

**UNIVERSITY OF UTAH V. UNIVERSITY OF  
MASSACHUSETTS: AN “INAPPROPRIATE”  
RELIANCE ON CAHILL**

*William P. DeCotiis\**

I. INTRODUCTION

Justice Rehnquist, discussing the Supreme Court’s original and exclusive jurisdiction once wrote “[t]he absence of limiting principles . . . I fear, ‘could well pave the way for putting this Court into a quandary whereby we must opt either to pick and choose arbitrarily . . . or devote truly enormous portions of our energies to such matters.’”<sup>1</sup>

On August 19, 2013, the Federal Circuit found itself in the quandary Justice Rehnquist perceptively foresaw, in the form of an inventorship dispute entitled *University of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V (Max-Planck)*. In the case, a state university, The University of Utah (“UUtah”), sought to sue another state university, the University of Massachusetts (UMass), over the inventorship status of patented RNAi technology. Because UUtah and UMass are both arms of their respective states, such an action effectively amounts to the State of Utah suing the State of Massachusetts.

A suit between two states falls within the exclusive jurisdiction of the Supreme Court. In an effort to avoid the exclusive jurisdiction of the Supreme Court, UUtah named UMass officials as defendants rather than UMass.<sup>2</sup> The district court accepted jurisdiction over the case, and on appeal, the Federal Circuit held that the district court

---

\* J.D. Candidate, 2015, Seton Hall University School of Law; B.S., 2012, Seton Hall University. This paper is dedicated to my three grandfathers, Daniel C. DeCotiis, Esq., Vincent T. Frank, Esq., and Achilles Perry, whose unmatched character and intellect I seek always to emulate. I would like to thank my family and friends for their unyielding love and support which makes all that I do possible.

<sup>1</sup> *Maryland v. Louisiana*, 451 U.S. 725, 770 (1981) (Rehnquist, J., dissenting) (citing *Ohio v. Wyandotte Chems. Corp.*, 401 U.S. 504 (1971)).

<sup>2</sup> *University of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V.*, 734 F.3d 1315, 1317 (Fed. Cir. 2013).

properly exercised its jurisdiction over the dispute.<sup>3</sup> In justifying the exercise of jurisdiction, the Federal Circuit imposed limits on the Supreme Court's exclusive jurisdiction, derived primarily from the Second Circuit case of *Connecticut ex rel. Blumenthal v. Cahill*.<sup>4</sup> The imposed limits, however, lacked solid footing in Supreme Court precedent and, as a result, the court misapplied foundational legal doctrine. Furthermore, in order to prevent the case from being dismissed for failure to join an indispensable party, the Federal Circuit found that UMass was not an indispensable party despite having ownership rights in the patent-at-issue, citing a narrow exception the Ninth Circuit created in the case of *Dainippon Screen Manufacturing Co.*<sup>5</sup> Thus, by attempting to impose arbitrary limitations on the Supreme Court's exclusive jurisdiction, the Federal Circuit placed widely accepted joinder rules in a precarious position.

Part II of this Comment discusses the relevant legal doctrine at issue. Part III of this Comment analyzes the reasoning of *Max-Planck* and undertakes a review of the underlying reasoning in *Cahill* and *Dainippon*. Part IV of this Comment argues for a statutory exception that permits patent disputes concerning ownership to be vindicated between state universities in lower courts. Alternatively, this part argues that Justice Sotomayor's dissent in *Cahill* be adopted as the proper statutory analysis for interpreting 28 U.S.C. § 1251(a)—which sets forth the Supreme Court's exclusive jurisdiction. Part V concludes.

## II. RELEVANT LEGAL DOCTRINE

### A. *Original and Exclusive Jurisdiction of the Supreme Court under 28 U.S.C. § 1251 and Sovereign Immunity*

Article II § 2 cl. 2 of the United States Constitution provides for the Supreme Court's original jurisdiction over controversies between states:<sup>6</sup> “[i]n all Cases . . . in which a State shall be a Party, the [S]upreme Court shall have original jurisdiction.”<sup>7</sup> Original jurisdiction is limited statutorily to areas in which the Supreme Court has exclusive jurisdiction under 28 U.S.C. § 1251(a) and areas in which the Supreme Court has original, but not exclusive, jurisdiction under

---

<sup>3</sup> *Id.* at 1328.

<sup>4</sup> *Id.* at 1322.

<sup>5</sup> *Id.* at 1327.

<sup>6</sup> *Id.* at 1320.

<sup>7</sup> U.S. CONST. art. III, § 2, cl. 2.

28 U.S.C. § 1251(b)(3).<sup>8</sup> According to § 1251(a), “[t]he Supreme Court shall have original and exclusive jurisdiction of all controversies between two or more states.”<sup>9</sup> Under § 1251(b)(3), by contrast, the “Supreme Court shall have original but not exclusive jurisdiction of . . . [a]ll actions or proceedings by a state against the citizens of another State or against aliens.”<sup>10</sup> Thus, in the context of *Max-Planck*, naming UMass (the State of Massachusetts) a party to the suit against UUtah (the State of Utah) invoked the “exclusive” jurisdiction of the Supreme Court and statutorily permitted only the Supreme Court to exercise jurisdiction over the dispute. Conversely, under § 1251(b)(3), if a state sues a citizen of another state—i.e., UUtah sues a resident of another state—the Supreme Court’s exclusive jurisdiction is not invoked, and the district court may exercise jurisdiction.

Outside of the exclusive jurisdiction of the Supreme Court provided in § 1251(a), states and state actors are immune from suit pursuant to the Eleventh Amendment. The Eleventh Amendment provides, in pertinent part: “[t]he Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.”<sup>11</sup> Thus generally, a state, or an officer of a state acting in his or her official capacity, is immune from suit. Consequently, in the context of patents, a state can neither be sued for infringement nor forced to defend against an action for a declaratory judgment because it is immune from suit.<sup>12</sup>

As mentioned *supra*, states do not enjoy sovereign immunity from suits other states bring; rather, such disputes fall within the exclusive jurisdiction of the Supreme Court.<sup>13</sup> States can also sue citizens of other states without raising issues of sovereign immunity and without invoking the Supreme Court’s exclusive jurisdiction.<sup>14</sup> Thus, in the context of *Max-Planck*, UUtah (the State of Utah) could sue UMass (the State of Massachusetts) in the Supreme Court of the United States under § 1251(a), and UUtah (the State of Utah) could sue a private citizen (or corporation) of Massachusetts if such citizen were an owner

---

<sup>8</sup> 28 U.S.C. § 1251(a) (2012).

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* § 1251(b)(3).

<sup>11</sup> U.S. CONST. amend. XI.

<sup>12</sup> *Id.* See also *A123 Sys. Inc. v. Hydro-Que.*, 626 F.3d 1213, 1220 (Fed. Cir. 2010).

<sup>13</sup> *University of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V.*, 734 F.3d 1315, 1319 (Fed. Cir. 2013). See also *Texas v. New Mexico*, 482 U.S. 124, 130 (1984).

<sup>14</sup> *Id.* at 1319–20.

of a disputed patent. But under the Eleventh Amendment, UUtah theoretically cannot sue a state official acting within the scope of his or her official capacity (as UUtah did by naming UMass officials rather than UMass) outside of the exclusive jurisdiction of the Supreme Court because suing an official is akin to suing the state itself.

*B. Ex Parte Young Doctrine*

In *Ex parte Young*, the Supreme Court created a narrow exception to sovereign immunity, which allows a federal court to treat unconstitutional, official acts of state officers as being separate from state action, so that the officers can be enjoined without being barred by a state's sovereign immunity.<sup>15</sup> Thus, in the context of *Max-Planck*, UUtah theoretically should only be able to sue a state officer for official acts if such official acts are unconstitutional. In *Max-Planck*, there is no suggestion that the actions of UMass officials were unconstitutional.

*C. Fed. R. Civ. P. 19(b) Indispensability*

Under Federal Rule of Civil Procedure 19, a party is required to be joined if feasible,<sup>16</sup> and if the party cannot be joined, the court must determine whether "in equity and good conscience, the action should proceed among the existing parties or should be dismissed."<sup>17</sup> Factors a court is to consider in making this determination are:

- (1) The extent to which a judgment rendered in the person's absence might prejudice that person or the existing parties;
- (2) The extent to which any prejudice could be lessened or avoided by:
  - (A) Protective provisions in the judgment;
  - (B) Shaping the relief; or
  - (C) Other measures;
- (3) Whether a judgment rendered in the person's absence would be adequate; and
- (4) Whether the plaintiff would have an adequate remedy if the action were dismissed for non-joinder.<sup>18</sup>

The court in *Max-Planck* found that UMass was not an indispensable party, despite the fact that UMass had ownership rights in the patent and that any judgment would directly alter the allocation of ownership over the patent.

---

<sup>15</sup> *Id.* at 1321.

<sup>16</sup> FED. R. CIV. P. 19(a).

<sup>17</sup> FED. R. CIV. P. 19(b).

<sup>18</sup> *Id.*

## III. RELEVANT CASE LAW

A. *Connecticut ex rel. Blumenthal v. Cahill*

## i. Procedural history

In *Connecticut ex rel. Blumenthal v. Cahill*, the United States District Court for the Northern District of New York dismissed a suit brought by Connecticut (Plaintiff-Appellant) for declaratory and injunctive relief against John P. Cahill and Donald W. Brewer (Defendant-Appellees), ruling that the suit was a “controversy between two or more States falling within the Supreme Court’s original and exclusive jurisdiction under § 1251(a).”<sup>19</sup>

## ii. Facts

The dispute in *Cahill* arose out of the enforcement of New York’s Environmental Conservation Law.<sup>20</sup> Under the law, residents of New York, or states that awarded reciprocal permits to New York residents, could obtain New York commercial permits for lobstering, but only New York residents were permitted to take lobsters from designated areas of New York waters in Long Island Sound near Fishers Island.<sup>21</sup> In November 1997, Gordon C. Colvin, Director of Marine Resources for the New York Department of Environmental Conservation, sent a letter to the Lobsterman’s Association informing it that the provision preventing non-New York residents from lobstering in the designated areas would no longer be enforced.<sup>22</sup> In February 1998, Donald W. Brewer, Director of DEC’s Division of Law Enforcement, sent letters stating that he would enforce the law.<sup>23</sup> In response, the State of Connecticut brought suit against Brewer.<sup>24</sup>

## iii. Majority opinion

On appeal, the Second Circuit undertook the determination of whether the dispute fell within the Supreme Court’s original and exclusive jurisdiction under § 1251(a).<sup>25</sup> The majority began the analysis by articulating that the Supreme Court has “broadly intimated that a plaintiff-State may generally choose whether or not to name

---

<sup>19</sup> Conn. *ex rel. Blumenthal v. Cahill*, 217 F.3d 93, 96 (2d Cir. 2000) (internal quotations omitted).

