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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

ULTIMAX CEMENT MANUFACTURING	)	SA CV 02-578 AHS (ANx)
CORP., et al.,	)	
	)	
	)	
Plaintiffs,	)	ORDER DENYING PLAINTIFFS'
	)	MOTION TO DISQUALIFY
v.	)	DEFENDANTS' COUNSEL
	)	ORRICK, HERRINGTON &
CTS CEMENT MANUFACTURING CORP.,	)	SUTCLIFFE, LLP AND JAMES
et al.,	)	W. GERIAK DUE TO FORMER
	)	AND CONTINUING
	)	REPRESENTATION OF
Defendants.	)	PLAINTIFF HASSAN KUNBARGI
	)	

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I.

**PROCEDURAL HISTORY**

On January 30, 2007, Plaintiffs filed a Motion to Disqualify Defendants' Counsel Orrick, Herrington & Sutcliffe LLP and James W. Geriak Due to Former and Continuing Representation of Plaintiff Hassan Kunbargi ("Motion to Disqualify"). On February 12, 2007, Defendants filed opposition thereto. On February 16, 2007, Plaintiffs filed a reply. On February 26, 2007, the Court held a hearing on the Motion to Disqualify ("the hearing") and provided the parties with a Tentative Ruling. The Court vacated

1 the hearing date on all pending motions and took the matter under  
2 submission in light of new material proffered by Defendants at the  
3 hearing.

4 At the close of the February 26, 2007 hearing, the Court  
5 allowed Defendants to file (1) certain documents located by  
6 Defendant Edward K. Rice that Defendants contend demonstrate that  
7 Fibermesh, Inc. ("Fibermesh") is the "true owner" of the '992  
8 patent; (2) a declaration by Defendants' legal ethics expert; and  
9 (3) a list of legal authorities not cited in Defendants'  
10 opposition, but upon which Defendants relied at the hearing.<sup>1</sup> On  
11 February 27, 2007, Plaintiff Hassan Kunbargi ("Kunbargi") filed an  
12 Objection to Additional Citations and Hearsay Evidence Filed After  
13 Hearing on Motion to Disqualify Defendants' Counsel Orrick  
14 Herrington.<sup>2</sup> On April 30, 2007, Plaintiffs filed a Request for  
15 Judicial Notice of New Authority Re: Motion to Disqualify  
16 Defendants' Counsel Orrick Herrington.<sup>3</sup>

17 **II.**

18 **FACTUAL BACKGROUND**

19 Plaintiffs, including Kunbargi, are the patent holders  
20 and licensees of a patent for clinker (a precursor compound to  
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22 <sup>1</sup> In addition, after the hearing, Defendants filed a  
23 Supplemental Declaration of Conrad R. Solum, Jr. in Support of  
24 Defendants' Motion to Disqualify Defendants' Counsel Orrick,  
25 Herrington & Sutcliffe LLP and James W. Geriak ("Supplemental  
26 Solum Declaration"). Because the Supplemental Solum Declaration  
was not requested nor authorized by the Court at the hearing, the  
Court orders the Supplemental Solum Declaration stricken from the  
record.

27 <sup>2</sup> The Court overrules Plaintiffs' objection.

28 <sup>3</sup> The Court grants Plaintiffs' request for judicial notice.

1 cement) and the resulting cement that rapidly hardens into high-  
2 strength concrete. Defendants include Edward K. Rice ("Rice") and  
3 his company, CTS Cement Manufacturing Company.

4 Kunbargi and Rice have a long and tumultuous history.  
5 During the late 1980's, Kunbargi worked for Rice as a consultant,  
6 and Rice was Kunbargi's advisor in a Ph.D. program at UCLA. The  
7 facts at issue in this motion involve one of Kunbargi and Rice's  
8 joint inventions for a method of testing cement. The cement-  
9 testing invention is the subject of United States Patent No.  
10 4,866,992 ('992), issued in September 1989.<sup>4</sup>

