UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
SOUTH BEND DIVISION

FORTRESS IRON L.P.,

Plaintiff,

v.

DIGGER SPECIALTIES, INC.,

Defendant.

Case No. 3:21-CV-14-CCB

ORDER

Fortress Iron, L.P. sued Digger Specialties, Inc. for allegedly infringing two of its patents – U.S. Patent No. 9,790,707 ("707 Patent") and U.S. Patent No. 10,883,290 ("290 Patent"), (collectively, the "Patents"). [DE 75.] During litigation, Digger identified individuals who were not named as inventors on the Patents even though their ideas were incorporated into the final design. [DE 111, pg. 5.] Fortress realized that two people who worked for Fortress's Chinese representative should have been named as inventors of the Patents – Afonso Lin and Hua-Ping Huang. *Id.* Because Fortress has been unable to contact Mr. Huang, it seeks an order from this Court that requires the Director of the United States Patent and Trademark Office to issue a certificate of correction that names Mr. Huang as an inventor on the Patents. [DE 110.] Fortress moved for partial summary judgment to correct the Patents by adding Mr. Huang under the procedures outlined in 35 U.S.C. § 256(b). *Id.* Digger filed a brief in opposition to Fortress's motion for partial summary judgment and filed a cross-motion for summary judgment. [DE 121, DE 119.] Digger argues Fortress cannot correct inventorship because it cannot give notice to Mr. Huang under 35 U.S.C. § 256(b). *Id.* Digger contends that the Patents are invalid since Fortress cannot correct them to reflect accurate inventorship, and therefore this Court should grant summary judgment in its favor. *Id.*

Factual Background

Fortress designs and sells railing and fencing products. [DE 117, ¶ 1.] Fortress works with Quan Zhou Yoddex Building Material Co., Ltd. of Longqiao Industrial Park, Anxi, Quanzhou, Fujian, China ("YD") to manage quality control at factories that Fortress collaborates with in China. [DE 117, ¶ 4.] YD makes sure that the factories can meet Fortress's standards. *Id.* ¶ 5. When Fortress works with a Chinese company to manufacture its products, YD provides employees to monitor quality control and to manage communications. *Id.* ¶ 6. One of the factories that YD works with on behalf of Fortress is Yinxin Handicrafts Co., Ltd., of Anxi Quanzhou, Longmei Industrial Zone, Guanqiao Anxi, Fujian 362441, China ("YX"). *Id.* at ¶ 7.

In March of 2013, Fortress's owner, Matthew Sherstad, had an idea for a vertical cable railing that could be purchased as a pre-assembled panel, making it easier to install compared to products that must be assembled on site. [DE 117, ¶ 8.] Kevin Burt, a Fortress employee, sketched the initial design in a notebook. *Id.* ¶ 10. Burt's initial design used cables with a ball swage and round swage connections to anchor the inner cables. *Id.* ¶ 12. YD oversaw the production of prototypes manufactured by YX based on this initial design. *Id.* In June of 2013, Mr. Burt, and a representative from YD discussed issues with the prototype. *Id.* ¶13. Mr. Burt expressed the need to find a way to prevent the cables from rotating during tensioning. *Id.* ¶15-16. Mr. Burt's initial design did not prevent the cable from rotating during the tensioning process:

[DE 111, pg. 16.] At this time, Mr. Huang was a YD employee who was involved with the development of Fortress's prototype. [DE 117, ¶17.] He suggested that the invention use square-shaped openings and square swages to address the cable-rotation issue. *Id.* ¶18. These suggestions were incorporated into the final design. *Id.* ¶20. Another YD employee, Alfonso Lin, made suggestions to strengthen the structure, that were also incorporated in the final design. *Id.* ¶¶21-22. In the end, "[t]he final design was based on Mr. Sherstad's original idea, implemented by Mr. Burt's early designs, and also incorporating the suggestions from Mr. Lin and Mr. Huang to the final design of the rails and cables." *Id.* ¶ 24. Soon after the design of the vertical cable rail panel was completed, Fortress filed for and received patent protection for its invention. *Id.* ¶ 25. The initial patents named Mr. Sherstad and Mr. Burt as inventors but did not include Mr. Lin or Mr. Huang. *Id.* ¶¶ 25-27. Mr. Huang's contribution – the use of square shaped openings and square shaped swages – was included in the invention:

