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9 **UNITED STATES DISTRICT COURT**  
10 **EASTERN DISTRICT OF CALIFORNIA**

11 GENERAL ELECTRIC COMPANY, a New  
12 York Corporation; and GE WIND ENERGY,  
13 LLC, a Delaware limited liability company,

14 Plaintiffs,

15 v.

16 THOMAS WILKINS, an individual,

17 Defendant.

18 **Case No. 1:10-cv-00674-OWW-JLT**

19 **MEMORANDUM IN SUPPORT OF**  
20 **DEFENDANT'S MOTION TO**  
21 **DISMISS THE AMENDED**  
22 **COMPLAINT (DOCKET NO. 76)**

23 **DATE: January 3, 2011**

24 **TIME: 10:00 a.m.**

25 **CRTRM: Hon. Oliver W. Wanger**

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1 **I. Summary of Argument**

2 In its amended complaint, GE has divided its claims as follows:

- 3 • four breach-of-contract claims (CLAIMS 1, 2, 4, and 5);
- 4 • one claim for declaratory relief based on contract (CLAIM 7);
- 5 • two claims for declaratory relief based on California law (CLAIMS 3 and 6); and
- 6 • one claim for declaratory relief based on contract and/or California law (CLAIM 8).

7 No matter its basis, and regardless of the relief sought, each of GE’s claims is barred by the statute  
8 of limitations. GE **now admits** that **in 2004** Mr. Wilkins refused to assign inventorship rights to GE.  
9 Docket No. 76 ¶ 65. Based on that admission, GE’s amended complaint must be dismissed.

10 Turning first to GE’s claims based on California law, i.e., CAL. LAB. CODE § 2860, it is clear  
11 that such claims are not immune from the statute of limitations.<sup>1</sup> If California law obligated  
12 Mr. Wilkins to assign his inventorship rights to GE—which Mr. Wilkins disputes—then he breached  
13 that obligation in 2004 when, as GE admits, he “refused . . . to assign inventorship rights to [GE].”  
14 *Id.* At that very moment, GE **could have** sued Mr. Wilkins for a declaration that it owned his  
15 inventorship rights based on California law, for an order of specific performance requiring  
16 Mr. Wilkins to assign his inventorship rights based on California law, and for any damages caused  
17 by Mr. Wilkins’ refusal. In other words, GE could have sought the very relief it seeks today in 2004.  
18 But GE did not. Moreover, for the same reason, GE’s contract claims also could have been brought  
19 in 2004.<sup>2</sup> But GE did not bring those claims either.

20 Seeking to avoid the clear time bar apparent from its amended complaint, GE has offered two  
21 theories, neither of which can avoid the statute of limitations. First, GE claims that, notwithstanding  
22 Mr. Wilkins’ 2004 refusal to assign, “[i]t was not until . . . 2010 that GE suffered actual and  
23 appreciable harm,” thus suggesting—erroneously—that its cause of action did not accrue until that  
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26 <sup>1</sup> As discussed below CAL. CODE CIV. P. § 339 applies a two-year limitations period to GE’s  
27 California law claims; at the very least, GE is limited by the four-year period of CAL. CODE CIV. P.  
28 § 343 (governing “action for relief not hereinbefore provided for”).

<sup>2</sup> CAL. CODE CIV. P. § 337 applies to claims based on a written contract.

1 time. Docket No. 76 ¶ 65. By focusing on “actual and appreciable harm,” GE tries to sidestep the  
 2 very objective of the statute of limitations: “A cause of action accrues **when a suit may be**  
 3 **maintained thereon**, and the statute of limitations therefore begins to run **at that time.**” *Dillon v.*  
 4 *Bd. of Pension Comm’rs*, 116 P.2d 37, 39 (Cal. 1941) (emphases added). Naturally, if a lack of  
 5 harm would cause an action to be demurrable, then the limitations clock would not begin to run. *See*  
 6 *Walker v. Pac. Indem. Co.*, 6 Cal. Rptr. 924, 925 (Cal. Ct. App. 1960) (no cause of action where the  
 7 plaintiff simply could have bought more insurance, rather than bring suit against an agent who had  
 8 failed to procure insurance). But that circumstance plainly does not apply here. GE has not—and  
 9 cannot—dispute that it could have brought suit against Mr. Wilkins in 2004. Moreover, the injury  
 10 that GE alleges in its amended complaint—a “cloud” on its alleged title to Mr. Wilkins’  
 11 inventions—has been in place at least since: (1) March 2004, when GE publicly recorded an  
 12 assignment at the Patent Office **without** Mr. Wilkins’ signature;<sup>3</sup> and (2) August 2005, when the  
 13 ’565 patent issued **jointly** to **both** Mr. Wilkins and GE. Plainly, GE’s claims accrued no later than  
 14 August 2005.

15 Second, GE has previously asserted that whether Mr. Wilkins breached an obligation to  
 16 assign is somehow irrelevant to its claims because it allegedly “immediately acquired at least an  
 17 equitable interest in all inventions that Mr. Wilkins developed” under California law, before  
 18 Mr. Wilkins’ alleged 2004 breach.<sup>4</sup> Mr. Wilkins disputes that California law creates such an  
 19 “immediate interest,” but notes that the Court need not even reach that issue. Significantly, even if  
 20 GE “immediately acquired . . . an equitable interest” in Mr. Wilkins’ inventions, the Federal Circuit  
 21 has expressly rejected the proposition that a purported immediate ownership interest can immunize  
 22 claims for relief against the statute of limitations. *Bd. of Trs. of the Leland Stanford Jr. Univ. v.*  
 23

24  
 25 <sup>3</sup> This cloud was also created in March 2004 when GE submitted a public declaration to the  
 26 Patent Office demonstrating Mr. Wilkins’ refusal to assign his invention rights. *See* Docket No. 26-  
 27 2; Docket No. 58 at 7 (taking judicial notice of Docket No. 26-2).

28 <sup>4</sup> Docket No. 43 at 12:3-10, 12:22-13:1. It is unclear from the amended complaint whether  
 GE continues to advocate its “immediate interest” theory. Mr. Wilkins merely addresses the theory  
 based on his understanding of GE’s previous briefing. If GE has abandoned that theory, it should  
 expressly say so in its opposition brief.

1 *Roche Molecular Sys., Inc.*, 583 F.3d 832, 848 (Fed. Cir. 2009) (“*Roche*”). In *Roche*, the purported  
2 assignee asserted, based on a purported “automatic assignment” in an employment contract, that the  
3 “statute of limitations . . . challenges to [its] patent assignment [claims] had ‘no merit.’” *Id.* The  
4 Federal Circuit, applying California law, squarely rejected that assertion. *Id.* The Federal Circuit  
5 held that the purported assignee’s claim “for a judgment of ownership of the [disputed] patents is  
6 time-barred by statutes of limitation, and the district court correctly dismissed [the purported  
7 assignee’s] claim for a judgment of ownership on that ground.” *Id.* Thus, under the analysis stated  
8 in *Roche*, even if California law gave GE an “immediate[] equitable interest”—which Mr. Wilkins  
9 disputes—GE’s cause of action for a declaration of ownership accrued in 2004 when Mr. Wilkins  
10 refused to assign rights in his inventions. That refusal “directly contradicted [GE’s] claim that it  
11 owns all of [his] rights to any [inventions],” and the limitations clock ran from that moment. *Id.* at  
12 847. Accordingly, GE’s claims are barred **whether or not** it obtained some “immediate[] equitable  
13 interest.”

