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I. INTRODUCTION

Leave to amend should be denied when the proposed pleading would be futile. See Forman v. Davis, 371 U.S. 178 (1962); Bethany Pharmacal Co., Inc. v. QVC, Inc., 241 F.3d 854, 861 (7th Cir. 2001). “A new claim is futile if it would not withstand a motion to dismiss.” Vargus-Harrison v. Racine Unified School District, 272 F.3d 964, 974-75 (7th Cir. 2001). Fish’s proposed Amended Complaint is so devoid of merit, one wonders what Fish’s real purpose was in proposing its filing.

At the heart of the amended complaint is a theory that Fish somehow owns all the Harris patents, even though many of those patents were sold to third parties at Fish’s request. This ownership theory is the basis for Fish’s proposed addition of six new parties in Counts III and IV. Briefly stated, Fish’s ownership claim is defective, as a matter of law, for at least five separate reasons:

First, Harris’s employment contract with Fish is a contract for “general employment,” not a contract to invent. Under such circumstances, Fish has no right to have ownership of Harris’s patents assigned to it, under principles of equity or otherwise. United States v. Dubilier Condenser Corp., 289 U.S. 178, 189 (1933).

Second, it is settled law that an employer can claim ownership in an employee’s patents in only two circumstances: (1) where there is an express contract providing for such ownership, or (2) where the employee was hired to invent. Neither situation applies here and Fish does not allege otherwise.

Third, even accepting Fish’s “use of firm resources” contention as true, under the “shop right” doctrine, Fish has no right to license the Harris patents to its clients. It can only practice the inventions itself, not transfer rights to others.

Fourth, an attorney can enforce personal property rights against a client of his or her law firm; *a fortiori*, he can do so after his employment has ended. Put another way, Scott Harris had an absolute legal right to assert his patents against infringers, whether or not they are firm clients, or to sell his patents to third parties who would later license or enforce them, paying a portion of any recoveries to Mr. Harris.

Fifth, Scott Harris, holder of legal title to the Harris patents, assigned some of those patents to the six proposed new defendants who, at that point, became *bona fide* purchasers for value without notice of any prior adverse claims. The six defendants each recorded assignment papers in the PTO. Fish, a patent law firm which can hardly deny knowledge of the controlling provision of the patent statute, never recorded in the PTO any claim of title to any of the Harris patents.

Its belated claim to such title is, therefore, void as a matter of law. 35 U.S.C. § 261.

Any one of these defects, standing alone, would require dismissal of the proposed amended complaint under Fed.R.Civ.P. 12(b)(6). Amendment, therefore, would be futile, and should not be permitted. Vargus-Harrison, 272 F.3d at 974-75.

The amended pleading also (1) improperly reveals confidential attorney-client communications that Fish obtained in violation of California law, (2) makes scandalous and impertinent allegations against plaintiffs' counsel and (3) result in pointless delay and undue prejudice Scott Harris and ICR (not to mention their counsel). "[T]he rule does not command leave [to amend] be granted every time. ... It is well within the province of the district court to deny leave to amend if, among other things, there is undue delay or undue prejudice would result to the opposing party if the amendment were allowed." Thompson v. Illinois Department of Professional Regulation, 300 F.3d 750, 759 (7th Cir. 2002).

ARGUMENT

I. THE REQUESTED RELIEF DOES NOT TURN ON DISPUTED FACTS

As this Court is well aware, Mr. Harris and ICR vigorously dispute Fish's factual allegations. But the following facts are not disputed:

- Scott Harris is an attorney, who was hired and paid by Fish to practice law, not to create inventions.
- Fish is a law firm, not a science or technology company. It has no business interest in hiring inventors.
- Mr. Harris's inventions do not relate to the legal profession, the practice of law or the business of Fish.
- No written agreement exists saying that Fish owns or can claim any ownership interest in any of Mr. Harris's inventions or his patents.

