M.S. in Electronics and Electrical Engineering. He became an American citizen on July 30, 2009. (A715-16.)

Since 1976, Dr. Shukh has held scientific, management and engineering positions in the field of magnetic recording heads and related technologies. Prior to his 1997 move to Seagate, he had over twenty-three years of experience and an outstanding international reputation. For his work before emigrating to the United States, he has received several foreign patents and fifteen patents of the former Soviet Union. (*Id.*)

Dr. Shukh came to the United States in September 1997 from Minsk, Belarus on an H1-B ("highly specialized knowledge") visa, and began work as a Senior Advisory Development Engineer at Seagate's Bloomington, Minnesota research facility. (*Id.*)

He and his family were also fleeing to America to escape political repression and the lingering effects of Chernobyl on his wife and daughters. (A538-40.)

He has been awarded seventeen U.S. patents for his inventions at Seagate. As a result, he is a member of the Seagate Inventor Hall of Fame, an honor given only those who have been awarded ten or more patents for inventions developed at Seagate. (A535-36.)

At least nine of his patented inventions at Seagate have been incorporated into the company's products. Currently, each Seagate drive employs up to five of his patents. Thus, his inventive activity has resulted in enormous profits for Seagate. (A584.)

He has another three U.S. patents for his work prior to Seagate. Since leaving Seagate in early 2009, he has been awarded another seventeen for his own inventions, most recently on February 16, 2016.⁴

He has published thirty-nine papers, and regularly presents at important technical conferences. He has received numerous awards and commendations, including invention, product and innovation awards at Seagate. (A536.)

Dr. Shukh's extraordinary talents are not in dispute. They were highly touted under oath by Seagate itself when it filed its I-140 Petition sponsoring his special "Outstanding Researcher

⁴ U.S. Patent and Trademark Office Patent Full-Text and Image Database, available at <http://patft.uspto.gov/netahtml/PTO/search-bool.html>. (Search "Shukh" and "Choukh" in "Inventor" field). Under Fed. R. Evid. 201(b) & (c), this Court can take judicial notice of those applications and patents. *Pepitone v. American Standard*, 1992 U.S. App. LEXIS 30867, at *7, n.1 (Fed. Cir. 1992).

Priority Worker Classification” visa status to the U.S. Immigration and Naturalization Service. (A5247-56, A5258-74, A5277-92.)

The Federal Circuit noted the District Court’s conclusion that Dr. Shukh had a reputation as “an extremely successful innovator in the hard disk drives engineering community.” (App. 3a & 103a-104a.) But it also focused on the evidence supposedly showing that Dr. Shukh was a difficult employee in part because he had a “reputation for seeking credit for his own inventions.” (App. 4a.)

What the Court of Appeals did not note, however, was the District Court’s conclusion in its final order of summary judgment against Dr. Shukh’s discrimination and retaliation claims that a reasonable jury could determine that his time at Seagate was “rife with conflicts and that Seagate may have mistreated” him, not because he was Belarusian but because he urgently sought to protect his credit for his work. (App. 4a, 94a.)

That mistreatment arose fundamentally from Seagate’s violations of Dr. Shukh’s inventorship rights and its punitive steps against him for his efforts to correct that wrongdoing.

III. Factual Background.

Seagate repeatedly failed to give Dr. Shukh proper credit for his inventions, and most egregiously secretly omitted him from patent applications for his inventions.

A. The Employment/Assignment Agreement.

Before he started work, Dr. Shukh signed an Employment/Assignment Agreement (A541-42, A591-

603) containing a patent assignment clause whereby he “hereby assign[ed]” to Seagate all the inventions he may develop or conceive on his own or jointly:

Assignment of Inventions: I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and **hereby assign** to the Company, or its designee, all my right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice; or cause to be conceived or developed or reduced to practice, during the period of time I am in the employ of the Company.... (A541, A600.) (emphasis added).

B. Seagate’s patenting process.

All Seagate engineers were required to disclose their inventions to Seagate on “Invention Disclosure” forms submitted to the Intellectual Property (IP) division of Seagate’s internal Law Department. (A550-52.)

A committee of Seagate managing engineers and patent lawyers—known as the Patent Review Board (PRB)—would then review each Invention Disclosure to determine whether Seagate wished to file a patent application with the PTO. (*Id.*)

The IP Department then informed the employee of the PRB’s action and whether or not

patenting would be sought. If so, internal patent lawyers and patent lawyers from outside firms would prepare, file, and prosecute the patent application, sometimes consulting with the inventor on technical and inventorship issues. If not, there was little or nothing employees could do since they had no control and very little input over the patenting decision. (A552.)

Seagate's "Inventor Assignment and Recognition" Policy provided for formal awards and financial remuneration to each employee whose inventions were submitted for patenting or patented. That Policy also provided for admission to the Seagate Inventor Hall of Fame upon the PTO's issuance of ten patents to a Seagate employee for his or her Seagate inventions. (A5213-15.)

C. Formal documents of assignment.

That Policy, and Dr. Shukh's Employment Agreement, also required that, at the time Seagate decided to apply for a patent, he must formally assign to it ownership of the invention and any resulting patent. As part of Seagate's pattern of concealment described in the next section, however, it asked Dr. Shukh to assign only one of the inventions and patents at issue: the '902 Patent. (*Id.*, A600-01.) See Discussion of '902 Patent, *infra*, at p. 12.

D. Seagate's concealed omission of Dr. Shukh from patent applications for his inventions.

Here is what Seagate did:

- '457 Patent (US 7,233,457 – "*Head for Perpendicular Recording with Reduced Erasure*") – On August 18, 2003, Seagate's IP Department told Dr. Shukh that his invention

would not be separately pursued for patenting but would be combined with another. An application for his invention and the other was filed on December 16, 2003, but Dr. Shukh was never made aware that he had been omitted as an inventor in that application and all subsequent filings. (App. 55a-56a, App. 163a-166a, A557-59.)