## 14 **II. Procedural History and Amended Complaint**

15 This Court properly dismissed Plaintiffs’ initial complaint on Defendant’s motion under Rule  
16 12(b)(6). Docket No. 58. As the Court recognized, “statements contained in a judicially noticeable  
17 document suggest that Plaintiff’s claim may be barred by the statute of limitations.” *Id.* at 7.  
18 However, because the initial complaint was “ambiguous with respect to the nature of Defendant’s  
19 alleged breach or breaches,” the Court declined to dismiss with prejudice. *Id.* at 8. The Court  
20 granted leave to amend because “it [was] not possible to determine whether Plaintiff’s entire action  
21 is time-barred.” *Id.* at 7. Specifically, the Court ruled that, based on the initial complaint,  
22 “[w]hether Defendant breached all of his contractual obligations in 2004 cannot be determined  
23 absent examination of extrinsic evidence that is not subject to judicial notice.” *Id.*

24 Plaintiffs’ Amended Complaint for Breach of Contract and Declaratory Relief (the “amended  
25 complaint”) (Docket No. 76) resolves the initial complaint’s ambiguities and leaves no room for  
26 doubt that GE’s **entire action** is barred under the statute of limitations. In its previous briefing, GE  
27 disputed whether Mr. Wilkins had refused to assign his inventions to GE in 2004. *See, e.g.*, Docket  
28

1 No. 43 at 9; *see also* Docket No. 58 at 8:5-8; Hr’g Tr. 3:24-4:18 (Sep. 27, 2010). Not anymore.

2 GE’s amended complaint now plainly admits, “[o]n information and belief,” that

3 **in 2004 Wilkins had refused** to cooperate with General Electric  
4 Company’s application for the ’565 patent, including refusing **to sign**  
5 **an agreement to assign inventorship rights** to General Electric  
6 Company.

6 Docket No. 76 ¶ 65.<sup>5</sup> Moreover, while GE’s initial complaint omitted all dates from its factual  
7 allegations about Mr. Wilkins’ refusal to cooperate (*see* Docket No. 1 ¶ 8; Hr’g Tr. 3:4-9 (Sep. 27,  
8 2010)), GE’s amended complaint does not. As the amended complaint now admits:

- 9
- 10 • GE applied for the ’565 patent in **2003**. (Docket No. 76 ¶ 19.)
  - 11 • In **February 2004**, GE requested that Mr. Wilkins sign documents in the application  
12 for the ’565 patent. Specifically, GE sent Wilkins an Inventor Declaration and Power  
13 of Attorney form, **a patent assignment agreement**, and a copy of the patent  
14 application. (*Id.*)
  - 15 • In **February 2004**, GE’s lawyer spoke by telephone with Mr. Wilkins, who “stated  
16 that he was not willing to assist GE with the patent application.” (*Id.* ¶ 20.)
  - 17 • In **2004**, Mr. Wilkins “had refused to . . . sign an agreement to assign inventorship  
18 rights to GE.” (*Id.* ¶ 65.)

17 Thus, as alleged in the amended complaint, GE demanded an assignment of Mr. Wilkins’ inventions  
18 in 2004, and Mr. Wilkins refused.

19 Although GE’s amended complaint does not add any new substantive basis for relief, it now  
20 (1) has separated its claims as to the ’565 patent, ’985 patent, and various claims for declaratory  
21 relief, and (2) specifies that its “California law” claims are rooted in section 2860 of the California  
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24 <sup>5</sup> Based on GE’s other pleadings, it appears that its “information and belief” is based on the  
25 prosecution history of the ’565 patent, proceedings at the U.S. International Trade Commission, and  
26 a recent declaration from GE’s patent attorney, Paul Mendonsa. Although Defendant does not rely  
27 on it for purposes of this motion to dismiss, the Mendonsa declaration raises serious credibility  
28 issues. The declaration states that “I do not specifically recall Mr. Wilkins stating he would not sign  
the assignment” and “I do not recall whether an unsigned copy of the Assignment was also sent  
back.” Docket No. 81 ¶¶ 6, 7. During the ITC *Wind Turbines* investigation, however,  
Mr. Mendonsa had a better memory about Mr. Wilkins’ refusal to assign. “**According to**  
**Mendonsa’s testimony, not only did Wilkins refuse to make the assignment**, he indicated that he  
would not cooperate with GE in any way.” Docket No. 66 at 122 (emphasis added).

1 Labor Code.<sup>6</sup> GE’s separation of its claims and its specific recitation of § 2860 do not save its  
2 claims from the statute of limitations. Each of GE’s claims for relief is still based on one or more of  
3 three alleged sources of Mr. Wilkins’ purported obligation to assign the rights in any invention he  
4 might have made:

- 5 1. A “C&I Agreement” with Enron Wind, allegedly signed in 2002—a purported copy  
6 of which, signed by someone other than Mr. Wilkins, is attached to the complaint  
(Docket No. 76 at 25-27);
- 7 2. An “EIPi Agreement” with GE, allegedly signed in 2002—a purported copy of  
8 which, signed by someone other than Mr. Wilkins, is attached to the complaint  
(Docket No. 76 at 28-30);<sup>7</sup> and
- 9 3. Section 2860 of the California Labor Code, allegedly applicable to Mr. Wilkins’ work  
10 with GE, which ended in 2002.

### 11 **III. Discussion of the Facts**

12 GE alleges that it employed Mr. Wilkins between May and December 2002, and that he was  
13 previously employed by Enron Wind. Docket No. 76 ¶ 9. GE also alleges that Mr. Wilkins agreed  
14 to assign his ideas and inventions during that time to either Enron Wind or GE. *Id.* ¶¶ 11-12. GE  
15 has never produced a signed copy of any such assignment agreement.<sup>8</sup>

16 GE also alleges that it “applied for the ’565 patent in 2003, after Wilkins terminated his  
17 employment with GE.” *Id.* ¶ 19. According to GE, it contacted Mr. Wilkins in February 2004 to  
18 request that he sign an inventor declaration and an assignment of rights. *Id.* GE admits that in 2004,  
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21 <sup>6</sup> GE’s amended complaint alleges generally that its claims under California law are “not  
22 limited to” California Labor Code § 2860. Docket No. 76 ¶¶ 57, 84. Mr. Wilkins’ previous briefing  
23 demonstrated that GE is not entitled to relief under the common law “work-for-hire” doctrine, and  
GE has apparently dropped those claims. Otherwise, Mr. Wilkins is aware of no “California law” on  
which GE bases its amended complaint.