Here, Mr. Harris's inventions do not relate to his employment; there is no agreement to assign and Mr. Harris did not use Fish time or facilities to invent or obtain his patents. But even if he did, Fish could at most get a shop right to practice the inventions itself, not to own the patents or to transfer rights to a third party.

In short, as a matter of law: Fish has no ownership rights in the Harris inventions

and patents and, even if it did, it failed to reduce such rights to writing or record them against the superior right of the later *bona fide* purchasers who acquired them.

II. FISH'S OWN PROPOSED "AMENDED COMPLAINT" REVEALS THAT THE AMENDMENT WOULD BE FUTILE

Paragraphs 25 through 29 of Fish's proposed amended complaint reveal that Scott Harris's employment contract with Fish was a contract for general employment. He was employed as a lawyer and, indeed, he was required to "devote his ... full business time, best efforts and skill to his ... employment" as a lawyer (Fish Proposed Amended Complaint, ¶ 25, quoting § 4(a) of the contract). Section 6 of the contract emphasizes that Scott Harris was working "as a lawyer" and was being paid "for his services as a lawyer":

All income generated by the Employee ***for his services as a lawyer*** and all activities related thereto, such as writing of treatises and articles, shall belong to the [Firm] ...

(Contract § 6, quoted at ¶26 of Fish's proposed Amended Complaint) (emphasis added). Scott Harris was not hired by Fish to invent anything; he was paid only for "his services as a lawyer," not for any other services. Nor was there any provision in his contract with Fish requiring him to assign any inventions, patent applications or patents to Fish.

Those provisions of Scott Harris's contract, upon which Fish's own proposed amendment relies, demonstrate futility. Because Scott Harris unquestionably was a general employee (not someone who was hired to invent things) Fish never had, and does not now have any ownership rights in any of Harris's patents and no right to an assignment of any of those patents:

One employed to make an invention, who succeeds, during his term of service, in accomplishing that task, is bound to assign to his employer any patent obtained. The reason is that he has only produced that which he was employed to invent. His invention is the precise subject of the contract of employment. A term of the agreement necessarily is that ***what he is paid to produce belongs to his paymaster***. On the other hand, ***if the employment be general, albeit it cover a field of labor and effort in the performance of which the employee conceived the invention for which he obtained a patent, the contract is not so broadly construed as to require an assignment of the patent.***

Dubilier, 289 U.S. at 187 (emphasis added). Here, just as in Dubilier, “the written evidence of [Scott Harris’s] employment does not mention research, much less invention.... In no proper sense may it be said that the contract of employment contemplated invention.... The circumstances preclude the implication of any agreement to assign [his] inventions or patents.” Dubilier, 289 U.S. at 193-95.

As the Supreme Court held, “what [Scott Harris] is paid to produce belongs to his paymaster [Fish], 289 U.S. at 187. But, Fish’s own pleading admits that what Scott Harris was “paid to produce” was not inventions, but legal work: “his services **as a lawyer....**” (Contract § 6, quoted at ¶ 26 of Fish’s proposed amended complaint). Fish has no right to ownership of assignment of any of Harris’s patents. Fish’s proposal to amend its complaint to assert such a right should be rejected as futile.

**III. AN EMPLOYER CAN OWN AN EMPLOYEE’S PATENT ONLY
(1) WHERE THERE IS AN EXPRESS CONTRACT SPELLING OUT
SUCH RIGHTS OR (2) WHERE THE EMPLOYEE WAS HIRED TO INVENT**

By statute “[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor....” 35 U.S.C. § 101. Only natural persons can be inventors. Beech Aircraft Corp. v. EDD Corp., 990 F.2d 1237 (Fed. Cir. 1993). “The patent laws reward inventors for contributing to the progress of science and the useful arts. See, U.S. Const. Art. I, § 8. As part of that reward, an invention presumptively belongs to its creator.” Teets v. Chromalloy Gas Turbine Corp., 83 F.3d 403, 407 (Fed. Cir. 1996). In this case, the creator of the patented inventions is Mr. Harris, not Fish.

