

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

ILLINOIS COMPUTER RESEARCH, LLC.,)	
)	
Plaintiff and Counterclaim Defendant,)	
)	
v.)	Case No. 07 C 5081
)	
FISH & RICHARDSON P.C.,)	Judge Rebecca R. Pallmeyer
)	Mag. Judge Maria Valdez
Defendant, Counterclaimant and)	
Third-Party Plaintiff,)	
)	
v.)	
)	
SCOTT C. HARRIS,)	
)	
Third-Party Defendant. And Counterclaimant)	
)	
FISH & RICHARDSON P.C.,)	
)	
Defendant, Counterclaimant, Third-Party)	
Plaintiff and Counterclaim Defendant.)	

**COMBINED RESPONSE OF ICR AND SCOTT HARRIS
TO FISH'S MOTIONS FOR JUDGMENT ON THE PLEADINGS**

Illinois Computer Research, LLC ("ICR") and Scott Harris now respond to the
Motions for Judgment on the Pleadings filed by Fish & Richardson ("Fish").

INTRODUCTION

In both motions, Fish declares:

This is a case about an attorney, Mr. Scott Harris, who sought to use
patents he obtained while a principal at Fish to target and extract money
from, among others, firm clients – all in plain breach of his fiduciary duties.

(Fish Brs. at 2). In fact, Fish expressly mandated in writing the important fact that Harris
be deemed a mere "employee," not a principal:

(e). Relationship of Employee and Corporation. The Employee and the Corporation understand that the Board of Directors, in accordance with Massachusetts General Laws Chapter 156A. As amended, shall manage the business affairs of the Corporation. ***The relationship between the Corporation and the Employee is that of an employer and employee.***

(Exhibit A, Employment Agreement, p. 3; emphasis added). As for the “plain breach of fiduciary duties,” Fish has yet to cite a single case for the proposition that its clients are entitled to infringe Mr. Harris’ patents or that Fish has any ownership rights in those patents. Scott Harris’ patents were his personal property, and there is absolutely no authority for the proposition that infringers are licensed because they are Fish clients. Nor could there be: conceptionally, Fish’s claim is no different than the notion that the CEO of Google could pitch a tent in Mr. Harris’ back yard (e.g., trespass on his property) simply because Google is a Fish client.¹

Contrary to Fish’s distorted and erroneous statement of this case:

- Scott Harris was a devoted and loyal employee of Fish, one of its leading lawyers and a consistent producer of substantial income for the law firm;

¹ Under some circumstances, ***an employer*** may be allowed to practice an employee’s invention; but this is not ownership. 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.”); 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.) 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 employers.”). Mr. Harris did not use firm resources in the prosecution of his patents. Moreover, Fish knew and authorized Mr. Harris’ inventorship activities. But even if Fish could prove its entitlement to a shop right, Fish’s clients would still have no right to infringe. Nor could Fish claim any ownership rights.

- Mr. Harris never concealed the fact that he was an inventor and was preparing and obtaining patents on his inventions on his own time with his own resources throughout his 14-year tenure at Fish;
- Fish knew of and expressly authorized Mr. Harris' actions until one of its major clients complained that Mr. Harris had sold one of his patents to a company that was enforcing the patent against them for unlawful acts of patent infringement; and
- Fish chose money over loyalty and demanded Mr. Harris immediately sell his patents in the shortest possible time or leave the firm which, itself, created an enormous personal hardship on Mr. Harris and his family.

Then, after Mr. Harris did exactly what Fish asked him to do, Fish then fabricated a self-serving story filled with accusations about “shell companies,” “secret financial interests” and “lies” to draw attention away from its own misconduct. That misconduct includes: (1) accessing Mr. Harris' confidential attorney-client communications; (2) threatening Mr. Harris to discourage his testimony; and (3) deliberately interfering with the licensing of the Harris patents by, among other things, concocting and disseminating a claim that it owns the patents – a claim that Fish knew to be false. As part of that effort, Fish also widely published a charge that Mr. Harris engaged in “unauthorized conduct” in his profession and even went so far as to contact the Patent Resources Group (“PRG”) in a successful effort to get Mr. Harris fired from its distinguished faculty (PRG immediately complied).

Briefly stated, Fish's motions should be denied for three reasons:

First, in both motions, Fish has avoided mention of the key case addressing the pleading of a claim for tortious interference with prospective economic advantage: Cook v. Winfrey, 141 F.3d 322 (7th Cir. 1998). Under Cook and its progeny, ICR and Mr. Harris have adequately pled their claims.

