

Nos. 2020-1715, 2020-1716

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UNITED STATES COURT OF APPEALS  
FOR THE FEDERAL CIRCUIT

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OMNI MEDSCI, INC.,

*Plaintiff–Appellee,*

v.

APPLE INC.,

*Defendant–Appellant.*

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On Appeal from the United States District Court for the Northern District of California in Nos. 4:19-cv-05673-YGR and 4:19-cv-05924-YGR, Hon. Yvonne Gonzalez Rogers, and the United States District Court for the Eastern District of Texas in Nos. 18-cv-00429 and 18-cv-00134, Hon. Robert W. Schroeder III

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**Brief *Amici Curiae* of the Regents of the University of Michigan, the Wisconsin Alumni Research Foundation, Purdue Research Foundation, the Board of Trustees of Michigan State University, the University of Iowa, the Board of Regents of the University of Nebraska, the Board of Regents of the University of Illinois, AUTM, and the Alliance for Automotive Innovation**

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Date: October 13, 2021

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University of Nebraska, the Board of  
Regents of the University of Illinois,  
AUTM, and the Alliance for Automotive  
Innovation*

**CERTIFICATE OF INTEREST**

Pursuant to Fed. Cir. R. 47.4, counsel for *Amici Curiae* the Regents of the University of Michigan, the Wisconsin Alumni Research Foundation, Purdue Research Foundation, the Board of Trustees of Michigan State University, the University of Iowa, the Board of Regents of the University of Nebraska, the Board of Regents of the University of Illinois, the Association of University Technology Managers, Inc., and the Alliance for Automotive Innovation hereby certifies as follows:

1. The full names of the parties being represented are:

Regents of the University of Michigan

Wisconsin Alumni Research Foundation

Purdue Research Foundation

The Board of Trustees of Michigan State University

The University of Iowa

The Board of Regents of the University of Nebraska

The Board of Regents of the University of Illinois

Association of University Technology Managers, Inc. (“AUTM”)

Alliance for Automotive Innovation.

2. The real names of the real parties in interest are:

Regents of the University of Michigan

Wisconsin Alumni Research Foundation

Purdue Research Foundation

The Board of Trustees of Michigan State University

The University of Iowa

The Board of Regents of the University of Nebraska

The Board of Regents of the University of Illinois

Association of University Technology Managers, Inc. (“AUTM”)

Alliance for Automotive Innovation.

3. All parent corporations and any publicly held companies that own 10 percent or more of the stock of the parties being represented are: None.

4. The names of all law firms and the partners or associates that appeared for the parties represented by me in the trial court or are expected to appear in this Court (and who have not or will not enter an appearance in this case) are:

Honigman LLP – J. Michael Huget, Sarah E. Waidelich, and Rian C. Dawson.

5. The title and number of any case known to counsel to be pending in this or any other court or agency that will directly affect or be directly affected by this Court’s decision in the pending appeal are:

- *Omni MedSci, Inc. v. Apple Inc.*, Case No. 4:19-cv-05673-YGR (N.D. Cal.)
- *Omni MedSci, Inc. v. Apple Inc.*, Case No. 4:19-cv-05924-YGR (N.D. Cal.)
- *Omni MedSci, Inc. v. Apple Inc.*, Case No. 3:20-cv-00563-YGR (N.D. Cal.)

- *Omni MedSci, Inc., v. Apple Inc.*, Case No. 2021-1229 (Fed. Cir.)
- *Omni MedSci, Inc., v. Apple Inc.*, Case No. 2021-2213 (Fed. Cir.)
- IPR2019-00916 (Final Written Decision issued Oct. 14, 2020, appeal filed in Case No. 2021-1229)
- IPR2020-00175 (Final Written Decision issued June 14, 2019, appeal filed in Case No. 2021-2213)
- IPR2021-00453 (instituted Aug. 6, 2021)

6. All information required by Federal Rule of Appellate Procedure 26.1(b) and (c) that identifies organizational victims in criminal cases and debtors and trustees in bankruptcy cases: Not applicable.