According to the leading commentator on patent law, in the employment context:

[T]he general rule is that an individual owns the patent rights to the subject matter of which he or she is an inventor, even though it was conceived or reduced to practice in the course of employment. **There are two exceptions to this rule:** first, an employer owns an employee’s invention if the employee is a party to **an express contract** to that effect; **second, where an employee is hired to invent something** or solve a particular problem, the property of the invention related to this effort may belong to the employer.

Robert L. Harmon, Patents and the Federal Circuit, 506 (7th ed. 2005) (emphasis added). Accord, Banks v. Unisys Corp., 228 F.3d 1357, 1359 (Fed. Cir. 2000) (“The

general rule is that an individual owns the patent rights to the subject matter of which he is an inventor, even though he conceived it or reduced it to practice in the course of his employment”); see also, Jamesbury Corp. v. Worcester Valve Co., 443 F.2d 205, 214 (1st Cir. 1971) (Applying Massachusetts law; absent agreement, an employee has no fiduciary duty “to turn over ideas to his employer.”).

Even if someone is arguably hired to invent (which Mr. Harris was not), there still must be a meeting of the minds for the second exception to apply. For example, in Banks v. Unisys, the Federal Circuit vacated a judgment for an employer because of evidence suggesting no meeting of the minds about who would own any patents:

Although Unisys points to evidence that suggests that Banks was hired to invent an image camera system, a reasonable inference from Banks’ failure to sign the agreements presented to him by Unisys, as well as from the failure of Unisys to pursue the signing of these agreements, is that Unisys acquiesced to Banks’ refusal to convey ownership of his inventions, and thus an implied-in-fact-contract to assign inventive rights was not formed.

228 F.3d at 1360.

Here, there was no express contact requiring Mr. Harris to assign his inventions to Fish. (How simple would it have been for a law firm to spell-out in its employment contract that it would own the right to convey licenses to its clients for any patents obtained by its employees?) Nor is there any allegation that Mr. Harris was hired to invent. On the contrary, Fish hired Mr. Harris to practice law. Hence, Fish cannot meet either exception to the general rule.

IV. EVEN UNDER THE “SHOP RIGHT” DOCTRINE, FISH COULD NOT GRANT A LICENSE TO ITS CLIENTS

In its proposed amended complaint, Fish also claims it can transfer rights in Mr. Harris’s patents to its clients. But the common law “shop right” doctrine is strictly limited to permitting an employer itself to use an employee’s invention “where it has contributed to the development of the invention.” Patents and the Federal Circuit, at 505. Fish does not allege it contributed to any of Mr. Harris’s inventions, so Fish has no “shop rights.” Compare Heywood-Wakefield Co. v. Small, 87 F.2d 716 (1st Cir. 1937)

(Applying Massachusetts law; employer not entitled to shop right where employee worked on invention on his own time.)

Even if Fish had somehow obtained a “shop right” in Scott Harris’s patents (which it did not), Fish could not convey that right to any other entity, nor prevent Mr. Harris from exercising or assigning his patent rights himself.

[E]mployment merely to design or to construct or to devise methods of manufacture is not the same as employment to invent. Recognition of the nature of the act of invention also defines the limits of the so-called shop-right, which shortly stated, is that where a servant, during his hours of employment, working with his master’s materials and appliances, conceives and perfects an invention for which he obtains a patent, he must accord his master a non-exclusive right to practice the invention. ... ***But the employer in such a case has no equity to demand a conveyance of the invention, which is the original conception of the employee alone, in which the employer had no part. This remains the property of him who conceived it, together with the right conferred by the patent, to exclude all others than the employer from the accruing benefits. These principles are settled as respects private employment.***

Dubilier, 289 U.S. at 188-89 (emphasis added). See also, e.g., McElmurry v. Arkansas Power & Light Co., 995 F.2d 1576, 1583 (Fed. Cir. 1993) (even where employer had a shop right, “[t]he owner of the Bowman patent still retained the right to exclude all others than [the employer] from practicing the claimed invention”). Massachusetts law (as it must) follows the controlling precedent of Dubilier. See, e.g., National Development Co. v. Gray, 55 N.E.2d 783, 787 (Mass. Sup. Ct. 1944) (“The discovery of an invention by an employee ... during the course of his employment through the use of the employer’s equipment, materials and labor does not deprive the employee of his invention although the employer has a shop right in the invention which gives him a nonexclusive irrevocable license to use the invention.”).