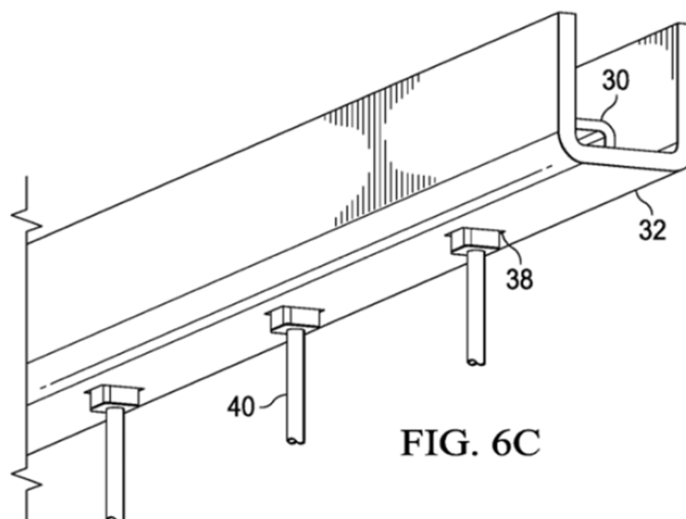

FIG. 6C

[DE 111, pg. 8-9]

During the course of this lawsuit, Digger identified Mr. Lin and Mr. Huang's contributions to the invention and Fortress acknowledged that it inadvertently failed to name Mr. Lin and Mr. Huang as inventors. [DE 111, pg. 10; DE 117, ¶44.] On February 17, 2023, YD assigned all of its ownership rights to the Patents to Fortress. [DE 117, ¶ 33.] On March 2, 2023, Fortress filed petitions under 35 U.S.C. § 256(a) to have the U.S. Patent Office name Mr. Lin as a joint inventor of the Patents. *Id.* ¶ 35.

Mr. Huang's employment at YD ended in 2016 and he did not provide any way to contact him. *Id.* ¶ 32. YD has been unable to locate Mr. Huang on Fortress's behalf. *Id.* Fortress acknowledges that it cannot add Mr. Huang to the Patents under 35 U.S.C. § 256(a) so "Fortress requests an order from this Court pursuant to 35 U.S.C. § 256(b) instructing the USPTO Director to correct the inventorship of the '707 and '290 patents and add Hua-Ping Huang as a joint inventor." [DE 111, pg. 11.]

LEGAL STANDARD

Summary judgment is appropriate when "the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). A genuine issue of material fact exists when "the evidence is such that a reasonable jury could return a verdict for the nonmoving party." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986). To determine whether a genuine dispute of material fact exists, the court must review the record, construing all facts in the light most favorable to the nonmoving party and drawing all reasonable inferences in that party's favor. *Heft v. Moore*, 351 F.3d 278, 282 (7th Cir. 2003).

ANALYSIS

Failure to name all true inventors to a patent will invalidate the patent. *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1350 (Fed. Cir. 1998). "Accordingly, if nonjoinder of an actual inventor is proved by clear and convincing evidence, a patent is rendered invalid." *Id.* at 1349. But a patent will not be invalid if it can be redeemed under the "savings provision" in 35 U.S.C. § 256, which is designed to prevent patent invalidation because of failure to list all true inventors. *Id.* at 1350. "If a patentee demonstrates that inventorship can be corrected as provided for in section 256, a district court must order correction of the patent, thus saving it from being rendered invalid." *Id.*

Under 35 U.S.C. § 256, there are two ways to add an omitted inventor to an issued patent:

> (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.

Under § 256(a), "all parties and assignees" may seek correction of inventorship by applying to the Director of the Patent Office. Fortress concedes that it cannot correct inventorship under § 256(a) because "the patent office rules implementing 35 U.S.C. § 256(a) cannot be used to add an inadvertently omitted joint inventor to an issued patent without obtaining that inventor's signature." [DE 111, pg. 11.] As such, Fortress moved for summary judgment seeking relief under § 256(b). This provision outlines a process in which a court, "on notice and hearing of all parties concerned" can order the Director of the Patent Office to issue a certificate that corrects the inventorship error. 35 U.S.C. § 256(b). A successful action under Section 256 requires clear evidence of inventorship. *Bd. of Educ. ex rel. Bd. of Trs. of Fla. State Univ. v. Am. Bioscience, Inc.*, 333 F.3d 1330, 1337 (Fed. Cir. 2003). To be considered an inventor, "a joint inventor must contribute to the invention's conception." *CODA Dev. S.R.O. v. Goodyear Tire & Rubber Co.*, 916 F.3d 1350, 1358–59 (Fed. Cir. 2019) (citing *Eli Lilly & Co. v. Aradigm Corp.*, 376 F.3d 1352, 1358–59 (Fed. Cir. 2004)).