Second, Fish's statements to the press and others that Mr. Harris' patent activities were "not authorized" constitute defamation *per se*. While Fish contends that its statements were true, Mr. Harris' Counterclaim expressly alleges that Fish, in fact, authorized his activities. Among other things, Fish authorized his personal inventorship activities, and mandated the sale of his patents.

Third, the Illinois Citizen Participation Act could not possibly apply here. Among other things, Fish's conduct is far removed from "participation in government."

STATEMENT OF FACTS

Scott Harris was an employee of Fish for 14 years. At all times, Fish was aware of Mr. Harris' inventorship activities; indeed, Fish expressly authorized those activities.

As alleged in ICR's Amended Complaint:

10. Mr. Harris has 27 patents and has pending approximately 80 patent applications covering many different fields of technology. Most have been sold to different companies that license and enforce the patents. At all times, Fish was aware of Mr. Harris' personal inventorship activities. Indeed, the co-inventor of one of his patents is the wife of the former managing partner of Fish. Plaques identifying some of Mr. Harris' patents were on display in his office at Fish.

(ICR's Amended Complaint, Exhibit B at ¶ 10). As Mr. Harris alleged in his Counterclaim:

10. Mr. Harris has invented many new technologies, and has been awarded 27 issued United States Patents and has pending approximately 80 patent applications in diverse fields of technology. Many of those patents and applications were sold to different companies that license and enforce Mr. Harris' patents. Most of the sales of Mr. Harris' patents were carried out by Mr. Harris at Fish's insistence. At all times during his tenure at Fish, Fish attorneys -- including those responsible for firm management -- were aware of Mr. Harris' personal inventorship activities. Indeed, at or about the time Mr. Harris joined Fish, he informed (now retired) Fish attorney Charles Winchester, then Fish's Ethics Chairman, that (1) he had made inventions, (2) he was currently prosecuting his own patent applications on those inventions before the PTO, and (3) he would continue to invent while associated with Fish. Mr. Winchester responded that the firm saw no problem with that, and that it was not unusual for patent prosecution attorneys to seek their own

patents; indeed, others at Fish had done so before and after Mr. Harris did.

11. Thereafter, Mr. Harris also sought the advice of a Fish administrator, Judy Filamond, who then headed Fish's "Practice Systems" group. Ms. Filamond likewise advised Mr. Harris that she saw no problems with his personal inventorship activities, and saw no reason why his inventions should be integrated into Fish's patent prosecution docketing system.

12. Mr. Harris' inventorship activities were open and well known within Fish. At no time did Mr. Harris conceal his inventorship activities from Fish. As an example, a co-inventor on one of his patents (U.S. Patent No. 6,664,896) is the wife of former Fish Managing Partner John Gartman.

(Scott Harris' Counterclaim, Exhibit C at ¶¶ 10-12). Mr. Harris' personal inventorship activities were the subject of emails widely disseminated to attorneys in the firm and presentations to Fish attorneys (Exhibit C at ¶¶ 15-16). Even as late as March of 2007, Fish management specifically advised Mr. Harris that his inventorship activities and ownership of patents were not a problem (Exhibit C at ¶ 22).

Other Fish attorneys, likewise, prosecuted their own patents while employed at Fish:

19. As was the practice at Fish, other attorneys employed at Fish likewise were inventors on their own patents. A well-known example is that of Tom Woolston, who prosecuted his own patents while at Fish. Those very patents were the basis for Woolston's founding of MercExchange (as in eBay v. MercExchange, 126 S. Ct. 1837 (2006)), a company of which the Managing Partner of Fish's San Diego office, John Phillips, is a co-owner.

20. Other attorneys sought and filed their own patents while at Fish, including Tim Pham, who has since left Fish to work for Google.

(Exhibit C at ¶¶ 19-20).

Mr. Harris prosecuted his patents on his own time using his own resources:

39. In actuality, Mr. Harris personally handled his inventorship activities on his own time, and at no time did such activities interfere with his billable work. Indeed, Mr. Harris' billable hours were, for all the years in question, above the goal set by Fish as the required number of hours to be billed per year. He routinely billed 1,900 to 2,000 hours per year. In a firm where many attorneys did not meet their billing goals, this often placed Mr. Harris in the top 25% highest billers at Fish. Moreover, Mr. Harris never used any firm personnel during employment hours to assist him in any way with any of his personal patent filings, with the exception of those filings which were done on behalf of firm clients.

(Exhibit C at ¶ 39).