24 <sup>7</sup> There are no allegations in the amended complaint or any declaration that anyone ever saw  
25 Mr. Wilkins sign an EIPi Agreement or remembered seeing a version of the EIPi Agreement signed  
by Mr. Wilkins.

26 <sup>8</sup> Mr. Wilkins disputes that any such agreement was ever signed, but accepts GE’s  
27 allegations—that it cannot locate either of the agreements—as true solely for purposes of this  
28 motion. Mr. Wilkins notes, however, that the apparent loss of these critical alleged documents is  
precisely why the statute of limitations exists in the first place. *See Davies v. Krasna*, 535 P.2d  
1161, 1168 (Cal. 1975).

1 “Wilkins stated that he was not willing to assist GE with the patent application” and he “had refused  
2 to . . . sign an agreement to assign inventorship rights to GE.”<sup>9</sup> *Id.* ¶¶ 19, 65.

3 Because of Mr. Wilkins’ refusals, GE recorded an assignment at the Patent Office in March  
4 2004 that had all of the inventors’ signatures except for that of Mr. Wilkins. Docket No. 47-2.<sup>10</sup>  
5 When the ’565 patent issued on August 2, 2005, GE still had not recorded any assignment from  
6 Mr. Wilkins. Accordingly, pursuant to 37 C.F.R. § 3.81(c)(1), that patent issued jointly to both GE  
7 and Mr. Wilkins as co-owners, and at that moment, Mr. Wilkins was entitled to license or sell his  
8 interest in the patent.

9 Despite Mr. Wilkins’ 2004 refusal to assign his inventions, and despite the issuance of a co-  
10 owned patent to GE and Mr. Wilkins in 2005, GE sat on its alleged rights to an assignment. Its  
11 amended complaint unambiguously seeks to enforce alleged obligations that GE could have sought  
12 to enforce over five years ago. But after four years, the statutes of limitation barred GE’s actions.

#### 13 **IV. Legal Standards**

##### 14 **A. Statute of Limitations**

15 The statute of limitations prescribes the periods beyond which a plaintiff may not bring a  
16 cause of action. *Fox v. Ethicon Endo-Surgery, Inc.*, 110 P.3d 914, 919 (Cal. 2005). The statute  
17 serves several purposes, including “giv[ing] defendants reasonable repose, thereby protecting parties  
18 from ‘defending stale claims, where factual obscurity through **the loss of** time, memory or  
19 **supporting documentation** may present unfair handicaps.’” *Id.* (emphasis added); *see also Davies*

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22 <sup>9</sup> Further detail about Mr. Wilkins’ 2004 communications with GE appears in a publicly  
23 available document submitted by GE’s attorney to the U.S. Patent and Trademark Office (“Patent  
24 Office”) in March 2004. Docket No. 26-2 (“GE’s Declaration”). The Court has already taken  
25 judicial notice of the GE Declaration. Docket No. 58 at 7. Mr. Wilkins requests that judicial notice  
be taken of the GE Declaration for purposes of this motion as well. Mr. Wilkins incorporates the  
arguments for taking judicial notice as presented in briefing on his initial motion to dismiss. (Docket  
Nos. 26-1, 47).

26 <sup>10</sup> The assignment records of Patent Office are open to public inspection. 37 C.F.R. §  
27 1.12(a)(1). Mr. Wilkins requests that the Court take judicial notice of the recorded assignment as a  
28 matter of public record not subject to reasonable dispute. *See, e.g., Clark v. Upton*, 703 F. Supp. 2d  
1037, 1042 (E.D. Cal. 2010). Mr. Wilkins incorporates the arguments for taking judicial notice as  
presented in briefing on his initial motion to dismiss. (Docket Nos. 26-1, 47).

1 *v. Krasna*, 535 P.2d 1161, 1168 (Cal. 1975) (“The fundamental purpose of such statutes is to protect  
2 potential defendants by affording them an opportunity to gather evidence while facts are still  
3 fresh.”). The statute also stimulates plaintiffs to pursue their claims diligently. *Fox*, 110 P.3d at  
4 919.

5 It is a “fundamental proposition of statute of limitations law [that] ‘A cause of action accrues  
6 when a suit may be maintained thereon, and the statute of limitations therefore begins to run at that  
7 time.’” *Cnty. of San Diego v. Sanfax Corp.*, 568 P.2d 363, 371 (Cal. 1977) (quoting *Dillon v. Bd. of*  
8 *Pension Comm’rs*, 116 P.2d 37, 39 (Cal. 1941)); *Davies*, 535 P.2d at 1168 (statute runs when  
9 “plaintiff possesses a true cause of action, [i.e.,] events have developed to a point where plaintiff is  
10 entitled to a legal remedy, not merely a symbolic judgment such as an award of nominal damages”).  
11 For a cause of action based on contract or other alleged obligation, the statute of limitations runs  
12 when the obligation has been breached. *See Roche*, 583 F.3d at 846 (citation omitted). Running of  
13 the statute may be mitigated by the “discovery rule,” which ““postpones accrual of a cause of action  
14 until the plaintiff discovers, or has reason to discover, the cause of action.”” *Id.* (citation omitted).

## 15 **B. Applicable Limitations Periods**

### 16 **1. Written contracts or other obligations**

17 As noted above, GE bases its amended complaint on two written contracts allegedly formed  
18 during Mr. Wilkins’s work with Enron and later with GE. Docket No. 76 ¶¶ 11-12. The statute of  
19 limitations requires that an action on a written contract or other obligation be brought within four  
20 years. Cal. Code Civ. P. § 337(1). GE has not disputed that any agreement allegedly signed by  
21 Mr. Wilkins would fall under this statute of limitations.

### 22 **2. Unwritten contracts or other obligations**

23 GE also alleges that California law obligated Mr. Wilkins to assign his rights. Docket No. 76  
24 ¶¶ 14, 16. GE’s amended complaint specifically asserts that under “California Labor Code § 2860,  
25 Wilkins is required to assign to GE any interest he claims to have” in his inventions. *Id.* ¶¶ 57, 84.  
26 Because GE’s claims under § 2860 amount to an unwritten, implied-in-law obligation to assign  
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28

1 inventorship rights, they fall under a two-year statute of limitations established by section 339 of the  
2 California Code of Civil Procedure.<sup>11</sup>

3 As the California Supreme Court has held, § 339 applies “to all actions at law not specifically  
4 mentioned in other portions of the statute.” *Lattin v. Gillette*, 30 P. 545, 546 (Cal. 1892). Section  
5 339 has been referred to as a “catch-all for unusual tort actions not otherwise provided for” by the  
6 statutes of limitation. *Kenworthy v. Brown*, 56 Cal. Rptr. 461, 462-63 (Cal. Ct. App. 1967) (citing 1  
7 WITKIN, CAL. PROCEDURE (1954) ACTIONS § 139, p. 648; *Kiang v. Strycula*, 42 Cal. Rptr. 338, 340  
8 (Cal. Ct. App. 1965)). One such action to which § 339 applies is that of an employer asserting an  
9 implied-in-law obligation of employees to assign inventions made by them during their employment.  
10 *See Kimberly Corp. v. Hartley Pen Co.*, 237 F.2d 294, 298 n.6 (9<sup>th</sup> Cir. 1956).