11 The law firm Lyon & Lyon LLP ("Lyon") prosecuted the '992  
12 patent on behalf of inventors Kunbargi and Rice before the United  
13 States Patent and Trademark Office ("PTO") from approximately 1986-  
14 89. Attorney James W. Geriak ("Geriak") was a partner at Lyon  
15 during that time. The primary attorney responsible for prosecution  
16 of the '992 patent was Walter Duft ("Duft"), and the partner in  
17 charge of Rice's and CTS's business with Lyon was Conrad Solum  
18 ("Solum").<sup>5</sup> In connection with prosecution of the '992 patent,  
19 Rice and Kunbargi executed a Power of Attorney, designating as  
20 their attorneys Solum, Duft, Geriak, and several other Lyon  
21 attorneys, "with full power of substitution and revocation, to  
22 prosecute this application and transact all business in the Patent  
23 and Trademark Office connected therewith." The Power of Attorney  
24 was submitted to the PTO as part of the '992 patent file.

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26 <sup>4</sup>The '992 patent is not in issue in this litigation.

27 <sup>5</sup>Solum began working for Rice and his companies in the  
28 1960's and worked on many issues for Rice over the years.

1           In his declaration, Kunbargi states that he remembers  
2 working directly with Geriak during the course of Lyon's  
3 representation of Rice and Kunbargi. Geriak and other attorneys  
4 who worked at Lyon during that time have no such recollection.  
5 Kunbargi further states that he divulged confidences to Geriak  
6 regarding Kunbargi's working relationship with Rice. After the  
7 '992 patent issued, Lyon continued to transact business with regard  
8 to the '992 patent before the PTO, filing a change of address form  
9 in 1999, which continued to list Geriak on the Power of Attorney.

10           The parties dispute whether Rice and Kunbargi or  
11 Fibermesh, Inc. ("Fibermesh"), are the "true owners" of the '992  
12 patent for purposes of establishing an attorney-client  
13 relationship. Plaintiffs contend that because the patent was never  
14 assigned and the Power of Attorney designates Lyon and Geriak as  
15 counsel, Rice and Kunbargi are Lyon's and Geriak's clients.  
16 Defendants assert that Fibermesh, as the true owner of the '992  
17 patent, was Lyon's and Geriak's client until Fibermesh decided to  
18 let the patent lapse.

19           In June 1986, before the concrete testing method was  
20 invented, Rice executed an agreement with Fibermesh ("the  
21 Agreement"). The Agreement provides that any "Contractor  
22 Inventions" belong to Fibermesh. "Contractor Invention" is defined  
23 in the Agreement as "an Invention which is conceived by the  
24 Contractor or *conceived by the Contractor in a joint effort with*  
25 *others during the Contractor's engagement by the Company* hereunder  
26 which results directly from work on the Project and is within the  
27 defined limits of the Project." (Emphasis added.) The Agreement  
28 also states that "Should the Company elect to file any application

1 for patent protection . . . the Contractor will execute all  
2 necessary papers and documents, including formal assignments to the  
3 Company. . . ." The Agreement further obligates Rice to cooperate  
4 with any attorneys of FiberMesh's choosing in the prosecution of a  
5 patent.

6 Kunbargi is not a signatory to the Agreement. No  
7 assignment of the '992 patent was made. FiberMesh's name is not on  
8 the patent file wrapper for the '992 patent.

9 In 2001, the 12-year patent maintenance fee for the '992  
10 patent became due. Rice, acting pursuant to orders from FiberMesh,  
11 instructed Lyon not to pay the fee. The '992 patent subsequently  
12 lapsed. Kunbargi was not consulted regarding the nonpayment of the  
13 12-year patent maintenance fee. Kunbargi wants the '992 patent  
14 reinstated.

15 In August 2002, Geriak retired from Lyon. Shortly  
16 thereafter, Lyon dissolved. It is unknown what happened to Lyon's  
17 '992 patent files.<sup>6</sup> In September 2002, Geriak joined Orrick,  
18 Herrington & Sutcliffe LLP ("Orrick"). In the summer of 2006,  
19 Orrick and Geriak became counsel of record for Defendants in this  
20 action. By now, the term of the '992 patent has expired.