Fish allowed its employee attorneys to engage in non-firm business activities:

42. Fish's contention about "firm resources" also is at odds with its actual practices and the numerous examples of non-firm commercial dealings by its attorneys. Mr. Steele conceded to Mr. Harris that many Fish attorneys had what he called "side businesses" on which they conducted personal work activities from their offices at Fish. Mr. Harris is aware of numerous examples, including that of Mr. Phillips, the Managing Partner of the San Diego office, who is co-owner of MercExchange. Other examples include: (1) Steve Stodgill, an attorney in the Dallas office who purportedly has a number of outside business deals, some with noted entrepreneur Mark Cuban; (2) John Schnurer, an attorney in the San Diego office, who purportedly crafted, and personally benefited from, several non-firm real estate deals; and (3) Charles Heiken, an attorney with significant business relationships with Bose corporation. Fish's contention is also contradicted by the express language in the "employment agreement" which it filed in this case. Section 4b of that agreement states the limits placed on outside activities of employees to be limited only to those activities that "impinge substantially on time or energy normally required for business of the corporation". Examples given are things like "holding public office". Nowhere does this or any other section of the employment agreement reference (much less limit) the employee's rights to file patent applications for their own inventions. Moreover, Mr. Harris' billing history while at Fish – which was always found satisfactory to management and was never below the set billing "goal" – clearly demonstrates that his other activities did not impinge on his time or energy for his Fish work.

(Exhibit C at ¶ 42).

In the Spring of 2007, Dell Computer complained to Fish that it had been sued on a patent on which Mr. Harris was a named inventor. Thereafter, Fish conducted an

investigation and concluded that Mr. Harris had done nothing unethical or inappropriate. Fish so informed Mr. Harris (Exhibit B at ¶ 11; see also, Exhibit C at ¶ 23; Fish Ethics Director John Steele “informed Mr. Harris that he had outside counsel look into the issue of whether Mr. Harris had done anything unethical or inappropriate in obtaining the ‘791 patent and pursuing litigation against Dell. He conceded to Mr. Harris that the investigation cleared Mr. Harris of any wrongdoing.”).

Instead of claiming any ownership interest in Mr. Harris’ patents, Fish demanded that Mr. Harris divest himself of the ‘252 patent and other patents not owned by ICR to maintain his position at Fish (Exhibit B at ¶ 12). Harris sold other of his patents to other entities (Exhibit C at ¶ 26).

On August 29, 2007, ICR sent a letter to Google notifying it of ICR’s belief that Google was infringing the ‘252 patent. Google is a client of Fish, and Google immediately complained to Fish and sought its help to undermine the claim (Exhibit B at ¶ 14). Fish provided that help by asserting ownership claims in the ICR patents, which Fish knows to be false (Exhibit B at ¶ 24(a)).

As alleged in the Counterclaim:

33. Then, or about September 21, 2007, Fish gave the media a prepared statement, falsely charging that Mr. Harris’ patent activities were “not authorized”. As alleged above and below, Mr. Harris’ actions were in fact authorized by the firm. Indeed, Mr. Harris sold his patents at the express demand of Fish. On information and belief, in September and early October of 2007, Fish continued to make the same false statements to third parties, all in an effort to undermine the assertion of Mr. Harris’ patent portfolio against infringers. For good measure in early October 2007, Fish publicly made the same declaration to the National Law Journal (“Harris was involved in outside business ventures that were not authorized by the firm....”). This statement (like the others) was false.

34. On information and belief, before filing this lawsuit, Fish also improperly told Google and others that it had ownership rights in Mr.

Harris' patents, a fact that encouraged Google and others not to accept and pay for a license under the Harris patents or to pay far less than the actual value of a license.

(Exhibit C at ¶¶ 33-34).

Fish knew that its ownership claims were baseless. Fish also knew of and expressly authorized Mr. Harris' activities. Moreover, even after learning that Mr. Harris had sued a purported firm client – Dell Computer – Fish concluded that Mr. Harris had done nothing wrong (Exhibit C at ¶ 23). Indeed, knowing that it had no ownership rights, Fish gave Mr. Harris two options: sell the patents or leave the firm (Exhibit C at ¶ at 25). Mr. Harris in fact sold the patents at Fish's demand (Exhibit C at ¶ 26). Of course, by demanding that Mr. Harris sell his patents, Fish acknowledged that he, and not Fish, owned them. Fish has not claimed an ownership interest in any of the business ventures of its other attorneys, nor has it told the Managing Partner of its San Diego office that MercExchange (which he co-owns) should hand over its patents, which the inventor prosecuted while an employee of Fish.

Fish also sought to intimidate a material witness – Scott Harris – by, among other things, (1) demanding that Mr. Harris negotiate his deal with ICR; (2) insisting that its clients had paid-up licenses; (3) threatening inequitable conduct claims that would make his life miserable; (4) refusing to return sums due him from the firm; (5) accessing his confidential and privileged communications with his attorneys; and (6) threatening to claim that Harris copied ideas from firm clients and violated ethics rules (Exhibit B at ¶¶ 16-18; Exhibit C at ¶ 28).