- '150 Patent (US 7,684,150 – “*Recording Head for Reducing Side Track Erasure*”) – On August 18, 2003, Seagate’s IP Department told Dr. Shukh that his invention “Stable Magnetic Shield for High Density Recording Head” would not be separately pursued for patenting but would be combined with an application for another entitled “Recording Head for Reducing Side Track Erasure.” That was a false statement because on July 9, 2003, Seagate had filed a Provisional Patent Application for his invention. On June 30, 2004, Seagate filed a Utility Patent Application for the combined inventions omitting him as an inventor, but concealed, and failed to inform him of that fact. On November 4, 2004, Dr. Shukh was given an invention award for the combined inventions, including a financial bonus and a certificate, dated June 30, 2004 recognizing his “Technological Achievement” for his inventive contribution. Dr. Shukh was never informed that he had been omitted as an inventor from that Application. (App. 55a-56a, App. 163a-166a, A559-62, A1244-45.) The Application resulting in that Patent was still pending when Dr. Shukh discovered his omission and complained to Seagate’s General Counsel. *See*

Discussion of those complaints, *infra*, at pp. 14-15.

- 902 Patent (US 6,525,902 – “*High Areal Density Thin Magnetic Head*”) – On December 14, 1998, Seagate’s IP Department informed Dr. Shukh that [REDACTED]
[REDACTED], for which a Provisional Patent Application had been filed, and for which Dr. Shukh had received an invention award. On October 12, 1999, Seagate in fact filed a Utility Patent Application for that invention, omitting him as an inventor. Seagate never informed Dr. Shukh of that Patent Application or his omission from it. (App. 55a-56a, A562-66.)

A copy of that invention award is also in the record. (A5116.)

This is the only patent at issue for which Dr. Shukh signed a separate invention assignment. (A566.)

- 114 and 236 Patents (US 6,548,114 – “*Method of Fabricating a Spin Valve/GMR Sensor, etc.*”; & US 6,738,236 – “*Spin Valve/GMR Sensor, etc.*”) – On January 8, 1999 and May 6, 1999, Seagate’s IP Department filed Utility Patent Applications for two of Dr. Shukh’s 1997 and 1999 inventions. The Applications wrongly omitted him as an inventor. Seagate’s IP Department concealed those Applications from him and never informed him that they had been filed or that he had been omitted as an inventor. (App. 55a-56a, A566-69.)

- Other Inventions – Seagate engaged in similar shenanigans regarding other of Dr. Shukh’s “A-Writer” invention for which Seagate fraudulently omitted him from at least five patent applications that matured into additional issued patents, one that was included in the Third Amended Complaint. (App. 163a-166a, A569-77.)

As explained below, these are grave violations of patent law and practice. *See* Argument, *infra*, at p. 34.

E. Seagate’s Admissions.

Seagate admits virtually all the documents showing Dr. Shukh’s inventorship and the applications omitting him, as well as the invention awards, but has never offered any explanation or justification of its actions or these events. (A5347-50, A5350-58, A5358-66, A5366-74, A5374-83.)

F. Dr. Shukh’s discovery of Seagate’s fraud and concealment.

Dr. Shukh had a long history of attempts at protecting his inventorship rights inside Seagate, efforts that unfairly gained him the supposed reputation as a difficult employee which the District Court and Federal Circuit stressed in their rulings. (App. 4a, 94a.)

In 2006 and 2007, Dr. Shukh discovered that contrary to what he had been told, Seagate had in fact filed patent applications for his inventions but had omitted him as an inventor, including those for which he had received invention awards. (App. 166a, A532, A557, A559, A562, A566, A571, A575.). *See* Discussion re ‘150 Patent and other inventions, *supra*, p. 11.

G. Dr. Shukh's communications with Seagate's CEO and General Counsel.

Dr. Shukh attempted to rectify the situation internally. As a last resort, he emailed Bill Watkins, Seagate's CEO, and Ken Massaroni, its V.P. of Intellectual Property (who soon thereafter became General Counsel), complaining about the violation of his (Dr. Shukh's) inventorship rights. One of the two inventions he complained about was the subject of an application still pending at the PTO – U.S. Patent Application Number 10/881,015 that later issued as the '150 Patent. *See* Discussion of '150 Patent, *supra* at p. 11. Dr. Shukh's emails attached [REDACTED], including copies of [REDACTED] (App. 55a-58a, App. 162a, A562, A3717-22.)

Massaroni has extensive background and qualifications as a patent lawyer including experience with and knowledge of patent prosecution, inventorship issues, and inventorship litigation. (A5930-64.)

After a long delay, but after communicating with internal patent counsel, Massaroni rejected Dr. Shukh's complaints without mentioning the [REDACTED] attached to Dr. Shukh's original email. (App. 55a-58a, A3717.)

In his deposition, Massaroni admitted that neither he nor Seagate notified the PTO of Dr. Shukh's inventorship claims even as to the application that was pending when Massaroni became aware of Dr. Shukh's inventorship claims. That failure is itself another violation of PTO Practice Rules. *See* Argument, *infra*, at pp. 33-34. Massaroni refused on attorney-client privilege grounds to say

why, and Seagate has never explained that wrongdoing either. (App. 56a, A5960-61.)

IV. The District Court's Rulings.

On March 31, 2011, the District Court ruled on Seagate's dismissal Motion and other matters. (App. 96a.)

