

Keywords: Rule 70; Assignment

General: A motion for relief under F.R.C.P. §§ 59(e) or 60(b) should be granted when the court's exercise of discretion rests on an erroneous factual or legal premise.

University of West Virginia, Board of Trustees v. VanVoorhies
68 U.S.P.Q.2d 1044 (Fed. Cir. 2003)
September 3, 2003

I. Facts

VanVoorhies, a graduate student at the University of West Virginia, disputed the ownership of various patents resulting from his work on antennas. In particular, in December, 1993, VanVoorhies invented an antenna for which he initially encouraged the University to seek patent protection. Upon receipt of a draft application, however, VanVoorhies refused to respond. Nevertheless, the University claimed coverage for the invention in an application (the '340 application) which issued as the '558 patent.

While the University pursued this patent protection, VanVoorhies independently filed the '609 application, as well as a continuation application, based on the technology. The University sued VanVoorhies for breaching his obligation to assign the '340 application as well as his independently filed applications. On summary judgment, the district court issued a final ruling in favor of the University (the "May 25 order"), which was subsequently upheld on appeal. In particular, the court upheld the May 25 order requiring that VanVoorhies assign the '340 and '609 applications and the issued patents thereon.

Subsequently, the University asked VanVoorhies to assign the specified applications and to disclose any additional applications already filed or which were intended to be filed. VanVoorhies refused to execute the Assignment documents provided by the University, instead executing assignments which only conveyed rights to the patent applications referenced in the May 25 order and to their foreign counterparts. In addition, VanVoorhies refused to make the requested disclosures. Based on his submission of the executed assignments, VanVoorhies contended that he had fully complied with the May 25 order.

The University filed a motion for an order under F.R.C.P. § 70 to enforce the May 25 order. The court granted the motion and entered an order pursuant to Rule 70 (the "Rule 70 order") instructing VanVoorhies attorney to execute the assignments provided by the University. In response, VanVoorhies moved, pursuant to F.R.C.P. §§ 59 and 60, for relief from the Rule 70 order. The court issued an order denying the requested relief (the "order denying relief"). In the order denying relief, the court found that the assignments at issue included patents that were part of the litigation.

VanVoorhies appealed the order denying relief, contending that the Rule 70 order was improper because he had faithfully complied with the district court's mandate by executing assignments mirroring the language of the May 25 order. The University argued that the executed assignments violated the May 25 order by omitting the '998, the '760, and the '550 patents (collectively, "the second generation patents") and that the Rule 70 order was, therefore, proper.

II. Issues

- A. Was VanVoorhies required to assign the second generation patents to the University?
- B. Did the district court abuse its discretion in denying relief from the Rule 70 order?

III. Discussion

A. No. The University agreed that the only basis before the panel which might obligate VanVoorhies to assign the second generation patents was the May 25 order. In particular, the University contended that the second generation patents constituted “technology embodied” within the ‘558 patent and its underlying ‘340 application, as set out in the May 25 order. The panel, however, noted that a court would have to construe the claims and compare the disclosures of the second generation patents and the ‘558 patent to make this determination and that the district court had not done so.

Instead the district court erroneously based its determination on a finding that the second generation patents “were part of the litigation in this matter,” when the ownership of the second generation patents had not been adjudicated. In addition, the district court relied upon the “emerging from, related to” test in including the second generation patents in the May 25 order. The panel, however, noted that such a test was inconsistent with the language of the May 25 order giving the University rights and was, therefore, inappropriate. Consequently, the district court legally and factually erred in concluding that VanVoorhies was obligated to assign the second generation patents pursuant to Rule 70.

B. Yes. Because the Rule 70 order was based on an erroneous factual or legal premise, the district court abused its discretion in denying relief from the Rule 70 order.