For purposes of the motions, all these facts must be taken as true.

ARGUMENT

I. ICR AND SCOTT HARRIS HAVE ADEQUATELY PLED A CLAIM FOR TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE

A. Fish Has Ignored Controlling Seventh Circuit Authority

Conspicuously absent from Fish's briefs is any mention of Cook v. Winfrey, 141 F.3d 322 (7th Cir. 1998), where the Seventh Circuit reversed the dismissal of a tortious interference with prospective economic advantage claim. There, the district court dismissed the claim, relying on one of the very same cases (Schuler v. Abbott Labs.) on which Fish's motions are premised:

The district court dismissed this count because it read Illinois court decisions as requiring that the plaintiff allege both "a business expectancy with a specific third party" and "**action by the interfering party directed towards the party with whom the plaintiff expects to do business.**" *Schuler v. Abbott Laboratories*, 265 Ill.App. 3d 991, 639 N.E.2d 144, 147, 203 Ill. Dec. 105 (Ill. App. Ct. 1993). Because Cook did not name any particular third party with whom he had a reasonable expectation of a business relationship, or toward whom Winfrey directed her interfering actions, the court concluded that the complaint was inadequate.

141 F.3d 327-28 (emphasis added). The Seventh Circuit reversed, declaring:

But this entire argument strays rather far afield from the minimal requirements of federal notice pleading. Having alleged that Winfrey improperly interfered with his "ability to enter into contracts or business relationships with third parties interested in purchasing the rights to publication of his experiences" (Pl. 16 at 6-7, P 38), Cook is under no obligation to plead further the facts that he believes support his claim.

* * * *

The Federal Rules do not require that his complaint allege the specific third party **or** class of third parties with whom he claims to have had a valid business expectancy. He has alleged that such an expectancy existed and that Winfrey purposely interfered with it. Consistent with those allegations, he might be able to prove a set of facts (including the identity of the parties or class of parties) that would entitle him to relief. See *Hishon*, 467 U.S. at 73.

Id. at 328 (emphasis added).

Fish also has overlooked a case with which its counsel is quite familiar: Barrett v. Poag & McEwen Lifestyle Centers-Deer Park Ctr, 1999 U.S. Dist. LEXIS 13594 (N.D. Ill. 1999). There, the defendant made the same argument which Fish makes here: that the complaint failed to plead “action directed toward a third party.” Judge Gottschall rejected that argument and denied the motion, specifically distinguishing the case upon which Fish principally relies, Grund v. Donegan:

The allegation the Seventh Circuit identified as sufficient in *Cook* is similar to Barrett’s allegation that Lucas “interfered with Barrett’s expectancy [of ‘entering into a valid business relationship with [another] corporation]. Compl. PP 36-37. It is sufficient that the court can postulate facts, consistent with Barrett’s allegations, from which the element of action directed at the third party may be inferred.

In light of *Cook*, defendants’ argument that Illinois law requires a specific allegation that their interfering actions were *directed at* a third party must fail. With a single exception, *Grund v. Donegan*, 298 Ill. App. 3d 1034, 700 N.E.2d 157, 233 Ill. Dec. 56 (Ill. App. Ct. 1998), defendants rely on cases decided before *Cook*. The court acknowledges that those cases did, indeed, require such an allegation. *Schuler*, 639 N.E.2d at 147; *Douglas Theater*, 681 N.E.2d at 569; *Silk v. City of Chicago*, 1997 U.S. Dist. LEXIS 20654, at *69 (N.D. Ill. 1997) (emphasizing that the tortious interference allegedly committed by the defendant must be directed toward a *third party*, not the plaintiff, in rejecting anomalous attempt by plaintiff, the breaching party, to sue the party that induced plaintiff’s breach for tortious interference with prospective business advantage). But *Cook* does not.