Date: October 13, 2021

/s/ J. Michael Huget  
J. Michael Huget

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Nebraska, the Board of Regents of the  
University of Illinois, AUTM, and the  
Alliance for Automotive Innovation*

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*Amici curiae*<sup>1</sup> (listed individually below, and collectively “Amici”) submit this brief in support of Apple’s petition for rehearing *en banc*. The panel decision adds significant confusion and uncertainty to existing jurisprudence regarding patent assignments, a critical area to universities, start-ups, joint ventures, and other businesses heavily invested in research and development. The Court should grant Apple’s petition.

## **I. INTEREST OF *AMICI***

The University of Michigan (“Michigan”) is a premier public research institution based in Ann Arbor, Michigan. Commercializing technology developed in university laboratories is an essential mission of research institutions such as Michigan, and provides a significant public benefit from the billions of dollars invested each year in university research.

The Wisconsin Alumni Research Foundation (“WARF”) helps steward the cycle of research, discovery, commercialization and investment for the University of Wisconsin–Madison. Founded in 1925 as an independent, nonprofit foundation, WARF manages more than 2,000 patents and an investment portfolio as it funds

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<sup>1</sup> This brief was authored solely by Amici and their counsel, and no person other than Amici contributed money that was intended to fund preparing or submitting this brief. Pursuant to Fed. R. App. P. 29(a)(3), this brief is accompanied by a motion for leave to file.



university research, obtains patents for campus discoveries and licenses inventions to industry.

Purdue Research Foundation (“PRF”) is an Indiana nonprofit foundation created to support Purdue University. PRF owns and protects Purdue intellectual property and operates one of the most comprehensive university technology transfer programs in the U.S. In fiscal year 2020, PRF reported 148 deals finalized with 225 technologies signed, 408 disclosures received and 180 issued U.S. patents.

Michigan State University (“MSU”) is one of the nation’s founding land-grant universities. Consistent with the rich history and mission of land grant universities, MSU partners with industry to commercialize innovations derived from public investment in university research to maximize the impact and benefit for society.

The University of Iowa (“Iowa”) is a national leader of research and scholarship across a wide range of disciplines, from speech pathology and medicine to space exploration and the world-famous Iowa Writers’ Workshop. Research and scholarship from faculty and staff at the university often lead to the discovery of innovations that can improve the quality of life for people in Iowa, the nation, and worldwide. Iowa is committed to obtaining intellectual property

protection on these innovations and partnering with industry for the commercial development of new products and services.

The University of Nebraska (“Nebraska”) system consists of four campuses. A land-grant flagship campus. An academic medical center. A metropolitan campus serving our urban citizens. And a campus focused on undergraduates. Nebraska is committed to advancing innovations and discoveries to promote economic development and improve quality of life.

The University of Illinois (“Illinois”) is the flagship higher education system in the state of Illinois and includes the University of Illinois Chicago, University of Illinois Springfield, and University of Illinois Urbana-Champaign. Illinois is fully committed to the core missions of education, research, public service, and economic development.

AUTM is a nonprofit organization dedicated to bringing research to life by supporting and enhancing the global academic technology transfer profession through education, professional development, partnering, and advocacy. AUTM’s more than 3,200 members represent managers of intellectual property from more than 300 universities, research institutions, and teaching hospitals around the world, as well as numerous businesses and government organizations.

Formed in 2020, the Alliance for Automotive Innovation (“Auto Innovators”)<sup>2</sup> is the singular, authoritative, and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, Auto Innovators represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the United States. Members include U.S. operations of domestic and international motor vehicle manufacturers, original equipment suppliers, technology, and other automotive-related companies and trade associations.

In Amici’s view, the novel legal analysis used by the majority in this case causes significant risk to universities and others, including the automotive industry, in structuring research and development and technology transfer agreements in the future.