11 GE’s claims under § 2860 are not otherwise provided for in the statutes of limitation. Thus,  
12 those claims fall under the two-year limitations period established by § 339.<sup>12</sup>

13 **3. The statute of limitations applies even if GE “immediately acquired an**  
14 **equitable interest” in Mr. Wilkins’ inventions**

15 Although GE has not expressly alleged that claims under Cal. Lab. Code § 2860 are immune  
16 to the statute of limitations, its previous briefing tried to create that erroneous impression.  
17 Specifically, GE argued that the statute of limitations does not bar its claims for declaratory relief  
18 based on California law because, according to GE, “[p]ursuant to California Labor Code section  
19 2860 . . . GE immediately acquired at least an equitable interest in all inventions that Mr. Wilkins  
20 developed.” Docket No. 43 at 12:3-4. Given that the statute of limitations under Cal. Code Civ. P.  
21 § 339 is applicable to “all actions at law not specifically mentioned in other portions of the statute”  
22

23 \_\_\_\_\_  
24 <sup>11</sup> GE alleges generally that its claims are “not limited to” § 2860, but does not specifically  
25 cite any other “California law.” For the reasons discussed in this section, CAL. LAB. CODE § 339 or  
26 § 343 would apply to any such claim.

27 <sup>12</sup> GE disputed the applicability of § 339 during briefing on Defendant’s initial motion to  
28 dismiss. Docket No. 41 at 11-12. But GE did not suggest which section of the statute it believes  
should apply. With only very specific—and plainly irrelevant—exceptions, no civil action is  
immune from the statute of limitations. *Cf.* Cal. Code Civ. P. § 348 (no limitation for actions  
brought to recover money deposited with a bank or similar institution). Accordingly, even if § 339  
did not apply, the catch-all four-year provisions of § 343 would.

1 (*Lattin*, 30 P. at 546) and that § 343 applies to “[a]n action for relief not hereinbefore provided for,”  
2 any outright claim of immunity is baseless. And just as faulty is GE’s claim that a purported  
3 “immediate interest” somehow circumvents the statute of limitations.

4 In a decision of critical importance to the case at bar, the Federal Circuit, applying California  
5 law, squarely rejected the proposition that a claim for declaration of ownership can circumvent the  
6 statute of limitations even when based on an alleged “immediate interest.” *Roche*, 583 F.3d at 848.  
7 In *Roche*, the purported assignee claimed that it “own[ed] all of [the inventor’s] rights to any ‘ideas,  
8 inventions and improvements thereof’ under an assignment agreement. *Id.* at 847. The assignment  
9 agreement stated that “I will assign and **do hereby assign** . . . my right, title, and interest in each”  
10 invention. *Id.* at 842 (emphasis in original). Thus, the assignment agreement purported to be an  
11 “automatic assignment.” *Id.* Notwithstanding that purportedly automatic assignment, the district  
12 court barred the purported assignee’s claim for a declaration of ownership because over five years  
13 earlier, the purported assignee’s cause of action accrued when it received “statements [that] directly  
14 contradicted [its] claim[s].” *Id.* at 848. On appeal, the purported assignee cited precedent to argue  
15 that “[b]ecause the assignment was automatic, the . . . statute of limitations . . . challenges to the  
16 patent assignment had ‘no merit.’” *Id.* (citing *DDB Techs., L.L.C. v. MLB Advanced Media, L.P.*,  
17 517 F.3d 1284, 1290 (Fed. Cir. 2008)). The Federal Circuit rejected that argument and distinguished  
18 the cited precedent, holding that “we affirmed [the result in *DDB Techs.*] only because the district  
19 court held that **Texas law** prevents an assignor from urging **estoppel or waiver** against an assignee.”  
20 *Id.* (initial emphasis in original). Applying **California law**, the Federal Circuit concluded that “the  
21 [purported assignee’s] counterclaim for a judgment of ownership of the [disputed] patents is time-  
22 barred by statutes of limitation, and the district court correctly dismissed [the purported assignee’s]  
23 claim for a judgment of ownership on that ground.” *Id.* None of the parties in *Roche* ever alleged  
24 that California Labor Code § 2860 could change this result, and there is nothing in the opinion to  
25 suggest such an illogical conclusion.

26 To the extent that GE’s declaratory relief claims under section 2860 of the California Labor  
27 Code amount to a claim of “immediate interest” in Mr. Wilkins inventorship rights, the rule of *Roche*  
28 clearly applies to those claims.

1 **V. GE’s Claims Are Barred by the Statute of Limitations**

2 According to GE’s amended complaint, Mr. Wilkins was obligated to assign his inventions to  
3 GE based on two alleged executed contracts and the provisions of California Labor Code § 2860.  
4 Based on GE’s own pleadings, Mr. Wilkins breached those alleged obligations in 2004. Docket  
5 No. 76 ¶ 65. By waiting six years to bring suit, GE’s claims are now time-barred.

6 **A. GE Cannot Avoid the Statute of Limitations Simply by Splitting Its Claims into**  
7 **Nominally Separate Causes of Action**

8 The gravamen of GE’s amended complaint remains the same as its initial complaint: GE  
9 asserts that Mr. Wilkins is obligated to assign **anything and everything** that he **may or may not**  
10 have invented during his work with Enron and GE, including rights in the ’565 and ’985 patents,  
11 while steadfastly maintaining that he has no rights to the ’985 patent because he was not a co-  
12 inventor. Unlike its initial complaint, the amended complaint separates its claims as to the ’565  
13 patent and the ’985 patent.<sup>13</sup> But GE’s attempt to separate its claims cannot save them from the  
14 statute of limitations. If Mr. Wilkins owed GE the blanket assignment of rights it now seeks, then he  
15 breached that obligation in 2004. Docket No. 76 ¶ 65 (“[I]n 2004 Wilkins had refused . . . to sign an  
16 agreement to assign inventorship rights to General Electric Company.”). That breach challenged the  
17 legitimacy of GE’s ownership claim to **any** of Mr. Wilkins’ inventions. Faced with that breach, GE  
18 could have sought in 2004 the very relief it seeks today.