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Cahill*, 217 F.3d at 96.

another state as a defendant in litigation challenging some action or statute of another State,”<sup>26</sup> relying on the Supreme Court cases of *Missouri v. Illinois*<sup>27</sup> and *Illinois v. City of Milwaukee*<sup>28</sup> According to the majority, as a result of this freedom, Connecticut, by choosing only to sue New York officers and not the state, could proceed in district court provided that the state was not the “real party at interest”—i.e., that looking beyond the named party, the state was not in actuality the party whose interests would be determined by the suit.<sup>29</sup>

To determine whether the state was the “real party at interest,” the majority employed a two-prong test: (1) whether actions specifically authorized by state law caused the alleged injury and (2) whether the suit implicated the state’s core sovereign interests.<sup>30</sup> In regard to the first prong, the majority drew a distinction between actions properly carried out and specifically authorized by state law, and alleged injuries caused by arbitrary or improper administration of valid state laws; the latter do not amount to state action.<sup>31</sup> The majority found that the actions were properly carried out and specifically authorized by state law, and therefore, this first prong was satisfied.<sup>32</sup>

The majority then undertook analysis of the second prong, whether the suit implicated the State’s core sovereign interests. In defining “core sovereign interests,” the majority relied on Supreme Court pronouncements of the manner in which the Court exercises its discretionary authority in choosing to exercise original jurisdiction in suits between the States<sup>33</sup>; the Court mainly considers the “seriousness [sic] and dignity of the claim”<sup>34</sup> and implications of serious or important concerns of federalism.<sup>35</sup> The majority then coupled these factors with the rationale that exercising the Court’s original

---

<sup>26</sup> *Id.* at 98.

<sup>27</sup> In *Missouri v. Illinois*, Missouri named Illinois as a defendant in order to invoke the Supreme Court’s original jurisdiction to enjoin the dumping of raw sewage by the City of Chicago into the Mississippi River. 180 U.S. 208 (1901). The Court rejected Illinois’s argument that it was not a proper defendant and accepted jurisdiction over the case. *Id.* at 242.

<sup>28</sup> In *Illinois v. City of Milwaukee*, Illinois brought suit against Milwaukee to enjoin the dumping of sewage into Lake Michigan. 406 U.S. 91, 97–98 (1972). The Court held that its original and exclusive jurisdiction was not invoked because cities were not instrumentalities of the State, but rather, independent entities. *Id.* Further, the Court held that, while Wisconsin could be joined as a defendant, it did not have to be. *Id.*

<sup>29</sup> *Cahill*, 217 F.3d at 99.

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

<sup>34</sup> *Id.* (citing *Mississippi v. Louisiana*, 506 U.S. 73, 77 (1992)).

<sup>35</sup> *Cahill*, 217 F.3d at 99 (citing *Wyoming v. Oklahoma*, 502 U.S. 437, 451 (1992)).

jurisdiction is strongest when sovereign interests are at issue.<sup>36</sup> While recognizing that the Supreme Court's pronouncements did not control the question of whether a case fell within the "exclusive" jurisdiction of the Supreme Court, but rather only established the manner in which the Court might exercise its discretion over cases before it, the majority concluded that the cited decisions "plainly teach that the rationale for the Court's original jurisdiction is strongest where core sovereign interests are at stake."<sup>37</sup> On the basis of this reasoning, the majority held that Connecticut's suit did not implicate a core sovereign interest and therefore did not fall within the Supreme Court's exclusive jurisdiction.<sup>38</sup>

The majority then responded to the appellees' argument that a state suit against a state's officers should be considered a suit against the state, because suits by a state do not encounter the Eleventh Amendment obstacle that *Ex parte Young* seeks to circumvent by permitting citizens to sue state officers for injunctive and declaratory relief.<sup>39</sup> In other words, a state suit against a state's officers should be considered a suit against the state because there is an available forum, whereas without the narrow exception of *Ex parte Young*, a citizen would have no forum against unconstitutional acts of a state officer. In disposing of the argument, the majority found that while *Ex parte Young* was not directly applicable, it should be considered broadly to reflect the notion that a state is only the real party at interest when damages are sought because a financial judgment against a state requires depletion of the state treasury, which is a crucial element of sovereignty.<sup>40</sup>

As a matter of policy, the majority found such an interpretation to be advantageous, because otherwise, a state might sue another state and attempt to invoke the exclusive jurisdiction of the Supreme Court only to have the Court decline to exercise its jurisdiction,<sup>41</sup> while a federal district court would be obligated to hear the case if subject matter jurisdiction exists.<sup>42</sup> Thus, the majority found that, because the Supreme Court, in exercising its discretionary, original jurisdiction,

---

<sup>36</sup> *Cahill*, 217 F.3d at 100 (citing *Maryland v. Louisiana*, 451 U.S. 725, 766 (1981) (Rehnquist, J., dissenting)).

<sup>37</sup> *Cahill*, 217 F.3d at 100 (citing *Maryland*, 451 U.S. at 766 (Rehnquist, J., dissenting)).

<sup>38</sup> *Cahill*, 217 F.3d at 103.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.* at 101.

<sup>41</sup> *Id.* at 102.

<sup>42</sup> *Id.*

considered the “availability of an alternative forum,”<sup>43</sup> it stood to reason that § 1251(a) essentially requires a plaintiff-State to invoke the Supreme Court’s original jurisdiction only in cases where the Court is most likely to exercise its jurisdiction.<sup>44</sup>

iv. Judge Sotomayor’s Dissent

Circuit Judge Sotomayor dissented from the majority decision on the grounds that the majority contravened the plain meaning of § 1251(a) in order to create a more efficient mode for the resolution of suits between states.<sup>45</sup> Judge Sotomayor began her analysis with the plain language of § 1251(a).<sup>46</sup> In Judge Sotomayor’s view, the plain language and legislative history, coupled with the Supreme Court’s ruling in *Mississippi v. Louisiana*, made clear the Supreme Court’s “exclusive” jurisdiction over “all” cases between states.<sup>47</sup> Furthermore, Congress could have required exclusive jurisdiction for “any” controversy in which a state is a party, as in § 1251(b)(2), but did not.<sup>48</sup> Thus, for Judge Sotomayor, the case simply became an issue of whether New York was the true defendant; if so, the Supreme Court’s exclusive jurisdiction would be invoked.<sup>49</sup>

Judge Sotomayor would have found the action to be a controversy between two states.<sup>50</sup> Finding the mere fact that New York was not named as a defendant not compelling, Judge Sotomayor pointed out that courts are directed to “look past the pleadings to identify the real parties in interest.”<sup>51</sup> To determine the “real party in interest,” Judge Sotomayor articulated the general rule that relief sought against an officer is, in fact, against the sovereign if “the effect of the judgment would be to restrain the Government from acting, or compel it to act.”<sup>52</sup> An exception to the general rule exists only in cases where a state sues

---

<sup>43</sup> *Id.* (citing *Mississippi v. Louisiana*, 506 U.S. 73, 77 (1992)).

<sup>44</sup> *Cahill*, 217 F.3d at 102 (citing *Mississippi*, 506 U.S. at 77).

<sup>45</sup> *Cahill*, 217 F.3d at 105 (Sotomayor, C.J., dissenting).

<sup>46</sup> *Id.*

<sup>47</sup> *Cahill*, 217 F.3d at 105 (citing *Mississippi*, 506 U.S. at 77–78) (“The uncompromising language of 28 U.S.C. §1251(a) . . . gives to this Court ‘original and exclusive jurisdiction of all controversies between two or more States.’ Though phrased in terms of a grant of jurisdiction to this Court, the description of our jurisdiction as ‘exclusive’ necessarily denies jurisdiction of such cases to any other federal court. This follows from the plain meaning of ‘exclusive’ . . .”).

<sup>48</sup> *Cahill*, 217 F.3d at 105

<sup>49</sup> *Id.*

<sup>50</sup> *Id.* (Sotomayor, C.J., dissenting).

<sup>51</sup> *Id.* at 106 (citing *Arkansas v. Texas*, 346 U.S. 368, 371 (1953)).

<sup>52</sup> *Id.* (citing *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 101 (1984); *Dugan v. Rank*, 372 U.S. 609, 620 (1963)).

an official of another state for actions in “abuse or excess of his powers.”<sup>53</sup> Having found that the officers named in the dispute were clearly operating within the scope of their official capacities, Judge Sotomayor would have held New York the real party at interest and therefore would have affirmed the district court’s dismissal for lack of jurisdiction.<sup>54</sup>

Additionally, Judge Sotomayor took issue with the majority’s approach because of its circumvention of the plain language of § 1251(a) and case precedent.<sup>55</sup> While Judge Sotomayor recognized that a plaintiff-state has the discretion to name defendants in preparing its complaint, plaintiffs are “still constrained by the requirement that courts look beyond the form of the pleadings.”<sup>56</sup>

Further, the “core sovereign interests” requirement, in Judge Sotomayor’s opinion, contravened the language of § 1251(a), its legislative history, and the case law interpreting the statute in a number of ways.<sup>57</sup> First, the restriction substituted a lower court’s judgment for the Supreme Court’s determination of which case the Court will choose to exercise its discretion.<sup>58</sup> In fact, the Supreme Court’s rules “require a complaining state petition the Supreme Court . . . [and the Supreme Court] has ‘substantial discretion to make case-by-case judgments as to the practical necessity of an original forum in the Court.’”<sup>59</sup> Second, the Supreme Court has never retreated from the position that § 1251(a) provides the Supreme Court with the discretion to make case-by-case judgments.<sup>60</sup> While permitting a lower court to make such a determination might improve efficiency, in Judge Sotomayor’s opinion, there is no legal basis for inventing such a device.<sup>61</sup> Further, allocating such authority to lower courts could result in evaluations of the importance of cases that the Supreme Court may not make.<sup>62</sup> In Judge Sotomayor’s opinion, the majority’s justification, that the Federal Circuit should provide a judicial forum for less important cases that the Supreme Court may decide to not exercise jurisdiction over, verified this observation (the obvious concern being that the lower court is inevitably making the value judgment of which

---

<sup>53</sup> *Cahill*, 217 F.3d at 105 (citing *Louisiana v. Texas*, 176 U.S. 1, 22 (1900)).

<sup>54</sup> *Cahill*, 217 F.3d at 105.

<sup>55</sup> *Id.* at 107.

<sup>56</sup> *Id.* (Sotomayor, C.J., dissenting).

<sup>57</sup> *Id.* at 108.

<sup>58</sup> *Id.*

<sup>59</sup> *Cahill*, 217 F.3d at 108–09 (quoting SUP. CT. R. 17(3), 506 U.S. 73, 76 (1992)).

<sup>60</sup> *Cahill*, 217 F.3d at 109.

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

cases are “less important”).<sup>63</sup>

The majority’s application of *Ex parte Young* was similarly misguided, according to Judge Sotomayor.<sup>64</sup> Judge Sotomayor believed that the principle justification for the application of *Ex parte Young* was completely missing because a plaintiff-State, in suing another state, is not barred by sovereign immunity and therefore has an available forum (unlike in the context of *Ex parte Young* where no forum would be available to address a constitutional wrong).<sup>65</sup> In fact, the Supreme Court has stated that *Ex parte Young* should not be invoked where a forum is available to provide relief.<sup>66</sup> Therefore, Judge Sotomayor would have found *Ex parte Young* irrelevant because Connecticut could have invoked the jurisdiction of the Supreme Court, and interpreting *Ex parte Young* otherwise would undermine the Eleventh Amendment immunity as representing any real limitation on the ability to sue a state.<sup>67</sup>

*B. Dainippon Screen Manufacturing Co. v. CFMT, Inc.*

i. Procedural history

In *Dainippon Screen Manufacturing Co. v. CFMT, Inc.*, the District Court for the Northern District of California dismissed the plaintiff-appellant’s action for a declaratory judgment against the defendants-appellees, which consisted of a corporation and its holding company.<sup>68</sup> The district court dismissed the action for lack of personal jurisdiction over the appellee holding company, finding that the holding company was a necessary and indispensable party.<sup>69</sup>

ii. Facts

CFM Technologies Inc. (CFM) incorporated CFMT, Inc. (CFMT) as a holding company for its intellectual property.<sup>70</sup> CFM assigned all of its patents to CFMT, which CFMT granted back to CFM with exclusive licenses.<sup>71</sup> CFMT was at no time an operating company and

---

<sup>63</sup> *Id.* at 109–10.