In support of its motion for summary judgment, Fortress presented evidence that Mr. Huang played a key role in developing the invention. The initial design did not prevent the internal cables from rotating during tensioning. [DE 117, ¶ 16.] Mr. Huang suggested that they use a square swage to prevent rotation during tensioning. [DE 117, ¶ 20.] The final design incorporated Mr. Huang's suggestions along with Mr. Sherstad's and Mr. Burt's early designs. [DE 117, ¶ 24.] Fortress acknowledges that Mr. Huang made a "not insignificant contribution to the claimed invention" and that "Mr. Huang is a joint inventor of the subject matter of the '707 and '290 patents." [DE 111, pg. 17.] Both parties agree that Mr. Huang is an inventor, and the record supports this conclusion. However, the parties disagree on whether this Court can grant Fortress's requested relief given that Mr. Huang does not have notice of these proceedings.

I. Fortress is not entitled to summary judgment because it did not provide notice to Mr. Huang under 35 U.S.C. § 256(b).

Fortress cannot correct inventorship under § 256(b) because it has not given Mr. Huang notice of these proceedings. A court can correct inventorship under § 256(b) only upon "notice and hearing of all parties concerned." 35 U.S.C. § 256(b). Courts have construed "parties concerned" to include "named inventors, omitted inventors, and assignees." *Harish v. Rubinstein*, 602 F.Supp. 3d 696, 701 (D.N.J. 2022)(citation omitted). Indeed, the only prerequisite to judicial action under § 256(b), is that all parties must be given notice and an opportunity to be heard. *Stark v. Advanced Magnetics, Inc.*, 119 F.3d 1551, 1553 (Fed. Cir. 1997). This is true even if the omitted inventors are not parties to the litigation. *FFOC Co. v. Invent A.G.*, 882 F. Supp. 642, 650 (E.D. Mich. 1994). Fortress concedes that it has been unable to locate Mr. Huang. [DE 111, pg. 14-15.] Mr. Huang left YD in 2016 and did not provide any contact information. [DE 117, ¶ 32.] Fortress states that "[a]fter Mr. Huang left YD's employment in 2016, he did not provide the address where he was going and YD's employment records do not allow him to be located. Therefore, when requested by Fortress to locate Mr. Huang, YD was unable to do so." *Id.* These facts pose an obstacle to Fortress's motion for summary judgment.

Fortress argues that Mr. Huang is not a concerned party because he has no ownership interests in the Patents. [DE 111, pg. 20-22.] Fortress contends that Mr. Huang has no ownership interest because under Chinese law, any ownership he would have in the Patents belongs to his former employer – YD. *Id.* But even if Mr. Huang has no ownership interest in the Patents, he is still among the "parties concerned" who must receive notice of these proceedings before the Court can act because he is an omitted inventor. 35 U.S.C. § 256(b); *Harish v. Rubinstein*, 602 F.Supp. 3d 696, 701 (D.N.J. 2022). Fortress relies on *Larson v. Correct Craft, Inc.*, 569 F.3d 1319 (Fed. Cir. 2009) to support its argument that it need not provide notice. [DE 111, pg. 22; DE 118, pg. 17.] However, *Larson* does not address who must receive notice as a concerned party but addresses who has Article III standing to pursue a claim under § 256. *Larson*, 569 F.3d at 1327.

