UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNIVERSITY OF UTAH, Plaintiff	
v.	Civil Action No. 11-10484-PBS
MAX-PLANCK-GESELLSCHAFT ZUR FÖERDERUNG DER WISSENSCHAFTEN e.V., et al., Defendants	

MEMORANDUM AND ORDER

November 30, 2015

Saris, C.J.

INTRODUCTION

This case involved a series of patents known as the Tuschl II patents, filed by Sayda Elbashir, Thomas Tuschl, and Winifried Lendeckel in December, 2000. The patents claim a molecule with short double-stranded RNA fragments known as short-interfering RNA (siRNA), as well as methods for preparing such siRNAs. On March 22, 2011, Plaintiff University of Utah (UUtah) filed suit against Max-Planck-Gesellschaft Zur Föerderung Der Wissenschaften e.V. (Max Planck), the Whitehead Institute for Biomedical Research (Whitehead), the Massachusetts Institute of Technology (MIT), Alnylam Pharmaceuticals, Inc.

(Alnylam), and others, for correction of inventorship pursuant to 35 U.S.C. § 256 on behalf of its tenured professor Dr. Brenda Bass. UUtah initially alleged that Dr. Bass should be named either a sole or joint inventor of the Tuschl II patents based in large part on research she had published in the scientific magazine Cell and a conversation at a scientific conference (Docket No. 8).

This Court denied the defendants' motion to dismiss, concluding that the Amended Complaint stated viable claims for sole and joint inventorship. See University of Utah v. Max-Planck-Gesellschaft zur Föerderung der Wissenschaften e.V., 881 F. Supp. 2d 151, 154 (D. Mass. 2012). UUtah withdrew its sole inventorship claim shortly before summary judgment briefs were filed. See Docket No. 163. After hearing, I allowed the defendants' motion for summary judgment as to joint inventorship. See University of Utah v. Max-Planck-Gesellschaft zur Föerderung der Wissenschaften e.V., No. 11-10484, 2015 WL 5698398 (D. Mass. Sept. 28, 2015) (slip op.). The defendants now seek a jaw-dropping $8 million in attorneys' fees pursuant to 35 U.S.C. § 285 and 28 U.S.C. § 1927 (Docket No. 249). UUtah opposes (Docket No. 261). I **DENY** the motion.

DISCUSSION

I. Standard of Review

Under 35 U.S.C. § 285, the court "in exceptional cases may award reasonable attorney fees to the prevailing party." An exceptional case is "simply one that stands out from others with respect to the substantive strength of a party's litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated." Octane Fitness LLC v. Icon Health & Fitness, Inc., 134 S.Ct. 1749, 1756 (2014). "Section 285 demands a simple discretionary inquiry; it imposes no specific evidentiary burden, much less a high one." Id. at 1758. "There is no precise rule or formula for making these determinations." Id. at 1756 (citation omitted). However, factors supporting a finding of exceptionality include "frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence." Id. at 1756 n.6. "[A] case presenting either subjective bad faith or exceptionally meritless claims may sufficiently set itself apart from mine-run cases to warrant a fee award." Id. at 1757.

II. Exceptional Case

Max Planck argues that this case is "exceptional" because UUtah lacked an objective basis for filing its correction of inventorship suit, because it delayed in withdrawing its sole

inventorship claim, and because its damages claims were so high as to become extortionate.

First, I reject Max Planck's characterization of UUtah's case as objectively unreasonable. The defendants' briefs in support of their motion for attorneys' fees largely rehash why the argument against joint inventorship won as a matter of law. But when determining whether a case is exceptional under § 285, the court must examine the "substantive strength" of the party's position, "not the *correctness* or eventual success of [that] position." SFA Sys., LLC v. Newegg, Inc., 793 F.3d 1344, 1347-48 (Fed. Cir. 2015) (emphasis in original). Here, while UUtah ultimately did not prevail, when all reasonable inferences were drawn in UUtah's favor, the summary judgment record supported UUtah's contentions that Dr. Tuschl incorporated Dr. Bass's hypothesis regarding 3' overhangs into his research, that her work made a significant contribution to the ultimate patented invention, and that this contribution was corroborated by the mini-review published in *Cell* magazine. Moreover, the evidence in the mini-review revealed that Dr. Bass's research supported claims of conception and contribution.