First, the District Judge applied the "automatic assignment" rule of *FilmTec* and held that Dr. Shukh had no economic standing to seek correction of inventorship because his Employment Agreement said he had "hereby assign[ed]" his inventions to Seagate. (App. 169a-174a.) But, under *Chou v. Univ. of Chicago*, 254 F.3d 1347, 1358 (Fed. Cir. 2001), the District Court denied dismissal of the Correction of Inventorship Claim, based on the allegations of "reputational interests" that is, that Dr. Shukh might have standing because his omissions from the patents might have damaged his reputation (App. 174a-175a), a claim later dismissed on summary judgment. *See* Discussion, *infra*, at p. 16.

The Court also dismissed the claims for Rescission (Claim Three), Breach of the Employment/Assignment Agreement (Claim Four), and Breach of Fiduciary Duty (Claim Six), Unjust Enrichment (Claim Seven), and Interference with Business Expectancy (Claim Eight), holding essentially that (1) Seagate committed no wrongdoing by omitting Dr. Shukh from its patent applications for his inventions, and (2) the obligations of the Patent

Act requiring that it do so could not be read into that Agreement. (App. 177a-180a, 182a-186a.)⁵

On July 18, 2011, soon after this Court decided *Stanford*, Dr. Shukh sought reconsideration of the *FilmTec* dismissal.⁶ The District Court denied that request on the grounds that the *Stanford* Dissent and Concurrence had no controlling weight. (App. 155a.)

Then, on October 18, 2011, the District Court denied Dr. Shukh's request to certify the issue for an interlocutory appeal to the Federal Circuit, ruling that it was not a controlling issue of law because Dr. Shukh still had a "reputational standing" claim to correct inventorship. (App. 146a.)

But then on March 25, 2013, the District Court granted summary judgment for Seagate on that "reputational standing" issue, ruling that Dr. Shukh had suffered no reputational injury and therefore had no standing under *Chou* to seek ownership of the patents or Section 256 Correction of inventorship. (App. 96a.)

The District Court's final ruling was the March 30, 2014 grant of summary judgment against Dr. Shukh's national origin discrimination and retaliation claims (App. 23a), which concluded with the observation that a reasonable jury could determine that his time at Seagate was "rife with conflicts and that Seagate may have mistreated" him, not because

⁵ Finally, the Court also let the discrimination and retaliation claims stand. (App. 186a-192a.) They were dismissed on summary judgment by the last ruling of the District Court on March 30, 2014. (App. 23a.)

⁶ Dr. Shukh filed an amicus brief in *Stanford*, and it was cited in passing in Justice Breyer's Dissent. 131 S. Ct. at 2204.

he was Belarusian but because he urgently sought to protect his credit for his work. (App. 4a, 94a.)

Dr. Shukh's appeal to the Federal Circuit followed.

V. The Federal Circuit's Rulings.

Because Federal Circuit panel opinions can only be overruled by the full Court of Appeals,⁷ before appellate briefing began, Dr. Shukh petitioned to hear the *FilmTec* issue en banc. The full Court denied the Petition, ruling that “[t]he appeal will be heard by a panel.”⁸ (App. 19a.)

Dr. Shukh then unsuccessfully attacked *FilmTec* in his briefs to the panel, which, in its October 2, 2015 merits opinion briefly summarized his argument and then ruled:

As a panel, we are bound by *Filmtec*; we cannot overrule that holding without en banc action. (App. 8a.)

The panel then concluded that Dr. Shukh had raised sufficient factual issues entitling him to a contested evidentiary hearing on his “reputational standing,” reversing the District Court’s March 25, 2013 summary judgment against him on that point. (App. 8a-18a.) This sent Dr. Shukh back to an evidentiary hearing at which Seagate can contest standing that he should be entitled to as a matter of law. Furthermore, the Federal Circuit’s narrow “reputational standing” ruling ignored and thus

⁷ *Mercier v. U.S.*, 786 F.3d 971, 981 (Fed. Cir. 2015).

⁸ The denial order cited Federal Circuit Rule 35(a)(1) that allows an appellant to argue to a panel that a precedent be overruled.

struck a death blow to Dr. Shukh's claim to ownership of the inventions and patents.

So, Dr. Shukh tried again, unsuccessfully petitioning for en banc review of the *FilmTec* question. On December 17, 2015, the full Court denied that Petition as well, again without the explanation that Justice Breyer's Dissent in *Stanford* had called for. (App. 200a.)

This Petition followed.

REASONS FOR GRANTING THE PETITION

Petitioner respectfully submits that the "automatic assignment" rule of *FilmTec* is contrary to well-established patent law and ancient but still vibrant rules of Equity, defies common sense and plain English, and degrades the purpose of the Constitution's Patent Clause and the text and the policies underlying Patent Act.

The District Court's and Federal Circuit's adherence to *FilmTec* denies Dr. Shukh his ownership rights in the inventions and Patents, and subject what should be his unconditional Section 256 statutory right to correct inventorship to the vagaries of an evidentiary hearing in which Seagate, the admitted wrongdoer, has a say as to his reputational standing.

I. The Default Rule of Patent Ownership Is That All Rights in an Invention Belong to the Inventor, Even When the Inventor is Employed by Another.

"Since 1790, the patent law has operated on the premise that rights in an invention belong to the inventor. ... Although much in intellectual property law has changed in the 220 years since the first Patent Act, the basic idea that inventors have the right to

patent their inventions has not. ... [This Court's] precedents confirm the general rule that rights in an invention belong to the inventor." *Stanford*, 131 S. Ct. at 2192, 2194-95.

The Federal Circuit has stated the matter as follows: "It is a bedrock tenet of patent law that 'an invention presumptively belongs to its creator,' that is, the inventor. *Israel Bio-Engineering Project v. Amgen Inc.*, 475 F.3d 1256, 1263 (Fed. Cir. 2007) (quoting *Teets v. Chromalloy Gas Turbine Corp.*, 83 F.3d 403, 406 (Fed. Cir. 1996)).

