

No. 23-185

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IN THE  
**Supreme Court of the United States**

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HIP, INC.,

*Petitioner,*

*v.*

HORMEL FOODS CORPORATION,

*Respondent.*

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ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED  
STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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**REPLY BRIEF FOR PETITIONER**

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## INTRODUCTION

Since the 1800s, Congress and the Court have been clear that the claims of a patent, not its specification, define the invention. Pet. 4. Hormel’s opposition ignores statutory language, legislative history, the Court’s Section 112 jurisprudence, and HIP’s analysis. A specification may include contributions from several individuals, but determining whether a contributor is a co-inventor on a claim must be resolved by resort to the claim language. *Id.* 4-7. The district court correctly found Mr. Howard was a joint inventor because he conceived and disclosed to Hormel the preheating method of an infrared oven. Hormel intentionally included that contribution in the specification and in the broadest independent claim, although the named Hormel inventors denied that preheating method was their contribution. The Court should grant the petition because the panel decision changed the “not-insignificant-in-quality” joint invention inquiry in a way that conflicts with Sections 112(b) and 116(a) of Title 35 and controlling decisions. Hormel’s opposition ignores precedential Federal Circuit cases and cases from this Court, while relying on cases that cannot legally, and do not factually, support its arguments. Further, the questions presented here are important to inventors, patent owners, patent practitioners, and ultimately the public.

## ARGUMENT

### **I. Hormel’s Incorrect Waiver Arguments Ignore the Words in HIP’s Petition and Precedent Admittedly Informing the Meaning of *Pannu* Condition 2**

Hormel’s waiver argument begins with the false premise that HIP complains about a conflict between

Section 116(a) and *Pannu* condition 2. Opp. 12. HIP's Petition, however, plainly identifies the conflict as between Section 116(a) and a new requirement the appellate panel engrafted onto *Pannu* condition 2. Pet. 6-7, 9-12, 14-15. "[T]he Federal Circuit's decision in this case lacks any support in the language of the statute and intractably conflicts with the qualitative requirement of *Pannu* condition 2." *Id.* at 14-15. Hormel's waiver argument is meritless.

A second argument in Hormel's waiver section confirms why the panel decision creates an ineluctable conflict with *Pannu* condition 2. Specifically, Hormel concedes that *Pannu* gathered and synthesized prior decisions, including into *Pannu* condition 2, and "did not depart from those holdings." Opp. 13. Indeed, the *Pannu* panel could not have departed from prior precedential holdings construing Section 116(a). *See, e.g., UMC Electronics Co. v. United States*, 816 F.2d 647, 652 n.6 (Fed. Cir. 1987) *cert. denied*, 484 U.S. 1025 (1988), *overruled on other grounds by Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55 (1998) ("A panel of this court is bound by prior precedential decisions unless and until overturned *in banc*.") (citations omitted); *see also In re Zurko*, 142 F.3d 1447, 1457-58 (Fed. Cir. 1998) (en banc), *rev'd on other grounds sub nom. Dickinson v. Zurko*, 527 U.S. 150, 165 (1999) (appellate statutory *stare decisis*); Amy C. Barrett, *Statutory Stare Decisis in the Courts of Appeals*, 73 *Geo. Wash. L. Rev.* 317 (2004-2005) [hereinafter Barrett, *Statutory Stare Decisis*].

The prior precedential decisions, of course, include *Sewall v. Walters*, 21 F.3d 411, 415 (Fed. Cir. 1994) and *Ethicon, Inc. v. United States Surgical Corp.*, 135 F.3d 1456, 1461 (Fed. Cir. 1998). *Sewall* correctly construed

Section 116(a) as meaning that “determining ‘inventorship’ is nothing more than determining who conceived the subject matter at issue [and] whether that subject matter is recited in a claim.” *Id.* at 415. *Ethicon* applied *Sewall*’s binding construction, holding that since substantial evidence supported the district court’s finding that the putative inventor had contributed a feature of the structure recited in claim 33, he had “conceived part of the invention recited in claim 33” and was a co-inventor. *Ethicon*, 135 F.3d at 1462.