## **II. SUMMARY OF ARGUMENT**

The panel’s decision conflicts with both Supreme Court and this Court’s jurisprudence for determining whether a patent assignment occurs automatically or is merely a promise to assign in the future. Previously, courts considered whether the agreement required a post-invention act to transfer title (resulting in only a promise to assign in the future), or whether, without such an act, title transferred

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<sup>2</sup> Apple, Inc. is a member but recused itself from Auto Innovators’ decision to be involved with this brief.

automatically. The panel’s new analysis ignores this and instead focuses on the verb tense of the agreement. Most problematically, the decision is inconsistent with the interpretation of nearly identical language by the Supreme Court in *Stanford v. Roche*.

Not only does the panel’s decision “conflict with” this precedent, *see* Fed. R. App. P. 35(b)(1)(A), but the decision is “of exceptional importance,” particularly to parties like Amici. *See* Fed. R. App. P. 35(b)(1)(B). Predictable and consistent patent assignment law is critical to entities engaged in research activities, which rely on licensing and commercialization to recoup their investments and comply with their funding obligations. The panel’s new legal analysis throws a wrench into the ability of entities like Amici to predictably structure agreements, particularly given the decision’s retroactive effect.

### III. ARGUMENT

#### **A. The Panel Majority Decision Contradicts Established Jurisprudence Governing Patent Assignments and Turns the Prior Legal Analysis on Its Head**

*Amici* agree that the panel’s legal analysis was incorrect for all the reasons stated in Apple’s petition. *Amici* write separately to emphasize the incompatibility with the Supreme Court’s decision in *Bd. of Trustees of Leland Stanford Junior Univ. v. Roche Molecular Sys., Inc.*, 563 U.S. 776 (2011) (“*Roche*”).

*Roche* concerned the interpretation of certain provisions of the Bayh-Dole Act, and whether through that Act Congress had altered the longstanding patent law principle that inventors are the original owners of their inventions. *See id.* at 786-90. The Court held that it did not. *See id.* at 790.

In reaching its conclusion, the *Roche* Court contrasted the Bayh-Dole Act with three other statutes that provide “**unambiguously** that inventions created pursuant to specified federal contracts become the property of the United States” without further inventor assignment. *Id.* at 787 (emphasis added). The first was 42 U.S.C. § 2182, containing the language “**shall be** vested in, and be the property of, the [Atomic Energy] Commission.” *Id.* (emphasis added). The second was 51 U.S.C. § 20135(b)(1), which states that title to certain inventions made under contracts with NASA “**shall be** the exclusive property of the United States.” *Id.* (emphasis added). And finally, 42 U.S.C. § 5908, which states that title to certain inventions under contracts with the Department of Energy “**shall vest** in the United States.” *Id.* (emphasis added). For all three statutes, the Court stated that subject inventions automatically became the property of the United States. *Id.*

Here, Michigan’s Bylaw 3.10 has nearly identical language (“shall be the property of the University”) to the statutes interpreted in *Roche*. Yet the panel offered no real rationale for why this language should be analyzed differently than those statutes. Its decision conflicts with *Roche* for at least three reasons:

*First*, the panel argued that there is a meaningful distinction between interpreting the *statutes* in *Roche* with the *contract* (Bylaw) in this case. *See* Op. at 12. But this illusory distinction ignores well-established principles of statutory and contract interpretation, where both legal instruments are interpreted (at least in the first instance) according to their plain or ordinary meaning. *Compare, e.g., Wisconsin Central Ltd. v. U.S.*, 138 S. Ct. 2067, 2070 (2018) (“[O]ur job is to interpret the words [of the statute] consistent with their ordinary meaning at the time Congress enacted the statute.” (cleaned up)) *with Barron Bancshares, Inc. v. U.S.*, 366 F.3d 1360, 1375 (Fed. Cir. 2004) (“When construing a contract, a court first examines the plain meaning of its express terms.”). Moreover, this Court has previously interpreted federal *contracts* containing nearly identical language to effect an automatic assignment. *See, e.g., FilmTec Corp. v. Hydramantics*, 982 F.2d 1546, 1553 (Fed. Cir. 1992) (contract with language “shall vest in the United States” meant that ownership “immediately vested in the United States”); *see also* Dissent at 10.