This is so even if the inventor works as an employee for someone else and invents something during his term of employment. *Hapgood v. Hewitt*, 119 U.S. 226 (1886); *Dalzell v. Dueber Watch Case Mfg. Co.*, 149 U.S. 315, 320 (1893). "[D]ue to the peculiar nature of the act of invention," the courts have been reluctant "to imply or infer an agreement by the employee to assign his patent." *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 188 (1933). In this situation, all the employer gets is a non-transferable "shop right" to practice the invention, *Dubilier Condenser*, 289 U.S. at 196, and the employee/patentee remains free to license or assign the patent to others including competitors of the employer.

But this case involves the construction of a contract—the Employment/Assignment Agreement—by which Dr. Shukh has been held to have assigned his future inventions to Seagate. As also noted in *Stanford*, "[i]t is equally well established that an inventor can assign his rights in an invention to a third party." *Stanford*, 131 S. Ct. at 2195 (quoting *Dubilier Condenser Corp.*, 289 U.S. at 187 ("A patent

is property and title to it can pass only by assignment”); 8 *Chisum on Patents* § 22.01, at 22-2 (2015) (“The inventor . . . [may] transfer ownership interests by written assignment to anyone”).)

And, reflecting long-standing common law, Section 261 of the Patent Act, 35 U.S.C. § 261, provides that “[s]ubject to the provisions of [the Patent Act], patents shall have the attributes of personal property,”⁹ and that “[a]pplications for patent, patents, or any interest therein, shall be assignable in law by an instrument in writing.”

Thus, based on *FilmTec*’s “automatic assignment” rule, Seagate has successfully divested him of his default ownership with hardly any judicial consideration of, or even reference to, its wrongdoing omitting him from the patent applications, and concealing that omission from him.

Therefore, this case falls within the interstices of these doctrines raising the question of whether the law will recognize the immediate transfer of

⁹ The description of patents as “personal property” was first inserted in the United States statutes in the Patent Act of 1952, Pub. L. No. 82-593, 66 Stat. ch. 590, 792, 810 (1952). The Revision Notes of the Senate Report state that this provision “is new but is declaratory only.” S. Rep. No. 82-1979 at 27 (1952), *reprinted in* 1952 U.S.C.C.A.N. 2394, 2420. Declaratory of the common law no doubt. Cf. *Taylor v. Crain*, 224 F.2d 237, 240-41 (3d Cir. 1955) (a right of common law nature further embodied in statutory terms exists as an enforceable right exclusive of the statute declaratory of it). *See also*, 1A Norman J. Singer and J.D. Shamle Singer, *Sutherland on Statutory Construction* §§ 26:1 - 26:7 (7th ed. 2009).

ownership of an invention before the invention is conceived and comes into actual existence.¹⁰

The only sensible answer is no.

II. Under the *FilmTec* “automatic assignment” Rule, Title to an Invention Passes Before the Invention is Conceived and Comes Into Existence.

Applying *FilmTec*, the District Court held that because the Employment Agreement used the words “hereby assign,” it effected a present assignment of future inventions even though those inventions had not been conceived and did not exist at the time the Agreement was signed. Thus, ruled the District Court,

¹⁰ An additional wrinkle is the mix of choice of law rules applicable to patent ownership questions. Obviously the default rule of *Hapgood* and *Dalzell*, a federal rule over 100 years old, applies when there is no contract between the inventor and employer. But the Federal Circuit has held that when there is a contract, “the question of who owns the patent rights and on what terms typically is a question exclusively for state courts.” *Jim Arnold Corp. v. Hydrotech Sys.*, 109 F.3d 1567, 1572 (Fed. Cir. 1997); see also *MyMail, Ltd. v. Am. Online, Inc.*, 476 F.3d 1372, 1376 (Fed. Cir. 2007).

However, the Federal Circuit has engrafted an important exception onto that rule that applies here, holding that the question of whether contractual language effects a present assignment of patent rights, or is merely an agreement to assign rights in the future, is resolved by Federal Circuit law. *DDB Techs., L.L.C. v. MLB Advanced Media, L.P.*, 517 F.3d 1284, 1290 (Fed. Cir. 2008). See also *Stanford*, 583 F.3d 832 (Fed. Cir. 2009), *aff’d*, 131 S. Ct. 2188 (2011).

Although one Judge of the Federal Circuit has criticized this rule, *DDB Techs.*, 517 F.3d at 1296-97 (Newman, J., dissenting), it is well-established as Federal Circuit doctrine.

The parties and the District Court accepted the principle that *FilmTec* is a rule of federal law. (App. 171a-172a.)

under *FilmTec*, that assignment of future non-existent inventions automatically transferred legal title to Dr. Shukh's inventions to Seagate from the moment they came into being, even though that creation occurred years after the Employment Agreement was signed. (App. 169a-174a.)

Since *FilmTec* was decided in 1991 it has been repeatedly reaffirmed by the Federal Circuit, always without explanation, but with an odd twist. On the one hand, as in *FilmTec*, the Federal Circuit has repeatedly ruled that employee/inventors whose agreements used the phrase "hereby assign" automatically conveyed legal title to a non-existent invention once it comes into existence. *See, e.g., DDB Techs.*, 517 F.3d at 1290; *Speedplay, Inc. v. Bebop, Inc.*, 211 F.3d 1245, 1253 (Fed. Cir. 2000); *Imation Corp. v. Koninklijke Philips Elecs. N.V.*, 586 F.3d 980, 986 (Fed. Cir. 2009) *See also* the Federal Circuit's Opinion in *Stanford*, 583 F.3d at 841. This is the rule that the District Court followed here.