Only months after *Ethicon*, a panel that included the author of the *Ethicon* decision synthesized the *Pannu* three-condition inquiry. Joint invention requires merely that an individual: “(1) contribute in some significant manner to the conception or reduction to practice of the invention, (2) make a contribution to the claimed invention that is not insignificant in quality, when that contribution is measured against the dimension of the full invention, and (3) do more than merely explain to the real inventors well-known concepts and/or the current state of the art.” *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1351 (Fed. Cir. 1998). With respect to condition 2, *Pannu* created a penumbra to the *Sewall* and *Ethicon* holdings by synthesizing the not-insignificant-in-quality condition.<sup>1</sup>

Thus, not-insignificant-in-quality *Pannu* condition 2 should be satisfied, *inter alia*, if contributed subject

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1. The panel in *Dana-Farber Cancer Institute v. Ono Pharmaceutical Co.*, 964 F.3d 1365 (Fed. Cir. 2020) relied on the penumbra to affirm adding two co-inventors because their work was a “significant contribution to conception,” even though the claims of one patent to which they were added “did not explicitly recite” their contribution. *Id.* at 1373.



matter is recited in at least one independent or dependent claim. Petition Question 1 parallels the *Sewall* construction and the *Sewall* and *Ethicon* holdings based on *Sewall*'s construction, asking “[w]hether joint inventorship requires anything more than a contribution to conception that is stated in a patent claim.” Petition Question 2 presents the conflict the panel created by reversing the district court’s finding that Mr. Howard’s contribution met not-insignificant-in-quality *Pannu* condition 2 because only one sentence in the specification and only one independent claim stated Howard’s contribution. Question 2 asks “[w]hether, under Section 116(a), a claimed and enabled contribution to conception can be deemed insignificant in quality based on the quantity of disclosure in the specification.” Contrary to Hormel’s second argument, neither question seeks reversal of *Pannu*, and HIP reiterates below why the answer to both questions presented is no.

## **II. Hormel and the Panel Ignore the Primacy of Claims in the Co-Inventorship Inquiry**

Contrary to Hormel’s argument, Opp. 13-16, HIP did not assert that the panel’s quantitative analysis created a bright-line test. HIP started with the language of Section 116(a), as amended in 1984, and cited cases holding Section 116(a) sets no explicit lower limit on the quantum or quality of inventive contribution required for a person to qualify as a joint inventor. *See, e.g., Fina Oil & Chemical Co. v. Ewen*, 123 F.3d 1466, 1473 (Fed. Cir. 1997); Pet. 13. This is the antithesis of a bright-line rule argument.

Hormel’s bright-line argument also ignores HIP’s discussion of *Amgen* and the “enablement” requirement of 35 U.S.C. § 112(a). Pet. 16-17 (discussing *Amgen Inc. v. Sanofi*, No. 21-757, 143 S. Ct. 1243 (May 18, 2023)). *Amgen*

confirms there must be a fact-based minimum quantity of disclosure in the specification for a claim to be enabled. *Id.* at 1254. Unlike Hormel’s other two independent claims, broadest claim 5 was not limited to a preheating method of only a microwave oven, but covered multiple preheating methods including Mr. Howard’s contribution. Pet. 10-11. Hormel alone determined how to describe Mr. Howard’s contribution in the specification to enable its broadest claim, and now the Federal Circuit (and Hormel) rely on Hormel’s own determination to limit Mr. Howard’s inventorship rights. While “one need not necessarily meet the enablement standard ... to prove conception,” an enabling disclosure should prove conception. *Burroughs Wellcome Co. v. Barr Laboratories, Inc.*, 40 F.3d 1223, 1231 (Fed. Cir. 1994).

HIP disagrees that the panel was correct on the merits, Opp. 16-19. The decision ignores controlling legal principles. There is no dispute that claim 5 is Hormel’s broadest claim or that the two additional preheating methods did not come from Hormel inventors. With *Sewall* and *Ethicon* synthesized into *Pannu*, the panel’s review should have begun and ended once it confirmed that claim 5, unlike the other two independent claims, encompassed three different preheating methods, including Mr. Howard’s contribution. App. 6a-7a, 11a-12a. Specifically, because Mr. Howard’s contribution is expressly contained in independent claim 5, the court should have affirmed the district court’s finding that he met not-insignificant-in-quality *Pannu* condition 2.

Instead, the panel combed through the specification to conclude the quantity of disclosure devoted to the preheating method of an infrared oven was “insignificant” because so much of the specification focused on preheating

with a microwave oven, and since his contribution was stated in only one [independent] claim. App. 12a-13a. This is an incorrect analysis for co-invention and is inconsistent with Section 116(a) and over a century of reminders from the Court that claims define the scope of the invention. Pet. 4 (citing *Nautilus, Inc. v. Biosig Instruments, Inc.*, 572 U.S. 898, 901 (2014); *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 373 (1996); *McClain v. Ortmyer*, 141 U.S. 419, 424 (1891)). The relative quantities of disclosure of alternative, claimed embodiments is not an appropriate methodology for determining whether a contribution is “not insignificant in quality ...” *Pannu*, 155 F.3d at 1351.