Grund, 700 N.E.2d at 161, an Illinois state case decided several months after *Cook*, does not alter the court’s analysis under *Cook* because *Grund* was based on an Illinois rule of civil procedure, section 2-615, which “attacks the sufficiency of a complaint and raises the question of whether the complaint states a cause of action upon which relief can be granted.” *Grund*, 700 N.E.2d at 161 (citing 735 ILL. COMP. STAT. § 5/2-615 (West 1996)). As the state court in *Grund* explained, specific pleading was required because “Illinois is a fact pleading jurisdiction [citation omitted]. Although both sections 2-603(c) and 2-612(b) of the Code [citations omitted] mandate the liberal construction of pleadings, these provisions do not authorize notice pleading.” *Id.* In contrast, Barrett’s case is governed by the Federal Rules of Civil Procedure, and *Cook*’s construction of Rule

8's notice pleading requirement applies. *Cook*, 141 F.3d at 327-328. Thus, ***for purposes of assessing Barrett's pleadings in this court, defendants wrongly assert that Barrett must allege that defendants' interfering actions were directed at a third party.***

Barrett, 1999 U.S. Dist. LEXIS, ** 31-33 (emphasis added).

Also instructive is the case of Wilton Partners III LLC v. Gallagher, 2003 U.S. Dist. LEXIS 21899 (N.D. Ill. 2003). There, like the Amended Complaint and Counterclaim here, the pleading alleged that third-party defendants "asserted to third parties that Wilton legally maintains an interest in potential projects bid on by Gallagher" and "misrepresented Wilton's interest in Gallagher projects so as to interfere with Gallagher's prospective economic advantage from its business relations". Id. at *12. Judge Gettleman denied a motion to dismiss the claim, declaring:

Although Gallagher fails to identify the contours of counter- and third party defendants' alleged "interest" in his proposal, and does not describe how they allegedly conveyed their purported interest in Gallagher's proposal to the Village, these allegations are minimally sufficient, at the pleading stage of the case, to state a claim for tortious interference with prospective business advantage. See Cook v. Winfrey, 141 F.3d 322, 328 (7th Cir. 1998) (allegation that defendant improperly interfered with plaintiff's "ability to enter into contracts or business relationships with third parties interested in purchasing the rights to publication of his experiences" was sufficient to state a claim for tortious interference with prospective economic advantage); Shah v. National Association of Securities Dealers, 1999 U.S. Dist LEXIS 6467, No. 98 C 5355, 1999 WL 240342, at *3 (N.D.Ill. April 9, 1999) (quoting Sanjuan v. American Board of Psychiatry and Neurology, Inc. 40 F.3d 247, 251 (7th Cir. 1994)) (allegations of tortious interference sufficient to state a claim in the absence of supporting facts because "matching facts against legal elements comes later"). Counter-and third party defendants' Rule 12(b)(6) motion to dismiss Count II is therefore denied.

Id. at **12-13 (emphasis added).

Finally, while Fish relies on Solaia Tech., LLC v. Specialty Publ'g Co., 357 Ill.App.3d 1, 826 N.E.2d 1208 (1st Dist. 2005), this Court already has recognized that

Cook v. Winfrey mandates a different pleading standard for a tortious interference claim in Federal Court. Pelfresne v. Village of Lindenhurst, 2005 U.S. Dist. LEXIS 23094 at *43 (N.D. Ill. 2005) (“Plaintiff’s claimed expectation of entering into a business relationship with persons interested in purchasing and developing his property is adequate to allege a claim for tortious interference with prospective economic advantage.”).

B. ICR Has Adequately Pled A Tortious Interference Claim

While Cook and its progeny do not require specific allegations of conduct directed toward third parties, the allegations make clear that Fish’s false ownership claims were, in fact, directed towards Google and the other infringers of ICR’s patents. Indeed, it was Google’s communications with Fish which prompted it to publish false ownership claims (ICR Amended Complaint, Exhibit B at ¶¶ 14, 24(a)). Mr. Harris’ Counterclaim is even more explicit as to the timing and dissemination of Fish’s false claims (Exhibit C at ¶¶ 28, 29, 32-34). The assertion of an ownership interest in property was found sufficient to withstand a motion to dismiss in Wilton Partners, III, supra, 2003 U.S. Dist. LEXIS 21899, despite the absence of specific allegations as to how such assertion was conveyed to third parties. In any event, Fish **concedes** its understanding that ICR does, in fact, maintain that Fish’s conduct was directed against Google and other infringers (Fish’s ICR Br. at 10; “Here, ICR’s own pleadings establish that Fish & Richardson’s alleged conduct **especially as directed at Google and any other prospective licensees....**”; emphasis added).

ICR also has pled a reasonable expectancy under Cook; indeed, the entire purpose of Mr. Harris’ sale of the patents to ICR was to enable a licensing effort. Fish’s contention that ICR must identify the other infringers or “an actual deal” (Fish’s ICR Br.

at 8) is contrary to law. In any event, ICR and Mr. Harris have produced notice letters and a dozen license agreements, including several which were entered into without resorting to litigation. See Pelfresne, 2005 U.S. Dist. LEXIS 23094 at *43 (“persons interested in purchasing and developing ... property” found sufficient). ICR also has pled that Fish deliberately sought to intimidate a material witness – Scott Harris – as part of its effort to undermine ICR’s licensing efforts.