But, on the other hand, the Federal Circuit has also ruled that the slightly different contractual language "will assign" or "hereby agree to assign" connotes only an intention to make a future assignment, does *not* automatically transfer ownership at the time of the agreement, and requires a future act of transfer when the invention comes into existence. Thus, for example, in *IpVenture, Inc. v. Prostar Computer, Inc.*, 503 F.3d 1324, 1327 (Fed. Cir. 2007) the Federal Circuit interpreted the contractual language "agree to assign" to mean merely "an agreement to assign" in the future requiring a subsequent written instrument. Similarly, *Arachnid, Inc. v. Merit Indus., Inc.*, 939 F.2d 1574, 1580-81 (Fed.

Cir. 1991), held that “will be assigned” language does not create “a present assignment of an expectant interest.”

Thus, the *FilmTec* rule purports to discern a metaphysical difference between assignment language of “I hereby assign,” on the one hand, and “I will assign,” on the other. *FilmTec* and its odd progeny hold that the former connotes a present assignment, whereas the latter connotes only a promise to assign in the future. Thus, an inventor who uses the former “I hereby assign” terminology is divested of all ownership and has nothing further to convey, but the inventor who merely agrees that he or she “will assign” transfers nothing.

This strange dichotomy makes no sense.

III. As pointed out by three Justices of this Court in *Stanford*, *FilmTec*’s “Automatic Assignment” Rule Requires Re-evaluation.

FilmTec has been thrown into substantial question by the Dissent and Concurrence in *Stanford*, 131 S. Ct. at 2199 & 2203.

As the Dissent by Justice Breyer, joined by Justice Ginsburg, noted, when *FilmTec* was decided in 1991, the “automatic assignment” rule it announced seemed contrary to the long-standing rules of title then in existence. 131 S. Ct. at 2203. The Dissent noted that in adopting the “automatic assignment” rule, *FilmTec* “provided no explanation for what seems a significant change in the law.” The Dissent also noted that by pinning this new rule of title to “slight linguistic differences in the contractual language,” *Id.* at 2202-03, *FilmTec*’s rule seems to make “too much of too little,” and therefore “remains

a technical drafting trap for the unwary.” *Id.* Thus, the Dissent tentatively concluded, it seems much more preferable to treat contracts of assignments, such as that at issue in this case, as “creating merely equitable rights.” *Id.*

Justice Sotomayor’s Concurrence briefly expressed the same concerns. *Id.* at 2199.

Moreover, because the Opinion of the Court expressly reserved decision on that important question. 131 S. Ct. at 2194, n.2, both the Dissent and Concurrence noted that reconsideration of *FilmTec* could be properly presented in a future case. *Id.* at 2199 & 2204-05.

This is that case.

IV. *FilmTec*’s “Automatic Assignment” Rule Is Contrary to Long-Standing Rules of Equity and Law.

This “automatic assignment” rule, never explained by *FilmTec* or any subsequent decision, is substantially contrary to common sense, plain English, traditional rules of Equity, and modern-day contract law.

As Justice Breyer noted, the *FilmTec* rule is troubling because it massively inflates the importance of trivial differences in contractual assignment language which, in substance, are identical in purpose and meaning. Indeed, both variants in fact state the *intention* to assign in the future an invention that does not exist at the time those phrases are used, and that may perhaps come into existence at a later time. The obvious fact that the invention does not exist at the time of the assignment must mean that both phrases—“hereby assign” and “will assign”—denote merely the

intention to transfer a future, non-existent invention when it is created and comes into existence, and not a present assignment of a non-existent invention as *FilmTec* holds.

This common sense, plain English construction has been reflected in Equity and Law for more than a century and a half.

First, before *FilmTec*, it had long been held that a present assignment of future inventions conveyed merely equitable rights, not legal title. *Stanford*, 131 S. Ct. at 2203 (Breyer, J. dissenting) (citing G. Curtis, *A Treatise on the Law of Patents for Useful Inventions* § 170, p. 155 (3d ed. 1867)).

Second, *FilmTec* is contrary to early patent decisions of this Court which, under the predecessor to Section 261, held that when a party acquires “an inchoate right to [a patent], and the power to make that right perfect and absolute at his pleasure, the assignment of his whole interest, whether executed before or after the patent issued” falls within the statute. *Gayler v. Wilder*, 51 U.S. (17 Wall.) 477, 493 (1850) (interpreting assignment language of Section 11 of the Patent Act of 1836, Act of July 4, 1836, ch. 357, § 11, 5 Stat. 121). *See also Railroad Co. v. Trimble*, 77 U.S. (10 Wall.) 367 (1870) (assignment of patent extension); *Nicolson Pavement Co. v. Jenkins*, 81 U.S. (14 Wall.) 452 (1872) (assignment of reissued patent).

Thus, *Gayler* recognized that an assignment of a patent must be preceded by and based upon a prior “inchoate right” and “the power to make that right perfect.” *Gayler*, 51 U.S. at 493. But *Gayler* and its progeny are based on the necessary precondition that the invention for which the future patent right is

sought, actually exists. This is the case because one cannot apply for a patent on an as yet non-existent invention. This precondition has always been fundamental in Equity and the law of personal property.

Indeed, the great commentators on Equity Jurisprudence deemed it “elementary” that a contract for the sale of a chattel that a seller did not own did not pass legal title to the buyer without some new act by the seller after the property was acquired. 3 *Pomeroy on Equity Jurisprudence* § 1287, at 3094 & § 1288, at 3098-99 (4th ed. 1918). The assignment of personal property to be acquired at a future time was held to operate only as an equitable assignment, vesting only equitable ownership in the purchaser when the property was acquired by the vendor. This ownership right was fully protected by the equity courts upon suit by the equitable assignee. *Id.*

In truth, although a sale . . . of property to be acquired in the future does not operate as an immediate alienation at law, it operates as an equitable assignment of the *present possibility*, which changes into an assignment of the *equitable ownership* as soon as the property is acquired by the vendor. *Id.*, pp. 3103-04. (emphasis in original).