21 **III.**

22 **SUMMARY OF PARTIES' CONTENTIONS**

23 **A. Plaintiffs' Motion**

24 In the Motion to Disqualify, Plaintiffs contend that  
25 defense counsel Geriak currently represents Kunbargi with regard to  
26 the '992 patent and must therefore be disqualified from

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27  
28 <sup>6</sup>No Lyon files have been produced in support of Defendants'  
position.

1 representing Defendants in this action. The PTO rules confirm that  
2 every patent practitioner mentioned in the Power of Attorney for a  
3 patent is counsel of record for the named inventors or other listed  
4 patent owners. Case law also confirms that Geriak is Kunbargi's  
5 counsel. See Mindscape, Inc. v. Media Depot, Inc., 973 F. Supp.  
6 1130, 1132 (N.D. Cal. 1997) (holding that law firm designated on  
7 Power of Attorney for patent owned by plaintiff could not  
8 simultaneously represent a defendant in an unrelated suit brought  
9 by plaintiff). In addition, Geriak and Orrick must withdraw under  
10 the rules of successive representation because Geriak and Lyon  
11 learned material information from Kunbargi concerning his business  
12 relationship with Rice from 1986-1989. Further, the '992 matter is  
13 substantially related to the current litigation because Kunbargi  
14 and Rice's business relationship is material to the Defendants'  
15 shop right defense.

16 **B. Defendants' Opposition**

17 Defendants contend that Plaintiffs cannot satisfy the  
18 high standard of proof required for disqualification. The true  
19 owner of the '992 patent is Fibermesh, and therefore Lyon and  
20 Geriak never represented Kunbargi with respect to the '992 patent.  
21 Any alleged representation of Kunbargi ended when Fibermesh  
22 instructed Rice to let the patent lapse. Geriak did not work on  
23 prosecution of the '992 patent and had no opportunity to obtain  
24 confidences from Kunbargi. Plaintiffs waived objection to Geriak's  
25 and Orrick's representation of Defendants because, in 2002, when  
26 the instant action was filed, Plaintiffs did not raise the conflict  
27 issue with respect to the representation of Defendants by Solum,  
28 Geriak's colleague at Lyon. Further, Plaintiffs ignore the

1 critical fact that Kunbargi and Rice, as co-inventors, were at best  
2 joint clients of Lyon. As joint clients, communications with  
3 counsel are not privileged as between the joint clients, and there  
4 is no basis for disqualification due to conflict of interest. If  
5 the Court is inclined to grant Plaintiff's motion, it must also  
6 disqualify Plaintiffs' counsel Foley & Lardner LLP ("Foley")  
7 because some former Lyon attorneys are now at Foley.

8 **C. Plaintiffs' Reply**

9 Plaintiffs reply that the joint client privilege  
10 exception does not apply to concurrent representation. With regard  
11 to successive representation, the California Court of Appeal  
12 rejected the joint client argument advanced by Defendants in  
13 Western Continental Operating Co. v. Natural Gas Corp. of  
14 California, 212 Cal. App. 3d 752, 761, 261 Cal. Rptr. 100 (Cal. Ct.  
15 App. 1989). Geriak's conclusory denials of receipt of confidential  
16 information are insufficient as a matter of law. Where there is a  
17 substantial relationship between the prior and current matters,  
18 receipt of confidences is presumed. Even if considered, Geriak's  
19 conclusory denial is insufficient because such a claim should be  
20 supported by time sheets or internal correspondence files from  
21 Lyon, and Lyon's internal file is noticeably absent from the  
22 opposition. Plaintiffs did not waive objection in 2002 because  
23 Solum voluntarily withdrew based upon an unrelated conflict of  
24 interest before Plaintiffs could bring a motion to disqualify.  
25 There is no record of assignment of the patent to Fibermesh or  
26 anyone else, and Lyon represented on the wrapper that the patent is  
27 not assigned. Rice and Kunbargi applied for and obtained the  
28 patent in their own names. Lyon took the instruction of Rice alone

1 and did not notify their other client and co-inventor Kunbargi of  
2 the maintenance fee. The failure to do so was negligence that must  
3 now be rectified, and the continuing obligation to cure also means  
4 Geriak continues to represent Kunbargi pursuant to Mindscape. It  
5 is irrelevant that other Lyon attorneys joined Foley & Lardner LLP.