19 **1. GE’s “serial breach” theory cannot save its claims**

20 By nominally splitting its claims into those relating to the ’565 patent and those relating to  
21 the ’985 patent, GE tries to accuse Mr. Wilkins of serially breaching the same obligation—once in  
22 2004 (as to the ’565 patent), again in 2009 (as to the ’985 patent), and again in 2010 (as to both the  
23 ’565 and ’985 patents). According to GE, Mr. Wilkins owed it a continuing duty to assign rights in  
24

25 \_\_\_\_\_  
26  
27 <sup>13</sup> Notably, even though GE has organized its contract-based claims under headings  
28 specifically identifying the ’985 Patent and ’565 Patent, each claim still requests a **blanket assignment of all** of Mr. Wilkins’ intellectual property rights, not limited to either patent. *See* Docket No. 76 ¶¶ 44(i)-(ii), 55(i)-(iii), 71(i)-(iii), 82(i)-(iii).

1 his inventions, irrespective of any prior breach. GE’s “continuing duty” theory, however, fails on  
2 multiple grounds.

3 As an initial matter, the concept of a “continuing duty” or “continuing breach” is only  
4 applicable to **divisible** contracts, e.g., “installment contracts, periodic rental payments, and  
5 ‘contracts calling for periodic, pension-like payments on an obligation with no final and fixed  
6 amount.’” *Boon Rawd Trading Int’l Co., Ltd. v. Paleewong Trading Co., Inc.*, 688 F. Supp. 2d 940,  
7 951 (N.D. Cal. 2010); *Armstrong Petroleum Corp. v. Tri-Valley Oil & Gas Co.*, 11 Cal. Rptr. 3d  
8 412, 422-23 (Cal. Ct. App. 2004) (“Where a contract is divisible and, thus, breaches of its severable  
9 parts give rise to separate causes of action, the statute of limitations will generally begin to run at the  
10 time of each breach.”).

11 The obligation to assign that GE attributes to Mr. Wilkins is clearly **not** in the nature of a  
12 divisible contract. California courts, applying well-established black letter law have defined  
13 divisible contracts as follows:

14 “A contract under which the whole performance is divided into **two**  
15 **sets of partial performances**, each part of each set being the agreed  
16 **exchange for a corresponding part of the set of performances to be**  
17 **rendered by the other promisor**, is called a divisible contract. Or, as  
18 expressed in the Restatement of Contracts: ‘A contract is divisible  
where by its terms, 1, performance of each party is divided into two or  
more parts, and, 2, the number of parts due from each party is the  
same, and, 3, the performance of each part by one party is the agreed  
exchange for a corresponding part by the other party.’”

19 *Jozovich v. Cent. Cal. Berry Growers Ass’n*, 6 Cal. Rptr. 617, 622 (Cal. Ct. App. 1960) (quoting 3  
20 WILLISTON, CONTRACTS, p. 2408, § 860A (rev. ed.); REST. CONTRACTS § 266(3), Illustration 4).  
21 Thus, a contract will generally be held to be divisible “when the price is expressly apportioned by  
22 the contract, or the apportionment may be implied by law, to each item to be performed.” *Los*  
23 *Angeles Gas & Elec. Co. v. Amalgamated Oil Co.*, 106 P. 55, 57 (Cal. 1909).

24 For GE to prove that Mr. Wilkins’ purported obligation was “divisible” would require an  
25 allegation that: for each invention Mr. Wilkins was to assign, GE had a corresponding performance  
26 also due. But GE has not alleged any such divisible duties by GE, or any facts that would support  
27 treating the alleged obligation as divisible.

1 Of perhaps even greater importance, however, is the fact that even if GE had alleged that  
2 Mr. Wilkins' purported obligation was divisible—which would clearly be false—GE still cannot  
3 benefit from its "continuing duty" theory. California courts have made it perfectly clear that "[t]he  
4 concept of a continuing duty has been employed to find a new cause of action upon each failure to  
5 perform. But **that concept has no application where the plaintiff is seeking to establish his right**  
6 to receive the [performance]." *Mezey v. Cal.*, 208 Cal. Rptr. 40, 42 (Cal. Ct. App. 1984). Here, as in  
7 *Mezey*, it is the plaintiff, GE, seeking to establish its rights under the alleged obligation, so the  
8 concept of "continuing duty" cannot be used to establish new causes of action based on any "serial  
9 breach" theory. Indeed, to prevail on its amended complaint, GE must establish that Mr. Wilkins  
10 owed it an obligation to assign all of his inventions. But no later than four years after Mr. Wilkins's  
11 alleged 2004 breach, GE lost the opportunity to establish those purported rights. **All** of GE's claims  
12 are based on the **same** alleged obligation for Mr. Wilkins to assign, which GE is time-barred from  
13 establishing. Accordingly, GE cannot establish any "subsequent" breaches as to the '565 patent, the  
14 '985 patent, or as to any other of Mr. Wilkins' inventions, if any.

15 **2. GE cannot support an independent cause of action based on a patent it**  
16 **maintains was not invented by Mr. Wilkins**

17 GE's amended complaint specifically asserts that Mr. Wilkins is **not** an inventor of the '985  
18 patent,<sup>14</sup> but requests the Court to issue an opinion "were that so." Docket No. 76 ¶ 25. GE  
19 strategically omitted such an assertion from its initial complaint. Now that the assertion has been  
20 made, however, it is fatal to any claims for relief that GE specifically bases on the '985 patent.  
21 Taking the assertion at face value, Mr. Wilkins would owe GE no obligation as to the '985 patent,  
22 and he would have no rights in the patent that the Court can require him to assign.

23  
24  
25  
26 <sup>14</sup> GE took the same position in proceedings before the U.S. International Trade Commission.  
27 Mr. Wilkins disagrees with GE's assertions. A federal administrative law judge and the United  
28 States International Trade Commission both found Mr. Wilkins to be an inventor of the '985 patent,  
and that he had no obligation to assign his inventions to GE. *See* Docket No. 66 at 121 n.70; Docket  
No. 67 at 36. Nonetheless, solely for purposes of Defendant's motion to dismiss, GE's allegations—  
including the allegation that Mr. Wilkins is not an inventor—are taken at face value.

1 In effect, GE asks the Court to render an advisory opinion about Mr. Wilkins’ **hypothetical**  
2 obligations and rights with respect to the ’985 patent. The case-or-controversy requirement of  
3 Article III of the Constitution forbids such an action. As the Supreme Court has held in the context  
4 of the Declaratory Judgment Act, a justiciable controversy “must be a real and substantial  
5 controversy . . . as **distinguished from an opinion advising what the law would be upon a**  
6 **hypothetical set of facts.**” *Aetna Life Ins. Co. v. Haworth*, 200 U.S. 227, 241 (1937) (emphasis  
7 added). Thus, for this additional reason, GE cannot maintain any separate cause of action based on  
8 Mr. Wilkins’ alleged hypothetical obligations as to the ’985 patent.