<sup>64</sup> *Id.* at 110.

<sup>65</sup> *Id.* at 111 (Sotomayor, CJ. (now S.C.J.), dissenting).

<sup>66</sup> *Cahill*, 217 F.3d at 111 (citing *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 74 (1996)).

<sup>67</sup> *Cahill*, 217 F.3d at 111–12.

<sup>68</sup> *Dainippon Screen Mfg. Co. v. CFMT, Inc.*, 142 F.3d 1266, 1268 (9th Cir. 1998).

<sup>69</sup> *Id.*

<sup>70</sup> *Id.*

<sup>71</sup> *Id.*

was wholly-owned by CFM.<sup>72</sup> Dainippon Screen Manufacturing Co., Ltd. (Dainippon)—a competitor of CFM—and CFM attempted to negotiate a sublicense because of an infringement issue, but the negotiations fell through.<sup>73</sup> As a result, Dainippon sued CFM, a suit which CFM moved to dismiss on the ground that CFMT was a necessary and indispensable party.<sup>74</sup>

iii. Indispensability analysis under Fed. R. Civ. P. 19(b)

The Ninth Circuit, in analyzing the issue of indispensability, determined that CFMT was not an indispensable party.<sup>75</sup> In making this determination, the court considered the four factors directed by Fed. R. Civ. P. 19(b) to “determine whether in equity and good conscience” the action could proceed:<sup>76</sup>

- (1) The extent to which a judgment rendered in the person’s absence might prejudice that person or the existing parties;
- (2) The extent to which any prejudice could be lessened or avoided by:
  - (A) Protective provisions in the judgment;
  - (B) Shaping the relief; or
  - (C) Other measures;
- (3) Whether a judgment rendered in the person’s absence would be adequate; and
- (4) Whether the plaintiff would have an adequate remedy if the action were dismissed for non-joinder.<sup>77</sup>

In regard to the first factor, the court found that prejudice against an absent party is considered mitigated when the interests of that party are “adequately protected by those who are present.”<sup>78</sup> With this rule in mind, the court found that CFMT’s interests were adequately protected by CFM because CFM owned CFMT (and therefore, in an indirect manner, owned the patent at issue), and had the obvious interest of maintaining CFMT’s patents.<sup>79</sup> In regard to the second factor, the court found that its ability to shape relief was of little relevance in a declaratory judgment action because the relief was not

---

<sup>72</sup> *Id.*

<sup>73</sup> *Id.* at 1268.

<sup>74</sup> *Dainippon*, 142 F.3d at 1268.

<sup>75</sup> *Id.* at 1273.

<sup>76</sup> *See* FED. R. CIV. P. 19(b).

<sup>77</sup> *Id.*

<sup>78</sup> *Dainippon*, 142 F.3d at 1272 (citing *In re Allustiarte*, 786 F.2d 910, 919 (9th Cir. 1986)).

<sup>79</sup> *Dainippon*, 142 F.3d at 1272.

dependent upon the patentee's presence in court.<sup>80</sup> The third factor, adequacy of the judgment, weighed in favor of permitting suit because a declaration of invalidity or non-infringement would serve Dainippon's interest by guaranteeing that Dainippon was free from claims of patent infringement by CFMT, regardless of whether CFMT was present in the suit.<sup>81</sup> The fourth factor, whether the plaintiff would have an adequate remedy if the case was dismissed, favors dismissal if another forum exists in which all parties could be joined in the suit.<sup>82</sup> The Ninth Circuit, however, found it "highly relevant that CFMT [was] merely CFM's holding company for the patent in suit" and that there was no sound reason for dismissing a declaratory judgment against a parent company on the grounds that its wholly-owned patent holding subsidiary was an indispensable party.<sup>83</sup>

C. *The University of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V.*

i. Procedural history

In *Max-Planck*, the University of Utah brought an action to correct inventorship of U.S. Patent Nos. 7,056,704 and 7,078,196 (the "Tuschl Patents"), naming Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V., Max-Planck-Innovation GmbH, Whitehead Institute for Biomedical Research, Massachusetts Institute of Technology, and Alnylam Pharmaceuticals, Inc. (collectively "non-state defendants"), and UMass as defendants.<sup>84</sup> UMass filed a motion to dismiss on the ground that the dispute was between two states and therefore invoked the exclusive, original jurisdiction of the Supreme Court under 28 U.S.C. § 1251(a).<sup>85</sup> In response, UUtah filed an amended complaint substituting four UMass officials ("named officials")<sup>86</sup> in place of UMass.<sup>87</sup> The named officials moved to dismiss arguing that the claim was barred by sovereign immunity, or alternatively, that UUtah had failed to join UMass as an indispensable

---

<sup>80</sup> *Id.* at 1272–73.

<sup>81</sup> *Id.* at 1273.

<sup>82</sup> *Id.* (citing *Aguilar v. L.A. Cty.*, 751 F.2d 1089, 1094 (9th Cir. 1985)).

<sup>83</sup> *Dainippon*, 142 F.3d at 1273.

<sup>84</sup> *Univ. of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V.*, 734 F.3d 1315, 1317 (Fed Cir. 2013).

<sup>85</sup> *Id.* at 1318.

<sup>86</sup> Robert L. Caret (President), James R. Julian (Executive Vice President and Chief Operating Officer), David J. Gray (Senior Vice President for Administration, Finance, & Technology and University Treasurer), and James P. McNamara (Executive Director, Office of Technology Management).

<sup>87</sup> *Max-Planck*, 734 F.3d at 1317.

party.<sup>88</sup> The district court denied the motion, concluding that the case did not fall within the exclusive jurisdiction of the Supreme Court because UUtah had chosen to sue state officials rather than the state itself, and therefore the district court “had jurisdiction over the action against the UMass state officials under the ‘Ex parte Young doctrine.’”<sup>89</sup> The district court further held that UMass was not an indispensable party because UMass’s interests would be “adequately represented” by the existing defendants, and an order directing the United States Patent and Trademark Office (“USPTO”) to correct inventorship would provide adequate relief regardless of UMass’s presence in the suit.<sup>90</sup>

ii. Facts

The underlying dispute in *Max-Planck* arose out of independent, biochemistry research occurring at UUtah and UMass.<sup>91</sup> Dr. Brenda Bass, a biochemistry professor at UUtah, was active in RNA interference (“RNAi”) research, a process by which RNA plays a role in gene silencing.<sup>92</sup> Dr. Brenda Bass’s employment agreement assigned the rights to all inventions and discoveries resulting from her employment or research to UUtah, including the rights to any patents.<sup>93</sup> Dr. Thomas Tuschl, a researcher employed by UMass, was also active in RNAi research.<sup>94</sup> Drs. Tuschl and Bass attended professional conferences at which both presented papers; both admitted that they were familiar with each other’s work.<sup>95</sup>

Dr. Tuschl applied for and was granted the Tuschl Patents, on which Dr. Bass was not a named inventor.<sup>96</sup> Dr. Bass claimed the Tuschl Patents “disclosed and claimed her conception.”<sup>97</sup> In response, UUtah requested that the assignees of the Tuschl Patents cooperate in petitioning the USPTO to add Dr. Bass as an inventor.<sup>98</sup> The assignees declined the request, at which point UUtah initiated a suit in district court requesting a correction of inventorship under 35 U.S.C. §256.<sup>99</sup>

---

<sup>88</sup> *Id.*

<sup>89</sup> *Id.* at 1319.

<sup>90</sup> *Id.*

<sup>91</sup> *Id.* at 1318–19.

<sup>92</sup> *Id.*

<sup>93</sup> *Max-Planck*, 734 F.3d at 1318.

<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

<sup>96</sup> *Id.* at 1318.

<sup>97</sup> *Id.*

<sup>98</sup> *Id.*

<sup>99</sup> *Max-Planck*, 734 F.3d at 1318. If in error an inventor is not named in an issued

### iii. Majority Reasoning

On appeal, the Federal Circuit considered three main issues: (1) whether the district court lacked jurisdiction because, under 28 U.S.C. § 1251(a), the case fell within the exclusive original jurisdiction of the Supreme Court; (2) whether UMass was entitled to Eleventh Amendment immunity; and (3) whether UMass was an indispensable party warranting dismissal of the case under Federal Rule 19(b).

#### 1. District court jurisdiction under 28 U.S.C. § 1251(a) and the exclusive original jurisdiction of the Supreme Court

The court began the discussion of jurisdiction by recognizing that state universities, unlike their private, corporate counterparts, typically enjoy sovereign immunity.<sup>100</sup> Thus, generally, a state university may neither be sued for infringement nor forced to defend against an action for a declaratory judgment of invalidity or non-infringement.<sup>101</sup> States, however, do not enjoy sovereign immunity from suits brought by other states.<sup>102</sup> States can also sue citizens of other states without raising issues of sovereign immunity.<sup>103</sup> Thus, the court focused its analysis on whether the dispute at issue fell under § 1251(a) and was therefore within the exclusive jurisdiction of the Supreme Court,<sup>104</sup> or under § 1251(b)(3) and was therefore outside the exclusive jurisdiction of the Supreme Court.<sup>105</sup>

In interpreting 28 U.S.C. § 1251(a), the majority relied on *Illinois v. City of Milwaukee* for the proposition that the Supreme Court's exclusive jurisdiction is "obligatory only in appropriate cases."<sup>106</sup> According to the court, "appropriateness" is determined by analysis of four factors: (1) the "seriousness and dignity of the claim"; (2) whether the "named parties" have another forum "where appropriate relief may be had"; (3) whether the case raises "serious and important" federalism

---

patent, "the Director may on application of all the parties and assignees. . . issue a certificate correcting such error." 35 U.S.C. § 256(a) (2011). "The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Director shall issue a certificate accordingly." *Id.* § 256(b).

<sup>100</sup> *Max-Planck*, 734 F.3d at 1319.

<sup>101</sup> *Id.* See also *A123 Sys. Inc. v. Hydro-Que.*, 626 F.3d 1213, 1220 (Fed. Cir. 2010).

<sup>102</sup> *Max-Planck*, 734 F.3d at 1319. See also *Texas v. New Mexico*, 482 U.S. 124, 130 (1984).

<sup>103</sup> *Max-Planck*, 734 F.3d at 1319–20.

<sup>104</sup> *Id.* at 1320.

<sup>105</sup> *Id.* at 1321–22.

