

SHUKH v. SEAGATE TECH., LLC, Appeal No. 2014-1406 (Fed. Cir. October 2, 2015).
Before Moore, Wallach, and Taranto. Appealed from D. Minn. (Judge Tunheim).

Background:

Shukh was a leading scientist employed by Seagate in the field of semiconductor physics. While at Seagate, Shukh was named as an inventor on numerous patents, but his employment evaluations indicated that he frequently accused others of stealing his work and was difficult to work with. Seagate eventually terminated Shukh, and Shukh has since been unable to secure employment.

Shukh sued Seagate, asserting a claim for correction of inventorship pursuant to 35 U.S.C. §256, among several other claims. In his §256 claim, Shukh alleged that Seagate wrongfully omitted naming him as an inventor on several patents and pending patent applications. At the pleadings stage, the district court held that Shukh had no ownership or financial interest in the patents and applications according to his employment agreement, but left open the possibility that Shukh had standing to sue based on reputational harm caused by his omission from the patents. The court later entered summary judgment in favor of Seagate, holding that there was no genuine dispute of material fact as to whether Shukh suffered reputational harm from not being named an inventor on the patents.

Issue/Holding:

Did the district court err in granting summary judgment in favor of Seagate on Shukh's §256 claim for lack of standing? Yes, vacated and remanded.

Discussion:

The Federal Circuit first found that a genuine dispute existed as to whether the omission of Shukh's name as an inventor harmed Shukh's reputation in the field of semiconductor physics. Shukh provided evidence showing that being named on a patent can enhance an inventor's reputation in the related technology community. Additionally, Shukh's reputational harm had an economic component, as Shukh's reputation as an inventor impacted his likelihood of being hired. Although other factors may have contributed to Shukh's reputation, the Federal Circuit emphasized that a court must make all factual inferences in favor of the non-movant (here, Shukh) when ruling on a motion for summary judgment. Thus, the Federal Circuit held that there was a genuine dispute as to whether the omission of Shukh's name as inventor constituted an injury-in-fact traceable to Seagate's alleged conduct.

Next, the Federal Circuit found that there was also a genuine dispute of material fact as to whether Shukh's reputation (and resulting financial position) would improve if he prevailed in the lawsuit. If Shukh prevailed on his §256 claim, his reputation could change from an inventor who accused others of stealing his work to an inventor properly seeking credit for his own work. Furthermore, Shukh's employment prospects would improve if the inventorship of the disputed patents was corrected.

The Federal Circuit therefore held that the reputational harm and resulting financial harm were concrete and particularized as well as redressable by a favorable decision. Accordingly, the Federal Circuit remanded the case to the district court to review the §256 claim.