9 **3. GE cannot support a separate cause of action based on its declaratory**  
10 **relief claims**

11 Four of GE’s claims for relief are styled as claims for “declaratory relief” rather than breach  
12 of contract. A demand for declaratory relief alone is insufficient to establish a justiciable  
13 controversy. *See, e.g., Fiedler v. Clark*, 714 F.2d 77, 79 (9<sup>th</sup> Cir. 1983) (“The Declaratory Judgment  
14 Act does not provide an independent jurisdictional basis for suits in federal court.”) (citing *Skelly Oil*  
15 *Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 671-74 (1950)). Thus, to be justiciable, GE’s  
16 declaratory relief claims necessarily must be based on the C&I Agreement, EIPI Agreement, and/or  
17 California Labor Code § 2860.

18 No matter their basis, each of GE’s declaratory relief claims depends on the alleged  
19 obligation for Mr. Wilkins to assign the rights in his inventions. As demonstrated above,  
20 Mr. Wilkins breached that alleged obligation in 2004 when, as GE admits, he “refus[ed] to sign an  
21 agreement to assign inventorship rights.” Docket No. 76 ¶ 65. Any action on that alleged obligation  
22 is now barred by the statute of limitations. Naturally, GE’s declaratory relief claims based on that  
23 alleged obligation are barred as well. *Maguire v. Hibernia*, 146 P.2d 673, 680 (Cal. 1944) (“the  
24 period of limitations applicable to ordinary actions at law and suits in equity should be applied in  
25 like manner to actions for declaratory relief”); *Tostevin v. Douglas*, 325 P.2d 130, 135-36 (Cal. Ct.  
26 App. 1958) (“[A]fter the ‘coercive’ remedy is barred by the statute of limitations, a declaratory relief  
27 action may not be utilized to circumvent the purpose of the statute.”). Moreover, as noted above,  
28

1 even if GE had an “immediate interest” in Mr. Wilkins’ inventions—which Mr. Wilkins disputes—  
2 its claims for a declaration of ownership are still time-barred. *Roche*, 583 F.3d at 848.

3 Because GE’s declaratory relief claims cannot stand alone, and because the statute of  
4 limitations bars the actions on which they are based, GE cannot support a separate cause of action  
5 based solely on its declaratory relief claims.

6 **B. GE Had a True Cause of Action in 2004**

7 Regardless of the source of Mr. Wilkins’ alleged obligation, he breached any such duty to  
8 assign his inventions when he refused to sign an assignment agreement. GE now admits that the  
9 refusal happened in 2004. Docket No. 76 ¶ 65. Based on Mr. Wilkins’ refusal in 2004, GE could  
10 have filed suit on its cause of action based on Mr. Wilkins’ alleged assignment obligations. *Dillon*,  
11 116 P.2d at 39. At that time, GE possessed a “true cause of action,” by which (according to GE’s  
12 allegations) it was “entitled to a legal remedy, not merely a symbolic judgment such as an award of  
13 nominal damages.” *Garver v. Brace*, 55 Cal. Rptr. 2d 220, 222-23 (Cal. Ct. App. 1996).  
14 Specifically, GE could have sought in 2004 any number of the broad remedies it now seeks in its  
15 amended complaint, including:

- 16 • a declaration:
- 17 ○ that GE is the sole legal and equitable owner of **any invention made by**  
18 **Wilkins** during the course of his employment at Enron and GE (Docket  
19 No. 76 at ¶ 100(i), 22 ¶ E);
  - 20 ○ that Wilkins has no ownership interest in **any invention made by Wilkins**  
21 during the course of his employment at Enron and GE (*id.* at ¶ 100(ii), 22  
22 ¶ E);
  - 23 ○ that Wilkins has appointed any officer of GE to act as his attorney-in-fact for  
24 the purpose of executing documents necessary to assign to GE **all rights to**  
25 **any invention made by Wilkins** in the course of his employment at Enron or  
26 GE (*id.* ¶ 93);
- 27 • an order:
- 28 ○ that Wilkins execute any necessary documents to confirm formally GE’s  
ownership of **any and all inventions made by Wilkins** in the course of his  
employment with Enron and GE and to remove the cloud on GE’s ownership  
created by his failure to do so (*id.* ¶ 100(iii), 22 ¶ F);
- a preliminary and permanent injunction:

- 1           ○ requiring Wilkins to assign to GE **all rights to intellectual property developed or claimed to have been developed by Wilkins** in the course of  
2 his employment with Enron or GE (*id.* ¶ G);
- 3           ○ prohibiting Wilkins from taking any steps whatsoever purporting to license or  
4 grant other rights to third parties in GE’s intellectual property (*id.*);
- 5           ○ prohibiting Wilkins from engaging in any conduct that would convey or tend  
6 to convey to third parties that Wilkins has any rights in any intellectual  
7 property developed in the course of his employment with GE or Enron (*id.*);  
8 and
- 9           • compensatory damages according to proof (*id.* ¶ H);

10 Thus, GE undeniably could have alleged a remediable injury to support an action based on  
11 Mr. Wilkins’ 2004 refusal to assign. *See Dillon*, 116 P.2d at 39 (“A cause of action accrues when a  
12 suit may be maintained thereon.”). And Mr. Wilkins’ 2004 refusal started the limitations clock  
13 running. *See Roche*, 583 F.3d at 846.

14 By his act of refusing to assign and by the statement attributed to him by GE that “he was not  
15 willing to assist GE with the patent application,” Mr. Wilkins *ipso facto* breached his alleged  
16 obligation to assign, and disputed GE’s purported right to an assignment. There is no basis for any  
17 allegations to the contrary.<sup>15</sup>

18           **C. GE Suffered Actionable Harm in 2004 and 2005 Based on Mr. Wilkins’ Refusal to Assign**

19 In a concocted attempt to avoid the statute of limitations, GE alleges in its amended  
20 complaint that it was not until “2010 that GE suffered actual and appreciable harm.” Docket No. 76  
21 ¶ 65. But GE details its “actual and appreciable harm” in a section titled “*Damages and Harm*  
22 *Caused by Wilkins.*” And according to GE, it has been injured by “a cloud on the ownership and  
23

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24 <sup>15</sup> GE’s attempt to impugn Mr. Wilkins’ alleged motives or intentions (GE Docket No. 76  
25 ¶ 20) is simply a tactical diversion. Whatever his motive, GE cannot change the dispositive fact of  
26 Mr. Wilkins’ refusal. Axiomatically, “[m]otive is **not** an element of a breach of contract action.”  
27 *Rich v. Shrader*, 2010 WL 3717373, at \*4 (S.D. Cal. Sep. 17, 2010) (emphasis added) (citing  
28 *Applied Equip. Corp. v. Litton Saudi Arabia Ltd.*, 28 Cal. Rptr. 2d 475 (Cal. 1994)) (attached to  
Schulte Decl. as Ex. B). In *Rich*, the plaintiff attempted to save its contract-based claims from the  
statute of limitations because even though the plaintiff “should have been aware that something was  
amiss,” the defendant “kept his corrupt motive a secret.” *Id.* The court resoundingly rejected the  
plaintiff’s arguments. The plaintiff in *Rich* “was aware of the injury . . . and the cause of the injury”  
over four years before suit, and “had the opportunity to investigate” in the meantime. *Id.*