Although Dr. Bass did not win because there was no evidence of collaboration between Dr. Tuschl and Dr. Bass, UUtah's joint inventorship claim was predicated on valid precedent. In Kimberly-Clark, a leading case concerning joint inventorship,

the Federal Circuit noted that "one inventor seeing a relevant report and building upon it" might be an element of joint behavior supporting collaboration. 973 F.2d 911, 917 (Fed. Cir. 1992). UUtah was entitled to seek an extension of this language even though it did not ultimately prevail.

Max Planck reserves special disdain for UUtah's sole inventorship argument, which UUtah withdrew on the eve of summary judgment filings. It is true that the sole inventorship theory found little support in the record since Dr. Tuschl, and not Dr. Bass, reduced the claimed invention to practice. However, the decision to withdraw that argument prior to summary judgment was "beneficial to the courts and the parties" and does not render this case "exceptional" within the meaning of the statute. Lindemann Maschinenfabrik v. Am. Houst & Derrick Co., 895 F.2d 1403, 1408 (Fed. Cir. 1990) (alleged infringer's stipulation of infringement on remand did not mean that earlier pursuit of noninfringement defense was frivolous or establish that case was "exceptional"); see also Veracode, 2015 WL at *57 (case not exceptional although "[t]here certainly were some unreasonable positions taken").

I also decline to conclude that UUtah's damages request – while high – rendered its litigation strategy suspect. Max Planck draws this inference from the fact that UUtah conducted extensive discovery into the defendants' finances, arguing that

UUtah's damages figure was merely an extortionate effort to force settlement and avoid a jury trial. Nothing in the record supports these extreme allegations. Contrast Opius Technologies, Ltd. v. Vizio, Inc., 782 F.3d 1371, 1374 (Fed. Cir. 2015) (reversing district court's decision not to award fees despite having found litigation misconduct, and describing "an egregious pattern of misconduct" including attorney behavior that was "inappropriate," "unprofessional," "vexatious," and "harassing"). Nor does the docket reveal that Max Planck ever filed motions challenging the financial inquiries underlying UUtah's damages requests. Although UUtah may have been asking for pie in the sky, that does not differentiate this case from most patent cases.

Based on the totality of the circumstances, therefore, I find that this case is not "exceptional" under 35 U.S.C. § 285, and that it is not grossly unjust to require Max Planck to bear its own costs. See Kilopass Techs., Inc. v. Sidense Corp., 738 F.3d 1302, 1313 (Fed Cir. 2013). While this case was heavily litigated, that is true in virtually all patent cases; it does not stand out. The motion for fees under § 285 is **DENIED**.

The defendants also argue that fees are warranted under 28 U.S.C. § 1927. That statute provides that fees may be assessed against counsel for (1) multiplying proceedings; (2) in an unreasonable and vexatious manner; (3) thereby increasing the

cost of the proceedings; and (4) doing so in bad faith or by intentional misconduct. For sanctions to apply, a filing must either be frivolous and submitted recklessly or be intended to harass the opposing party. Bolivar v. Pocklington, 975 F.2d 28, 34-35 (1st Cir. 1992) (upholding sanctions under § 1927 and collecting cases).

As discussed above, UUtah's litigation strategy in this case, while ultimately unsuccessful, was far from frivolous, and the record contains no suggestion of harassing conduct, recklessness, or bad faith. The motion for fees as sanctions under § 1927 is also **DENIED**.

ORDER

For the foregoing reasons, the defendants' motion for attorneys' fees pursuant to 35 U.S.C. § 285 and 28 U.S.C. § 1927 (Docket No. 249) is **DENIED**.

/s/ PATTI B. SARIS
Patti B. Saris
Chief United States District Judge