The district court could have concluded Mr. Howard met *Pannu* condition 2 because independent claim 5 stated his contribution. *See, e.g., Ethicon, supra*. However, the court went further than the law required. Having obtained confirmation from Hormel during closing argument, the district court identified Mr. Howard’s contribution as one of two substantive differences making independent claim 5 broader than independent claim 1. Pet. App. 30a; (CA JA 1274, 1282-1283). Hormel’s underlined comparison chart, Opp. 6-7, cannot avoid the limited number of differences that make claim 5 broader than claim 1, and from which the district court correctly concluded Mr. Howard’s contribution met *Pannu* condition 2. Pet. App. 30a.

Contrary to Hormel’s argument, Opp. 17-19, the district court correctly used “claim differentiation” to identify evidence of non-insignificance. *See, e.g., Smith v. Snow*, 294 U.S. 1, 14 (1935) (“Thus by striking and obviously intended contrast with other claims, Claim 1 covers broadly ...”). In all events, Hormel moots its complaint by conceding claim 5 is broader than claim 1.

Opp. 18. Hormel also errs in arguing there are “multiple” differences between claims 1 and 5, so “the district court’s logic that the optional infrared oven is the change that had to be significant ... was tenuous at best.” Opp. 18-19. While the district court correctly relied on Hormel’s concession in concluding there were two substantive differences, Hormel’s argument about the precise number is a distraction. *Pannu* condition 2 does not require there be only one change that has to be “significant.” Rather, *Pannu* requires only that a contribution is “not-insignificant in quality...” The district court recognized there can be more than one such contribution. Even applying Hormel’s incorrect “the change that had to be significant” standard, Hormel calls the district court’s factual finding “tenuous at best.” Opp. 18. It does not challenge the district court’s finding under the correct *Pannu* standard. Despite Hormel’s unsupported argument, Mr. Howard’s claimed contribution is not optional when determining claim scope. Pet. 10 n.6 (discussing *Markush* claims). Mislabeling Mr. Howard’s contribution does not make it insignificant.

While the district court fairly relied on the ’498 Patent’s claims, Hormel incorrectly argues there is no other evidence on point. Opp. 19. In doing so, Hormel ignores record testimony from a listed co-inventor confirming Mr. Howard’s contribution was used in independent claim 5 to keep competition at bay.<sup>2</sup> Mr. Srsen testified patent counsel included the broad claim language because “you draft [claims] broad enough to encompass

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2. Hormel also ignores decisions correcting conflicts created by Federal Circuit decisions encumbering statutes with requirements unsupported by statutory language and inconsistent with legislative history. Compare Opp. 12 with Pet. 2, n.1.

maybe things that you don't do, but to prevent others from circumventing and getting around and copying what you're doing. And that's why [Mr. Howard's preheating method] was included." (CA JA 868). Mr. Howard's contribution to claim 5 meets *Pannu's* "not-insignificant-in-quality" condition. Concluding otherwise would suggest a roadmap by which a co-inventor could claim another's inventive contribution without making the contributor a co-inventor by limiting the quantity of description used in the specification. *See* Pet. 18 (discussing Donald A. Degnan & Libby A. Huskey, *Inventorship: What Happens When You Don't Get It Right?*).

None of Hormel's four cases, Opp. 17-18, justifies ignoring Section 116(a) or *Ethicon*. One, *Sewall*, provides statutory construction binding the appellate court. *UMC Electronics Co.*, 816 F.2d at 652 n.6; *In re Zurko*, 142 F.3d at 1457-58. Further, none of its four cases hold that a contribution to an independent claim is not automatically significant. Two cases deal with *Pannu* condition 1 ("contribute in some significant manner" to conception). On its facts, *Sewall* held that Mr. Sewall did not make an inventive contribution to any element of an interference count. *Id.*, 21 F.3d. at 416-17. *Sewall* refers to "dependent claim 19," but only to clarify that it was not part of the interference count. *Id. Hess v. Advanced Cardiovascular Sys., Inc.*, 106 F.3d 976, 980-81 (Fed. Cir. 1997) held that Mr. Hess failed to make an inventive contribution, without identifying any specific claim limitation, using rhetoric paralleling *Pannu* condition 3. *Id.* at 981.<sup>3</sup>

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3. While not an issue here, contrary to Hormel footnote 1, Hormel's evidence failed to meet *Pannu* condition 3. Its evidence did not disclose Mr. Howard's contribution nor did it evince well-known concepts or state of the art. *See HIP, Inc. v. Hormel Foods*