<sup>106</sup> *Id.* at 1320 (citing *Illinois v. City of Milwaukee, Wis.*, 406 U.S. 91, 93–94 (1972)).

concerns; and (4) whether the named party is the “real party at interest.”<sup>107</sup> Whether a state is the “real and substantial party in interest” is determined by whether it is a “mandatory” or “indispensable” party, such that the decree would “operate directly against it and adequate relief cannot be granted without it.”<sup>108</sup> A decree is said to operate “directly against” a state if the judgment would expend itself on the state’s treasury, or if an injunction compelling state administration is sought.<sup>109</sup>

Applying the statutory framework, the court reasoned that UUtah’s claim fell outside of the Supreme Court’s exclusive jurisdiction pursuant to § 1251(b)(3) because UUtah was an arm of the state suing officers of UMass, who are all citizens of the foreign state. As such, the Supreme Court could not have exclusive jurisdiction over the dispute unless the state was the “real party at issue,” according to § 1251(a).<sup>110</sup>

To determine if the state was the real party at issue, the court employed three tests: (1) the majority test in *Cahill*; (2) the dissent test in *Cahill*; and (3) the “mandatory” and “indispensable” test. Under the *Cahill* majority test, a state is a real party at interest in a suit against officers when: (1) the alleged injury is caused by actions specifically authorized by state law and (2) the suit implicates a state’s core sovereign interests.<sup>111</sup> Applying the *Cahill* majority test, the court assumed that the first prong of the analysis was satisfied and then shifted its focus to the “core sovereign interest” component.<sup>112</sup> The court then held that inventorship rights are not a core sovereign interest because: (1) the act of inventing is a mental exercise and, as a result, a state cannot be an inventor; (2) inventorship is distinct from ownership; and (3) even if inventorship is inseparable from ownership, federalism concerns are not implicated.<sup>113</sup> Thus, under this analysis, the state was not the “real party at issue” and, therefore, failed to invoke the Supreme Court’s exclusive jurisdiction.

---

<sup>107</sup> *Max-Planck*, 734 F.3d at 1320 (citing *Wyoming v. Oklahoma*, 502 U.S. 437, 451 (1992)).

<sup>108</sup> *Max-Planck*, 734 F.3d at 1320–21 (citing *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 104 (1984)).

<sup>109</sup> *Max-Planck*, 734 F.3d at 1320–21.

<sup>110</sup> *Id.* at 1321–22.

<sup>111</sup> *Id.* at 1322.

<sup>112</sup> *Id.* at 1323.

<sup>113</sup> *Id.*

Under the *Cahill* dissent test, the court endeavors to determine the real party of interest by analyzing whether the “effect of the judgment would be to restrain the government from acting or compel it to act.”<sup>114</sup> In applying this test, the court held that a judgment would order the director of the USPTO to correct inventorship and therefore would not require or restrain UMass from acting.<sup>115</sup> Thus, under this analysis, the state was not the “real party at issue” and, therefore, could not invoke the Supreme Court’s exclusive jurisdiction.

Finally, under the “mandatory” and “indispensable” test, the court held that UMass was not indispensable on the ground that the court could grant relief without naming UMass as a party, because the director of the USPTO would be able to correct inventorship rights without UMass.<sup>116</sup> While the court recognized that the judgment would “affect” UMass, the court found that granting relief did not amount to a “decree operating directly against” UMass.<sup>117</sup> Thus, the court held that the state did not amount to the real party of interest in the action, and therefore, failed to invoke the Supreme Court’s exclusive jurisdiction.<sup>118</sup>

## 2. Eleventh Amendment immunity

The Eleventh Amendment provides, in pertinent part, that: “The Judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State.”<sup>119</sup> In interpreting the Eleventh Amendment, the Court concluded that sovereign immunity “applies only to suits by citizens against a State,”<sup>120</sup> and therefore, the Eleventh Amendment is inapplicable to an action concerning a state suit against a citizen.<sup>121</sup>

---

<sup>114</sup> *Id.* at 1324 (citing *Conn. ex rel. Blumenthal v. Cahill*, 217 F.3d 93, 106 (2d Cir. 2000)).

<sup>115</sup> *Max-Planck*, 734 F.3d at 1324.

<sup>116</sup> *Id.*

<sup>117</sup> *Id.* (citing *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 101 (1984)).

<sup>118</sup> *Max-Planck*, 734 F.3d at 1325.

<sup>119</sup> U.S. CONST. amend. XI.

<sup>120</sup> *Max-Planck*, 734 F.3d at 1325 (quoting *Texas v. New Mexico*, 482 U.S. 124, 130 (1984)).

<sup>121</sup> *Id.*

3. Indispensability and dismissal under Fed R. Civ. Pro.  
19(b) for failure to join an indispensable party

In making its determination on the dispensability of UMass, the court first rejected the notion of a per se rule holding patent owners indispensable, and then moved on to an analysis of the four appropriateness factors.<sup>122</sup> In regard to the first factor, the majority relied upon *Dainippon*—a case that permitted suit despite the fact that no patent owners were joined—for the conclusion that the other owners who were a party to the suit would adequately represent UMass’s interests.<sup>123</sup> As to the second factor, the court found that the ability to shape relief to minimize prejudice had little relevance because the finding on the first factor tended to suggest that there would be minimal prejudice.<sup>124</sup> Regarding the third factor, the court found that an order directing the USPTO to correct inventorship would be sufficient in the absence of UMass, with UUtah receiving all of the relief requested.<sup>125</sup> In regard to the fourth factor, the court concluded that the availability of another forum was not particularly strong, recognizing that the Supreme Court only rarely accepts such cases.<sup>126</sup> Thus, the Court affirmed the district court’s ruling that UMass was not an indispensable party to the suit.<sup>127</sup>

iv. Dissent

Circuit Judge Moore dissented from the majority decision on the grounds that the majority erroneously held that the controversy was not between two or more states, and further erred by holding that a patent owner is not indispensable in an action seeking to reassign title.<sup>128</sup>

1. District court jurisdiction under 28 U.S.C. § 1251(a)  
and the exclusive original jurisdiction of the Supreme  
Court

In the opinion of Circuit Judge Moore, the district court lacked jurisdiction over UUtah’s claims against UMass officials.<sup>129</sup> While Judge

---

<sup>122</sup> *Id.* at 1326. *See also supra* text accompanying note 107.

<sup>123</sup> *Id.* at 1327 (citing *Dainippon Screen Mfg. Co. v. CFMT, Inc.*, 142 F.3d 1266, 1272 (9th Cir. 1998)).

<sup>124</sup> *Id.* at 1327–28.

<sup>125</sup> *Id.* at 1328.

<sup>126</sup> *Max-Planck*, 734 F.3d at 1328–29.

<sup>127</sup> *Id.* at 1328.

<sup>128</sup> *Id.* at 1328 (Moore, C.J., dissenting).

<sup>129</sup> *Id.*

Moore agreed with the proposition that the Court must look to the “real party in interest,” she took issue with the majority’s analysis in making the determination.<sup>130</sup>

As an initial matter, Judge Moore would have framed the action as an issue of ownership, rather than simply inventorship.<sup>131</sup> In support of this proposition, Judge Moore cited the complaint where UUtah alleged that it “should be the sole owner or owner”<sup>132</sup> and requested an “order assignment of all right title and interest” of the Tuschl patents.<sup>133</sup> Further, Judge Moore highlighted that, under 35 U.S.C. §256(b), parties with an “economic stake” in the patent are proper defendants who may be subject to a correction of inventorship.<sup>134</sup> Yet, according to Judge Moore, the majority provided no support for the contention that the UMass officials named in UMass’s stead were “parties concerned.”<sup>135</sup>

Interpreting the statute, Judge Moore found that the “core sovereign interests” test employed by the majority was at odds with the plain language of § 1251(a), which contains “uncompromising language” of the Supreme Court’s original and exclusive jurisdiction over “all controversies between two or more States.”<sup>136</sup> In Judge Moore’s view, the majority’s misreading of the statute’s plain meaning led to the interpretation that a core sovereign interest was required to implicate the Supreme Court’s original and exclusive jurisdiction; the majority thereby deprived the Supreme Court of the opportunity to exercise its discretion.<sup>137</sup> While the Supreme Court possesses exclusive and original jurisdiction over all cases between two or more states, it is not required to exercise its jurisdiction over every controversy.<sup>138</sup> The concept of “core sovereign interests” arises from opinions in which the Supreme Court articulates its decision to exercise the Court’s jurisdiction over a particular dispute, not whether the dispute falls solely within its original jurisdiction.<sup>139</sup> By jumbling these two, separate concepts, Judge Moore found that the majority eliminated the

---

<sup>130</sup> *Id.* at 1329.

<sup>131</sup> *Id.* at 1329–30.

<sup>132</sup> *Max-Planck*, 734 F.3d at 1329 (citing J.A. 134).

<sup>133</sup> *Max-Planck*, 734 F.3d at 1329 (Moore, C.J., dissenting) (citing J.A. 142).

<sup>134</sup> *Max-Planck*, 734 F.3d at 1329 (citing *Chou v. Univ. of Chi.*, 254 F.3d 1347, 1359–60 (Fed. Cir. 2001)).

<sup>135</sup> *Max-Planck*, 734 F.3d at 1329.

<sup>136</sup> *Id.* (citing *Mississippi v. Louisiana*, 506 U.S. 73, 77 (1992)).

<sup>137</sup> *Max-Planck*, 734 F.3d at 1329.

<sup>138</sup> *Id.*

<sup>139</sup> *Id.* (citing *Mississippi*, 506 U.S. at 76–77); *see also Texas v. New Mexico*, 462 U.S. 554, 570 (1983).

Supreme Court's discretion and reallocated this power to the lower courts to decide which cases will be presented to the Supreme Court.<sup>140</sup>

Judge Moore also took issue with the majority's reliance on the Second Circuit's split decision in *Cahill*.<sup>141</sup> Further, even applying the reasoning in *Cahill*, Judge Moore would have found that the dispute fell solely within the exclusive jurisdiction of the Supreme Court for two reasons.<sup>142</sup> First, a judgment in favor of UUtah would have restrained UMass's ability to act in that UMass would no longer be able to license or assign the Tuschl patents, and UUtah would be able to exclude UMass from practicing the inventions claimed in its patents.<sup>143</sup> Patent rights are the "quintessential right to restrain," and therefore, an adverse judgment preventing UMass from exploiting the Tuschl patents would undoubtedly have the "effect of . . . restrain[ing] the Government from acting."<sup>144</sup> Even as a co-inventor, UUtah could have practiced and licensed the patents without UMass's consent and without having to account to UMass, restraining UMass from asserting its rights to the Tuschl patents against UUtah or any UUtah licensees.<sup>145</sup> Second, Judge Moore took issue with the majority's proposition that UMass would only be "more or less affected" and that transfer of the Tuschl patents to UUtah would "not deplete the state treasury."<sup>146</sup> Rather, Judge Moore saw the central effect of a judgment against UMass as depleting the assets of the current owners, one of whom was the State of Massachusetts.<sup>147</sup>

Thus, Judge Moore would have found that UMass was a real party in interest in the case, and therefore, the dispute, in the opinion of the learned judge, should have fallen squarely within the original and exclusive jurisdiction of the Supreme Court.<sup>148</sup>

2. Indispensability and dismissal under Fed R. Civ. Pro.  
19(b) for failure to join an indispensable party

Circuit Judge Moore would have also found UMass an indispensable party to the suit.<sup>149</sup> The Federal Circuit has held that when a plaintiff brings "a declaratory judgment seeking to invalidate a

---

<sup>140</sup> *Max-Planck*, 734 F.3d at 1330 (Moore, C.J., dissenting).

<sup>141</sup> *Id.*

<sup>142</sup> *Id.*

<sup>143</sup> *Id.*

<sup>144</sup> *Id.* (citing Conn. *ex rel.* Blumenthal v. Cahill, 217 F.3d 93, 106 (2d Cir. 2000)).

<sup>145</sup> *Max-Planck*, 734 F.3d at 1331 (Moore, C.J., dissenting).