6 **D. Defendants' Supplemental Brief**

7 At the hearing, Defendants, relying on Sun Studs, Inc. v.  
8 Applied Theory Associates, Inc., 772 F.2d 1557, 1567-68 (Fed. Cir.  
9 1985), argued that the Power of Attorney is not dispositive on the  
10 issue of whether an attorney-client relationship exists for  
11 purposes of a conflicts analysis. Defendants also asserted that  
12 any purported conflict was merely imputed to Geriak because he  
13 worked at Lyon during the prosecution of the '992 patent. Under  
14 the former representation conflicts analysis of Adams v. Aerojet-  
15 General Corp., 86 Cal. App. 4th 1324, 104 Cal. Rptr. 2d 116 (Cal.  
16 Ct. App. 2001), he should not be disqualified.

17 **IV.**

18 **LEGAL STANDARD**

19 A court must examine a motion to disqualify carefully  
20 "to ensure that literalism does not deny the parties substantial  
21 justice." People ex rel. Dept. of Corporations v. Speedee Oil  
22 Change Systems, Inc., 20 Cal. 4th 1135, 1144, 86 Cal. Rptr. 2d 816  
23 (Cal. 1999). The movant bears the burden of establishing grounds  
24 for disqualification. See Evans v. Artek Systems Corp., 715 F.2d  
25 788, 791 (2nd Cir. 1983) (observing that courts require  
26 particularly high standard of proof for disqualification based upon  
27 former representation). Disqualification motions are subject to  
28 strict judicial scrutiny because of the potential for misuse for

1 tactical purposes. Optyl Eyewear Fashion International Corp. v.  
2 Style Companies, Ltd., 760 F.2d 1045, 1051 (9th Cir. 1985); see  
3 also Western Continental Operating Co. v. Natural Gas Corp. of  
4 California, 212 Cal. App. 3d 752, 763, 261 Cal. Rptr. 100 (Cal. Ct.  
5 App. 1989)(noting that a trial court may properly consider the  
6 possibility that the party brought the motion as a tactical device  
7 to delay litigation).

8           The United States District Court for the Central District  
9 of California adopts the Rules of Professional Conduct of the State  
10 Bar of California, and decisions of any court applicable thereto,  
11 as its standards of professional conduct. Local Rule 83-3.1.2; see  
12 also Christensen v. United States District Court for the Central  
13 District of California, 844 F.2d 694, 697 n.6 (9th Cir. 1988)  
14 (noting that because the Central District of California has  
15 expressly adopted the California ethical rules, the question on  
16 appeal is whether the district court properly applies them). The  
17 California Rules of Professional Conduct govern an attorney's  
18 duties of confidence and loyalty to his client. California Rule of  
19 Professional Conduct 3-310 ("Rule 3-310") provides that a member of  
20 the bar shall not, without informed written consent of each client,  
21 accept representation of more than one client in which the  
22 interests of the clients potentially or actually conflict. Cal.  
23 St. Bar Rule of Prof. Cond. § 3-310(C). Rule 3-310 further  
24 provides that a member of the bar shall not, without informed  
25 written consent of each client, "represent a client in a matter and  
26 at the same time in a separate matter accept as a client a person  
27 or entity whose interest in the first matter is adverse to the  
28 client in the first matter." Id. § 3-310(C). Rule 3-310 also

1 prohibits a member of the bar, without obtaining informed consent  
2 of both clients, from accepting "employment adverse to the client  
3 or former client where, by reason of the representation of the  
4 client or former client, the member has obtained confidential  
5 information material to the employment." Id. § 3-310(E).