Fortress's request for relief undermines its argument that Mr. Huang is not a concerned party. The procedures in § 256(b) allow parties to correct patents that would otherwise be invalid for "omitting inventors or naming persons who are not inventors." 35 U.S.C. § 256. Fortress asks the Court to use its authority under §256(b), to order the director of the Patent Office to issue a certificate naming Mr. Huang as an inventor. [DE 111, pg. 24.] As it stands, Mr. Huang is an inventor – a fact agreed upon by both parties – yet he has been omitted from the Patents. If this Court grants Fortress's request for relief, Mr. Huang would be officially recognized as an inventor. This outcome directly impacts Mr. Huang's status, which leads the Court to conclude that he is among the "parties concerned" described in § 256(b) and must receive notice before this Court can act. Because Mr. Huang has no notice of these proceedings, Fortress's motion for summary judgment must be denied.

II. Digger is entitled to summary judgment because it is undisputed that Fortress cannot correct the Patents under 35 U.S.C. § 256.

A patent is invalid if less than all of the true inventors are named in the patent. *Jamesbury Corp. v. United States*, 207 Ct.Cl. 516, 536, 518 F.2d 1384 (Ct.Cl.1975). Fortress maintains that when Congress enacted the America Invents Act, it removed the invalidity defense for incorrect inventorship when it removed § 102(f). [DE 118, pg. 25-27.] To challenge inventorship, "[h]istorically a party could assert a patent's invalidity under § 102(f) due to the failure to identify a co-inventor in the patent." *Bd. of Tr. of Univ. of Ill. v. Micron Tech., Inc.*, 245 F. Supp. 3d 1036, 1041 n.1 (C.D. Ill. 2017). Even though § 102(f) has been eliminated "the defense is presumably still available under § 101, which allows patents to only be provided to '[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter…'" *Id. See also Cubist Pharm., Inc. v. Hospira, Inc.*, 75 F. Supp. 3d 641, 673 n. 14 (D. Del. 2014) (stating that after the AIA "proper inventorship remains a requirement of patentability through § 101.") There is no authority before this Court saying that this defense was abrogated through passage of the America Invents Act.

It is undisputed that Mr. Huang should be a named inventor on the Patents. Fortress provided factual support for this conclusion in support of its motion for summary judgment. [DE 117.] Further, Fortress acknowledges that it cannot proceed under § 256(a) because of Mr. Huang's unavailability:

> Fortress asked YD to locate Mr. Huang but it has no ability to do so. Mr. Huang left YD in 2016 and YD has no information which would allow him to be contacted. SOF 32. Thus, Fortress's efforts to locate Mr. Huang have been unsuccessful. SOF 32. If Mr. Huang could be located, Fortress would have obtained his written consent and filed a petition directly with the USPTO to correct the listing of inventors on the Patents-in-Suit under 35 U.S.C. § 256(a). Mr. Huang's unavailability necessitated Fortress moving for correction by the Court.

[DE 111, pg. 14-15.] Digger argues that since Mr. Huang is unreachable to proceed under § 256(a), he is also unable to receive notice under § 256(b). [DE 121, pg. 11-13.] Fortress presented no facts showing that it can provide notice to Mr. Huang under § 256(b). As a result, this Court concludes that the notice requirement cannot be satisfied, so the error of omitting Mr. Huang from the Patents cannot be corrected, rendering the Patents invalid.

Conclusion

Defendant Digger Specialties, Inc.'s Cross-motion for Summary Judgment [DE 119] is GRANTED. Plaintiff Fortress Iron, L.P.'s Motion for Partial Summary Judgment to Correct Inventorship [DE 110] is DENIED. Further, the following motions are DENIED as MOOT: Plaintiff's Motion for Partial Summary Judgment of No Invalidity of the Asserted Claims Under 35 U.S.C § 103 and No Invalidity of Claim 1 of U.S. Patent No. 10,883,290 Under 35 U.S.C. § 102 [DE 102]; Plaintiff's No Evidence Motion for Partial Summary Judgment of No Invalidity Under 35 U.S.C. § 112 [DE 105]; Defendant Digger Specialties, Inc.'s Motion for Summary Judgment of Non-Infringement [DE 107]; Plaintiff's Motion to Exclude Certain Noninfringement Opinions of Glenn Akhavein [DE 137]; Plaintiff's Motion to Exclude Claim Construction Opinions of Glenn Akhavein [DE 138]; and Plaintiff's Motion Under Rule 53 For Appointment of a Special Master [DE 158].

SO ORDERED.
September 9, 2024

/s/ *Cristal C. Brisco*
CRISTAL C. BRISCO, JUDGE
UNITED STATES DISTRICT COURT