Here, though somewhat obscured in Fish’s fiduciary duty allegations, Fish contends that Scott Harris used its resources not to invent, but to prosecute (i.e., obtain) his patents. But, a “shop right” can arise only when an employee uses the employer’s resources to make an invention. Dubilier, 289 U.S. at 189. The alleged circumstances here simply do not give rise to a shop right because the shop right cases turn on the use of the employer’s resources to invent.

Finally, even if Fish could establish a shop right (which it cannot), it still could not grant a license to Fish's clients. That is so because a shop right owner is only a non-exclusive licensee, as held in Dubilier and McElmurry. Thus, even under a shop-right theory, Fish cannot convey rights in Scott Harris's patents to a client any more than it could force an employee to waive a tort claim against a Fish client (patent infringement is a tort) or allow trespassing on an employee's property (patents are property).

V. AN ATTORNEY MAY ENFORCE A PERSONAL PROPERTY RIGHT AGAINST A FIRM CLIENT

An attorney may enforce a personal property right against a firm client; *a fortiori*, he can do so after his employment ends. Put another way, Scott Harris has the legal right to enforce his patents against all infringers (or sell them to others who will enforce them) whether or not the infringers are firm clients.

Fish's contention that firm clients are (or were or should be) allowed to infringe upon Mr. Harris's patents – his personal property – is no different than saying that the CEO of Google has the right to pitch a circus tent or create a parking lot in Scott Harris's backyard simply because Google is a firm client. That scenario, absurd as it sounds, is conceptually no different than patent infringement.

The Patent Statute mandates that "patents shall have the attributes of personal property." 35 U.S.C. § 261.

Among the most important rights in the bundle of rights owned by a patent holder is the right to exclude others.... ***A patent is a federally created property right***, valid throughout the United States.

Beverly Hills Fan Co. v. Royal Sovereign Corp., 21 F.3d 1558, 1570 (Fed. Cir. 1994) (emphasis added). As a survey or a fence may define the boundaries of Mr. Harris's backyard, the claims of his patents define the scope of his property. See Harmon Patents and the Federal Circuit, at 6 ("Indeed, the claims of a patent are legal documents like the descriptions of land by metes and bounds in a deed.").

Just as Scott Harris would have the right to evict Google's circus tent from his backyard, he has the right to protect his other personal property – his patents – from infringement by Google or anyone else, whether or not they are clients of Fish. Infringement is synonymous with "trespass." King Instruments Corp. v. Perego, 65 F.3d 941, 947 (Fed. Cir. 1995) ("An act of infringement – i.e., making using or selling the

patented inventions ‘without authority’, 35 U.S.C. § 271(a)(1988) – **trespasses** on this right to exclude.”) (emphasis added).

The futility of Fish’s position, as pled in the proposed amended complaint, is compounded when one looks beyond the rhetoric to the circular basis for Fish’s claim: Fish claims it owns the patents because it was a breach of fiduciary duty for Mr. Harris to charge a client with patent infringement (even after Mr. Harris’s employment ended) because the client somehow gained the absolute right to infringe by simply hiring Mr. Harris’s employer, Fish. This theory requires the creation of new law with limitless bounds:

1. Does the infringing client get a free pass (some sort of equitable license not found in existing law) forever?
2. What if the “client” is not an existing client but becomes one later?
3. What if Mr. Harris was forced to leave the firm (as in this case) before a lawsuit was filed against a Fish client?
4. Can an infringer get a free pass to infringe simply by hiring Fish after Mr. Harris left the firm?
5. What about patents that issued after Mr. Harris left the firm?
6. What about a patent that was sold to a *bona fide* purchaser before its assertion against infringers?