ICR’s causation allegations are, likewise, sufficient. Among other things, ICR has alleged that its negotiating position has been undermined (Exhibit B at ¶ 25). Fish has reached to matters outside of the pleadings, arguing, for example, “the fact that Google and ICR reached an agreement after the alleged interference cannot establish for ICR that Google contemplated any such agreement before ICR filed its pleading.” (Fish Br. at 8). What Fish doesn’t say is that Fish’s ownership claim played a central role in the negotiations with Google and others (see Exhibits D and E, License Agreements – Filed under Seal).

C. Fish’s Actions Were Not Privileged

In the first place, ICR’s claim and Mr. Harris’ claim are not based on Fish’s pleadings, but on its actions prior to filing suit; hence, Fish’s purported reliance on the litigation privilege is misplaced.

As for Fish’s purported “interest,” there is no legitimate interest in asserting an ownership claim which Fish knows to be false. Indeed, Fish’s privilege arguments ignore key allegations made by ICR and Mr. Harris. (See, e.g., Fish’s Harris Br. at 9, arguing that Fish’s actions were driven “to protect its ownership interest in the ‘252 patent...”) ICR has pled that Fish’s tortious interference included “wrongfully asserting ownership claims in the ICR patents, claims which Fish knows to be false” (Exhibit B at

¶ 24(a)). Fish also has mischaracterized ICR's Amended Complaint: "ICR specifically alleges that Harris is a former principal of Fish & Richardson...." (Fish's ICR Br. at 10). Nowhere does ICR's Amended Complaint say that. As addressed above, at all times, Fish deemed Mr. Harris a mere "employee."

Finally, no privilege could possibly attach to Fish's effort to intimidate a material witness: Scott Harris. While Fish seeks to impose the criminal witness tampering statute standard upon that aspect of the claim, Fish itself recently was successful in urging a witness intimidation claim on facts much less egregious than those pled here. In Mass. Inst. of Tech. v. ImClone Sys., Inc., 490 F. Supp. 2d 119 (D. Mass. 2007), Fish charged that the questioning of an expert it had retained about his alleged misuse of his employer's property in performing tests was designed to intimidate that witness. Id. at 126. The court agreed, even though the questioning was "civil and courteous":

I do not disagree with ImClone's contention that Richter's questioning of Dr. Gillies was for the most part ***civil and courteous***. I am also willing to accept the proposition that a brief probing of Dr. Gillies' boast that "I am Merck KG[a]A" might have had some tangential impact on Dr. Gillies' credibility (although Richter was well aware of the fact that Dr. Gillies was not "the CEO of Merck"). I do not, however, credit Richter's testimony that the repeated questioning of Dr. Gillies about his failure to obtain the permission of his superiors at Merck and his alleged misuse of Merck property was intended to expose Dr. Gillies' "cloaking" of his "questionable" test results in the shroud of the "greater legitimacy of a giant pharmaceutical like Merck." Hearing Tr. at 61. I find that the questioning was instead undertaken as part of a deliberate stratagem to deprive MIT of Dr. Gillies' services as an expert witness. I conclude that the stratagem was deliberate for two reasons: (1) the persistence with which Richter pursued the questioning of Dr. Gillies about the propriety of his involvement with MIT given the fact that he worked for Merck; and (2) his motive in transmitting the deposition transcript to Gallagher.

* * *

I find that the actions of ImClone through its attorney-agents prejudiced MIT's ability to prosecute the litigation by depriving it of the cooperation of

the witness who as a principal inventor of the '281 patent was arguably the person most knowledgeable about the validity of MIT's claims against ImClone.

Id. at 126-27 (emphasis added). Fish obviously knew of this case when it filed its motions.

Here, the acts of Fish were even more egregious than those in the MIT case, even if the words were conveyed in a "civil and courteous" manner:

- Fish threatened to create false ethics charges against Mr. Harris, including a claim that Mr. Harris copied ideas from firm clients;
- Fish refused to return or discuss the sums due Mr. Harris;
- Fish raised – at least twice – the specter of inequitable conduct, saying it could make his life "miserable" (one wonders why Fish was so keen on talking about inequitable conduct, given its purported ownership of the patents);
- Fish insisted that it owned the Harris patents and that its clients have paid-up licenses;
- Fish was not only pressuring Mr. Harris to cease cooperating with ICR, it was demanding that (1) this suit be dismissed and (2) Mr. Harris "redo" his agreement with ICR; and
- Fish had Mr. Harris fired by PRG.