6 V.

7 **DISCUSSION**

8 **A. Plaintiffs Did Not Waive Objection to Orrick and Geriak's**  
9 **Representation of Defendants by Unreasonably Delaying the**  
10 **Motion to Disqualify**

11 Defendants contend that Plaintiffs waived their objection  
12 to any purported conflict by failing to raise it when Solum  
13 originally represented Defendants in 2002. California recognizes  
14 an exception to disqualification when a party unreasonably delays  
15 in bringing a motion to disqualify. See Western, 212 Cal. App. 3d  
16 at 763-64 (noting that "the delay and the ensuing prejudice must be  
17 extreme" to result in denial of a motion to disqualify); see also  
18 River West, Inc. v. Nickel, 188 Cal. App. 3d 1297, 1309-10, 234  
19 Cal. Rptr. 33 (Cal. Ct. App. 1987) (adopting unreasonable delay and  
20 prejudice rule and citing Trust Corp. of Montana v. Piper Aircraft  
21 Corp., 701 F.2d 85 (9th Cir. 1983) to demonstrate that the Court of  
22 Appeals for the Ninth Circuit frames the issue in terms of waiver).  
23 If the party opposing the motion demonstrates prima facie evidence  
24 of unreasonable delay causing prejudice to the current client, the  
25 burden shifts to the party seeking disqualification to justify the  
26 delay. River West, 188 Cal. App. 3d at 1309.

27 Defendants argue that Plaintiffs waived objection to  
28 Geriak and Orrick's representation of Defendants by failing to

1 object to Solum's initial representation of Defendants. Plaintiffs  
2 point out that Solum voluntarily withdrew in 2002 due to an  
3 unrelated conflict before Plaintiffs could bring a motion based  
4 upon all available grounds for disqualification. Under these  
5 circumstances, it appears to the Court that Plaintiffs were under  
6 no obligation to put the attorneys at Lyon on notice of any  
7 additional duties of professional responsibility.

8           The relevant period of representation for purposes of  
9 this motion begins in August 2006 when Orrick and Geriak became  
10 counsel of record for Defendants. Defendants contend that  
11 Plaintiffs waited five months after Geriak and Orrick became  
12 counsel of record before bringing this motion on the eve of trial.  
13 Defendants further contend that Plaintiffs have "concocted this  
14 issue in an attempt to further delay this case, drive up the  
15 litigation costs for Defendants, and harass Defendants. . . ."  
16 (Defs.' Opp. at 12.) A five-month delay is not unreasonable in  
17 this case, however, given the complexities wrought by Lyon's  
18 dissolution. Compare Western, 212 Cal. App. 3d at 764 (two-month  
19 delay not unreasonable) with River West, 188 Cal. App. 3d at 1312-  
20 13 (47 month delay unreasonable). Consequently, Plaintiffs did not  
21 waive the conflict or unreasonably delay in bringing the instant  
22 motion.

23 **B.           Kunbargi is not Geriak's client for purposes of a**  
24 **conflict analysis**

25           The threshold issue in this case is whether execution of  
26 the Power of Attorney created an attorney-client relationship  
27 between Geriak and Kunbargi with regard to prosecution of the '992  
28 patent. If there is no attorney-client relationship between Geriak

1 and Kunbargi, then there is no conflict, and no need for  
2 disqualification. If, on the other hand, Geriak continues to  
3 represent Kunbargi with regard to the '992 patent, he may not  
4 simultaneously represent Rice in an action adverse to Kunbargi, and  
5 must be disqualified.

6 The PTO Rules of Practice ("PTO Rules") govern the patent  
7 prosecution process and contain rules regarding the designation of  
8 Power of Attorney. The PTO Rules define the Power of Attorney as  
9 "a written document by which a principal authorizes one or more  
10 patent practitioners or joint inventors to act on his behalf."  
11 Rules of Practice in Patent Cases, 37 C.F.R. § 1.31(a)(2). A  
12 "principal" means "either an applicant for a patent or an assignee  
13 of entire interest of the applicant for patent. . . ." Id. §  
14 1.32(a)(3). The Power of Attorney must identify ten or fewer  
15 patent practitioners as being of record in the Power of Attorney.  
16 Id. § 1.32(c)(3). A Power of Attorney may be revoked at any stage  
17 of the proceedings by an applicant for a patent, the assignee of  
18 the entire interest of the applicant, or the owner of the entire  
19 interest in the patent. Id. § 1.36(a). A registered patent  
20 attorney or patent agent who has been given a Power of Attorney may  
21 also withdraw upon application to and approval from the Director.  
22 Id. § 1.36(b).

