IN THE UNITED STATES DISTRICT COURT

FOR THE WESTERN DISTRICT OF WISCONSIN

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AFFYMETRIX, INC. and GREGORY L. KIRK,

ORDER

Plaintiffs,

11-cv-184-bbc

v.

ILLUMINA, INC.,

Defendant.

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Plaintiffs Affymetrix, Inc. and Gregory L. Kirk seek correction of U.S. Patent Nos. 7,510,841 and 7,612,020 under 35 U.S.C. § 256 to add plaintiff Kirk as one of the inventors. Plaintiffs have moved for a hearing to determine inventorship; defendant Illumina, Inc. has moved to dismiss the case under the doctrine of claim preclusion.

As defendant's motion suggests, plaintiffs' claim has a history that predates the filing of this case in March 2011. In Illumina, Inc. v. Affymetrix, Inc., 09-cv-277-bbc and 09-cv-655-bbc (W.D. Wis.), Illumina asserted claims against Affymetrix for infringement of the '841 and '020 patents. Affymetrix first raised the issue of inventorship with the court in its "motion to dismiss for lack of jurisdiction," filed in case no. 09-cv-277-bbc, dkt. #122. Affymetrix argued that Illumina did not have standing to sue because it had failed to join

Kirk as a plaintiff. In the alternative, Affymetrix argued that the patent was invalid under 35 U.S.C. § 102(f), which states that a patent is invalid if the named inventor "did not himself invent the subject matter sought to be patented."

In an order dated October 28, 2010, dkt. #192, I questioned whether Affymetrix could challenge Illumina's standing without first obtaining a correction of the patent under § 256. I asked the parties to submit supplemental briefing and to address the question whether Affymetrix could obtain a correction of the patent in the context of that case. In an order dated November 23, 2010, dkt. #208, I concluded that "that an unnamed inventor is not relevant to the standing analysis until the patent has been corrected," but that Affymetrix could seek a correction under § 256. Although Illumina argued that Affymetrix had waived its right to request a correction because it did not include that claim in its counterclaim and answer, I concluded that a request for a correction was not a "claim" that must be pleaded. Further, because Affymetrix had made a prima facie showing that Kirk was an inventor of the '020 and '841 patents, I scheduled a hearing to determine whether those patents should be corrected. After Illumina filed a motion for reconsideration, I canceled the hearing because disputed facts were common to the correction issue under § 256 and the invalidity defense under § 102(f), a defense that needed to be resolved by the jury. (A court cannot decide a motion under § 256 if it requires resolution of facts in common with a claim or defense that would be tried by the jury. Shum v. Intel Corp., 499

F.3d 1272, 1277 (Fed Cir. 2007).)

Ultimately, I did not resolve the question of inventorship because I concluded that Affymetrix was entitled to summary judgment on the ground of noninfringement. Dkt. #221. Because "defendant did not raise a separate counterclaim under § 256 for correction of the patents, . . . it [wa]s not entitled to a declaration of Kirk's ownership rights in the context of" those cases. Id. at 7. However, I told Affymetrix and Kirk that they were "free to bring a standalone claim under § 256 in a separate case if they wish." Id. (citing Fina Oil & Chemical v. Ewen, 123 F.3d 1466, 1471 (Fed. Cir. 1997) (§ 256 "provides a cause of action to interested parties to have the inventorship of a patent changed to reflect the true inventors of the subject matter claimed in the patent")). Illumina's appeal of the decision is pending.

In its motion to dismiss, defendant argues that plaintiffs should have raised a claim under § 256 in the previous cases and that they are barred by the doctrine of claim preclusion from raising the claim in a new lawsuit because the claim under § 256 arises out of the same facts as plaintiff Affymetrix's invalidity counterclaim under § 102(f). Allan Block Corp. v. County Materials Corp., 512 F.3d 912, 915 (7th Cir. 2008) ("Failing to file a compulsory counterclaim does normally preclude its being made the subject of another lawsuit."). Although plaintiff Kirk was not a party to the previous cases, defendant says that claim preclusion applies equally to him because he is in privity with plaintiff Affymetrix.

United States ex rel. Lusby v. Rolls–Royce Corp., 570 F.3d 849, 851 (7th Cir. 2009) ("Claim preclusion under federal law has three ingredients: a final decision in the first suit; a dispute arising from the same transaction (identified by its 'operative facts'); and the same litigants (directly or through privity of interest).") Plaintiffs say that claim preclusion should not apply because this court "expressly reserved" their right to bring a claim under § 256 in a different case and because, in the previous cases, this court declined to resolve the issue of inventorship on mootness grounds. Central States, Southeast and Southwest Areas Pension Fund v. Hunt Truck Lines, Inc., 296 F.3d 624, 629 (7th Cir. 2002) (internal quotations omitted) ("[A] litigant's claims are not precluded if the court in an earlier action expressly reserves the litigant's right to bring those claims in a later action."); Payne v. Panama Canal Co., 607 F.2d 155, 158 (5th Cir. 1979) ("The dismissal without prejudice of the prior actions on grounds of mootness does not serve as a final adjudication on the merits so as to bar this action."). In addition, plaintiffs argue that claim preclusion should not apply to Kirk because he was not in privity with Affymetrix.

Unfortunately, the parties' briefs ignore a threshold question, which is whether it is appropriate for this court to proceed to the merits of this case while the appeals for case nos. 09-cv-277-bbc and 09-cv-655-bbc are pending. It is within the discretion of the court to stay proceedings pending the resolution of other suits. Cherokee Nation of Oklahoma v. United States, 124 F.3d 1413, 1416 (Fed. Cir. 1997) (citing Landis v. North American Co., 299

U.S. 248, 254–55 (1936)). "The power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants." Landis, 299 U.S. at 254. The general test for imposing a stay requires the court to "balance interests favoring a stay against interests frustrated by the action" in light of the "court's paramount obligation to exercise jurisdiction timely in cases properly before it." Cherokee Nation, 124 F.3d at 1416 (citing Landis, 299 U.S. at 255).

In this case, it makes little sense to decide the inventorship issue or the scope of the previous cases while those cases are pending on appeal. In the event that the court of appeals disagrees with my conclusion regarding infringement, that court could resolve the inventorship issue itself or remand the issue for further proceedings in this court. Thus, if I determined the rights of the parties in this case, it could complicate matters significantly for the other two cases and create a host of new questions regarding preclusion and other procedural matters. Because I see no irreparable harm to the parties if they must wait while the other cases are on appeal, the most prudent action is to administratively close this case until the court of appeals resolves case nos. 09-cv-277-bbc and 09-cv-655-bbc.

ORDER

IT IS ORDERED that all pending motions in this case are DENIED WITHOUT

PREJUDICE and this case is ADMINISTRATIVELY CLOSED pending resolution on appeal of Case Nos. 09-cv-277-bbc and 09-cv-655-bbc. Once the Court of Appeals for the Federal Circuit resolves those appeals, plaintiffs Affymetrix, Inc. and Gregory Kirk may seek to reopen this case.

Entered this 11th day of July, 2011.

BY THE COURT:
/s/
BARBARA B. CRABB
District Judge