No case answers any of these questions, much less all of them. And no proper theory of ownership exists under the law.

VI. THE SIX ADDITIONAL ENTITIES ALL HAVE RECORDED SUPERIOR RIGHTS TO THE HARRIS PATENTS; THOSE RIGHTS BAR FISH’S CLAIM

Attached as Exhibits A through F are the recorded assignments of the Harris patent rights to each of the six parties Fish seeks to add to this case – Memory Control Enterprise, BarTex Research, Innovative Biometric Technology, Parker Innovative Technologies, Virginia Innovative Technology and Innovative Patented Technology. If Fish ever had any ownership right (which it did not), it cannot now exercise such rights against any of the six proposed defendants because it has no recorded interest earlier than the six proposed defendants.

The reason is simple. The patent statute protects recorded *bona fide* purchasers of patents for value without notice from adverse claimants who have failed to record their claims.

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

* * * *

An assignment, grant or conveyance ***shall be void*** as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, ***unless it is recorded*** in the Patent and Trademark Office within three months from its date or prior to the date of such subsequent purchase or mortgage.

35 U.S.C. § 261 (emphasis added). Here, the six companies Fish wants to add as defendants are *bona fide* purchasers who all paid value to Scott Harris (the legal owner of the patents under Dubilier). Fish cannot prove (and has not even pled) that the six companies had any notice of any adverse claim belonging to Fish – indeed, when the six companies purchased the Harris patents in May and July 2007, it was ***at Fish's own insistence*** (Fish had insisted that Harris divest himself of the patents). Three months passed; and Fish still had not sought to record any claim of its own. At that point, Fish's claim became "void" as against the six companies, by the operation of 35 U.S.C. § 261. That absence of notice of an adverse claim distinguishes cases in which "constructive trusts" could be imposed. Whatever claims Fish may have had (and as shown above, it had none), the six companies are now immune to them.

There is surely no equitable basis to mitigate the operation of the statute in this instance. Fish boasts that it is one of the Nation's foremost patent law firms. It, therefore, knew of the existence of the controlling statute. And it knew of the sales to the six companies – in fact, it insisted upon those sales. Even if it had any claims against those companies to begin with, Fish's own failure to comply with the statute now bars those claims. For this further, independent reason, the six proposed defendants cannot be added to this case.

VII. THE AMENDED PLEADING INCLUDES IMPERTINENT AND SCANDALOUS PERSONAL ATTACKS ON PLAINTIFFS' COUNSEL

Federal Rule of Civil Procedure 12(f) prohibits pleadings containing "immaterial,

impertinent or scandalous matter.” And Rule 11(b) prohibits any party or any lawyer from filing a pleading intended to harass or needlessly increase the cost of litigation or containing factual contentions lacking evidentiary support. The proposed amended complaint fails on both counts.

First, it threatens a claim against the Niro firm and Raymond P. Niro personally. Second, it claims the Niro firm and Mr. Niro went outside their role as counsel and engaged in schemes to deceive Fish and its clients, to hide Mr. Harris’s misconduct, to create illicit financial interests, to perpetuate deception and more. No factual support whatever exists for such outrageous allegations and their sole purpose (as reflected in footnote 2 of Fish’s publicly-filed motion) is to publicize what would otherwise be defamatory statements by putting them in an official court pleading. MacGregor v. Rutberg, 478 F.3d 790, 791 (7th Cir. 2007) (“Illinois like other states recognizes an absolute privilege for statements in testimony or pleadings in a judicial proceeding”). This is what one widely-read blogger (now uncovered as patent counsel for a Fish client, Cisco) has already said about footnote 2:

... In the Scott Harris/Illinois Computer Research/James Parker/Ray Niro v. Google/Fish & Richardson case in Chicago, things are starting to heat up again. Fish & Richardson has filed a motion for leave to file an amended complaint, adding six new defendants other than Scott Harris. They claim that each of the defendants has an interest in the outcome of the lawsuits involving Illinois Computer Research’s patent bought from Scott Harris. **Unfortunately, the proposed amended complaint was filed under seal.** According to paragraph 6 of the complaint, each of the new entities “appears to be closely connected to and represented by the same law firm representing Mr. Harris and ICR, namely, Niro, Scavone, Haller & Niro.” **Of course, the best things in life are always in the footnotes. And here is footnote 2 ...**