*Second*, the majority concluded that the statutes discussed in *Roche* are “*statutory* exceptions to the ‘general rule that rights in an invention belong to the inventor.’” Op. at 12. But *Roche* never suggested it was interpreting those statutes differently than private contracts, and explicitly noted that “the basic idea that inventors have the right to patent their inventions has not [changed in 220 years].”

*See generally Roche*, 563 U.S. at 786-93. **Nothing** in *Roche* suggests that its interpretation of these “unambiguous” statutes deviated from the “general rule” that has been in place for more than 220 years. *See generally id.* at 785-92.

But even if the statutes cited in *Roche* altered the “general rule,” the majority never explains why the contractual language here did not functionally do the same. Private contracts can, and often do, divest inventors of their rights to the invention. *See id.* at 786. Just as a statute can automatically divest an inventor of patent rights, a private contract with identical language can do the same.

*Third*, the effort to distinguish the statutes cited in *Roche* loses track of the focus of contract interpretation. “In construing the substance of an alleged assignment, a court must carefully consider the intention of the parties and the language of the grant.” *James v. J2 Cloud Servs., LLC*, 887 F.3d 1368, 1373-74 (Fed. Cir. 2018) (cleaned up). And the court construes the language according to its plain meaning, that is, the “meaning that would be derived from the contract by a reasonably intelligent person acquainted with the contemporaneous circumstances.” *See, e.g., Metric Constructors, Inc. v. Nat’l Aeronautics & Space Admin.*, 169 F.3d 747, 752 (Fed. Cir. 1999) (cleaned up).

This overarching goal of honoring the intent of the parties, and interpreting contracts according to their plain meaning, cannot be squared with the majority’s insistence on distinguishing identical language in statutes whose meaning was

“unambiguous” to the Supreme Court. Private parties should be able to predictably order their affairs by relying on Supreme Court pronouncements on how certain language is “unambiguously” understood.

The panel’s decision conflicts with *Roche* and this Court’s approach to contract interpretation, both of which justify *en banc* review by this Court. Fed. R. App. P. 35(b)(1)(A).

**B. The Panel’s Decision Is Inconsistent with Grammatical Rules**

The panel also opined that Michigan’s Bylaw 3.10 does not effect an automatic transfer because it “does not use present tense words of execution.” Op. at 9. But this rule ignores the reality that all employment agreements of this type govern ownership of *future* inventions that have not yet been created. Any such assignment must necessarily address a future event—the making of the invention—that is the necessary precedent of the assignment. So as the dissent aptly noted, it is entirely appropriate, and indeed, consistent with grammatical rules, to use the future language “shall be” when discussing present assignments of future inventions. Dissent at 8-9.

The majority relied heavily on *Arachnid, Inc. v. Merit Indus., Inc.*, 939 F.2d 1574, 1580 (Fed. Cir. 1991) for the grammatical distinction it drew. See Op. at 10. But although the *Arachnid* agreement included “shall be the property of” language, it also went on to explicitly state that all rights “will be assigned” to the assignee.



*See id*; *see also Arachnid*, 939 F.2d at 1576. The court found this “will be assigned” language to be the dispositive language that rendered the agreement a mere promise to assign in the future. *E.g.*, *Arachnid*, 939 F.2d at 1580-81.

Here, unlike *Arachnid*, Bylaw 3.10 lacks any language suggesting that an additional step is necessary to effectuate the transfer. Instead, the plain reading makes clear that no additional act is necessary. *See, e.g., SiRF Tech., Inc. v. Int’l Trade Comm’n*, 601 F.3d 1319, 1326 (Fed. Cir. 2010). The Court should hear this case *en banc* to resolve the drafting and grammatical problems that will result from the panel’s decision.