*Hess* also is questionable authority for mistakenly rejecting that one can make an inventive contribution “even though his contribution be of comparatively minor importance,” a standard Mr. Hess culled from *DeLaski & Thropp Circular Woven Tire Co. v. Thropp & Sons Co.*, 218 F. 458, 464 (D.N.J. 1914). See *Hess*, 106 F.3d at 981 (“That language, of course, is not binding precedent in this court, and its focus appears inconsistent with the approach the Supreme Court took in *Morse* and this court took in *Shatterproof Glass*.”). Contrary to the reasoning in *Hess*, the legislative history of the 1984 Amendments to Section 116(a) explains the statutory amendments adopted the rationale of decisions such as *Monsanto v. Kamp*, 269 F. Supp. 818, 824 (D.D.C. 1967) that a contributor need only make “some original contribution.” Pet. 4-5 (citing legislative history). *Monsanto* cited *DeLaski* for its rationale. *Monsanto*, 269 F.Supp. at 824. Neither *Sewall* nor *Hess* support the panel decision.

Hormel’s other two cases factually support HIP. *Trovan Ltd. v. Sokymat SA, Irori*, 299 F.3d 1292, 1297, 1309-1310 (Fed. Cir. 2002), held that if there was an inventive contribution to any of several dependent claims, the contributor was automatically a co-inventor. *Id.* *Nartron Corp. v. Schukra USA Inc.*, 558 F.3d 1352, 1358 (Fed. Cir. 2009) held that on remand, if Benson contributed to independent claim 1, he would automatically be a co-inventor. *Id.*

Indeed, there are several legal or factual reasons why Hormel’s reliance on *Nartron* is misplaced. First, while

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*Corporation*, No. 2022-1696, Dkt. 52, at 8-9 & n.5 (May 24, 2023) (petition for panel rehearing and rehearing en banc).

the Court has never construed Section 116(a), as explained above, *Sewall*'s statutory construction binds the Federal Circuit. Second, Hormel erroneously asserts that the “sole difference between the dependent claim in issue [claim 11] and its independent claim [claim 1] was the inclusion of the extender element that the putative inventor contributed.” Opp. 17 (emphasis in original). However, dependent claim 11 “depends from dependent claim 6, which in turn depends from claim 5, which itself depends from claim 1.” *Nartron*, 558 F.3d at 1354. Each of dependent claims 5 and 6 added structure between independent claim 1 and dependent claim 11. *Id.* (quoting claims). Third, *Nartron* reversed summary judgment based on Mr. Benson contributing the subject matter added by dependent claim 11, but remanded for trial to determine “whether Benson contributed to the invention of [independent] claim 1,” in which case he would be a co-inventor. *Id.* at 1358. Indeed, even if Benson’s contribution was only at the fourth-level dependency [claim 11], he might still “attain the status of co-inventor.” *Id.* Fourth, *Nartron*’s analysis commingles separate *Pannu* conditions. Benson’s contribution was insignificant “not just because it was in the prior art, but because it was part of existing automobile seats, and therefore including it as part of the claimed invention was merely the basic exercise of ordinary skill in the art.” *Id.* at 1357. None of Hormel’s four cases can justify the Federal Circuit’s result.

### III. Hormel's Efforts to Diminish the Exceptional Importance of the Questions Presented are Based on Two Flawed Assumptions

Hormel responds to HIP's explanation of the importance of the questions presented to inventors, patent owners, patent practitioners and ultimately the public, Pet. 17-20, with two incorrect arguments about the passage of time since *Pannu* (1998) and *Nartron* (2009). Hormel's argument that 25 years have quietly passed since *Pannu* is based on the incorrect assumption that HIP is challenging *Pannu*, Opp. 20-21, which HIP showed was an inaccurate reading of its petition. See Section I, *supra*, citing Pet. 6-7, 9-12, 14-15. HIP's Petition plainly identifies the conflict as between Section 116(a) and the new 2023 requirement the appellate panel engrafted onto *Pannu* condition 2. Hormel's parallel *Nartron* argument comes from its misreading of *Nartron*, which acknowledged that a contribution to independent claim 1 would automatically meet the "not-insignificant-in-quality" condition, and even a contribution to nothing more than fourth-level dependent claim 11 might still allow Benson to be a co-inventor. 558 F.3d at 1358. *Nartron* did not make the radical change to construction of Section 116(a) the panel made in 2023. Nor could *Nartron* have done so because of circuit rules about *stare decisis*. *UMC Electronics Co.*, 816 F.2d at 652 n.6; *In re Zurko*, 142 F.3d at 1457-58. Barrett, *Statutory Stare Decisis*, at 327. The Court has never construed Section 116(a).

*Ethicon* (1998) and *Trovan* (2002) stayed true to statutory language and expressed congressional intent, as construed in *Sewall*. The 2023 panel decision did not do so.



**CONCLUSION**

The petition for a writ of certiorari should be granted.

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