<http://trolltracker.blogspot.com/2008/02/friday-miscellany-21508.html>, Patent Troll Tracker Posting, Friday Miscellany, 2/15/08. Footnote 2, of course, threatens a future lawsuit against the Niro firm and Mr. Niro personally. And the anonymous blogger we have now learned is Rick Frenkel, a Cisco-employed patent attorney with close ties to Fish and Kathy Lutton, the Fish partner responsible for forcing Scott Harris out of Fish. Is it just a coincidence that the anonymous blogger reporting on this case has close ties to Fish?

Hence, one now wonders what the real purpose was of publicly filing a motion with footnote 2 and then getting it in the hands of the friendly blogger – was it to tell the public that there is hot material in the confidentially filed proposed amended complaint? Stay tuned!

The direct consequences already of the actions of the Fish-friendly Patent Troll Tracker's blog have been death threats against Mr. Niro and calls for vigilante action against him and his family:

Vigilantism is not only necessary, it is justified. We need to seek out the personal information of this lawyer, his entire firm, and the President and board of directors of the companies that employ them. Publish their names, home addresses, any phone numbers that can be found, their license plate numbers, the names of their family members, the schools their children attend. Everything. This is War, ladies and gentlemen. Of a more dire and extreme sort than any in history. Only by securing true strategic objectives can the enemy be worn down. We must destroy not just his willingness, but his ability to fight. Destroy the ability of those who drive the conflict to live their lives in the most basic way and victory is assured.

We, the greater whole of society, are everywhere. We surround them. We can destroy them. All that is required is the will.

Joseph N. Hosteny, *Intellectual Property Today*, March 8, 2008, "The Cowardice of Anonymous Bloggers" (quoting an anonymous posting on Slashdot.org).

This tactic of publishing defamatory material in a judicial pleading is grossly improper and is no less scandalous than if we were to file a pleading (which plaintiffs would never do) suggesting that Jenner & Block has frequently represented individuals accused of organized crime (see Michael S. Serrill, "*The Mob Lawyer 'Life Support' for Crime*," *Time*, March 25, 1985) and, thus, necessarily has engaged in schemes and deceptions or otherwise aided criminal conduct merely by virtue of such representation. That would be absurd. And so too is Jenner's unsupported pleading attacking the Niro firm and its senior partner for simply representing Mr. Harris and his assignees.

VIII. THE PROPOSED PLEADING REVEALS PRIVILEGED COMMUNICATIONS

In violation of this Court's Order, Fish has knowingly revealed confidential attorney-client communications in its proposed amended complaint (e.g., ¶¶ 47-51). Documents revealing such communications were printed from Mr. Harris's confidential

emails to and from his lawyers.

Fish was fully aware that California law protects such confidential communications even in the face of policies that, on their face, would suggest the employer has a right to gain access to them. Cal. Evid. Code. § 917(b) (“A communication between persons in a relationship listed in subdivision (a) does not lose its privileged character for the sole reason that it is communicated by electronic means or because persons involved in the delivery, facilitation, or storage of electronic communication may have access to the content of the communication”). The controlling case in California is People v. Jiang, 130 Cal. App. 4th 1512 (Cal. Ct. App. 2005). There, an employee was subject to a published policy that allowed access to password-protected email. But, as the California court found, that policy did not override the attorney-client privilege. Jiang has been cited repeatedly on this exact issue:

Once an employer realizes she is poking into an employee’s private communications, the law dictates she should immediately cease. This is true even if the employer issued a policy stating that company equipment may be monitored at any time and that the employee should have no expectation of privacy.