No less an authority than Justice Joseph Story unequivocally announced the same principle as the rule. 2 Joseph Story, *Equity Jurisprudence*, § 1040, p. 407 (6th ed. 1853). Until property comes into existence, the assignee “has nothing but the contingency, which is a very different thing from the right immediately to recover and enjoy the property.”

Id., § 1040*b*, p. 411. “It is not an interest in property; but a mere right under the contract . . . for in the contemplation of Equity, it amounts, not to an assignment of a present interest, but only to a contract to assign when the interest becomes vested.” *Id.*

Fourth, modern contract law and the law of personal property have applied the same principle that a present assignment of personal property operates merely as a contract to assign. In order to effect transfer of personal property, the property to be transferred must have an actual or potential existence at the time of transfer. And in order to perfect the transfer, affirmative action is required once the capacity to transfer has arisen. *Stathos v. Murphy*, 276 N.Y.S.2d 727, 730 (App. Div. 1966), *aff’d*, 227 N.E.2d 880, 227 N.E.2d 880 (1967). *See also Ingersoll-Rand Co. v. Ciavatta*, 110 N.J. 609, 624, 542 A.2d 879, 886 (1988) (involves post-employment inventions but discusses development and scholarly treatment of doctrine).

Corbin on Contracts is to the same effect: “Courts recognize assignments of interests that do not exist [that are but] mere expectancies and therefore take effect as ‘equitable assignments’ when the right assigned comes into existence.” 9 John E. Murray, Jr., *Corbin on Contracts* Vol. 9 § 50.2 at 229 (rev. ed. 2007).

This principle is reflected in Section 2-105(2) of the UCC of Minnesota, where the events in this case occurred:

Goods must be both existing and identified before any interest in them can pass. Goods which are not both existing and identified are “future”

goods. A purported present sale of future goods or of any interest therein operates as a contract to sell. Minn. U. Comm. Code § 336.2-105(2).

Citing that UCC section, *Williston on Contracts* teaches that “a present assignment in gross of a patent and all future patents on improvements on the device operates as a contract to assign such future patents.” 6 Richard A. Lord, *Williston on Contracts* § 13:17, at 755 (4th ed. 2009).

Because Patent Law has long treated patents and all interests therein as having the attributes of personal property, a rule now enshrined in 35 U.S.C. § 261, these rules should have continuing and controlling force here.

Finally, as noted by Justice Breyer, *Stanford*, 131 S. Ct. at 2203, not only did *FilmTec* fail to explain its seemingly significant change in the law, the Federal Circuit has never explained it. This is especially troubling because at least one other decision of that court significantly undermines *FilmTec*'s “automatic assignment” rule. Quoting the same Treatise by George Curtis that Justice Breyer cited in his Dissent in *Stanford*, the Federal Circuit's decision in *Arachnid, Inc. v. Merit Indus., Inc.*, 939 F.2d at 1581, stated as follows:

Although an agreement to assign in the future inventions not yet developed may vest the promisee with equitable rights in those inventions once made, such an agreement does not by itself vest legal title to patents on the inventions in the promisee: “The *legal* title to an invention can pass to another only by a conveyance

which operates upon the thing invented after it has become capable of being made the subject of an application for a patent.” G. Curtis, *A Treatise on the Law of Patents* § 170 (4th ed. 1873) (emphasis in original) (indentation altered).”

Arachnid and *FilmTec* cannot be reconciled. Not only is *FilmTec* contrary to long-standing rules of Equity and Law, it directly conflicts with another decision of the Federal Circuit.¹¹

Petitioner respectfully submits that this Court must step in and reconsider *FilmTec*’s ill-advised rule.

V. *FilmTec*’s “Automatic Assignment” Rule is Likely to Have a Substantial Deleterious Effect on the Ownership of a Vast Number of Inventions and Patents.

Patent Office statistics show that of the 300,678 utility patents granted in 2014, only 19,294 (6.42%) were issued to individual inventors at the time of grant; the rest were granted to organizations to whom the inventors assigned ownership.¹² Of course, while

¹¹ This intracircuit conflict is an additional ground for review by certiorari because the conflict occurs within the circuit most frequently confronted with this issue, *Maggio v. Zeitz*, 333 U.S. 56, 59-60 (1948), and because the question presented by this intracircuit conflict is one of importance. *John Hancock Mut. Ins. Co. v. Bartels*, 308 U.S. 180, 181 (1939). See also *Dickinson v. Petroleum Conversion Corp.*, 338 U.S. 507, 508 (1950) (certiorari proper where intracircuit conflict involves important question).

¹² Compare: U.S. Patent and Trademark Office Patent Technology Monitoring Team Statistical Reports—*Patent Counts By Class By Year – Independent Inventors*, www.uspto.gov/web/offices/ac/ido/oeip/taf/cbcbby_in.htm, with

organizations were the assignees of the patents, the listed “inventors are the individuals that conceive of [a] invention . . . [and] must be natural persons.” *Univ. of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften E.V.*, 734 F.3d 1315, 1323 (Fed. Cir. 2013). But, it is generally accepted that “the great majority of contemporary inventors create new technologies while serving as employees, usually of large corporate entities.” Roger Schechter & John Thomas, *Principles of Patent Law* 378 (2d ed. 2004); see also *Ingersoll-Rand*, 110 N.J. at 624, 542 A.2d at 886. Thus, rules of construction of invention assignment agreements between inventors and their employers reach far beyond the confines of this case.

As a result of this important reality, there are likely many time-bombs buried in the employment and assignment agreements of universities and businesses, some saying “hereby assign” and others “will assign.”