<sup>146</sup> *Id.*

<sup>147</sup> *Id.*

<sup>148</sup> *Id.*

<sup>149</sup> *Id.* at 1331.

patent or hold it not infringed the patentee is both a necessary and indispensable” party.<sup>150</sup> Thus, in Judge Moore’s opinion, it would be illogical to require all patent owners to be joined in suit to invalidate a patent, but not in a suit over patent ownership.<sup>151</sup> Further, the majority’s reliance on *Dainippon* for an exception to the rule that all patent owners be joined relied on an omission of key facts.<sup>152</sup> Perhaps most significantly, in *Dainippon*, the absent party to the suit was a wholly-owned subsidiary of the named party and therefore had identical interests.<sup>153</sup> While Judge Moore recognized that other defendants also have an interest in the patents, she was quick to point out that they do not necessarily represent UMass’s interest, and that the interests among the parties might very well diverge.<sup>154</sup>

#### IV. MISAPPLICATION OF LAW IN *MAX-PLANCK* AND A DECISION INCORRECTLY DECIDED ON BOTH SUBJECT MATTER JURISDICTION AND JOINDER GROUNDS

*Max-Planck* is incorrectly decided because the court contravenes the plain language of § 1251 (a), misapplies Supreme Court case law, and relies almost entirely on *Cahill*’s flawed reasoning. The decision places the doctrine of sovereign immunity in limbo, as it gives the appearance of applying in a situation for which it was never intended. Furthermore, as a result of the Federal Circuit’s enthusiasm to hear the case, the court misapplies the factors of Rule 19(b).

##### A. *Subject Matter Jurisdiction*

###### i. The conflated majority framework

The majority begins its analysis by framing this case as a dispute over whether the State is suing another state invoking § 1251 (a), or the State is suing the citizen of another state invoking § 1251 (b) (3).<sup>155</sup> As a result of the court’s desire to squeeze this dispute under § 1251 (b) (3), the Federal Circuit seeks to impose limiting criteria upon

---

<sup>150</sup> *Id.* (Moore, C.J., dissenting) (citing *A123 Sys. Inc. v. Hydro-Que.*, 626 F.3d 1213, 1217–22 (Fed Cir. 2010); *Enzo APA & Son, Inc. v. Geapag A.G.*, 134 F.3d 1090, 1094 (Fed Cir. 1998)).

<sup>151</sup> *Max-Planck*, 734 F.3d at 1331 (Moore, C.J., dissenting).

<sup>152</sup> *Id.* at 1332.

<sup>153</sup> *Id.* (citing *Dainippon Screen Mfg. Co. v. CFMT, Inc.*, 142 F.3d 1266, 1272–73 (9th Cir. 1998); *A123 Sys. Inc.*, 626 F.3d at 1221).

<sup>154</sup> *Max-Planck*, 734 F.3d at 1332.

<sup>155</sup> *See supra* notes 104–105 and accompanying text.

§ 1251(a).<sup>156</sup>

Looking first to the plain reading of the statute, it is obvious from the “uncompromising language” of § 1251(a) granting “original and exclusive” jurisdiction over “all” controversies between states that there is little room for the majority to glean any limiting requirements from the statute itself.<sup>157</sup> Further, to impose any limiting requirement, the court must in fact ignore the plain and unambiguous Supreme Court interpretation of the word “exclusive” as necessarily denying jurisdiction to other federal courts.<sup>158</sup> As Judge (now Justice) Sotomayor astutely articulated, Congress could have granted “original,” but not “exclusive,” jurisdiction over controversies between states as in § 1251(b)(2), but chose otherwise.<sup>159</sup>

Without any basis for limiting § 1251(a) based on its plain language, the Federal Circuit was forced to take a creative approach to Supreme Court precedent. The court did so by latching on to the language that § 1251(a) is “obligatory only in appropriate cases.”<sup>160</sup> From this snippet of Supreme Court language, the majority found an opening to impose a statutory limiting analysis, by reasoning that such language requires the court to determine whether or not a case is “appropriate.”<sup>161</sup>

Grafting language from Supreme Court cases analyzing proper application of the Court’s own discretion, the court identified four factors to determine “appropriateness”: (1) the serious and dignity of the claim; (2) the availability of an alternative forum; (3) serious and important federalism concerns; and (4) the real party in interest.<sup>162</sup> The court then focused in on the fourth factor, that the court look to the “real parties at interest,” to align its interpretation with the reasoning of *Cahill* (which centered on the issue of whether New York was the real party at interest).<sup>163</sup> Relying on the language of *Cunningham* and *Illinois*, the court reasoned that the real party at interest is determined by whether it is “mandatory” or

---

<sup>156</sup> See *supra* note 61 and accompanying text (discussing the imposition of a “core sovereign interests” requirement).

<sup>157</sup> *Mississippi v. Louisiana*, 506 U.S. 73, 77–78 (1992).

<sup>158</sup> *Id.*

<sup>159</sup> See *supra* note 48 and accompanying text.

<sup>160</sup> See *supra* note 106 and accompanying text. See also *Mississippi*, 506 U.S. at 75.

<sup>161</sup> See *supra* note 106 and accompanying text.

<sup>162</sup> See *supra* note 107 and accompanying text.

<sup>163</sup> See *supra* note 29 and accompanying text.

“indispensable”<sup>164</sup> such that a decree would operate directly against it.<sup>165</sup> The court then applied the majority reasoning of *Cahill* in an attempt to cram two of the remaining three factors: (1) the “seriousness and dignity of the claim;” and (2) the implication of federalism concerns, under the newly formed umbrella of “real party at interest.”<sup>166</sup> Only after creating this amalgamation of assorted case law does the court seek to inoculate this case with its cocktail of analytical tests.

Before analyzing the court’s tests, it is important to note a number of failings in the Federal Circuit’s framing of the analysis. As an initial matter, the court’s analysis stands as an obvious contravention of proper statutory interpretation. In the context of jurisdictional statutes, courts are to begin “with the text of the provision in question, and move on, as need be, to the structure and purpose of the Act in which it occurs.”<sup>167</sup> In *Max-Planck*, however, the court completely looked past the plain meaning of the word “exclusive,” which expressly grants jurisdiction in one court and divests it in others, without providing any grounds for doing so.<sup>168</sup> The court further failed to consider the statutory language in the context of its overall structure as well. As Judge Sotomayor correctly noted, Congress could have altered the language to provide for non-exclusive jurisdiction as it did in the provisions immediately following § 1251(a).<sup>169</sup> In fact, the Federal Circuit has flipped proper statutory analysis on its head by first relying on non-binding case law and Supreme Court cases that are not directly applicable, without any discussion of the legislative history or the plain and unambiguous meaning of the statutory language.<sup>170</sup>

Furthermore, it is notable that when one analyzes the case law from which the language “obligatory only in appropriate cases” is taken, the phrase is used in a completely separate context.<sup>171</sup> In *Mississippi v. Louisiana*, the Court found its original jurisdiction to be

---

<sup>164</sup> See *Univ. of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V.*, 734 F.3d 1315, 1321 (Fed. Cir. 2013) (citing *Cunningham v. Macon & Brunswick R.R. Co.*, 109 U.S. 446, 457 (1883); *Illinois v. City of Milwaukee*, 406 U.S. 91, 97 (1972)).

<sup>165</sup> *Id.* (citing *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 104 (1984)).

<sup>166</sup> See *supra* notes 107–108 and accompanying text.

<sup>167</sup> See *N.Y. State Conference of Blue Cross Shield Plans v. Travelers Ins. Co.*, 514 U.S. 645, 655 (1995); see also *BankAmerica Corp. v. United States*, 462 U.S. 122, 128 (1983) (“The starting point, as always, is the language of the statute.”).

<sup>168</sup> See *supra* note 47 and accompanying text. See also *Mississippi v. Louisiana*, 506 U.S. 73, 77–78 (1992).

<sup>169</sup> See *supra* note 49 and accompanying text.

<sup>170</sup> See *supra* notes 106–108 and accompanying text.

<sup>171</sup> See *supra* note 106 and accompanying text; see also *Mississippi*, 506 U.S. at 75; *Illinois v. City of Milwaukee*, 406 U.S. 91, 93–94 (1972).

“obligatory only in appropriate cases,” to the extent that the Supreme Court was permitted to exercise discretion over whether or not the Court would choose to hear a particular case.<sup>172</sup> At no point in *Mississippi* is there any dispute as to whether the grant of “exclusive” jurisdiction vests authority to hear a controversy between states solely in the Supreme Court.<sup>173</sup> Yet, disregarding the express language of *Mississippi*, which states that exclusive jurisdiction necessarily divests jurisdiction in all other courts,<sup>174</sup> the majority in *Max-Planck* manipulates the Supreme Court’s language to reach the contrary conclusion.<sup>175</sup>

It is notable that the majority in *Max-Planck* sought to frame the analysis in such a way, considering that the court in *Cahill* took a more direct approach by simply stating that a plaintiff-State has free reign to choose defendants, and the court need only determine who is a “real party at interest.”<sup>176</sup> The manner in which the *Max-Planck* majority attempts to weave “appropriateness” factors into an analysis of the “real party at interest” suggests that the court recognized the shaky doctrinal ground upon which the majority test in *Cahill* was founded and sought to fortify its position. In so doing, however, the court merely muddled together two, distinct principles which were never meant to be intertwined—the determination of a real party at interest and the Supreme Court’s determination of whether or not to exercise discretionary authority.

## ii. Failings of the Three Tests Used to Determine a Real Party at Interest

Having grafted a test of “appropriateness” onto § 1251(a), the court reasoned that because UMass officers are citizens of a foreign state, § 1251(b)(3) applies unless the state is the “real party at interest,” thus invoking § 1251(a).<sup>177</sup> The court, however, faced the obvious

---

<sup>172</sup> See *Mississippi*, 506 U.S. at 77 (“We first exercised this discretion not to accept original actions in cases within our nonexclusive original jurisdiction . . . But we have since carried over its exercise to actions . . . where our jurisdiction is exclusive.”).

<sup>173</sup> See *id.* at 78 (“[T]he description of our jurisdiction as ‘exclusive’ necessarily denies jurisdiction of such cases to any other federal court. This follows from the plain meaning of ‘exclusive,’ see WEBSTER’S NEW INTERNATIONAL DICTIONARY 890 (2d ed. 1942) (‘debar from possession’); see also, e.g., *California v. Arizona*, 440 U.S. 59, 63 (1979).”)

<sup>174</sup> *Id.*

<sup>175</sup> See *supra* note 106 and accompanying text.

<sup>176</sup> See *supra* note 29 and accompanying text.