D. Mr. Harris Has Adequately Pled A Tortious Interference Claim

The bulk of Fish's arguments regarding Mr. Harris' claim repeat those that are addressed above. The exception is its argument that he has insufficiently pled his own expectancy. He has, however, explicitly pled such an expectancy (Exhibit B at ¶ 44). Fish's contention that Mr. Harris "does not plead any remaining financial interest in the patents...." (Fish's Harris Br. at 5) is remarkable in light of its own allegations in its Third Party Complaint against Mr. Harris (e.g., Fish's Third Party Complaint at ¶ 48; "the arrangement between Mr. Harris and ICR provides Mr. Harris with a financial interest in

the proceeds of litigation or settlements involving alleged infringement of the ‘252 patent.”). Indeed, that very financial interest springs from Mr. Harris’ ownership of his patents, which ownership Fish has falsely disputed. Mr. Harris is “an immediate rather than a remote victim.” Mainstreet Org. of Realtors v. Calumet City, 505 F.3d 742, 746 (7th Cir. 2007).

Moreover, Mr. Harris also still owns some of his patents, as he was not entirely successful in achieving Fish’s mandate to unload all of his patents under the imposed “fire sale” conditions (Exhibit C at ¶ 26).

II. **SCOTT HARRIS HAS ADEQUATELY PLED A DEFAMATION CLAIM PER SE**

Mr. Harris agrees with Fish that California law applies to this claim. Section 46 of the California Civil Code defines slander as

Slander is a false and unprivileged publication, orally uttered, and also communications by radio or any mechanical or other means which:

* * * *

Tends directly to injure him in respect to his office, profession, trade or business, either by imputing to him general disqualification in those respects which the office or other occupation peculiarly requires, or by imputing something with reference to his office, profession, trade, or business that has a natural tendency to lessen its profits;

(emphasis added). “Imputing dishonesty or lack of ethics to an attorney is also actionable [as slander *per se*] under Civil Code Section 46 because of the probability of damage to professional reputation.” Wang v. Hsu, 1991 U.S. Dist. LEXIS 4398 at *108-09 (N.D. Cal. 1991).

Under California law (unlike Illinois law), it does not matter whether Fish can tease an innocent construction out of its words. In Maidman v. Jewish Publications, Inc., 54 Cal. 2d 643, 648, (Cal. 1960), the California Supreme Court deemed an editorial

libelous *per se* where it “conveyed the impression” that the plaintiff “was guilty of unprofessional conduct as an attorney.” The court also held:

It should also be pointed out that the editorial also tends to injure Maidman in his occupation. It implies that plaintiff, in his professional capacity as a lawyer, deliberately misled the court concerning the nature of the holiday in order to obtain an advantage for himself and his client while placing the opposing parties at a disadvantage. “A defendant is liable for what is insinuated, as well as for what is stated explicitly.” (*Bates v. Campbell*, *supra* 213 Cal. 438, 442; *MacLeod v. Tribune Publishing Co*, *supra*, 52 Cal.2d 536.) **“The fact that an implied defamatory charge or insinuation leaves room for an innocent interpretation as well does not establish that the defamatory meaning does not appear from the language itself. The language used may give rise to conflicting inferences as to the meaning intended, but when it is addressed to the public at large, it is reasonable to assume that at least some of the readers will take it in its defamatory sense.”** (*MacLeod v. Tribune Publishing Co.*, *supra*, 52 Cal.2d at p. 549.) To accuse an attorney of deliberately misleading a court, whether this be done directly or indirectly, is obvious to injure the attorney’s reputation, generally, *and* with respect to his occupation. Since the article could reasonably have been understood to make such a charge it is for the tier of fact to determine if the readers did so understand it. (*MacLeod v. Tribune Publishing Co*, *supra*, 52 Cal.2d at pp. 546-547).

Id. at 651 (emphasis added).

Fish’s statements that Mr. Harris engaged in conduct in his profession that was “not authorized” clearly signaled that he had done something wrong and unprofessional, particularly since they concerned Mr. Harris’ “departure” from the firm. These statements were not mere hyperbole or “subjective expressions of disapproval, devoid of any factual content.” *Ferlauto v. Hamsher*, 74 Cal. App. 4th 1394, 1404, (Cal. App. 2d Dist. 1999). Moreover, Fish’s conduct was extraordinary – a highly respected law firm publicly announced that one of its attorneys had engaged in wrongdoing. This served to highlight the defamatory statements.