On the one hand, because an agreement says “will assign,” organizations that have expended substantial resources patenting protection faculty or employee inventions face the realistic risk of divestiture of those patents, or even whole patent portfolios, because the faculty/inventors or employee/inventors were free to assign the invention and patents to someone else, accidentally, or worse, intentionally.¹³ This is precisely what happened in

Table of Annual U.S. Patent Activity Since 1790, www.uspto.gov/web/offices/ac/ido/oeip/taf/h_counts.htm. (both last visited March 7, 2016).

¹³ The Court’s questioning during the oral argument of *Stanford* explored the possibility of using these slight differences in

Stanford. See Federal Circuit’s Opinion in *Stanford*, 583 F.3d at 841.

Or, in a different context, there are likely a large number of inventors who spent years and great expense developing, patenting, and commercializing inventions they rightly believed to be theirs based on the default rule of ownership, only to be abruptly divested of that ownership by a prior employer which had long ago eschewed any claim to the invention and now-valuable patents but which suddenly decided to claim the invention based on the contractual “hereby assign” language in a long-stale employment agreement. See *Picture Patents, LLC v. Aeropostale, Inc.*, 788 F. Supp. 2d 127 (S.D.N.Y. 2011), *aff’d without opinion*, 469 Fed. Appx. 912 (Fed. Cir.), *cert. denied*, 133 S. Ct. 652 (2012).

Thus, Professor Chisum has criticized “the Federal Circuit’s excessively technical application of the standing requirement,” and noted that “[t]here is little justification for the Federal Circuit’s application of its own law to upset ownership interests traditionally and appropriately grounded in general legal principles of contract, property and employment law.” 8-22 *Chisum on Patents* § 22.03[1][k][v], p. 22-89 (2015).

The correct rule, which Petitioner will urge the Court to adopt, is that an agreement purporting to assign ownership of an invention that does not yet exist conveys only equitable rights, not legal title, which must be conveyed by an additional act once the

contract language to evade the requirements of the Bayh-Dole Act, 35 U.S.C. §§ 200-212, and deny the government title to federally-funded inventions. Transcript of Feb. 28, 2011 Oral Argument at 37-43, *Stanford* (No. 09-1159).

invention comes into existence if the equities justify that subsequent transfer. This will allow the courts of equity to balance competing claims of ownership based on the facts and equities that occur both before and after the invention is created. And here, given Seagate's extensive wrongdoing, those equities strongly bear in favor of correcting inventorship to add Dr. Shukh and re-confirming his title, which he never transferred, to both the inventions and patents.

Requiring putative assignees like Seagate to take the additional affirmative steps of conveyance to perfect legal title will not interfere with the rights of employers to their employees' inventions. Once an invention comes into existence, employers merely need obtain a formal assignment from the employee. This is nothing new. In fact, the PTO's Rule 3.73(b)(1)(i), 37 C.F.R. § 3.73(b)(1)(i), requires any patent applicant to establish the right to prosecute the patent application by submitting sufficient documentary proof of ownership including "[d]ocumentary evidence of a chain of title from the original owner to the assignee (*e.g.*, copy of an executed assignment)." *See also* 35 U.S.C. § 118 "Filing by Other Than Inventor."¹⁴

Furthermore, *FilmTec's* failure to insist on such a formal assignment makes the assignment and

¹⁴ The Leahy-Smith America Invents Act of 2011 slightly amended Section 118 by eliminating an inventor's refusal to submit a patent application, or his or her absence, as preconditions for an assignee to prosecute a patent application. Pub. L. No. 112-29, 125 Stat. 284 §4(a)(1) (2011). Of course, even with that change, Section 118 does not permit an assignee to falsely omit the true inventor from the applications.

title records of the PTO completely worthless. *See* 37 C.F.R. Ch. 300, §§ 301-24, entitled “Ownership and Assignment” (setting forth requirements for recordation of assignment).¹⁵ How many patents and patent assignments are recorded at the PTO which are subject to an ancient and surprise claim of ownership by a former employer because an agreement buried in its files says “hereby assign.” Conversely, how many universities or employers think that they own patents, and have recorded their ownership documents at the PTO, when in fact their original agreements contain the “will assign” language and the inventor has transferred it on to someone else who will be ultimately held to be the owner? Probably thousands in each instance.

Either factual situation completely destroys the effective notice the PTO’s assignment records are intended to provide. As Professor Chisum has noted, this “uncertainty endangers the reliance interests of patent owners.” 8-22 Chisum, *supra*, § 22.03[1][k][v] at p. 22-89. As a matter of common sense and experience, it must also threaten the interests of innocent third parties, such as patent licensees, lenders, and other lien holders. This should obviously be a matter of grave concern to the PTO.

This is an intolerable situation.

VI. Given Seagate’s violations of law, the Equities Clearly Favor Dr. Shukh’s Ownership Claim.

Under a proper construction of the assignment language of Dr. Shukh’s Employment Agreement, all

¹⁵ The PTO assignment records from 1980 can be searched at <http://assignment.uspto.gov/> (last visited March 7, 2016).

Seagate received was at most an equitable right, one that should have been balanced against his legal title and his much more compelling equitable rights to ownership. Moreover, whatever the language of the agreement, Dr. Shukh's Section 256 inventorship rights should have remained inviolate. The rulings of the courts below were erroneous because consideration of the competing equities of the parties were ignored.

As noted above, *supra* at page 19, *Dubilier Condenser*, 289 U.S. at 188, teaches that the courts have been reluctant "to imply or infer an agreement by the employee to assign his patent."

But *FilmTec's* anti-inventor "automatic assignment" rule does not reflect that reluctance at all, and instead guillotines an inventor's rights out of existence by failing to consider competing equities based on events occurring after the execution of the assignment agreement.