<sup>177</sup> See *supra* note 110 and accompanying text.

difficulty of deciding which test is correct to impose in making this determination. Rather than make a determination, the court chose to employ three, seemingly relevant analyses.

a. Failings of the *Cahill* majority test

The first test the majority employed in *Max-Planck* is based entirely on the majority opinion in *Cahill*. Under the *Cahill* majority analysis, a state is a real party at interest in a suit against officers if: (1) the alleged injury is authorized by state law, and (2) the suit implicates a state's core sovereign interests.<sup>178</sup> The first prong in the analysis is derived from *Louisiana v. Texas*, a suit against an official who allegedly acted beyond the scope of his office, i.e., in "abuse or excess of powers," where the Supreme Court determined that such action is not a controversy between states.<sup>179</sup> The second prong, however, is derived from more tenuous reasoning. In support of the "core sovereign interests" factor, the court first looked to remarks the Supreme Court had made, pronouncing the manner in which the Court chooses to exercise discretionary authority.<sup>180</sup> From these pronouncements, the majority hijacked two factors: (1) "the serious[ness] and dignity of the claim"<sup>181</sup> and (2) the "serious[ness] and important concerns of federalism."<sup>182</sup> Recognizing that these two factors are not directly applicable to the case at hand, the majority sought to justify grafting this analysis onto a new context by relying on Justice Rehnquist's dissent in *Maryland v. Louisiana*; in his dissent, Justice Rehnquist stated that he "would require that the State's claim involve some tangible relation to a state's sovereign interest" before choosing to exercise the Court's jurisdiction.<sup>183</sup> Adopting Justice Rehnquist's position is untenable for a number of reasons. First, as a dissent, Justice Rehnquist's opinion is not controlling law. Second, and perhaps most importantly, the fundamental reason for Justice Rehnquist's dissent is that the statutory construction and controlling opinion do not limit the Supreme Court's original jurisdiction in any way.<sup>184</sup> In fact, Justice

---

<sup>178</sup> See *supra* note 111 and accompanying text.

<sup>179</sup> *Louisiana v. Texas* 176 U.S. 1, 22 (1900); see also *Conn. ex rel. Blumenthal v. Cahill*, 217 F.3d 93, 106 (2d Cir. 2000) (Sotomayor, C.J., dissenting).

<sup>180</sup> See *supra* note 33 and accompanying text.

<sup>181</sup> See *supra* note 34 and accompanying text.

<sup>182</sup> See *supra* note 35 and accompanying text.

<sup>183</sup> See *supra* note 36 and accompanying text.

<sup>184</sup> *Maryland v. Louisiana*, 451 U.S. 725, 770 (1981) (Rehnquist, J., dissenting) ("The basic problem with the Court's opinion, in my view, is that it articulates no limiting principles that would prevent this Court from being deluged by original actions brought by original actions brought by States . . .").

Rehnquist recognized and expressly articulated that the “problem is accentuated . . . because it falls within our original and exclusive jurisdiction, which means that similar cases not only can be but must be brought here.”<sup>185</sup>

The majority in *Cahill* even seems to recognize the unconvincing nature of the reasoning by which it concocted the “core sovereign interests” test, stating that “these cases do not control the question we face here”; yet, the majority continues with its reasoning, unfazed by a lack of controlling authority, on the ground that the opinions “plainly teach that the rationale for the Court’s original jurisdiction is strongest where core sovereign interests are at stake.”<sup>186</sup>

b. The correct, but misapplied, *Cahill* dissent test

The second test the majority employed in *Max-Planck* was based on Judge Sotomayor’s dissenting opinion in *Cahill*. Unlike the majority analysis, Judge Sotomayor’s test was founded upon stable, controlling Supreme Court doctrine and, of the three tests utilized, provided the proper statutory interpretation. Under the *Cahill* dissent analysis, a dispute between the states falls within the exclusive jurisdiction of the Supreme Court under § 1251(a).<sup>187</sup> The only issue left to resolve is whether the state is the real party at interest.<sup>188</sup> A state is a real party at interest in a suit against officers if “the effect of the judgment would be to restrain the government from acting or compel it to act.”<sup>189</sup> This analysis was derived primarily from *Pennhurst State School & Hospital v. Halderman*, where the Court drew on cases involving suits against state officials barred by the Eleventh Amendment as being against the State itself.<sup>190</sup> In *Pennhurst*, the Court articulated the general rule “that relief sought nominally against an officer is in fact against the sovereign if the decree would operate against the latter.”<sup>191</sup> Further delineating the general rule, a decree is considered to operate against the State if “the judgment sought would expend itself on the public treasury . . . or interfere with the public administration”<sup>192</sup> or the effect of the judgment would be to “restrain the government from acting or compel

---

<sup>185</sup> *Id.* at 770–771.

<sup>186</sup> *Conn. ex rel. Blumenthal v. Cahill*, 217 F.3d 93, 100 (2d Cir. 2000).

<sup>187</sup> *See supra* note 47 and accompanying text.

<sup>188</sup> *See supra* note 49 and accompanying text.

<sup>189</sup> *See supra* note 114 and accompanying text.

<sup>190</sup> *See Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 101 (1984); *see also Ford Motor Co. v. Dep’t. of Treasury*, 323 U.S. 459, 464 (1945).

<sup>191</sup> *Pennhurst*, 465 U.S. at 101.

<sup>192</sup> *Land v. Dollar*, 330 U.S. 731, 738 (1947).

it to act.”<sup>193</sup> This rather bright-lined rule is excepted only by actions in “abuse or excess of power.”<sup>194</sup>

The only failing of Judge Sotomayor’s analysis in the context of *Max-Planck* is that it is inexplicably placed under an arbitrary umbrella of “appropriateness.” Notably, in *Cahill*, however, Judge Sotomayor’s analysis occurs in the context of determining the “real party at interest.”<sup>195</sup> It is not a component of a larger, overall framework for determining “appropriateness,” but rather is illogically superimposed by the majority.

c. Failings of the “mandatory” and “indispensable” test

The third test the majority employed in *Max-Planck*, considered the “broad view” of Supreme Court cases, is really a restatement of Judge Sotomayor’s dissent, but in terms so broad as to deprive the Court’s opinion of any real analysis. Unwittingly articulated as a separate analysis due to the conflated framework the majority in *Max-Planck* developed, the court attempted to stuff the entirety of Judge Sotomayor’s analysis under the language “indispensable” or “mandatory,” such that it could be quickly dismissed.

For the language “mandatory” and “indispensable,” the majority in *Max-Planck* relied on two cases that stood in direct opposition to the conclusion the majority sought to reach. In *Cunningham*, the Court held that the plaintiffs could not bring suit against the governor, who had no personal interest in the matter, in “an attempt to make the state of Georgia a party to the suit through the defendant as governor, so as to bind the state by the judgment and decision of the court in case.”<sup>196</sup> Georgia, as an indispensable party, needed to be joined to the suit in order to receive the relief the plaintiff was seeking against Georgia.<sup>197</sup> In *Illinois*, the Court held that its original and exclusive jurisdiction was not invoked because only a city, which is not an instrumentality of the State, was named as a defendant, and while the State could be joined as a permissible party, it was not mandatory it be made one.<sup>198</sup> Of these two cases, *Illinois* is completely irrelevant to the analysis considering

---

<sup>193</sup> *Larson v. Domestic & Foreign Corp.*, 337 U.S. 682, 704 (1949); *see also* *Dugan v. Rank*, 372 U.S. 609, 620 (1963); *Ex parte New York*, 256 U.S. 490, 502 (1921).

<sup>194</sup> *See supra* note 177 and accompanying text.

<sup>195</sup> *See supra* note 51 and accompanying text.

<sup>196</sup> *Cunningham v. Macon & Brunswick R.R. Co.*, 109 U.S. 446, 449 (1883).

<sup>197</sup> *Id.* at 451 (“The principle is conceded in all the cases, and whenever it can be clearly seen that the state is an indispensable party . . . to grant relief sought, it [lower courts] will refuse to take jurisdiction.”).

<sup>198</sup> *Illinois v. City of Milwaukee*, 406 U.S. 91, 97–98; *see also supra* note 28 and accompanying text.

that the defendant, namely, the city, was a completely separate entity from the State; there was no need to determine the “real party at interest.” *Cunningham* is more compelling, considering it is essentially concerned with determining the “real party at interest,” however, it does not necessarily stand for the proposition that a state must be shown to be “indispensable” in order to be held a “real party at interest.” Rather, it merely remarks that if relief cannot be granted without a state present, the state is indispensable, and suing a state official operating in his or her official capacity cannot act as a stand-in to bind a state.<sup>199</sup>

Accepting the label of “indispensable” despite its contextual misplacement (and perhaps future risk of conflation with Rule 19(b)) led the majority to the issue of relief, mainly an analysis of whether an adverse judgment would affect state action. While Judge Sotomayor’s analysis is situated on firmer analytical ground, the “wider analysis” essentially arrives at the same test derived from *Pennhurst*. The majority erred in its application of this third test only to the extent that it did not devote proper effort to the inquiry, disposing of *Pennhurst* in a string citation.<sup>200</sup> It further erred to the degree that the “wider view” test is repetitive.

iii. UMass should be the real party at interest regardless of the test applied

Beyond the errors in the majority’s reasoning, even if tests are applied as presented by the majority opinion, UMass should be the “real party at interest.”

a. Application of the *Cahill* majority test

The majority accepted as a given that the actions of UMass officials causing the alleged injury were authorized by state law.<sup>201</sup> Moving then to the second prong, the court held that inventorship rights are not a core sovereign interest because: (1) the act of inventing is a mental exercise; (2) inventorship is distinct from ownership; and (3) federalism concerns are not implicated.<sup>202</sup>

The majority’s first reason fails on its own terms. The State, as a sovereign, operates entirely through the mental processes or physical actions of state employees who act on behalf of the State. In fact, the

---

<sup>199</sup> See *infra* note 251 and accompanying text.

<sup>200</sup> See *Univ. of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V.*, 734 F.3d 1315, 1324 (Fed Cir. 2013).

<sup>201</sup> See *id.* at 1323.

<sup>202</sup> See *supra* note 113 and accompanying text.

concept of sovereign immunity is based around this principle, as it permits state actors to operate within the scope of their duties without fear of suit—i.e., “to protect the government from claims arising out of its lawful activity.”<sup>203</sup> To hold otherwise would be to undermine a fundamental principle of sovereign immunity; taken to its extreme, it suggests that each law the state legislature passes is directly attributable to the mental capacities of the representative who drafted the law rather than the legislative body as a whole. As a policy matter, such a situation is obviously untenable.

Accepting the majority’s assertion that inventing is a mental act that affects only natural persons, and therefore, that “inventors cannot be corporations or sovereigns,” there is no reason any of the non-state, institutional defendants or the officers of UMass should be joined to the suit as defendants.<sup>204</sup> As a matter of logic, if “inventorship” concerns only individuals, then only individuals named as “inventors” should be parties to the suit (namely Dr. Tuschl), because relief may only come from “inventors.” This argument obviously defies logic. Even the majority recognizes, without reservation that “state universities frequently obtain assignments on patents invented by their faculties and staff, just as private corporations often obtain assignments on patents invented by their employees.”<sup>205</sup>

Second, such a rigid understanding of “inventorship” results in similarly flawed logic in seeking to distinguish “inventorship” from “ownership.” UUtah names all parties with rights to the patent because UUtah does not merely seek to have the inventor’s name included on the patent, but rather seeks ownership rights through a change in “inventorship” status.<sup>206</sup> If inventorship status and ownership were distinct as the majority would suggest, UUtah would have no incentive to pursue litigation over such a trivial matter as whose name is credited (especially considering the cost of an appeal). The litigation is worth pursuing because UUtah recognizes that “[e]ach co-inventor presumptively owns a pro rata[,] undivided interest in the entire patent, no matter what their [sic] respective contributions.”<sup>207</sup> The

---

<sup>203</sup> See Margot C. Wuebbels, *Commercial Terrorism: A Commercial Activity Exception under §1605(a)(2) of the Foreign Sovereign Immunities Act*, 35 ARIZ. L. REV. 1123, 1141 (1993); see also *Blake v. Kline*, 612 F.2d 718, 725 (3d Cir. 1979) (“The primary purpose of the 11th Amendment is to assure federal courts do not interfere with state’s public policy and its administration of public affairs.”).