23 In general, only the actual inventor or inventors may  
24 apply for a patent. 37 C.F.R. § 1.41. This is true even when the  
25 patent to be issued is assigned to a third party. Id. § 1.46. In  
26 Sun Studs, the Court of Appeals for the Federal Circuit,  
27 considering a motion to disqualify based upon a Power of Attorney,  
28 held that "a Power of Attorney does not ipso facto create an

1 attorney-client relationship." 772 F.2d at 1568. Under general  
2 agency principles, "one who grants a Power of Attorney for the  
3 benefit of a third person does not create an attorney-client  
4 relationship between the grantor and the attorney." Id.

5 In Sun Studs, the defendant-inventor sought to disqualify  
6 counsel for the plaintiff company based upon a Power of Attorney.  
7 The court reasoned that pursuant to the inventor rights clause of  
8 the parties' agreement, the defendant-inventor had agreed to assign  
9 the patent to the plaintiff and was required by contract to execute  
10 "whatever papers are necessary" for prosecution of the patent.<sup>7</sup>  
11 772 F.2d at 1568. In general, where a patent is to be assigned,  
12 the selection of patent counsel is the choice of the assignee  
13 rather than of the inventor. Id. The court thus found that any  
14 relationship between the patent counsel and the inventor was  
15 "solely technical in nature" and that the patent counsel was  
16 working on behalf of the plaintiff company, rather than the  
17 inventor, during prosecution of the patent. Id. The court further  
18 found that the Power of Attorney was given for the benefit of the  
19 plaintiff company, not for the defendant-inventor's own benefit.  
20 Id. at 1569. The court held that no former attorney-client  
21 relationship existed between the inventor and patent counsel. Id.  
22 at 1569.

23 Defendants refer to Levin v. Ripple Twist Mills, 416 F.  
24 Supp. 876 (E.D. Pa. 1976) for the proposition that lack of formal

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27 <sup>7</sup>The invention rights clause stated that title to all  
28 domestic and foreign patents on inventions arising out of the  
consulting work under the contract would be assigned to Sun  
Studs. Sun Studs, 772 F.2d at 1564.

1 assignment is not dispositive on the issue of representation.<sup>8</sup> In  
2 Ripple Twist, the plaintiff-inventor made a contract with the  
3 defendant licensee pursuant to which he granted the defendant a  
4 license in any patents prosecuted. 416 F. Supp. at 885-86. Under  
5 the agreement, the licensee had the right to prosecute patents in  
6 the inventor's name, and the inventor was obligated to cooperate  
7 with counsel of the licensee's choice. Id. The plaintiff was a  
8 patent attorney who routinely negotiated licenses and prosecuted  
9 patents himself and who had represented himself during the  
10 negotiation of the license agreement. Id. After the licensee  
11 determined that it was no longer in his interest to bear the  
12 expense of the patent prosecutions, the inventor revoked the Power  
13 of Attorney he had given to the licensee's counsel. Id. at 886.  
14 The court found that in "the very special circumstances of this  
15 case," there was no prior representation of the inventor by the  
16 licensee's law firm. Id.

17 Plaintiffs rely primarily on Mindscape. In Mindscape,  
18 there was no dispute over ownership of the patent at issue. The  
19 court disqualified a law firm based in part on the law firm being  
20 listed on the Power of Attorney. 973 F. Supp. at 1332-33. The  
21 court found that plaintiff Mindscape granted Power of Attorney  
22 regarding the patent to the defendant's law firm, designating two  
23 of the law firm's attorneys to represent it in all matters relating  
24 to the patent. Id. The court found that the Power of Attorney  
25 "constitutes an ongoing relationship that bars Chan [the law firm]  
26 from simultaneously representing Thunder Max in litigation with

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27  
28 <sup>8</sup>The Sun Studs court cited Ripple Twist with approval. See  
Sun Studs, 772 F.2d at 1568 n.8.

1 Mindscape." Id. at 1133. The court observed that an attorney's  
2 relationship with a client is imputed to the entire firm, and the  
3 law firm was listed with the PTO as the addressee for all  
4 correspondence. Id.