VII. *FilmTec's* "Automatic Assignment" Rule Wrongly Extinguishes Employee/Inventors' Section 256 Rights.

Worst of all, the *FilmTec* rule divested Dr. Shukh of his Section 256 right to correct inventorship based on the odd idea that the phrase "hereby assign" transferred his non-existent inventions to Seagate, leaving him without any concrete interest in the inventions or patents, thus supposedly depriving him of Article III standing to pursue his statutory right to correct inventorship. That result mirrors identical results in an unbroken line of Federal Circuit cases. See, e.g., *Larson v. Correct Craft, Inc.*, 569 F.3d 1319 (Fed. Cir. 2009); and *Stanford*, 583 F.3d at 841.

It is difficult to conjure up a more anti-inventor rule that is so starkly destructive of the purposes of the Patent Clause of the Constitution and implementing laws. After all, the central purpose of American Patent Law is to protect an inventor's rights. "[T]he primary purpose of our patent laws is not the creation of private fortunes for the owners of patents but is 'to promote the progress of science and useful arts.'" *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 511 (1917). The Patent Clause grants Congress the power to grant patents to inventors. U.S. Const., Art. 1, Sec. 8. Patents must always be issued in the inventors' names, and with some exceptions that do not pertain here, the inventor must swear an oath that he or she is the inventor. See 35 U.S.C. §§ 111, 115, and 116.

Most egregious are the facts that Seagate defrauded Dr. Shukh, an unfairly reviled and mistreated employee, whose efforts to claim rightful credit for his inventions gave him the undeserved reputation of a troublemaker. Seagate promised to patent his inventions with him as inventor or co-inventor, but then abruptly changed course, falsely told him it had abandoned patenting, but then filed applications omitting him.

There is no greater sin in Patent Law. The Constitution permits the granting of patents only to inventors, an inviolate right. U.S. Const., Art. I, Sec. 8. Thus, the Patent Act mandates that only a true and original inventor may obtain a patent. 35 U.S.C. §§ 102(f), 111, 115, 116 & 256; 1-2 *Chisum on Patents* § 2.01 (2015).

Moreover, Regulation Section 1.56(a) of the Patent Regulations, 37 C.F.R. § 1.56(a), imposes an

affirmative duty of disclosure on patent applicants and all individuals involved in the prosecution of the applications. Each person associated with the filing and prosecution of a patent application is held to the highest standards of honesty and candor. *Avid Identification Sys. v. Crystal Imp. Corp.*, 603 F.3d 967, 973 (Fed. Cir. 2010); *Bruno Indep. Living Aids v. Acorn Mobility Servs.*, 394 F.3d 1348, 1350 (Fed. Cir. 2005). In this case, that includes Seagate's General Counsel Massaroni, who sat at the company's highest levels.

The duty of candor continues until the application is either denied, cancelled, withdrawn, or abandoned. *Evident Corp. v. Church & Dwight*, 399 F.3d 1310, 1316 (Fed. Cir. 2005). As a matter of law, competing claims of inventorship are material and fall within Section 1.56 because inventorship is "the most critical information." *Advanced Magnetic Closures, Inc. v. Rome Fastener Corp.*, 607 F.3d 817, 828 (Fed. Cir. 2010).

This duty of disclosure includes "[e]very other person who is substantively involved in the preparation or prosecution of the application and who is associated with the inventor, with the assignee or with anyone to whom there is an obligation to assign the application." 37 C.F.R. § 1.56(a). "Substantively involved" means that "the involvement relates to the content of the application or decisions related thereto," and not wholly administrative or secretarial. *Avid*, 603 F.3d at 974. Thus, Seagate's IP personnel and Massaroni himself were under that duty of disclosure.

Therefore, once Massaroni learned of Dr. Shukh's inventorship claims, he was required to

notify the PTO even if Seagate disputed those claims. The PTO's Manual of Patenting Examination Procedure § 2001.04, p. 2000-3, requires that competing inventorship claims for pending applications be disclosed.

To allow Seagate to escape accounting for this wrongdoing because of the odd *FilmTec* rule is unthinkable.

FilmTec is wrong and must be overruled.

VIII. This Case is a Suitable Vehicle for Review of the *FilmTec* “Automatic Assignment” Rule.

Review of this case is appropriate even though there is no opinion by the Federal Circuit.

First, the issue is extremely important.

Second, the facts clearly frame the issue presented.

Third, the district court's opinion contains a sufficient explication and application of the *FilmTec* “automatic assignment” rule that Petitioner attacks.

Fourth, by two en banc petitions and his brief to the panel, the Federal Circuit had three opportunities to reconsider *FilmTec* but chose not to.

Fifth, as pointed out above, *supra*, at page 22, the Federal Circuit has repeatedly reaffirmed *FilmTec*, each time without the explanation called for by Justice Breyer in *Stanford*.

Sixth, because appellate jurisdiction in patent cases is exclusively vested in the Federal Circuit, it is almost certain that no other courts of appeals will have the occasion to consider this issue, and none other than the Federal Circuit has.

Seventh, *FilmTec* conflicts with another Federal Circuit decision. *Arachnid*, 939 F.2d at 1581. See footnote 11, *supra* at page 29.

Eighth, because this is a review of dismissal, the record is simplified and presents a de novo review of a legal question based on allegations of an Amended Complaint, uncluttered by factual disputes or technical issues.

Finally, the sealed portions of the record will not at all interfere with the resolution of the issue presented because the essential facts are in the public record. See footnote 3, *supra*, at p. 5.

All these factors strongly militate in favor of review.

CONCLUSION

The petition for a writ of certiorari should be granted.

March 16, 2016.

Respectfully submitted,

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