No. 07-1437

In the Supreme Court of the United States

CARLSBAD TECHNOLOGY, INC.,
Petitioner,
v.
HIF BIO, INC. AND BIZBIOTECH CO. LTD.
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

RESPONDENTS' BRIEF IN OPPOSITION

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QUESTION PRESENTED

1. Whether 28 U.S.C. § 1147(c), which provides, *inter alia*, that "[i]f at any time before final judgment it appears that the district court lacks subject matter jurisdiction, the case shall be remanded," and 28 U.S.C. § 1447(d), which provides, *inter alia*, that "[a]n order remanding a case to the State court from which it was removed is not reviewable on appeal or otherwise," bar the appellate review of the district court's order (a) declining to exercise supplemental jurisdiction over a case arising out of a dispute over the ownership of an invention pursuant to 28 U.S.C. § 1367(c), and (b) remanding the same back to state court.

PARTIES TO THE PROCEEDING

Respondents HIF Bio, Inc. and BizBiotech Co. Ltd. state that all parties to the proceeding in the court of appeal that are interested in the outcome of this petition do appear in the caption of the case on the cover page.

RULE 29.6 STATEMENT

Respondents HIF Bio, Inc. and BizBiotech Co. Ltd. state that all parties to the proceeding in the court of appeal that have an interest in the outcome of this petition do appear in the caption of the case on the cover page.

Respondent HIF Bio, Inc. states that all of its parents companies and any publicly-held companies that own 10% or more of the said respondent's stock are as follows: BizBiotech Co. Ltd.

Respondent BizBiotech Co. Ltd. states that all of its parents companies and any publicly-held companies that own 10% or more of the said respondent's stock are as follows: Korea Schnell Pharmaceutical Co. Ltd.

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RESPONDENTS' BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI

Respondents HIF Bio, Inc. and BizBiotech Co. Ltd. (collectively, "Respondents" or "HIF Bio") respectfully submit their brief in opposition to Petitioner CTI's petition for a writ of certiorari seeking review of the decision of the U.S. Court of Appeals for the Federal Circuit.

STATEMENT OF THE CASE

This case arises out of a dispute over the ownership of a potential cancer drug known as "YC-1." Respondents HIF Bio and BizBiotech, as owners of the invention at issue by way of assignments, allege that a Taiwanese professor and several Taiwanese entities misled the original discoverers of the anti-cancer effects of YC-1, and fraudulently induced them to disclose pre-publication research data and confidential business plans and information, and used the information to commercially exploit YC-1 for their own benefit, including filing patent applications in the United States, with the assistance of a wholly owned local subsidiary (Petitioner CTI), falsely claiming to be the inventors, and thus owners, of YC-1. *See, e.g.*, Petitioner's App. 46a-47a & 50a-95a.

These allegations give rise to quintessential state law claims, and Respondents filed their complaint in California state court on September 27, 2005. Petitioner removed the case to federal court on November 8, 2005. Petitioner's App. 7a & 38a.

Petitioner suggests that Respondents' complaint sought from the outset a "declaratory judgment with respect to ownership and inventorship of the alleged invention," and that Respondents' claims gave rise to patent law issues. See Petitioner's Brief at 4 (emphasis added). This is misleading and incorrect.

The original complaint filed in state court sought declaratory judgment under California law only "with respect to the ownership of invention as against all defendants." The complaint was amended on March 7, 2006, well after the removal by

Petitioner to the U.S. District Court for the Central District of California, by adding, among other things, a separate request for declaratory judgment "with respect to the [i]nventorship," in the context of the determination of who owns YC-1. [1]

In short, contrary to Petitioner CTI's suggestions, this petition, while addressing a somewhat complex procedural matter, does not impact upon an "issue of great importance" affecting patents or other substantive issues "exclusively federal."

REASONS WHY THE PETITION SHOULD BE DENIED

A. THE PETITION SHOULD BE DENIED BECAUSE, IN THIS CASE, THE IMPACT OF ANY "CONFLICT" BETWEEN THE CIRCUITS WILL BE NARROWLY CONFINED.

Supreme Court Rule 10 provides that a petition for a writ of certiorari will be granted only for "compelling reasons." One factor is whether a "United States court of appeals has entered a decision in conflict with the decision of another United States court of appeals on the same important matter...." *See* Supreme Court Rule 10(a).

Petitioner appeals from a ruling of the United States Court of Appeals for the Federal Circuit (the

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[1] In any event, jurisdiction is determined at time the lawsuit is filed. *GAF Building Materials Corp. v. Elk Corp. of Dallas*, 90 F.3d 479, 483 (Fed. Cir. 1996) ("[L]ater events may not create jurisdiction where none existed at the time of filing....") (citation omitted); see also *Grupo Dataflux v. Atlas Global Group, LP*, 541 U.S. 567, 571 (2004).

"Federal Circuit"). The Federal Circuit derives its jurisdiction from 28 U.S.C. § 1295, which materially limits the scope its appellate jurisdiction. The exclusive jurisdiction of the Federal Circuit is based on subject matter, rather than geographic location, and confined to, *among other things*, final decisions of United States district courts on patents, copyright, and trademark matters, and of Article I tribunals. *See* 28 U.S.C. § 1295(a); 28 U.S.C. § 1338.

Therefore, any impact of the claimed conflict between the Federal Circuit's ruling in the proceeding below, and the prior rulings of the other circuits which relied on *Carnegie-Mellon Univ. v. Cohill*, 484 U.S. 343 (1988), is likely to be narrowly confined, and the Petition should be denied for that reason.

B. THE PETITION SHOULD ALSO BE DENIED BECAUSE THE "CONFLICT" MAY BE RESOLVED BY THE COURTS OF APPEALS IN LIGHT OF *POWEREX CORP. V. RELIANT ENERGY SERVS., INC.*

In reaching its decision in the proceeding below, the Federal Circuit referred to the contrary rulings from the other circuits which expressly relied on *Carnegie-Mellon Univ. v. Cohill*, 484 U.S. 343, 355 n. 11 (1988).

However, in undertaking the analysis of the interplay between 28 U.S.C. §§ 1447(c)-(d), on the one hand, and 28 U.S.C. 1367(c), on the other hand, the Federal Circuit was the only court that had the benefit of this Court's opinion in *Powerex Corp. v.*

Reliant Energy Servs., Inc., 127 S. Ct. 2411, 2418-19 (2007), and the proper scope of the Footnote 11 in *Cohill*.

Respondents respectfully submit that the claimed "conflict" may be resolved by the circuit courts of appeals in light of *Powerex* (including the Ninth Circuit Court of Appeals and other circuits that have not yet ruled on this issue, or have done so without closer scrutiny), and that the Petition should be denied for that reason.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

September 8, 2008

Respectfully submitted by:

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