Michael Baroni, “*Feature: Employee Privacy in the High-Tech World*,” 48 Orange County Lawyer 18, *22 (May 2006) (emphasis added). Fish and the Jenner firm not only didn’t stop looking at clearly privileged emails, they actually used and quoted them in the proposed amended complaint. For this further reason, leave to amend should be denied.

**IX. THE AMENDED COMPLAINT WILL UNDULY DELAY
THESE PROCEEDINGS AND UNFAIRLY PREJUDICE PLAINTIFFS**

Fish apparently now wants to turn this case into a side-show in which Fish and the Jenner firm attack the Niro firm and Harris’s assignees and then they, in turn, respond in self-defense that Jenner & Block and Fish & Richardson have unlawfully accessed Mr. Harris’s emails and intimidated material witnesses. Those allegations and counter-allegations will only delay this case and prevent a prompt adjudication on the merits of the underlying ownership claims.

This is yet another reason to deny leave to amend. “It is well within the province of the district court to deny leave to amend if, among other things, there is undue delay

or undue prejudice would result to the opposing party if the amendment were allowed.”
Thompson, 300 F.3d at 759.

X. NO CONSTRUCTIVE TRUST CAN BE ESTABLISHED

Never mind whether it slept on any rights it may have had by failing to record them in the PTO, says Fish: this Court ought to impose a “constructive trust” to save it from Mr. Harris’s “inequitable and wrongful acts” (Proposed Amended Complaint, ¶¶ 98-102). Addition of such a claim would be futile under Dubilier. There, the Supreme Court rejected the proposition that facts upon which Fish’s proposed amended complaint rests could support the imposition of a trust *ex maleficio*, because “the employees’ conduct was not fraudulent.... They promptly disclosed their inventions ... No word was spoken regarding any claim of title by the Government until after applications for patents were filed.” 289 U.S. at 196.

And, as we have seen, no such trust has been spelled out of the relation of master and servant, even in the cases where the employee has perfected his invention by the use of his employers’ time and materials. The cases recognizing the doctrine of shop rights may be said to fix a trust upon the employee in favor of his master as respects the use of the invention by the latter, ***but they do not affect the title to the patent and the exclusive rights conferred by it against the public.***

Dubilier, 289 U.S. at 196-97 (emphasis added).

Here, Fish knew of Mr. Harris’s inventions and even demanded their sale to third parties as a condition of Mr. Harris’s continued employment. As in Dubilier, nothing was concealed; nor was anything said by Fish to foreshadow its belated decision to try to assert a claim adverse to those *bona fide* purchasers. There is no foundation for imposition of any sort of trust.

Fish’s knowledge also precludes any possibility of imposition of any trust based upon fraudulent concealment:

[A] constructive trust will not be imposed except where the proof of ***fraud*** is ‘clear and convincing, and so strong, unequivocal, and unmistakable as to lead to but one conclusion If the explanation of the evidence may be made upon theories other than the existence of a constructive trust, such evidence is not sufficient to support ... such trust.’

Chain O'Mines, Inc. v. United Gilpin Corp., 109 F.2d 617, 622 (7th Cir. 1940); see also, Jacoby v. Shell Oil Co., 196 F.2d 855, 858 (7th Cir. 1952) (applying Illinois law). Fish cannot meet this standard, because Scott Harris and the six companies acted in accordance with statutory provisions relating to patent ownership (notably 35 U.S.C. § 261); while Fish did not. The clincher is that if Fish had any claim of ownership adverse to Mr. Harris, surely it would have known enough to record that claim in the PTO – Fish is not ignorant of patent law. It did not record any such interest. Hence, Fish cannot show fraud, let alone such “strong, unequivocal, and unmistakable [proof of fraud] as to lead to but one conclusion.” 109 F.2d at 622.

XI. CONCLUSION

For all the above reasons, Fish’s motion for leave to file its proposed amended complaint should be denied.

Respectfully submitted,

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CERTIFICATION OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **SCOTT HARRIS'S AND ICR'S BRIEF OPPOSING LEAVE TO AMEND** was electronically filed with the Clerk of Court using CM/ECF system, which will send notification by electronic mail to the following:

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