5 Because a Power of Attorney does not ipso-facto create an  
6 attorney-client relationship, the Court proceeds to determine for  
7 whose benefit the Power of Attorney was executed in this case: the  
8 inventors or a third party. It is undisputed that the '992 patent  
9 was never formally assigned to Fibermesh. Nor is there any  
10 evidence of a licensing agreement similar to the one at issue in  
11 Ripple Twist. Defendants contend, nonetheless, that Fibermesh is  
12 the true owner of the '992 patent, and therefore, under Sun Studs,  
13 Lyon's and Geriak's only client with regard to prosecution of the  
14 '992 patent.

15 "The general rule is that an individual owns the patent  
16 rights to the subject matter of which he is an inventor, even  
17 though he conceived it or reduced it to practice in the course of  
18 his employment." Banks v. Unisys Corp., 228 F.3d 1357, 1359 (Fed.  
19 Cir. 2000). Two exceptions to this presumption in favor of  
20 inventor ownership exist. First, an employee may enter into an  
21 express contract granting his employer ownership of the employee's  
22 inventions. Id. at 1359. Second, if an employee is hired to  
23 invent something or to solve a particular problem, a resulting  
24 invention may belong to the employer. Id. This latter exception  
25 is known as the "employed-to-invent" rule. Id.

26 In support of the contention that Fibermesh is the true  
27 owner of the '992 patent, Defendants submit the Agreement executed  
28 by Rice and Fibermesh. Defendants also present invoices, generated

1 by Lyon and sent to Rice for services provided in January-February  
2 1987. For January 14, 1987, there is an entry that states  
3 "Professional Services CRSolum, regarding U.S. Patent application  
4 Docket 177/80, review of and revision to draft patent  
5 application."<sup>9</sup> Defendants include a letter from Rice to Kunbargi,  
6 dated January 3, 1989, reminding Kunbargi that "Fibermesh paid us  
7 for [the '992 patent's] development and therefore the rights belong  
8 to them," and a letter from Kunbargi, dated December 29, 1988, that  
9 tends to show that Kunbargi believed the patent was issued in Rice  
10 and Kunbargi's names, but was within the scope of Rice and  
11 Kunbargi's work for Fibermesh.

12 Rice states in his Supplemental Declaration, produced  
13 after the hearing on the Motion to Disqualify, that Fibermesh did  
14 not want its name on the '992 patent because "having a patented  
15 testing device could potentially make it more difficult for  
16 researchers to achieve the same test results as those achieved by  
17 Fibermesh." (Supplemental Decl. of Edward K. Rice ("Supp. Rice  
18 Decl.") ¶ 3.) Rice attaches a letter, dated October 1, 1987, from  
19 Rice to the president of Fibermesh, in which Rice states that "the  
20 patent effort," with the exception of the "Tensile Testing device"  
21 (later known as the '992 patent), will be moved from Lyon to  
22 Fibermesh's Atlanta patent counsel. Attached to the letter is a  
23 letter from Rice to another representative of Fibermesh, in which  
24 Rice conveys that Lyon wants Fibermesh to request the patent files  
25 directly, rather than through Rice, because "the original documents  
26 other than the tensile testing device [later known as the '992

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27  
28 <sup>9</sup>The '992 patent application number is 177/80.

1 patent] were submitted to Lyon and Lyon by you [Fibermesh]."

2 (Supp. Rice Decl. ¶ 2, Ex. A.)

3 Defendants appear to argue that the Agreement establishes  
4 that Fibermesh owns the patent pursuant to an exception to the  
5 inventor ownership rule, and thus, under Sun Studs, Kunbargi and  
6 Rice executed the Power of Attorney for the benefit of Fibermesh.  
7 Plaintiffs dispute that the '992 patent belongs to Fibermesh, and  
8 there is conflicting evidence on this point. As noted previously,  
9 the '992 patent was never assigned to Fibermesh. The  
10 uncontroverted evidence further shows that Fibermesh became  
11 uninterested in the '992 patent. Unlike the plaintiff in Ripple  
12 Twist, Kunbargi is not a patent attorney. Nor was he a signatory  
13 to the Agreement. He did not bargain for the Agreement's terms.  
14 Rather, in the late 1980's, Kunbargi was a graduate student working  
15 as a consultant for Rice. It is undisputed that Kunbargi and Rice  
16 are joint inventors of the '992 patent. There is no evidence of  
17 communications between Lyon and Fibermesh regarding the '992  
18 patent. The '992 patent was prosecuted by Lyon, Rice's longtime  
19 counsel.