Fish has strained to come up with innocuous definitions for its words. However, “the publication is to be measured not so much by its effect when subjected to the critical analysis of a mind trained in the law, but by the natural and probable effect upon the mind of the average reader.” McLeod v. Tribune Publishing Co., 52 Cal. 2d 536, 547. (Cal. 1959). To the average reader, Fish’s words signaled that Mr. Harris had done something bad - very bad. Indeed, when PRG heard the “news,” it immediately fired him from its faculty.

While Fish also argues that its statements were true (Fish’s Harris Br. at 11), the Counterclaim expressly alleges otherwise. Mr. Harris has alleged that Fish expressly authorized his personal inventorship activities, cleared him of any wrongdoing, and mandated that he sell his patents.

Finally, Mr. Harris does not yet know precisely what words Fish conveyed to PRG which caused PRG to immediately drop him like a hot potato. At a minimum, Fish told PRG the same thing it told the press: Mr. Harris had engaged in unauthorized conduct in his profession. PRG got the message.

III. FISH’S CLAIM FOR FEES UNDER THE ILLINOIS CITIZEN PARTICIPATION ACT IS INAPPROPRIATE

Fish also claims that it is entitled to fees against Harris under the Illinois Citizen Participation Act, 735 ILCS § 110 et. seq. This argument is likewise incorrect.

In the first place, it is not even clear that the statute applies to Fish, as the “Public Policy” section states: “Civil actions for range damages have been filed against citizens and organizations of the State as a result of the valid exercise of their constitutional rights to petition....” Id. at § 110/5. More importantly, the Act makes abundantly clear that it is intended to protect ***citizen participation in government***:

Civil actions for money damages have been filed against citizens and organizations of this State as a result of their valid exercise of their constitutional rights to petition. Speak freely, associate freely, and otherwise ***participate in and communicate with government.***

* * * *

The threat of SLAPPs significantly chills and diminishes ***citizen participation in government***, voluntary public service, and the exercise of these important constitutional rights.

* * * *

It is in the public interest and it is the purpose of this Act to strike a balance between the rights of persons to file lawsuits for injury and ***the constitutional rights of persons to petition, speak freely, associate freely, and otherwise participate in government; to protect and encourage public participation in government*** to the maximum extent permitted by law.

* * * *

Sec. 15. Applicability. The Act applies to any motion to dispose of a claim in a judicial proceeding on the grounds that the claim is based on, relates to, or is in response to any act or acts of the moving ***party in furtherance of the moving party's rights of petition, speech, association, or to otherwise participate in government.***

Acts in furtherance of the constitutional rights to petition, speech, association, and ***participation in government*** are immune from liability, regardless of intent or purpose, except when not genuinely aimed at procuring favorable government action, result, or outcome.

Id. at §§ 5, 15; emphasis added. Here, the notion that Fish's conduct related to "participation in government" is preposterous.

Citing a dearth of authority interpreting the Act, Fish has referred the Court to a "similar" California statute (Fish Br. at 13). Cases interpreting that statute, however, have made clear that, "In order to prevail, a citizen party must make a prima facie showing that the SLAPP suit arises from any act by the citizen party 'in furtherance of the person's right of petition or free speech under the United States or California

Constitution in connection with a public issue.” United States ex rel. Newsham v. Lockheed Missiles & Space Co., Inc., 190 F.3d 963, 971 (9th Cir. 1999).

In Weinberg v. Feisel, 110 Cal. App. 4th 1122 (Cal. Ct. App. 2003), the California Appellate Court affirmed the denial of an anti-SLAPP claim, holding that causes of action relating to false allegations made in a newsletter did not transform a private dispute into a matter of public interest. In so holding, the court pointed out that “most newspapers, newsletters and other media outlets are not public forums ... [and] it is well established that defamation of an individual is not protected by the constitutional right of free speech.” Id. at **13-14. The court also declared: “A person cannot turn otherwise private information into a matter of public interest simply by communicating it to a large number of people.” Id. at *18.

Here, Fish has in no way made a *prima facie* showing that its conduct was in connection with a public issue. Nor could it: this was a private dispute that includes a claim for defamation. For these additional reasons, Fish has no claim under the Act.

CONCLUSION

Fish has yet to cite a single case decided by any court that would show it has a legitimate claim to ownership of any of Scott Harris’ patents. Mr. Harris and ICR have properly pled each of the required elements of its claims. For the reasons stated above, ICR and Scott Harris respectfully request that Fish’s motions be denied.

Respectfully submitted,

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CERTIFICATION OF SERVICE

The undersigned hereby certifies that a copy of the foregoing **COMBINED RESPONSE OF ICR AND SCOTT HARRIS TO FISH'S MOTIONS FOR JUDGMENT ON THE PLEADINGS** 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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