<sup>204</sup> *Max-Planck*, 734 F.3d at 1323.

<sup>205</sup> *Id.* at 1319.

<sup>206</sup> *Id.* at 1330 (“A finding that Dr. Bass is a co-inventor of the Tuschl II patents will result in UUtah co-owning those patents.”).

<sup>207</sup> *Id.* at 1323 (quoting *Ethicon, Inc. v. U.S. Surgical Corp.*, 135 F.3d 1456, 1465

formalistic view adopted by the majority in framing the conflict solely in terms of “inventorship” fails because the inherent value in “inventorship” is the property right of an undivided interest in the patent.<sup>208</sup>

Seeking to bolster its argument, the majority continued with the sweeping statement that even if ownership of a patent is in dispute, such a dispute does not “implicate serious and important concerns of federalism,” because patent rights are not “akin to State ownership of water rights, natural resources, or other property.”<sup>209</sup> The majority, however, provided no analysis as to why a patent does not fall under state ownership of “other property.” It seems difficult to distinguish a patent as the “governmental grant of a right to exclude others from making, using, marketing, selling, offering for sale, or importing an invention” from an exclusionary right a sovereign might exercise over a natural resource.<sup>210</sup> In *Makah Indian Tribe v. Verity*, the Ninth Circuit found that an Indian tribe, protected from suit by sovereign immunity, was indispensable because a reallocation of a harvest of fish from the Columbia River would require a reallocation of the quota (i.e., a percentage of ownership of the harvest) the tribe would receive.<sup>211</sup> While the subject matter of the cases differ, the similarities are uncanny. In *Max-Planck*, UMass could not be joined as a party to the suit without invoking the Supreme Court’s original jurisdiction because it was a sovereign. In *Makah Indian Tribe*, the Indian tribes could not be joined to the suit because they were immune as sovereigns.<sup>212</sup> In *Max-Planck*, the resource in question is the pro rata share of an invention through the exclusionary right of a patent. In *Makah Indian Tribe*, the resource in question is the pro rata share of a fish harvest—i.e., the exclusionary right of a tribe to own a portion of the fish harvest.<sup>213</sup> It seems illogical to hold that a pro rata distribution of fish would be of greater importance to the sovereign than pro rata ownership of a patent right. In other words, it seems unlikely that *Makah Indian Tribe* would come out differently if the Indian tribes had collectively owned a pro rata interest in a patent. Without any reasoning, however, it is impossible to do more than speculate as to why a patent interest would not qualify as “other property.”

---

(Fed Cir. 1998) (footnote omitted).

<sup>208</sup> *Max-Planck*, 734 F.3d at 1323.

<sup>209</sup> *Id.* (citing *Conn. ex rel. Blumenthal v. Cahill*, 217 F.3d 93, 99 (2d Cir. 2000)).

<sup>210</sup> BLACK’S LAW DICTIONARY 1300 (10th ed. 2014).

<sup>211</sup> *Makah Indian Tribe v. Verity*, 910 F.2d 555, 560 (9th Cir. 1990).

<sup>212</sup> *Id.*

<sup>213</sup> *Id.*

b. Application of the *Cahill* dissent test

The majority holds that “the effect of the judgment” would not “restrain the Government from acting or compel it to act”<sup>214</sup> because a judgment ordering the Director of the USPTO to correct inventorship will neither require nor restrain UMass from acting, because the Director of the USPTO is the individual who will be physically compelled to change the inventorship status under 35 U.S.C. § 256(a).<sup>215</sup> Never was a more “form over substance” statement ever made. While the majority is correct that §256 permits the Director, “with proof of the facts and such other requirements as may be imposed, [to] issue a certificate correcting such error [of omitting inventors],” the court decree compelling the Director’s action operates, in substance, as a restraint on UMass’s ownership rights of the Tuschl patents.<sup>216</sup> Patents are by definition a “governmental grant of a right to exclude others.”<sup>217</sup> By altering the ownership structure through the compelled action of the Director, deprivation of UMass’s ownership rights, either in their entirety or through adjustment of a pro rata share of ownership, will permit UUtah to restrain UMass from practicing the inventions claimed in the patents, licensing the patents, or assigning the patents.<sup>218</sup>

c. Application of the “Mandatory” and “Indispensable” Test

The majority finds UMass neither “indispensable” nor “mandatory,” because while UMass “may be ‘more or less affected by the decision,’ the court’s decree will not deplete the state treasury.”<sup>219</sup> The majority once again provides little support for this contention other than perhaps the fact that monetary damages are not being sought.<sup>220</sup> It is notable, however, that universities earn over a billion dollars annually from licensing inventions.<sup>221</sup> In fact, the court specifically notes the Tuschl patents as “having generated hundreds of

---

<sup>214</sup> *Max-Planck*, 734 F.3d at 1323.

<sup>215</sup> *Id.*

<sup>216</sup> *See supra* note 143 and accompanying text.

<sup>217</sup> BLACK’S LAW DICTIONARY 1300 (10th ed. 2014).

<sup>218</sup> *Max-Planck*, 734 F.3d at 1330–31 (Moore, C.J., dissenting).

<sup>219</sup> *Id.* at 1324 (majority opinion) (citing *Cunningham v. Macon & Brunswick R.R. Co.*, 109 U.S. 446, 451 (1883)).

<sup>220</sup> *Max-Planck*, 734 F.3d at 1324.

<sup>221</sup> Goldie Blumenstyk, *Universities Report \$1.8-Billion in Earnings on Inventions in 2011*, CHRON. OF HIGHER EDUC. (Aug. 28, 2012), <http://chronicle.com/article/University-Inventions-Earned/133972>.

millions of dollars in revenue.”<sup>222</sup> Knowing that the Tuschl patents generated millions of dollars in revenue, and that a change in inventorship would adjust the pro rata portion of profits being allocated to the various owners, it is difficult to imagine how a decree in this instance would not significantly impact revenue to the state treasury, considering that the income a state university generates is paid to the state treasury.

*B. Sovereign Immunity*

i. Sovereign immunity’s inapplicability to the present dispute

The majority in *Max-Planck* is quick to dispose of the sovereign immunity argument on the ground that sovereign immunity does not apply to an action in which a state is suing a citizen.<sup>223</sup> While the majority is correct in this instance, it is interesting to note that the majority in *Cahill*, upon which the majority in *Max-Planck* relied, undertook an analysis to show that the spirit of *Ex parte Young* supported limiting the Supreme Court’s original jurisdiction.<sup>224</sup>

The majority in *Cahill* misapplied *Ex parte Young* in a number of ways. As an initial matter, the majority notes that *Ex parte Young* is not applicable to a dispute between states.<sup>225</sup> The *Ex parte Young* doctrine is a limited exception created by the Supreme Court with the primary purpose of providing a forum to address a constitutional wrong where otherwise no forum would exist.<sup>226</sup> In the case of disputes between states, *Ex parte Young* has no place because a state has exclusive access to the highest court in the land.<sup>227</sup> Additionally, the Second Circuit’s broad application of the “spirit” of *Ex parte Young* is directly contrary to the Supreme Court’s continual effort to limit the doctrine.<sup>228</sup> As the Supreme Court articulated in *Idaho v. Coeur d’Alene Tribe of Idaho*:

---

<sup>222</sup> *Max-Planck*, 734 F.3d at 1331 n.1 (Moore, C.J., dissenting).

<sup>223</sup> See *supra* note 121 and accompanying text.

<sup>224</sup> See *supra* note 40 and accompanying text.

<sup>225</sup> *Id.*

<sup>226</sup> See *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44, 74 (1996); see also *Idaho v. Coeur d’Alene Tribe of Idaho*, 521 U.S. 261, 274 (1997).

<sup>227</sup> Conn. ex rel. Blumenthal v. Cahill, 217 F.3d 93, 111 (2d Cir. 2000) (Sotomayor, C.J., dissenting).

<sup>228</sup> See *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 106 (1984) (holding that *Young* may not be invoked to permit suits against State officials for violations of State law); *Papasan v. Allain*, 478 U.S. 265, 277 (1986) (stating that *Young* is narrowly tailored to conform to only those specific situations in which it is necessary to allow a federal court to vindicate federal rights).

To interpret *Young* to permit a federal court-action to proceed in every case where prospective, declaratory, and injunctive relief is sought against an officer, named in his individual capacity, would be to adhere to an empty formalism and to undermine the principle . . . that Eleventh Amendment immunity represents a real limitation on a federal court's federal-question jurisdiction. The real interest served by the Eleventh Amendment are [sic] not to be sacrificed to elementary mechanics of captions and pleading. Application of the *Young* exception must reflect a proper understanding of its role in our federal system . . . .<sup>229</sup>

Thus, while correctly noting that sovereign immunity does not apply to the dispute at hand, the majority adopts an analysis for resolving the dispute which relies on misapplied doctrine.

- ii. The reason a sovereign immunity argument seems to apply to the present dispute

It is clear that sovereign immunity does not contemplate controversies between two or more states or between a state and a citizen. Yet, despite the court's rapid rejection of such argument, the defense of sovereign immunity is not so outlandish as to warrant its dismissal without analysis. The Court's invention of the ability of a state to sue a foreign state actor operating within the scope of his or her employment (for which a state actor would normally receive sovereign immunity) in place of the state puts the court in an uncomfortable limbo between § 1251(a) and § 1251(b)(3). A state is quite clearly free to sue a citizen under § 1251(b)(3), and the State is also free to sue another state under § 1251(a), but the repercussions of a state suing a state employee working within the scope of his or her employment is not contemplated. Typically, a state employee working within the scope of his or her employment is entitled to sovereign immunity.<sup>230</sup> Thus, it would stand to reason that a state suing a state employee for actions taken within the scope of his or her employment would raise a similar sovereign immunity issue. Logically, however, this is not the case because a state employee acting within the scope of his or her employment acts on behalf of the sovereign, and as such, a state can properly bring suit against the defendant-state. Permitting a plaintiff-state to plead around a defendant-state by joining a state official destroys this logic and places the concept of sovereign immunity in an untenable position.

---

<sup>229</sup> *Coeur d'Alene*, 521 U.S. at 270.

<sup>230</sup> See *supra* note 203 and accompanying text.

C. *Rule 19(b) – Indispensable Party*

i. The factors weigh in favor of finding indispensability

As a general rule, all co-owners must be joined in an action affecting their patent.<sup>231</sup> The *Max-Planck* majority's attempt to distinguish the case law requiring patent owners to be named as parties on the ground that the cases concern standing to bring suit rather than indispensability is lacking.<sup>232</sup> It would be inequitable to suggest that all patent owners must be joined in a suit seeking to invalidate a patent, but not in a suit where their own ownership is at issue.<sup>233</sup> This argument's logical failings are further highlighted by consideration of §256(b)'s requirement that a court provide notice to those with an "economic stake" in a patent before ordering correction of inventorship.<sup>234</sup>

In support of disregarding the general rule, the majority looks to the case of *Dainippon* and concludes that the facts of *Max-Planck* are stronger than *Dainippon*.<sup>235</sup> The majority's analysis in *Max-Planck*, however, is unavailing because it omits certain highly relevant facts of *Dainippon*.<sup>236</sup> The majority concludes that UUtah's case is stronger on the first factor in favor of indispensability because, in *Dainippon*, the suit was permitted to continue even though no patent owners were joined.<sup>237</sup> The majority, however, omits the fact that CFMT (the holding company of all patents) was incorporated entirely for the purpose of holding CFM's patents and operated at all times as a wholly-owned subsidiary of CFM.<sup>238</sup> Because the parties' interests were therefore "not just common but identical," the suit was permitted to go forward without the patent owner being named.<sup>239</sup> While it is true that in *Dainippon* the defendants were jointly represented by legal counsel, the fact that defendants in *Max-Planck* were jointly represented by legal counsel is not dispositive; a significant difference

---

<sup>231</sup> See *Ethicon, Inc. v. U.S. Surgical Corp.*, 135 F.3d 1456, 1467 (Fed Cir. 1998).