1 title of the '565 patent,” a “cloud placed on the ownership and title of the '985 patent,” and a “cloud  
2 over title to its intellectual property.” *Id.* ¶¶ 29, 30, 33. Moreover, GE alleges, “Wilkins’s actions  
3 . . . will continue to damage GE unless the cloud over title to its intellectual property is removed and  
4 Wilkins is specifically compelled to comply with his assignment obligations to GE.” *Id.* ¶ 33.  
5 Significantly, however, whatever “cloud” hovers over GE’s intellectual property has been in place  
6 **since 2004 and 2005** when Mr. Wilkins refused GE’s demand that he assign his inventorship rights  
7 to GE, GE recorded an assignment without Mr. Wilkins’ signature, and the '565 patent issued jointly  
8 to GE and Mr. Wilkins. At that time, Mr. Wilkins acquired the rights to sell or license his ownership  
9 interest in that patent—with or without GE’s knowledge or consent. Based on those 2004 and 2005  
10 events, GE’s claim not to have suffered injury until 2010 is utterly baseless, and cannot shield GE  
11 from the statute of limitations.

12 **1. Harm caused by Mr. Wilkins’ refusal to assign**

13 GE disingenuously claims that Mr. Wilkins’ 2004 refusal to assign caused it no actionable  
14 injury. Docket No. 76 ¶ 65. Yet GE has not disputed—nor can it—that (1) Mr. Wilkins acquired the  
15 right to sell or license his joint ownership interest in the '565 patent when it issued in 2005; and (2)  
16 GE could have brought an action in 2004 based on Mr. Wilkins’ alleged breach. Moreover, GE has  
17 not disputed that it could have sought in 2004 the same broad relief that it now seeks in this action,  
18 i.e., a declaration of rights and other related relief as to **anything and everything** that Mr. Wilkins  
19 may have invented during his work with Enron and/or GE. In light of those facts, GE cannot  
20 credibly claim that its cause should not be barred.

21 **2. Harm caused when GE recorded assignments at the Patent Office without**  
22 **Mr. Wilkins’ signature**

23 On March 17, 2004, during prosecution of the application for the '565 patent, GE recorded at  
24 the Patent Office an assignment that included signatures from all of the named co-inventors, except  
25 Mr. Wilkins, namely, Elkachouty, Walling, Lyons, Delmerico, Bose, and Miller. Docket No. 47-2.<sup>16</sup>  
26

27  
28 <sup>16</sup> As noted above, Mr. Wilkins requests that the Court take judicial notice of this recorded  
assignment as a publicly available record of the U.S. Patent Office.

1 Above the name of inventor “Thomas A. Wilkins,” however, the signature line was conspicuously  
2 empty:

3 Inventor 1  
4 \_\_\_\_\_ Date: \_\_\_\_\_  
5 Thomas A. Wilkins

6 **(Excerpt From Docket No. 47-2 at 4)**

7 The cover sheet attached to GE’s recorded assignment also omitted Mr. Wilkins’ name from the list  
8 of assigning co-inventors:

9 **1. Name of conveying party(ies):**  
10 **Nagwa M. Elkachouty; Reigh A. Walling; James P. Lyons;**  
11 **Robert W. Delmerico; Sumit Bose; Nicholas Wright Miller**  
12 **Additional name(s) of conveying party(ies) attached?**  
13  **No**  **Yes**

13 **(Excerpt From Docket No. 47-2 at 2)**

14 GE’s assignment was open to public inspection as of its March 2004 recordation date. *See*  
15 37 C.F.R. § 1.12(a)(1). As a result, Mr. Wilkins’ absence from the assignment created a very public  
16 “cloud” over GE’s title at least as injurious to GE as any “cloud” allegedly created by any action of  
17 Mr. Wilkins in 2009 and 2010. Indeed, GE likely suffered even greater harm when it recorded its  
18 assignment in 2004. At the very least, the “cloud” created by GE’s recorded assignment was more  
19 open and notorious than anything Mr. Wilkins put on his website years later. The patent regulations  
20 direct inquirers to find detailed patent ownership information “by performing an assignment search  
21 on the USPTO Internet website, and by inspecting the recorded assignment documents.” MANUAL  
22 OF PATENT EXAMINING PROCEDURE (“MPEP”) § 307. Thus, any party interested in determining  
23 ownership of the application for the ’565 patent—e.g., any competitor or prospective licensee—  
24 would have known to check the Patent Office’s records, and would have understood from those  
25 records that Mr. Wilkins **did not assign** rights in his inventions to GE.

26 Furthermore, beyond the “cloud” created by the absence of Mr. Wilkins’ name from the  
27 assignment publicly recorded on March 17, 2004, that absence also caused GE a more tangible legal  
28 detriment. Similarly to a recorder of deeds to real property, the U.S. Patent Office keeps public

1 records of assignments for patents and patent applications. *See, e.g.*, MPEP § 301(V). And  
2 recording an assignment at the Patent Office—just like recording a deed—provides notice to the  
3 world of a claim of ownership. Thus, recording an assignment at the Patent Office provides the  
4 assignee a defense against the claims of a subsequent purchaser for value. 35 U.S.C. § 261; *Rhone-*  
5 *Poulenc Agro v. Dekalb Genetics Corp.*, 284 F.3d 1323, 1327 (Fed. Cir. 2002). Mr. Wilkins’ refusal  
6 to assign rights in his inventions prevented GE from asserting that right. In 2004, GE could have  
7 brought suit to establish its right. But GE chose not to act.

8 **3. Harm caused by issuance of the ’565 patent to Mr. Wilkins as a co-owner**

9 Although GE claims, without any basis, that Mr. Wilkins’ 2004 refusal to assign rights in his  
10 inventions did not cause sufficient “actual and appreciable harm,” the harm to GE undeniably  
11 reached an actual and appreciable level on August 2, 2005, when the ’565 patent issued with a list of  
12 inventors that did not match up with the assignment recorded at the Patent Office. Because of that  
13 discrepancy, the ’565 patent issued jointly to **both** Thomas Wilkins (as a non-assigning inventor)  
14 and GE (as the assignee of the remaining inventors’ interests). Under the patent regulations, “If one  
15 or more assignee, together with one or more inventor, holds the entire right, title, and interest in the  
16 application, the patent may issue in the names of the assignee and the inventor.” 37 C.F.R.  
17 § 3.81(c)(1); *see also* MPEP § 409.03(i) (A non-joining inventor “has the same rights that he or she  
18 would have if he or she had joined in the application” by signing an inventor declaration and power  
19 of attorney form.). Because Mr. Wilkins never assigned the rights in his inventions to GE, the patent  
20 issued in his name and he retained the right to “make, use, offer to sell, or sell the patented invention  
21 . . . without the consent of and without accounting to [GE].” 35 U.S.C. § 262. Certainly, **beginning**  
22 **at that point in 2005**, Mr. Wilkins’ rights as a co-owner of the ’565 patent must have “interfere[d]  
23 with GE’s rights to enforce its valuable patent rights”—an injury that GE has actually asserted in its  
24 amended complaint. Docket No. 76 ¶ 30.