20 On the other hand, Rice executed the Agreement, which  
21 granted all ownership rights in Contractor Inventions to Fibermesh.  
22 The Agreement places Rice within the first exception to the  
23 inventor ownership rule. See Banks, 228 F.3d 1359; see also Teets  
24 v. Chromalloy Gas Turbine Corp., 82 F.3d 403, 407 (Fed. Cir. 1996)  
25 ("An employee may thus freely consent by contract to assign all  
26 rights in inventive ideas to the employer."). And, it is  
27 undisputed that Kunbargi was working for Rice when the subject  
28 matter of the '992 patent was invented. Kunbargi's work appears to

1 fall within the scope of the term "Contractor Invention," as  
2 defined by the Agreement, because it was conceived in joint effort  
3 with Rice.

4 Plaintiffs do not dispute that the '992 patent is a  
5 Contractor Invention as defined in the Agreement. Rather,  
6 Plaintiffs argue that the lack of formal assignment is evidence  
7 that Fibermesh relinquished whatever claims it had to the '992  
8 patent. It is true that Lyon billed Rice, not Fibermesh, for  
9 Lyon's services associated with prosecution of the '992 patent.  
10 However, Rice states that he, in turn, billed Fibermesh, and he  
11 produces an invoice so indicating. Rice declares that he acted at  
12 the direction of Fibermesh in transactions regarding the '992  
13 patent, including declining to pay maintenance fees in 2001.

14 Plaintiffs rely on the Power of Attorney and lack of  
15 assignment of the '992 patent to demonstrate that Kunbargi, not  
16 Fibermesh, was Geriak's client.<sup>10</sup> Neither of these pieces of  
17 evidence is dispositive on the issue. See Sun Studs, 772 F.2d at  
18 1568; Ripple Twist, 416 F. Supp. At 886. The Agreement executed by  
19 Rice and Fibermesh establishes that Fibermesh was positioned to  
20 become the owner of the '992 patent. The Court therefore concludes  
21 that Kunbargi and Rice executed the Power of Attorney for the  
22 benefit of Fibermesh. Under Sun Studs, execution of the Power of  
23 Attorney did not make Kunbargi the client of Lyon and Geriak for

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26 <sup>10</sup> Upon review of conflicting evidence, the Court finds that  
27 Geriak did not receive actual confidences from Kunbargi during  
28 the course of the '992 patent prosecution. The Court discounts  
Kunbargi's declaration on this point and credits Geriak's  
declaration along with declarations of other attorneys who worked  
at Lyon during the prosecution of the '992 patent.

1 purposes of the '992 patent prosecution. Consequently, no  
2 attorney-client relationship existed between Kunbargi and Geriak  
3 during the prosecution of the '992 patent. Plaintiffs do not meet  
4 their burden to establish grounds for disqualification.

5 **VI.**

6 **CONCLUSION**

7 For the foregoing reasons, Plaintiffs' Motion to  
8 Disqualify Defendants' Counsel Orrick, Herrington & Sutcliffe LLP  
9 and James W. Geriak Due to Former and Continuing Representation of  
10 Plaintiff Hassan Kunbargi is denied. The Court orders the  
11 Supplemental Declaration of Conrad R. Solum, Jr. in Support of  
12 Defendants' Motion to Disqualify Defendants' Counsel Orrick,  
13 Herrington & Sutcliffe LLP and James W. Geriak stricken from the  
14 record.

15 IT IS SO ORDERED.

16 IT IS FURTHER ORDERED that the Clerk shall serve a copy  
17 of this Order on counsel for all parties in this action.

18 DATED: May \_\_\_\_, 2007.

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ALICEMARIE H. STOTLER  
CHIEF U.S. DISTRICT JUDGE  
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