<sup>232</sup> *Univ. of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V.*, 734 F.3d 1315, 1326 (Fed. Cir. 2013) (distinguishing *Alfred E. Mann Found. for Sci. Research v. Cochlear Corp.*, 604 F.3d 1354, 1359 (Fed. Cir. 2010)).

<sup>233</sup> *Max-Planck*, 734 F.3d at 1331 (Moore, C.J., dissenting).

<sup>234</sup> *Chou v. Univ. of Chi.*, 254 F.3d 1347, 1359–60 (Fed. Cir. 2001).

<sup>235</sup> See *supra* note 152 and accompanying text.

<sup>236</sup> *Id.*

<sup>237</sup> See *supra* note 123 and accompanying text.

<sup>238</sup> See *Dainippon Screen Mfg. Co. v. CFMT, Inc.*, 142 F.3d 1266, 1267–68 (9th Cir. 1998).

<sup>239</sup> See *A123 Sys. v. Hydro-Que.*, 626 F.3d 1213, 1221 (Fed Cir. 2010) (discussing *Dainippon* in support of the holding that an absent patentee is indispensable when the named party has "overlapping" but not "identical" interests).

exists between legal representation of essentially one client (the second client being a wholly-owned subsidiary of the first client) and legal representation of as many as four, distinct entities whose interests might diverge over the course of a litigation.<sup>240</sup> Furthermore, the mere fact that UMass entered into an agreement by which Alnylam (a non-state defendant) received control over the suit is not dispositive, as the agreement is contingent on the absence of a conflict of interest.<sup>241</sup>

The second factor provides little guidance, as it is based primarily on the first factor.<sup>242</sup> In regard to the third factor, the majority compounds its mistaken argument by relying on the hollow formalism that directing the USPTO to correct inventorship would not be insufficient in the absence of UMass.<sup>243</sup> In responding to the defendant's contention that an order could not be binding on UMass, the majority postulates that the order would be binding on the USPTO, which could then change inventorship.<sup>244</sup> This argument is problematic because it directly contradicts the majority's jurisdictional argument that an adverse judgment would not directly operate against UMass.<sup>245</sup> Following the majority's conclusion through to its logical end, the majority would hold that UMass would not be directly affected by a change in inventorship status, yet UUtah would be able to receive all of the relief it requests (including a change in ownership of UMass's interest, or at the least a pro rata reduction of UMass's interest).<sup>246</sup> In regard to the fourth factor, the majority determines that despite the clear language of § 1251(a) requiring exclusive jurisdiction in the Supreme Court, the possibility that the Supreme Court would accept the case weighs only slightly against UUtah.<sup>247</sup>

---

<sup>240</sup> See *Univ. of Utah v. Max-Planck-Gesellschaft zur Forderung der Wissenschaften e.V.*, 734 F.3d 1315, 1332 (Fed. Cir. 2013) (Moore, C.J. dissenting).

<sup>241</sup> *Id.* at 1328 (noting that the majority recognizes the possibility of a conflict of interest and UMass's then-ability to renew its motion).

<sup>242</sup> See *supra* note 124 and accompanying text.

<sup>243</sup> See *Max-Planck*, 734 F.3d at 1328.

<sup>244</sup> *Id.*

<sup>245</sup> *Id.* at 1324.

<sup>246</sup> *Id.* at 1327; *contra* *Makah Indian Tribe v. Verity*, 910 F.2d 555, 560 (9th Cir. 1990) (holding that a party is indispensable on the ground that any relief would result in reallocation of the share of the party who had properly invoked sovereign immunity).

<sup>247</sup> *Max-Planck*, 734 F.3d at 1328.

- ii. If the factors do not weigh in favor of indispensability, there is no logical reason for UMass officers to be joined

Even accepting the majority's conclusion that UMass need not be joined as an indispensable party for UUtah to receive adequate relief, the majority fails to consider the shortcomings of permitting joinder of UMass officials.<sup>248</sup> In *Cahill*, the alleged injury occurred as a result of the state officials' actions, and the relief sought would come in the form of an injunction preventing the officials' enforcement of the New York law at issue.<sup>249</sup> Thus, the effect of the judgment would operate directly against the officials in the form of an injunction. In *Max-Planck*, the officials named as parties have no ownership interest in the patent (nor any economic stake).<sup>250</sup> The officials named are in no way central to the controversy at issue, nor are they in a position to provide any form of relief other than straw-man standing, so that UMass might be bound despite not being party to a suit (in violation of a fundamental tenant of due process that a court may not bind a non-party). Further, by permitting such joinder, the majority has ruled in contravention of the express direction of the Supreme Court in *Cunningham*.<sup>251</sup>

#### D. Possible Solutions without Misapplying the Law

The majority in *Max-Planck* is undoubtedly driven by the policy concern that, if left to the Supreme Court, disputes between state universities over patent rights will go unheard.<sup>252</sup> While this policy concern is well-founded, incorrectly interpreting the plain meaning of a statute by conflating and misreading Supreme Court precedent will undoubtedly cause more harm than good over time.<sup>253</sup> Already, the

---

<sup>248</sup> *Id.*

<sup>249</sup> Conn. ex rel. Blumenthal v. Cahill, 217 F.3d 93, 96 (2d Cir. 2000).

<sup>250</sup> *Max-Planck*, 734 F.3d at 1329.

<sup>251</sup> See *Cunningham v. Macon & Brunswick R.R. Co.*, 109 U.S. 446, 457 (1883) ("In *Cunningham* the Court held that the plaintiffs could not bring suit against the governor, who had no personal interest in the matter, in "an attempt to make the state of Georgia a party to the suit through the defendant as governor, so as to bind the state by the judgment and decision of the court in case.").

<sup>252</sup> *Max-Planck*, 734 F.3d at 1328 (citing LAWRENCE BAUM, *THE SUPREME COURT* 157 (10th ed. 2010)) (observing that, of the 70 cases the Court heard in the 2007 term, only one fell under the Court's original jurisdiction).

<sup>253</sup> See *Cahill*, 217 F.3d at 105 (Sotomayor, C.J., dissenting) ("As a policy matter, I do not disagree that this creative approach to §1251(a) makes the resolution of seemingly less weight disputes between States more efficient, faster, and thus likely more desirable for the States and, perhaps, the busy Supreme Court as well. But the majority's interpretation of §1251(a) is contrary to the plain meaning of the statute . . .

effect of *Cahill's* decision to make an end-run around § 1251(a) is observable in the *Max-Planck* majority's application of three distinct tests, two of which are substantially identical, amidst a conflated framework that injects the Supreme Court's discretionary authority analysis into determining a "real party at interest."

- i. The Supreme Court can articulate that lower courts are permitted to determine what is "appropriate" and then articulate an appropriate test

The most direct way to alter the statutory interpretation to permit jurisdiction over "inferior suits" between the states would be for the Supreme Court to make a pronouncement on the matter. While the Court has already taken a position on the issue in *Maryland v. Louisiana*, perhaps Justice Rehnquist's dissent is more compelling in an increasingly technology driven world.<sup>254</sup> The Court might then articulate a uniform analysis for limiting its own original jurisdiction such that inferior cases between the states might be heard in the lower federal courts.

If the Court does not desire to go so far as to consider *Maryland v. Louisiana*, a "remnant of abandoned doctrine," lower courts would be well-served to have the correct analysis for determining a "real party at interest" articulated before a circuit split inevitably develops. Under the current statutory framework, Judge Sotomayor's analysis is quite clearly correct (and, by extension, the majority in Utah's "mandatory" or "indispensable" framework is permissible as it arrives at *Pennhurst*, substantially the same place as Sotomayor's analysis).<sup>255</sup> Practically, it is also the clearest analysis, cutting directly to the heart of the "real party at interest" issue without any need for surplusage.

- ii. The legislature can make an exception for patent disputes

Another way to handle the conflict between the statutory language and policy concerns would be for the legislature to enact an exception (particularly for patents which are undoubtedly a state property interest). While the *Max-Planck* majority's reliance on *Cahill*, which subsequently depends upon an extension of the spirit of *Ex parte Young*, may have been suitable for cases enjoining officers of a state, it stretches a bit too far in attempting to allow officers to be joined for

---

and depends upon a questionable reading of Supreme Court precedent.").

<sup>254</sup> See *supra* note 1 and accompanying text.

<sup>255</sup> See *supra* note 189 and accompanying text; see also *supra* note 200 and accompanying text.

2015]

COMMENT

715

property matters. Although equipped with no statutorily legitimate way of doing so, the *Max-Planck* majority's instinct to attempt to fit the dispute under the § 1251(b)(3) exception is not an unreasonable one. As a matter of expediency, a new exception (substantially similar to § 1251(b)(3) in that it could create original but not exclusive jurisdiction over a claim) would allow lower courts to hear disputes unlikely to be heard by the Supreme Court, while permitting the legislature to narrowly tailor the new exception, perhaps even only to patents and/or commercial state activity (thus retaining exclusive jurisdiction over cases where "core sovereign interests" are at issue).

- iii. Dr. Bass and UUtah can be required to protect their rights by filing a patent and then provoking an interference proceeding at the USPTO

Finally, as Judge Moore notes in *Max-Planck*, the USPTO could require state universities to first file a patent and then provoke an interference proceeding at the USPTO.<sup>256</sup> This would likely only "kick the can down the road," however, as any escalation to a district court would once again result in the same problem at issue.

#### V. CONCLUSION

While the court's efforts to hear *Max-Planck* are noble as a matter of public policy, the Federal Circuit's analysis is quite obviously problematic. As an initial matter, it requires ignoring proper statutory interpretation and conflating two distinct analyses: the Supreme Court's exercise of discretion and the determination of a "real party at interest." It then compounds the issue by binding a non-party to the judgment through a set of straw-men who have no direct interest in the suit whatsoever.

Looking past the merits, the legal implications of the Federal Circuit's decision are problematic as well. Another court reading the analysis will likely find it difficult to determine which of the three analyses should be employed in determining if a case is "appropriate" and therefore obligatory on the Supreme Court, or whether it is permissible for the lower court to exercise jurisdiction. Further, it is unclear whether a lower court even has the authority to make such a determination, or whether it must be left to the Supreme Court's discretion.

---

<sup>256</sup> *Max-Planck*, 734 F.3d at 1331 n.2.

Undoubtedly, the uncertainty arises from the opinion because, in fact, only the Supreme Court has the authority to determine whether or not to exercise discretion. Similarly, the invented analysis of the majority is logically tenuous at best, leading to a standard which is both haphazard and repetitious. Such analysis inevitably results in a decision that defies even its own logic and creates a situation in which an action is permitted to proceed in the absence of patent owners whose ownership stake is at issue.

To rectify the issue at hand, either the Supreme Court, or the legislature through statutory amendment, needs to create an exception whereby patent disputes over ownership can be vindicated between state universities in lower courts without burdening the Supreme Court's docket and without flouting the central legal principles of precedent and statutory interpretation.