**C. Resolving the Unpredictability from this Panel Decision is Critical to those Investing in Technology, and to the U.S. Economy Generally**

The panel’s decision also presents a question of exceptional importance. First, predictability of IP policies and contracts is critical to the successful development of new technologies, which is important not only because these new innovations improve lives, but also because IP-intensive industries have been shown to contribute substantially to the U.S. economy. Any entity or industry that relies upon, or is affected by, patent rights must be able to predictably determine who owns those rights without having to sort through conflicting claims of ownership or resort to litigation. The panel’s misplaced decision, on the other hand, undermines predictability and promotes confusion.

Second, predictability is important even outside of the enforcement context. Research funders and recipients routinely rely upon a very large number and variety of contracts that use differing language to assign patent rights to the rightful owner. Before this recent ruling, IP owners could rely on contract language that clearly identified the owner of inventions—regardless of verb tense or word choice. But now, parties may have to take extra steps to require inventors to sign separate patent documents, even if their intent was otherwise. This is a particular problem in fields where inventors are highly mobile, such as university students and faculty or engineers in certain industries, who frequently move to other jobs, often outside the U.S.

Predictable ownership of inventions is also critically important during patent procurement, when options are limited for owners to remedy uncertainty. For example, the U.S. Patent Office has no process or rules for resolving ownership disputes. And the situation is even more critical outside the United States. Questions over legal or equitable ownership of a priority application filed in the United States can cause the European Patent Office to not recognize a priority claim based on that application, thereby exposing the European application to intervening prior art that would otherwise be inconsequential, with no mechanism for resolving the uncertainty at the EPO.

Third, companies, government entities, and others that provide research funding demand that funding recipients receive clear patent title so that the patents can be used for their intended impact and benefits, such as issuing licenses to the sponsor. The system relies upon contract drafters being able to choose their own language to predictably structure their agreements.

Fourth, for employees who engage in outside work, the ability to understand, predict, and rely upon the ordinary meaning of assignment language is essential to a wide variety of compliance obligations relating to that work. The changed legal standard could, for instance, cause those employees to mistakenly breach obligations when consulting, or complicate an employer's review of, or willingness to approve, such consulting agreements.

Finally, the panel decision promotes unnecessary and costly litigation. It invites more derivative disputes to enforce obligations to assign—even where the parties clearly intended for the employer to automatically own the inventions. In addition, employees able to consult must now navigate a new and uncertain legal standard, opening themselves up to litigation over esoteric differences in contracts and case law. And even those not wishing or expecting to enforce ownership policies are at risk of being unwillingly drawn into patent disputes.

For at least these reasons, the panel's decision also presents a question of “exceptional importance” justifying *en banc* review. Fed. R. App. P. 35(b)(1)(B).

#### IV. CONCLUSION

This Court should grant Apple's petition.

Dated: October 13, 2021

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on October 13, 2021, I electronically filed the foregoing papers with the United States Court of Appeals for the Federal Circuit using the court's electronic filing system which will send notification of such filing to all counsel of record.

/s/ J. Michael Huget

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**CERTIFICATE OF COMPLIANCE**

The undersigned, J. Michael Huget, the undersigned hereby certifies that the foregoing brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type-style requirements of Fed. R. App. P. 32(a)(6).

1. Exclusive of the parts of the brief exempted by Fed. R. App. P. 32(f) and Fed. Cir. R. 32(b), the brief contains 2,590 words, including footnotes, according to the word count of Microsoft Word 2016, the word-processing system used to prepare the brief.

2. The brief has been prepared in a proportionally spaced typeface in 14-point Times New Roman font.

Dated: October 13, 2021

/s/ J. Michael Huget  
J. Michael Huget