25 In addition, after the ’565 patent issued in 2005, anyone examining the Patent Office’s public  
26 records to determine ownership of the ’565 patent would have understood that the ’565 patent issued  
27 jointly to GE and Mr. Wilkins. 37 C.F.R. § 3.81(c)(1). Thus, the very “cloud” GE asserts in its  
28

1 amended complaint as creating injury has been present since at least 2005, and it triggered the statute  
2 of limitations now barring GE's claims.

3 **D. GE Had Notice of Mr. Wilkins' Alleged Breach in 2004 and 2005**

4 GE's amended complaint does not allege any delayed actual discovery of Mr. Wilkins's  
5 alleged 2004 breach. Nor has GE pleaded any facts to support such an allegation. *Bonds v. Nicoletti*  
6 *Oil, Inc.*, No. CV-F-07-1600 OWW/DLB, 2008 WL 2233511, at \*8 (E.D. Cal. May 28, 2008)  
7 (“[T]he applicable law places the burden on Plaintiffs to plead facts to justify delayed discovery.”)  
8 (attached to the Declaration of Michael L. Schulte as Exhibit A). Accordingly, whether GE lacked  
9 notice of Mr. Wilkins' breach is not at issue.

10 Nonetheless, based on the allegations in the amended complaint, along with information  
11 properly subject to judicial notice, it would be impossible to infer that GE did not have notice of  
12 Mr. Wilkins' refusal to assign in 2004 and 2005. *Sprewell v. Golden State Warriors*, 266 F.3d 979,  
13 988 (9th Cir. 2001) (“Nor is the court required to accept as true . . . unwarranted deductions of fact,  
14 or unreasonable inferences.”).

15 **1. GE had notice of Mr. Wilkins' alleged breach in February-March 2004**

16 The amended complaint alleges facts sufficient to establish that GE had notice of  
17 Mr. Wilkins' refusal to assign rights in his inventions in **February 2004**. See Docket No. 76 ¶¶ 11-  
18 12, 19, 20, 65. Specifically, based solely on the allegations in the amended complaint, by February  
19 2004 GE was on notice (1) that Mr. Wilkins was obligated to execute assignment and patent  
20 prosecution documents upon request (*id.* ¶ 11-12); (2) that GE requested that Mr. Wilkins sign an  
21 inventor declaration and an assignment agreement in connection with prosecution of the '565 patent  
22 (*id.* ¶ 19); (3) and that Mr. Wilkins said he “was not willing to assist” GE with the prosecution of the  
23 '565 patent (*id.* ¶ 20). And based on the judicially noticeable prosecution history of the '565 patent,  
24 **in March 2004**, GE was on notice (1) that Mr. Wilkins was sent an assignment and patent  
25 prosecution documents, along with a letter requesting that he sign them (Docket No. 26-2 at 40);  
26 (2) that Mr. Wilkins refused to sign at least the patent prosecution documents (*id.* at 38 ¶ 6); (3) that  
27 its patent attorney submitted to the Patent Office an assignment bearing Mr. Wilkins's name, but  
28 without Mr. Wilkins's signature (*id.* at 46-48); and (4) that an assignment was recorded **without**

1 Mr. Wilkins' signature (Docket No. 47-2). Armed with that notice, any reasonable person in GE's  
2 shoes would understand that Mr. Wilkins had indeed refused to assign his rights in inventions to GE.  
3 *See id.* ¶ 65. Any inference otherwise would be unreasonable in light of the indisputable facts.  
4 *Sprewell*, 266 F.3d at 988.

5 **2. GE had additional notice of Mr. Wilkins' alleged breach in August 2005**

6 To date, GE has not claimed, nor can it claim, not to have had notice of the prosecution file  
7 of the '565 patent during the patent's prosecution. In addition, GE certainly had notice of that  
8 prosecution file no later than the date when the patent issued on August 2, 2005. As explained in  
9 *Fox*, "[t]he discovery rule only delays accrual until the plaintiff has, **or should have**, inquiry notice  
10 of the cause of action." *Fox*, 110 P.3d at 920 (emphasis added). When the '565 patent issued—over  
11 four years before the initial complaint was filed—GE should have had at least inquiry notice of the  
12 contents of its prosecution history and any recorded assignments. The only reasonable inference to  
13 be drawn from those documents, as noted above, is that Mr. Wilkins had refused to assign his rights  
14 in inventions to GE.

15 **VI. Conclusion**

16 For the foregoing reasons, Defendant moves to dismiss GE's amended complaint in its  
17 entirety. Furthermore, Defendant seeks dismissal without further leave to amend. The Court has  
18 already given GE a second bite at the apple based on its holding that "if there's any conceivable  
19 basis on which a complaint can be amended, Rule 15 requires liberality in the Court at this stage of  
20 the case allowing it." Hr'g Tr. 6:22-25 (Sep. 27, 2010). Plainly, there is no conceivable basis on  
21 which its complaint can be amended to sustain a cause of action. Thus, Mr. Wilkins should be  
22 granted the respite of a dismissal with prejudice.<sup>17</sup>

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25 <sup>17</sup> In granting Defendant's initial motion to dismiss, the Court expressed some reservations  
26 about dismissing with prejudice because, "[f]or example, to the extent that Plaintiff had failed to  
27 perform a condition precedent to Defendant's assignment obligation as of February 11, 2004,  
28 Defendant's unwillingness to sign the Inventor Declaration and Power of Attorney may not have  
constituted a breach at all." Docket No. 58 at 8. At the hearing, the Court also suggested that the  
"anti-waiver doctrine," the "Material Breach Doctrine," or an "election [of] strict performance"  
might save GE's claims. Hr'g Tr. 10:12-21 (Sep. 27, 2010). In its amended complaint, GE has not

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Dated: October 29, 2010

LOW PRICE LEGAL ADVICE

/s/ Michael Schulte  
Michael Schulte, attorney for Defendant

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(...continued)  
pleaded any facts in support of any such theory. Accordingly, Plaintiff's hypothetical claims are no longer grounds on which to allow GE to amend.

**CERTIFICATE OF SERVICE**

I hereby certify that on October 29, 2010, I electronically filed the foregoing Memorandum in Support of Defendant’s Motion to Dismiss the Amended Complaint with the Clerk of the Court using the CM/ECF system which will send notification of such filing via electronic mail to all counsel of record.

/s/ Michael Schulte  
Michael Schulte, Attorney for Defendant

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